

113TH CONGRESS
1ST SESSION

H. R. 3567

To amend title XVIII of the Social Security Act to provide for additional coverage options for beneficiaries under the original Medicare fee-for-service program through a Medicare Link program.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 20, 2013

Mr. SCHRADER (for himself and Mr. RIBBLE) 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

A BILL

To amend title XVIII of the Social Security Act to provide for additional coverage options for beneficiaries under the original Medicare fee-for-service program through a Medicare Link program.

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 Link Act
5 of 2013”.

1 **SEC. 2. ESTABLISHMENT OF MEDICARE LINK PROGRAM.**

2 (a) IN GENERAL.—Title XVIII of the Social Security
3 Act is amended by adding after section 1899A (42 U.S.C.
4 1395kkk) the following new section:

5 “MEDICARE LINK PROGRAM OPTION

6 “SEC. 1899B. (a) IN GENERAL.—The Secretary shall
7 establish under this section a program (to be known as
8 the ‘Medicare Link Program’ and in this section referred
9 to as the ‘Program’) through which individuals who are
10 entitled to enroll in a Medicare Advantage plan under part
11 C but who are not enrolled in such a plan under such part
12 are eligible to enroll with a Medicare Link contractor
13 under this section.

14 “(b) ENROLLMENT; DISENROLLMENT.—The Sec-
15 retary shall establish a process for the enrollment (and
16 disenrollment) of eligible individuals with Medicare Link
17 contractors under the Program which process shall be, to
18 the maximum extent practicable, the same as (and coordi-
19 nated with) the process for enrollment (and disenrollment)
20 of individuals in Medicare Advantage plans under part C.

21 “(c) QUALIFICATION OF CONTRACTORS; AWARDED
22 OF CONTRACTS.—

23 “(1) IN GENERAL.—In this section, the term
24 ‘Medicare Link contractor’ means a nongovern-
25 mental entity, that may be a Medicare Advantage
26 organization, health plan, health insurance issuer,

1 medicare administrative contractor, or other quali-
2 fied third-party entity, that has entered into a con-
3 tract with the Secretary with respect to one or more
4 Medicare Link regions (as specified by the Secretary
5 under paragraph (3)) for the offering of Medicare
6 Link services (described in subsection (d)) to indi-
7 viduals residing in the region who enroll with the
8 contractor under the Program.

9 “(2) LIMITATION; REQUIREMENTS.—For each
10 such Medicare Link region, the Secretary shall select
11 (and contract with) at least 1, and not more than
12 3, Medicare Link contractors for the offering of
13 plans (in this section referred to as ‘Medicare Link
14 plans’) under this section. The Secretary shall seek
15 to contract with at least 2 Medicare Link contrac-
16 tors within each Medicare Link region. A contract
17 with a Medicare Link contractor may cover a multi-
18 year period.

19 “(3) SPECIFICATION OF MEDICARE LINK RE-
20 GIONS.—The Secretary shall define and specify
21 Medicare Link regions (each in this section referred
22 to as a ‘Medicare Link region’) that, across all such
23 regions, encompass all 50 States, the District of Co-
24 lumbia, and the territories.

1 “(4) QUALIFICATION OF CONTRACTORS.—The
2 Secretary shall establish uniform qualifications for
3 Medicare Link contractors based on their experience
4 and qualifications to offer Medicare Link plans
5 under this section and to provide additional services
6 to individuals enrolled under such plans under this
7 section and to provide for reduced expenditures
8 under parts A and B. Contracts with Medicare Link
9 contractors under this section shall be for periods
10 similar to the contracts with MA organizations
11 under part C and shall contain such terms and con-
12 ditions as the Secretary shall specify.

13 “(5) CONTRACTING AUTHORITY.—Nothing in
14 this section shall be construed as preventing a Medi-
15 care Link contractor from contracting with other en-
16 tities in carrying out activities under this section, in-
17 cluding the offering of Medicare Link plans under
18 this section.

19 “(6) BIDDING PROCESS.—In selecting Medicare
20 Link contractors, the Secretary shall establish a bid-
21 ding process similar to the process of bidding by
22 medicare administrative contractors under section
23 1874A.

24 “(7) CONTRACTOR PAYMENTS.—Medicare Link
25 contractors with contracts under this section shall be

1 paid, on a monthly basis, a per enrollee monthly
2 service fee for the provision of services under the
3 contract consistent with the provisions of paragraph
4 (8). A portion of such fee (not to exceed 5 percent)
5 may be subject to adjustment based on a contrac-
6 tor’s performance on financial and quality bench-
7 marks based upon pre-established measures specified
8 by the Secretary.

9 “(8) REQUIREMENT FOR FEDERAL SAVINGS
10 UNDER CONTRACT.—

11 “(A) IN GENERAL.—Before entering into
12 or renewing a contract with a Medicare Link
13 contractor, the Secretary must determine (and
14 the Chief Actuary of the Centers for Medicare
15 & Medicaid Services must certify) that the
16 terms of the contract are expected to yield aver-
17 age, net savings to the Medicare program under
18 this title of not less than 5 percent per program
19 enrollee in the Medicare Link region covered
20 under the contract.

21 “(B) COMPUTATION.—Such savings shall
22 be computed taking into account all effects on
23 spending under this title, including any reduc-
24 tions in premiums and cost sharing or other in-
25 centives for enrollees under subsection (d), pay-

1 ments to Medicare Link contractors under the
2 contract, and reductions in payments to medi-
3 care administrative contractors that would oth-
4 erwise have been made under section 1874A.

5 “(C) PAYMENTS BASED ON SHARED SAV-
6 INGS, ADJUSTED FOR QUALITY.—The contract
7 shall be structured in a manner so that—

8 “(i) subject to clause (ii), the pay-
9 ments to the contractor under paragraph
10 (7) are computed to represent a proportion
11 (as specified in the contract) of the net
12 savings in excess of the minimum savings
13 required under subparagraph (A); and

14 “(ii) such proportion may be increased
15 under the contract based on a contractor’s
16 performance on quality benchmarks, based
17 upon pre-established measures specified by
18 the Secretary.

19 “(D) GUARANTEED FEDERAL SAVINGS.—If
20 the Secretary determines that a Medicare Link
21 contractor, after a period of three consecutive
22 years, does not maintain an average net savings
23 to the Medicare program of at least 5 percent
24 per program enrollee as required under sub-
25 paragraph (A), the Medicare Link contractor

1 shall remit to the Secretary a sum specified by
2 the Secretary and related to the amount of the
3 shortfall.

4 “(9) SAVINGS VALIDATION AUDIT.—The Sec-
5 retary shall provide for the annual auditing of the fi-
6 nancial records (including data relating to Medicare
7 utilization and costs) of organizations offering Medi-
8 care Link plans under this section

9 “(10) GAO AUDIT.—Every 3 years the Comp-
10 troller General of the United States shall conduct an
11 audit of the Medicare Link program costs and pro-
12 gram savings. Such report shall be submitted to the
13 committees of the House of Representatives and of
14 the Senate with jurisdiction over Medicare.

15 “(d) SERVICES UNDER A MEDICARE LINK PLAN.—

16 “(1) IN GENERAL.—Each Medicare Link plan
17 offered under this section—

18 “(A) shall provide for care management
19 services (described in paragraph (2)) and pre-
20 dictive modeling and risk prioritization (de-
21 scribed in paragraph (3)) for individuals en-
22 rolled under the plan consistent with this sub-
23 section;

1 “(B) shall carry out the functions of medi-
2 care administrative contractors described in
3 paragraph 1874A(a)(4);

4 “(C) shall provide a reduction or rebate in
5 the premium otherwise applicable under part B
6 (as determined without regard to section
7 1839(i)) to individuals so enrolled; and

8 “(D) may provide for a reduction in cost-
9 sharing otherwise applicable to such individuals
10 who use providers within a plan network.

11 “(2) CARE MANAGEMENT SERVICES.—

12 “(A) REQUIRED.—The required care man-
13 agement services shall include clinical interven-
14 tions to help coordinate care.

15 “(B) OPTIONAL.—Optional care manage-
16 ment services may include interventions such as
17 the following:

18 “(i) Prevention and wellness.

19 “(ii) Transitional and case manage-
20 ment and other clinical programs.

21 “(iii) Chronic disease management.

22 “(iv) Advanced illness care initiatives.

23 “(v) Diabetes prevention programs.

1 “(vi) Transitional case management,
2 for individuals discharged from a hospital
3 or other health care institution.

4 “(vii) Nurse practitioner-led interven-
5 tions (consistent with restrictions under
6 applicable State law).

7 “(viii) Post-acute transition programs.

8 “(ix) High-risk case management.

9 “(x) Home-based primary care.

10 “(xi) Advanced illness transitional
11 care.

12 “(xii) Operation of clinical manage-
13 ment programs.

14 “(xiii) Management and development
15 of provider networks.

16 “(xiv) Consumer engagement with de-
17 cision support.

18 “(3) PREDICTIVE MODELING AND RISK
19 PRIORITIZATION.—The predictive modeling and risk
20 prioritization services described in this paragraph
21 shall include the following:

22 “(A) PREDICTIVE MODELING AND HIGH
23 RISK IDENTIFICATION.—The use of claims data
24 and trend data to predict which enrollees could
25 benefit from the application of a clinical inter-

1 vention or which might be high risk and in need
2 of a care plan.

3 “(B) PRIORITIZATION OF INTERVEN-
4 TIONS.—Programs to identify, prioritize, and
5 personalize care opportunities through a com-
6 prehensive profile of each enrollee.

7 “(4) OPTIONAL INCENTIVES AND ENROLLEE
8 EMPOWERMENT.—

9 “(A) IN GENERAL.—A Medicare Link con-
10 tractor may use appropriate incentives to man-
11 age overall care for enrollees. The Secretary
12 shall establish terms and conditions under
13 which a Medicare Link contractor may elect to
14 use optional incentives for its members.

15 “(B) TYPES OF INCENTIVES.—The types
16 of incentives that may be used include the fol-
17 lowing:

18 “(i) HEALTHY REWARDS.—Premium
19 rebates and other incentives approved by
20 the Secretary for enrollees to make
21 healthier choices and actively engage in
22 their health care.

23 “(ii) MEMBER INCENTIVES TO USE
24 QUALITY NETWORK PROVIDERS.—Reduc-
25 tions in beneficiary cost-sharing (and other

1 incentives approved by the Secretary) for
2 enrollees who use providers (which may be
3 accountable care organizations) within a
4 plan network in order to reward quality,
5 efficient care.

6 “(iii) COST ESTIMATOR TOOLS.—Pro-
7 viding beneficiaries with tools designed to
8 help them simplify the evaluation of health
9 care costs through cost estimates for dif-
10 ferent treatment options.

11 “(5) APPLICATION OF MA GRIEVANCE AND AP-
12 PEALS PROCEDURES.—In accordance with regula-
13 tions, the provisions of part C insofar as they apply
14 to grievances and appeals, shall apply to Medicare
15 Link plans and enrollees under this section in a
16 manner similar to how such provisions apply to MA
17 plans under such part.

18 “(e) MAINTENANCE OF CURRENT BENEFITS; CON-
19 TRACTOR NOT AT FINANCIAL RISK FOR ORIGINAL FEE-
20 FOR-SERVICE BENEFITS.—

21 “(1) NO CHANGE IN MEDICARE COVERED ITEMS
22 AND SERVICES OR LIMITATION ON SUPPLEMENTAL
23 PLANS.—Medicare Link plans shall provide for cov-
24 erage of the same items and services that are cov-
25 ered under parts A and B. Nothing in this section

1 shall be construed as preventing an individual en-
2 rolled under a Medicare Link plan from purchasing
3 a medicare supplemental policy (described in section
4 1881) or other supplemental coverage outside of a
5 Medicare Link plan.

6 “(2) NO CHANGE IN PAYMENTS TO PRO-
7 VIDERS.—

8 “(A) IN GENERAL.—Subject to subpara-
9 graph (B), nothing in this section shall be con-
10 strued as authorizing a payment level to a pro-
11 vider of services or supplier for Medicare cov-
12 ered services that is other than the payment
13 level otherwise applicable under part A or B for
14 such services.

15 “(B) NEGOTIATION OF RATES PER-
16 MITTED.—A Medicare Link contractor may ne-
17 gotiate with providers of services and suppliers
18 payment rates that are less or greater than the
19 payment rates referred to in subparagraph (A).

20 “(3) CONTRACTOR NOT AT FINANCIAL RISK.—
21 A Medicare Link contractor shall not be at financial
22 risk with respect to the coverage or payment for
23 Medicare services covered under parts A and B. But
24 the Secretary may provide financial incentives for
25 contractors that are able to reduce Medicare expend-

1 itures for such services below benchmark levels
2 (specified by the Secretary) that reasonably rep-
3 resent the levels of payments that would be made
4 (with respect to individuals enrolled under a Medi-
5 care Link plan) if such individuals were not so en-
6 rolled.”.

○