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**AMENDMENT**  
**(BASED ON TEXT OF HR 3962)**  
**OFFERED BY MR. KLEIN OF FLORIDA**

Amend section 1853(n) of the Social Security Act,  
as proposed to be added by section 1161(a)(2) of the bill,  
to read as follows:

1       “(n) DETERMINATION OF BLENDED BENCHMARK  
2 AMOUNT.—

3               “(1) IN GENERAL.—For purposes of subsection  
4 (j), subject to paragraphs (2), (4), and (5), the term  
5 ‘blended benchmark amount’ means for an area—

6                       “(A) for 2011 the sum of—

7                               “(i)  $\frac{2}{3}$  of the applicable amount (as  
8 defined in subsection (k)) for the area and  
9 year; and

10                              “(ii)  $\frac{1}{3}$  of the amount specified in  
11 paragraph (3) for the area and year;

12                       “(B) for 2012 the sum of—

13                              “(i)  $\frac{1}{3}$  of the applicable amount for  
14 the area and year; and

15                              “(ii)  $\frac{2}{3}$  of the amount specified in  
16 paragraph (3) for the area and year; and

1           “(C) for a subsequent year the amount  
2           specified in paragraph (3) for the area and  
3           year.

4           “(2) SPECIAL RULE FOR INDIVIDUALS EN-  
5           ROLLED PRIOR TO ENACTMENT OF AFFORDABLE  
6           HEALTH CARE FOR AMERICA ACT.—

7           “(A) DELAY IN IMPOSITION OF BLENDED  
8           BENCHMARK AMOUNT.—Except as provided in  
9           subparagraph (B), in the case of the monthly  
10          payments under this section to a Medicare Ad-  
11          vantage organization for an area with respect to  
12          coverage of a grandfathered MA individual  
13          under this part, the term ‘blended benchmark  
14          amount’ means—

15                 “(i) for 2011, the applicable amount  
16                 (as defined in subsection (k)) for the area  
17                 and year;

18                 “(ii) for 2012, the sum of—

19                         “(I)  $\frac{2}{3}$  of the applicable amount  
20                         (as defined in subsection (k)) for the  
21                         area and year; and

22                         “(II)  $\frac{1}{3}$  of the amount specified  
23                         in paragraph (3) for the area and  
24                         year;

25                 “(iii) for 2013, the sum of—

1                   “(I)  $\frac{1}{3}$  of the applicable amount  
2                   for the area and year; and

3                   “(II)  $\frac{2}{3}$  of the amount specified  
4                   in paragraph (3) for the area and  
5                   year; and

6                   “(iv) for a subsequent year the  
7                   amount specified in paragraph (3) for the  
8                   area and year.

9                   “(B) HOLD HARMLESS FOR INDIVIDUALS  
10                  ENROLLED IN CERTAIN AREAS.—If the applica-  
11                  ble amount (as defined in subsection (k)) for an  
12                  area for 2010 is greater than 100% but equal  
13                  to or less than 106% of the amount specified in  
14                  paragraph (3) for the area for 2010, the blend-  
15                  ed benchmark amount otherwise determined for  
16                  purposes of subparagraph (A) shall be equal to  
17                  such applicable amount for the area for 2010.

18                  “(C) GRANDFATHERED MA INDIVIDUAL  
19                  DEFINED.—In this paragraph, a ‘grandfathered  
20                  MA individual’ means, with respect to a Medi-  
21                  care Advantage organization for an area, an in-  
22                  dividual who was enrolled for coverage under  
23                  this part with that organization in that area as  
24                  of the date of the enactment of the Affordable  
25                  Health Care for America Act.

1           “(3) SPECIFIED AMOUNT.—The amount speci-  
2           fied in this paragraph for an area and year is the  
3           amount specified in subsection (c)(1)(D)(i) for the  
4           area and year adjusted (in a manner specified by the  
5           Secretary) to take into account the phase-out in the  
6           indirect costs of medical education from capitation  
7           rates described in subsection (k)(4).

8           “(4) FREE-FOR-SERVICE PAYMENT FLOOR.—In  
9           no case shall the blended benchmark amount for an  
10          area and year be less than the amount specified in  
11          paragraph (3).

12          “(5) EXCEPTION FOR PACE PLANS.—This sub-  
13          section shall not apply to payments to a PACE pro-  
14          gram under section 1894.”

