

105TH CONGRESS  
1ST SESSION

# S. 789

To amend title XVIII of the Social Security Act to provide medicare beneficiaries with additional information regarding medicare managed care plans and medicare select policies.

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## IN THE SENATE OF THE UNITED STATES

MAY 22, 1997

Mr. GRASSLEY (for himself, Mr. BREAUX, Mr. D'AMATO, Mr. WYDEN, Mr. JEFFORDS, Mr. KOHL, and Mr. CHAFEE) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XVIII of the Social Security Act to provide medicare beneficiaries with additional information regarding medicare managed care plans and medicare select policies.

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 Beneficiary  
5       Information Act of 1997”.

1 **SEC. 2. MEDICARE BENEFICIARY INFORMATION.**

2 (a) IN GENERAL.—Section 1876(c)(3)(E) of the So-  
3 cial Security Act (42 U.S.C. 1395mm(c)(3)(E)) is amend-  
4 ed to read as follows:

5 “(E)(i) Each eligible organization shall provide in any  
6 marketing materials distributed to individuals eligible to  
7 enroll under this section and to each enrollee at the time  
8 of enrollment and not less frequently than annually there-  
9 after, an explanation of the individual’s rights and respon-  
10 sibilities under this section and a copy of the most recent  
11 comparative report (as established by the Secretary under  
12 clause (ii)) for that organization.

13 “(ii)(I) The Secretary shall develop an understand-  
14 able standardized comparative report on the plans offered  
15 by eligible organizations, that will assist beneficiaries  
16 under this title in their decisionmaking regarding medical  
17 care and treatment by allowing the beneficiaries to com-  
18 pare the organizations that the beneficiaries are eligible  
19 to enroll with. In developing such report the Secretary  
20 shall consult with outside organizations, including groups  
21 representing the elderly, eligible organizations under this  
22 section, providers of services, and physicians and other  
23 health care professionals, in order to assist the Secretary  
24 in developing the report.

25 “(II) The report described in subclause (I) shall in-  
26 clude a comparison for each plan of—

1           “(aa) the premium for the plan;

2           “(bb) the benefits offered by the plan, including  
3 any benefits that are additional to the benefits of-  
4 fered under parts A and B;

5           “(cc) the amount of any deductibles, coinsur-  
6 ance, or any monetary limits on benefits;

7           “(dd) the number of individuals who disenrolled  
8 from the plan within 3 months of enrollment and  
9 during the previous fiscal year, stated as percentages  
10 of the total number of individuals in the plan;

11           “(ee) the procedures used by the plan to control  
12 utilization of services and expenditures, including  
13 any financial incentives;

14           “(ff) the number of applications during the pre-  
15 vious fiscal year requesting that the plan cover cer-  
16 tain medical services that were denied by the plan  
17 (and the number of such denials that were subse-  
18 quently reversed by the plan), stated as a percentage  
19 of the total number of applications during such pe-  
20 riod requesting that the plan cover such services;

21           “(gg) the number of times during the previous  
22 fiscal year (after an appeal was filed with the Sec-  
23 retary) that the Secretary upheld or reversed a de-  
24 nial of a request that the plan cover certain medical  
25 services;

1           “(hh) the restrictions (if any) on payment for  
2 services provided outside the plan’s health care pro-  
3 vider network;

4           “(ii) the process by which services may be ob-  
5 tained through the plan’s health care provider net-  
6 work;

7           “(jj) coverage for out-of-area services;

8           “(kk) any exclusions in the types of health care  
9 providers participating in the plan’s health care pro-  
10 vider network; and

11           “(ll) any additional information that the Sec-  
12 retary determines would be helpful for beneficiaries  
13 to compare the organizations that the beneficiaries  
14 are eligible to enroll with.

15           “(III) The comparative report shall also include—

16           “(aa) a comparison of each plan to the fee-for-  
17 service program under parts A and B; and

18           “(bb) an explanation of medicare supplemental  
19 policies under section 1882 and how to obtain spe-  
20 cific information regarding such policies.

21           “(IV) The Secretary shall, not less than annually, up-  
22 date each comparative report.

23           “(iii) Each eligible organization shall disclose to the  
24 Secretary, as requested by the Secretary, the information  
25 necessary to complete the comparative report.

1 “(iv) In this subparagraph—

2 “(I) the term ‘health care provider’ means any-  
3 one licensed under State law to provide health care  
4 services under part A or B;

5 “(II) the term ‘network’ means, with respect to  
6 an eligible organization, the health care providers  
7 who have entered into a contract or agreement with  
8 the organization under which such providers are ob-  
9 ligated to provide items, treatment, and services  
10 under this section to individuals enrolled with the or-  
11 ganization under this section; and

12 “(III) the term ‘out-of-network’ means services  
13 provided by health care providers who have not en-  
14 tered into a contract agreement with the organiza-  
15 tion under which such providers are obligated to  
16 provide items, treatment, and services under this  
17 section to individuals enrolled with the organization  
18 under this section.”.

19 (b) EFFECTIVE DATE.—The amendment made by  
20 subsection (a) shall apply to contracts entered into or re-  
21 newed under section 1876 of the Social Security Act (42  
22 U.S.C. 1395mm) after the expiration of the 1-year period  
23 that begins on the date of enactment of this Act.

1 **SEC. 3. APPLICATION OF ADDITIONAL INFORMATION TO**  
2 **MEDICARE SELECT POLICIES.**

3 (a) IN GENERAL.—Section 1882(t) of the Social Se-  
4 curity Act (42 U.S.C. 1395ss(t)) is amended—

5 (1) in paragraph (1)—

6 (A) by striking “and” at the end of sub-  
7 paragraph (E);

8 (B) by striking the period at the end of  
9 subparagraph (F) and inserting a semicolon;  
10 and

11 (C) by adding at the end the following:

12 “(G) notwithstanding any other provision  
13 of this section to the contrary, the issuer of the  
14 policy meets the requirements of section  
15 1876(c)(3)(E)(i) with respect to individuals en-  
16 rolled under the policy, in the same manner  
17 such requirements apply with respect to an eli-  
18 gible organization under such section with re-  
19 spect to individuals enrolled with the organiza-  
20 tion under such section; and

21 “(H) the issuer of the policy discloses to  
22 the Secretary, as requested by the Secretary,  
23 the information necessary to complete the re-  
24 port described in paragraph (4).”; and

25 (2) by adding at the end the following:

1           “(4) The Secretary shall develop an understandable  
2 standardized comparative report on the policies offered by  
3 entities pursuant to this subsection. Such report shall con-  
4 tain information similar to the information contained in  
5 the report developed by the Secretary pursuant to section  
6 1876(a)(3)(E)(ii).”.

7           (b) EFFECTIVE DATE.—The amendments made by  
8 subsection (a) shall apply to policies issued or renewed on  
9 or after the expiration of the 1-year period that begins  
10 on the date of enactment of this Act.

11 **SEC. 4. NATIONAL INFORMATION CLEARINGHOUSE.**

12           (a) IN GENERAL.—Not later than 18 months after  
13 the date of enactment of this Act, the Secretary shall es-  
14 tablish and operate, out of funds otherwise appropriated  
15 to the Secretary, a clearinghouse and (if the Secretary de-  
16 termines it to be appropriate) a 24-hour toll-free telephone  
17 hotline, to provide for the dissemination of the compara-  
18 tive reports created pursuant to section 1876(c)(3)(E)(ii)  
19 of the Social Security Act (42 U.S.C.  
20 1395mm(c)(3)(E)(ii)) (as amended by section 2 of this  
21 Act) and section 1882(t)(4) of the Social Security Act (42  
22 U.S.C. 1395ss(t)(4)) (as added by section 3 of this Act).  
23 In order to assist in the dissemination of the comparative  
24 reports, the Secretary may also utilize medicare offices  
25 open to the general public, the beneficiary assistance pro-

1 gram established under section 4359 of the Omnibus  
2 Budget Reconciliation Act of 1990 (42 U.S.C. 1395b-3),  
3 and the health insurance information counseling and as-  
4 sistance grants under section 4359 of that Act (42 U.S.C.  
5 1395b-4).

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