107TH CONGRESS  
1ST SESSION  
H. R. 2743

To require managed care organizations to contract with providers in medically underserved areas, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 2001

Mrs. Christensen (for herself, Mr. Cummings, Mr. Clyburn, Ms. Brown of Florida, Mrs. Meek of Florida, Ms. Jackson-Lee of Texas, Ms. McKinney, Mr. Hilliard, Ms. Eddie Bernice Johnson of Texas, Ms. Lee, Mr. Thompson of Mississippi, Mr. Rush, Mr. Hastings of Florida, Mr. Rangel, Mr. Davis of Illinois, Ms. Kilpatrick, Mr. Meeks of New York, Ms. Millender-McDonald, Ms. Watson of California, Mr. Wynn, Mrs. Jones of Ohio, Mr. Payne, Ms. Carson of Indiana, Mr. Ford, Mr. Conyers, Mr. Owens, Mrs. Clayton, Mr. Bishop, Mr. Towns, and Mr. Jackson of Illinois) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

A BILL

To require managed care organizations to contract with providers in medically underserved areas, 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,
SECTION 1. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the “Medically Underserved Access to Care Act of 2001”.

(b) FINDINGS.—Congress finds the following:

(1) Minority individuals living in medically underserved areas are generally less well-off socioeconomicly, and are often sicker than the population that managed care organizations traditionally serve.

(2) Many managed care organizations are not equipped to deal effectively with minorities in underserved areas and consequently may offer lower quality health care in such areas.

(3) Often managed care organizations do not contract with physicians and other community-based service providers who traditionally serve medically underserved areas.

(4) There is a concern among minority physicians that selective marketing practices and referral processes may keep minority and community-based physicians out of some managed care organizations.

(5) Managed care organizations sometimes exclude physicians and other community-based health care providers who traditionally provide service to underserved areas; this is particularly the case among minority physicians who may be well estab-
lished in their community based practices but are not board certified.

SEC. 2. REQUIREMENT FOR SERVICE TO AREAS THAT INCLUDE A MEDICALLY UNDERSERVED POPULATION.

(a) REQUIREMENT.—

(1) IN GENERAL.—A managed care organization offering a managed care plan shall establish and maintain adequate arrangements, as defined under regulations of the Secretary, with a sufficient number, mix, and distribution of health care professionals and providers to assure that covered items and services are available and accessible to each enrollee under the plan—

(A) in the service area of the organization;

(B) in a variety of sites of service;

(C) with reasonable promptness (including reasonable hours of operation and after-hours services);

(D) with reasonable proximity to the residences and workplaces of enrollees; and

(E) in a manner that—

(i) takes into account the diverse needs of enrollees; and
(ii) reasonably assures continuity of

care.

(2) TREATMENT OF ORGANIZATIONS SERVING

certain areas.—For a managed care organization

that serves a medically underserved area, the organi-

zation shall be treated as meeting the requirement

of paragraph (1) if the organization has arrange-

ments with a sufficient number, mix, and distribu-

tion of health care professionals and providers hav-

ing a history of serving such areas.

(b) ENFORCEMENT OF REQUIREMENTS.—

(1) APPLICATION TO GROUP HEALTH PLANS.—

(A) Public Health Service Act.—For

purposes of applying title XXVII of the Public

Health Service Act, the requirements of sub-

section (a) shall be treated as though they were

included in the subpart 2 of part A of such title

(42 U.S.C. 300gg–4 et seq.).

(B) Employee Retirement Income Se-

curity Act of 1974.—For purposes of applying

part 7 of subtitle B of title I of the Employee

Retirement Income Security Act of 1974, the

requirements of subsection (a) shall be treated

as though they were included in subpart B of

such part (29 U.S.C. 1185 et seq.).
(C) Internal Revenue Code of 1986.—

For purposes of applying chapter 100 of the Internal Revenue Code of 1986, the requirements of subsection (a) shall be treated as though they were included in subchapter B of such chapter.

(2) Application to Individual Health Insurance Coverage.—For purposes of applying title XXVII of the Public Health Service Act, the requirements of subsection (a) also shall be treated as though they were part of subpart 2 of part B of such title (42 U.S.C. 300gg–51 et seq.).

(3) Medicare.—The Secretary may not enter into a contract under section 1857 of the Social Security Act (42 U.S.C. 1395w–27) with a Medicare+Choice organization that is a managed care organization unless the contract contains assurances satisfactory to the Secretary that the organization will comply with the applicable requirements of subsection (a).

(4) Medicaid.—Notwithstanding any other provision of law, no funds shall be paid to a State under section 1903(a)(1) of the Social Security Act (42 U.S.C. 1396b(a)(1)) with respect to medical assistance provided through payment to a medicaid
managed care organization (as defined in section 1903(m)(1)(A) of such Act, 42 U.S.C. 1396b(m)(1)(A)) unless the contract with such organization contains assurances satisfactory to the Secretary that the organization will comply with the applicable requirements of subsection (a).

SEC. 3. ESTABLISHMENT OF GRANT PROGRAM.

(a) IN GENERAL.—The Secretary shall establish a program in the Office of Minority Health of the Department of Health and Human Services to award competitive grants to eligible nongovernmental agencies to enable such agencies to develop outreach programs to—

(1) inform individuals in medically underserved areas how to access managed care organizations in their communities; and

(2) assist physicians and other health care professionals who serve in medically underserved areas to enroll as providers in managed care organizations in their communities.

(b) ELIGIBILITY AND AMOUNT.—

(1) ELIGIBILITY.—The criteria necessary to receive a grant under this section shall be determined by the Secretary.
(2) AMOUNT.—The amount of a grant awarded to an agency under this section shall be determined by the Secretary.

SEC. 4. STUDY OF MINORITY PHYSICIAN PARTICIPATION IN MANAGED CARE ORGANIZATIONS.

(a) STUDY.—The Secretary shall provide for a study to examine the participation of African-American and other minority physicians in managed care organizations and steps that can be taken to increase such participation.

(b) REPORT.—The Secretary shall submit a report to Congress on such study not later than 1 year after the date of the enactment of this Act.

SEC. 5. DEFINITIONS.

For purposes of this Act:

(1) ENROLLEE.—The term “enrollee” means, with respect to a managed care plan offered by a managed care organization, an individual enrolled with the organization for coverage under such a plan.

(2) HEALTH CARE PROFESSIONAL.—The term “health care professional” means a physician or other health care practitioner who is licensed under State law with respect to the health care services the practitioner furnishes.
(3) **Health Plan.**—The term “health plan” means a group health plan or health insurance coverage offered by a health insurance issuer.

(4) **Managed Care Organization.**—The term “managed care organization” means any entity, including a group health plan, health maintenance organization, or provider-sponsored organization, in relation to its offering of a managed care plan, and includes any other entity that provides or manages the coverage under such a plan under a contract or arrangement with the entity.

(5) **Managed Care Plan.**—The term “managed care plan” means a health plan offered by an entity if the entity—

(A) provides or arranges for the provision of health care items and services to enrollees in the plan through participating health care professionals and providers; or

(B) provides financial incentives (such as variable copayments and deductibles) to induce enrollees to obtain benefits through participating health care professionals and providers, or both.

(6) **Medically Underserved Area.**—The term “medically underserved area” means an area
that is designated as a health professional shortage
area under section 332 of the Public Health Service
Act (42 U.S.C. 254e) or as a medically underserved
area for purposes of section 330 or 1302(7) of such
Act (42 U.S.C. 254e, 300e–1(7)).

(7) PARTICIPATING.—The term “participating”
means, with respect to a health care professional or
provider in relation to a health plan offered by an
entity, a physician or provider that furnishes health
care items and services to enrollees of the entity
under an agreement with the entity.

(8) PRIMARY CARE PROVIDER.—The term “pri-
mary care provider” means a health care profes-
sional who acts as a gatekeeper for the overall care
of an enrollee.

(9) SECRETARY.—The term “Secretary” means
the Secretary of Health and Human Services.

(10) OTHER GENERAL DEFINITIONS.—Except
as otherwise provided in this section, the definitions
contained in section 2791 of the Public Health Serv-
ice Act (42 U.S.C. 300gg–91) shall apply under this
section.