

House Calendar No. 74

108TH CONGRESS
1ST SESSION

H. RES. 299

[Report No. 108-181]

Providing for consideration of the bill (H.R. 1) to amend title XVIII of the Social Security Act to provide for a voluntary program for prescription drug coverage under the Medicare Program, to modernize the Medicare Program, and for other purposes, and for consideration of the bill (H.R. 2596) to amend the Internal Revenue Code of 1986 to allow a deduction to individuals for amounts contributed to health savings security accounts and health savings accounts, to provide for the disposition of unused health benefits in cafeteria plans and flexible spending arrangements, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 2003

Ms. PRYCE, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

Providing for consideration of the bill (H.R. 1) to amend title XVIII of the Social Security Act to provide for a voluntary program for prescription drug coverage under the Medicare Program, to modernize the Medicare Program, and for other purposes, and for consideration of the bill (H.R. 2596) to amend the Internal Revenue Code of 1986 to allow a deduction to individuals for amounts contributed to health savings security accounts

and health savings accounts, to provide for the disposition of unused health benefits in cafeteria plans and flexible spending arrangements, and for other purposes.

1 *Resolved*, That upon the adoption of this resolution
2 it shall be in order without intervention of any point of
3 order to consider in the House the bill (H.R. 1) to amend
4 title XVIII of the Social Security Act to provide for a vol-
5 untary program for prescription drug coverage under the
6 Medicare Program, to modernize the Medicare Program,
7 and for other purposes. The bill shall be considered as
8 read for amendment. The previous question shall be con-
9 sidered as ordered on the bill and on any amendment
10 thereto to final passage without intervening motion except:
11 (1) three hours of debate on the bill equally divided among
12 and controlled by the chairmen and ranking minority
13 members of the Committee on Energy and Commerce and
14 the Committee on Ways and Means; (2) the amendment
15 printed in the report of the Committee on Rules accom-
16 panying this resolution, if offered by Representative Ran-
17 gel of New York or his designee, which shall be in order
18 without intervention of any point of order, shall be consid-
19 ered as read, and shall be separately debatable for one
20 hour equally divided and controlled by the proponent and
21 an opponent; and (3) one motion to recommit with or
22 without instructions.

1 SEC. 2. Upon the adoption of this resolution it shall
2 be in order on the legislative day of June 26 or June 27,
3 2003, without intervention of any point of order to con-
4 sider in the House the bill (H.R. 2596) to amend the In-
5 ternal Revenue Code of 1986 to allow a deduction to indi-
6 viduals for amounts contributed to health savings security
7 accounts and health savings accounts, to provide for the
8 disposition of unused health benefits in cafeteria plans and
9 flexible spending arrangements, and for other purposes.
10 The bill shall be considered as read for amendment. The
11 previous question shall be considered as ordered on the
12 bill to final passage without intervening motion except: (1)
13 one hour of debate on the bill equally divided and con-
14 trolled by the chairman and ranking minority member of
15 the Committee on Ways and Means; and (2) one motion
16 to recommit.

17 SEC. 3. (a) In the engrossment of H.R. 1, the Clerk
18 shall await the disposition of H.R. 2596 under section 2.

19 (b) If H.R. 2596 is passed by the House, the Clerk
20 shall—

21 (1) add the text of H.R. 2596 as new matter
22 at the end of H.R. 1;

23 (2) conform the title of H.R. 1 to reflect the
24 addition of the text of H.R. 2596 of the engross-
25 ment;

1 (3) assign appropriate designations to provi-
2 sions within the engrossment; and

3 (4) conform provisions for short titles within
4 the engrossment.

5 (c) Upon the addition of the text of H.R. 2596 to
6 the engrossment of H.R. 1, H.R. 2596 shall be laid on
7 the table.

8 SEC. 4. During consideration of H.R. 1 and H.R.
9 2596 pursuant to this resolution, notwithstanding the op-
10 eration of the previous question, the Chair may postpone
11 further consideration of either bill to a time designated
12 by the Speaker.

13 SEC. 5. Upon the adoption of this resolution it shall
14 be in order, any rule of House to the contrary notwith-
15 standing, to consider concurrent resolutions providing for
16 adjournment of the House and Senate during the month
17 of July.

18 SEC. 6. The Committee on Appropriations may have
19 until midnight on Thursday, July 3, 2003, to file a report
20 to accompany a bill making appropriations for the Depart-
21 ment of Defense for the fiscal year ending September 30,
22 2004, and for the other purposes.

23 SUMMARY OF AMENDMENT MADE IN ORDER

24 Rangel/Dingell: Amendment in the Nature of a Sub-
25 stitute. Title I—Medicare Prescription Medicine Benefit.
26 Adds new Part D in Medicare that provides voluntary

1 prescription drug coverage for all Medicare beneficiaries
2 beginning in 2006. Provides a \$25 a month premium, a
3 \$100 a year deductible, a co-insurance of 20/40 (Bene-
4 ficiaries/Medicare), and a \$2,000 out-of-pocket limit per
5 beneficiary per year. Beneficiaries with incomes between
6 150 percent of poverty pay no premium or cost sharing.
7 Beneficiaries with incomes between 150 percent and 175
8 percent of poverty pay no cost-sharing and receive assist-
9 ance with the Part D premium on a sliding scale. Medi-
10 care contractors will obtain guaranteed reductions in
11 prices, and the Secretary of Health and Human Services
12 will have the authority to use the collective purchasing
13 power of Medicare's 40 million beneficiaries to negotiate
14 lower drug prices, taking into account prices paid in
15 other countries and by other payers in the U.S. The Sec-
16 retary could also implement measures that will further
17 reduce costs and improve quality for beneficiaries, such
18 as: encouraging use of generic drugs, lowering co-insur-
19 ance for preferred drugs, disease management, and bene-
20 ficiary and provider education. Medicare would also re-
21 quire contractors to put in place safeguards to check for
22 adverse drug interactions and proper use of medications.
23 Title II—Medicare+Choice. Includes a two-year payment
24 enhancement for Medicare+Choice plans (2004 and
25 2005) as well as provisions pertaining to specialized plans

1 for special needs beneficiaries and the extension of Medi-
2 care cost-contracts. Title III—Combating Waste, Fraud,
3 and Abuse. Improves payments for oncology providers to
4 administer cancer drugs and also directs the Centers for
5 Medicare and Medicaid Services to pay for drug adminis-
6 tration services, chemotherapy support services, therapy
7 management services and related services. Reimburses for
8 the cost of oncology drugs by not involving a new bu-
9 reaucracy and middle-man and paying 105 percent of the
10 average sales price of medicines. Protects beneficiaries
11 from undue consequences of competitive bidding for dura-
12 ble medical equipment (DME) by delaying the start of
13 DME competitive bidding until 2009 and phasing it in
14 over three years. Title IV—Rural Health Care Improve-
15 ments. Includes all of the provisions from the Ways and
16 Means reported bill pertaining to rural providers. In ad-
17 dition, it: eliminates the 10 percent cap on dispropor-
18 tionate share hospital payments to rural hospitals; adds
19 a provision providing up to 25 percent increase in low-
20 volume adjustment for small hospitals; increases rural
21 home health payments by 10 percent (rather than 5 per-
22 cent); allows lab payments on reasonable costs for sole
23 community hospitals; increases the floors for physician
24 work in rural areas to 1.0; eliminates the 35-mile rule for
25 critical access hospital ambulance services; increases the

1 ground ambulance payment rate; and increases the crit-
2 ical access hospital bed limit to 25. Title V—Provisions
3 Relating to Medicare Part A. Includes all the provisions
4 from Ways and Means reported bill pertaining to Part A
5 (hospitals) except it eliminate the 3-year cut in hospital
6 inpatient reimbursement and adds a boost for indirect
7 medical education (IME) to 6.5 percent for two years. It
8 also replaces the MedPac study on specialty hospitals
9 with the Senate provision that limits physician self-refer-
10 ral to these facilities. Title VI—Provisions Relating to
11 Medicare Part B. Includes all of the provisions from the
12 Ways and Means and Energy and Commerce reported
13 bills except it does not increase the deductible that sen-
14 iors must pay in order to receive Part B (primarily physi-
15 cians) services. Title VII—Provisions Relating to Medi-
16 care Parts A and B. Includes all of the provisions from
17 the Ways and Means and Energy and Commerce re-
18 ported bills except it does not include a co-payment for
19 home health care and does not continue the cap on pay-
20 ments for direct graduate medical education for facilities
21 above 140 percent. Title VIII—Medicaid. Includes
22 Whitfield-DeGette Medicaid DSH legislation that in-
23 cludes full restoration of funding for DSH and improve-
24 ments for low-DSH States. Title IX—Regulatory Reduc-
25 tion and Contracting Reform. Includes the Energy and

1 Commerce reported provision on Medicare contractor and
2 regulatory reform. Title X—Importation of Prescription
3 Drugs. Incorporates reimportation amendments adopted
4 on the Senate Floor on June 19, 2003, which will allow
5 access to low-cost Canadian Drugs if the Secretary of the
6 Department of Health and Human Services certifies that
7 they are safe. Title XI—Access to Affordable Pharma-
8 ceuticals. Incorporates text of S. 1225 as adopted by the
9 Senate, which will make lower cost generic drugs avail-
10 able more quickly.

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