



(Original Signature of Member)

116TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To amend title XVIII of the Social Security Act to establish a risk corridor program for Medicare Advantage plans during the COVID-19 emergency, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

MS. Hovlahan introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend title XVIII of the Social Security Act to establish a risk corridor program for Medicare Advantage plans during the COVID-19 emergency, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 SECTION 1. ESTABLISHING A RISK CORRIDOR PROGRAM  
2 FOR MEDICARE ADVANTAGE PLANS DURING  
3 THE COVID-19 EMERGENCY.

4 (a) IN GENERAL.—Section 1853 of the Social Secu-  
5 rity Act (42 U.S.C. 1395w-23) is amended by adding at  
6 the end the following new subsection:

7 “(p) RISK CORRIDOR PROGRAM DURING THE  
8 COVID-19 EMERGENCY.—

9 “(1) IN GENERAL.—The Secretary shall estab-  
10 lish and administer a program of risk corridors for  
11 each plan year, any portion of which occurs during  
12 the emergency period defined in section  
13 1135(g)(1)(B), under which the Secretary shall  
14 make payments to MA organizations offering a  
15 Medicare Advantage plan based on the ratio of the  
16 allowable costs of the plan to the aggregate pre-  
17 miums of the plan.

18 “(2) PAYMENT METHODOLOGY.—The Secretary  
19 shall provide under the program established under  
20 paragraph (1) that if the allowable costs for a Medi-  
21 care Advantage plan for any plan year are more  
22 than 105 percent of the target amount, the Sec-  
23 retary shall pay to the plan an amount equal to 75  
24 percent of the allowable costs in excess of 105 per-  
25 cent of the target amount.

26 “(3) TIMING.—

1           “(A) SUBMISSION OF INFORMATION BY  
2 PLANS.—With respect to a plan year for which  
3 the program described in paragraph (1) is es-  
4 tablished and administered, not later than July  
5 1 of the succeeding plan year each MA organi-  
6 zation offering a Medicare Advantage plan shall  
7 submit to the Secretary such information as the  
8 Secretary may require for purposes of carrying  
9 out such program.

10           “(B) PAYMENT.—The Secretary shall pay  
11 to an MA organization offering a Medicare Ad-  
12 vantage plan eligible to receive a payment under  
13 the program with respect to a plan year the  
14 amount provided under paragraph (2) for such  
15 plan year not later than 60 days after such or-  
16 ganization submits information with respect to  
17 such plan and plan year under subparagraph  
18 (A).

19           “(4) DEFINITIONS.—

20           “(A) ALLOWABLE COSTS.—The term ‘al-  
21 lowable costs’ means, with respect to an MA or-  
22 ganization offering a Medicare Advantage plan  
23 for a plan year, an amount equal to the total  
24 costs (other than administrative costs) of such  
25 plan in providing benefits covered by such plan,

1 but only to the extent that such costs are in-  
2 curred with respect to such benefits for items  
3 and services that are benefits under the original  
4 medicare fee-for-service program option.

5 “(B) TARGET AMOUNT.—The term ‘target  
6 amount’ means, with respect to an MA organi-  
7 zation offering a Medicare Advantage plan for  
8 a plan year, the total amount of payments paid  
9 to the MA organization for the plan for benefits  
10 under the original medicare fee-for-service pro-  
11 gram option for the plan year, taking into ac-  
12 count amounts paid by the Secretary and en-  
13 rollees, based upon the bid amount submitted  
14 under section 1854, reduced by the total  
15 amount of administrative expenses for the year  
16 assumed in such bid.

17 “(5) FUNDING.—There are appropriated to the  
18 Centers for Medicare & Medicaid Services Program  
19 Management Account, out of any monies in the  
20 Treasury not otherwise obligated, such sums as may  
21 be necessary for purposes of carrying out this sub-  
22 section.”

23 (b) IMPLEMENTATION.—Notwithstanding any other  
24 provision of law, the Secretary of Health and Human

- 1 Service may implement the amendments made by this section by program instruction or otherwise.
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