10 – Legislative History

(Rev. 124, Issued: 11-10-16; Effective: 11-10-16; Implementation: 11-10-16)

The Balanced Budget Act of 1997 (BBA) (Public Law 105-33) established a new Part C of the Medicare program, known then as the Medicare+Choice (M+C) program, effective January 1999. As part of the M+C program, the BBA authorized CMS to contract with public or private organizations to offer a variety of health plan options for beneficiaries, including both traditional managed care plans (such as those offered by Health Maintenance Organizations (HMOs) under §1876 of the Social Security Act) and new options that were not previously authorized. Four types of M+C plans were authorized under the new Part C of Medicare:

- Coordinated care plans (CCPs), including:
    - HMOs (with or without Point-of-Service (POS) options;
    - Provider Sponsored Organizations (PSOs); and
    - Preferred Provider Organizations (PPOs).
- Medicare Medical Savings Account (MSA) plans;
- Private Fee-for-Service (PFFS) plans; and
- Religious Fraternal Brotherhood Societies (RFB).

The Part C program of Medicare was renamed the Medicare Advantage (MA) Program pursuant to Title II of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) (Public Law 108-173), which was enacted on December 8, 2003. The MMA updated and improved the choice of plans for beneficiaries under MA, and changed the way benefits are established and payments are made. Under the MMA, beneficiaries may choose from additional plan options, including regional PPO (RPPO) plans and special needs plans (SNPs). Title I of the MMA further established the Medicare prescription drug benefit (Part D) program, and amended the MA program to allow, and in some cases require, MA plans to offer prescription drug coverage. More information about prescription drug requirements can be found in the Medicare Prescription Drug Benefit Manual at http://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/PartDManuals.html page.

On July 15, 2008, the Medicare Improvements for Patients and Providers Act (MIPPA) (Public Law 110-275) was enacted, revising and amending statutory provisions governing the MA and Part D programs. Among these were provisions that established new rules for PFFS plans, SNPs, and Section 1876 cost plans.

In 2010, the Patient Protection and Affordable Care Act (Public Law 111-148) and the Health Care and Education Reconciliation Act (Public Law 111-152) were enacted and

are collectively referred to as the Affordable Care Act (ACA). The ACA includes significant reforms to both the private health insurance industry and the Medicare and Medicaid programs. Provisions in the ACA concerning the MA and Part D programs largely focus on beneficiary protections, MA payments, and simplification of MA and Part D program processes.

CMS implemented the MA and Part D provisions specified in the ACA through regulations at 42 CFR 422 and 423.