

Health Security Act

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TO: Ms. Andrea King, House Majority Leader's Office, and Ms. Christine Williams, Senate Majority Leader's Office.  
FROM: Edward Grossman, Noah Wofsy, Susan Fleishman, et al., Office of the Legislative Counsel, House of Representatives  
RE: Detailed Specification of Differences Between H.R. 3600 and S. \_\_\_\_ (Health Security Act, as introduced) and Health Security Act (as previously printed by the White House)  
DATE: November 20, 1993

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At your request, we have prepared a list of all the differences between the Health Security Act, as introduced by yourselves, and the print of the Health Security Act distributed by the White House on or about October 27. There are 3 types of differences or changes:

(1) Changes incorporated in the Health Security Act to clarify the policy of the White House on various matters, as indicated by White House and other administration officials. Each of these changes has a bullet (●) preceding it.

(2) Errata and other technical corrections which we have made, after consultation with yourselves and administration officials. There are no bullets before these changes.

(3) The table of sections within each title has been conformed to accurately reflect the appropriate headings. *These table of contents changes are generally not described below.*

The changes are specified as amendments to specific page and line numbers of the print of the Health Security Act previously distributed by the White House to members of Congress and the public generally. The changes are listed in page order of that print.

We hope this is helpful to you, the Members, their staffs, and interested members of the public.

PHOTOCOPY  
PRESERVATION

## CHANGES BEFORE TITLE I

Page 2, in the table of subtitles of title I, strike any reference to subtitle H or I.  
Page 3, in subtitle B of title VI, strike "Financings" and insert "Financing".

## TITLE I CHANGES

**[Subtitle A—Universal Coverage and Individual Responsibility]**

Page 17, line 3, strike "section 8302(b)" and insert "section 8302(b) or 8306(b)".

Page 18, line 18, strike "an employee benefit plan" and insert "a plan".

Page 19, line 7, strike "arrangement" and insert "plan".

Page 19, line 20, add a period after "coverage".

Page 20, beginning on line 9, strike "paragraph (2)(A)" and insert "subsection (a)(2)(A)".

Page 21, beginning on line 10, strike "class of family enrollment under this Act" and insert "class of family enrollment".

Page 21, lines 13, 17, 20, and 22, insert "enrollment or" before "class".

Page 22, beginning on line 1, strike "term 'family', with respect to a class of enrollment, refers" and insert "terms 'family enrollment' and 'family class of enrollment' refer".

Page 22, beginning on line 5, strike "term 'couple', with respect to a class of enrollment" and insert "term 'couple class of enrollment'".

Page 23, line 7, insert "under this Act" after "children".

Page 24, after line 2, insert the following:

(E) CHILDREN PLACED FOR ADOPTION.—A child includes a child who is placed for adoption with an eligible individual.

Page 24, line 7, insert "or in which children are not residing with their parents" after "area".

Page 24, line 8, insert "eligible" after "of".

Page 24, line 10, strike "and".

Page 24, line 12, insert "and" after the comma.

Page 24, after line 12, insert the following:

(4) treatment of children of parents who are separated or divorced,

Page 24, lines 16 and 17, strike "QUALIFIED" and insert "QUALIFYING".

Page 24, line 22, insert "and in such following month would be a medicare-eligible individual but for this paragraph" after "following month".

Page 24, line 24, strike "the following" and insert "such following".

Page 25, line 3, strike "a medicare-eligible individual (determined without regard to paragraph (1))" and insert "an individual".

Page 25, strike lines 7 through 13.

Page 25, line 19, insert "collectively" after "treated".

Page 26, line 5, insert "(as defined in section 1902(33))" after "recipients".

Page 26, line 21, insert ", as added by section 8101(a)(1)" after "Code".

Page 27, line 12, strike "1073a(d)(1)" and insert "1073a(e)(2)(A)".

Page 27, line 13, insert "(as added by section 8001(a))" after "Code".

Page 28, line 10, strike "individual" and insert "student".

Page 29, line 9, strike "the health" and all that follows through line 13 and insert "for transfer payments see section 1346(e)".

Page 29, line 24, strike "6121(c)(1)" and insert "1901(b)(1)".

Page 30, line 14, strike "an" and insert "a".

**[Subtitle B—Benefits]**

•Page 32, line 21, strike "health" and insert "illness".

Page 35, lines 6, 13, and 21, insert "such" after "in".

•Page 40, after line 18 insert the following (and redesignate provisions accordingly):

(d) INDIVIDUALS AGE 6 TO 12.—For an individual at least 6 years of age, but less than 13 years of age, the clinician visits specified in this subsection are 3 clinician visits.

•Page 40, lines 19 and 20, strike "6" and insert "13".

Page 41, lines 3 and 5, insert a comma after "exams" and "cancer", respectively.

•Page 41, line 8, strike "obtained," and insert "obtained, if medically necessary,".

•Page 41, line 16, strike "5" and insert "3".

•Page 45, line 19, strike "HEALTH" and insert "ILLNESS".

•Page 45, line 21, strike "health" and insert "illness".

•Page 46, line 1, strike "health" and insert "illness".

Page 46, line 2, insert "(described in subsection (c))" after "treatment".

•Page 46, line 3, strike "health" and insert "illness".

Page 46, line 4, insert "(described in subsection (d))" after "treatment".

•Page 46, line 5, strike "health" and insert "illness".

Page 46, line 6, insert "(described in subsection (e))" after "treatment".

•Page 46, lines 14, 16, and 17, strike "health" and insert "illness".

•Page 46, line 22, strike "or" and insert "disorder or a diagnosable".

•Page 47, line 5, strike "or" and insert "disorder or a diagnosable".

•Page 47, strike line 14 and all that follows through "and" on line 16 and insert the following:

(A) a health professional designated by the health plan in which the individual is enrolled

•Page 47, line 20, strike "health" and insert "illness".

•Page 47, line 20, insert before the period "with respect to a diagnosable mental disorder or a diagnosable substance abuse disorder".

•Page 47, line 24, strike "health" and insert "illness".

•Page 48, line 5, strike "health" and insert "illness".

Page 48, line 7, strike "as defined" and insert "described".

•Page 48, lines 9, 10, 11, and 15, strike "health" and insert "illness".

•Page 48, line 19, strike "or" and insert "disorder or a diagnosable".

•Page 48, line 24, strike "health" and insert "illness".

•Page 49, lines 8 and 11, strike "health" and insert "illness".

•Page 49, after line 12 insert the following:

(A) RESIDENTIAL MENTAL ILLNESS TREATMENT.—Such treatment, when provided with respect to a diagnosable mental disorder in a setting that is not a hospital or a psychiatric hospital, is covered only to avert the need for, or as an alternative to, treatment in a hospital or a psychiatric hospital, as determined by a health professional designated by the health plan in which the individual receiving such treatment is enrolled.

(B) RESIDENTIAL SUBSTANCE ABUSE TREATMENT.—Such treatment, when provided with respect to a diagnosable substance abuse disorder in a setting that is not a hospital or a psychiatric hospital, is covered only if a health professional designated by the health plan in which the individual receiving such

treatment is enrolled determines (based on criteria that the plan may choose to employ) that the individual should receive such treatment.

●Page 49, line 13, strike "(A)" and insert "(C)".

●Page 49, strike line 22 and all that follows through page 50, line 24, and insert the following:

(D) ANNUAL LIMIT.—Prior to January 1, 2001, such treatment is subject to an aggregate annual limit of 30 days. A maximum of 30 additional days of such treatment shall be covered for an individual if a health professional designated by the health plan in which the individual is enrolled determines in advance that—

(i) the individual poses a threat to his or her own life or the life of another individual; or

(ii) the medical condition of the individual requires inpatient treatment in a hospital or a psychiatric hospital in order to initiate, change, or adjust pharmacological or somatic therapy.

●Page 51, beginning on line 2, strike "Substance abuse treatment," and all that follows through line 7 and insert the following:

Such treatment, when provided in a hospital or a psychiatric hospital with respect to a diagnosable substance abuse disorder, is covered under this section only for detoxification requiring the management of psychiatric conditions associated with withdrawal from alcohol or drugs. The items and services described in this section do not include medical detoxification as required for the management of medical conditions associated with withdrawal from alcohol or drugs (which is covered under section 1111).

●Page 51, line 10, strike "health" and insert "illness".

●Page 51, line 13, strike "or" and insert "disorder or a diagnosable".

●Page 51, lines 19 and 20, strike "health" and insert "illness".

●Page 52, lines 1 and 4, strike "health" and insert "illness".

●Page 52, beginning on line 6, strike "A health" and all that follows through line 9 and insert the following:

An individual shall receive coverage for such treatment if a health professional designated by the health plan in which the individual is enrolled determines (based on criteria that the plan may choose to employ) that the individual should receive such treatment.

●Page 52, beginning on line 19, strike "health or" and insert "disorder or a diagnosable".

Page 52, line 21, strike "the individual" and insert "such an individual".

●Page 53, beginning on line 3, strike "such treatment" and all that follows through page 54, line 4, and insert the following:

the number of covered days of inpatient and residential mental illness and substance abuse treatment that are available to an individual under the 30-day limit described in the first sentence of subsection (c)(2)(D) shall be reduced by 1 day for each 2 covered days of intensive nonresidential mental illness and substance abuse treatment that are provided to the individual, until such number is reduced to zero.

(ii) ADDITIONAL DAYS.—After the number of covered days referred to in clause (i) has been reduced to zero with respect to an individual, the individual shall receive coverage for a maximum of 60 days of intensive nonresidential mental illness and substance abuse treatment if a health professional designated by the health plan in which the individual is enrolled determines that the individual should receive such treatment.

(D) DETOXIFICATION.—Intensive nonresidential mental illness and substance abuse treatment consisting of detoxification is covered only if it is provided in the context of a treatment program.

•Page 54, line 5, strike "(D)" and insert "(E)".

•Page 54, line 7, strike "health" and insert "illness".

•Page 54, beginning on line 12, strike "that substitute" and all that follows through line 17 and insert the following:

may not be applied toward any annual out-of-pocket limit on cost sharing under any cost sharing schedule described in part 3 of this subtitle if such treatment is provided—

(i) with respect to a diagnosable substance abuse disorder; or

(ii) pursuant to subparagraph (C)(ii).

•Page 54, line 20, strike "health" and insert "illness".

•Page 54, line 22, strike "or" and insert "disorder or a diagnosable".

•Page 55, line 10, strike "health" and insert "illness".

•Page 55, strike line 16 and all that follows through page 56, line 2, and insert the following:

(B) DISCRETION OF PLAN.—An individual shall receive coverage for outpatient mental illness and substance abuse treatment consisting of substance abuse counseling and relapse prevention if a health professional designated by the health plan in which the individual is enrolled determines (based on criteria that the plan may choose to employ) that the individual should receive such treatment. This subparagraph does not apply to group therapy covered pursuant to subparagraph (C)(ii)(II).

Page 56, line 4, strike "PSYCHOTHERAPY" and insert "PSYCHOTHERAPY".

•Page 56, beginning on line 7, strike "annual" and all that follows through the period on line 8 and insert "an aggregate annual limit of 30 visits per individual."

•Page 56, beginning on line 13, strike "the annual" and all that follows through page 57, line 14, and insert the following:

the number of covered days of inpatient and residential mental illness and substance abuse treatment that are available to an individual under the 30-day limit described in the first sentence of subsection (c)(2)(D) shall be reduced by 1 day for each 4 visits. After such number has been reduced to zero, no additional visits under the preceding sentence may be covered.

(ii) SUBSTANCE ABUSE COUNSELING AND RELAPSE PREVENTION.—

(I) IN GENERAL.—Except as provided in subclause (II), the number of covered days of inpatient and residential mental illness and substance abuse treatment that are available to an individual under the 30-day limit described in the first sentence of subsection (c)(2)(D) shall be reduced by 1 day for each 4 visits for substance abuse counseling and relapse prevention that are covered for the individual under subparagraph (B). After such number has been reduced to zero, no visits for substance abuse counseling and relapse prevention may be covered, except as provided in subclause (II).

(II) GROUP THERAPY.—Prior to January 1, 2001, substance abuse counseling and relapse prevention consisting of group therapy is subject to a separate aggregate annual limit of 30 visits, if such therapy occurs within 12 months after the individual has received, with respect to a diagnosable substance abuse disorder, inpatient and residential mental illness and substance abuse treatment or intensive nonresidential mental illness and substance abuse treatment. The

provisions of clause (i) and subclause (I) do not apply to therapy that is described in the preceding sentence.

(D) DETOXIFICATION.—Outpatient mental illness and substance abuse treatment consisting of detoxification is covered only if it is provided in the context of a treatment program.

- Page 57, line 15, strike “(D)” and insert “(E)”.
- Page 57, line 17, strike “health” and insert “illness”.
- Page 58, strike lines 1 through 8.
- Page 58, strike lines 15 through 21 and insert the following:

(2) DIAGNOSABLE MENTAL DISORDER AND DIAGNOSABLE SUBSTANCE ABUSE DISORDER.—The terms “diagnosable mental disorder” and “diagnosable substance abuse disorder” mean a disorder that—

(A) is listed in the Diagnostic and Statistical Manual of Mental Disorders, Third Edition, Revised or a revised version of such manual (except V Codes for Conditions Not Attributable to a Mental Disorder That Are a Focus of Attention or Treatment);

(B) is the equivalent of a disorder described in subparagraph (A), but is listed in the International Classification of Diseases, 9th Revision, Clinical Modification, Third Edition or a revised version of such text; or

(C) is listed in any authoritative text specifying diagnostic criteria for mental disorders or substance abuse disorders that is identified by the National Health Board.

Page 61, line 3, strike “added” and insert “inserted”.

Page 61, line 3, strike “2006” and insert “2005”.

Page 65, lines 2, 11, and 19, strike “National Health Board” and “Board” each place it appears and insert “Secretary”.

Page 67, line 6, strike “repair” and insert “repair, function,”.

Page 68, line 7, strike “diagnosis” and insert “routine eye examinations, diagnosis,”.

Page 67, line 8, after “dental” insert “devices”.

Page 68, line 9, insert “, according to a periodicity schedule established by the National Health Board” after “age”.

Page 73, line 9, strike “one” and insert “one, but not more than one,”.

Page 73, line 12, strike “lower” and insert “Lower”.

Page 73, line 13, strike the semicolon and insert a period.

Page 73, line 14, strike “higher” and insert “Higher”.

Page 73, line 15, strike “; or” and insert a period.

Page 73, line 16, strike “combination” and insert “Combination”.

Page 75, line 7, insert “any” after “and”.

Page 75, line 18, insert “(expressed as a percentage of an amount otherwise payable or as a dollar amount, respectively)” after “amounts”.

●Page 76, line 11, strike “(d)(2)(D) and (e)(2)(D)” and insert “(d)(2)(E) and (e)(2)(E)”.

●Page 77, line 3, strike “(d)(2)(D) and (e)(2)(D)” and insert “(d)(2)(E) and (e)(2)(E)”.

Page 78, line 18, strike “which” and insert “which, under the higher cost sharing schedule described in section 1133,”.

Page 78, beginning on line 20, strike “under” and all that follows through line 21 and insert a period.

●Page 78, line 23, before “The higher” insert “(a) IN GENERAL.—”.

●Page 79, line 14, strike “health” and insert “illness”.

●Page 79, line 15, strike “1115)” and insert “1115(c))”.

•Page 79, after line 17, insert the following (and redesignate provisions accordingly):

(3) shall require an individual to incur expenses during each episode of intensive nonresidential mental illness and substance abuse treatment (described in section 1115(d)) equal to the cost of one day of such treatment before the plan provides benefits for such treatment to the individual;

•Page 80, after line 22, insert the following:

(b) EPISODES OF TREATMENT.—

(1) INPATIENT AND RESIDENTIAL TREATMENT.—For purposes of subsection (a)(2), an episode of inpatient and residential mental illness and substance abuse treatment shall be considered to begin on the date an individual is admitted to a facility for such treatment and to end on the date the individual is discharged from the facility.

(2) INTENSIVE NONRESIDENTIAL TREATMENT.—For purposes of subsection (a)(3), an episode of intensive nonresidential mental illness and substance abuse treatment—

(A) shall be considered to begin on the date an individual begins participating in a program described in section 1115(d)(1)(A) and to end on the date the individual ceases such participation; or

(B) shall be considered to begin on the date an individual begins receiving home-based or behavioral aide services described in section 1115(d)(1)(B) and to end on the date the individual ceases to receive such services.

•Page 83, in the item relating to inpatient and residential mental health and substance abuse treatment, strike “health” and insert “illness”.

•Page 83, in the item relating to intensive nonresidential mental health and substance abuse treatment, strike “health” and insert “illness”.

•Page 83, in the item relating to intensive nonresidential mental illness and substance abuse treatment, after “treatment” insert “(except treatment provided pursuant to section 1115(d)(2)(C)(ii))”.

•Page 83, after the item relating to intensive nonresidential mental illness and substance abuse treatment, insert the following:

Intensive nonresidential mental illness and substance abuse treatment provided pursuant to section 1115(d)(2)(C)(ii) .....	1115	\$25 per visit	50 percent of applicable payment rate
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•Page 83, in the item relating to outpatient mental health and substance abuse treatment, strike “health” and insert “illness”.

Page 85, line 11, insert “, minus 1” after “1994”.

Page 85, line 16, insert “than” after “less”.

Page 86, line 12, strike “(other than services referred to in paragraph (2))”.

Page 89, line 9, strike “6003(a)” and insert “6003”.

[Subtitle C—States Responsibilities]

Page 91, beginning on line 24, strike “subpart B of part 2 of subtitle F (relating to Federal operation of a State health care system)” and insert “subpart C of part 1 of subtitle F (relating to responsibilities in absence of State systems)”.

Page 92, line 7, strike “that contains” and insert “. The update shall contain”.

Page 92, line 10, strike “subtitle C” and insert “this Act”.



- Page 93, line 6, strike "Federal law" and insert "this Act".
- Page 93, line 9, insert "subtitles A and B of" before "title X".
- Page 94, line 21, strike "requirements" and insert "requirement".
- Page 95, line 3, strike "ethnicity" and insert "age".
- Page 97, line 19, strike "meet" and insert "meets".
- Page 100, line 2, strike "1542(c)" and insert "1541(b)".
- Page 100, line 18, insert "subtitles A and B of" before "title X".
- Page 101, line 8, strike "1421(a)(1)" and insert "1421(b)(1)".
- Page 101, line 13, strike "1421(a)(2)" and insert "1421(b)(2)".
- Page 101, line 21, strike "section 1505(i)" and insert "sections 1503(i) and 1551(a)".
- Page 102, line 5, strike "section 1505(j)(2)" and insert "sections 1503(i) and 1552".
- Page 104, line 9, insert "of the plan" after "inability".
- Page 105, line 1, insert "(A)" after "(2)".
- Page 105, line 3, strike "and" and insert "or".
- Page 105, line 4, strike "(3)" and insert "(B)".
- Page 105, line 15, strike "plan" and insert "system".
- Page 109, line 12, strike "in".
- Page 111, line 24, insert "health" after "alliance".
- Page 112, line 6, strike "1327(a)" and insert "1327".
- Page 113, line 10, strike ", except that" and all that follows up to the semicolon on line 15.
- Page 114, lines 8 and 14, strike "(4)" and "(5)" and insert "(3)" and "(4)".
- Page 114, line 8, strike "PROCESS FOR CONSUMER COMPLAINTS" and insert "OMBUDSMAN OFFICE".
- Page 114, line 10, strike "a" and all that follows through line 13 insert "an office of ombudsman).".

**[Subtitle D—Health Alliances]**

- Page 115, line 15, strike "title" and insert "subpart".
- Page 118, line 2, strike "3" and insert "4".
- Page 118, line 5, strike "of a corporate alliance".
- Page 118, line 10, strike "(e)(3)" and insert "(e)(2)".
- Page 118, line 19, strike "(e)(4)" and insert "(e)(3)".
- Page 119, line 1, strike "affiliated with a national labor agreement" and insert "maintained by one or more affiliates of the same labor organization, or one or more affiliates of labor organizations representing employees in the same industry,".
- Page 120, line 10, insert "(as defined in section 1901(b)(2)(C))" after "employee".
- Page 120, line 9, strike "LARGE EMPLOYER ALLIANCES" and all that follows through "Each" on line 9 and insert "FULL-TIME EMPLOYEES OF LARGE EMPLOYERS.— Each".
- Page 120, lines 9 through 14, move the indentation 2 ems to the left.
- Page 120, strike line 15 and all that follows through page 121, line 2.
- Page 121, beginning on line 18, strike "Each" and all that follows through line 24 and insert the following: "Each full-time employee of a member of a rural electric cooperative or rural telephone cooperative association which has an election in effect as a corporate alliance (and each full-time employee of such a cooperative or association) is eligible to enroll in a corporate alliance health plan offered by such corporate alliance."
- Page 122, line 3, strike "1013(b)" and insert "1013".
- Page 122, strike lines 23 and 24.



•Page 123, lines 1, 10, 17, and 22, and page 124, line 1, strike "(2)", "(3)", "(4)", "(5)", and "(6)" and inserting "(1)", "(2)", "(3)", "(4)", and "(5)".

•Page 123, line 12, strike ", not including" and all that follows up to the period on line 15.

Page 124, line 23, strike "to provide notice of their intent".

Page 125, line 9, strike "such report is submitted" and insert "which the employer first becomes such a sponsor".

Page 125, line 20, strike "the second" and all that follows through line 22 and insert "March 1, 1996."

Page 127, line 13, insert "subject to section 6022(a)(1)," after "(1)".

Page 129, line 7, strike "premium exceeds 120 percent of the weighted-average premium within the alliance" and insert "bid exceeds 120 percent of the regional alliance per capita premium target (as determined under section 6003)".

Page 129, line 18, strike "health" and insert "regional".

Page 129, line 19, insert "(as defined in section 1902(14))" after "eligible enrollee".

Page 129, line 24, insert "REGIONAL" before "ALLIANCES".

Page 132, line 20, insert "to be" after "and".

Page 136, line 11, strike "The" and insert "Consistent with part 2 of subtitle B of title V, the".

Page 137, line 22, strike "1021" and insert "1011".

Page 140, line 15, insert "eligible" after "unenrolled".

Page 140, line 25, insert "1322(c)" after "section".

Page 144, line 24, insert "or participation" after "ment".

Page 145, line 22, strike "Each" and insert "Before each open enrollment period, each".

Page 146, strike the sentence beginning on line 2.

Page 146, line 18, strike "5005(d)(1)" and insert "5005(c)(1)".

Page 146, line 20, insert ", consistent with section 1404," after "shall".

Page 147, line 7, insert "the" after "of".

Page 147, line 24, strike "health" and insert "regional".

Page 147, line 25, strike "gender, ethnicity" and insert "sex, national origin".

Page 149, line 17, strike "shall" the first place it appears.

Page 150, line 6, strike "paragraphs" and insert "subsections".

Page 150, at the end of line 9, insert the following: "The provisions of section 1128A of the Social Security Act (other than subsections (a) and (b)) shall apply to civil money penalties under this subsection in the same manner as they apply to a penalty or proceeding under section 1128A(a) of such Act."

Page 150, line 11, insert "OF REGIONAL ALLIANCES" before "RELATING".

Page 153, line 8, insert "(as defined in subsection (b)(1)(B))" after "premiums".

Page 153, line 26, insert "amount (as defined in subsection (b)(2)(B))" after "payment".

Page 155, line 11, strike ", 6125," and insert "through".

Page 156, line 11, insert "REPAYMENT" after "CREDIT".

Page 156, line 12, insert "repayment amount" after "credit".

Page 159, line 2, strike "1895" and insert "1894".

Page 159, line 3, insert ", added by section 4003" after "Act".

Page 160, line 22, and page 161, line 8, strike "mail" and insert "provide".

Page 162, line 10, strike "6103" and insert "6104".

Page 162, line 11, strike "verification" and insert "reconciliation".

Page 162, line 12, strike "described in" and insert "for use under".

Page 162, line 17, insert "the" before "Secretary".

- Page 162, line 18, strike "eligibility" and insert "eligibility".
- Page 162, line 22, strike "verification form" and insert "reconciliation statement".
- Page 163, line 14, strike "the information required to file income reconciliation" and insert "to file income reconciliation".
- Page 164, line 5, strike "5201" and insert "5101".
- Page 165, line 2, strike ", and no" and insert ". No".
- Page 166, line 17, strike "and such" and insert ". Such".
- Page 167, line 11, strike "section" and insert "subsection".
- Page 168, line 13, strike "1895" and insert "1894".
- Page 168, line 20, insert "by the family" after "owed".
- Page 169, line 24, strike "1012(e)(2))" and insert "1012(e)(1)".
- Page 171, amend lines 18 and 19 to read as follows:
- (A) such amount multiplied by the sum of—
    - (i) the administrative allowance percentage for the regional alliance, computed by the alliance under section 1352(b), and
    - (ii) 1.5 percentage points; and
- Page 172, line 3, strike "CONSOLIDATED" and all that follows through "(2)" on line 10 and insert "APPLICATION OF PORTION OF SET ASIDE.—Amounts attributable to subsection (b)(2)(A)(ii)".
- Page 173, line 5, strike "section" and insert "subtitle".
- Page 173, line 9, strike "this section" and insert "section 6201(a)".
- Page 174, line 1, strike "section" and insert "subtitle".
- Page 174, line 8, strike "this section" and insert "section 6201(a)".
- Page 175, line 19, insert "section" after "under".
- Page 175, line 21, insert "the" after "of".
- Page 176, line 4, strike "section 1343" and insert "subpart A".
- Page 176, line 6, strike "1343(d)" and insert "1345(d)".
- Page 176, line 14, strike "each year".
- Page 176, line 16, strike "resulting from" and all that follows through line 18 and insert "attributable to section 1351(b)(2)(A)(ii)".
- Page 179, line 4, strike "9201(b)(1)(D)" and insert "9201(e)(1)".
- Page 181, line 10, insert "under subsection (c)(1)" after "cost sharing".
  - Page 181, strike line 23 and all that follows through page 182, line 9, and insert the following:
    - (2) SPECIAL TREATMENT OF CERTAIN AFDC AND SSI FAMILIES.—In the case of an AFDC or SSI family enrolled in a lower or combination cost sharing plan or receiving a reduction in cost sharing under paragraph (1), the amount of copayment applied with respect to an item or service (other than with respect to hospital emergency room services for which there is no emergency medical condition, as defined in section 1867(e)(1) of the Social Security Act) shall be an amount equal to 20 percent of the copayment amount otherwise applicable under sections 1135 and 1136, rounded to the nearest dollar.
- Page 184, line 17, strike "that" and insert "the".
- Page 186, line 23, strike "in the family adjusted income (as defined by the Secretary)" and insert "(as defined by the Secretary) in the family adjusted income".
- Page 188, line 7, strike REDUCTIONS" and insert "DISCOUNTS".
- Page 189, line 19, strike "sec-" and insert "subsec-".
- Page 191, line 4, strike "reduction" and insert "discount".
- Page 191, line 8, strike "(e)" and insert "(f)".
- Page 191, line 19, strike "an an" and insert "an".
- Page 191, line 20, strike "(f)" and insert "(g)".

- Page 192, lines 1 and 5, strike "(g)" and "(h)" and insert "(h)" and "(i)".
- Page 193, line 16, strike "PREMIUM PREMIUM" and insert "PREMIUM".
- Page 197, line 25, strike "1322(b)(3)" and insert "1322(b)(2)".
- Page 198, line 24, and page 199, lines 2 and 5, strike "an" and insert "a corporate".
- Page 200, line 6, strike "subpart" and insert "part".
- Page 202, line 4, insert "area" after "premium".
- Page 203, line 4, strike "1327(a), 1328(a), and 1328(b)" and insert "1327, and 1328".
- Page 205, line 8, strike "sections 1395 and 1396" and insert "sections 1394, 1395, and 1396".
- Page 205, line 23, insert a comma after "plan".
- Page 208, line 8, strike "(d)" and insert "(a)".
- ? Page 208, beginning on line 21, strike "covered individuals" and insert "enrolled individuals".
- Page 208, line 25, and page 209, line 20, insert "Health Plan" after "Alliance".
- Page 210, line 23, strike "(b)" and insert "(c)".
- Page 211, line 13, strike "subsection" and insert "section".
- Page 212, line 10, strike "paragraph (1)" and insert "this section".
- Page 213, line 11, strike "sub-".
- Page 213, line 16, insert "of Labor" after "retary".
- Page 213, line 19, strike "1396" and insert "1395".
- Page 214, line 7, strike "section" and insert "part".
- Page 214, line 8, strike "make" and insert "authorize".
- Page 214, line 15, strike "(4)" and insert "(3)".
- Page 214, line 19, strike "fund" and insert "Fund".
- Page 214, line 23, and page 217, line 9, insert "of Labor" after "Secretary".
- Page 215, line 4, and page 216, line 19, strike "(4)" and insert "(3)".
- Page 215, line 14, insert after the period the following: "The total balance of the Fund obligations outstanding at any time shall not exceed \$500,000,000."
- Page 216, lines 14 and 16, strike "the Secretary" and insert "such Secretary".
- Page 217, line 15, insert "so" after "rates".
- Page 218, line 15, strike "Secretary" and insert "Secretary of Labor".
- Page 220, line 13, strike "or (D)".
- Page 220, line 17, strike "health plan".
- Page 221, after line 2, insert the following:

**SEC. 1398. PAYMENTS TO FEDERAL GOVERNMENT BY MULTIEMPLOYER CORPORATE ALLIANCES FOR ACADEMIC HEALTH CENTERS AND GRADUATE MEDICAL EDUCATION.**

(a) **IN GENERAL.**—A corporate alliance with an eligible sponsor described in section 1311(b)(1)(B) shall make payment to the Secretary of an amount equivalent to the amount (as estimated based on rules established by the Secretary and based on the annual per capita expenditure equivalent calculated under section 6021) that would have been payable by the alliance under section 1353 if the alliance were a regional alliance.

(b) **REFERENCE TO EXEMPTION FROM ASSESSMENT.**—For provision exempting certain corporate alliance employers participating in an alliance described in subsection (a) from an assessment under section 3461 of the Internal Revenue Code of 1986, as added by section 7121 of this Act, see section 3461(c)(1) of such Code.

**[Subtitle E—Health Plans]**

Page 221, line 8, insert "applicable to health plans" after "4".

Page 221, line 13, strike "with respect" and all that follows through line 15 and insert the following: "which is a self-insured health plan and with respect to which the applicable requirements of title I of the Employee Retirement Income Security Act of 1974 are met."

Page 221, line 20, strike "1522(e)" and insert "1522(b)".

Page 224, line 2, insert "discriminate, or" after "may".

Page 224, line 5, insert a comma after "discriminating".

Page 224, lines 6, strike "gender, income" and insert "sex, language, socio-economic status, age, disability".

Page 224, line 16, strike "or gender" and insert "sex, language, age, or disability".

Page 224, line 18, strike "income," and insert "socio-economic status, disability,".

Page 224, line 21, strike "NORMAL OPERATION OF HEALTH PLAN" and insert "BUSINESS NECESSITY".

Page 225, line 1, strike "is necessary to the normal operation of the health plan" and insert "is required by business necessity".

Page 225, line 6, strike "in an accessible form".

Page 227, line 21, strike "1364" and insert "1384".

Page 228, line 13, strike "health" and insert "regional".

Page 231, line 4, insert "and in the case of emergency services without regard to prior authorization" after "plan".

Page 233, line 14, insert "regional alliance" after "Each".

Page 234, line 16, insert "of" after "use".

Page 238, line 10, page 239, line 13, and page 240, line 10, strike "alliance-eligible" and insert "alliance eligible".

Page 238, line 18, strike "such" and insert "this".

Page 239, line 17, strike "title II" and insert "subtitle B".

Page 240, line 5, strike "part B of".

Page 241, at the end of line 25, insert the following: "The provisions of section 1128A of the Social Security Act (other than subsections (a) and (b)) shall apply to civil money penalties under this subsection in the same manner as they apply to a penalty or proceeding under section 1128A(a) of such Act."

Page 242, line 18, strike "schedule" and insert "table".

Page 244, line 3, strike "8204" and insert "8203".

Page 244, line 4, strike "offers" and insert "offer".

Page 246, line 16, strike "health" and insert "regional".

Page 248, line 1, strike "regional alliance".

Page 250, line 20, strike "APPROVAL" and insert "DISAPPROVAL".

Page 251, line 14, strike "House of Representatives" and insert "Senate".

#### [Subtitle F—Federal Responsibilities]

Page 252, lines 7 and 12, strike "VIII" and insert "X".

Page 253, line 24, strike "as provided above".

Page 254, line 5, strike "right" and insert "authority".

Page 254, line 8, strike "Act" and insert "act".

Page 254, line 22, insert "nursing, or other clinical practices," after "medicine,".

Page 257, line 12, insert "and" after the comma.

Page 257, line 22, strike "part 3 of this subtitle" and insert "subpart E of this part".

Page 257, strike lines 24 and 25 and lines 1 and 2 on page 258.

Page 258, lines 3 and 6, strike "(j)" and "(k)" and insert "(i)" and "(j)".

- Page 258, line 5, strike "subpart G" and insert "subpart F".
- Page 261, line 3, strike "1200(a)" and insert "1200(b)".
- Page 261, line 12, strike "1201(a)" and insert "1200(b)".
- Page 261, line 18, strike "1996" and insert "1995".
- Page 261, line 19, strike "part" and insert "subpart".
- Page 263, line 8, strike "established".
- Page 264, line 12, strike "1513" and insert "1512(b)(2)".
- Page 265, line 23, strike "and the Secretary of the Treasury".
- Page 265, line 24, strike "subpart B" and insert "subpart C".
- Page 268, line 23, strike "for medical education training programs funds".
- Page 269, line 25, insert "for grants under this subsection" after "1996".
- Page 270, line 3, strike "of".
- Page 270, line 20, insert "for grants under this subsection" after "1998".
- Page 270, strike lines 21 through 23.
- Page 271, line 15, strike "1512(2)" and insert "1512(b)(2)".
- Page 272, line 18, strike "1562" and insert "1552".
- Page 274, line 22, strike "of the classes" and insert "class".
- Page 275, line 6, strike "class of family enrollment of coverage of a married couple without children" and insert "couple-only class of family enrollment".
- Page 277, line 12, remove the space after "PAYMENTS".
- Page 277, line 15, strike "(b)" and insert "(c)".
- Page 278, line 13, strike "1346(b)(3)" and insert "1361(b)(3)".
- Page 278, line 17, strike "1324(c)" and insert "1351(b)".
- Page 279, line 9, strike "(b)" and insert "(c)".
- Page 280, line 21, strike "(c)" and insert "(d)".
- Page 280, line 23, strike "5102(a)" and insert "5120(a)".
- Page 281, line 20, strike "part" and insert "subpart".
- Page 282, line 18, strike "1203(c)" and insert "1204(a)".
- Page 282, line 19, strike "paragraph (3)" and insert "subsection (c)".
- Page 287, line 5, strike the colon and insert a dash.
- Page 287, line 11, strike "302(b)(4)(A)" and insert "802(b)(4)(A)".
- Page 287, line 12, strike "and".
- Page 287, line 15, strike the period and insert a semicolon.
- Page 287, after line 15, insert the following:
- (E) cost effectiveness relative to the cost of alternative course of treatment options, including non-pharmacological medical interventions; and
  - (F) improvements in quality of life offered by the new product, including ability to return to work, ability to perform activities of daily living, freedom from attached medical devices, and other appropriate measurements of quality of life improvements.
- Page 288, line 4, insert a comma after "pharmacy".
- Page 289, line 19, strike "described" and insert "specified".
- Page 290, line 17, strike "XXIII" and insert "XXVI".
- Page 291, line 5, insert ")" after "Act".
- Page 291, line 11, strike "community practice networking" and insert "qualified community practice network".
- Page 292, line 9, insert "otherwise" after "would not".
- Page 292, line 11, insert "if such a provider was not so certified" after "package".
- Page 294, line 18, strike "E" and insert "C".
- Page 295, line 22, strike "D of title I" and insert "G".
- Page 295, lines 24 and 26, strike "health".

- Page 296, line 1, strike "subtitle E of title I" and insert "subtitle D".
- Page 298, line 7, strike "1347(c)" and insert "1345(d)(1)".
- Page 298, line 12, insert "section 1607 and" after "out".
- Page 298, line 12, insert "(including under title XI)" after "under this Act".
- Page 298, after line 24, insert the following:

(c) **EMPLOYERS PARTICIPATING IN REGIONAL ALLIANCES THROUGH MULTIEMPLOYER PLANS.**—In the case of an employer participating in a multiemployer plan, which plan elects to serve as a regional alliance employer on behalf of its participating employers, the employer's payment obligation under section 6121 shall be deemed satisfied if the employer pays to the multiemployer plan at least the premium payment amount specified in section 6121(b) and the plan has assumed legal obligations of such an employer under such section.

**[Subtitle G—Employer Responsibilities]**

Page 299, line 18, strike "for purposes of section 6121(d)" and insert "under section 1901(b)(2)".

Page 301, line 8, strike "qualified" and insert "qualifying".

Page 301, line 13, strike the period and insert a colon.

Page 301, line 22, strike "for purposes of section 6121(d)" and insert "under section 1901(b)(2)".

Page 302, line 17, strike "6121(d)" and insert "1901(b)(2)".

Page 303, line 6, strike "qualified" and insert "qualifying".

Page 305, line 25, strike "be" and insert "by".

Page 306, line 21, strike "subsection" and insert "section".

Page 307, line 14, insert "and" after the comma.

Page 312, line 4, strike "part 2 of".

●Page 312, strike lines 8 through 12 and insert the following:

(a) **IN GENERAL.**—

(1) **EQUAL VOLUNTARY EMPLOYER PREMIUM PAYMENT REQUIREMENT.**—

(A) **REGIONAL ALLIANCE HEALTH PLANS.**—If an employer makes available a voluntary employer premium payment (as defined in subsection (d)) on behalf of a full-time employee (as defined in section 1901(b)(2)(C)) who is enrolled in a regional alliance health plan of a regional alliance in a class of family enrollment, the employer shall make available such a voluntary employer premium payment in the same dollar amount to all qualifying employees (as defined in section 1901(b)(1)) of the employer who are enrolled in any regional alliance health plan of the same alliance in the same class of family enrollment.

(B) **CORPORATE ALLIANCE HEALTH PLANS.**—If a corporate alliance employer makes available a voluntary employer premium payment on behalf of a full-time employee who is enrolled in a corporate alliance health plan of a corporate alliance in a class of family enrollment in a premium area (designated under section 1384(b)), the employer shall make available such a voluntary employer premium payment in the same dollar amount to all qualifying employees of the employer enrolled in any corporate alliance health plan of the same alliance in the same class of family enrollment in the same premium area.

(C) **TREATMENT OF PART-TIME EMPLOYEES.**—In applying subparagraphs (A) and (B) in the case of a qualifying employee employed on a part-time basis (within the meaning of section 1901(b)(2)(A)(ii)), the dollar amount shall be

equal to the full-time employment ratio (as defined in section 1901(b)(2)(B)) multiplied by the dollar amount otherwise required.

(2) LIMIT ON VOLUNTARY EMPLOYER PREMIUM PAYMENTS.—

(A) REGIONAL ALLIANCE HEALTH PLANS.—An employer may not make available a voluntary employer premium payment on behalf of an employee (enrolled in a regional alliance health plan of a regional alliance in a class of family enrollment) in an amount that exceeds the maximum amount that could be payable as the family share of premium (described in section 6101(b)(2)) for the most expensive regional alliance health plan of the same alliance for the same class of family enrollment.

(B) CORPORATE ALLIANCE HEALTH PLANS.—An employer may not make available a voluntary employer premium payment on behalf of an employee (enrolled in a corporate alliance health plan of a corporate alliance in a class of family enrollment in a premium area, designated under section 1384) in an amount that exceeds the maximum amount that could be payable as the family share of premium (described in section 6101(b)(3)) for the most expensive corporate alliance health plan of the same alliance for the same class of family enrollment in the same premium area.

(C) EXCLUSION OF PLANS WITHOUT MATERIAL ENROLLMENT.—Subparagraphs (A) and (B) shall not take into account any health plan that does not have material enrollment (as determined in accordance with regulations of the Secretary of Labor).

(3) NONDISCRIMINATION AMONG PLANS SELECTED.—An employer may not discriminate in the wages or compensation paid, or other terms or conditions of employment, with respect to an employee based on the health plan (or premium of such a plan) in which the employee is enrolled.

Page 312, line 14, strike “paragraph (3)” and insert “subsection (c)”.

Page 312, line 17, and page 313, line 16, insert “employer” after “voluntary”.

Page 312, line 18, strike “towards the enrollment of the employee in a health plan”.

Page 312, amend lines 20 through 23 to read as follows:

(B)(i) the sum of the amount of the applicable alliance credit (under section 6103) and the voluntary employer premium payment, exceeds (ii) the premium for the plan selected,

Page 313, line 2, strike “difference” and insert “excess”.

•Page 313, line 20, insert “(other than subsection (a)(2))” after “(b)”.

Page 313, line 21, strike “contributions” and insert “premium payments”.

Page 313, strike line 23 and all that follows through page 314, line 10.

Page 314, line 11, strike “(e) VOLUNTARY EMPLOYER CONTRIBUTION” and insert “(d) VOLUNTARY EMPLOYER PREMIUM PAYMENT”.

Page 314, line 12, strike “contribution” and insert “premium payment”.

•Page 314, after line 17, insert the following:

**SEC. 1608. EMPLOYER RETIREE OBLIGATION.**

(a) IN GENERAL.—If an employer was providing, as of October 1, 1993, a threshold payment (specified in subsection (c)) for a person who was a qualifying retired beneficiary (as defined in subsection (b)) as of such date, the employer shall pay, to or on behalf of that beneficiary for each month beginning with January 1998, an amount that is not less than the amount specified in subsection (d), but only if and for so long as the person remains a qualifying retired beneficiary.



(b) **QUALIFYING RETIRED BENEFICIARY.**—In this section, the term “qualifying retired beneficiary” means a person who is an eligible retiree or qualified spouse or child (as such terms are defined in subsections (b) and (c) of section 6114).

(c) **THRESHOLD PAYMENT.**—The term “threshold payment” means, for an employer with respect to a health benefit plan providing coverage to a qualifying retired beneficiary, a payment—

(1) for coverage of any item or service described in section 1101, and

(2) the amount of which is at least 20 percent of the amount of the premium (or premium equivalent) for such coverage with respect to the beneficiary (and dependents).

(d) **AMOUNT.**—The amount specified in this subsection is 20 percent of the weighted average premium for the regional alliance in which the beneficiary resides and for the applicable class of family enrollment.

(e) **NATURE OF OBLIGATION.**—The requirement of this section shall be in addition to any other requirement imposed on an employer under this Act or otherwise.

(f) **PROTECTION OF COLLECTIVE BARGAINING RIGHTS.**—Nothing in this Act (including this section) shall be construed as affecting collective bargaining rights or rights under collective bargaining agreements.

•Page 314, line 18, strike “1608” and insert “1609”.

**[Subtitle J—General Definitions; Miscellaneous Provisions]**

Page 315, strike lines 1 and 2.

Page 315, line 18, strike “hs” and insert “has”.

Page 315, line 19, strike “subtitle C” and insert “section 3121 of such Code, subject to the provisions of chapter 25”.

Page 315, line 23, insert “3121” after “section”.

Page 318, line 24, strike “qualifying”.

Page 320, lines 11 through 15, move the indentation of this subparagraph in 2 ems.

Page 320, after line 15, insert the following:

(D) **CONSIDERATION OF INDUSTRY PRACTICE.**—As provided under rules established by the Board, an employee who is not described in subparagraph (C) shall be considered to be employed on a full-time basis by an employer (and to be a full-time employee of an employer) for a month (or for all months in a 12-month period) if the employee is employed by that employer on a continuing basis that, taking into account the structure or nature of the employment in the industry, represents full time employment.”.

Page 321, lines 8 through 20, move the indentation of this subparagraph out 2 ems.

Page 321, line 9, strike “EMPLOYEE” and insert “EMPLOYEES”.

Page 321, line 9, strike “contigent” and insert “contingent”.

Page 321, line 14, insert “wage” after “ly”.

Page 322, line 15, strike “101(a)(19)” and insert “101(a)(20)”.

Page 323, line 23, and page 330, line 24, insert “, for a month,” after “means”.

Page 324, line 2, insert “for the month” after “Act”.

Page 324, line 23, strike “of title II”.

Page 325, line 16, strike “under part 2 of subtitle E”.

Page 326, line 22, strike “high” and insert “higher”.

Page 327, line 24, strike “established under part 1 of subtitle F of title I” and insert “created under section 1501”.

Page 328, line 22, insert "enrollment" after "parent".

Page 329, line 19, strike "means" and all that follows through line 22 and insert "that is not a corporate alliance employer" and insert "means, with respect to an employee, an employer that is not a corporate alliance employer with respect to such employee."

Page 330, line 1, strike "under part 1 of subtitle E of title I".

Page 331, lines 3 and 6, insert "for the month" before the comma.

Page 331, lines 4 and 7, insert "is" after "who".

Page 331, line 8, strike "such" and insert "the Social Security".

Page 331, line 9, insert "for the month" before the period.

Page 331, line 21, strike "1004(c)" and insert "1005(c)".

Page 332, line 12, insert "a provision of" after "to".

Page 332, line 13, insert "that provision of" after "to".

#### TITLE II CHANGES

#### [Subtitle A—Medicare Outpatient Prescription Drug Benefits]

Page 336, line 24, strike the semicolon and insert a period.

Page 337, line 7, strike "; and" and insert a period.

•Page 337, strike lines 10 through 13 and insert the following:

"(3) The term 'covered outpatient drug' does not include any product—

"(A) which is administered through infusion in a home setting unless the product is a covered home infusion drug (as defined in paragraph (5));

"(B) when furnished as part of, or as incident to, any other item or service for which payment may be made under this title; or

"(C) which is listed under paragraph (2) of section 1927(d) (other than subparagraph (I) or (J) of such subparagraph) as a drug which may be excluded from coverage under a State plan under title XIX and which the Secretary elects to exclude from coverage under part B.

Page 338, line 14, strike "paragraph" and insert "subparagraph".

Page 338, line 19, insert "or an enteral or parenteral nutrient" after "drug".

Page 339, line 2, strike "his" and insert "the individual's".

Page 339, strike line 21 and all that follows through page 340, line 17 (and redesignate the succeeding subsection accordingly).

Page 346, line 1, strike "for drugs furnished after 1996,".

Page 347, line 11, strike "average manufacturer non-retail price for the drug (as defined in section 1850(f)(2))" and insert "published average wholesale price for the drug".

Page 348, line 13, strike "under paragraph (4)" and insert "established under this paragraph".

Page 349, strike line 20 and all that follows through page 350, line 7 and insert the following:

"(B) PRIOR AUTHORIZATION.—The Secretary may require advance approval for a covered outpatient drug which the Secretary finds is subject to misuse or inappropriate use, is not cost effective, which is a multiple source drug with a restrictive prescription, or is subject to negotiation under section 1850(c)(3). The Secretary may also establish maximum quantities per prescription and limits on the number of prescription refills. The Secretary shall ensure that any advance approval requirements imposed under this subparagraph do not restrict the access of patients to medically necessary covered outpatient drugs

on a timely basis, and assure prompt determinations of approval or disapproval and provide a means for providers and patients to appeal a decision to disapprove a drug".

Page 351, insert after line 2 the following (and redesignate the succeeding provision accordingly):

"(8) COUNSELING REQUIREMENTS FOR PHARMACIES.—A pharmacy may not receive any payment under this part for a covered outpatient drug unless the pharmacy agrees to answer questions of individuals enrolled under this part who receive a covered outpatient drug from the pharmacy regarding the appropriate use of the drug, potential interactions between the drug and other drugs dispensed to the individual, and other matters relating to the dispensing of such drugs.

Page 354, line 12, strike "substituting" and all that follows through the end of line 13 and insert "striking the period at the end of paragraph (2) and inserting '; and', and "

Page 354, line 25, strike "1995" and insert "1996".

Page 356, line 9, insert closing quotes after "1834(d)".

Page 357, line 16, strike "either—" and all that follows through page 358, line 3, and insert the following: "dispensed by a pharmacy during such quarter to individuals (other than individuals enrolled with an eligible organization with a contract under section 1876) eligible for benefits under this part, as reported by such pharmacies to the Secretary."

Page 362, line 23, strike "that are participating pharmacies under this part".

Page 363, line 20, strike "(4)" and insert "(3)".

Page 366, line 18, strike "Administration," and insert "Administration (but in no event earlier than July 1, 1996)."

Page 366, line 20, strike "(if earlier)".

Page 366, line 22, strike the period and insert a comma.

Page 366, after line 22, insert the following: "whichever is earlier."

Page 370, strike lines 6 through 24 and insert the following:

(b) EXCLUSIONS FROM COVERAGE.—Section 1862(a) of such Act (42 U.S.C. 1395y(a)), as amended by sections 4034(b)(4) and 4118(b), is amended—

(1) by striking "and" at the end of paragraph (15),

(2) by striking the period at the end of paragraph (16) and inserting "; or", and

(3) by inserting after paragraph (16) the following new paragraph:

"(17) A covered outpatient drug (as described in section 1861(t))—

"(A) furnished during a year for which the drug's manufacturer does not have in effect a rebate agreement with the Secretary that meets the requirements of section 1850 for the year, or

"(B) excluded from coverage during the year by the Secretary pursuant to section 1850(c)(3)(D) (relating to negotiated rebate amounts for certain new drugs)."

Page 371, strike lines 1 through 10 (and redesignate the succeeding sections accordingly).

Page 373, line 9, strike "outpatient" and insert "home infusion".

Page 373, line 11, strike "secretary" and insert "Secretary".

Page 374, lines 13 and 14, strike "(A)" and "(B)" and insert "the entity (i)" and "(ii)".

Page 375, line 9, strike "resect" and insert "respect".

Page 375, line 11, insert "and" after the comma.

Page 378, line 1, strike "after 'home health agency, or whether'".

Page 379, insert after line 9 the following:

(g) CONFORMING AMENDMENTS RELATING TO COVERAGE OF ENTERAL AND PARENTERAL NUTRIENTS, SUPPLIES, AND EQUIPMENT.—(1) Section 1834(h)(4)(B) of such Act (42 U.S.C. 1395m(h)(4)(B)) is amended by striking “, except that” and all that follows through “equipment”.

(2) Section 1861(s)(8) of such Act (42 U.S.C. 1395x(s)(8)) is amended by inserting after “dental” the following: “devices or enteral and parenteral nutrients, supplies, and equipment”.

Page 379, strike line 10 through page 380, line 3 (and redesignate the succeeding sections accordingly).

Page 381, line 4, strike “the Social Security” and insert “such”.

Page 381, line 12, strike “both”.

Page 381, line 13, insert “enrolled in” after “and”.

Page 381, line 21, strike “The” and insert “Except as otherwise provided, the”.

**[Subtitle B—Long-term Care]**

Page 382, line 15, strike “in” and insert “for”.

Page 382, strike lines 18 through 21.

Page 383, line 1, strike “(except” and all that follows through “period)” on line 2.

Page 383, line 6, strike “program” and insert “plan”.

Page 384, lines 20 and 25, and page 386, line 6, strike “State”.

Page 385, strike lines 4 through 7.

•Page 387, line 7, strike “during each 5-fiscal-year period (with the first such period beginning with fiscal year 1996)” and insert “for each fiscal year during the period beginning with fiscal year 1996 and ending with fiscal year 2003 and for each 5-fiscal-year periods thereafter”.

Page 387, at the end of line 11 insert the following: “If the Secretary makes an adjustment under section 2109(a)(5)(C) for a year, each State shall update the specifications under this paragraph to reflect the impact of such an adjustment.”.

Page 388, line 21, strike the second period.

Strike “subpart” and insert “part” at the following places: page 390, lines 2 and 11; page 391, lines 5, 7, and 10; page 394, lines 16 and 24; page 396, line 21; 397, line 20; page 402, line 3; page 403, lines 13 and 24; page 405, line 16; page 408, lines 20 and 21; page 409, lines 9 and 10; page 416, line 24.

Page 390, line 7, strike all that follows the dash up to “The” on line 8 (and move the indentation of lines 8 through 11 2 ems to the left).

Page 390, strike lines 12 through 19.

•Page 390, after line 19, insert the following:

(12) HEALTH CARE WORKER REDEPLOYMENT REQUIREMENT.—The plan provides for compliance with the requirement of section 3074(a).

•Page 391, after line 1, insert the following:

The approval of such a plan shall take effect as of the first day of the first fiscal year beginning after the date of such approval (except that any approval made before January 1, 1996, shall be effective as of January 1, 1996). In order to budget funds allotted under this part, the Secretary may establish a deadline for the submission of such a plan before the beginning of a fiscal year as a condition of its approval effective with that fiscal year.

Page 392, line 21, strike the comma and insert a semicolon.

Page 394, line 18, strike “in and out of bed”.

Page 399, line 2, insert “or” after “Secretary,”.

Page 400, line 19, strike "poverty level (as defined in section 1902(25))" and insert "official poverty line (referred to in section 1902(25)(A))".

Page 400, line 20, insert "(determined without regard to section 1902(25)(B))" after "involved".

Page 401, lines 3, 7, and 10, strike "the poverty level applicable to a family of the size involved" and insert "such official poverty line (as so applied)".

•Page 401, lines 3 and 6, strike "250 percent" and insert "200 percent".

•Page 401, line 5, strike "25 percent" and insert "20 percent".

•Page 401, lines 7 and 10, strike "400 percent" and insert "250 percent".

•Page 401, line 9, strike "40 percent" and insert "25 percent".

Page 403, line 17, and page 404, line 6, strike "and a" and insert ". A".

Page 405, line 15, insert ", in accordance with the Cash Management Improvement Act," after "the Secretary".

Page 405, line 15, strike "pay" and insert "authorize payment".

Page 405, line 16, insert "(beginning on or after January 1, 1996)" after "for each quarter".

Page 406, line 19, strike "75" and insert "78".

Page 408, line 2, strike "pay" and insert "provide for payment of".

Page 408, line 19, strike "For" and insert "Subject to paragraph (5)(C), for".

Page 408, lines 23, 24, and 25, strike "4.5", "7.8" and "11.0" and insert "\$4.5", "\$7.8", and "\$11.0".

Page 409, line 1, strike "14.7" and insert "\$14.7".

Page 409, line 2, strike "18.7 billion. [\$56 to 2000]" and insert "\$18.7 billion."

Page 409, line 4, strike "26.7 billion. [48-56 for out years]" and insert "\$26.7 billion."

Page 409, lines 6 and 7, strike "35.5" and "38.3" and insert "\$35.5" and "\$38.3".

Page 410, line 9, insert a closing parenthesis after "(b)(3)(D)".

Page 410, line 10, strike "[review:]".

•Page 410, line 16, insert "disabled individuals" after "provided".

•Page 410, line 17, insert "such individuals" after "paid for".

Page 410, lines 17, 20, and 22, strike "title" and insert "part".

•Page 410, at the end of line 20, insert the following: "At the time a State first submits its plan under this part and before each subsequent fiscal year (through fiscal year 2003), the State also must provide the Secretary with such budgetary information (for each fiscal year through fiscal year 2003), as the Secretary determines to be necessary to carry out this paragraph."

•Page 411, amend lines 1 through 7 to read as follows:

(C) ADJUSTMENTS TO FEDERAL BUDGET.—

(i) IN GENERAL.—For each fiscal year (beginning with fiscal year 1996 and ending with fiscal year 2003) and based on a review of information submitted under subparagraph (A), the Secretary shall determine the amount by which the total Federal budget under subsection (a) will increase. The amount of such increase for a fiscal year shall be limited to the reduction in Federal expenditures of medical assistance (as determined by Secretary) that would have been made under title XIX of the Social Security Act for home and community based services for disabled individuals but for the provision of similar services under the program under this part.

(ii) ANNUAL PUBLICATION.—The Secretary shall publish before the beginning of such fiscal year, the revised total Federal budget under this

subsection for such fiscal year (and succeeding fiscal years before fiscal year 2003).

Page 411, line 9, strike "paymet" and insert "payment".

•Page 411, after line 12, insert the following:

(E) CONSTRUCTION.—Nothing in this subsection shall be construed as requiring States to determine eligibility for medical assistance under the State medicaid plan on behalf of individuals receiving assistance under this part.

Page 417, line 3, strike "section 2109(a)" and insert "subsection (a)".

Page 417, line 8, strike "improvement" and insert "improve".

Page 425, line 24, strike all that follows the dash up to "The" on page 426, line

2.

Page 426, lines 5 and 9, strike "(i)" and "(ii)" and insert "(A)" and "(B)".

Page 426, lines 5 and 15, move indentation 2 ems to the left.

Page 430, line 18, strike "in and out of bed".

Page 446, line 12, strike "premiums" and insert "premiums)".

#### TITLE III CHANGES

##### [Subtitle A—Workforce]

Page 497, line 24, strike "(a)(1)" and insert "(c)(1)".

Page 498, line 10, strike "OF" and insert "REGARDING".

Page 498, line 19, insert "For purposes of this subtitle:" after the dash.

Page 498, line 20, and page 499, line 9, strike "For purposes of this subtitle, the" and insert "The".

•Page 499, after line 15, insert the following:

(C) The term "approved physician training program" includes any post-graduate program described in subparagraph (A), whether operated by academic health centers, teaching hospitals, multispecialty group practices, ambulatory care providers, prepaid health plans, or other entities.

Page 500, line 11, strike "approved physician training" and insert "eligible".

Page 500, line 15, insert "all medical, surgical, and other physician specialties and" before "subspecialties".

Page 500, line 21, insert ", pursuant to section 3011," after "shall".

Page 500, line 22, strike "under section 3011".

•Page 501, line 5, strike "2002-03" and insert "1998-99".

Page 503, line 3, strike "MINIMUM TOTAL" and insert "TOTAL".

•Page 503, line 6, strike "2003-04" and insert "1998-99".

•Page 503, line 17, strike "2003-04 through 2007-08" and insert "1998-99 through 2002-03".

Page 504, line 11, strike ", with respect" and all that follows through line 14 and insert "means a position as a training participant."

Page 505, line 18, strike "RESIDENCY".

Page 505, line 24, strike "each of the" and insert "such".

•Page 507, amend lines 5 through 21 to read as follows:

(a) IN GENERAL.—In the case of an approved physician training program that in accordance with section 3032 submits to the Secretary an application for calendar year 1996 or any subsequent calendar year, the Secretary shall make payments for such year to the program for the purpose specified in subsection (b). The Secretary shall make the payments in an amount determined in accordance with section 3033, and may administer the payments as a contract, grant, or cooperative agreement.

Page 508, line 1, strike "program" and insert "approved physician training program involved".

Page 508, line 10, strike "3031" and insert "3031(a)".

Page 508, line 11, insert "for a calendar year" after "section".

Page 508, line 16, insert "the application demonstrates that" after "(2)".

Page 508, line 20, strike "assurances of compliance with such agreements that are satisfactory to the Secretary" and insert "such assurances of compliance with the agreements as the Secretary may require".

•Page 509, strike line 16 and all that follows through page 510, line 23, and insert the following:

(a) ANNUAL HEALTH PROFESSIONS WORKFORCE ACCOUNT.—

(1) IN GENERAL.—Subject to paragraph (2) and section 3034, the amount available for a calendar year for making payments under sections 3031 and 3051 (constituting an account to be known as the annual health professions workforce account) is the following, as applicable to the calendar year:

(A) In the case of calendar year 1996, \$3,200,000,000.

(B) In the case of calendar year 1997, \$3,550,000,000.

(C) In the case of calendar year 1998, \$4,800,000,000.

(D) In the case of each of the calendar years 1999 and 2000, \$5,800,000,000.

(E) In the case of each subsequent calendar year, the amount specified in subparagraph (D) increased by the product of such amount and the general health care inflation factor for such year (as defined in subsection (d)).

(2) TRANSITIONAL PROVISION.—

(A) With respect to making payments under sections 3031 and 3051 for calendar year 1996 or 1997, the Secretary shall first make payments under section 3031 to eligible programs described in subparagraph (B) in the amount determined for the programs under subsection (b) for such year, and then, from such amounts as remain available in the annual health professions workforce account for such year, shall make payments under section 3031 to other eligible programs and shall make payments under section 3051.

(B) An eligible program described in this subparagraph is such a program that is operated in a State that is a participating State under title I.

Page 511, line 2, strike "determined by the Secretary under subsection (a) for the calendar year involved" and insert "available for a calendar year".

Page 511, line 10, strike "an individual" and insert "such a participant".

Page 511, line 12, strike "(2)(B)" and insert "(2)".

Page 511, line 25, strike "an individual" and insert "a participant in an approved physician training program in the medical specialty involved".

•Page 512, line 7, strike "the general health care inflation factors for such years (or if there is no such factor for a calendar year, the consumer price index for the year)" and insert "the consumer price index".

•Page 512, after line 16, insert the following (and redesignate the succeeding subsection accordingly):

(c) LIMITATION.—If, subject to subsection (a)(2), the annual health professions workforce account available for a calendar year is insufficient for providing each eligible program with the amount of payments determined under subsection (b) for the program for such year, the Secretary shall make such pro rata reductions in the amounts so determined as may be necessary to ensure that the total of payments made under section 3031 for such year equals the total of such account.



Page 512, line 19, strike “, with respect to a calendar year, means the amount determined under subsection (a) for such year” and insert “ means the account established pursuant to subsection (a)(1)”.

Page 513, line 6, strike “annual health professions workforce account under section 3033(a)” and insert “amount specified in section 3033(a)(1) for the annual health professions workforce account”.

•Page 513, line 18, strike “and transferred” and all that follows through line 20 and insert the following:

and—

(A) in the case of each of the calendar years 1996 and 1997, transferred in an amount equal to 50 percent of such payments made for the calendar year involved; and

(B) in the case of calendar year 1998 and each subsequent calendar year, transferred in an amount equal to the aggregate regional alliance portion determined under subsection (c)(2)(A).

•Page 514, lines 3 and 17, insert “(other than calendar year 1996 or 1997)” after “year”.

Page 514, line 9, insert “the amount specified in section 3033(a)(1) for” after “(A)”.

Page 515, line 7, strike “each calendar year” and insert “calendar year 1996 and each subsequent calendar year”.

•Page 515, line 9, strike “appropriated” and all that follows through line 11 and insert the following:

appropriated—

(A) in the case of each of the calendar years 1996 and 1997, an amount equal to the difference between—

(i) the amount specified in section 3033(a)(1) for the annual health professions workforce account for the calendar year involved; and

(ii) the sum of the amount transferred under section 4051 for such year and the amount transferred under subsection (b)(2)(A) for such year; and

(B) in the case of calendar year 1998 and each subsequent calendar year, an amount equal to the aggregate corporate alliance portion determined under subsection (c)(2)(B) for the calendar year involved.

Page 515, line 16, strike “(1)” and insert “(1)(B)”.

•Page 515, after line 19, insert the following:

(3) GRADUATE NURSE EDUCATION.—Effective January 15 of calendar year 1996 and each subsequent calendar year, there is hereby transferred to the Secretary, out of any money in the Treasury not otherwise appropriated, 50 percent of the amount specified in section 3063(b) with respect to the annual graduate nurse training account.

Page 516, lines 10 and 18, and page 517, line 3, strike “3033(c)” and insert “3033(d)”.

•Page 517, strike line 20 and all that follows through page 519, line 2 and insert the following:

(a) PAYMENTS REGARDING EFFECTS OF SUBPART B ALLOCATIONS.—For each of the four calendar years specified in subsection (b)(2), in the case of an institution that submits to the Secretary an application for such year in accordance with subsection (d), the Secretary shall make payments for the year to the institution for the purpose specified in subsection (c). The Secretary shall make the payments in an amount determined in accordance with subsection (e), and may administer the payments as a contract, grant, or cooperative agreement.

(b) INSTITUTIONS LOSING SPECIALTY POSITIONS; RELEVANT YEARS REGARDING PAYMENTS.—

(1) INSTITUTIONS LOSING SPECIALTY POSITIONS.—The Secretary may make payments under subsection (a) to an institution only if, with respect to the calendar year involved, the institution meets the following conditions:

- (A) The institution operates one or more programs that—
- (i) are approved physician training programs; and
  - (ii) are receiving payments under section 3031 for such year.

(B) The aggregate number of speciality positions in such programs (in the medical specialties with respect to which such payments are made) is below the aggregate number of such positions at the institution for academic year 1993-94 as a result of allocations under subpart B.

(2) RELEVANT YEARS.—The Secretary may make payments under subsection (a) to an institution only for the first four calendar years after calendar 1997 for which the institution meets the conditions described in paragraph (1).

(3) ELIGIBLE INSTITUTION.—For purposes of this section, the term “eligible institution” means an institution that submits to the Secretary an application in accordance with subsection (d).

Page 519, line 6, insert “involved” after “institution”.

Page 519, line 12, insert “application demonstrates that the institution meets the conditions described in subsection (b)(1) and that the” after “Secretary; the”.

Page 519, line 16, strike “section and provides assurances of compliance with such agreements satisfactory to the Secretary” and insert “subpart and the application provides such assurances of compliance with the agreements as the Secretary may require”.

Page 519, line 21, strike “section” and insert “subpart”.

Page 519, line 24, strike “determined by the Secretary under section 3033(a)” and insert “available”.

Page 519, line 25, strike “the calendar” and insert “such”.

Page 520, line 11, insert “aggregate” before “number”.

•Page 520, amend lines 19 through 22 to read as follows:

(A) For the first calendar year after calendar 1997 for which the eligible institution involved meets the conditions described in subsection (b)(1), 100 percent.

(B) For the second such year, 75 percent.

(C) For the third such year, 50 percent.

(D) For the fourth such year, 25 percent.

Page 521, line 1, strike “section, the” and insert “subsection, the aggregate”.

Page 521, lines 4 and 9, insert “aggregate” before “number”.

Page 521, line 6, insert “eligible” before “institution”.

Page 521, line 16, strike “programs of the” and insert “the approved physician training programs of the eligible”.

Page 522, line 2, strike “health care”.

•Page 522, line 4, strike “general health care inflation factors” and all that follows through line 7 and insert “consumer price index.”

•Page 522, after line 13, insert the following:

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## PART 2—INSTITUTIONAL COSTS OF GRADUATE NURSING EDUCATION; WORKFORCE PRIORITIES

### SEC. 3061. NATIONAL COUNCIL; AUTHORIZED GRADUATE NURSE TRAINING POSITIONS; INSTITUTIONAL COSTS.

(a) PROGRAM REGARDING GRADUATE NURSE TRAINING PROGRAMS.—The Secretary shall, in accordance with this part, carry out a program with respect to graduate nurse training programs that is equivalent to the program carried out under part 1 with respect to approved physician training programs.

(b) DEFINITIONS.—For purposes of this part:

(1) The term “graduate nurse training programs” means programs for advanced nurse education, programs for education as nurse practitioners, programs for education as nurse midwives, programs for education as nurse anesthetists, and such other programs for training in clinical nurse specialties as are determined by the Secretary to require advanced education.

(2) The term “graduate nurse training position” means a position as an individual who is enrolled in a graduate nurse training program.

(3) The term “programs for advanced nurse education” means programs meeting the conditions to be programs for which awards of grants and contracts may be made under section 821 of the Public Health Service Act.

(4) The term “programs for education as nurse practitioners” means programs meeting the conditions to be programs for which awards of grants and contracts may be made under section 822 of the Public Health Service Act for education as a nurse practitioners.

(5) The term “programs for education as nurse midwives” means programs meeting the conditions to be programs for which awards of grants and contracts may be made under section 822 of the Public Health Service Act for education as nurse midwives.

(6) The term “programs for education as nurse anesthetists” means programs meeting the conditions to be programs for which awards of grants may be made under section 831 of the Public Health Service Act for education as nurse anesthetists.

### SEC. 3062. APPLICABILITY OF PART 1 PROVISIONS.

(a) IN GENERAL.—The provisions of part 1 apply to the program carried out under section 3061 to the same extent and in the same manner as such provisions apply to the program carried out under part 1, subject to the subsequent provisions of this section. Section 3051 does not apply for purposes of the preceding sentence.

(b) NATIONAL COUNCIL.—With respect to section 3001 as applied to this part, the council shall be known as the National Council on Graduate Nurse Education (in this part referred to as the “National Council”). The provisions of section 851 of the Public Health Service Act regarding the composition of the council under such section apply to the composition of the National Council to the same extent and in the same manner as such provisions apply to the council under such section 851.

(c) ALLOCATION OF GRADUATE NURSE TRAINING POSITIONS; FORMULA PAYMENTS FOR OPERATING COSTS.—With respect to subparts B and C of part 1 as applied to this part—

(1) the funding agreement described in section 3011 is to be made by graduate nurse training programs;

(2) designations under section 3012 and allocations under section 3013 apply to graduate nurse training positions; and

(3) payments under section 3031 are to be made to graduate nurse training programs, subject to the requirements for such payments.

**SEC. 3063. FUNDING.**

(a) **IN GENERAL.**—With respect to sections 3033 and 3034 as applied to this part, the provisions of this section apply.

(b) **ANNUAL GRADUATE NURSE TRAINING ACCOUNT.**—Subject to subsection (c), the amount available for each calendar year for making payments pursuant to section 3062(c)(3) to graduate nurse training programs (constituting an account to be known as the annual graduate nurse training account) is \$200,000,000.

(c) **SOURCES OF FUNDS FOR ACCOUNT.**—The amount specified in subsection (b) for the annual graduate nurse training account for a calendar year shall be derived from the following sources:

- (1) The transfer under section 3034(d)(3).
- (2) The transfer under section 3104(d)(3).

Page 522, line 14, strike "2" and insert "3".

•Page 522, strike line 15 and all that follows through page 523, line 5.

Page 523, line 6, strike "3062" and insert "3071".

•Page 523, amend lines 8 through 11 to read as follows:

(a) IN GENERAL.—

(1) FUNDING.—For purposes of carrying out the programs described in this section, there is authorized to be appropriated \$400,000,000 for fiscal year 1994 and each subsequent fiscal year (in addition to amounts that may otherwise be authorized to be appropriated for carrying out the programs).

(2) ADMINISTRATION.—The programs described in this section and carried out with amounts made available under subsection (a) shall be carried out by the Secretary of Health and Human Services.

Page 523, line 13; page 524, lines 6 and 19; page 525, line 14; and page 526, lines 8 and 25, strike "section 3061" and insert "subsection (a)".

Page 524, line 5, strike "(b)" and insert "(c)".

Page 524, line 19, strike "(c)" and insert "(d)".

Page 524, line 20, strike "include" and all that follows through "A" on line 22 and insert "include a".

Page 525, strike lines 8 through 13.

•Page 525, after line 13, insert the following:

(e) INAPPROPRIATE PRACTICE BARRIERS; FULL UTILIZATION OF SKILLS.—For purposes of subsection (a), the programs described in this section include a program—

(1) to develop and encourage the adoption of model professional practice statutes for advanced practice nurses and physician assistants, and to otherwise support efforts to remove inappropriate barriers to practice by such nurses and such physician assistants; and

(2) to promote the full utilization of the professional education and clinical skills of advanced practice nurses and physician assistants.

Page 525, lines 14 and 20, strike "(d)" and "(e)" and insert "(f)" and "(g)".

Page 526, line 1, strike "3063" and insert "3072".

•Page 526, amend lines 2 through 5 to read as follows:

(a) IN GENERAL.—

(1) FUNDING.—For purposes of carrying out the programs described in this section, and for carrying out section 3073, there is authorized to be appropriated \$200,000,000 for fiscal year 1994 and each subsequent fiscal year (in addition to amounts that may otherwise be authorized to be appropriated for carrying out the programs).

(2) ADMINISTRATION.—The programs described in this section and carried out with amounts made available under subsection (a) shall be carried out by the Secretary of Labor (in this section referred to as the "Secretary").

Page 526, line 7, strike "JOB BANKS" and insert "WORKFORCE ADJUSTMENT PROGRAMS".

•Page 526, amend lines 11 through 13 to read as follows:

(A) A program for skills upgrading and occupational retraining (including retraining health care workers for more advanced positions as technicians, nurses, and physician assistants), and for quality and workforce improvement.

•Page 526, amend lines 17 through 21 to read as follows:

(C) A program to develop and operate health-worker job banks in local employment services agencies, subject to the following:

(i) Such job banks shall be available to all health care providers in the community involved.

(ii) Such job banks shall begin operation not later than 90 days after the date of the enactment of this Act.

(D) A program to provide for joint labor-management decision-making in the health care sector on workplace matters related to the restructuring of the health care delivery system provided for in this Act.

Page 527, line 3, strike “, and for establishing and operating the Institute authorized in section 3064”.

Page 527, line 15, strike “and” and insert “an”.

•Page 527, amend lines 23 through 25 to read as follows:

(1) Joint labor-management implementation and administration.

Page 528, line 8, strike “3064” and insert “3073”.

•Page 528, line 12, strike “may” and insert “shall”.

•Page 528, line 13, strike “The subsequent provisions of this section apply to any such Institute.”.

•Page 528, line 23, strike “the system of” and insert “proper staffing of the health care delivery system serving the”.

Page 528, line 25, strike “and”.

•Page 529, line 1, strike “of such system on health care workers and the needs of such workers with respect to the system” and insert “this Act, and of related changes regarding health care, on health care workers and the needs of such workers with respect to such matters”.

•Page 529, line 5, strike the period and insert “; and” and the following:

(C) the development and implementation of high-performance, high-quality health care delivery systems, including employee participation committee systems and employee team systems, that will contribute to the development of better, more effective health care by increasing the role, the responsibilities and the area of independent decision-making authority of health care workers.

•Page 529, amend lines 8 through 10 to read as follows:

**JOB BANKS, AND HIGH-PERFORMANCE WORKPLACES.**—The Secretary of Labor is authorized to—

(A) carry out section 3073 acting through the Director of the Institute; and

(B) implement the recommendations of the Director regarding employee participation committees and other high-performance systems.

Page 530, line 12, strike “(c)” and insert “(d)”.

•Page 530, after line 12, insert the following (and redesignate the succeeding paragraphs accordingly):

(2) The term “employee participation committees” means committees of workers independently drawn from a facility’s workforce, or selected by unions where collective bargaining agreements are in effect, and which operate without employer interference and consult with management on issues of costs and efficiency, workplace reorganizations, productivity, and quality of care.

**[Subtitle B—Academic Health Centers]**

•Page 530, strike line 25 and all that follows through “the Secretary shall” on page 531, line 4 and insert the following:

(a) **IN GENERAL.**—In the case of a qualified academic health center or qualified teaching hospital that in accordance with section 3102 submits to the Secretary a written request for calendar year 1996 or any subsequent calendar year, the Secretary shall

•Page 531, strikes lines 11 through 16.

Page 531, line 18, strike "CENTERS" and insert "INSTITUTIONS".

Page 531, line 19, strike "academic health centers" and insert "eligible institutions".

Page 531, beginning on line 21, strike "such centers" and insert "such institutions".

•Page 531, line 23, after the period insert the following:

Such costs include—

(1) with respect to productivity in the provision of health services, costs resulting from the reduced rate of productivity of faculty due to teaching responsibilities;

(2) the uncompensated costs of clinical research; and

(3) exceptional costs associated with the treatment of health conditions with respect to which an eligible institution has specialized expertise (including treatment of rare diseases, treatment of unusually severe conditions, and providing other specialized health care).

•Page 531, strike line 24 and all that follows through page 532, line 3, and insert the following:

(c) DEFINITIONS.—

(1) ACADEMIC HEALTH CENTER.—For purposes of this subtitle, the term "academic health center" means an entity that—

(A) operates a school of medicine or osteopathic medicine, as defined in section 799 of the Public Health Service Act;

(B) operates, or is affiliated with, one or more other types of schools or programs described in such section, or with one or more schools of nursing (as defined in section 853 of such Act); and

(C) operates, or is affiliated with, one or more teaching hospitals.

(2) TEACHING HOSPITAL.—For purposes of this subtitle, the term "teaching hospital" means a hospital that operates an approved physician training program (as defined in section 3011(b)).

(3) QUALIFIED CENTER OR HOSPITAL.—For purposes of this subtitle:

(A) The term "qualified academic health center" means an academic health center that operates a teaching hospital.

(B) The term "qualified teaching hospital" means any teaching hospital other than a teaching hospital that is operated by an academic health center.

(4) ELIGIBLE INSTITUTION.—For purposes of this subtitle, the term "eligible institution", with respect to a calendar year, means a qualified academic health center, or a qualified teaching hospital, that submits to the Secretary a written request in accordance with section 3102.

Page 532, line 7, strike "academic health center" and insert "qualified academic health center or qualified teaching hospital".

Page 532, line 16, strike "entity" and insert "qualified academic health center or qualified teaching hospital".

Page 532, line 20, strike "entity" and insert "center or hospital".

•Page 532, strike line 24 and all that follows through page 534, line 2, and insert the following:

(a) ANNUAL ACADEMIC HEALTH CENTER ACCOUNT.—Subject to section 3104, the amount available for a calendar year for making payments under section 3101 (constituting an account to be known as the annual academic health center account) is the following, as applicable to the calendar year:

(1) In the case of calendar year 1996, \$3,100,000,000.

(2) In the case of each of the calendar years 1997 and 1998, \$3,200,000,000.



(3) In the case of calendar year 1999, \$3,700,000,000.

(4) In the case of calendar year 2000, \$3,800,000,000.

(5) In the case of each subsequent calendar year, the amount specified in paragraph (4) increased by the product of such amount and the general health care inflation factor (as defined in subsection (d)).

Page 534, beginning on line 3, strike "CENTERS" and insert "INSTITUTIONS".

Page 534, line 11, insert "the" before "product".

Page 534, line 5, strike "center" and insert "institution".

Page 534, strike lines 7 through 9 and insert the following:

(1) the annual academic health center account available for the calendar year; and

Page 534, line 13, strike "center" and insert "institution".

Page 534, strike line 22 and all that follows through page 535 line 2, and insert the following:

and—

(I) applicable to patients discharged from the institution (or hospitals of the institution, as the case may be) in such preceding year; or

(II) in the case of patients discharged on or after January 1, 1998, applicable to patients discharged in calendar year 1997; to

Page 535, line 5, strike "centers" and insert "institutions".

•Page 535, beginning on line 10, strike "centers" and insert the following: "institutions. In making such recommendations, the Secretary shall consider the costs described in section 3101(b) that are incurred by such institutions."

Page 535, strike lines 13 through 21 and insert the following:

(1) The term "annual academic health center account" means the account established pursuant to subsection (a).

Page 536, line 3, strike ".—The annual academic health center account under section 3103(a)" and insert "ACCOUNT.—The amount specified in section 3103(a) for the annual academic health center account".

•Page 536, amend lines 13 through 16 to read as follows:

(2) Payments made by regional alliances under section 1353 and—

(A) in the case of each of the calendar years 1996 and 1997, transferred in an amount equal to 50 percent of such payments made for the calendar year involved; and

(B) in the case of calendar year 1998 and each subsequent calendar year, transferred in an amount equal to the aggregate regional alliance portion determined under subsection (c)(2)(A).

•Page 536, line 23, and page 537, line 11, insert "(other than calendar year 1996 or 1997)" after "year".

Page 536, line 26, strike "(2)" and insert "(2)(B)".

Page 537, lines 3, insert "amount specified in section 3103(a) for" after "the".

Page 538, line 2, strike "each calendar year" and insert "calendar year 1996 and each subsequent calendar year".

•Page 538, amend lines 4 through 6 to read as follows:

otherwise appropriated—

(A) in the case of each of the calendar years 1996 and 1997, an amount equal to the difference between—

(i) the amount specified in section 3103(a) for the annual academic health center account for the calendar year involved; and

(ii) the sum of the amount transferred under section 4052 for such year and the amount transferred under subsection (b)(2)(A) for such year; and

(B) in the case of calendar year 1998 and each subsequent calendar year, an amount equal to the aggregate corporate alliance portion determined under subsection (c)(2)(B) for the calendar year involved.

Page 538, line 11, strike "(1)" and insert "(1)(B)".

Page 538, line 14, strike the second period.

•Page 538, after line 14, insert the following:

(3) GRADUATE NURSE EDUCATION.—Effective January 15 of calendar year 1996 and each subsequent calendar year, there is hereby transferred to the Secretary, out of any money in the Treasury not otherwise appropriated, 50 percent of the amount specified in section 3063(b) with respect to the annual graduate nurse training account.

Page 589, beginning on line 14, strike "from the Public Health Service Initiatives Fund (established in section 3701)".

**[Subtitle F—Mental Health; Substance Abuse]**

Page 596, line 8, strike "AUTHORIZATIONS" and all that follows through the period on line 9 and insert "AUTHORIZATIONS OF APPROPRIATIONS."

Page 596, beginning on line 11, strike "from the Public Health Service Initiatives Fund (established in section 3701)".

Page 597, line 22, strike "3501(c)(2)" and insert "3501(b)(2)".

Page 598, line 16, strike "3501(c)(2)" and insert "3501(b)(2)".

Page 603, line 8, strike "a plan to achieve" and insert the following: "a report on (including a plan for) the measures to be implemented by the State to achieve".

Page 603, line 13, after the period insert the following sentence: "The plan required in the preceding sentence shall meet the conditions described in section 3074(b)."

Strike "mental health" and insert "mental illness" in each of the following locations: Page 603, lines 9, 11, 15, and 19; page 604, lines 1, 7, and 14; page 605, lines 10, 13, 15, and 20; page 606, lines 1, 19, 20, and 24.

Page 606, line 13, strike "the a" and insert "the".

**[Subtitle G—School Health]**

Page 609, strike lines 18 through 24.

Page 610, line 22, strike "(I)" and insert "(H)".

Page 610, line 23, strike "(J)" and insert "(I)".

Page 610, line 25, strike "(K)" and insert "(J)".

Page 612, line 13, strike "AUTHORIZATIONS" and all that follows through the period on line 14 and insert "AUTHORIZATIONS OF APPROPRIATIONS."

Page 612, beginning on line 17, strike "from the Public Health Service Initiatives Fund (established in section 3701)".

Page 617, line 11, strike "STATES" and insert "STATE EDUCATION AGENCIES".

Page 617, line 12, strike "STATES" and insert "STATE EDUCATION AGENCIES".

Page 618, beginning on line 2, strike "goals established under" and insert "the State's school improvement plan, if any, under title III of".

Page 620, line 21, strike "STATES" and insert "STATE EDUCATION AGENCIES".

Page 621, line 13, strike ", if any,".

Page 636, line 20, strike "AUTHORIZATIONS" and all that follows through the period on line 21 and insert "AUTHORIZATIONS OF APPROPRIATIONS."

Page 636, beginning on line 24, strike "from the Public Health Service Initiatives Fund (established in section 3701)".

Page 637, line 12, strike "are:" and insert "are the following:".

Page 638, line 19, insert a period at the end of the line.

Page 640, strike line 24 and all that follows through page 641, line 2.

Page 641, line 3, strike "(d)" and insert "(c)".

Page 642, line 4, strike "part" and insert "subpart".

Page 642, line 6, strike "(e)" and insert "(d)".

Page 643, line 1, strike "Evidence of" and insert "A description of".

Page 643, line 7, strike "(f)" and insert "(e)".

Page 643, beginning on line 7, strike "two planning grants" and insert "one planning grant".

Page 643, line 8, after the period insert the following: "A planning grant may not exceed two years in duration."

Page 643, line 12, insert a period after "sites".

Page 643, line 20, and page 645, line 4, strike "3461(h)" and insert "3461(g)".

**[Subtitle H—Public Health Service Initiative]**

Page 648, line 13, strike "includes" and all that follows through line 14 and insert the following: "includes the programs of subtitles C through G of this title and the programs of subtitle D of title VIII."

**[Subtitle I—COBRA Continuation]**

Page 649, line 11, strike "Cobra" and insert "COBRA".

**TITLE IV CHANGES**

**[Subtitle A—Medicare and Alliances]**

Page 656, strike line 10 and all that follows through page 657, line 7 and insert the following:

"(1) COVERAGE OF ALL MEDICARE-ELIGIBLE INDIVIDUALS.—The State's application shall assure that the provisions of the succeeding paragraphs of this subsection shall apply to all medicare-eligible individuals who are residents of the State."

Page 658, line 4, strike "individual" and insert "individual".

Page 658, line 6, strike "B" and insert "C".

Page 658, line 13, strike "premium rate, coinsurance" and insert "coinsurance".

Page 658, line 15, strike "to such individuals".

Page 658, strike line 17 and all that follows through page 659, line 7, and insert the following:

"(ii) The plan's payment rates for covered items and services are accepted as payment in full for such items and services.

Page 659, line 13, insert "(including payments under section 1862(b)(4))" after "title".

Page 662, line 9, strike "subtitle A of title VI" and insert "section 6001(a)".

Page 663, line 24, strike "health care budget", "

Page 664, line 11, insert "(or which is eligible to enter into such a contract, as determined by the Secretary)" before "that is".

Page 664, line 16, insert "(for the same benefits as alliance-eligible individuals)" after "in such plan".

Page 664, line 18, add at the end the following: "The premium imposed with respect to such an individual by the plan shall be in an amount (determined in accordance with rules of the Secretary and notwithstanding other provisions of such Act) which reflects the difference between the premium otherwise established (adjusted by a factor to reflect the actuarial difference between medicare beneficiaries and other plan enrollees) and the amount payable under paragraph (3)."

Page 664, line 25, insert "or dependent" after "spouse".

Page 665, line 6, insert "or dependent" after "spouse".

Page 665, line 12, strike "(a)(1)(C)" and insert "(a)(1)(C) (notwithstanding the second sentence of paragraph (1))".

Page 666, line 15, strike "a health plan" and insert "an eligible organization".

Page 666, line 18, strike "individual's" and insert "individuals".

Page 667, line 1, strike "TREATMENT OF CERTAIN MEDICARE BENEFICIARIES" and insert "PAYMENTS TO REGIONAL ALLIANCES ON BEHALF OF CERTAIN MEDICARE-ELIGIBLE INDIVIDUALS".

Page 667, line 5, strike "TREATMENT" and insert "PAYMENTS TO REGIONAL ALLIANCES ON BEHALF".

Page 667, line 7, strike "(a)" and all that follows through the dash on line 16.

Page 667, line 23, insert after the first period the following: "In the case of an individual to whom such section applies, unless all the members of the family would be medicare-eligible individuals (but for section 1012(a) of such Act), the reductions in liability under section 6115 of such Act shall be based upon the alliance credit amount for an individual class of enrollment (as defined in section 1011(c)(1)(A) of such Act)."

Page 668, line 9, strike "ACTIVE".

Page 668, amend lines 13 through 19 to read as follows:

(A) in clause (i), by striking "large group health plans (as defined in clause (iv))" and inserting "group health plan (as defined in subparagraph (A)(v), taking into account the exceptions described in clauses (ii) and (iii) of subparagraph (A))"; and

Page 669, amend lines 7 through 9 to read as follows:

(A) in clause (i), by striking "an individual is entitled" and all that follows through "such benefits" and inserting "an individual (or a member of the individual's family) who is covered under the plan by virtue of the individual's current employment status with an employer is entitled to benefits under this title under section 226A";

Page 669, insert after line 19 the following (and redesignate the succeeding provision accordingly):

(d) NO PRIMARY PAYMENT FOR SERVICES UNDER A HEALTH PLAN.—Section 1862(b)(2)(A) (42 U.S.C. 1395y(b)(2)(A)(i)) is amended—

(1) by striking "or" at the end of clause (i);

(2) by striking the period at the end of clause (ii) and inserting ", or";

(3) by inserting after clause (ii) the following new clause:

"(iii) payment has been made, or can reasonably be expected to be made, with respect to the item or service under any health plan under the Health Security Act."; and

(4) in the second sentence—

(A) by striking "and" after "applies", and

(B) by inserting before the period at the end the following: ", and a health plan under the Health Security Act to the extent that clause (iii) applies".

(e) SIMPLIFICATION OF COORDINATION OF BENEFITS.—Section 1862(b)(4) (42 U.S.C. 1395y(b)(4)) is amended by adding after and below subparagraph (B) the following:

"Notwithstanding the previous sentence, where payment is made for an item or service by a primary plan that is a health plan (within the meaning of section 1400 of the Health Security Act) and for which payment would be made under this title but for this subsection, payment may be made under this title (without regard to deductibles and coinsurance) in the amount of the cost sharing imposed under such primary plan (consistent with such Act)."

Page 670, line 22, strike "may be specified by the Secretary" and insert "shall be the period specified by the Secretary under section 1876(c)(3)(A)(i)".

Page 671, line 6, insert "designated under section 1876(c)(3)(B)" after "party".

Page 673, line 4, strike "CAPITATION" and insert "CAPITATED".

Page 673, line 20, insert "for purposes of section 1876(c)(3)(C)" after "the Secretary".

Page 675, line 7, strike the closing quotation marks and the period that follows them.

Page 675, after line 7, insert the following:

"(v) To the extent that total payments under clause (i) in a year—

"(I) exceed the payment set aside as a result of the reduction under subparagraph (C) for the year, the Secretary shall increase the percentage reduction under such subparagraph for the following year by such percentage as will result in an increase in the reduction equal to such excess in previous payments, or

"(II) are less than the payment set aside as a result of the reduction under subparagraph (C) for the year, the amount of such difference shall remain available in the succeeding years for additional payments under this subparagraph and the Secretary may take such difference into account in establishing the percentage reduction under subparagraph (C) for the following year."

Page 675, line 9, insert "(i)" after "1876(a)(1)(C)" and after "1395mm(a)(1)(C)".

Page 675, line 10, strike "4122(a)" and insert "4132(a)".

Page 675, line 11, strike "(by a uniform percentage) determined by the Secretary" and insert "by a uniform percentage (determined by the Secretary for a year, subject to adjustment under subparagraph (G)(v))".

Page 675, line 13, strike "for a particular year".

Page 675, line 23, strike "1890" and insert "1890".

Page 675, line 26, insert after "title" the following: "(other than individuals enrolled with an eligible organization with a risk-sharing contract under section 1876(g))".

Page 676, line 1, strike "enroll in a point-of-service network" and all that follows through "and may".

Page 676, line 4, strike "the network" and insert "a point-of-service network established by the Secretary in accordance with the criteria described in subsection (b)".

Page 676, line 8, strike "appropriate geographic service areas for such networks" and insert "an appropriate geographic service area for each such network".

Page 676, line 12, strike the semicolon and insert "; except that no such service area may be served by more than one such network;".

Page 676, strike lines 13 and 14 (and redesignate the succeeding paragraphs accordingly).

Page 676, line 21, strike "incentive arrangements" and insert "incentives".

Page 676, line 23, strike the semicolon and insert "; and to encourage individuals to receive services under this title through the network;".

Page 677, strike lines 1 through 3 and insert the following:

"(6) establish procedures to be used for the provision of case management services and criteria for determining whether (and under which circumstances) services which would otherwise not be covered under this title would be covered by the network under such case management;".

Page 677, line 4, insert "establish" after "(8)".

Page 677, line 8, strike "and" and insert after such line the following (and redesignate the succeeding paragraph accordingly):

"(8) establish standards for the selection of physicians for the network based on practice patterns and a demonstration of effective quality assurance; and

"(9) develop standards to ensure that the point-of-service option does not result in a net financial loss to the medicare program under this title after the implementation of the option in an area, taking into account administrative costs,

the costs of services (which would otherwise not be covered under this title) provided to beneficiaries under case management, and the costs of incentives for physicians, other providers, and beneficiaries; and".  
Page 677, line 9, insert "apply" before "such".

Page 677, line 9, strike the closing quotation mark and the period following such mark, and insert after such line the following:

"(c) BONUS PAYMENTS PERMITTED.—

"(1) IN GENERAL.—Notwithstanding any other provision of this title, the Secretary may increase the amount of payment otherwise provided under this title for items and services furnished by individuals who are members of a point-of-service network under this section by a bonus payment (in such amount as the Secretary may determine).

"(2) CRITERIA FOR RECEIVING PAYMENT.—The Secretary may make a bonus payment under this subsection to members of a point-of-service network if the Secretary determines that the members of the network have reduced the costs to the medicare program of the items and services furnished by the network without adversely affecting the quality of care provided to beneficiaries."

Page 678, line 13, and page 679, line 14, strike "subsection (i)" and insert "subsection (c)".

Page 679, line 3, strike "in an arrangement for a point-of-service network" and insert "under a point-of-service network arrangement".

Page 679, strike lines 16 through 18.

Page 679, line 19, strike "(6)" and insert "(5)".

Page 679, line 21, strike "2001(c)" and insert "2003(b)".

Page 680, lines 9 and 12, strike "he" and "him" and insert "the individual" in both places.

Page 680, line 16, strike "OF OUTPATIENT PRESCRIPTION DRUGS" and insert "EXPANSIONS".

•Page 681, strike line 1 and all that follows through page 683, line 10, and insert the following:

**SEC. 4022. EXPANDED COVERAGE FOR PHYSICIAN ASSISTANTS, NURSE PRACTITIONERS, AND CLINICAL NURSE SPECIALISTS.**

(a) PHYSICIAN ASSISTANTS.—Section 1861(s)(2)(K)(i) (42 U.S.C. 1395x(s)(2)(K)(i)) is amended by striking "(I) in a hospital" and all that follows through "shortage area".

(b) NURSE PRACTITIONERS AND CLINICAL NURSE SPECIALISTS.—Section 1861(s)(2)(K)(iii) (42 U.S.C. 1395x(s)(2)(K)(iii)) is amended—

(1) by inserting "(I)" before "in a rural area", and

(2) by inserting ", (II) in any other area, in the case of services furnished by nurse practitioners other than services furnished to an inpatient of a hospital, or (III) in any other area, in the case of services furnished by clinical nurse specialists other than services furnished to an inpatient of a hospital, skilled nursing facility or nursing facility (as defined in section 1919(a)), and" after "section 1886(d)(2)(D)".

(c) CONFORMING AMENDMENTS.—(1) Section 1832(a)(2)(B)(iv) (42 U.S.C. 1395k(a)(2)(B)(iv)) is amended by striking "provided in a rural area (as defined in section 1886(d)(2)(D))" and inserting "described in section 1861(s)(2)(K)(iii)".

(2) Section 1833(a)(1)(O) (42 U.S.C. 1395l(a)(1)(O)) is amended by striking "provided in a rural area".

(3) Section 1833(r)(1) (42 U.S.C. 1395l(r)(1)) is amended by striking "provided in a rural area".



(d) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after January 1, 1996.

Page 684, line 16, strike “a bill” and insert “or other person”.

Page 684, line 18, insert “or person” after “individual”.

Page 691, lines 11 and 23, strike “paid” and insert “paid.”

Page 691, line 20, strike “an assessment” and insert “damages”.

Page 692, strike lines 1 through 11.

Page 693, line 8, strike “employees” and insert “employee”.

Page 693, line 11, insert a closing quotation mark and a period after the period.

Page 693, line 17, strike “copayment—” and all that follows through page 694, line 9 and insert the following: “copayment if the waiver or reduction is made pursuant to a public schedule of discounts which the person is obligated as a matter of law to apply to certain individuals.”

Page 694, line 20, strike “who is obligated” and all that follows through page 695, line 2 and insert the following: “who receives assistance under a grant or cooperative agreement for the provision of health care services under title V, title XX, or the Public Health Service Act, or is obligated as a matter of law to provide services according to a schedule which provides for discounts based on the ability of the individual services to pay, if—

“(i) in the case of an individual or entity who receives assistance under a grant or cooperative agreement for the provision of health care services under title V, title XX, or the Public Health Service Act, the remuneration is directly and primarily related to the activity supported by the grant or cooperative agreement; and

“(ii) the remuneration is pursuant to a written arrangement for the use or procurement of space, equipment, goods, or services for the referral of patients that—

Page 695, move the matter from lines 3 through 18 two ems to the right.

Page 695, line 3, strike “(i) the arrangement” and insert “(I)”.

Page 695, line 9, strike “(ii) the arrangement” and insert “(II)”.

Page 695, line 17, strike “the Federal grant or cooperative agreement” and insert “a grant or cooperative agreement described in clause (i)”.

Page 696, line 25, strike “a” and insert “each”.

Page 697, line 17, strike the dash and insert a colon.

Page 698, line 9, strike “and”.

Page 698, line 13, strike the period and insert “; and”.

Page 698, insert after line 13 the following:

(5) by adding at the end of paragraphs (1) and (2) the following sentence: “A violation exists under this paragraph if one or more purposes of the remuneration is unlawful under this paragraph.”

Page 699, line 19, strike “paragraphs” the second place it appears.

Page 700, line 20, insert “designated health” after “the case of”

Page 701, line 15, strike “CAPITATED” and insert “OTHER CAPITATED PAYMENTS”.

Page 702, line 23, through page 703, line 2, move the indentation 2 ems to the left.

Page 703, line 20, strike “that serves a significant number” and all that follows through “Act),” and insert the following: “for which 85 percent of the patients are members of a medically underserved population designated under section 330 of the Public Health Service Act (as determined in accordance with regulations of the Secretary),”.

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Page 706, line 21, strike "a laboratory in exchange for the provision of clinical laboratory services" and insert "an individual or entity as compensation for items or services if the items or services are".

Page 709, strike lines 4 through 16 (and redesignate the succeeding provisions accordingly).

Page 709, line 19, strike "2006(c)(3)" and insert "2005(c)(3)"

Page 711, lines 5 through 13, indent 2 additional ems.

Page 715, line 15, insert "under the Health Security Act" after "a health plan".

Page 716, line 7, strike "federal" and insert "Federal".

Page 716, lines 8 and 9, strike "state" and insert "State".

Page 716, line 8, insert "(under subtitle D of title I of such Act)" after "health alliance".

Page 716, line 10, strike "the plan" and insert "a health plan under such Act or a public program".

Page 716, line 16, strike "(6)" and insert "(12)".

Page 716, line 22, strike "or" and insert ", payment, or".

Page 717, line 8, strike "(as defined in subsection (g))".

Page 718, line 12, strike "TRUST FUND" and insert "ACCOUNT".

Page 718, line 16, strike "Trust Fund" and insert "Account".

Page 718, line 22, strike "was".

Page 720, line 25, strike the comma.

Page 721, line 19, strike "1128(b) (42 U.S.C. 1320a-7(b))" and insert "1128 (42 U.S.C. 1320a-7)".

Page 721, line 21, strike "paragraph (1)" and insert "subsection (a)(1)(A)".

Page 721, insert after line 25 the following (and redesignate the succeeding provisions accordingly):

(2) in subsection (b)(5)—

(A) by striking "or" at the end of subparagraph (A),

(B) by adding "or" at the end of subparagraph (B), and

(C) by inserting after subparagraph (B) the following new subparagraph:

"(C) an applicable health plan (as defined in section 1902(6) of the Health Security Act) under section 5411 or 5412(b)(3) of such Act,";

(3) in subsection (b)(6)(B), by striking "XVIII or under a State health care program" and inserting "XVIII, a State health care program, or an applicable health plan (as defined in section 1902(6) of the Health Security Act)";

Page 722, line 2, strike "paragraph (7)" and insert "subsection (b)(7)".

Page 722, line 4, strike "paragraph (8)(B)" and insert "subsection (b)(8)(B)".

Page 722, line 13, strike "paragraph (9)" and insert "subsection (b)(9)".

Page 722, line 14, insert "provide" after "or".

Page 722, line 20, strike "paragraph (11)" and insert "subsection (b)(11)".

Page 723, line 8, strike "paragraph (12)" and insert "subsection (b)(12)".

Page 723, line 13, strike "any actions" and all that follows through "any sanctions" and insert "any violations of law have occurred, including violations".

Page 723, line 17, strike "and".

Page 723, insert after line 17 the following (and redesignate the succeeding provision accordingly):

(9) in subsection (b)(14), by striking "XVIII or XIX" and inserting "XVIII, a State health care program, or an applicable health plan (as defined in section 1902(6) of the Health Security Act)"; and

Page 723, line 18, strike "paragraph (15)" and insert "subsection (b)(15)".

Page 723, line 20, strike "54.." and insert "5412".

Page 726, strike "calendar" each place it appears on lines 5 and 20 and insert "fiscal".

•Page 726, strike lines 7 through 19 and insert the following:

(1) In the case of fiscal year 1996, \$1,500,000,000.

(2) In the case of each of the fiscal years 1997 and 1998, \$1,600,000,000.

Page 726, line 22, strike "the product of such amount" and all that follows through page 727, line 2 and insert the following: "the Secretary's estimate of the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with the midpoint of the previous fiscal year."

Page 727, line 5, strike "an academic year" and insert "a year".

•Page 727, line 22; and page 728, line 10, strike "January 1, 1998" and all that follows through "participating State)" and insert "October 1, 1995".

Page 729, strike "calendar" each place it appears on lines 2 and 16 and insert "fiscal".

•Page 729, strike lines 3 through 15 and insert the following:

(1) In the case of fiscal year 1996, \$2,100,000,000.

(2) In the case of each of the fiscal years 1997 and 1998, \$2,000,000,000.

Page 729, line 18, strike "the product of such amount" and all that follows through line 23 and insert the following: "the Secretary's estimate of the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with the midpoint of the previous fiscal year."

•Page 730, lines 4 and 14, strike "January 1, 1998" and all that follows through "participating State)" and insert "October 1, 1995".

Page 731, line 18, strike "in such amounts" and all that follows through the first period on line 21 and insert "in the same amounts and under the same terms and conditions under which the Secretary makes payments to eligible organizations with risk-sharing contracts under section 1876."

Page 731, line 25, strike "January 1, 1998" and insert "October 1, 1995".

Page 732, line 22, strike "any individuals entitled to benefits under this title who are enrolled with such a plan" and insert "any veteran, other than a veteran described in section 1831(b)".

Page 732, line 24, insert "(other than any individuals described in section 1831(b) of title 38, United States Code)" after "year".

#### [Subtitle B—Medicare Savings]

•Page 734, line 16, strike "2001" and insert "2003".

Page 734, line 19, strike "Section" and insert "(a) IN GENERAL.—Section".

Page 735, line 4, strike "1994" and insert "1995".

Page 735, line 4, insert "and" after "1.89,".

Page 735, strike lines 5 and 6 (and redesignate the succeeding provision accordingly).

Page 735, insert after line 8 the following:

(b) NO RESTANDARDIZATION OF PAYMENT AMOUNTS REQUIRED.—Section 1886(d)(2)(C)(i) (42 U.S.C. 1395ww(d)(2)(C)(i)) is amended by striking "of 1985" and inserting "of 1985, but not taking into account the amendments made by section 4102(a) of the Health Security Act".

Page 735, line 19, insert "for discharges occurring after September 30, 1995," before "the Secretary".

•Page 737, line 2, strike "2000" and insert "2003".

•Page 738, line 11, strike "2000" and insert "2003".

Page 738, line 25, and page 742, line 5, strike "subtitle C of title I of".

Page 739, line 21, strike "5 percent" and insert "5.5 percent".

Page 740, line 14, strike "e to the nth power" and insert "e to the nth power -

1".

Page 740, line 17, strike "- 1".

Page 743, line 21, strike "1991 THROUGH 1993" and insert "1991 THROUGH 1994".

Page 744, line 2, strike "and 1993" and insert "1993, and 1994".

Page 744, line 14, strike "1994" and insert "1995".

Page 744, line 17, strike "physicians's" and insert "physicians'".

Page 744, line 18, strike "1994" and insert "1995".

Page 746, line 15, strike "1992 THROUGH 1995" and insert "1992 THROUGH 1996".

Page 746, line 18, strike "and 1995" and insert "1995, and 1996".

Page 746, line 23, strike "1996" and insert "1997".

Page 747, line 1, strike "1996" and insert "1997".

Page 747, line 19, strike "1994" and insert "1995".

Page 749, insert after line 7 the following new subsection:

(c) REPEAL OF PERFORMANCE STANDARD FACTOR.—

(1) IN GENERAL.—Section 1842(f)(2), as amended by section 4111(a)(3), is amended by striking subparagraph (C) and redesignating subparagraph (D) as subparagraph (C).

(2) CONFORMING AMENDMENT.—Section 1842(f)(2)(B), as added by section 4111(a), is amended in the matter following clause (iv) by striking "1, multiplied by 100" and all that follows through "subparagraph (C)" and inserting "1 and multiplied by 100".

749, line 19, strike "1995" and insert "1995".

Page 750, line 8, strike "3 percentage points" and insert "3 percent and adjusted by the update established under paragraph (3) for 1995".

Page 751, line 4, strike "(i)".

Page 751, line 8, strike ", and, if so" and all that follows through "subsection (b)(3)".

Page 751, line 21, strike "physicians" and insert "physician's".

Page 752, line 17, strike "this subsection—" and all that follows through page 753, line 2, and insert the following: "this subsection for a year is equal to 125 percent (or 120 percent for years after 1999) of the median of 1996 hospital-specific per admission relative values determined under paragraph (2) for all hospital medical staffs."

Page 753, line 14, insert "projected" after "relative value".

Page 753, line 15, insert "for a calendar year" after "hospital".

Page 753, line 17, strike "each physician's service" and insert "for physicians' services".

Page 753, line 20, strike "during 1996" and insert "during the second year preceding such calendar year".

Page 754, line 2, insert "projected" after "relative value".

Page 754, line 3, insert "in a calendar year" after "hospital".

Page 754, line 7, strike "each physician's service" and insert "for physicians' services".

Page 754, line 10, strike "during 1996" and insert "during the second year preceding such calendar year".

Page 754, line 10, strike ", adjusted" and all that follows through "subparagraph (C))" on line 14.

Page 754, line 17, strike "each physician's service" and insert "physicians' services".

Page 754, line 19, strike "during 1996" and insert "during the second year preceding such calendar year".

Page 755, strike lines 15 through 24.

Page 756, line 6, strike "a" and insert "the".

Page 757, line 3, add at the end the following: "Notwithstanding any other provision of this title, no payment may be made under this part for any physician's service furnished by a member of a hospital's medical staff to an inpatient of the hospital during a year unless the hospital submits a claim to the Secretary for payment for such service not later than 90 days after the last day of the year."

Page 757, line 20, strike the semicolon and insert the following: ", including interest at an appropriate rate determined by the Secretary;".

Page 757, line 23, and page 758, lines 6 and 13, strike "10" and insert "15".

Page 758, line 8, strike "limit;" and insert "allowable average per admission relative value; and".

Page 758, line 8, strike the semicolon and insert the following: ", including interest at an appropriate rate determined by the Secretary;".

Page 759, line 8, strike the period and insert the following: ", on a pro-rata basis according to the proportion of physicians' services furnished to inpatients of the hospital during the year that were furnished by each member of the medical staff."

Page 760, line 6, strike "Medicare" and insert "medicare".

Page 763, line 11, insert ", as amended by subsection (a)(1)," before "is amended".

Page 763, line 19, insert "(42 U.S.C. 1395u(c)(2)(F)(iii)), as added by subsection (a)(2)," before "is amended".

Page 763, line 20, strike "4115(a)" and insert "4115(a)(1)".

Page 763, line 23, insert ", as amended by subsections (a)(1) and (b)(1)," before "is amended".

Page 764, line 1, strike "(1)" and insert "(I)".

Page 764, lines 1 through 14, indent 2 additional ems.

Page 764, line 19, insert ", as amended by subsections (a)(1), (b)(1), and (c)," before "is amended".

Page 765, line 15, insert "IN GENERAL.—" after "(1)".

Page 765, line 16, strike "by".

Page 765, lines 17, 19, and 21, insert "by" after "(A)", "(B)", and "(C)".

Page 765, line 19, strike "time" and insert "place".

Page 766, line 3, strike "1886(d)" and insert "1886(d)(2)(D)".

Page 766, line 4, strike "subparagraph (A)" and insert "paragraph (1)".

Page 767, line 17, strike "BIDDING" and insert "ACQUISITION".

Page 770, strike lines 4 and 5 (and redesignate the succeeding provision accordingly).

Page 771, line 14, strike "the payment amount" and all that follows through "previous year" and insert the following: "the projected payment amount that would have applied to the item or service under part B if the item or service had not been furnished through competitive acquisition under such section".

Page 772, line 4, strike "4117(a)" and insert "4118".

Page 772, line 19, strike "the fee schedules" and all that follows through "previous year" and insert the following: "the projected payment amount that would have applied to such tests under this section if the tests had not been furnished through competitive acquisition under section 1847".

Page 773, line 12, strike "20" and insert "100".

Page 773, line 18, insert "before" after "and".

Page 778, line 12, strike "The portion" and insert "For 1995 and succeeding years, the portion".

Page 779, line 3, strike "The portion" and insert "For 1995 and succeeding years, the portion".

Page 780, line 2, strike the closing quotation mark and the period following such mark and insert after such line the following:

"(vii) For purposes of clauses (ii) through (v), in determining the weighed average of all adjusted average per capita costs determined under paragraph (4) for a class, the Secretary shall not take into account any costs associated with individuals entitled to benefits under this title under section 226A."

Page 784, line 15, strike "surgery" and insert "surgery, coronary artery by-pass surgery,".

•Page 786, after line 14, insert the following:

## PART 5—REPORT ON MEDICARE SAVINGS FOR FISCAL YEARS 2000 THROUGH 2003

### SEC. 4151. REPORT ON SAVINGS.

(a) IN GENERAL.—The Secretary shall submit to Congress, by January 30, 1999, a report that contains—

(1) a determination of whether the average, annual rate of growth in spending under the medicare program (taking into account savings under this subtitle) in the 4-fiscal-year period beginning with fiscal year 2000 will exceed the rate of growth described in subsection (b); and

(2) if so, recommendations as to how to achieve the rate of growth specified in subsection (b).

(b) RATE OF GROWTH DESCRIBED.—The rate of growth described in this subsection is the sum of the following:

(1) CPI.—The average annual percentage change in the CPI.

(2) MEDICARE POPULATION.—The average, annual percentage change in the number of medicare-eligible individuals.

(3) REAL GDP PER CAPITA.—The average, annual percentage change in the real, per capita gross domestic product of the United States, and

(4) 1 PERCENT.—1 percentage point.

### [Subtitle C—Medicaid]

Page 787, line 24, insert ", as amended by section 13631(a)(3) of OBRA-1993," before "is".

Page 788, lines 1 through 5, indent 2 additional ems.

Page 788, line 10, insert ", as amended by section 13631(h)(1)(C) of OBRA-1993," before "is".

Page 788, line 7, strike "part 1 of subtitle C of title VI of such Act" and insert "subtitle A of title IX of the Health Security Act".

Page 789, line 24, strike "1902(a)(10)(A)" and insert "1902(a)(10)".

Page 789, line 25, strike "1396a(a)(10)(A)" and insert "1396a(a)(10)".

Page 790, line 11, strike "option" and insert "election".

Page 790, line 12, strike "exercising such option" and insert "making such election".

•Page 791, line 5, strike "\$70" and insert "\$50".

•Page 792, line 5, strike "if the amendment made by subsection (a) had not taken effect (as estimated by the Secretary)" and insert "based on the personal needs allowance in effect in the State as of September 30, 1993".

•Page 792, strike line 11 and all that follows through page 799, line 23 (and redesignate the succeeding section accordingly).

Page 800, line 5, insert ", as amended by section 4201(b)," before "is".

Page 800, lines 7, 9, 10, and 12, strike "(61)", "(62)", "(62)", and "(63)" and insert "(62)", "(63)", "(63)", and "(64)".

Page 801, line 21, strike "4201" and insert "4201(a)".

Page 802, lines 16 and 19, strike "18 years of age or older".

Page 802, after line 22, insert the following:

"(4) Children under 18 years of age (or, at the option of the State, under age 19, 20, or 21).

Page 803, line 23, after the period insert closing quotation marks and a period.

Page 803, strike line 24.

Page 805, line 7, strike "and 4213 and by subsection (b)" and insert "4213, and 4221(b)".

Page 805, line 15, strike "make payment" and insert "provide for payment".

Page 805, line 17, insert "or appropriate" after "necessary".

Page 805, line 26, insert "of the Health Security Act" after "1001(c)".

Page 806, line 4, strike "18" and insert "19".

Page 806, line 6, strike "for" and all that follows through the end of line 9.

Page 806, line 23, strike "applicable poverty level (as defined in section 1902(a)(25)(A) of the Health Security Act)" and insert "income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981, applicable to a family of the size involved)".

Page 807, lines 9 and 15, strike "the applicable" and all that follows through "Act)" on line 11 and insert "such income official poverty line" both places.

Page 808, line 10, strike "an alliance" and insert "a".

Page 808, line 11, strike "1300" and insert "1400(a)".

Page 810, line 5, strike "the percentage of".

Page 810, line 9, strike "is" and insert "are".

Page 810, line 23, strike "and".

Page 810, line 21, insert ", non-DSH" after "non-cash".

Page 811, line 13, insert ", non-DSH" after "non-cash".

Page 813, lines 6 and 15, and page 814, line 7, strike "within the meaning of section 1200 of" and insert "under".

Page 813, lines 10 and 17, strike "1997" and "1996" and insert "1998" and "1997".

Page 813, line 14, strike "a quarters" and insert "any quarters".

Page 814, line 12, strike "1997" and insert "1998".

Page 815, line 10, strike "section 4213" and insert "sections 4201(b) and 4214(a)".

Page 815, lines 13, 15, 16, and 18, strike "(62)", "(63)", "(63)", and "(64)" and insert "(63)", "(64)", "(64)", and "(65)".

Page 817, line 11, strike "of the Health Security Act"

•Page 819, lines 21 and 23, strike "\$840" and "\$1,680" and insert "\$600" and "\$1,200".



## TITLE V CHANGES

**[Subtitle A—Quality Management and Improvement]**

Page 826, line 4, strike "discrete".

Page 829, beginning on line 1, strike "by the individuals" and all that follows through line 2 and insert a period.

Page 829, beginning on line 10, strike "measures" and all that follows through line 13 and insert "a measure shall be expected to vary widely among the individuals and entities whose performance is assessed using the measure."

Page 830, line 8, strike "Board" and insert "Council".

Page 831, line 17, strike "will" and insert "shall".

Page 831, line 17, strike "it" and insert "the Board".

Page 832, line 14, after "alliance" insert "area".

Page 833, insert after line 4 the following:

(d) PUBLIC AVAILABILITY OF INFORMATION IN NATIONAL PRACTITIONER DATA BANK ON DEFENDANTS, AWARDS, AND SETTLEMENTS.—

(1) IN GENERAL.—Section 427(a) of the Health Care Quality Improvement Act (42 U.S.C. 11137(a)) is amended by adding at the end the following new sentence: "Not later than January 1, 1996, the Secretary shall promulgate regulations under which individuals seeking to enroll in health plans under the Health Security Act may obtain information reported under this part with respect to physicians and other licensed health practitioners participating in such plans for whom information has been reported under this part on repeated occasions."

(2) ACCESS TO DATA BANK FOR POINT-OF-SERVICE CONTRACTORS UNDER MEDICARE.—Section 427(a) of such Act (42 U.S.C. 11137(a)) is amended—

(A) by inserting "to sponsors of point-of-service networks under section 1890 of the Social Security Act," after "State licensing boards," and

(B) in the heading, by inserting "RELATED" after "CARE".

Page 836, line 17, insert "collect and" after "shall".

Page 842, line 24, strike "and".

Page 842, line 25, strike the period and insert "; and".

Page 842, insert after line 25 the following:

(4) in subsection (m)(1), by striking ", except that the Secretary" and all that follows and inserting a period.

•Page 843, after line 4, insert the following:

**SEC. 5011. UNIFORM STANDARDS FOR HEALTH CARE INSTITUTIONS.**

(a) DEVELOPMENT OF STANDARDS.—Not later than 3 years after the date of the enactment of this Act, the National Health Board shall develop demonstration standards for the licensing of health care institutions that address essential performance requirements related to patient care. The standards shall be developed in a manner that permits them to be applied uniformly to all such institutions, except in the areas of fire safety, sanitation, and patient rights, and so as not to undermine ongoing nursing home reforms.

(b) DEMONSTRATION PROJECTS.—By January 1, 1996, the National Quality Management Council shall complete demonstration projects for the standards developed under subsection (a) and shall revise the standards according to the findings of such projects. The demonstration projects shall evaluate the impact of these standards in ensuring quality of care, reducing cost, and reducing burdens on health care providers.

(c) PREEMPTIVE EFFECT OF FULLY IMPLEMENTED STANDARD.—After a standard developed under this section is tested, evaluated, revised, and fully implemented, it shall

replace existing standards, except in cases in which statutory changes are necessary to implement such standards. In such cases, the National Quality Management Council shall recommend to the President and the Congress revisions in Federal statutes to conform the statutes to the standards.

(d) CONSOLIDATED AUDIT AND INSPECTION.—The National Quality Management Council shall undertake research efforts designed to develop a system for carrying out through grant or contract a single, consolidated annual audit and inspection of each health care institution and health care provider for the combined purposes of Federal, State, local, and private licensure, accreditation, and certification.

Page 843, line 14, strike "5005(d)" and insert "5005(c)(2)".

Page 843, line 19, strike "quality" and insert "professional".

**[Subtitle B—Information Systems, Privacy, and Administrative Simplification]**

Page 846, line 2, strike "States and the Federal Government" and insert "States, the Federal Government, health alliances, and health plans".

Page 852, strike lines 2 and 3 and insert the following:

- (5) health plans;
- (6) representatives of health care providers;
- (7) representatives of employers;
- (8) representatives of consumers of health care;
- (9) experts in public health and health care information and technology; and
- (10) representatives of organizations furnishing health care supplies, services, and equipment.

Page 865, line 9, strike "manner" and insert "medium".

Page 869, line 23, strike "discrete".

**[Subtitle C—Remedies and Enforcement]**

Page 875, line 13, insert "(other than emergency services which under section 1406(b) may not be subject to preauthorization)" after "services".

Page 880, beginning on line 4, strike "corporate alliance health plans" and insert "plans described in subsection (b)".

Page 880, line 25, insert "a supplemental benefit policy described in section 1421(b)(1) or" after "under".

Page 881, line 15, strike "Proceedings" and insert "Notwithstanding part 2, proceedings".

Page 881, line 22, insert "a supplemental benefit policy described in section 1421(b)(1) or" after "under".

Page 883, line 1, strike "except".

Page 883, line 24, strike "this section" and insert "section 5204".

Page 884, line 12, insert "a supplemental benefit policy described in section 1421(b)(1) or" after "under".

Page 886, line 21, insert "of the United States" after "district court".

Page 887, strike line 23 and all that follows through line 1 on page 888 and insert the following:

(2) DECISIONS FINDING IN FAVOR OF COMPLAINANT.—If the hearing officer's

Page 888, line 8, strike "(i)" and insert "(A)".

Page 888, line 10, strike "(ii)" and insert "(B)".

Page 888, line 14, strike "(iii)" and insert "(C)".

Page 888, line 18, strike "(iv)" and insert "(D)".

Page 892, line 19, strike "the date of the proceeding" and insert "the date of the decision".

Page 893, strike lines 17 through 22.

Page 893, line 22, strike "published".

Page 893, line 23, strike "(g)" and insert "(f)".

Page 894, insert after line 5 the following:

**SEC. 5206. RULES GOVERNING BENEFIT CLAIMS DETERMINATIONS.**

(a) **IN GENERAL.**—Determinations made under this part or by any State court in connection with a complaint based on an act or practice described in section 5202(b) shall be in accordance with the provisions of this Act, the comprehensive benefit package as provided by this Act, the rules and regulations of the National Health Board prescribed under this Act, and decisions of the National Health Board under this Act.

(b) **RIGHTS AND REMEDIES UNDER STATE LAW.**—Subject to subsection (a), the rights and remedies available in State court against a health plan providing services through a regional alliance in connection with a complaint based on an act or practice described in section 5202(b) shall be governed by State law.

Page 894, line 6, strike "5206" and insert "5207".

Page 895, align lines 1 through 3 with lines 4 through 7.

Page 895, line 7, strike "subsection (a)" and insert "paragraph (1)".

Page 898, line 3, insert "a supplemental benefit policy described in section 1421(b)(1) or" after "under".

Page 898, line 23, strike "subpart A" and insert "section 5202(b)".

Page 899, line 3, insert "participation" before "agreement".

Page 900, line 2, strike "health".

Page 902, line 14, strike "subsection (a)" and insert "paragraph (1)".

Page 904, line 5, strike "(d)" and insert "(c)".

Page 904, line 16, strike "an".

Page 911, line 10, insert "on the basis of age or disability" after "discrimination".

Page 911, line 12, strike "1973" and insert "1975".

Page 911, line 12, strike "6102" and insert "6101".

Page 911, line 17, strike "aggrieved" and insert "aggrieved".

Page 912, line 1, strike "(c)" and insert "(b)".

Page 912, line 2, strike "the" and insert "a".

Page 912, lines 15 and 17, strike "(d)" and "(c)(1)" and insert "(c)" and "(b)(1)".

Page 916, line 25, strike "subsection (b)" and insert "subsection (a)".

**[Subtitle D—Medical Malpractice]**

Page 918, line 10, strike "paragraph (2)" and insert "this part".

Page 920, line 23, strike "in a civil action".

Page 921, lines 16 and 23, strike "plan" each place it appears and insert "health plan".

Page 922, line 1, insert "(or failure to provide)" after "provision of".

Page 922, line 11, strike "National Health".

Page 922, line 14, strike "plans" and insert "health plans".

Page 923, line 1, strike "National Health".

Page 924, lines 3, 6, 7, and 12, and page 925, lines 10 and 24, strike "medical".

Page 925, line 19, strike "MEDICAL".

Page 923, line 24, strike "(b)(2)" and insert "(b)(1)".

Page 925, line 21, strike "a defendant to".

Page 926, line 11, insert "matter" after "subject".

- Page 927, line 3, insert "system" after "resolution".
- Page 927, line 4, insert "percent" after "33⅓".
- Page 927, line 25, strike "claimant" each place it appears and insert "plaintiff".
- Page 928, line 10, strike "claimant" and insert "plaintiff".
- Page 928, line 25, strike "of Health and Human Services".
- Page 930, line 17, strike "of Health and Human Services".
- Page 931, line 18, strike "after" and insert "after the last day of".

**[Subtitle E—Fraud and Abuse]**

- Page 932, line 8, strike "of Health and Human Services".
- Page 932, line 9, strike "Office of the".
- Page 933, line 10, strike ", SECRETARY,".
- Page 933, line 12, strike "established".
- Page 933, line 13, strike ", the Secretary,".
- Page 933, line 21, strike "that relate" and all that follows through "such program" and insert "relating to the activities described in paragraph (1)".
- Page 933, line 24, insert "part 2 of" after "under".
- Page 935, strike lines 3 through 8 and insert the following:  
(h) DEFINITION.—In this part and part 2, the term "Inspector General" means the Inspector General of the Department of Health and Human Services.
- Page 935, line 16, strike "Account'." and insert "Account'".
- Page 935, line 20, strike "subsection (b)(4)" and insert "section 5412(d)(2)".
- Page 935, line 25, strike "(e)" and insert "(d)".
- Page 936, line 7, strike "XVIII" and insert "XVIII,".
- Page 936, line 20, strike "Account," and insert "Account".
- Page 936, line 25, strike "to assist" and insert "as determined jointly by".
- Page 937, line 11, strike "travel" and insert "travel,".
- Page 937, line 14, strike "operations;" and insert "operations; and".
- Page 938, line 13, insert "or" after the semicolon.
- Page 938, line 24, strike "such Office" and insert "the Inspector General".
- Page 939, line 1, strike "such Office" and insert "the".
- Page 939, line 5, strike "365 days" and insert "1 year".
- Page 939, lines 9, 18, and 20, strike "such Office" and insert "the Inspector General".
- Page 939, line 9, strike "Health Care" and insert "Department of Justice".
- Page 939, line 23, strike "Office of".
- Page 940, line 1, strike "524(d)(1)" and insert "524".
- Page 940, lines 9 and 15, strike "is described in" and insert "is excluded from participation in a public program under, or is otherwise described in,".
- Page 941, line 5, strike "written".
- Page 941, line 6, strike "5412 of this Act" and insert "5412(e)".
- Page 941, lines 7, 13, and 20, page 942, lines 4 and 8, and page 944, line 21, strike "described in" and insert "excluded from participation in a public program under, or is otherwise described in,".
- Page 941, line 20, strike "(4) or (5) of sections" and insert "(4), (5)(A), or (5)(B) of section".
- Page 943, line 2, insert "(together with the period thereof)" after "exclusion".
- Page 943, line 3, strike "5412" and insert "5412(b)(3)".
- Page 944, line 2, strike "(3), (4), (5), (6), (7), (8), (9), or (14)" and insert "(6)(B), (7), (8), (9), (11), (12), (14), or (15)".

Page 944, line 12, insert "or section 5412(b)(3)" after "section".

Page 944, line 18, strike "the" and insert "a".

Page 944, line 22, strike "1128(b)(8)" and insert "1128(b)(12)".

Page 944, line 23, strike "and a such" and insert "or section 5412(b)(3) and at such".

Page 945, line 13, insert "and each" after "plan".

Page 946, insert after line 2 the following:

(j) EFFECT OF EXCLUSION.—Notwithstanding any other provision of this Act, no payment may be made under a health plan for the delivery of or payment for any item or service (other than an emergency item or service, not including items or services furnished in an emergency room of a hospital) furnished—

(1) by an individual or entity during the period when such individual or entity is excluded pursuant to this section or section 5412(b)(3) from participation in a health plan; or

(2) at the medical direction or on the prescription of a physician during the period when the physician is excluded pursuant to this section or section 5412(b)(3) from participation in a health plan and the person furnishing the item or service knew or had reason to know of the exclusion (after a reasonable time period after reasonable notice has been furnished to the person).

(k) DELEGATION.—The Secretary may delegate authority granted under this section to the Inspector General.

Page 946, line 13, strike "1128A" and insert "1128A(a)".

Page 946, line 15, strike "XIX" and insert "XIX,".

Page 947, line 10, strike "eligible to enroll in an applicable health plan".

Page 947, line 12, strike the period and insert the following: "; or to cause such individual to induce others to enroll in a particular plan."

Page 947, line 16, strike "(6)" and insert "(5)".

Page 948, line 3, strike "XIX" and insert "XIX,".

Page 948, line 5, insert "or assessment" after "penalty".

Page 948, strike line 13 and all that follows through page 949, line 14 and insert the following:

(1) APPLICABILITY OF PROCEDURES UNDER SOCIAL SECURITY ACT.—Except as otherwise provided in paragraph (2), the provisions of section 1128A of the Social Security Act (other than subsections (a) and (b) and the second sentence of subsection (f)) shall apply to the imposition of a civil monetary penalty, assessment, or exclusion under this section in the same manner as such provisions apply with respect to the imposition of a penalty, assessment, or exclusion under section 1128A of such Act.

(2) AUTHORITY OF SECRETARY OF LABOR AND STATES TO IMPOSE PENALTIES, ASSESSMENTS, AND EXCLUSIONS.—

(A) IN GENERAL.—The Secretary of Labor or a State may initiate an action to impose a civil monetary penalty, assessment, or exclusion under this section with respect to actions relating to a corporate alliance health plan or a regional alliance health plan, respectively, if authorized by the Attorney General and the Secretary pursuant to regulations promulgated by the Secretary in consultation with the Attorney General.

(B) REQUIREMENTS DESCRIBED.—Under the regulations promulgated under subparagraph (A), the Attorney General and the Secretary shall review an action proposed by the Secretary of Labor or a State, and not later than 120 days after receiving notice of the proposed action from the Secretary of Labor or the State, shall—

(i) approve the proposed action to be taken by the Secretary of Labor or the State;

(ii) disapprove the proposed action; or

(iii) assume responsibility for initiating a criminal, civil, or administrative action based on the information provided in the notice.

(C) ACTION DEEMED APPROVED IF DEADLINE MISSED.—If the Attorney General and the Secretary fail to respond to a proposed action by the Secretary of Labor or a State within the period described in subparagraph (B), the Attorney General and the Secretary shall be deemed to have approved the proposed action to be taken by the Secretary of Labor or the State.

Page 950, line 24, strike “a an” and insert “a”.

Page 953, line 10, strike “5402(e)” and insert “5402(d)”.

Page 954, line 1, strike “5402(e)” and insert “5402(d)”.

Page 955, line 13, strike “, or for or because of.”

Page 955, line 21, strike “, or for or because of any such conduct on the part of such an official”

Page 955, line 25, strike “, or for or because of such conduct”.

Page 956, line 5, strike the period and insert a semicolon.

Page 956, after line 5, insert the following:

shall be fined under this title or imprisoned not more than 15 years, or both.

“(b) Whoever, otherwise than as provided by law for the proper discharge of any duty, directly or indirectly gives, offers, or promises anything of value to a health care official, for or because of any of the health care official’s actions, decisions, or duties relating to a health care alliance or health plan, shall be fined under this title or imprisoned not more than two years, or both.

Page 956, line 6, strike “(b)” and insert “(c)”.

Page 958, line 10, strike “, or for use in connection with civil forfeiture under section 981(a)(1)(C) of this title”.

Page 957, line 16, strike “5402(e)” and insert “5402(d)”.

Page 958, line 9, strike “5402(e)” and insert “5402(d)”.

Page 959, line 11, strike “new section”.

Page 959, line 17, strike “American”.

Page 960, strike line 3 and all that follows through line 12 and insert the following:

(b) AMENDMENT TO CHAPTER HEADING.—The heading for chapter 33 of title 18, United States Code, is amended to read as follows:

**“CHAPTER 33—EMBLEMS, INSIGNIA, IDENTIFIERS, AND NAMES”.**

(c) CLERICAL AMENDMENT TO TABLE OF SECTIONS.—The table of sections at the beginning of chapter 33, United States Code, is amended by adding at the end the following new item:

Page 960, line 13, strike “(c)” and insert “(d)”.

Page 960, line 23, strike “plan,” and insert “plan”.

Page 960, line 23, strike “Government,” and insert “Government”.

TITLE VI CHANGES

[Subtitle A—Premium Caps]

PHOTOCOPY  
PRESERVATION

- Page 964, line 7, insert "subpart A of" after "under".
- Page 966, line 19, strike "a".
- Page 967, line 5, strike "(2)" and insert "(3)".
- Page 967, after line 22, insert the following:  
For purposes of subparagraph (D)(i), the actuarial value of the increase with respect to mental illness and substance abuse services (included within the comprehensive benefit package) shall not exceed an actuarial value based on the amount of the total expenditures that would have been made in 2001 by States and subdivisions of States for mental illness and substance abuse services (included in such package as of 2001) if this Act had not been enacted.
- Page 968, line 1, strike "1999his" and insert "2000.—In this".
- Page 968, line 9, insert "and for 2000" after "1999".
- Page 968, line 10, strike "1999" and insert "2000".
- Page 968, line 12, strike "1998" and insert "1999".
- Page 968, line 15, strike "2000" and insert "2001".
- Page 968, line 19, strike "1999" and insert "2000".
- Page 968, line 24, insert ", minus 1" after "fiscal year".
- Page 969, line 1, strike "FACTOR.—The factor" and insert "FACTORS.—The factors".
- Page 969, line 2, strike "is 1 plus" and insert "are".
- Page 969, lines 3 and 16, strike "The" and insert "1 plus the".
- Page 969, strike lines 10 through 15.
- Page 969, line 16, strike "(iii)" and insert "(ii)".
- Page 970, line 13, strike "inflater" and insert "inflation".
- Page 971, line 25, strike "method" and insert "methods".
- Page 972, move line 1 and all that follows through page 974, line 3, to page 983, after line 10, after making the following modifications:
- On page 972, line 1, strike "(d)" and insert "(e)".
  - On page 972, line 3, insert "the" after "If".
  - On page 972, line 8, and page 974, line 2, strike "section 6003(a)" and insert "this section".
  - On page 972, line 9, strike "inflation factor" and all that follows through page 973, line 17, and insert the following: "per capita premium target shall be reduced, by 1/2 of the excess percentage (described in paragraph (2)) for the year, for each of the 2 succeeding years."
  - On page 973, line 18, strike "(3)" and insert "(2)".
  - On page 973, line 21, insert "the" after "(A)".
- Page 974, line 4, strike "(e)" and insert "(d)".
- Page 975, line 3, strike "the" after "of".
- Page 975, line 4, strike "subsection (c)(3)" and insert "paragraph (4)".
- Page 977, line 3, insert "and will not include adjustments to offset payments below costs by public programs" after "removed".
- Page 977, line 6, strike "(i) IN GENERAL.—" and run the succeeding sentence directly after the dash on line 5 (with the same indentation as the following subparagraph).
- Page 978, line 2, strike "high" and insert "higher".
- Page 978, line 16, strike "(C)" and insert "(4)".
- Page 978, line 24, strike ", 1995, and 1996" and insert "and 1995".
- Page 979, line 6, strike "Administrator of the Health Care Financing Administration" and insert "Secretary".
- Page 980, line 9, strike "paragraph (3)" and insert "subsection (e)".



Page 980, line 12, insert "(without regard to subsection (e))" after "under this section".

Page 980, line 13, strike "and".

Page 980, after line 16, insert the following:

(3) ADJUSTMENT FOR PREVIOUS EXCESS RATE OF INCREASE IN EXPENDITURES.—

Such target for a year is subject to a decrease under section 6001(d).

Page 981, line 10, strike "TYPES" and insert "TYPE".

Page 981, line 17, strike "Health Care Financing Administration" and insert "Secretary".

Page 984, line 5, strike "premium".

Page 984, line 20, insert "final" after "the".

Page 986, line 17, strike "6002" and insert "6003".

Page 986, line 18, insert "of" after "(B)".

Page 987, line 7, strike "preliminary".

Page 987, at the end of line 21, insert the following: "A participating State may regulate the rates charged by providers furnishing health care items and services to all private payers. Such regulation of rates may not cause a corporate alliance health plan to be charged, directly or indirectly, rates different from those charged other health plans for the same items and services or otherwise discriminate against corporate alliance health plans."

Page 987, line 23, insert "the" after "if".

Page 988, line 10, strike "target exceeds the amount of such premium" and insert "statewide average target exceeds the amount of such statewide average accepted bid".

•Page 989, strike line 7 and all that follows through page 995, line 3, and insert the following:

(c) ELIMINATION OF REGIONAL VARIATION IN PREMIUMS DUE TO PRACTICE PATTERN.—

(1) COMMISSION STUDY.—The advisory commission shall examine methods of eliminating variation in regional alliance per capita premium targets due to variation in practice patterns, not due to other factors (such as health care input prices and demographic factors), by 2002.

(2) COMMISSION REPORT.—The advisory commission shall submit to the Board a report that specifies one or more methods for eliminating the variation described in paragraph (1).

(3) BOARD RECOMMENDATIONS.—The Board shall submit to Congress, by not later July 1, 1995, detailed recommendations respecting the specific method to be used to eliminate the variation described in paragraph (1) by 2002. Such recommendations may take into account regional variations in demographic or health status and in health care input prices, based on the availability of accurate proxies for measuring price variation. In taking into account health care input prices, the Board shall explain what percentage of variation found should be adjusted and what percentage of the premium should be adjusted.

(d) CONGRESSIONAL CONSIDERATION.—

(1) IN GENERAL.—Detailed recommendations submitted under subsection (c)(3) shall apply under this subtitle unless a joint resolution (described in paragraph (2)) disapproving such recommendations is enacted, in accordance with the provisions of paragraph (3), before the end of the 60-day period beginning on the date on which such recommendations were submitted. For purposes of applying the preceding sentence and paragraphs (2) and (3), the days on which either House of

1. Congress is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of a period.

(2) **JOINT RESOLUTION OF DISAPPROVAL.**—A joint resolution described in this paragraph means only a joint resolution which is introduced within the 10-day period beginning on the date on which the Board submits recommendations under subsection (e)(3) and—

(A) which does not have a preamble;

(B) the matter after the resolving clause of which is as follows: "That Congress disapproves the recommendations of the National Health Board concerning elimination of regional variation in regional alliance premiums, as submitted by the Board on \_\_\_\_\_", the blank space being filled in with the appropriate date; and

(C) the title of which is as follows: "Joint resolution disapproving recommendations of the National Health Board concerning elimination of regional variation in regional alliance premiums, as submitted by the Board on \_\_\_\_\_", the blank space being filled in with the appropriate date.

•Page 995, line 5, strike "APPROVAL" and insert "DISAPPROVAL".

•Page 995, line 20 and page 996, line 2, strike "subsection (e)" and insert "subsection (c)(3)".

•Page 995, line 23, strike "House of Representatives" and insert "Senate".

•Page 996, line 6, strike "paragraph (1)(A), (1)(B), or (2) of subsection (e)" and insert "subsection (c)(3)".

•Page 996, after line 7, insert the following new subsection:

(e) **ELIMINATION OF REGIONAL VARIATION STATE PAYMENT AMOUNTS.**—

(1) **COMMISSION STUDY.**—The advisory commission shall examine methods of reducing variation among State in the level of payments required under subtitle A of title IX by 2002. The commission shall examine methods of reducing variation due to practice patterns, historical differences in the rates of reimbursement to providers, and in the amount, duration, and scope of benefits covered under State medicaid plans.

(2) **COMMISSION REPORT.**—The advisory commission shall submit to the Board a report that specifies one or more methods for reducing the variation described in paragraph (1).

(3) **BOARD RECOMMENDATIONS.**—The Board shall submit to Congress, by not later July 1, 1995, detailed recommendations respecting the specific method to be used to reduce the variation described in paragraph (1) by 2002 in a budget neutral manner with respect to total government payments and payments by the Federal Government. In submitting recommendations under this paragraph, the Board shall consider the fiscal capacity of the States.

(4) **CONGRESSIONAL CONSIDERATION.**—

(A) **IN GENERAL.**—Subject to the succeeding provisions of this paragraph, the provisions of subsection (d) shall apply to recommendations under paragraph (3) in the same manner as they apply to recommendations under subsection (c)(3).

(B) **SPECIAL RULES.**—In applying subparagraph (A)—

(i) the following shall be substituted for the matter after the resolving clause described in subsection (d)(2)(B): "That Congress disapproves the recommendations of the National Health Board concerning reduction of regional variation in State payments, as submitted by the Board on \_\_\_\_\_"; and

(ii) the following shall be substituted for the title described in subsection (d)(2)(C): "Joint resolution disapproving recommendations of the National Health Board concerning reducing regional variation in State payments, as submitted by the Board on \_\_\_\_\_".

(f) INFORMATION.—The advisory commission shall provide the Board, States, and regional alliances with information about regional differences in health care costs and practice patterns.

Page 997, line 7, insert "premium" after "per capita".

Page 997, line 21, insert "for the plan" after "(3)".

Page 998, line 6, insert "(II)" after "exceeds".

Page 998, line 11, strike "amount" and insert "amounts".

Page 998, line 21, strike "(4)" and insert "(3)".

Page 999, lines 17 and 20, strike "(i)" and "(ii)" and insert "(A)" and "(B)".

Page 999, lines 17 through 22, move the indentation 2 ems to the left.

Page 999, line 24, strike ", subject to paragraph (3)."

Page 1000, line 3, strike "6002" and insert "6003".

Page 1000, line 17, insert "the" after "(i)".

Page 1002, line 14, strike "paragraphs (B) and (C)" and insert "paragraph (B)".

Page 1002, line 14, strike "adjusted plan" and insert "applicable network".

Page 1002, line 15, strike "network" and insert "participating".

Page 1003, copy the sentence beginning on line 6 at the end of line 14 on page 1004.

Page 1003, line 23, strike "adjusted plan" and insert "applicable nonnetwork".

Page 1003, line 24, strike "nonnetwork" and insert "nonparticipating".

Page 1004, line 8, strike "adjustment" and insert "increase".

Page 1005, line 4, strike "1997" and insert "1998".

Page 1005, line 15, strike "2000" and insert "2001".

Page 1006, line 15, strike "1997" and insert "1998".

Page 1007, line 6, strike "(beginning on or after 2000)" and insert "(after 2000)".

Page 1008, line 16, strike "Unites" and insert "United".

#### [Subtitle B—Premium-Related Financing]

Page 1012, line 6, strike "sum of the".

Page 1012, line 13; page 1013, line 17; and page 1015, line 22; , strike "1364" and insert "1384".

Page 1013, line 9, strike "established" and insert "specified".

Page 1013, line 9, strike the semicolon and insert a comma.

Page 1013, line 20, strike "and" and insert ", if".

Page 1013, line 25, insert "if such combined premium is less than the total of the premiums otherwise applicable (without regard to this subsection)" after "applied".

Page 1014, line 1, insert "combined" before "premium".

Page 1014, line 4, insert "in such case," after "(3)".

Page 1014, line 12, strike "6000(c)" and insert "6000(b)".

Page 1014, line 15, strike "health".

Page 1015, line 2, strike "subpart B of part 2 of subtitle B of title" and insert "subpart D of part 3 of subtitle".

Page 1015, line 8, strike "this subsection" and insert "subsection (c)".

Page 1015, line 24, strike "low" and insert "lower".

Page 1016, line 1, strike "section 1903( ) for that class" and insert "paragraphs (7) and (20) of section 1902 for that class and premium area)".

- Page 1016, line 4, strike "6013" and insert "6013(b)".
- Page 1016, line 11, strike "1902( )" and insert "1901(a)(1)(A)".
- Page 1016, line 11, strike "as determined under clause (ii)."
- Page 1016, line 20, strike "1902( )" and insert "1902(9)".
- Page 1018, line 12, strike "described" and insert "as defined".
- Page 1018, after line 13, insert the following:

(4) MONTHLY APPLICATION TO AFDC AND SSI FAMILIES.—Paragraph (1)(A) (and the family obligation amount under subsection (c) insofar as it relates to an AFDC or SSI family) shall be applied to the premium or family obligation amount only for months in which the family is such an AFDC or SSI family.

Page 1018, line 17, insert "the" after "of" the second place it appears.

Page 1019, line 11, strike "LOWER-THAN-AVERAGE-COST" and insert "AT-OR-BELOW-AVERAGE-COST".

Page 1019, lines 14 and 23, strike "lower-than-average-cost" and insert "at-or-below-average-cost".

Page 1019, line 22, strike "LOWER-THAN-AVERAGE-COST" and insert "AT-OR-BELOW-AVERAGE-COST".

Page 1020, line 9, strike "determined under section 1332(a)" and insert "defined in section 1372(d)".

Page 1020, line 24, strike "(2)(A)" and insert "(2)".

Page 1021, line 10, strike "(2)(B)" and insert "(2)".

Page 1022, line 10, strike "(ii)" and insert "(II)" and indent the line 2 additional ems (so the indentation corresponds to subclause (I) in lines 3 through 9).

Page 1023, line 5, strike "(ii)" and insert "(II)" and indent the line 2 additional ems (so the indentation corresponds to subclause (I) in lines 1 through 4).

Page 1023, amend lines 14 through 20 to read as follows:

(A) IN GENERAL.—

(i) FAMILIES WITH INCOME BELOW 150 PERCENT OF POVERTY.—In the case of a family with family adjusted income of less than 150 percent of the applicable poverty level, in no case shall the family obligation amount under this subsection for the year exceed 3.9 percent (adjusted under subparagraph (C)) of the amount of such adjusted income.

(ii) OTHER FAMILIES WITH INCOME BELOW \$40,000.—In the case of a family with family adjusted income of at least 150 percent of the applicable poverty level but less than \$40,000 (adjusted under subparagraph (B)) for a year, the family obligation amount under this subsection for the year is equal to 3.9 percent (adjusted under subparagraph (C)) of the amount of such adjusted income.

Page 1023, line 24, strike "(A)" and insert "(A)(i)".

Page 1024, line 3, and page 1025, line 17, strike "1902( )" and insert "1902(9)".

Page 1024, line 19, insert "the" after "plus".

Page 1024, line 22, strike "increase or decrease".

Page 1027, line 16, insert "(as defined in section 6000(a)(1))" after "bid".

Page 1027, line 18, insert "premium" after "capita".

Page 1027, line 23, strike the comma.

Page 1029, line 13, delete the space before the period.

Page 1031, line 9, strike "6103" and insert "6103(a) for a month".

Page 1031, line 10, strike "of the amount of such credit in accordance with section 1343" and insert "of an amount equal to the base employment monthly premium (applicable to such class) for the month under section 6122".

Page 1031, lines 24 and 25, strike the commas.

Page 1032, line 6, strike "such rules" and insert "rules of the Board".

Page 1032, line 9, insert "(except in the case described in section 6114(a))" after "and".

Page 1032, line 14, strike "1902(b)(2)" and insert "1901(b)(2)(A)".

Page 1032, line 19, strike "6121(d)" and insert "1901(b)(2)(A)".

Page 1032, line 21, strike "6121(d)" and insert "1901(b)(2)(B)".

Page 1033, line 2, insert "of" after "(2)".

Page 1033, line 11, insert "For purposes of paragraph (1)—" after the dash.

Page 1034, line 19, and page 1038, line 12, strike "part 2" and insert "part 3".

Page 1035, line 1, strike "paragraph (2)" and insert "subsection (f)".

Page 1036, line 23, strike "alliance credit" and insert "repayment amount described in section 6111(a)".

Page 1036, line 24, insert "level" after "poverty".

Page 1037, strikes lines 2 through 8.

Page 1037, after line 8, insert the following:

(3) MONTHLY APPLICATION TO AFDC AND SSI FAMILIES.—Paragraph (1) insofar as it relates to an AFDC or SSI family shall be applied so as to reduce to zero the liability amount only for months in which the family is such an AFDC or SSI family.

Page 1038, line 2, strike "6121(e)" and insert "1901(b)(3)".

Page 1038, line 5, strike "6126" and insert "6126".

Page 1038, line 24, strike "susection" and insert "subsection".

Page 1039, line 4, strike "subsection (a)" and insert "this section".

Page 1039, line 13, and page 1040, line 21, strike "6121(d)(1)(A)" and insert "1901(b)(2)(A)".

Page 1041, strike lines 3 through 8.

Page 1041, line 9, strike "(e)" and insert "(d)".

Page 1041, line 17, strike "1374(h)(2)" and insert "1374(i)(2)".

Page 1041, line 24, insert "or parent" after "spouse" each place it appears.

Page 1042, line 13, strike "1345" and insert "1345(c)".

Page 1042, line 15, strike the comma.

Page 1042, line 17, strike "1902(b)(1)" and insert "1901(b)(1)".

Page 1043, line 18, strike "employer" and insert "employment".

Page 1044, line 16, strike "STATE" and insert "STATE".

Page 1045, line 13, strike "and" and insert ", if".

Page 1046, line 20, strike "equal to" and all that follows through page 1047, line 7, and insert the following:

as follows:

(1) INDIVIDUAL ENROLLMENT.—The base employment monthly premium for the individual class of enrollment is equal to  $\frac{1}{12}$  of 80 percent of the credit-adjusted weighted average premium (as defined in paragraph (4)) for such regional alliance for the individual class of enrollment.

(2) COUPLE-ONLY ENROLLMENT.—

(A) IN GENERAL.—The base employment monthly premium for the couple-only class of enrollment is equal to  $\frac{1}{12}$  of 80 percent of the product described in subparagraph (B), divided by the sum described in subparagraph (C).

(B) TOTAL PREMIUMS FOR COUPLE-ONLY ENROLLMENTS.—The product described in this subparagraph is—

(i) the credit-adjusted weighted average premium for such regional alliance for the couple-only class of enrollment, multiplied by

(ii) the sum, for all the months in the year, of the number of covered families receiving coverage through regional alliance health plans of the regional alliance within such class of enrollment in each such month.

(C) NUMBER OF WORKERS AND EXTRA WORKERS.—The sum described in this subparagraph is—

(i) the sum specified in subparagraph (B)(ii), plus

(ii) the number of additional workers (determined under subsection (b)(1)), for families receiving coverage within such class from regional alliance health plans offered by the regional alliance.

(3) SINGLE AND DUAL PARENT ENROLLMENTS.—

(A) IN GENERAL.—The base employment monthly premium for the single parent and dual parent classes of enrollment is equal to  $\frac{1}{12}$  of 80 percent of the sum described in subparagraph (B), divided by the sum described in subparagraph (C).

(B) TOTAL PREMIUMS FOR SINGLE AND DUAL PARENT ENROLLMENTS.—The sum described in this subparagraph is the sum of the products described in the following clauses:

(i) TOTAL PREMIUMS FOR SINGLE PARENT ENROLLMENT.—The product of—

(I) the credit-adjusted weighted average premium for such regional alliance for the single parent class of enrollment, multiplied by

(II) the sum, for all the months in the year, of the number of covered families receiving coverage through regional alliance health plans of the regional alliance within such class of enrollment in each such month.

(ii) TOTAL PREMIUMS FOR DUAL PARENT ENROLLMENT.—The product of—

(I) the credit-adjusted weighted average premium for such regional alliance for the dual parent class of enrollment, multiplied by

(II) the sum, for all the months in the year, of the number of covered families receiving coverage through regional alliance health plans of the regional alliance within such class of enrollment in each such month.

(C) NUMBER OF WORKERS AND EXTRA WORKERS.—The sum described in this subparagraph is—

(i) the sum specified in subparagraph (B)(i)(II); plus

(ii) the sum specified in subparagraph (B)(ii)(II); plus

(iii) the number of additional workers (determined under subsection (b)(1)), for families receiving coverage within the dual parent class of enrollment from regional alliance health plans offered by the regional alliance.

(4) CREDIT-ADJUSTED WEIGHTED AVERAGE PREMIUM DEFINED.—In this subsection, the term "credit-adjusted weighted average premium" means, for a class of enrollment and a regional alliance, the weighted average premium for the class and alliance, reduced by the amount described in section 6106(b) for such class and alliance.

Page 1047, amend lines 8 and 9 to read as follows:

(b) DETERMINATION OF ADDITIONAL WORKERS FOR COUPLE-ONLY AND DUAL PARENT CLASS.—

Page 1047, line 13, strike "average, annual, estimated number of premium payments per family" and insert "estimated total number of additional workers".

Page 1047, line 15, insert "12 times" after "(A)".

Page 1047, line 19, strike "divided by" and insert "minus".

Page 1047, amend lines 20 through 22 to read as follows:

(B) the sum described in subsection (a)(2)(B)(ii) or (a)(3)(B)(ii)(II) for the couple-only and dual parent classes, respectively.

Page 1048, line 10, strike "couple" and insert "couple-only or dual parent".

Page 1048, line 12, strike the comma.

Page 1048, line 16, strike "1902(b)(2)(A)" and insert "1901(b)(2)(A)".

Page 1049, amend lines 13 through 19 to read as follows:

(A) the alliance's estimate of the estimated total number of additional workers for the alliance and the estimate of the number of covered families, and

(B) the actual total number of additional workers and the actual number of covered families,

the estimated total number of additional workers to be applied under this section

Page 1050, line 5, strike "(relating to cost containment)".

Page 1050, line 9, strike "(A) FOR FIRST YEAR.—" and run in the succeeding sentence at the end of line 8.

Page 1050, strike lines 16 through 23.

Page 1051, line 5, strike "subsections (a) and (c)" and insert "this section".

Page 1051, line 18, strike "part" and insert "subpart".

Page 1052, in the table following line 19, strike "fewer than" and insert "not over".

Page 1053, line 6, strike "subject to subsection (b)(3)(C)(i),".

Page 1053, line 18, strike "1902(b)(2)" and insert "1901(b)(2)".

Page 1053, line 19, insert "PER FULL-TIME EQUIVALENT EMPLOYEE" after "WAGES".

Page 1053, line 21, insert "per full-time equivalent employee" after "wages".

Page 1055, line 5, strike "part" and insert "subpart".

Page 1055, after line 16, insert the following:

(h) TREATMENT OF MULTI-ALLIANCE EMPLOYERS.—In the case in which this section is applied to an employer that makes employer premium payments to more than one regional alliance, the reduction under this section shall be applied in a pro-rated manner to the premium payments made to all such alliances.

Page 1056, line 12, insert "(i)" after "(C)".

Page 1057, line 9, strike "1311(b)(1)(C)" and insert "1311(c)(1)(B)".

Page 1057, line 16, strike "1311(d)(3)" and insert "1311(e)(3)".

Page 1057, line 19, strike "percentage (as defined)" and insert "proportion (specified)".

Page 1057, line 24, and page 1058, line 1, insert "risk" after "excess".

Page 1058, line 1, insert "RISK" after "EXCESS".

Page 1058, lines 17, 21, and 22, strike "extra" and "EXTRA" each place they appear and insert "excess" and "EXCESS".

Page 1059, line 22, strike "is" and insert "may be".

Page 1061, line 18, insert after the period the following: "The reduced weighted average accepted bid is used under section 6000(b)(1) in computing the weighted average premium, which in turn is used under section 6122(a)(1) in computing the base employment monthly premium, which in turn is used under section 6121(b)(2)(A) in computing the employer premium amount."

Page 1061, line 24, strike "1901(6)" and insert "1901(c)(2)".

Page 1063, line 19, strike "sham" and insert "fraudulent".



- Page 1065, line 1, strike "1364(b)" and insert "1384(b)".
- Page 1065, line 14, strike "cost containment" and insert "premium caps".

**[Subtitle C—Payments to Regional Alliance Health Plans]**

- Page 1066, line 21, strike "1342" and insert "1351".
- Page 1067, line 2, strike "subsection (d)" and insert "section 6202(d)".
- Page 1068, line 7, strike "type" and insert "class".
- Page 1071, line 7, strike ", the amount by which".
- Page 1071, line 10, strike "exceeds" and insert "minus".
- Page 1071, lines 11 and 12, indent 2 additional ems so it reflects the indentation of lines 8 through 10.
- Page 1071, line 20, strike "(b)(1)" and insert "(b)(1))".

**TITLE VII CHANGES**

**[Subtitle A—Financing Provisions]**

Page 1088, strike lines 1, 2, and 3, and insert the following:

**1 PART 2—HEALTH RELATED ASSESSMENTS**

**2 SEC. 7121. HEALTH RELATED ASSESSMENTS.**

Page 1088, strike lines 7 and 8 (but not the material following line 8) and insert the following:

**3 "CHAPTER 24A—HEALTH RELATED**

**4 ASSESSMENTS**

"Subchapter A. Assessment on corporate alliance employers.

"Subchapter B. Temporary assessment on employers with retiree health benefit costs.

"Subchapter C. Definitions and administrative provisions.

**5 "Subchapter A—Assessment on Corporate**

**6 Alliance Employers**

Page 1090, line 4, insert "to the extent attributable to payroll described in paragraph (2)(B)" before the period.

Page 1090, strike lines 5 through 22.

Page 1091, line 1, strike "—In the case of an" and insert "IN MULTEMPLOYER CORPORATE ALLIANCES:—An".

Page 1091, line 7, strike ", the payroll" and all that follows through line 9 and insert "is not subject to the assessment under this section. In the case of an employer who is a corporate alliance employer in part (but not solely) by reason of such employ-

ees, the payroll of such employer shall be determined without taking into account such employees.”.

Page 1092, line 3, insert “the first sentence of” after “to in”.

Page 1092, strike lines 4 through 8 and insert the following:

**1 “Subchapter B—Temporary Assessment on  
2 Employers with Retiree Health Benefit Costs**

Page 1092; strike line 9 and all that follows through the material preceding line 19 and insert the matter on page 1337, line 13 through page 1342, before line 8 (subject to the following changes):

On page 1337, line 13, strike “3463” and insert “3462”.

On page 1340, line 13, strike “B” and insert “C”.

On page 1340, line 15, strike “3464” and insert “3463”.

On page 1341, line 7, strike “ASSESSMENT” and insert “ASSESSMENTS”.

On page 1341, line 10, strike “assessment” and insert “assessments”.

On page 1341, amend lines 19 through 24 to read as follows:

“(1) PAYMENT.—

“(A) SECTION 3461.—Any assessment under section 3461 shall be paid at the same time and in the same manner as the tax imposed by chapter 21.

“(B) SECTION 3462.—Any assessment under section 3462 for any calendar year shall be paid on or before March 15 of the following calendar year; except that the Secretary may require quarterly estimated payments of such assessment in a manner similar to the requirements of section 6655.

On page 1342, line 7, strike “24A” and insert “24”.

On page 1342, in the matter between lines 7 and 8, , strike “24B. Temporary Assessment on Employers With Retiree Health Benefit Costs” and insert “24A. Health-related assessments”.

Page 1094, line 3, strike “1999” and insert “1997”.

Page 1094, line 21, before the sentence beginning with “If” insert the following (and indent the sentence 2 ems):

“(1) IN GENERAL.—

Page 1094, line 24, and page 1095, line 3, strike “\$10,000” and insert “\$15,000”.

Page 1095, after line 3, insert the following:

“(2) JOINT RETURNS.—If a recapture amount is determined separately for each spouse filing a joint return, paragraph (1) shall be applied by substituting ‘\$30,000’ for ‘\$15,000’ each place it appears.

Page 1096, line 24, strike the closing quotation marks.

Page 1096, after line 24, insert the following:

“(C) TREATED AS PAYMENT FOR MEDICAL INSURANCE.—The recapture amount imposed by this section shall be treated as an amount paid for insurance covering medical care, within the meaning of section 213(d).”

Page 1100, amend lines 3 through 6 to read as follows:

“(c) DUE DATE FOR RETURNS AND STATEMENTS.—The written return required under subsection (a) shall be made, and the statement required under subsection (b) shall be furnished to the individual, on or before January 31 of the second year following the calendar year for which the return under subsection (a) is required to be made.”

Page 1100, line 11, strike “6050Q” and insert “6050Q(a)”.

Page 1100, line 19, strike "returns" and insert "statements".

Page 1101, line 1, insert "CERTAIN" after "OF".

Page 1101, beginning on line 1, strike "FOR 1996".

Page 1101, line 10, strike "2001" and insert "1999".

**[Subtitle B—Tax Treatment of Employer-Provided Health Care]**

•Page 1110, line 4, and page 1111, line 23, strike "2003" and insert "2004".

•Page 1110, line 9, strike "or".

•Page 1110, after line 9, insert the following:

“(B) such coverage consists of coverage of cost sharing amounts under the comprehensive benefit package described in such section (including such coverage under a cost sharing policy under section 1421(b)(2) of such Act), or

•Page 1110, line 10, strike "(B)" and insert "(C)".

**[Subtitle C—Employment Status Provisions]**

•Page 1119, line 3, strike "DEFINITION OF EMPLOYEE" and insert "ANTI-ABUSE REGULATIONS RELATING TO EMPLOYMENT STATUS".

•Page 1119, line 4, strike "Chapter" and insert "In order to prevent misclassification of workers so as to minimize payments under this Act, chapter".

•Page 1119, amend lines 15 through 20 to read as follows:

“(b) SCOPE OF REGULATIONS.—Such regulations may modify the rules otherwise applicable for the determinations referred to in paragraphs (1) and (2) of subsection (a); except that—

“(1) such regulations shall give significant weight to the common law applicable in determining the employer-employee relationship, and

“(2) nothing in such regulations shall modify the provisions of paragraph (1), (3), or (4) of section 3121(d), section 3506, section 3508, or section 3511.”

•Page 1120, before line 1, insert the following:

(c) EFFECTIVE DATE.—The regulations described in section 3510 of the Internal Revenue Code of 1986 (as added by this section) shall be effective for periods beginning no earlier than the date which is 6 months after the date such regulations are promulgated as final regulations.

(d) REPORT TO CONGRESS.—Upon issuance of the regulations described in section 3510 of the Internal Revenue Code of 1986 (as added by this section) as final regulations, the Secretary of the Treasury shall submit a report to Congress relating to such regulations, including an explanation of their purposes and the issues they are designed to address.

**[Subtitle D—Tax Treatment of Funding Retiree Health Benefits]**

**[Subtitle E—Coordination with COBRA Continuing Care Provisions]**

**[Subtitle F—Tax Treatment of Health Care Organizations]**

Page 1135, line 21, strike "(m)(3)(B)(i)" and insert "(m)(6)(B)(i)".

Page 1136, line 3, strike "NOT".

Page 1136, line 6, strike "not".

Page 1136, line 13, insert "NOT" before "TREATED".

Page 1136, line 16, insert "not" after "shall".

Page 1138, line 19, strike "and".

Page 1138, after line 19, insert the following:

“(2) which is not taxable as a life insurance company under part I of this subchapter, and

Page 1138, line 20, strike “(2)” and insert “(3)”.

Page 1139, line 15, strike the closing parenthesis.

Page 1139, after line 15, insert the following flush sentence:

In the case of an organization which has as a material business activity the issuing of accident and health insurance contracts or the reinsuring of risks undertaken by other insurance companies under such contracts, the administering of accident and health insurance contracts by such organization shall be treated as part of such business activity for purposes of paragraph (3)(A).”

[Subtitle G—Tax Treatment of Long-term Care Insurance and Services]

[Subtitle H—Tax Incentives for Health Services Providers]

[Subtitle I—Miscellaneous Provisions]

#### TITLE VIII CHANGES

[Subtitle A—Military Health Care Reform]

Page 1183, line 20, insert “at least” after “in the plan”.

Page 1188, line 3, strike the sentence beginning “The Secretary” and insert “The payment responsibilities of Medicare under this paragraph shall be in the same amounts and under the same terms and conditions under which the Secretary of Health and Human Services makes payments to eligible organizations with a risk-sharing contract under section 1876 of the Social Security Act.”

Page 1188, line 13, strike “plan” and insert “program”.

Page 1189, line 21, strike “shall be required to pay a family share under section 1342” on line 22 and insert “shall have such payment responsibilities as the Secretary establishes, but not to exceed payment of a family share under section 1343”.

[Subtitle B—Department of Veterans Affairs]

•Page 1193, after line 12, conform the table of sections in the new chapter 18 of title 38 to the changes below.

•Page 1195, line 17, strike “described”.

•Page 1195, line 22, insert “that veteran and” after “applicable to”.

•Page 1195, line 18, strike “each veteran described in section 1823(a) of this title” and insert “veterans”.

•Page 1196, strike lines 1 through 4.

•Page 1196, transfer lines 5 through 25 to page 1199, immediately before line 3.

•Page 1197, strike lines 1 through 12.

•Page 1197, line 13, strike “1824” and insert “1823”.

•Page 1197, strike line 14 and all that follows through page 1198, line 4.

•Page 1198, line 5, strike “(b)”.

Page 1198, line 7, strike “and cost sharing policies” and insert “and may offer cost sharing policies. Such supplemental policies and cost sharing policies shall be”.

•Page 1198, line 10, strike “1825” and insert “1824”.

•Page 1198, beginning on line 21, strike “section 1823(a) of this title” and insert “subsection (b)”.

•Page 1199, after line 2, insert the following:

“(b) The veterans referred to in subsection (a) are the following:

•Page 1199, line 3, strike “(b) For other VA enrollees” and insert “(c) In the case of a VA enrollee who is not described in subsection (b)”.

•Page 1199, after line 9, insert the following:

“(d) In the case of a veteran with a service-connected disability who is enrolled in a VA health plan and who has net earnings from self-employment, the Secretary shall, under regulations prescribed by the Secretary, provide for a reduction in any premium payment (or alliance credit repayment) owed by the veteran under section 6126 or 6111 of the Health Security Act by virtue of the veteran's net earnings from self-employment.

Page 1199, line 13, strike “VA health plan or”.

Page 1199, strike lines 16 through 20 and insert the following:

“(b)(1) A VA health plan shall be considered to be a Medicare HMO.

Page 1199, line 25, strike “section 1823(a)” and insert “section 1831(b)”.

Page 1200, beginning on line 5, strike “on the same basis” and insert “in the same amounts and under the same terms and conditions”.

Page 1201, line 12, strike “Funds” and insert “Fund”.

Page 1201, strike lines 13 and 14 and insert the following:

“(a) There is hereby established in the Treasury a revolving fund to be known as the ‘Department of Veterans Affairs Health Plan Fund’.

Page 1201, line 23, strike “of that health plan”.

Page 1201, beginning on line 24, strike “a VA health plan” and insert “the Department”.

Page 1202, strike lines 4 and 5.

Page 1202, strike lines 6 through 9 and insert the following:

“(d) Amounts in the revolving fund are hereby made available for the expenses of the delivery by a VA health plan of the items and services in the comprehensive benefit package and any supplemental benefits package or policy offered by that health plan.

Page 1203, line 1, strike “to any veteran who is” and insert “by any facility of the Department (whether or not operating as or within a health plan certified as a health plan under the Health Security Act) in the case of a veteran who is not”.

Page 1206, line 9, insert “, except that the Secretary shall provide for preference for preference eligibles (as defined in section 2108 of title 5, United States Code) in a manner comparable to the preference for such eligibles under subchapter I of chapter 33, and subchapter I of chapter 35, of such title” before the period.

•Page 1206, after line 16, insert the following:

**“§7345. Veterans Health Care Investment Fund**

“(a) There is hereby authorized to be appropriated to the Department, in addition to amounts otherwise authorized to be appropriated to the Department for VA health plans, such amounts as are necessary for the Secretary of the Treasury to fulfill the requirement of subsection (b).

“(b) For each of fiscal years 1995, 1996, and 1997, the Secretary of the Treasury shall, subject to subsection (a), credit to a special fund (in this section referred to as the ‘Fund’) of the Treasury an amount equal to—

“(1) \$1,000,000,000 for fiscal year 1995;

“(2) \$600,000,000 for fiscal year 1996; and

“(3) \$1,700,000,000 for fiscal year 1997.

“(c)(1) Subject to paragraph (2), amounts in the Fund shall be available to the Secretary only for the VA health plans authorized under this chapter.

"(2) For fiscal year 1995, 1996, or 1997, the amount credited to the Fund for the fiscal year shall be available for use by the Secretary under paragraph (1) only if appropriations Acts for that fiscal year, without addition of amounts provided under subsection (a) for the Fund, provide new budget authority for the Department of Veterans Affairs Medical Care account, for that fiscal year, of no less than the amount for that account proposed in the budget of the President for that fiscal year under section 1105 of title 31.

"(d) The Secretary shall submit to Congress, no later than March 1, 1997, a report concerning the operation of the Department of Veterans Affairs health care system in preparing for, and operating under, national health care reform under the Health Security Act during fiscal years 1995 and 1996. The report shall include a discussion of—

"(1) the adequacy of amounts in the Fund for the operation of VA health plans;

"(2) the quality of care provided by such plans;

"(3) the ability of such plans to attract patients; and

"(4) the need (if any) for additional funds for the Fund in fiscal years after fiscal year 1997.

•Page 1206, line 17, strike "7345" and insert "7346".

•Page 1207, conform the table of sections following line 6.

•Page 1207, after the table of sections following line 6, insert the following:

(c) TRANSITION PROVISION.—The limitation in the second sentence of section 7344(c) of title 38, United States Code, as added by subsection (a), shall not apply during fiscal year 1994.

#### [Subtitle C—Federal Employees Health Benefits Plan]

Page 1207, line 17, and page 1208, lines 2, 5, and 9, insert "(as last in effect)" before the period.

Page 1208, line 18, insert ", as last in effect" after "851)".

Page 1209, line 18, strike "individual or".

Page 1209, line 11; page 1212, line 7; page 1213, lines 6, 8, and 11; page 1214, line 6; page 1215, line 6; page 1219, line 11; strike "a FEHBP" and insert "an FEHBP".

Page 1210, line 1, strike "OPTIONAL OFFER" and insert "OFFER".

Page 1210, line 2, strike "may" and all that follows through "(A)" on line 4 and insert "shall".

Page 1210, line 6, strike "; and" and all that follows up to the period on line 13.

Page 1210, move 2 ems to the left the indentation of lines 4 through 6.

Page 1210, line 24, redesignate the matter after the dash as a clause (i), with the following heading: IN GENERAL.—

Page 1211, after line 9, insert the following:

(ii) REFERENCES.—Any reference in clause (i) to the Office of Personnel Management shall, for purposes of any annuity (including monthly compensation under subchapter I of chapter 81 of title 5, United States Code) payable under provisions of law which are administered by a Government entity other than the Office, be considered to be a reference to such other Government entity.

Page 1211, line 13, strike "6115" and insert "6114".

Page 1212, line 6, strike "paragraph" and insert "subparagraph".

Page 1212, line 18, strike "may" and all that follows through "(i) to" on line 19 and insert "shall".

Page 1212, line 21, strike "; and" and all that follows up to the period on line 24.

Page 1212, move 2 ems to the left the indentation of lines 4 through 6.

Page 1215, line 1, strike "of a medicare select plan (as defined in paragraph (3))" and insert "for enrollment with an eligible organization under a risk-sharing contract under section 1876 of the Social Security Act".

Page 1217, line 19; page 1218, line 7; page 1221, line 23, insert "last" after "benefits".

Page 1217, line 20; page 1218, line 8; page 1221, line 24, strike "(as last in effect)".

Page 1221, line 17, strike ", but for this subtitle," and insert "(but for this subtitle)".

Page 1221, line 23, strike "them" and insert "to annuitants".

Page 1221, line 24, insert "to retired employees under" after "and".

Page 1222, line 17, strike "subtitle C of title VIII of the Health Security Act" and insert "this subtitle".

#### [Subtitle D—Indian Health Service]

Page 1229, line 25, strike "a premium" and insert "premiums".

Page 1230, line 12, insert "reside" after "(A)".

Page 1230, line 18, strike "pay" and insert "provide for payment".

Page 1231, line 15, strike "8303(a)(1)" and insert "8302(a)".

Page 1231, line 19 and following, strike "payors" and insert "payers" each place such term appears.

Page 1233, line 8, strike "System" and insert "Service system".

Page 1235, line 4, strike "AUTHORIZATIONS" and all that follows through the period on line 5 and insert "AUTHORIZATIONS OF APPROPRIATIONS."

Page 1235, beginning on line 8, strike "from the Public Health Service Initiatives Fund (established in section 3701)".

Page 1235, line 16, strike "described in such subsection" and insert "of carrying out this subtitle".

•Page 1235, after line 17, insert the following:

#### SEC. 8314. PAYMENT OF PREMIUM DISCOUNT EQUIVALENT AMOUNTS FOR UNEMPLOYED INDIANS.

(a) DETERMINATION.—The Secretary shall determine (and certify to the Secretary of the Treasury) for each fiscal year (beginning with fiscal year 1998) an amount equivalent to the aggregate amount of the premium discounts (established in section 6104) that would have been paid to individuals described in subsection (c) if such individuals had been enrolled in regional alliance health plans.

(b) PAYMENT.—For each fiscal year for which an amount is certified to the Secretary of the Treasury under subsection (a), from the funds available under section 9102, such Secretary shall pay the amount so certified to the Indian Health Service for the purpose of providing the comprehensive benefit package.

(c) INDIVIDUAL DESCRIBED.—For purposes of this section, an individual described in this subsection is an individual described in section 8302(a) who is not a qualifying employee or a family member of such an employee.

#### [Subtitle E—Amendments to ERISA]

Page 1237, line 2, strike "parts 1 and 4" and insert "parts 1, 4, and 6".

Page 1237, line 16, strike "subparagraph (A)" and insert "clause (i)".

Page 1238, line 12, strike "parts 1 and 4" and insert "parts 1, 4, and 6".

Page 1239, beginning on line 7, strike "provisions" and insert "subsections".

Page 1239, line 15, strike "parts 1 and 4" and insert "parts 1, 4, and 6".



Page 1239, line 21, insert "(29 U.S.C. 1030)" after "section 110".

Page 1239, line 23, insert "(29 U.S.C. 1031)" after "section 111".

Page 1240, line 4, insert "(a)" after "SEC. 111."

Page 1242, line 9, strike "1161(1)" and insert "1162(2)".

Page 1242, line 22, strike "1167(2)" and insert "1167(3)".

Page 1243, line 18, insert "or" after "606".

Page 1244, line 20, strike "such Act" and insert "the Employee Retirement Income Security Act of 1974".

Page 1244, beginning on line 21, strike "subsection" and insert "paragraph".

Page 1245, line 11, add after "CORRECTIONS.—" the following: "Effective as if included in the enactment of the Omnibus Budget Reconciliation Act of 1993—".

Page 1245, beginning on line 12, strike "section 601 of such Act (as redesignated by section 8403)" and insert "section 609 of the Employee Retirement Income Security Act of 1974".

Page 1245, line 16, strike "601" and insert "609".

Page 1245, line 19, strike "601" and insert "609".

Page 1246, line 19, strike "the Health Security Act" and insert "section 1200 of this Act".

#### [Subtitle F—WIC]

Page 1248, line 21, strike "\$4,126,000,000" and insert "\$4,136,000,000".

### TITLE IX CHANGES

#### [Subtitle A—Aggregate State Payments]

•Page 1250, line 8, strike all that follows the dash through "each participating" on line 10 and insert "Each" (and move the indentation of lines 10 through 13 2 ems to the left).

•Page 1250, strike lines 14 through 18.

Page 1251, line 23, insert "for each State" after "determine".

•Page 1252, line 15, insert "RECEIVING AFDC OR SSI" after "CHILDREN".

Page 1252, line 18, insert "of the Social Security Act" after "1905(a)".

Page 1252, line 19, insert "of such Act" after "1905(r)".

Page 1252, line 21, insert "of such Act" after "1933(c)".

•Page 1252, line 22, insert "of such Act who are AFDC or SSI recipients" after "1934(b)(1)".

Page 1252, line 24, insert "for each State" after "mine".

Page 1254, line 11, strike "asssistance" and insert "assistance".

Page 1255, line 18, and page 1256, line 5, strike "DSH" and insert "DSH".

Page 1257, line 15, strike "4221(c)" and insert "4222(a)".

•Page 1258, line 6, strike "Each" and insert "Subject to subsection (c), each".

•Page 1259, after line 6, insert the following:

(c) ADDITIONAL AMOUNT.—The amount of payment under subsection (a) for a State for a year shall be increased by the State medical assistance percentage multiplied by the sum of the following:

(1) AMOUNT OF SPECIAL INCREASE IN PREMIUM DISCOUNT.—The aggregate increase in the premium discounts under section 6104 for AFDC and SSI families enrolled in regional alliance health plans in the State that is attributable to subsection (b)(2) of such section, and

(2) AMOUNT OF BASIC COST SHARING REDUCTION.—The amount of any cost sharing reduction under section 1371(c)(1) for such families.

Page 1259, line 17, insert "regional alliance" after "the".

•Page 1260, line 16, strike "paragraph (2)" and insert "subparagraph (B), or, if less, the increase percentage specified in subparagraph (C)".

•Page 1260, line 19, strike "paragraph (1)" and insert "subparagraph (A)".

•Page 1260, line 20, strike "paragraph" and insert "subparagraph".

•Page 1260, after line 24, insert the following:

(C) INCREASE PERCENTAGE.—

(i) IN GENERAL.—The increase percentage for a State specified in this subparagraph is the Secretary's estimate of the percentage increase in the per capita expenditures specified in clause (ii) from fiscal year 1993 through the year before the first year, adjusted so as to eliminate any change in medicaid expenditures that is attributable to a reduction in the scope of services, an arbitrary reduction in payment rates, or a reduction in access to high quality services under the State medicaid plan.

(ii) PER CAPITA EXPENDITURES.—The per capita expenditures specified in this clause for a year is the quotient of the baseline medicaid expenditures for the State (determined as if the year were substituted for 1993), divided by the number of AFDC recipients enrolled in the State medicaid plan for the year.

•Page 1261, line 1, strike "(C)" and insert "(D)".

Page 1263, line 5, strike "for each regional alliance".

Page 1264, line 5, strike "9011(b)" and insert "9011(a)".

Page 1265, line 14, strike "baseline" and insert "base".

Page 1265, line 15, strike "medicaid expenditures" and insert "expenditures for medicaid".

Page 1266, line 21, strike "the the" and insert "the".

Page 1267, line 14, insert "Commonwealth or" after "such a".

Page 1267, line 15, strike "an appropriate" and all that follows through "based on" on line 17 and insert "the State payments under part 1 taking into account".

Page 1267, line 21, strike "would would" and insert "that would".

Page 1268, strike lines 1 through 9 (and redesignate the succeeding paragraph accordingly).

Page 1268, line 10, strike "(3)" and insert "(2)".

Page 1268, line 11, insert "not covered under the supplementary security income program" after "territories".

Page 1268, line 11, insert "Commonwealths and" after "such".

Page 1268, line 12, strike "means" and insert "includes".

•Page 1268, line 25, insert "(A)" before "95 percent".

•Page 1269, line 2, insert ", plus (B) the sum described in section 9011(c)" before the period.

Page 1269, line 14, insert "and, in consultation with the Secretary of the Treasury, the cash management interests of the Federal Government" before the period.

[Subtitle B—Aggregate Federal Alliance Payments]

Page 1270, line 22, insert "amount" after "payment".

Page 1271, line 21, strike "not otherwise counted".

Page 1272, line 9, strike "subpart B of part 1" and insert "subtitle B of title VI".

Page 1272, line 15, strike "1895 of the Social Security Act" and insert "1894 of the Social Security Act (as added by section 4003)".

Page 1275, line 10, strike "States" and insert "regional alliances".

Page 1275, line 22, and page 1276, line 15, strike "(4)" and insert "(3)".

Page 1278, line 20, strike "(4)(A)" and insert "(4)(B)".

Page 1279, line 14, strike "House of Representatives" and insert "Senate".

#### [Subtitle C—Borrowing Authority]

Page 1281, line 5, strike the comma.

•Page 1281, after line 15, insert the following:

(5) LIMITATION ON LOAN BALANCE OUTSTANDING TO A REGIONAL ALLIANCE.—The total balance of loans outstanding at any time to a regional alliance shall not exceed—

(A) for the first year, 25 percent of the estimated total premiums for the alliance for such year, or

(B) for a subsequent year, 25 percent of the actual total premiums for the alliance for the previous year.

Page 1282, line 6, strike "ERROR" and insert "DISCREPANCY".

Page 1282, line 15, strike "under section 1343(b)(2)" and insert "section 1351(c)".

Page 1283, line 2, strike "include the" and all that follows through line 13 and insert "are errors described in section 9102(b)(4)(B)(ii)".

Page 1283, line 16, strike "(b)(3)" and insert "(b)(4)".

Page 1283, line 20, strike "under section 6122(b)".

Page 1283, line 24, insert "the" after "to".

Page 1284, line 4, strike "6017(b)(2)(C)" and insert "6107(b)(2)(C)".

•Page 1284, after line 4, insert the following:

(g) ADVANCES; LIMITATIONS ON ADVANCES.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary of the Treasury is authorized to advance to the Secretary, under terms and conditions determined by the Secretary of the Treasury, amounts sufficient to cover the loans made to regional alliances by the Secretary under this section.

(2) LIMITATION.—The total balance of Treasury advances outstanding at any time to the Secretary under paragraph (1) shall not exceed \$3,500,000,000.

#### TITLE X CHANGES

Page 1289, line 6, and page 1290, line 3, strike "10011" and insert "10011(b)".

Page 1289, line 21, strike ", INDIANS, AND PRISONERS" and insert "AND INDIANS".

Page 1291, line 13, strike "that".

Page 1291, after line 16, insert the following:

(c) ADMINISTRATION.—The Secretary of Labor shall administer this part and, for such purposes, the Secretary is authorized to prescribe such rules and regulations as may be necessary and appropriate.

Page 1291, line 20, strike "Except as provided in subsection (b), each" and insert "Each".

Page 1292, line 4, strike "Such" and insert "Except as provided in subsection (b), such".

Page 1292, line 8, strike "(a)" and insert "(a)(2)".

Page 1292, line 18, strike "subpart" and insert "part".

Page 1293, line 6, insert "services provided by" after "access to".

Page 1293, line 12, insert "with respect to one or more types of illnesses or injuries in a geographic area" after "providers,".

Page 1303, line 22, strike "Secretaries" and insert "Secretary".

Page 1304, line 15, insert "on its work" after "report".

Page 1306, line 5, strike "Section 1(b)(2)" and insert "Subsection (b)(2) of the first section".

Page 1306, line 24, strike "January 1, 1998" and insert "the date under section 10501 that such subtitles apply to regional alliances, and regional alliance health plans, in the State".

## TITLE XI CHANGES

Page 1307, line 11, strike "the Health Security" and insert "this".

Page 1307, line 18, insert "with respect to" after "title".

Page 1309, line 17, strike "civil money penalties" and insert "a civil money penalty".

Page 1309, line 21, strike "subparagraph" and insert "subsection".

Page 1312, line 12, strike "the date of introduction of the Health Security Act" and insert "October 27, 1993,".

Page 1313, line 22, strike "to".

Page 1314, line 2, strike "and duration" and insert ", and duration of coverage under the plan".

Page 1318, line 11, strike "such" and insert "an".

Page 1321, line 20, strike "policy" and insert "health insurance plan".

Page 1325, line 20, insert "(specified by the Secretary of Labor)" after "period".

Page 1328, line 16, strike "(c)" and insert "(e)".

•Page 1328, line 24, before the period insert the following: ", except that the total balance of such Treasury advances at any time shall not exceed \$1,500,000,000".

Page 1330, line 19, strike "labor" and insert "Labor".

Page 1333, line 5, strike "medical-" and insert "medical".

Page 1335, line 6, strike "1995" and insert "1996".

Page 1335, line 9, strike "such" and insert "Such".

Page 1335, line 10, strike "as defined in paragraph (5)(B)(ii)" and insert "described in paragraph (5)(B)(ii)".

## TITLE XII CHANGES

Strike title XII.

[The substance of this title has been moved to page 1092, after line 8.]

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