

AAHP/HIAA

Key Legislation in the 108th Congress

November 7, 2003

LEGISLATION	BRIEF BILL SUMMARY	STATUS
<p>H.R. 660/S. 545</p> <p>Association Health Plans</p>	<p>Would allow small employers to form regional and national association health plans (AHPs) that would be exempt from state benefit mandates and other state regulatory requirements.</p>	<p>The House approved H.R. 660 by a vote of 262 to 162 on June 19, 2003.</p> <p>Sen. Olympia Snowe (R-ME) introduced S. 545 on March 6, 2003.</p>
<p>H.R. 2122/S. 15</p> <p>BioShield</p>	<p>Would authorize funding for the President's BioShield initiative, which proposes to develop a strategic national stockpile of vaccines and other countermeasures against chemical, biological, radiological, and nuclear weapons. Would also give the HHS Secretary greater authority to facilitate the research and development of such countermeasures.</p>	<p>The Senate HELP Committee approved S. 15 on March 19, 2003.</p> <p>The House approved H.R. 2122 by a vote of 421 to 2 on July 16, 2003.</p>
<p>H.R. 1115/S. 274</p> <p>Class Action Reform</p>	<p>Includes provisions that would: (1) allow a broader range of class action lawsuits to be considered in federal court, rather than state court, in an effort to ensure that cases with nationwide implications are decided in the appropriate forum; and (2) establish consumer protections aimed at preventing abusive settlements that provide minimal benefits to consumers.</p>	<p>The House approved H.R. 1115 by a vote of 253 to 170 on June 12, 2003.</p> <p>The Senate Judiciary Committee approved S. 274 on April 11, 2003.</p> <p>The Senate defeated a procedural motion relating to S. 274 on October 22, 2003. This procedural motion, which failed by a vote of 59 to 39, would have paved the way for Senate consideration of S. 274 if it had been supported by 60 senators.</p>
<p>H.R. 2622</p> <p>Confidentiality</p> <p>(broader bill addresses reauthorization of Fair Credit Reporting Act)</p>	<p>Would establish requirements to protect the confidentiality of medical information in the financial system and medical contact information in credit reports.</p> <p>Specifically states that these bills shall not be construed as altering, affecting, or superseding any other provision of federal law relating to medical confidentiality. Thus, the HIPAA privacy regulation would not be impacted by these provisions.</p>	<p>The House approved its version of H.R. 2622 by a vote of 392 to 30 on September 10, 2003.</p> <p>The Senate approved its version of H.R. 2662 by a vote of 95 to 2 on November 5, 2003.</p>
<p>H.R. 2631</p> <p>FEHBP Prescription Drug Coverage</p>	<p>Would require FEHBP plans to offer Medicare-eligible enrollees prescription drug coverage that is "at least equal to the actuarial value of the prescription drug benefits which are offered to enrollees under the plan generally."</p>	<p>The House approved H.R. 2631 by voice vote on July 8, 2003.</p>

LEGISLATION	BRIEF BILL SUMMARY	STATUS
S. 1053 Genetic Nondiscrimination	Includes new requirements to: (1) prohibit health plans, insurers, and employers from discriminating on the basis of genetic information; and (2) address the confidentiality of genetic information. Does <u>not</u> prohibit health plans from using or disclosing genetic information for health care operations.	The Senate approved S. 1053 by a vote of 95 to 0 on October 14, 2003.
H.R. 1298 Global AIDS	Authorizes \$3 billion in each of the next five years for efforts to fight AIDS in African and Caribbean countries where the disease is most heavily concentrated.	President Bush signed H.R. 1298 into law on May 27, 2003.
S. 1373 Insurance Regulation	Would require federal regulation of all interstate insurers that offer property and casualty insurance or life insurance. Defines “life insurance” to include disability insurance and long-term care insurance, and specifically allows interstate insurers to underwrite medical malpractice insurance. Does not apply to health insurance, but requires a new federal regulator to report to Congress on whether national insurers should be able to underwrite health insurance.	Sen. Ernest Hollings (D-SC) introduced S. 1373 on July 8, 2003.
H.R. 2096/S. 1335 Long-Term Care	Includes provisions that would: (1) establish a tax deduction for individuals who purchase long-term care insurance; (2) provide a \$3,000 tax credit to caregivers; and (3) allow long-term care insurance to be offered under employer-sponsored cafeteria plans and flexible spending arrangements.	Reps. Nancy Johnson (R-CT) and Earl Pomeroy (D-ND) introduced H.R. 2096 on May 14, 2003. Sens. Charles Grassley (R-IA) and Bob Graham (D-FL) introduced S. 1335 on June 25, 2003.
H.R. 2 Medicaid Funding (broader bill addressed tax relief)	Includes provisions that, in FY 2003 and FY 2004, will provide \$10 billion to increase federal matching funds for state Medicaid programs and an additional \$10 billion that states will be able to use to address budget priorities of their own choosing.	President Bush signed H.R. 2 into law on May 28, 2003.
H.R. 1811/S. 622 Medicaid Option for Disabled Children	Would establish a new optional Medicaid eligibility category that would allow states to receive federal matching funds if they choose to provide a “buy-in” option for disabled children who currently are not eligible for Medicaid, but whose families have incomes below 250 percent of the federal poverty level.	The Senate Finance Committee approved S. 622 on September 10, 2003. Reps. Pete Sessions (R-TX) and Henry Waxman (D-CA) introduced H.R. 1811 on April 11, 2003.
H.R. 5/S. 11 Medical Liability Reform	Includes medical liability reforms that would: <ul style="list-style-type: none"> – cap non-economic and punitive damages; – limit attorneys’ contingency fees; – limit the number of years a plaintiff can wait before filing a health care liability action; – limit a party’s liability to its degree of fault; and – allow defendants to introduce evidence showing that a plaintiff has received reimbursement from another party for a portion of his/her damages. 	The House approved H.R. 5 by a vote of 229 to 196 on March 13, 2003. The Senate defeated a procedural motion relating to S. 11 on July 9, 2003. This procedural motion, which failed by a vote of 49 to 48, would have paved the way for Senate consideration of S. 11 if it had been supported by 60 senators.

LEGISLATION	BRIEF BILL SUMMARY	STATUS
<p>H.R. 1/S. 1</p> <p>Medicare</p>	<p>These comprehensive Medicare bills address a wide range of issues including:</p> <ul style="list-style-type: none"> – increased funding for Medicare+Choice in 2004 and 2005; – a new Medicare health plan program beginning in 2006; – prescription drug discount drug cards for all beneficiaries in 2004 and 2005; – limited prescription drug assistance for low-income beneficiaries in 2004 and 2005; – prescription drug coverage for all beneficiaries beginning in 2006; – an FEHBP-style system of competitive bidding beginning in 2010 (H.R. 1 only); and – Medigap, Hatch-Waxman reforms, reimportation of prescription drugs, retiree health benefits, and numerous other issues. 	<p>The House approved H.R. 1 by a vote of 216 to 215 on June 27, 2003.</p> <p>The Senate approved S. 1 by a vote of 76 to 21 on June 27, 2003.</p> <p>A conference committee has been appointed to reconcile the differences between the House and Senate Medicare bills.</p>
<p>H.R. 1/S. 1</p> <p>Medigap</p>	<p><u>H.R. 1</u>: Medigap H, I & J could no longer be sold, but carriers could renew existing Medigap policies with drug coverage. Beneficiaries terminating H, I or J would have guaranteed issue to Medigap A-G. NAIC would establish two new standardized Medigap plans that may include drug coverage.</p> <p><u>S. 1</u>: Medigap H, I & J could no longer be sold, issued or renewed to a beneficiary with Part D. Beneficiaries terminating H, I or J would have guaranteed issue to Medigap A-G. No provision for NAIC to establish new Medigap policies.</p>	<p>A conference committee has been appointed to reconcile the differences between the House and Senate Medicare bills.</p>
<p>H.R. 3146</p> <p>Medicare: QI-1 Program/ Hospital Payments</p> <p>(broader bill addressed welfare reauthorization)</p>	<p>Provides for a six-month extension—through March 31, 2004—of a federal program, known as the “QI-1 program,” that pays the Medicare Part B premiums of beneficiaries who have incomes between 120 percent and 135 percent of the federal poverty level.</p> <p>Provides for a six-month extension—through March 31, 2004—of a provision of current law that increases the Medicare base payment rate for hospitals in rural and small urban areas.</p>	<p>President Bush signed H.R. 3146 into law on October 1, 2003.</p>
<p>H.R. 953/S. 486</p> <p>Mental Health Parity</p>	<p>Would expand the Mental Health Parity Act of 1996 by requiring parity with respect to all treatment limitations and all financial requirements for all conditions listed in the Diagnostic and Statistical Manual of Mental Disorders (DSM-IV), except for substance abuse disorders. Like the 1996 law, this proposed mandate: (1) would apply only to plans that provide both medical/surgical benefits and mental health benefits; and (2) would not apply to plans offered by small employers who have 50 employees or fewer.</p>	<p>Sens. Pete Domenici (R-NM) and Edward Kennedy (D-MA) introduced S. 486 on February 27, 2003.</p> <p>Reps. Patrick Kennedy (D-RI) and Jim Ramstad (R-MN) introduced H.R. 953 on February 27, 2003.</p>

LEGISLATION	BRIEF BILL SUMMARY	STATUS
H.R. 663/S. 720 Patient Safety	Would establish legal protections for medical error information that is voluntarily reported by providers to certified patient safety organizations (PSOs). Also would establish procedures for the voluntary collection, development and reporting of patient safety data to certified PSOs and to a national patient safety database.	The House approved H.R. 663 by a vote of 418 to 6 on March 12, 2003. The Senate HELP Committee approved S. 720 on July 23, 2003.
H.R. 596/H.R. 597 Patients' Bill of Rights	H.R. 596 would expand health plan liability by providing that state causes of action are not preempted by ERISA for cases involving health plan coverage decisions based on medical necessity. H.R. 597 proposes a wide range of health plan mandates and an external review process for resolving coverage disputes.	Rep. Charlie Norwood (R-GA) introduced H.R. 596 and H.R. 597 on February 5, 2003.
H.R. 1120 Physician Collective Bargaining	Would allow competing physicians to collectively bargain when negotiating with health plans. Provides that, if collective bargaining by physicians or other health care professionals is challenged under the antitrust laws, the conduct would be judged based on a "rule of reason"—rather than automatically being considered illegal, as under current law. Also would establish demonstration projects under which physicians could collectively bargain with health plans over payments and other issues.	Reps. Spencer Bachus (R-AL) and John Conyers (D-MI) introduced H.R. 1120 on March 6, 2003.
S. 1225 Prescription Drugs: Hatch-Waxman Reforms	Would amend the Hatch-Waxman Act in an effort to move generic prescription drugs to market more quickly.	The Senate HELP Committee approved S. 1225 on June 11, 2003. Hatch-Waxman reforms were also included in the House and Senate Medicare bills (H.R.1/S. 1).
H.R. 2427 Prescription Drugs: Reimportation	Would require the HHS Secretary to issue regulations, within 180 days of the bill's enactment, allowing for the reimportation of prescription drugs—by pharmacists, wholesalers, and qualifying individuals—from Canada, Australia, Israel, Japan, New Zealand, Switzerland, South Africa, and nations in the European Union and the European Free Trade Association.	The House approved H.R. 2427 by a vote of 243 to 186 on July 25, 2003. Reimportation provisions were also included in the House and Senate Medicare bills (H.R.1/S. 1).
S. 423 Recreational Activities	Would prohibit health plans and insurers from denying otherwise available benefits for injuries resulting from an enrollee's participation in a "legal transportation or legal recreational activity." Although the bill does not mention specific activities, it is intended to ensure that coverage is provided for injuries caused by motorcycling, snowmobiling, skiing, and other high-risk activities that are legal.	The Senate HELP Committee approved S. 423 by voice vote on October 29, 2003.

LEGISLATION	BRIEF BILL SUMMARY	STATUS
<p>H.R. 1770 Smallpox Vaccination</p>	<p>Includes provisions that: (1) establish a smallpox compensation program for health care workers who experience serious adverse reactions to smallpox vaccines; and (2) take steps to apply liability protections to health plans and to post-vaccination follow-up care.</p>	<p>President Bush signed H.R. 1770 into law on April 30, 2003.</p>
<p>H.R. 2854 State Children’s Health Insurance Program</p>	<p>Extends the availability of \$2.7 billion in federal funds that were allocated, but not spent, for the State Children’s Health Insurance Program (SCHIP) in fiscal years 1998 through 2001. Allows certain states (those with high income eligibility thresholds in their Medicaid programs) to spend up to 20 percent of their unspent SCHIP funds on Medicaid, provided that they do not reduce their income eligibility thresholds under SCHIP.</p>	<p>President Bush signed H.R. 2854 into law on August 15, 2003.</p>
<p>H.R. 3288 SCHIP Technical Corrections</p>	<p>Makes technical corrections to ensure that additional states can qualify to use 20 percent of their restored SCHIP funds to pay for certain Medicaid expenditures.</p>	<p>This bill has been cleared for the President’s signature by both the House and the Senate.</p>
<p>H.R. 3289 Tricare</p>	<p>Allows Reserve and National Guard members (and their families)—regardless of whether they are mobilized—to purchase health coverage through Tricare if they are eligible for unemployment compensation or if they do not have employer-based health coverage. Expands the time period during which reservists are considered to be on active duty for purposes of determining Tricare eligibility. Extends the transitional health care assistance that is available to reservists after they are separated from active duty. All of these provisions are scheduled to expire on September 30, 2004.</p>	<p>President Bush signed H.R. 3289 into law on November 6, 2003.</p>
<p>H.R. 2596 Uninsured: Tax-Free Accounts</p>	<p>Would authorize the establishment of new tax-free accounts, Health Savings Security Accounts (HSSAs) and Health Savings Accounts (HSAs), which would give consumers new options for paying for health care expenses.</p>	<p>The House approved H.R. 2596 by a vote of 237 to 191 on June 26, 2003. This bill was subsequently appended to the House Medicare bill (H.R. 1) and currently is part of the Medicare conference committee deliberations.</p>
<p>S. 1693 Uninsured: Health Care Tax Credits</p>	<p>Would expand the Trade Act of 2002 by making health care tax credits available to all persons who are eligible to receive unemployment compensation. Currently, the tax credits can be applied toward the purchase of health coverage by: (1) trade-impacted workers who have lost their jobs and their health coverage due to competition from imported products; and (2) certain individuals who receive pension payments from the Pension Benefit Guaranty Corporation.</p>	<p>Sens. Charles Grassley (R-IA) and Max Baucus (D-MT) introduced S. 1693 on October 1, 2003.</p>

LEGISLATION	BRIEF BILL SUMMARY	STATUS
<p>H.R. 1528</p> <p>Uninsured: Health Care Tax Credits</p> <p>(broader bill addresses taxpayer protection and IRS accountability)</p>	<p>Section 309 would change the rules for determining whether state-based health coverage is eligible for the health care tax credits authorized by the 2002 Trade Act. Would allow individuals eligible for the tax credits to waive certain requirements—those that would require the state coverage option to be guaranteed issue and nondiscriminatory with respect to benefits and premiums, and not include preexisting condition limits—if their state has not designated a coverage option that qualifies under the Trade Act. This provision would sunset on December 31, 2004.</p>	<p>The House approved H.R. 1528 by a vote of 252 to 170 on June 19, 2003.</p>
<p>H.R. 2698</p> <p>Uninsured: Health Care Certificates</p>	<p>Would provide low-income individuals and families with health care certificates that could be applied toward the purchase of health coverage.</p>	<p>Rep. Michael Bilirakis (R-FL) introduced H.R. 2698 on July 10, 2003.</p>
<p>H.R. 1562</p> <p>VA Health Care</p>	<p>Would require health plans to reimburse the Department of Veterans Affairs (VA) for non-covered out-of-network health care services that VA medical facilities provide to health plan enrollees who are veterans.</p>	<p>The House Veterans' Affairs Committee approved H.R. 1562 on May 15, 2003.</p> <p>H.R. 1562 was scheduled for House floor action on May 20, 2003, but House leaders removed this bill from the schedule.</p>