

HCFA LEGISLATIVE SUMMARY

March 11, 1983

- o P.L. 97-455, the Virgin Islands Tax Reduction Act, enacted January 12, 1983, contains amendments pertaining to continuing disability investigations, including two provisions affecting Medicare.

P.L. 97-455 - "The Virgin Islands Tax Reduction Act"

H.R. 7093, the Virgin Islands Tax Reduction Act, contains amendments pertaining to continuing disability investigations. This new public law (P.L. 97-455) includes two provisions affecting Medicare. They are as follows:

Section 2 - Continued Payment of Disability Benefits During Appeal

Current Law: Medicare benefits are extended to all Disability Insurance (DI) beneficiaries after they have 24 months of entitlement of DI benefits until such time as they are removed from DI enrollment. Medicare benefits are terminated the month after the month in which notice of termination of such entitlement in the DI program is mailed to the beneficiary.

Modification: DI beneficiaries may elect to continue their benefits, including Medicare, through the appeals process to the Administrative Law Judge (ALJ) decision on benefit termination cases. In the case where termination of benefits is upheld by the ALJ, the continued benefits would be treated as overpayments and subject to the waiver requirements of present law.

Effective Date: Payments of benefits may begin with February 1983 for termination decisions made by state agencies where a timely appeal is pending or filed at the time of enactment, and benefits may be elected to be continued during appeal on termination decisions made from enactment, i.e., January 12, 1983, through September 30, 1983. Benefit payments will cease no later than June 1984.

Section 3 - Periodic Reviews of Disability Cases

Current Law: Continuing disability investigations (CDIs) on DI beneficiaries must be performed by the applicable state agency or the Secretary for determining continuing eligibility for benefits at a sufficient rate to have each case (other than those judged permanently disabled) reviewed at least once every three years.

Modification: The Secretary is given discretion to reduce the flow of CDI cases on a state-by-state basis depending on state workloads and staffing requirements. The slowing of the review is allowed even if it means that the initial periodic review cannot be completed within three years.

Effective Date: Upon enactment.