

## **Medicare Prescription Drug, Improvement, and Modernization Act of 2003**

### **SEC. 231. Specialized MA Plans for Special Needs Individuals**

(a) TREATMENT AS COORDINATED CARE PLAN– Section 1851(a)(2)(A) (42 U.S.C. 1395w–21(a)(2)(A)), as amended by section 221(a), is amended by adding at the end the following new clause:

(ii) SPECIALIZED MA PLANS FOR SPECIAL NEEDS INDIVIDUALS– Specialized MA plans for special needs individuals (as defined in section 1859(b)(6)) may be any type of coordinated care plan.'

(b) SPECIALIZED MA PLAN FOR SPECIAL NEEDS INDIVIDUALS DEFINED– Section 1859(b) (42 U.S.C. 1395w–29(b)), as amended by section 221(b), is amended by adding at the end the following new paragraph:

(6) SPECIALIZED MA PLANS FOR SPECIAL NEEDS INDIVIDUALS–

(A) IN GENERAL– The term `specialized MA plan for special needs individuals' means an MA plan that exclusively serves special needs individuals (as defined in subparagraph (B)).

(B) SPECIAL NEEDS INDIVIDUAL– The term `special needs individual' means an MA eligible individual who--

(i) is institutionalized (as defined by the Secretary);

(ii) is entitled to medical assistance under a State plan under title XIX; or

(iii) meets such requirements as the Secretary may determine would benefit from enrollment in such a specialized MA plan described in subparagraph (A) for individuals with severe or disabling chronic conditions.

The Secretary may waive application of section 1851(a)(3)(B) in the case of an individual described in clause (i), (ii), or (iii) of this subparagraph and may apply rules similar to the rules of section 1894(c)(4) for continued eligibility of special needs individuals.'

(c) RESTRICTION ON ENROLLMENT PERMITTED– Section 1859 (42 U.S.C. 1395w–29) is amended by adding at the end the following new subsection:

(d) AUTHORITY TO DESIGNATE OTHER PLANS AS SPECIALIZED MA PLANS– In promulgating regulations to carry out section 1851(a)(2)(A)(ii) of the Social Security Act (as added by subsection (a)) and section 1859(b)(6) of such Act (as added by subsection (b)), the Secretary may provide (notwithstanding section 1859(b)(6)(A) of such Act) for the offering of specialized MA plans for special needs individuals by MA plans that disproportionately serve special needs individuals.

(e) REPORT TO CONGRESS– Not later than December 31, 2007, the Secretary shall submit to Congress a report that assesses the impact of specialized MA plans for special needs individuals on the cost and quality of services provided to enrollees. Such report shall include an assessment of the costs and savings to the medicare program as a result of amendments made by subsections (a), (b), and (c).

(f) RESTRICTION ON ENROLLMENT FOR SPECIALIZED MA PLANS FOR SPECIAL NEEDS INDIVIDUALS– In the case of a specialized MA plan for special needs individuals (as defined in subsection (b)(6)), notwithstanding any other provision of this part and in accordance with regulations of the Secretary and for periods before January 1, 2009, the plan may restrict the enrollment of individuals under the plan to individuals who are within one or more classes of special needs individuals.'. EFFECTIVE DATES–

(1) IN GENERAL– The amendments made by subsections (a), (b), and (c) shall take effect upon the date of the enactment of this Act.

(2) DEADLINE FOR ISSUANCE OF REQUIREMENTS FOR SPECIAL NEEDS INDIVIDUALS; TRANSITION– No later than 1 year after the date of the enactment of this Act, the Secretary shall issue final regulations to establish requirements for special needs individuals under section 1859(b)(6)(B)(iii) of the Social Security Act, as added by subsection (b).