

108TH CONGRESS  
1ST SESSION

# S. 590

To amend title XVIII of the Social Security Act to provide for equitable reimbursement rates under the medicare program to Medicare+Choice organizations.

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IN THE SENATE OF THE UNITED STATES

MARCH 11, 2003

Mr. SCHUMER (for himself and Mr. SANTORUM) 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 for equitable reimbursement rates under the medicare program to Medicare+Choice organizations.

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+Choice Eq-  
5 uity and Access Act of 2003”.

6 **SEC. 2. OPTION TO RECEIVE PAYMENT BASED ON AD-**  
7 **JUSTED AVERAGE PER CAPITA COST.**

8 Section 1853(c)(1) of the Social Security Act (42  
9 U.S.C. 1395w–23(c)(1)) is amended—

1 (1) in the matter preceding subparagraph (A),  
 2 by striking “or (C)” and inserting “(C), or, in the  
 3 case of payments for months beginning on or after  
 4 January 1, 2004, (D)”; and

5 (2) by adding at the end the following new sub-  
 6 paragraph:

7 “(D) BASED ON 100 PERCENT OF FEE-  
 8 FOR-SERVICE COSTS.—The adjusted average  
 9 per capita cost for the year involved, deter-  
 10 mined under section 1876(a)(4) for the  
 11 Medicare+Choice payment area for services  
 12 covered under parts A and B for individuals en-  
 13 titled to benefits under part A and enrolled  
 14 under part B who are not enrolled in a  
 15 Medicare+Choice plan under this part for the  
 16 year, but adjusted to exclude costs attributable  
 17 to payments under section 1886(h).”.

18 **SEC. 3. REVISION OF FORMULA USED TO CALCULATE THE**  
 19 **NATIONAL STANDARDIZED ANNUAL**  
 20 **MEDICARE+CHOICE CAPITATION RATE TO**  
 21 **REFLECT MEDICARE+CHOICE ENROLLMENT.**

22 Section 1853(c)(4)(B)(i)(II) of the Social Security  
 23 Act (42 U.S.C. 1395w–23(c)(4)(B)(i)(II)) is amended by  
 24 inserting “(or, in the case of calculations for payments for  
 25 months beginning on or after January 1, 2004, the aver-

1 age number of medicare beneficiaries enrolled in a  
2 Medicare+Choice plan that are)” after “medicare bene-  
3 ficiaries”.

4 **SEC. 4. REMOVAL OF APPLICATION OF BUDGET NEU-**  
5 **TRALITY TO BLENDED CAPITATION RATE.**

6 Section 1853(c) of the Social Security Act (42 U.S.C.  
7 1395w-23(c)) is amended—

8 (1) in paragraph (1)(A), in the matter following  
9 clause (ii), by inserting “(for years before 2004)”  
10 after “multiplied”; and

11 (2) in paragraph (5), by inserting “(before  
12 2004)” after “for each year”.

13 **SEC. 5. INCREASE OF THE MINIMUM PERCENTAGE IN-**  
14 **CREASE.**

15 Section 1853(c)(1)(C) of the Social Security Act (42  
16 U.S.C. 1395w-23(c)(1)(C)) is amended by striking clause  
17 (iv) and inserting the following:

18 “(iv) For 2002 and 2003, 102 percent  
19 of the annual Medicare+Choice capitation  
20 rate under this paragraph for the area for  
21 the previous year.

22 “(v) For 2004 and each succeeding  
23 year, 104 percent of the annual  
24 Medicare+Choice capitation rate under

1 this paragraph for the area for the pre-  
2 vious year.”.

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