

107TH CONGRESS  
1ST SESSION

# H. R. 279

To amend title XVIII of the Social Security Act to prevent sudden disruption of Medicare beneficiary enrollment in Medicare+Choice plans.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 2001

Mr. KENNEDY of Rhode Island (for himself, Mr. FROST, Ms. DELAURO, Mr. BARCIA, Mr. FILNER, Mr. BALDACCI, Mr. HINCHEY, and Mr. OLVER) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend title XVIII of the Social Security Act to prevent sudden disruption of Medicare beneficiary enrollment in Medicare+Choice plans.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Medicare HMO Im-  
5 provement Act of 2001”.

1 **SEC. 2. EXTENSION OF INITIAL MEDICARE+CHOICE CON-**  
 2 **TRACT PERIOD TO 2 YEARS.**

3 (a) IN GENERAL.—Section 1857(c)(1) of the Social  
 4 Security Act (42 U.S.C. 1395w-27(c)(1)) is amended—

5 (1) by striking “a term of at least 1 year” and  
 6 inserting “an initial term of at least 2 years”; and

7 (2) by striking “from term to term” and insert-  
 8 ing “for additional 1-year periods thereafter”.

9 (b) EFFECTIVE DATE.—The amendments made by  
 10 subsection (a) shall apply to contracts entered into on or  
 11 after the date of the enactment of this Act.

12 **SEC. 3. AUTHORITY TO DELAY TERMINATION.**

13 Section 1851(g)(3) of the Social Security Act (42  
 14 U.S.C. 1395w-21(g)(3)), as added by section 623(a) of  
 15 the Medicare, Medicaid, and SCHIP Benefits Improve-  
 16 ment and Protection Act of 2000, is amended by adding  
 17 at the end the following new subparagraph:

18 “(E) AUTHORITY TO DELAY EFFECTIVE-  
 19 NESS OF A TERMINATION.—

20 “(i) IN GENERAL.—If a  
 21 Medicare+Choice organization terminates  
 22 a plan under subparagraph (B)(iii), the  
 23 Secretary may delay the effectiveness of  
 24 such termination for up to 1 year if the  
 25 Secretary finds that—

1                   “(I) the termination would cause  
2                   an imminent and serious risk to  
3                   health to individuals enrolled under  
4                   the plan under this part;

5                   “(II) the termination would re-  
6                   sult in a significant reduction in the  
7                   Medicare+Choice plans that are avail-  
8                   able in the area affected by the termi-  
9                   nation; or

10                   “(III) the chief executive officer  
11                   of the State in which the termination  
12                   occurs requests such a delay.

13                   “(ii) END OF DELAY.—The Secretary  
14                   may end a delay under clause (i), before  
15                   the end of the 1-year period, if the Sec-  
16                   retary finds that an adequate provider net-  
17                   work has been established which will pro-  
18                   vide at least an equal level of insurance  
19                   coverage as existed on the date the  
20                   Medicare+Choice organization informed its  
21                   enrollees of its intention to terminate the  
22                   plan.”.

1 **SEC. 4. RESTRICTION ON TERMINATION OF**  
2 **MEDICARE+CHOICE PLANS IN SELECTED**  
3 **AREAS WITHIN A METROPOLITAN STATIS-**  
4 **TICAL AREA.**

5 (a) **IN GENERAL.**—Section 1857(c) of the Social Se-  
6 curity Act (42 U.S.C. 1395w–27(c)) is amended by redese-  
7 ignating paragraph (5) as paragraph (6) and by inserting  
8 after paragraph (4) the following new paragraph:

9 “(5) **LIMITATION ON SELECTIVE TERMINATION**  
10 **OF CONTRACTS.**—

11 “(A) **IN GENERAL.**—Except as provided in  
12 subparagraph (B), if a Medicare+Choice orga-  
13 nization offers a Medicare+Choice plan that  
14 provides coverage in a metropolitan statistical  
15 area (or a New England County Metropolitan  
16 Area) in a State and terminates such coverage  
17 for any part of such area (or Area) in the  
18 State, the Secretary shall terminate any con-  
19 tract with the organization for coverage of any  
20 part of that area (or Area) in that State.

21 “(B) **EXCEPTION.**—The Secretary may  
22 waive the requirement of subparagraph (A) if  
23 the Secretary finds that terminating contracts  
24 for coverage in all parts of a metropolitan sta-  
25 tistical area (or New England County Metro-  
26 politan Area) in the State would pose an immi-



1           is not at that time covered under another  
2           Medicare+Choice plan,  
3           notwithstanding such termination the organiza-  
4           tion shall continue to provide coverage for the  
5           covered course of treatment for a period of 90  
6           days after such effective date.

7           “(B) PERMISSIBLE TERMS AND CONDI-  
8           TIONS.—The coverage provided under subpara-  
9           graph (A) shall be under the same terms and  
10          conditions (including applicable policies, proce-  
11          dures, and quality assurance standards) as ex-  
12          isted on the date before the effective date of the  
13          termination.

14          “(C) TERMINATE DEFINED.—In this para-  
15          graph, the term ‘terminate’ includes the termi-  
16          nation of a Medicare+Choice plan as a result  
17          of the expiration or nonrenewal of a contract by  
18          the organization under this part.

19          “(D) CONSTRUCTION.—Nothing in this  
20          paragraph shall be construed to require the cov-  
21          erage of benefits which would not have been  
22          covered on the effective date of the termination  
23          involved.”.

1           (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) shall apply to contracts entered into or re-  
3 newed on or after the date of the enactment of this Act.

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