

The Medicare Buy-In & Health Care Stabilization Act

Section by Section

Section 1: Short Title

This Act may be cited as the “Medicare Buy-In and Health Care Stabilization Act of 2017”

Section 2: Medicare Buy-In Option (ages 50-64 years)

Benefit and Coverage Period - Each Buy-In Option participant would be eligible to receive all benefits currently available to Medicare beneficiaries through inpatient, outpatient, and prescription drug programs through both fee-for-service and managed care plans. Like other plans offered in the marketplaces, the Buy-In Option would be offered on a yearly basis through open enrollment.

Enrollment and Coverage Periods – The Secretary of HHS shall establish an enrollment option through existing state and federal marketplaces. HHS will need to set guidelines for how employers will provide eligible employees with information on covered benefits and cost-sharing responsibilities under the group plan and how it compares to early Medicare. Employers will be required to provide this information to eligible employees when they are hired and in advance of open enrollment annually.

Premiums – HHS would estimate the cost per beneficiary under early Medicare (combined national, per capita average of Part A, B, and D benefits plus administrative expenses) and then divide by 12 to determine the monthly premium amount.

Buy-In participants would be responsible for the cost of their insurance minus any premium tax credit or cost sharing reduction payments that exists under current law. Eligible beneficiaries with access to employer-sponsored coverage who wish to buy into Medicare would have the option to do so, and their employers could contribute to their premiums on a pre-tax basis.

Outreach and Enrollment assistance to states and eligible nonprofits for purposes of educating members of the public and employers on new Buy-in eligibility, consumers rights, cost-sharing responsibilities, premium assistance programs, and how to comparison shop.

Section 3: Negotiation of Lower Covered Part D Drug Prices on Behalf of Medicare Beneficiaries

The Health & Human Services (HHS) Secretary would be newly authorized to negotiate volume discounts on prescription drugs (Part D) to achieve greater savings to Medicare and beneficiaries (including the new Buy-In participants).

Section 4: Individual Market Reinsurance Fund

Establishes an Individual Market Catastrophic Reinsurance Program with shared responsibilities between the HHS Secretary and individual states. Eligible health plans shall pay a fee in order to participate and interested parties shall be consulted to ensure that the fee is not so excessive as to unduly discourage health plans from enrolling.

Payments – Reinsurance payments to insurers shall equal 80 percent of insurance claims from high-cost enrollees who incur costs between \$50,000 and \$450,000 during the plan years of 2018-2020. Starting in 2021, federal funding would cover 80 percent of insurance claims incurred from high-cost enrollees during each plan year between \$100,000 and \$400,000.

Section 5: Reauthorization of Risk Corridors

Extends the Risk Corridors program in the Affordable Care Act through 2020.

Section 6: Enhancements for Reduced Cost Sharing

Improves upon the cost-sharing reduction subsidies that exist in current law. Would increase the percentages by which cost-sharing would be reduced for households up to 400 percent of the federal poverty line.

Current law reduces the amount that a family would have to pay for deductibles, copayments, and coinsurance by 2/3 for households between 100 percent and 200 percent of the federal poverty line. This bill would reduce out-of-pocket costs by 95 percent.

For households between 200 to 300 percent of the poverty line, current law reduces costs by 50 percent. This bill would reduce costs by 90 percent.

For households between 300 to 400 percent of the poverty line, current law reduces costs by 1/3. This bill would reduce costs by 85 percent.

Section 7: Technical Advisory Committee on Health Care Delivery Reform and Program Integrity

Establishes an advisory Commission to address long-term costs of the U.S. health care system. Would establish a Commission made up of bipartisan experts in the field, to make recommendations on how Congress, the Administration, and all stakeholders could bring down the long-term costs of health care by fighting fraud and waste where it exists in the health care system and proposing reforms to improve consumer experience and health outcomes, while lowering costs.

The 11 members of the Commission will be appointed by the Comptroller General of the United States and shall include individuals with national recognition for their expertise in delivery system reform and delivery of care. It shall be mandated that providers and patient advocates shall have robust representation on the panel.

Would also build on existing efforts to increase and improve the efficiency of Medicare by cracking down on improper payments and returning monies to the trust funds.