

EXTENDING TERM OF APPOINTMENT OF CERTAIN MEMBERS OF THE PROSPECTIVE PAYMENT ASSESSMENT COMMISSION AND THE PHYSICIAN PAYMENT REVIEW COMMISSION

APRIL 10, 1997.—Ordered to be printed

Mr. ARCHER, from the Committee on Ways and Means,  
submitted the following

REPORT

[To accompany H.R. 1001]

[Including cost estimate of the Congressional Budget Office]

The Committee on Ways and Means, to whom was referred the bill (H.R. 1001) to extend the term of appointment of certain members of the Prospective Payment Assessment Commission and the Physician Payment Review Commission), having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

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## I. INTRODUCTION

*A. Purpose and Summary*

H.R. 1001 would extend the terms of Commissioners on the Prospective Payment Assessment Commission (ProPAC) and the Physician Payment Review Commission (PPRC), whose appointments would otherwise expire during 1997 to expire as of May 1, 1998.

*B. Background and Need for Legislation*

ProPAC and PPRC advise the Congress on Medicare payment policies. ProPAC consists of 17 individuals with expertise in health economics, health facility management, and reimbursement of health facilities. PPRC consists of 13 individuals with expertise in health economics, physician reimbursement, medical practice, and other related fields. ProPAC and PPRC commissioners are supposed to be appointed on April 1 and May 1, respectively, by the Director of the Office of Technology Assessment (OTA). In 1995, the Congress eliminated funding for the OTA, so that currently there is not an OTA Director to appoint new ProPAC and PPRC commissioners. The terms of five ProPAC commissioners ended on April 1, 1997 and the terms of four PPRC commissioners will end on May 1, 1997. This bill will provide the Committees of jurisdiction time to consider the future structure of the two Commissions in order to develop legislation that would re-authorize their activities, as well as put in place a new process for membership

*C. Legislative History*

H.R. 1001 was introduced March 10, 1997 by Chairman Thomas of California and Chairman Bilirakis of Florida, and referred to the Committee on Ways and Means, and in addition, to the Committee on Commerce. The bill, as introduced, contained a provision to extend the terms of Commissioners on the Prospective Payment Assessment Commission (ProPAC) and the Physician Payment Review Commission (PPRC), whose appointments would otherwise expire during 1997 to expire as of May 1, 1998. On March 18, 1997, the Subcommittee on Health ordered the bill favorably reported to the full Committee, without amendment, with a quorum present. The full Committee on Ways and Means considered the bill on April 9, 1997, and ordered the bill favorably reported, without amendment, by voice vote, with a quorum present.

## II. EXPLANATION OF THE BILL

*Extension of term of appointment of certain members of the Prospective Payment Assessment Commission and the Physician Payment Review Commission (Sec. 1)**Present law*

ProPAC and PPRC commissions each serve a three-year term. The appointments are staggered so that each year approximately one-third of the commissioners' terms expire. On April 1, 1997 the terms of five ProPAC commissioners expired. On May 1, the terms of four PPRC commissioners will expire. The new commissioners are supposed to be appointed by the Director of the Office of Technology Assessment (OTA). In 1995, the Congress eliminated fund-

ing of OTA. Therefore, there is not an OTA Director to appoint new ProPAC and PPRC commissioners.

*Explanation of provision*

This bill would extend the terms of ProPAC and PPRC commissioners which expire this year. It will provide the Subcommittee time to consider the future structure of the two Commissions, and pass legislation that would re-authorize their activities, as well as put in place a new process for membership appointment.

*Reasons for change*

ProPAC and PPRC are comprised of individuals with expertise in a wide variety of areas. The commissions would have difficulty completing their mission of providing the Congress with assistance and recommendations if one-third of their commissioners were eliminated.

*Effective date*

The provision is effective upon enactment.

III. VOTE OF THE COMMITTEE

In compliance with clause 2(1)(2)(B) of rule XI of the Rules of the House of Representatives, the following statement is made concerning the vote of the Committee in its consideration of the bill, H.R. 1001:

*Motion to report the bill*

The bill, H.R. 1001, was ordered favorably reported to the House by voice vote on April 9, 1997, with a quorum present.

IV. BUDGET EFFECTS OF THE BILL

*A. Committee estimate of budgetary effects*

In compliance with clause 7(a) of rule XIII of the Rules of the House of Representatives, the following statement is made concerning the effects on the budget of this bill, H.R. 1001, as reported: The Committee agrees with the estimate prepared by CBO which is included below.

*B. Statement regarding new budget authority and tax expenditures*

In compliance with subdivision (B) of clause 2(1)(3) rule XI of the Rules of the House of Representatives, the Committee states that the provisions of H.R. 1001 do not involve any new budget authority, or any increase or decrease in revenues or tax expenditures.

*C. Cost estimate prepared by the Congressional Budget Office*

In compliance with subdivision (C) of clause 2(1)(3) of rule XI of the Rules of the House of Representatives, requiring a cost estimate prepared by the Congressional Budget Office, the following report prepared by CBO is provided.

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, April 9, 1997.*

Hon. BILL ARCHER,  
*Chairman, Committee on Ways and Means,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1001, a bill to extend the term of appointment of certain members of the Prospective Payment Assessment Commission and the Physician Payment Review Commission.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Tom Bradley.

Sincerely,

JUNE E. O'NEILL, *Director.*

Enclosure.

*H.R. 1001—To extend the term of appointment of certain members of the Prospective Payment Assessment Commission and the Physician Payment Review Commission*

CBO estimates that enacting this bill would have no significant effect on the federal budget. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. H.R. 1001 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 and would not affect the budgets of state, local, or tribal governments.

H.R. 1001 would extend for one year the terms of those members of the Prospective Payment Assessment Commission (ProPAC) and the Physician Payment Review Commission (PPRC) whose appointments expire during 1997. Under current law, members of these commissions are appointed by the Director of the Congressional Office of Technology Assessment. However, that agency was eliminated and the authority to appoint members of these Commissions has not been transferred.

The terms of five ProPAC commissioners and four PPRC commissioners will expire during 1997. CBO expects that outlays of these commissions would not change significantly if the terms of the affected commissioners are extended.

An identical version of H.R. 1001 was ordered reported by the House Committee on Commerce on March 13, 1997. CBO's estimate of that bill is identical to this estimate.

The estimate was prepared by Tom Bradley. This estimate was approved by Paul N. Van de Water, Assistant Director for Budget Analysis.

V. OTHER MATTERS TO BE DISCUSSED UNDER THE RULES OF THE  
HOUSE

*A. Committee oversight findings and recommendations*

With respect to subdivision (A) of clause 2(1)(3) of rule XI of the Rules of the House of Representatives (relating to oversight findings), the Committee advises that it was as a result of its oversight activities with respect to the Medicare program that the Committee

concluded that it is appropriate to enact the provision contained in the bill as reported.

*B. Summary of findings and recommendations of the Committee on Government Reform and Oversight*

With respect to subdivision (D) of clause 2(1)(3) of rule XI of the Rules of the House of Representatives (relating to oversight findings), the Committee advises that no oversight findings or recommendations have been submitted to this Committee by the Committee on Government Reform and Oversight with respect to the provisions contained in this bill.

*C. Constitutional authority statement*

With respect to clause 2(1)(4) of rule XI of the Rules of the House of Representatives, relating to Constitutional Authority, the Committee states that the Committee's action in reporting the bill is derived from Article I of the Constitution, Section 8 ("The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and to provide for \* \* \* the general Welfare of the United States \* \* \*").