

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ASSISTANT SECRETARY FOR PLANNING AND EVALUATION  
OFFICE OF HEALTH POLICY



PHONE: (202) 690-6870 FAX:

JEN - I  
JUST SENT THIS  
TO LEN.

Date:

From:

JENNIFER KLEIN

To:

JENNIFER KLEIN

Phone: (202) 690-  
(202) 690-6870  
FAX: (202) 401-7321

Phone:

Fax:

Number of Pages (Including Cover):

ATTACHED ARE TWO REVISED ESTIMATES

Comments:

FOR THE OWENS AMENDMENT. THEY

ARE BASED ON:

PREMIUMS: 1755 x 1.05

SUBSIDIES: 476

THE COST OF THE ADDITIONAL COST SHARING SUBSIDIES  
IS NOT SENSITIVE TO CHANGES IN ASSUMPTIONS  
ABOUT PFS/HMO ENROLLMENT SINCE IT IS ALREADY ASSUMED  
THAT WE HAVE BOUGHT PFS (15%) DOWN TO HMO LEVEL.

**Owens Amendment:**

1. Subsidy for individuals with income below 150% of poverty down to the cash assistance level cost sharing

Cost: \$22 billion over 5 years

(NOTE: This is the incremental cost of buying down low-income individuals from the HMO cost sharing to the cash assistance cost sharing).

2. 1.5% premium assessment to finance cost sharing subsidy

Net Savings: \$13 billion over 5 years

3. Change individual out of pocket limit from \$1500 to \$2500

Net Savings: \$12.4 billion over 5 years

(NOTE: This includes the savings in premium discounts due to the reduced premiums and the increase in the cost sharing subsidies that results from the greater distance between the FFS and HMO costs sharing that results from the change).

June 10, 1994

To: Len Nichols  
From: Ken Thorpe  
Re: Ed & Labor Owens Amendment REVISED  
Date: June 8, 1994

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Owens wants to subsidize individuals with income below 150% of poverty down to the cash assistance level cost sharing (20% of the HSA HMO cost sharing level) by using a premium surcharge and raising the out-of-pocket limit. This memo describes how this can be done by implicitly adding the cost of the subsidy to the premiums, and the explicit way that Owens has suggested.

**Implicitly adding the cost of the subsidy to the premiums.**

On May 4, we gave the Committee estimates of the 5-year cost of reducing the HMO cost sharing for those below 150% of poverty to the cash assistance level. The range was from \$22 billion to \$52 billion. The low-end of the range assumed that all were in HMOs; the high end assumed that all were in FFS plans.

This range can be treated as a point estimate by making several assumptions. First, it was assumed that 15% of those with incomes less than 150% of poverty do not have access to an HMO. It was also assumed that the out-of-pocket maximum was increased from \$1500 to \$2500. This yields a 5-year cost of \$29 billion.

If this cost financed by increased premiums, this \$29 billion is added to the premium base, so that the federal cost of the subsidy is calculated as the increase in premium discounts due to the increase in the premiums. Given an increase in the premiums of 1.7%, the federal premium subsidy costs are \$17 billion over five years.

If changes in the cost sharing for the FFS plans from \$1500 to \$2500 out of pocket limit reduce the premiums by 2.5%, the savings of \$20 billion in premium subsidies will finance the cost sharing subsidy.

**Owens Amendment:**

1. Subsidy for individuals with income below 150% of poverty down to the cash assistance level cost sharing

Cost: \$29 billion over 5 years

NOTE: Assumes \$2500 individual out of pocket limit

2. 1.5% premium assessment to finance cost sharing subsidy

Net Savings: \$13 billion over 5 years

3. Change individual out of pocket limit from \$1500 to \$2500

Net Savings: \$20 billion over 5 years

Net effect on premiums: reduced by 1.5%

## **WITHOUT THE OWENS COST-SHARING AMENDMENT, POOR PEOPLE WILL NOT BE ABLE TO AFFORD TO GO TO THE DOCTOR**

- The amendment would allow all households with incomes up to 150% of the federal poverty level to pay \$1 per prescription and \$2 for all other health care services.
- In the interest of cost containment, low-income households would have to choose a low-cost plan, provided that sufficient low-cost plans are available in the area to meet capacity.

## **THE OWENS COST-SHARING AMENDMENT IS COST-NEUTRAL**

- The amendment (which costs approximately \$36 billion over 5 years) is paid for through a 3-step process:
  - 1.) the annual out-of-pocket limit is increased from \$1500 to \$2500 for an individual (the family cap remains at \$3000), thereby raising \$20 billion in revenue over 5 years;
  - 2.) the effect of increasing the out-of-pocket limit is a 5% decrease in health insurance premiums for businesses and consumers;
  - 3.) the amendment also institutes a 1.5% premium increase/surcharge to recoup some of the 5% decrease, thereby raising another \$15 to \$20 billion in revenue over 5 years.

- **THEREFORE, THE OWENS AMENDMENT**

- \* **ENABLES LOW-INCOME PEOPLE TO GO TO THE DOCTOR**
- \* **IS COST NEUTRAL**

**AND**

- \* **RESULTS IN 3.5% PREMIUM SAVINGS FOR BOTH  
CONSUMERS AND BUSINESSES**

226 186

Not Yet OMB Cleared

To: Len Nichols  
 From: Ken Thorpe  
 Re: Ed & Labor Owens Amendment  
 Date: June 8, 1994

On May 4, we gave the Committee estimates of the 5-year cost of reducing the HMO cost sharing for those below 150% of poverty to the cash assistance level. The range was from \$22 billion to \$52 billion. The low-end of the range assumed that all were in HMOs; the high end assumed that all were in FFS plans.

A point estimate may be derived by assuming that 15% of those with incomes less than 150% of poverty do not have access to an HMO. Thus, the 5-year cost is estimated to be \$27 billion.

On May 4, we gave the Committee an estimate of the revenue from the 1.5% assessment of \$16 billion over 5 years. This was based on HSA level premiums and premium discounts.

Given the changes in the premiums and the discounts, a revised estimate of the revenue from the 1.5% assessment, net of the increase in the subsidies due to the assessment, is \$13 billion.

\$1500 → 2500

\$20 B over 5

\$385 B

+ 6% premium

\$408 B × 1.5% = 6 B

\$26 B in gross revenue

\$2.7 B yr in subsidies

\$15 B

85% of pop.  
 will have  
 access to  
 HMO

Fed pays  
 part of

**Committee on Education and Labor**

**WILLIAM D. FORD, CHAIRMAN**  
**U.S. House of Representatives**  
**Washington, DC 20515**

(202) 225-4527  
FAX - (202) 225-9070

**FAX COVER SHEET**DATE: 6/7/94TO: Jennifer Kline 456-2878FROM: Alan Lopatin

NUMBER OF PAGES IN THIS TRANSMISSION: \_\_\_\_\_ (including cover)

COMMENTS: \_\_\_\_\_

*100 72-2463000  
P. 11 6/11/94*

We need your assistance on casting  
this out ASAP. Mr. Owens should be  
raising this issue at Wednesday's  
Caucus. This draft may be identical to an  
earlier draft you have reviewed. Call with  
questions

PLEASE CALL IF THERE ARE ANY PROBLEMS WITH THIS TRANSMISSION.

F:\HSA\EDLABOR\SUB\OWENS.001  
[Cost-Sharing Reduction #2]

H.L.C.

**AMENDMENT TO COMMITTEE PRINT (H.R. 3600)**  
**OFFERED BY MR. OWENS**

Page 175, strike line 1 and all that follows through  
page 176, line 4, and insert the following:

1       (b) **LIMITATION.**—No reduction in cost sharing under  
2 subsection (c) shall be available for families residing in  
3 a community-rating area and enrolled in a fee-for-service  
4 plan if the State determines that there are sufficient low-  
5 cost plans (as defined in section 6104(b)(3)) that are  
6 lower or combination cost sharing plans available in the  
7 community-rating area to enroll AFDC and SSI families  
8 and families with family adjusted income below 150 per-  
9 cent of the applicable poverty level.

10       (c) **AMOUNT OF COST SHARING REDUCTION.**—

11           (1) **GENERAL REDUCTION.**—

12               (A) **IN GENERAL.**—Subject to subpara-  
13 graph (B), the reduction in cost sharing under  
14 this paragraph shall be such reduction as will  
15 reduce the cost sharing to the level of a lower  
16 or combination cost sharing plan, except that in  
17 no case shall the copayment exceed \$2 per visit  
18 or \$1 per prescription and such reduction shall  
19 not apply with respect to hospital emergency  
20 room services for which there is no emergency

[ \$22-92 ]  
How to present it?  
• like Kennedy  
18-46

F:\HSA\EDLABOR\SUB\OWENS.001  
[Cost-Sharing Reduction #2]

H.L.C.

2

1 condition, as defined in section 1867(e)(1) of  
2 the Social Security Act.

3 (B) STATE OPTION TO LOWER COST SHAR-  
4 ING.—A State may, at its option, lower cost  
5 sharing below the reduction provided under sub-  
6 paragraph (A) for some or all of the classes of  
7 individuals eligible for a reduction under such  
8 subparagraph but only if the State agrees to in-  
9 crease the total amount of its maintenance of  
10 effort payment under section 9001 by an  
11 amount equal to the estimated total additional  
12 payments that results from such election, in-  
13 cluding any increase in the average premium  
14 that results directly from such election.

[Extension of reduction to experience-rated individ-  
uals] Page 173, line 19, and page 176, line 16, insert “or  
experience-rated plan” after “community-rated plan”.

Page 174, line 23, insert “or experience-rated plans”  
after “community-rated plans”.

Page 177, line 11, insert “or experience-rated” after  
“community-rated”.

[Funding through increase in catastrophic limit]  
Page 79, line 2, page 82, line 14, and page 84, line 2,  
strike “\$1500” and insert “\$2,500”.

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[Cost-Sharing Reduction #2]

H.L.C.

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*Subsidies ↑*  
[Additional funding through 1.5% increase in premiums for ~~unsubsidized~~ individuals and employers] Page 169, at the end of line 23, add the following:

1 Each State, through such mechanism, also shall assure  
2 that payment is made to the Secretary of an amount equal  
3 to the additional payments received as a result of the the  
4 addition of the reference to 101.5 percent (instead of 100  
5 percent) in following sections:

6 (1) Section 6101(b)(2)(B)(i).

7 (2) Section 6111(a).

8 (3) Section 6121(c)(1).

9 The cap amount provided under section 9102(e)(2) for a  
10 fiscal year is hereby increased by the aggregate amount  
11 paid to the Secretary by States under the preceding sen-  
12 tence in the fiscal year.

Page 275, after line 2, insert the following:

13 (c) LOW-INCOME ADD-ON.—Each large group spon-  
14 sor shall make payment to the Secretary of an amount  
15 equivalent to the additional amounts attributable to the  
16 addition of the reference to 101.5 percent (instead of 100  
17 percent) in sections 6101(b)(3) and 6131(b). The cap  
18 amount provided under section 9102(e)(2) for a fiscal year  
19 is hereby increased by the aggregate amount paid to the  
20 Secretary by large group sponsors under the preceding  
21 sentence in the fiscal year.

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[Cost-Sharing Reduction #2]

H.L.C.

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Page 714, line 7, strike "The" and insert "101.5 percent of the".

Page 715, line 19, insert "101.5 percent of" after "is".

Page 734, line 22, insert "101.5 percent of" after "equal to".

Page 748, line 12, insert "101.5 percent of" after "is".

Page 770, line 13, insert "101.5 percent of" after "is".

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ASSISTANT SECRETARY FOR PLANNING AND EVALUATION  
OFFICE OF HEALTH POLICY



PHONE: (202) 690-6870 FAX: (202) 401-7321

Date:

From:

*Jeannine Jim*

To:

*JENNIFER KLEIN*

Phone:

(202) 690-  
(202) 690-6870

Phone:

FAX:

(202) 401-7321

Fax:

Number of Pages (Including Cover):

Comments:

*Jim and He spoke w/ you,  
But here's the paper.*

06/13/94 11:01

NO.530 P002

TO: Alan Lopatin  
FROM: Lynda Theil  
RE: Medical Foods  
DATE: June 10, 1994

Rep. Woolsey is interested in adding the underlined words to Section 1172 (3), on page 68 of the Chairman's Mark:

Medical foods prescribed by a physician that comply with the requirements of the Federal Food, Drug, and Cosmetic Act and that treat inborn errors of metabolism or other disease conditions where cost effective and are indentified by the Secretary as rendering a person unable to sustain life without significant mental or physical impairment by the ingestion of conventional foods.

It is my understanding that there would be no cost attached to this language because it is at the discretion of the Secretary, as is the language that is currently in the Mark.

06/14/94 12:21  
JUN-14-1994 09:30

202 401 7321

HHS ASPE/HP

003/003

Actuarial Research Corporation  
6928 Little River Turnpike, Suite E  
Annandale, Virginia 22003

----

(703) 941-7400  
FAX (703) 941-3951

Date: 6/14/94

-----Please Deliver Immediately-----

To:

Jeane Lambrew

From:

Jim Mays

Re:

Expanded Medical Foods

Memo:

After talking with Gordon, using .1% (ie doubling  
the metabolic-only .05%) should be sufficient  
for the expanded Sec 1122 (3) from your fax  
of 6/13/94, 17:30.

We are transmitting 1 pages (including this transmittal sheet).

06/20/94  
06/20/94

01:54

11:54

... PAYNE.001

[Blood establishments & substance abuse centers as essential community providers]

NO. 697  
NO. 803 PAGE

002

## AMENDMENT TO COMMITTEE PRINT (H.R. 3600)

OFFERED BY MR. PAYNE OF NEW JERSEY

(Page & line nos. refer to Committee Print of June 4, 1994)

Page 370, after line 16, insert the following:

1 (18) FDA LICENSED OR REGISTERED BLOOD  
2 ESTABLISHMENTS.—A private nonprofit community  
3 blood center licensed under section 851(d) of the  
4 Public Health Service Act or registered under sec-  
5 tion 510 of the Federal Food, Drug, and Cosmetic  
6 Act.

7 (19) SUBSTANCE ABUSE TREATMENT CEN-  
8 TERS.—A public or private nonprofit entity that pro-  
9 vides substance abuse treatment services and that  
10 receives funding for such services under title V or  
11 XIX of the Public Health Service Act.

Non-trivial  
expense

Must pay  
cost-based  
reimb.

- Medicare reimb.  
or  
- Fee schedule  
up to the  
provider

225-4527

June 20, 1994 (9:03 a.m.)

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H.J.C.

**AMENDMENT TO COMMITTEE PRINT (H.R. 3600)****OFFERED BY MR. MILLER OF CALIFORNIA**

(Page &amp; line nos. refer to Committee Print of June 8, 1994)

Page 49, beginning on line 17, strike "that" and all that follows through line 23 and insert " or a psychiatric hospital, is subject to an aggregate annual limit of 60 days."

60 day  
annual.  
No lifetime limit.

Beginning on page 54, strike line 17 and all that follows through page 56, line 16, and insert the following:

1       **(f) MANAGEMENT OF CARE REQUIREMENTS.—**

2               **(1) USE OF MANAGED CARE TECHNIQUES.—**

3                       **(A) IN GENERAL.—**A health plan sponsor  
4 shall use quality managed care techniques in  
5 managing the payment for, or the provision of,  
6 the mental illness and substance abuse services  
7 described in this section.

8                       **(B) TECHNIQUES DEFINED.—**In this sub-  
9 section, the term "quality managed care tech-  
10 niques" means the following methods of man-  
11 agement, when used by a health plan sponsor to  
12 facilitate the provision of clinically appropriate,  
13 cost-effective, and confidential treatment for  
14 mental disorders and substance abuse disorders  
15 and to provide continuity of care between and

Lightening up  
on utilization  
review.

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H.L.C.

2

1 among providers of mental illness and sub-  
2 stance abuse services:

3 (i) Preauthorization of items and serv-  
4 ices (other than an emergency service  
5 which under section 1407(b) may not be  
6 subject to preauthorization).

7 (ii) Utilization review.

8 (2) PLACEMENT DECISIONS AND TREATMENT  
9 ASSESSMENTS.—

10 (A) CRITERIA FOR PLACEMENT DEC-  
11 SIONS.—The criteria used by a health plan  
12 sponsor to make decisions with respect to where  
13 an item or service described in this section  
14 should be provided shall be—

15 (i) publicly available; and

16 (ii) based on uniform assessment tools  
17 that are—

18 (I) recognized by professional or-  
19 ganizations in the fields of mental ill-  
20 ness and substance abuse services; or

21 (II) approved for use by the  
22 Board.

23 (B) QUALIFICATIONS OF PERSONNEL.—All  
24 decisions made by a health plan sponsor with  
25 respect to where an item or service described in

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H.L.O.

3

1 this section should be provided, all assessments  
2 made by such a sponsor with respect to the  
3 medical necessity, appropriateness, cost effec-  
4 tiveness, or quality of such an item or service,  
5 and all reviews of such decisions and assess-  
6 ments, shall be made by personnel who—

7 (i) are licensed, certified, or otherwise  
8 credentialed in the field of—

9 (I) the treatment of diagnosable  
10 mental disorders, in the case of a de-  
11 cision, assessment, or review relating  
12 to such a disorder; or

13 (II) the treatment of diagnosable  
14 substance abuse disorders, in the case  
15 of a decision, assessment, or review  
16 relating to such a disorder; and

17 (ii) are not eligible to receive a finan-  
18 cial incentive, bonus, or award based on  
19 the outcome of a decision, assessment, or  
20 review.

21 (3) **AUTHORITY TO CONTRACT.**—A health plan  
22 sponsor may comply with the provisions of this sub-  
23 section in a State by entering into an agreement or  
24 other arrangement with an individual or entity pur-  
25 suant to which the individual or entity undertakes

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H.L.C.

4

1 the duties applicable to the sponsor under this sub-  
2 section, if the individual or entity is certified by the  
3 State as proficient in the use of quality managed  
4 care techniques.

5 (4) VIOLATION NOT AFFECTING COVERAGE.—

6 The failure of a health plan sponsor to carry out  
7 this subsection with respect to a specific item or  
8 service described in this section shall not affect the  
9 obligation of the sponsor to provide or pay for the  
10 item or service.

Page 59, after line 24, insert the following:

11 (3) VIOLATION NOT AFFECTING COVERAGE.—

12 The failure of a health plan sponsor to carry out  
13 this subsection with respect to a specific item or  
14 service described in this section shall not affect the  
15 obligation of the sponsor to provide or pay for the  
16 item or service.

Page 112, after line 19, insert the following (and re-  
designate provisions accordingly):

17 (ii) the requirements for carriers  
18 under subsections (f) and (g) of section  
19 1115;

Page 380, line 14, after "subtitle E" insert "and  
subsections (f) and (g) of section 1115".

## CONGRESSMAN STRICKLAND'S PROPOSED AMENDMENTS

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### I. Special Delivery Options for Services Provided to Adults

(pg. 60, insert as (h) )

- To encourage plans to also set up comprehensive managed mental health and substance abuse delivery services for adults through organized systems of care. For the purposes of this provision, the term "organized system of care" means a community-based service delivery network, which may consist of public or private providers. These providers may include agencies and providers involved in education, corrections, public assistance, vocational rehabilitation, crime prevention, health care, mental health, and substance abuse prevention and treatment.
- These organized systems would promote the development of integrated delivery systems for adults with serious mental illnesses . These systems should allow for the development and implementation of individual treatment plans by multi-disciplinary and multi-agency teams that are recognized and followed by the appropriate community providers. The system should also allow for the management of these individual treatment plans and for a flexible response to treatment changes over time.
- Eligibility of individuals to participate in comprehensive managed mental health and substance abuse programs would be based on federal standards.
- The federal standards would ensure that these programs targeted services to adults with serious mental illness or substance abuse problems, as evidenced by a need for multiple services (either based on past history, or based on a prediction of future need), and to only such adults who have a disorder which is expected to last at least one year.

SENT BY:53437

: 6-20-94 : 5:18PM : LEGISLATIVE COUNSEL-

2022260331:# 4/ 6

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R.L.C.

*to Full Committee*  
*Mark*  
*to pg. 59 add to (g) a new (3)*  
**(3) VIOLATION NOT AFFECTING COVERAGE.—**

The failure of a health plan sponsor to carry out this subsection with respect to a specific item or service described in this section shall not affect the obligation of the sponsor to provide or pay for the item or service.

*new (h)*  
*w/ redesignation of following*  
**(h) SPECIAL DELIVERY REQUIREMENTS FOR SERVICES PROVIDED TO CERTAIN ADULTS.—**

(1) PROVISION OF SERVICES THROUGH ORGANIZED SYSTEMS OF CARE.—A health plan sponsor shall ensure that mental illness and substance abuse services described in this section are furnished through an organized system of care, as described in paragraph (2), if—

(i) the services are provided to an individual at least 22 years of age;

(ii) the individual has a serious diagnosable mental disorder or a serious diagnosable substance abuse disorder; and

(iii) the disorder is expected to continue at least one year.

(2) REQUIREMENTS FOR SYSTEM OF CARE.—In this subsection, an "organized system of care" is a community-based service delivery network, which shall consist of public providers (and any appro-

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H.L.C.

4

1 ~~private~~ private providers in the area), that meets the  
2 following requirements:

3 (A) The system provides for the participa-  
4 tion and coordination of multiple agencies and  
5 providers that serve the needs of adults with  
6 mental disorders or substance abuse disorders  
7 in the area, including agencies and providers in-  
8 volved with criminal justice, assistance to low-  
9 income individuals, vocational rehabilitation,  
10 crime prevention, health care, mental health,  
11 and substance abuse prevention and treatment.

12 (B) The system provides for the develop-  
13 ment and implementation of individualized  
14 treatment plans by multidisciplinary and multi-  
15 agency teams. Such plans are not required to  
16 be developed and implemented by each agency  
17 and provider described in subparagraph (A).  
18 Such plans shall be developed, implemented,  
19 recognized, and followed by the agencies and  
20 providers in the area that serve a need that is  
21 applicable to the individual who is the subject  
22 of the treatment plan.

23 (C) The system provides for the manage-  
24 ment of the individualized treatment plans de-  
25 scribed in subparagraph (B) and for a flexible

06/20/94 07:58

06/20/94 20:15

2022260331

CONG. STRICKLAND

NO. 698 D05  
0003

SENT BY:33437

: 6-20-94 : 5:19PM : LEGISLATIVE COUNSEL-

2022260331: 6/ 6

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H.L.O.

5

1 response to changes in treatment needs over  
2 time.

Page 112, after line 19, insert the following (and re-designate provisions accordingly):

3 (ii) the requirements for carriers  
4 under subsections (f), (g), and (h) of sec-  
5 tion 1115;

Page 242, line 10, strike "section 1115(g)" and insert "subsections (g) and (h) of section 1115".

Page 380, line 14, after "subtitle E" insert "and subsections (f), (g), and (h) of section 1115".

OPTIONAL FORM 99 (7-90)

## FAX TRANSMITTAL

# of pages 14

NOTE TO: Jerry Klepner  
Sharon Clarkin  
cc: Health care

|                                                               |                        |
|---------------------------------------------------------------|------------------------|
| To: Jennifer Klein                                            | From: Sharman Stephens |
| Dept./Agency                                                  | Phone #                |
| Fax # Owens amendments                                        | Fax #                  |
| NSN 7540-01-317-7368 5099-101 GENERAL SERVICES ADMINISTRATION |                        |

FROM: Lori Davis

SUBJECT: Education and Labor Mark Up - Day 3

DATE: May 3, 1994

Mr. Williams called the subcommittee mark up to order. Mrs. Roukema offered and walked through the first amendment, the Republican Substitute (Michel-Plus). Mrs. Roukema described the bill as a "first step to deal with the most pressing problems". Mr. Williams characterized the bill as "Bush-lite" and encouraged his colleagues to oppose the amendment. The amendment was defeated. The roll call vote: 16-10 (party line).

Mr. Engel offered the second amendment for himself and Mr. Martinez. The amendment would permit state and local governments to be large group sponsors (self insure) if over 5,000 employees were enrolled in a group health plan established or maintained by such government. The amendment was passed. The roll call vote: 17-9.

Mr. Engel offered the third amendment for himself and Mr. Martinez. The amendment would permit state and local entities who elect to participate in the community-rating pool to be eligible for the 7.9% cap immediately, instead of in 2002. Gunderson suggested this amendment was the first attempt at "fiscal sobriety" in the subcommittee and urged his colleagues to vote in favor of the amendment. The amendment passed on a voice vote.

Mr. Gunderson offered the fourth amendment on access to health care in rural areas. The amendment passed on a voice vote.

Mr. Owens offered the fifth amendment to decrease cost sharing to zero for families with low-incomes below 200 percent of poverty. The amendment was defeated on a voice vote.

Mr. Owens offered the sixth amendment to decrease cost sharing to \$1 per prescription and \$2 per visit for families with low incomes below 150 percent of poverty. The amendment was defeated. The roll call vote: 15-12.

Mr. Green offered the seventh amendment, as a place marker, on state prefunded health benefit trusts for teachers. The amendment was withdrawn for revision.

Attachments:

- Amendments
- Vote sheets

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[Cost-Sharing Reduction #1]

H.L.C.

AMENDMENT TO COMMITTEE PRINT (H.R. 3600)  
OFFERED BY MR. OWENS

[Increase eligibility to families with incomes below 200 percent of poverty] Page 173, line 21, page 174, line 8, and page 178, line 20, strike "150 percent" and insert "200 percent".

[Reduction of cost-sharing to zero] Page 173, line 17, strike "Subject to subsection (b), in" and insert "In".

Page 174, strike lines 1 through 11.

Page 175, strike line 1 and all that follows through page 176, line 12 and insert the following (and redesignate the succeeding subsections accordingly):

1 (b) AMOUNT OF COST SHARING REDUCTION.—The  
2 reduction in cost sharing under this section shall be the  
3 reduction of cost sharing to zero (other than with respect  
4 to hospital emergency room services for which there is no  
5 emergency condition, as defined in section 1867(e)(1) of  
6 the Social Security Act).

Page 176, line 17, strike "(other than cost sharing reductions under subsection (c)(2))".

[Extension of reduction to experience-rated individuals] Page 173, line 19, and page 176, line 16, insert "or experience-rated plan" after "community-rated plan".

F:\HSA\EDLABOR\SUB\OWENS.001  
[Cost-Sharing Reduction #1]

H.L.C.

2

Page 174, line 23, insert "or experience-rated plans"  
after "community-rated plans".

Page 177, line 11, insert "or experience-rated" after  
"community-rated".

[Funding through increase in catastrophic limit]  
Page 79, line 2, page 82, line 14, and page 84, line 2,  
strike "\$1500" and insert "\$2,500".

[Additional funding through 3% increase in pre-  
miums for unsubsidized individuals and employers] Page  
169, at the end of line 23, add the following:

1 Each State, through such mechanism, also shall assure  
2 that payment is made to the Secretary of an amount equal  
3 to the additional payments received as a result of the fol-  
4 lowing provisions:

5 (1) Section 6101(b)(2)(B)(iii).

6 (2) Section 6111(a)(2).

7 (3) The addition of the reference to 103 percent  
8 (instead of 100 percent) in section 6121(c)(1).

9 The cap amount provided under section 9102(e)(2) for a  
10 fiscal year is hereby increased by the aggregate amount  
11 paid to the Secretary by States under the preceding sen-  
12 tence in the fiscal year.

Page 275, after line 2, insert the following:

13 (c) LOW-INCOME ADD-ON.—Each large group spon-  
14 sor shall make payment to the Secretary of an amount

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[Cost-Sharing Reduction #1]

H.L.C.

3

1 equivalent to the additional amounts attributable to the  
2 addition of the reference to 103 percent (instead of 100  
3 percent) in sections 6101(b)(3) and 6131(b). The cap  
4 amount provided under section 9102(e)(2) for a fiscal year  
5 is hereby increased by the aggregate amount paid to the  
6 Secretary by large group sponsors under the preceding  
7 sentence in the fiscal year.

Page 714, after line 13, insert the following:

8 (iii) ADD-ON FOR LOW-INCOME SUB-  
9 SIDIES.—3 percent of the premium de-  
10 scribed in clause (i).

Page 715, after line 10, insert the following:

11 (vi) ADDITIONAL CREDIT FOR INDIVIDUALS RECEIVING DISCOUNTS.—In the  
12 case of a family entitled to any income-re-  
13 lated discount under section 6104(a), the  
14 amount described in subparagraph (B)(iii).

Page 715, line 19, insert "103 percent of" after  
"is".

Page 716, after line 11, insert the following:

16 (iii) ADDITIONAL CREDIT FOR LOW-  
17 INCOME INDIVIDUALS.—In the case of a  
18 family that would be entitled to any in-  
19 come-related discount under section

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[Cost-Sharing Reduction #1]

H.L.C.

4

1                   6104(a) if the family were not enrolled in  
2                   an experience-rated plan, 3 percent of the  
3                   premium described in subparagraph (B).

Page 734, line 22, insert "the sum of (1)" after  
"equal to".

Page 734, line 25, insert before the period the fol-  
lowing ", and (2) for any individual not entitled to a re-  
duction in liability under section 6113, 6114, or 6115, 3  
percent of the amount of such base employment monthly  
premium".

Page 736, line 20, strike "6111" and insert  
"6111(a)(1)".

Page 748, line 12, insert "103 percent of" after  
"is".

Page 770, line 13, insert "103 percent of" after  
"is".

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[Cost-Sharing Reduction #2]

H.L.C.

AMENDMENT TO COMMITTEE PRINT (H.R. 3600)

OFFERED BY MR. OWENS

Page 175, strike line 1 and all that follows through  
page 176, line 4, and insert the following:

(c) AMOUNT OF COST SHARING REDUCTION.—

1 (1) GENERAL REDUCTION.—

2 (A) IN GENERAL.—Subject to subpara-  
3 graph (B), the reduction in cost sharing under  
4 this paragraph shall be such reduction as will  
5 reduce the cost sharing to the level of a lower  
6 or combination cost sharing plan, except that in  
7 no case shall the copayment exceed \$2 per visit  
8 or \$1 per prescription and such reduction shall  
9 not apply with respect to hospital emergency  
10 room services for which there is no emergency  
11 condition, as defined in section 1867(e)(1) of  
12 the Social Security Act.

13 (B) STATE OPTION TO LOWER COST SHAR-  
14 ING.—A State may, at its option, lower cost  
15 sharing below the reduction provided under sub-  
16 paragraph (A) for some or all of the classes of  
17 individuals eligible for a reduction under such  
18 subparagraph but only if the State agrees to in-  
19 crease the total amount of its maintenance of  
20 effort payment under section 9001 by an

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[Cost-Sharing Reduction #2]

H.L.C.

2

1 amount equal to the estimated total additional  
2 payments that results from such election, in-  
3 cluding any increase in the average premium  
4 that results directly from such election.

[Extension of reduction to experience-rated individ-  
uals] Page 173, line 19, and page 176, line 16, insert "or  
experience-rated plan" after "community-rated plan".

Page 174, line 23, insert "or experience-rated plans"  
after "community-rated plans".

Page 177, line 11, insert "or experience-rated" after  
"community-rated".

[Funding through increase in catastrophic limit]  
Page 79, line 2, page 82, line 14, and page 84, line 2,  
strike "\$1500" and insert "\$2,500".

[Additional funding through 1.5% increase in pre-  
miums for unsubsidized individuals and employers] Page  
169, at the end of line 23, add the following:

5 Each State, through such mechanism, also shall assure  
6 that payment is made to the Secretary of an amount equal  
7 to the additional payments received as a result of the fol-  
8 lowing provisions:

9 (1) Section 6101(b)(2)(B)(iii).

10 (2) Section 6111(a)(2).

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[Cost-Sharing Reduction #2]

H.L.C.

3

1           (3) The addition of the reference to 101.5 per-  
2           cent (instead of 100 percent) in section 6121(c)(1).  
3 The cap amount provided under section 9102(e)(2) for a  
4 fiscal year is hereby increased by the aggregate amount  
5 paid to the Secretary by States under the preceding sen-  
6 tence in the fiscal year.

Page 275, after line 2, insert the following:

7           (c) LOW-INCOME ADD-ON.—Each large group spon-  
8 sor shall make payment to the Secretary of an amount  
9 equivalent to the additional amounts attributable to the  
10 addition of the reference to 101.5 percent (instead of 100  
11 percent) in sections 6101(b)(3) and 6131(b). The cap  
12 amount provided under section 9102(e)(2) for a fiscal year  
13 is hereby increased by the aggregate amount paid to the  
14 Secretary by large group sponsors under the preceding  
15 sentence in the fiscal year.

Page 714, after line 13, insert the following:

16                   (iii) ADD-ON FOR LOW-INCOME SUB-  
17                   SIDIES.—1.5 percent of the premium de-  
18                   scribed in clause (i).

Page 715, after line 10, insert the following:

19                   (vi) ADDITIONAL CREDIT FOR INDIVIDUALS RECEIVING DISCOUNTS.—In the  
20                   case of a family entitled to any income-re-  
21

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[Cost-Sharing Reduction #2]

H.L.C.

4

1 lated discount under section 6104(a), the  
2 amount described in subparagraph (B)(iii).

Page 715, line 19, insert "101.5 percent of" after  
"is".

Page 716, after line 11, insert the following:

3 (iii) ADDITIONAL CREDIT FOR LOW-  
4 INCOME INDIVIDUALS.—In the case of a  
5 family that would be entitled to any in-  
6 come-related discount under section  
7 6104(a) if the family were not enrolled in  
8 an experience-rated plan, 1.5 percent of  
9 the premium described in subparagraph  
10 (B).

Page 734, line 22, insert "the sum of (1)" after  
"equal to".

Page 734, line 25, insert before the period the fol-  
lowing " , and (2) for any individual not entitled to a re-  
duction in liability under section 6113, 6114, or 6115,  
1.5 percent of the amount of such base employment  
monthly premium".

Page 748, line 12, insert "101.5 percent of" after  
"is".

Page 770, line 13, insert "101.5 percent of" after  
"is".

NOTE TO: Jerry Klepner  
Sharon Clarkin  
cc: Health care reform team

FROM: Lori Davis

SUBJECT: Education and Labor mark up -- Day 4

DATE: May 4, 1994

Chairman Williams called the mark up to order. Congressman Payne offered an amendment to expand Medicaid wrap-around coverage to include pregnant and post-partum women with incomes up to 185% of poverty. The President's bill eliminates these benefits for the Medicaid population who do not receive AFDC or SSI. The Chairman's mark continues these services for children under age 22. The amendment passed on a voice vote.

Mr. Owens offered a revised version of a previously offered amendment reducing cost sharing for low income families with family adjusted income below 150 percent of the poverty level. The families would be required to pay no more than \$2 per visit or \$1 per prescription. The amendment included funding through an increase in the catastrophic limit (from \$1,500 to \$2,500) and a 1.5% increase in premiums for individuals and employers. The amendment was defeated. The roll call vote was 15-11.

Mr. Boehner offered an amendment eliminating the employer mandate. The mark up ended before a vote on this amendment.

AMENDMENT TO COMMITTEE PRINT (H.R. 3600)  
OFFERED BY MR. OWENS

*Defeated*  
15 11  
Page 175, strike line 1 and all that follows through  
page 176, line 4, and insert the following:

1 (b) LIMITATION.—No reduction in cost sharing under  
2 subsection (c) shall be available for families residing in  
3 a community-rating area and enrolled in a fee-for-service  
4 plan if the State determines that there are sufficient low-  
5 cost plans (as defined in section 6104(b)(3)) that are  
6 lower or combination cost sharing plans available in the  
7 community-rating area to enroll AFDC and SSI families  
8 and families with family adjusted income below 150 per-  
9 cent of the applicable poverty level.

10 (c) AMOUNT OF COST SHARING REDUCTION.—

11 (1) GENERAL REDUCTION.—

12 (A) IN GENERAL.—Subject to subpara-  
13 graph (B), the reduction in cost sharing under  
14 this paragraph shall be such reduction as will  
15 reduce the cost sharing to the level of a lower  
16 or combination cost sharing plan, except that in  
17 no case shall the copayment exceed \$2 per visit  
18 or \$1 per prescription and such reduction shall  
19 not apply with respect to hospital emergency  
20 room services for which there is no emergency

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[Cost-Sharing Reduction #2]

HLC.

2

1 condition, as defined in section 1867(e)(1) of  
2 the Social Security Act.

3 (B) STATE OPTION TO LOWER COST SHAR-  
4 ING.—A State may, at its option, lower cost  
5 sharing below the reduction provided under sub-  
6 paragraph (A) for some or all of the classes of  
7 individuals eligible for a reduction under such  
8 subparagraph but only if the State agrees to in-  
9 crease the total amount of its maintenance of  
10 effort payment under section 9001 by an  
11 amount equal to the estimated total additional  
12 payments that results from such election, in-  
13 cluding any increase in the average premium  
14 that results directly from such election.

[Extension of reduction to experience-rated individ-  
uals] Page 173, line 19, and page 176, line 16, insert “or  
experience-rated plan” after “community-rated plan”.

Page 174, line 23, insert “or experience-rated plans”  
after “community-rated plans”.

Page 177, line 11, insert “or experience-rated” after  
“community-rated”.

[Funding through increase in catastrophic limit]  
Page 79, line 2, page 82, line 14, and page 84, line 2,  
strike “\$1500” and insert “\$2,500”.

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[Cost-Sharing Reduction #2]

H.L.C.

3

[Additional funding through 1.5% increase in premiums for ~~unsubsidized~~ individuals and employers] Page 169, at the end of line 23, add the following:

1 Each State, through such mechanism, also shall assure  
2 that payment is made to the Secretary of an amount equal  
3 to the additional payments received as a result of the the  
4 addition of the reference to 101.5 percent (instead of 100  
5 percent) in following sections:

6 (1) Section 6101(b)(2)(B)(i).

7 (2) Section 6111(a).

8 (3) Section 6121(c)(1).

9 The cap amount provided under section 9102(e)(2) for a  
10 fiscal year is hereby increased by the aggregate amount  
11 paid to the Secretary by States under the preceding sen-  
12 tence in the fiscal year.

Page 275, after line 2, insert the following:

13 (c) LOW-INCOME ADD-ON.—Each large group spon-  
14 sor shall make payment to the Secretary of an amount  
15 equivalent to the additional amounts attributable to the  
16 addition of the reference to 101.5 percent (instead of 100  
17 percent) in sections 6101(b)(3) and 6131(b). The cap  
18 amount provided under section 9102(e)(2) for a fiscal year  
19 is hereby increased by the aggregate amount paid to the  
20 Secretary by large group sponsors under the preceding  
21 sentence in the fiscal year.

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[Cost-Sharing Reduction #2]

H.L.C.

4

Page 714, line 7, strike "The" and insert "101.5 percent of the".

Page 715, line 19, insert "101.5 percent of" after "is".

Page 734, line 22, insert "101.5 percent of" after "equal to".

Page 748, line 12, insert "101.5 percent of" after "is".

Page 770, line 13, insert "101.5 percent of" after "is".

SENT BY:53437

2022253437  
; 5-19-94 ; 3:21PM ; LEGISLATIVE COUNSEL-

202 225 3614:# 2/ 4

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H.L.C.

**[DISCUSSION DRAFT]**  
**AMENDMENT TO COMMITTEE PRINT (H.R. 3600)**  
**OFFERED BY MR. WILLIAMS**

Page 39, after line 18, insert the following:

1           (D) Prostate-specific antigen blood tests  
2           for males for the purpose of early detection of  
3           prostate cancer every 3 years.

4           (E) Fecal-occult blood tests for the pur-  
5           pose of early detection of colon cancer every 3  
6           years.

7           (F) Flexible sigmoidoscopies for the pur-  
8           pose of early detection of colon cancer—

9                 (1) annually until 3 consecutive  
10                sigmoidoscopies with normal results have  
11                been obtained;

12               (2) annually if a sigmoidoscopy with  
13                abnormal results has been obtained, until 3  
14                consecutive sigmoidoscopies with normal  
15                results have been obtained; and

16                (3) otherwise every 3 years.

Page 40, after line 15, insert the following:

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; 5-19-94 : 3:21PM : LEGISLATIVE COUNSEL-

202 225 3614:# 3/ 4

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H.L.C.

2

1 (D) Prostate-specific antigen blood tests  
2 for males for the purpose of early detection of  
3 prostate cancer every 3 years.

4 (E) Fecal-occult blood tests for the pur-  
5 pose of early detection of colon cancer every 3  
6 years.

7 (F) Flexible sigmoidoscopies for the pur-  
8 pose of early detection of colon cancer—

9 (1) annually if a sigmoidoscopy with  
10 abnormal results has been obtained, until 3  
11 consecutive sigmoidoscopies with normal  
12 results have been obtained; and

13 (2) otherwise every 3 years.

14 *[Note: Some issues to discuss are:*

15 (1) *Is coverage to be provided for transrectal*  
16 *ultrasonography?*

17 (2) *Is coverage to be provided to individuals over*  
18 *the age of 65 who are enrolled under a health plan?*

19 (3) *Are items and services for the purpose of*  
20 *early detection of colon cancer covered for females as*  
21 *well as males?*

22 (4) *Is the periodicity for the sigmoidoscopies cor-*  
23 *rectly stated, or is the rule less complicated? If you*  
24 *have 1 abnormal result after years of normal results,*

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; 5-19-94 : 3:22PM : LEGISLATIVE COUNSEL→

202 225 3614:# 4/ 4

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H.L.C.

3

- 1      *does that trigger a period in which the coverage is an-*
- 2      *nual?]*

OPTIONAL FORM 99 (7-90)

## FAX TRANSMITTAL

# of pages 10

|                    |                        |
|--------------------|------------------------|
| To: Jennifer Klein | From: Sharman Stephens |
| Dept./Agency       | Phone #                |
| Fax #              | Fax #                  |

DATE: May 23, 1994  
TIME: 3:00

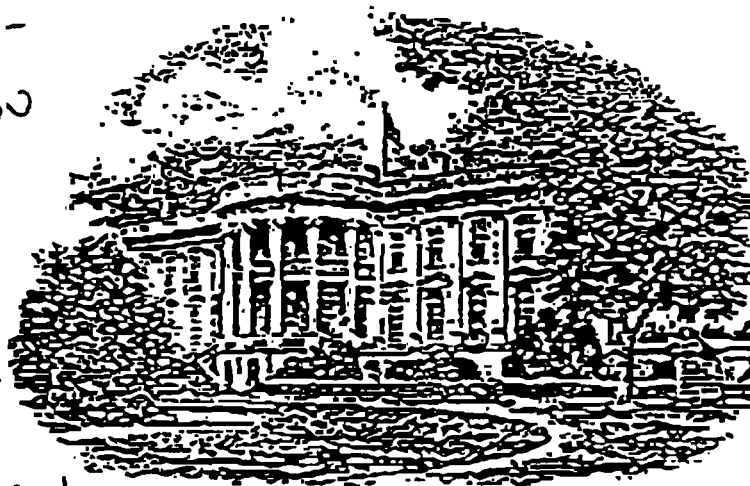
NSN 7540-01-317-7368

5099-101

GENERAL SERVICES ADMINISTRATION

THE WHITE HOUSE

WASHINGTON



Jim & Jennifer -  
I will call you  
about this.  
Ken would  
like to ~~show~~<sup>show</sup>  
% ↑ or ↓ for  
each item.  
that has passed  
Sharman

FAX COVER SHEET

TO:

Ken Thorpe

PHONE: (202) 690-6870

FAX: (202) 401-7321

FROM:

Jack Lew

PHONE: (202) 456-5585

**DEMOCRATIC AND REPUBLICAN AMENDMENTS  
LABOR-MANAGEMENT RELATIONS SUBCOMMITTEE MARKUP  
IN ORDER IN WHICH OFFERED**

1. Title: Roukema Substitute  
Offeror: Rep. Roukema (R-NJ)  
Description: Michel bill with some modifications

Day Disposed Of: 5/3/94  
Vote Count: Failed 10-16

---

2. Title: Treating State and Local Govts as Rural Elec & Telephone Coops  
Offeror: Rep.s Engel (D-NY) and Martinez (D-CA)  
Description: --

Day Disposed Of: 5/3/94  
Vote Count: Passed 17-9

---

3. Title: Phased in Coverage of 7.9% Payroll Cap on State & Local Govts  
Offeror: Rep.s Engel (D-NY) and Martinez (D-CA)  
Description: --

Day Disposed Of: 5/3/94  
Vote Count: Passed - Voice Vote

---

4. Title: Rural Health Care Amendment  
Offeror: Rep. Gunderson (R-WI)  
Description: --

Day Disposed Of: 5/3/94  
Vote Count: Passed - Voice Vote

---

5. Title: Cost Sharing Reduction #1  
Offeror: Rep. Owens (D-NY)  
Description: eliminate all cost sharing up to 200% poverty level

Day Disposed Of: 5/3/94  
Vote Count: Failed - Voice Vote

---

DEMOCRATIC AND REPUBLICAN AMENDMENTS  
LABOR-MANAGEMENT RELATIONS SUBCOMMITTEE MARKUP (HR 3600)

2

6. Title: Cost Sharing Reduction #2  
Offeror: Rep. Owens (D-NY)  
Description: date on bottom of amendment is 5/2/94  
copsys \$2/visit and \$1/prescriptions  
150% of poverty level

Day Disposed Of: 5/3/94  
Vote Count: Failed 12-15

---

7. Title: Teachers Health Trust Benefits  
Offeror: Rep. Green (D-TX)  
Description: --

Day Disposed Of: 5/3/94 - withdrawn temporarily

---

8. Title: Expansion of Wrap-Around Program  
Offeror: Rep. Payne (D-NJ)  
Description: --

Day Disposed Of: 5/4/94  
Vote Count: Passed - Voice Vote

---

9. Title: Cost Sharing Reduction #3  
Offeror: Rep. Owens (D-NY)  
Description: date on bottom of amendment is 5/4/94  
excludes those in FFS plans

Day Disposed Of: 5/4/94  
Vote Count: Failed 12-14 Inv

---

10. Title: Eliminate Employer Mandate  
Offeror: Rep. Boehner (R-OH)  
Description: --

Day Disposed Of: 5/5/94  
Vote Count: Failed 10-17

---

**DEMOCRATIC AND REPUBLICAN AMENDMENTS**  
**LABOR-MANAGEMENT RELATIONS SUBCOMMITTEE MARKUP (HR 3600)**

3

**11. Title:** Make Individual Participation Voluntary  
**Offeror:** Rep. Fawell (R-IL)  
**Description:** individuals would not be required to purchase health insurance

**Day Disposed Of:** 5/5/94  
**Vote Count:** Failed 10-17

---

**12. Title:** Incentive to Employ Long-Term Welfare Recipients  
**Offeror:** Rep. Owens (D-NY)  
**Description:** would have been applicable to small employers

**Day Disposed Of:** 5/5/94 - withdrawn

---

**13. Title:** Eliminate Premium Caps  
**Offeror:** Rep. Arney (R-CA)  
**Description:** Arney #1

**Day Disposed Of:** 5/11/94  
**Vote Count:** Failed 10-17

---

**14. Title:** Voluntary Use of Cooperatives  
**Offeror:** Rep. Green (D-TX)  
**Description:** would have eliminated State's option to establish mandatory purchasing cooperatives

**Day Disposed Of:** 5/11/94  
**Vote Count:** Failed 12-15

---

**15. Title:** Eliminate Negotiated Fee Schedule  
**Offeror:** Rep. Roukema (R-NJ)  
**Description:** —

**Day Disposed Of:** 5/11/94  
**Vote Count:** Failed 10-17

---

**DEMOCRATIC AND REPUBLICAN AMENDMENTS**  
**LABOR-MANAGEMENT RELATIONS SUBCOMMITTEE MARKUP (HR 3600)**

4

16. Title: Preserve Self-Insured Option  
Offeror: Rep. Gunderson (R-WI)  
Description: all employers could choose to join community-rated health plans,  
experience-rated plans, or self-insure w/risk adjustment for self-insurers  
— regardless of size

Day Disposed Of: 5/11/94  
Vote Count: Failed 10-17

---

17. Title: Use of Interpreters and Accommodations for Persons with Disabilities at  
Complaint Review Offices  
Offeror: Rep. Payne (D-NJ)  
Description: --

Day Disposed Of: 5/11/95 - withdrawn

---

18. Title: Out-of-Network Second Opinion for Certain Complainants  
Offeror: Rep. Payne (D-NJ)  
Description: free out-of-network second opinion for individuals below 100% of  
poverty level

Day Disposed Of: 5/11/94  
Vote Count: Failed - Voice Vote

---

19. Title: Eliminate Prohibition on Direct Billing  
Offeror: Rep. Arney (R-TX)  
Description: Arney #7  
strike Direct Billing provision on pg. 227 of Chairman's Mark  
Sec.1407(d)(2)

Day Disposed Of: 5/11/94  
Vote Count: Failed 10-17

---

20. Title: Increase Minimum Number of FFS plans for Community-Rated  
Individuals  
Offeror: Rep. Arney (R-TX)  
Description: Arney #9B  
amended to be applicable to Large Group Employers as well

Day Disposed Of: 5/11/94  
Vote Count: Passed - Voice Vote

**DEMOCRATIC AND REPUBLICAN AMENDMENTS**  
**LABOR-MANAGEMENT RELATIONS SUBCOMMITTEE MARKUP (HR 3600)**

5

**21. Title:** Equal Treatment of Taft-Hartley and Large Employer Plans  
**Offeror:** Rep. Hoekstra (R-MI)  
**Description:** -

**Day Disposed Of:** 5/11/94 - temporarily withdrawn

---

**22. Title:** Disclosure of Compensation  
**Offeror:** Rep. Murphy (D-PA)  
**Description:** for hospital administrators, execs, physicians, and board of directors

**Day Disposed Of:** 5/11/94  
**Vote Count:** Failed - Voice /Vote

---

**23. Title:** Increase Competition and Cost Containment Through Community Health Networks  
**Offeror:** Rep. McKeon (R-CA)  
**Description:** more/stricter criteria than other plans

**Day Disposed Of:** 5/11/94 - reserve place to vote later

---

**24. Title:** Eliminate Prohibition on Balance Billing  
**Offeror:** Rep. Arney (R-TX)  
**Description:** Arney #6  
pg 226 Sec.1407(d)(1)

**Day Disposed Of:** 5/11/94  
**Vote Count:** Failed 10-17

---

**25. Title:** Remove Penalty for Not Paying Premiums  
**Offeror:** Rep. Arney (R-TX)  
**Description:** Arney #11  
pg.163

**Day Disposed Of:** 5/11/94  
**Vote Count:** Failed 8-18 1 pass

---

**26. Title:** Strike Provision Restricting Premium Increases During Transition  
**Offeror:** Rep. Arney (R-TX)  
**Description:** Arney #3  
**Day Disposed Of:** 5/11/94  
**Vote Count:** Failed 10-17

**DEMOCRATIC AND REPUBLICAN AMENDMENTS  
LABOR-MANAGEMENT RELATIONS SUBCOMMITTEE MARKUP (HR 3600)**

6

**27. Title:** Strike Graduate Medical Education Workforce Priority Section  
**Offeror:** Rep. Arney (R-TX)  
**Description:** Arney #4  
55/45 ratio  
pp.442-453

**Day Disposed Of:** 5/11/94  
**Vote Count:** Failed 7-19 1 pass

---

**28. Title:** State Cannot Require Premium Financing for Supplemental Benefits  
from Employers/Employees of Another State  
**Offeror:** Rep. Gunderson (R-WI)  
**Description:** Gunderson #7

**Day Disposed Of:** 5/11/94 - temporarily withdrawn

---

**29. Title:** Workers Compensation Fee Schedule for Longshore and Maritime  
Workers  
**Offeror:** Rep. Unsoeld (D-WA)  
**Description:** --

**Day Disposed Of:** 5/11/94  
**Vote Count:** Passed - Voice Vote

---

**30. Title:** State Cannot Require Premium Financing for Supplemental Benefits  
from Employers/Employees of Another State  
**Offeror:** Rep. Gunderson (R-WI)  
**Description:** Gunderson #7 - second time offered

**Day Disposed Of:** 5/12/94 - temporarily withdrawn for further review

---

**31. Title:** Increase Competition and Cost Containment Through Community  
Health Networks  
**Offeror:** Rep. McKeon (R-CA)  
**Description:** reoffered - was withdrawn on 5/11/94

**Day Disposed Of:** 5/12/94  
**Vote Count:** Passed - Voice Vote

---

**DEMOCRATIC AND REPUBLICAN AMENDMENTS**  
**LABOR-MANAGEMENT RELATIONS SUBCOMMITTEE MARKUP (HR 3600)**

7

**32. Title:** Equal Treatment of Taft-Hartley and Large Employer Plans  
**Offeror:** Rep. Hoekstra (R-MI)  
**Description:** reoffered -- was withdrawn on 5/11/94  
will place 1.0% payroll assessment on Taft-Hartley and multi-employer plans

**Day Disposed Of:** 5/12/94  
**Vote Count:** Passed - Voice Vote

---

**33. Title:** Allow Large Employers to Opt In to the Community-Rated Pool  
**Offeror:** Rep. Hoekstra (R-MI)  
**Description:** --

**Day Disposed Of:** 5/12/94  
**Vote Count:** Failed 10-15 2nv

---

**34. Title:** Eliminate Abortion from Benefits Package  
**Offeror:** Rep. Klink (D-PA)  
**Description:** Abortion #1

**Day Disposed Of:** 5/12/94  
**Vote Count:** Failed 11-16

---

**35. Title:** Preservation of State Laws Regarding Abortion  
**Offeror:** Rep. Arney (R-TX)  
**Description:** Abortion #2

**Day Disposed Of:** 5/12/94  
**Vote Count:** Failed 11-14 1p

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**36. Title:** State Cannot Require Premium Financing for Supplemental Benefits from Employers/Employees of Another State  
**Offeror:** Rep. Gunderson (R-WI)  
**Description:** third time offered -- last offered on 5/12/94  
new version

**Day Disposed Of:** 5/17/94  
**Vote Count:** Passed - Voice Vote

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**DEMOCRATIC AND REPUBLICAN AMENDMENTS  
LABOR-MANAGEMENT RELATIONS SUBCOMMITTEE MARKUP (HR 3600)**

8

37. Title: Include Members in Consumer Purchasing Coops ASAP  
Offeror: Rep. Boehner (R-OH)  
Description: -

Day Disposed Of: 5/17/94  
Vote Count: Motion to Table Agreed To 17-9

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38. Title: Grievance Procedures for Providers  
Offeror: Rep. Green (D-TX)  
Description: -

Day Disposed Of: 5/17/94  
Vote Count: Passed - Voice Vote

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39. Title: Strike Minority Criteria From GME  
Offeror: Rep. Armey (R-TX)  
Description: Armey #5

Day Disposed Of: 5/17/94  
Vote Count: Failed 8-18 Inv

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40. Title: Establish Local Advocate Committees  
Offeror: Rep. Owens (D-NY)  
Description: establish consumer advocate committees

Day Disposed Of: 5/17/94 - withdrawn

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41. Title: Strike Benefit Package and Leave to Development by National Health Board  
Offeror: Rep. Gunderson (R-WI)  
Description: -

Day Disposed Of: 5/17/94  
Vote Count: Failed - Voice Vote

---

42. Title: Allow Direct Payments to Providers  
Offeror: Rep. Green (D-TX)  
Description: subject to balance billing requirements of this Act

Day Disposed Of: 5/17/94  
Vote Count: Passed - Voice Vote

**DEMOCRATIC AND REPUBLICAN AMENDMENTS**  
**LABOR-MANAGEMENT RELATIONS SUBCOMMITTEE MARKUP (HR 3600)**

9

**43. Title:** Permissive Collective Bargaining of Supplemental Health Benefits  
**Offeror:** Rep. Ballenger (R-NC)  
**Description:** -

**Day Disposed Of:** 5/17/94  
**Vote Count:** Failed - Voice Vote

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**44. Title:** Mental Health  
**Offeror:** Rep. Miller (D-CA)  
**Description:** -

**Day Disposed Of:** 5/17/94  
**Vote Count:** Passed - Voice Vote

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**45. Title:** Resolution for Puerto Rico's Full and Equal Participation in Health Care Reform  
**Offeror:** Resident Commissioner Romero-Barcelo (D-PR)  
**Description:** a Sense of the Subcommittee recommendation

**Day Disposed Of:** 5/18/94  
**Vote Count:** Passed - Voice Vote

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**46. Title:** Dental Care for Adults  
**Offeror:** Rep. Miller (D-CA)  
**Description:** -

**Day Disposed Of:** 5/18/94  
**Vote Count:** Passed - Voice Vote

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**47. Title:** Smoking Cessation Program for Pregnant Women  
**Offeror:** Rep. Unsoeld (D-WA)  
**Description:** -

**Day Disposed Of:** 5/18/94  
**Vote Count:** Passed - Voice Vote

---

Passed

## DENTAL AMENDMENT

150 million Americans do not have dental insurance, yet 95% of all Americans are affected by dental diseases. Those least likely to have coverage include the poor, minorities, and those with less education. They are least likely to receive preventive care and most likely to rely on hospital emergency rooms to obtain dental care.

### Prevention:

Oral health services are some of the least costly health services available and are the model of prevention used in public health schools! For each \$1 spent on preventive dentistry, \$8 to \$50 is saved.

Having dental coverage is the single most important factor in determining whether a person gets preventive dental care.

This amendment would provide annual exams & cleanings, as well as x-rays and fluorides when needed, for 87 million adults.

### Oral Cancer:

Oral cancer is more common than leukemia, melanoma of the skin, Hodgkin's disease, and cancers of the brain, liver, bone, thyroid gland, stomach, ovaries, or cervix. It is 90% curable if detected early, yet most of the time (70%) it is already "late stage" when detected.

Oral cancer kills more people each year than cervical cancer. We spend approximately \$3.7 Billion to treat oral cancer annually.

Annual dental examinations greatly increase the probability of early detection of oral cancer and successful treatment outcomes.

This amendment would provide adults with an annual oral cancer screening as of the date of enactment, rather than in 2001.

### Special Needs patients:

The Committee Print would provide prosthetics (dentures) for special patients with genetic defects and would provide dental care for those with seizure disorders, but does not cover dental care for other special patients, including people with non-genetic birth defects, developmental disabilities and facial deformities. These individuals require special care just to be able to function.

This amendment would provide dental care for special needs patients.

### Medically Necessary Oral Health Care:

Oral health can have a direct bearing on an underlying medical condition. Failure to provide basic dental care can jeopardize the success of organ transplants, hamper control of insulin-dependent diabetics, and be life-threatening for immuno-compromised patients.

This amendment provides cost-effective coverage of medically necessary oral health care.

Miller's Numbers:  
\$ 1 B - Med Nec.  
\$ 4.9 B - Prev. & Diag.  
Our #s according to Miller:  
\$ 7.3 B - Prev. & Diag.

(over)

Leukemia -- Addtl benefits = ?  
Will CBO give estimates  
before go to floor? Must have  
prior to floor from full committee.

**Willi     Mark     Miller Amendment  
Comparison of Dental     Fits**

**Williams Mark**

**Miller Amendment**

**Not Included in Either**

As of date of enactment:

As of date of enactment:

As of date of enactment:

Children (age 3-17):

Emergency  
Prevention and diagnosis  
Treatment of disease, including  
prosthetics for genetic defects  
Space maintenance, ages 3-13

Children:

same  
same  
same

same, plus orthodontics for  
handicapping malocclusions

Children:

Cosmetic services  
Orthodontics for anyone  
other than those with  
handicapping malocclusion

Adults (age 18-64):

Emergency

Adults:

same  
Prevention and diagnosis

Adults:

Cosmetic services  
Treatment of disease  
Crowns, bridges, dentures  
Gold work  
Orthodontics  
Root canals  
Dental sealants  
Full & partial dentures

Patients with seizure disorder:

All the above, and any other  
care required due to seizures

All special needs patients:

All the above, and other care  
required due to their condition

Medically necessary oral health care:

All the above, and any other care  
required due to the medical condition

After January 1, 2001

After January 1, 2001

After January 1, 2001

Children (age 3-17):

as listed above, plus  
Interceptive orthodontics, ages 6-12

Children:

as listed above, plus  
Interceptive orthodontics, ages 6-12

Children:

as listed above

Adults (age 18-64):

as listed above, plus  
Prevention and diagnosis  
Treatment of disease

Adults:

as listed above, plus  
Treatment of disease and  
Full dentures

Adults:

Orthodontics  
Dental sealants  
Cosmetic services  
Crowns, bridges, gold work  
Partial dentures

(over)

**AMENDMENT TO COMMITTEE PRINT (H.R. 3600)**  
**OFFERED BY MR. MILLER OF CALIFORNIA**

Beginning on page 69, strike line 24 through page 70, line 19, and insert the following:

- 1           (1) Emergency dental treatment, including ex-  
2           tractions, for bleeding, pain, acute infections, and in-  
3           juries to the maxillofacial region.
- 4           (2) Prevention and diagnosis of dental disease,  
5           including examinations of the hard and soft tissues  
6           of the oral cavity and related structures,  
7           radiographs, dental sealants, fluorides, and dental  
8           prophylaxis.
- 9           (3) Treatment of dental disease, including non-  
10          cast fillings, periodontal maintenance services, and  
11          endodontic services.
- 12          (4) Space maintenance procedures to prevent  
13          orthodontic complications.
- 14          (5) Orthodontic treatment to prevent severe  
15          malocclusions.
- 16          (6) Full dentures.
- 17          (7) Medically necessary oral health care.
- 18          (8) Any items and services for special needs pa-  
19          tients that are not described in paragraphs (1)  
20          through (7) and that—

1 (A) are required to provide such patients  
2 the items and services described in paragraphs  
3 (1) through (7);

4 (B) are required to establish oral function  
5 (including general anesthesia for individuals  
6 with physical or emotional limitations that pre-  
7 vent the provision of dental care without such  
8 anesthesia);

9 (C) consist of orthodontic care for severe  
10 dentofacial abnormalities; or

11 (D) consist of prosthetic dental devices for  
12 genetic or birth defects or fitting for such de-  
13 vices.

14 (9) Any dental care for individuals with a sei-  
15 zure disorder that is not described in paragraphs (1)  
16 through (8) and that is required because of an ill-  
17 ness, injury, disorder, or other health condition that  
18 results from such seizure disorder.

Page 70, strike line 22 and all that follows through  
page 71, line 4, and insert the following:

19 (1) PREVENTION AND DIAGNOSIS.—

20 (A) EXAMINATIONS AND PROPHYLAXIS.—

21 The examinations and prophylaxis described in  
22 subsection (a)(2) are covered only annually, ex-

1           cept for individuals less than 18 years of age  
2           and special needs patients.

3           (B) DENTAL SEALANTS.—The dental  
4           sealants described in such subsection are not  
5           covered for individuals 18 years of age or older.  
6           Such sealants are covered for individuals less  
7           than 10 years of age for protection of the 1st  
8           permanent molars. Such sealants are covered  
9           for individuals 10 years of age or older for pro-  
10          tection of the 2d permanent molars.

Page 71, line 8, strike "age." and insert "age and  
special needs patients."

Page 72, line 1, strike "INTERCEPTIVE".

Page 72, beginning on line 3, strike "are not cov-  
ered." and insert "are covered only for individuals at  
least 6 years of age, but less than 12 years of age, who  
have severe dentofacial abnormalities."

Page 72, after line 6, insert the following:

11           (5) DENTURES.—Prior to January 1, 2001, the  
12           dentures described in subsection (a)(6) are not cov-  
13           ered, except for special needs patients. On or after  
14           such date, 1 set of such dentures are covered for an  
15           individual every 8 years, except if the individual is

1 a special needs patient, in which case the limitation  
2 does not apply.

3 (c) DEFINITIONS.—For purposes of this subtitle:

4 (1) MEDICALLY NECESSARY ORAL HEALTH  
5 CARE.—The term “medically necessary oral health  
6 care” means oral health care that is required as a  
7 direct result of, or would have a direct impact on,  
8 an underlying medical condition. Such term includes  
9 oral health care directed towards control or elimi-  
10 nation of pain, infection, or reestablishment of oral  
11 function.

12 (2) SPECIAL NEEDS PATIENT.—The term “spe-  
13 cial needs patient” includes an individual with a ge-  
14 netic or birth defect, a developmental disability, or  
15 an acquired medical disability.

Page 87, strike the items relating to dental care and  
space maintenance procedures and insert the following:

|                                                                                                                                                                                                                                                              |      |                |                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------------|------------------------------------------|
| Dental care (except preven-<br>tion and diagnosis of den-<br>tal disease described in<br>section 1126(a)(2), space<br>maintenance procedures<br>described in section<br>1126(a)(4), and ortho-<br>dontic treatment described<br>in section 1126(a)(5)) ..... | 1126 | \$10 per visit | 20 percent of applicable<br>payment rate |
| Prevention and diagnosis of<br>dental disease described in<br>section 1126(a)(2) .....                                                                                                                                                                       | 1126 | No copayment   | No coinsurance                           |
| Space maintenance proce-<br>dures described in section<br>1126(a)(4) and ortho-<br>dontic treatment described<br>in section 1126(a)(5) .....                                                                                                                 | 1126 | \$20 per visit | 40 percent of applicable<br>payment rate |

## DEMOCRATIC AMENDMENTS

yet to be offered, as of 5/16

### Special populations:

- ? ● permitting special prefunded health benefit trusts for teachers to continue to operate outside of the community-rated pool. [Green]

### Structure:

- requiring that all health plans set up independent consumer advisory committees that can hold hearings, forums, and hire (temporary?) staff. [Owens] (funded through premium add-on of .05% -- about \$2 billion a year)

~~● hearing officers (2nd part) [Payne]~~

### Benefits/Providers:

- grievance procedures [Green]

~~Adapted~~ ● allow direct payment to providers [Green]

- ? ● expand the definition of durable medical equipment [Owens]

- preventive dental benefits for adults, full dental for those with special needs [Miller]

### mental health [Miller-3]

- reworking of the comprehensive managed care section  
● reworking of the children's organized systems of care  
● change the mental health benefits to include the benefits included in the Stark proposal

- smoking cessation [Unsoeld]

- ? ● worksite wellness [Kildee/Hoekstra] ✓

- ? ● community health center/access [Murphy]

~~● essential community providers [Payne]~~

# Subcommittee on Labor-Management Relations

## Markup of Health Care Reform

### REMAINING REPUBLICAN AMENDMENTS

#### D. Structure

##### Gunderson

- Defeated* ✓ 30. No Health Care Taxation without Representation

#### E. Coverage and Eligibility for Benefits

##### Boehner

- Defeated?*  
*or not voted  
on - ruling by  
Chair* ✓ 31. Include Members in Regional Alliances at the Earliest Possible Date

#### F. Benefits & Providers

##### Arney

- Defeated* ✓ 27. Preserve Equal Access to Medical Education (#5)

##### Gunderson

- Defeated* ✓ (3) 2. De-politicize Determination of Comprehensive Benefits Package

##### Ballenger

- Defeated* ✓ (3) 3. Permissive Collective Bargaining of Supplemental Health Benefits

##### Hoekstra/Kildee

- Continuing to  
work on it* ✓ 28. Employer-Sponsored Health Promotion Programs

#### G. ERISA

##### Fawell

- (3) 4. Preserve Federal Uniformity of Benefits and ERISA Plan Administration
- (3) 5. Keep Health Costs from Exploding by Striking "Malpractice Damages Crisis Number Two"

Possible Amendments to H.R. 3960

**[Consumer Protection and Participation]****AMENDMENTS TO COMMITTEE PRINT (H.R. 3600)****OFFERED BY MR. OWENS**

Page 8, insert after line 5 the following (and conform the table of contents accordingly):

1   **SEC. 1000. RECOGNITION OF CONSUMERS' RIGHTS.**

2       The Congress finds that health care is a basic and  
3 universal need, and that the Nation's health care system  
4 should not, in providing health care to individual consum-  
5 ers, operate so as to impair the right of any consumer  
6 to—

7           (1) affordable health insurance;

8           (2) a comprehensive package of health care ben-  
9 efits;

10          (3) personal choice of health care providers and  
11 health plans;

12          (4) quality health care which is equal to that  
13 received by all other consumers;

14          (5) confidentiality of, and access to, one's own  
15 medical records; and

16          (6) effective participation in the process of im-  
17 proving the delivery and quality of health care.

Page 111, beginning on line 3, strike “Each State shall provide for the establishment of” and insert “The Secretary of Labor, in consultation with the Secretary of Health and Human Services, shall establish for each State”.

Page 111, strike lines 10 through 23 and insert the following:

1       (b) ESTABLISHMENT THROUGH GRANT PROCESS.—  
2           (1) IN GENERAL.—The Secretary of Labor shall  
3       carry out the requirements of subsection (a) with re-  
4       spect to each State by designating a non-profit orga-  
5       nization located in the State to serve as the Office  
6       for the State, under a grant awarded, in consulta-  
7       tion with the Secretary of Health and Human Serv-  
8       ices, under a competitive selection process. The  
9       grant may be awarded only to organizations headed  
10      by an individual with expertise and experience in the  
11      fields of health care and consumer advocacy, who  
12      shall be designated the Consumer Advocate for the  
13      State. In awarding such grant, the Secretary of  
14      Labor, in consultation with the Secretary of Health  
15      and Human Services, shall—

1 (A) consider any nominations submitted by  
2 consumer advocacy organizations in the State,  
3 and

4 (B) give preference to organizations that  
5 represent a broad spectrum of the diverse  
6 consumer interests in the State and that have  
7 demonstrated a capability of representing, and  
8 working with, a broad diversity of consumers,  
9 including (but not limited to) members of medi-  
10 cally-underserved communities.

11 (2) REQUIREMENTS.—Each grant awarded  
12 under this subsection shall provide as follows:

13 (A) CENTRAL OFFICE.—A central office of  
14 the organization awarded the grant which is lo-  
15 cated in the State shall be designated as the  
16 Office.

17 (B) LOCAL OFFICES.—The organization  
18 awarded the grant shall establish and maintain  
19 local offices in accordance with subsection (c).

20 (C) PERFORMANCE OF SPECIFIED FUNC-  
21 TIONS.—The organization shall perform the  
22 functions of the Office specified in subsection  
23 (d) and otherwise ensure that the requirements  
24 of this section applicable to the Office are met.

1 (D) RIGHT TO EVALUATE QUALITY AND  
2 EFFECTIVENESS OF GRANTEE.—The Secretary  
3 of Labor, in consultation with the Secretary of  
4 Health and Human Services, shall have the  
5 right to evaluate the quality and effectiveness of  
6 the organization in carrying out the functions  
7 of the Office.

8 (E) TERM OF GRANT AND RENEWABIL-  
9 ITY.—The grant shall be awarded for a term of  
10 4 years and shall be renewable for succeeding  
11 4-year terms without reopening the competitive  
12 selection process if the grantee has performed  
13 properly pursuant to this section and the terms  
14 of the grant.

15 (F) NOTICE OF INTENT NOT TO RENEW;  
16 RECONSIDERATION.—Not later than 180 days  
17 before the expiration of any term under a grant  
18 awarded to an organization, if the Secretary of  
19 Labor at such time intends not to renew the  
20 grant with such organization, the Secretary of  
21 Labor shall notify such organization of such in-  
22 tent, and shall provide such organization an op-  
23 portunity for reconsideration by the Secretary  
24 of Labor, in consultation with the Secretary of  
25 Health and Human Services, of the Secretary

1 of Labor's intent not to renew and to present  
2 information in support of renewal.

3 (G) TERMINATION BY GRANTEE.—The or-  
4 ganization may terminate the grant prior to its  
5 expiration upon 180 days notice to the Sec-  
6 retary of Labor.

7 (H) TERMINATION BY THE SECRETARY.—  
8 The Secretary of Labor, in consultation with  
9 the Secretary of Health and Human Services,  
10 may terminate the grant prior to its expiration  
11 upon 180 days notice to the organization if the  
12 Secretary of Labor, in consultation with the  
13 Secretary of Secretary or Health and Human  
14 Services, determines that the organization is  
15 not meeting the requirements of this section or  
16 that the organization is failing substantially to  
17 carry out the grant. The Secretary of Labor, in  
18 consultation with the Secretary of Health and  
19 Human Services, shall provide for an appro-  
20 priate appeals mechanism, including establish-  
21 ment of a panel of peers, to implement this sub-  
22 paragraph.

Page 111, beginning on line 25, strike "Each State  
shall provide for appropriate delegation by the Consumer  
Advocate" and insert "The Secretary of Labor, in con-

sultation with the Secretary of Health and Human Services, shall provide by regulation for appropriate delegation by the Office”.

Page 112, line 4, strike “Consumer Advocate” and insert “Office”.

Page 112, line 5, strike “State” and insert “Secretary of Labor, in consultation with the Secretary of Health and Human Services,”.

Page 112, line 12, strike “Consumer Advocate” and insert “Office”.

Page 113, insert after line 2 the following:

1           (C) APPROPRIATE STAFFING.—The Office shall  
2       ensure that sufficient staff in each local office is as-  
3       signed to work with respect to matters relating to  
4       each health plan whose enrollees are served by the  
5       local office so as to ensure effective and efficient  
6       service in such local office with respect to matters  
7       relating to such plan.

Page 113, strike line 3 and all that follows through line 4 on page 115 and insert the following (redesignating subsequent subsections accordingly):

8       (d) FUNCTIONS.—The Secretary of Labor, in con-  
9       sultation with the Secretary of Health and Human Serv-

1 ices, shall ensure that, through the local offices in each  
2 community-rating area in each State, the Office—

3 (1) provides individuals assistance with deter-  
4 mining in connection with any stated grievance aris-  
5 ing in the community-rating area the manner and  
6 extent to which such grievance may be presented  
7 as—

8 (A) an issue of denial of items or services,  
9 or reimbursement therefor,

10 (B) an issue of denial of medical records,

11 (C) an issue of malpractice,

12 (D) an issue of discrimination,

13 (E) an issue of eligibility and payment of  
14 subsidies for premium payments and cost shar-  
15 ing,

16 (F) an issue of enrollment, or

17 (G) any other violation actionable under  
18 this Act;

19 (2) identifies, investigates, publicizes, and pro-  
20 motes solutions to, and resolves grievances stemming  
21 from, practices, policies, laws, or regulations that  
22 may adversely affect access by individuals to quality  
23 health care, including (but not limited to) practices,  
24 policies, laws, and regulations relating to—

25 (A) marketing of health plans,

1 (B) availability of premium and cost shar-  
2 ing subsidies,

3 (C) accessibility of services and resources  
4 in traditionally underserved areas,

5 (D) targeting of resources to traditionally  
6 underserved areas, and

7 (E) elimination of practices that impede  
8 access to available choices for individuals at  
9 health risk, including the proper implementa-  
10 tion of community rating and risk adjustments;

11 (3) monitors the effectiveness of health plan  
12 procedures for denials by health plans of items or  
13 services or reimbursement therefor, and for reconsid-  
14 eration of such denials;

15 (4) provides, in person and by toll-free tele-  
16 phone access, assistance to individuals seeking from  
17 health plans items and services in the area, or reim-  
18 bursement for items and services provided in the  
19 area (including assistance in completing claims  
20 forms);

21 (5) upon request, informs individuals about  
22 means of securing items and services under health  
23 plans in the area, reimbursement under health plans  
24 for items and services obtained in the area, and doc-  
25 uments relating to such items and services, and en-

1       forcing their rights in relation thereto under this  
2       Act, under health plans maintained under this Act,  
3       or under State law;

4           (6) ensures that individuals have regular and  
5       timely access in the area to the services provided  
6       through the Office and its local offices and that they  
7       receive timely responses from representatives of the  
8       Office to complaints;

9           (7) establishes and maintains a system of refer-  
10      rals between the Office (including its local offices)  
11      and other consumer advocacy organizations, legal as-  
12      sistance providers serving low-income persons, and  
13      protection and advocacy systems for individuals with  
14      disabilities established under—

15           (A) part C of title I of the Developmental  
16      Disabilities Assistance and Bill of Rights Act  
17      (42 U.S.C. 6041 et seq.),

18           (B) the Protection and Advocacy for Men-  
19      tally Ill Individuals Act of 1986 (42 U.S.C.  
20      10801 et seq.), and

21           (C) section 509 of the Rehabilitation Act  
22      of 1973 (29 U.S.C. 794e);

23           (8) provides technical assistance to independent  
24      consumer advisory committees maintained by health  
25      plans in the area pursuant to section 1416, and dis-

1       tributes and accounts for funding for such commit-  
2       tees in accordance with subsection (e);

3           (9) provides for a system in the Office and  
4       throughout its local offices for treating as confiden-  
5       tial any identifying information regarding complain-  
6       ants and other individuals with respect to whom the  
7       Office or its local offices maintain files or records;

8           (10) establishes and implements minimum  
9       qualifications and training requirements for person-  
10      nel, including volunteers; and

11          (11) carries out such other activities as the Of-  
12      fice determines to be appropriate.

13      (e) DISTRIBUTION OF FUNDING FOR INDEPENDENT  
14      CONSUMER ADVISORY COMMITTEES.—In accordance with  
15      procedures which shall be set forth in regulations pre-  
16      scribed by the Secretary of Labor, in consultation with the  
17      Secretary of Health and Human Services—

18          (1) The Office shall establish and maintain an  
19      escrow account for each independent consumer advi-  
20      sory committee established for a community-rating  
21      area in the State served by the Office.

22          (2) The Office shall annually distribute an  
23      amount equal to 25 percent of the total amount re-  
24      mitted for the year to the Secretary by the State  
25      under section 1593, on the basis of which funds are

1       made available to the Office for the year under this  
2       section, in the form of deposits to the escrow ac-  
3       counts maintained by the Office for independent  
4       consumer advisory committees pursuant to para-  
5       graph (1). The amounts deposited to such escrow ac-  
6       counts shall be in proportion to the numbers of en-  
7       rollees represented by the committees for which such  
8       escrow accounts are maintained.

9           (3) The funds maintained in each such escrow  
10       account for an independent consumer advisory com-  
11       mittee shall be made available for withdrawal by the  
12       chair of the committee upon request of the chair,  
13       specifying in writing the purpose for the withdrawal.

14           (4) The Office shall provide the Secretary of  
15       Labor an annual accounting of the receipts and dis-  
16       bursements made with respect to each such escrow  
17       account.

Page 115, line 5, strike "State" and insert "Sec-  
retary of Labor, in consultation with the Secretary of  
Health and Human Services,".

Page 115, beginning on line 6, strike "Consumer  
Advocate's" and insert "Office's".

Page 115, line 7, strike “Consumer Advocate” and insert “officers and employees of the Office”.

Page 115, line 13, strike “performs” and insert “perform”.

Page 115, line 15, strike “a”.

Page 115, line 18, insert after the comma the following: “or such individual’s legal representative,”.

Page 116, line 6, strike “State” and insert “Office for each State”.

Page 117, beginning on line 1, strike “Consumer Advocate” and insert “Office for each State”.

Page 117, line 2, insert after “report to” the following: “the Secretary of Labor, the Secretary of Health and Human Services,”.

Page 117, beginning on line 6, strike “Consumer Advocate” and insert “Office”.

Page 117, strike lines 9 through 18 and insert the following:

- 1 (B) MATTERS INCLUDED IN REPORT.—
- 2 The report shall set forth the findings of the
- 3 Office obtained under the reporting system

1 maintained under paragraph (1), together  
2 with—

3 (i) a record of the activities of the Of-  
4 fice for the year covered by the report,

5 (ii) the annual reports submitted by  
6 independent consumer advisory committees  
7 pursuant to section 1416(b)(3),

8 (iii) an analysis of the success of the  
9 Office and any barriers that prevent the  
10 optimal accomplishment of its duties, and

11 (iv) any recommendations the Office  
12 considers appropriate, including—

13 (I) recommendations of means of  
14 disposing to the satisfaction of com-  
15 plainants those complaints which were  
16 otherwise disposed of during the year  
17 covered by the report or remained  
18 pending as of the end of such year,

19 (II) recommendations for protect-  
20 ing the health, safety, welfare, and  
21 rights of individuals with respect to  
22 their health care, and

23 (III) any other recommendations  
24 for administrative or legislative

1 changes necessary to solve identified  
2 problems.

Page 117, line 25, strike "State" and insert "Secretary of Labor, in consultation with the Secretary of Health and Human Services,".

Page 118, line 2, strike "designation of the Consumer Advocate" and insert "selection of the organization to serve as the Office for each State".

Page 118, line 6, insert "for each State" after "Consumer Advocate".

Page 118, line 18, strike "State" and insert "Secretary of Labor".

Page 119, line 19, strike "or".

Page 120, line 2, strike the period and insert ", or".

Page 120, insert after line 2 the following:

3 (E) an officer or employee of the United  
4 States Government, the government of any  
5 State or political subdivision thereof, or any in-  
6 strumentality of the foregoing.

Page 120, strike lines 3 through 15 (and redesignate subsequent subsections accordingly).

Page 120, line 16, strike "The State shall ensure that no" and insert "No".

Page 120, line 18, strike "will be liable under State law" and insert "shall be liable under any law".

Page 239, after line 21, insert the following (and redesignate provisions and conform the table of contents of title I accordingly):

1 SEC. 1414. CONSUMER PARTICIPATION IN HOSPITAL GOV-  
2 ERNANCE.

3 (a) NONPROFIT HOSPITALS.—Each carrier providing  
4 a health plan shall ensure that at least  $\frac{1}{3}$  of the member-  
5 ship of each policy-making board of a nonprofit hospital  
6 that is a participating provider in the plan is comprised  
7 of consumers of health services appointed to the board.

8 (b) PRIVATE HOSPITALS.—Each carrier providing a  
9 health plan shall provide for representation of consumers  
10 of health services on each policy-making board of a private  
11 hospital that is not a nonprofit hospital and is a partici-  
12 pating provider in the plan.

13 (c) APPOINTMENT OF CONSUMER MEMBERS.—The  
14 members of a board described in subsection (a) or (b) who  
15 are appointed for purposes of meeting the requirements  
16 of such subsections shall be appointed from among individ-  
17 uals residing in the community-rating area in which the

1 hospital is located. Any member of such a policy-making  
2 board who is appointed to represent consumers of health  
3 services may not be a health care provider or an officer  
4 or employee of any consumer purchasing cooperative, car-  
5 rier, health plan, or health care provider.

Page 240, insert after line 14 the following (and  
conform the table of contents of title I accordingly):

6 SEC. 1416. INDEPENDENT CONSUMER ADVISORY COMMIT-  
7 TEES.

8 (a) IN GENERAL.—Each carrier which provides the  
9 comprehensive benefit package primarily through an inte-  
10 grated health network shall establish and maintain an  
11 independent consumer advisory committee (hereinafter in  
12 this section referred to as “committee”) for each commu-  
13 nity-rating area in which a health plan provided by such  
14 carrier operates. Each committee shall consist of not less  
15 than 25 and not more than 50 members. Members of each  
16 committee of a health plan for any community-rating area  
17 shall be selected from enrolled individuals who indicate in-  
18 terest in such positions, who reside within such area, and  
19 who are not health care providers or officers or employees  
20 of any consumer purchasing cooperative, carrier, health  
21 plan, or health care provider. Members of the committee  
22 shall be selected biennially at random from each of four  
23 categories of enrolled individuals, in proportion to their

1 numbers among enrolled individuals represented by the  
2 committee, as follows: senior citizens; individuals with dis-  
3 abilities; parents of children under 18 years of age; and  
4 all other enrolled individuals.

5 (b) FUNCTIONS.—Each committee established by a  
6 carrier for a health plan operating in a community-rating  
7 area shall—

8 (1) develop and coordinate programs for out-  
9 reach to individuals residing in the community-rat-  
10 ing area,

11 (2) conduct regular meetings of enrolled indi-  
12 viduals and health plan representatives under such  
13 procedural rules as the committee considers appro-  
14 priate, so that such meetings will serve as effective  
15 forums for facilitating communication between the  
16 carrier and enrolled individuals residing in the com-  
17 munity-rating area, and

18 (3) annually submit to the Office of Consumer  
19 Advocacy for Health for the State in which the com-  
20 munity-rating area is located a report on rec-  
21 ommendations for improvements in health care deliv-  
22 ery under the plan in the community-rating area, in-  
23 cluding assessments of—

1 (A) the accessibility (by location) of offices  
2 and clinics providing items and services under  
3 the plan,

4 (B) the condition of health care facilities  
5 employed under the plan,

6 (C) the ease with which prescriptions are  
7 filled under the plan,

8 (D) delays occurring under the plan in re-  
9 ceiving requested medical attention,

10 (E) the time spent by patients in waiting  
11 rooms under the plan,

12 (F) the complexity of paperwork required  
13 under the plan,

14 (G) the courtesy of health plan personnel,  
15 and

16 (H) such other concerns regarding the  
17 plan's system of delivering health care services  
18 that the committee may choose to assess,

19 (4) conduct such ad hoc meetings and other ac-  
20 tivities as may enable the committee to ensure that  
21 the grievances of consumers in the area are gen-  
22 erally heard and addressed by the carrier, and

23 (5) periodically evaluate the performance of the  
24 Office of Consumer Advocacy for Health for the  
25 State in which the community-rating area is located

1       and make recommendations to the Secretary of  
2       Labor regarding the appropriateness for continued  
3       service by the organization currently serving as the  
4       Office.

5       (c) CHAIR.—Each committee shall be headed by a  
6       chair, who is elected by the committee.

7       (d) EXPENDITURES FOR SERVICES.—Members of  
8       each committee shall serve without compensation, except  
9       that the members shall be reimbursed for the reasonable  
10      expenses incurred in carrying out their duties as members.  
11      The committee may provide for acquiring the services of  
12      such temporary consultants as may be necessary from  
13      time to time to carry out the requirements of subsection  
14      (b).

15      (e) LIABILITY.—No member of a committee estab-  
16      lished under this section shall be liable under any law for  
17      the good faith performance of the functions specified in  
18      subsection (b).

19      (f) RESTRICTION ON USE OF FUNDS.—Funds with-  
20      drawn from an escrow account maintained pursuant to  
21      section 1205(e) for a committee established pursuant to  
22      this section shall be used by the committee solely for pur-  
23      poses of carrying out the functions specified in subsection  
24      (b) and making expenditures described in subsection (d).

Page 280, after line 23, insert the following (and conform the table of contents of title I accordingly):

1 SEC. 1461. CONSUMER PARTICIPATION IN HOSPITAL GOV-  
2 ERNANCE.

3 The provisions of section 1414 (relating to consumer  
4 participation in hospital governance) shall apply to a large  
5 group sponsor and a health plan it provides in the same  
6 manner as such provisions apply to a carrier and a health  
7 plan it provides.

8 SEC. 1462. INDEPENDENT CONSUMER ADVISORY COMMIT-  
9 TEES.

10 The provisions of section 1416 (relating to independ-  
11 ent consumer advisory committees) shall apply to a large  
12 group sponsor and a health plan it provides in the same  
13 manner as such provisions apply to a carrier and a health  
14 plan it provides.

15 Page 347, line 23, insert "**GENERAL**" before  
16 "**RESPONSIBILITIES**".

17 Page 351, insert after line 21 the following:

18 SEC. 1592. NATIONAL CONSUMER TECHNICAL SUPPORT  
19 AND TRAINING CENTER.

20 (a) IN GENERAL.—The Secretary of Labor shall des-  
21 ignate a non-profit entity to serve as a National Consumer  
22 Technical Support and Training Center (hereinafter in

1 this section referred to as the "Center") under a grant  
2 awarded, in consultation with the Secretary of Health and  
3 Human Services, under a competitive selection process.  
4 The grant may be awarded only to a non-profit national  
5 consumer organization which—

6 (1) has demonstrated experience in representing  
7 the interests of consumers on health care issues,

8 (2) has a history of addressing the needs of di-  
9 verse consumer populations, including (but not lim-  
10 ited to) the consumers from traditionally under-  
11 served areas,

12 (3) has the capacity to conduct necessary re-  
13 search,

14 (4) has administrative and technological capac-  
15 ity to communicate with consumer representatives  
16 nationwide, and

17 (5) has existing relationships with consumers  
18 and diverse consumer groups nationwide.

19 (b) EXCLUDED ORGANIZATIONS.—The Secretary of  
20 Labor may not award a grant under this section to any  
21 entity which is, or is affiliated (through management, own-  
22 ership, or common control) with a health care facility, a  
23 managed care organization or network, or any association  
24 of two or more of the foregoing.

1 (c) REQUIREMENTS.—A grant awarded under this  
2 subsection shall provide as follows:

3 (1) PERFORMANCE OF SPECIFIED FUNC-  
4 TIONS.—The organization awarded the grant shall  
5 perform the functions of the Center specified in sub-  
6 section (d) and otherwise ensure that the require-  
7 ments of this section applicable to the Center are  
8 met.

9 (2) RIGHT TO EVALUATE QUALITY AND EFFEC-  
10 TIVENESS OF GRANTEE.—The Secretary of Labor, in  
11 consultation with the Secretary of Health and  
12 Human Services, shall have the right to evaluate the  
13 quality and effectiveness of the organization in car-  
14 rying out the functions of the Center.

15 (3) TERM OF GRANT AND RENEWABILITY.—The  
16 grant shall be awarded for a term of 4 years and  
17 shall be renewable for succeeding 4-year terms with-  
18 out reopening the competitive selection process if the  
19 grantee has performed properly pursuant to this sec-  
20 tion and the terms of the grant.

21 (4) NOTICE OF INTENT NOT TO RENEW; RE-  
22 CONSIDERATION.—Not later than 180 days before  
23 the expiration of any term under a grant awarded  
24 to an organization, if the Secretary of Labor at such  
25 time intends not to renew the grant with such orga-

1       nization, the Secretary of Labor shall notify such or-  
2       ganization of such intent, and shall provide such or-  
3       ganization an opportunity for reconsideration by the  
4       Secretary of Labor, in consultation with the Sec-  
5       retary of Health and Human Services, of the Sec-  
6       retary of Labor's intent not to renew and to present  
7       information in support of renewal.

8               (5) TERMINATION BY GRANTEE.—The organi-  
9       zation may terminate the grant prior to its expira-  
10      tion upon 180 days notice to the Secretary of Labor.

11              (6) TERMINATION BY SECRETARY OF LABOR.—  
12      The Secretary of Labor, in consultation with the  
13      Secretary of Health and Human Services, may ter-  
14      minate the grant prior to its expiration upon 180  
15      days notice to the organization if the Secretary of  
16      Labor, in consultation with the Secretary of Health  
17      and Human Services, determines that the organiza-  
18      tion is not meeting the requirements of this section  
19      or if the organization fails substantially to carry out  
20      the grant. The Secretary of Labor shall provide for  
21      an appropriate appeals mechanism, including estab-  
22      lishment of a panel of peers, to implement this para-  
23      graph.

24              (d) FUNCTIONS OF THE CENTER.—The Center  
25      shall—

1           (1) provide timely technical assistance and  
2           training to the Office of Consumer Advocacy for  
3           Health for each State and to other entities referred  
4           to in section 1205(d)(7),

5           (2) provide education and information to the  
6           Office of Consumer Advocacy for Health of each  
7           State with the assistance of electronic communica-  
8           tion,

9           (3) conduct national conferences for Consumer  
10          Advocates and other officers and employees of Of-  
11          fices of Consumer Advocacy for Health on topics of  
12          mutual concern,

13          (4) conduct research and report findings on ac-  
14          cess and quality issues of concern to all consumers  
15          and, in particular, to consumers in traditionally un-  
16          derserved areas,

17          (5) disseminate information to the Office of  
18          Consumer Advocacy for Health of each State, con-  
19          cerning the structure of, and benefits under, the na-  
20          tional health care system as reformed by this Act,  
21          for distribution to the public, and

22          (6) exercise such other powers and functions as  
23          the Secretary of Labor, in consultation with the Sec-  
24          retary of Health and Human Services, considers ap-  
25          propriate.

1 (e) LIABILITY.—No officer or employee of the Center  
2 shall be liable under any law for the good faith perform-  
3 ance of official duties.

4 SEC. 1593. FINANCING OF CONSUMER ADVOCACY PRO-  
5 GRAMS.

6 (a) FUNDS HELD IN ESCROW.—In accordance with  
7 procedures which shall be prescribed by regulation under  
8 subsection (d), each State shall provide for a mechanism  
9 under which the State shall hold in an escrow account 0.25  
10 percent of the total amount of the annual premiums for  
11 each year with respect to enrollment in community-rated  
12 plans for such year of individuals residing in the State.  
13 The State shall require each health plan sponsor of an  
14 experience-rated plan in the State to pay an assessment  
15 to the State of an amount equal to 0.25 percent of the  
16 premiums paid during each year by or on behalf of en-  
17 rolled individuals residing in the State, and the State shall  
18 deposit into such escrow account any amounts received  
19 under such assessment during the year. Any funds held  
20 in such escrow account shall be available solely for remit-  
21 tance to the Secretary of Labor under subsection (b).

22 (b) REMITTANCE TO SECRETARY OF LABOR.—Not  
23 later than December 31 of each calendar year, each State  
24 shall remit to the Secretary of Labor, in such form and  
25 manner as shall be prescribed in regulations, the amounts

1 held in escrow pursuant to subsection (a) for the applica-  
2 ble fiscal year ending with or during such calendar year.

3 (c) ALLOCATIONS.—Of the amounts remitted by each  
4 State to the Secretary of Labor for each year under sub-  
5 section (b)—

6 (1) not less than \$5,000,000 shall be applied  
7 towards the establishment and operation of the Na-  
8 tional Consumer Technical Support and Training  
9 Center pursuant to section 1592, and

10 (2) the remainder shall be applied towards the  
11 establishment and operation of the Office of  
12 Consumer Advocacy for Health for such State under  
13 section 1205 (including amounts to be distributed to  
14 escrow accounts for independent consumer advisory  
15 committees pursuant to section 1205(e)).

16 (d) REGULATIONS.—The Secretary of Labor shall  
17 prescribe regulations under this section in consultation  
18 with the Secretary of Health and Human Services.

Page 907, after line 20, insert the following (and  
conform the table of contents of title VIII accordingly):

19 **“SEC. 5241. CONSUMER PARTICIPATION IN HOSPITAL GOV-**  
20 **ERNANCE.**

21 “The provisions of section 1414 of the Health Secu-  
22 rity Act (relating to consumer participation in hospital  
23 governance) shall apply to a large group sponsor and a

1 health plan it provides in the same manner as such provi-  
2 sions apply to a carrier and a health plan it provides.

3 "SEC. 5242. INDEPENDENT CONSUMER ADVISORY COMMIT-  
4 TEES.

5 "The provisions of section 1416 of the Health Secu-  
6 rity Act (relating to independent consumer advisory com-  
7 mittees) shall apply to a large group sponsor and a health  
8 plan it provides in the same manner as such provisions  
9 apply to a carrier and a health plan it provide.