

107TH CONGRESS
1ST SESSION

H. R. 3351

To amend title XVIII of the Social Security Act to specify the update for payments under the Medicare physician fee schedule for 2002 and to direct the Medicare Payment Advisory Commission to conduct a study on replacing the use of the sustainable growth rate as a factor in determining such update in subsequent years.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 27, 2001

Mr. BILIRAKIS (for himself, Mr. BROWN of Ohio, Mr. TAUZIN, Mr. DINGELL, Mr. UPTON, Mr. BRYANT, Mr. GANSKE, Mr. DEAL of Georgia, Mr. SESSIONS, Mr. FLETCHER, Mr. COOKSEY, Mr. BURR of North Carolina, Mr. BUYER, Mr. NORWOOD, Mr. TERRY, Mr. BAKER, Mr. PAUL, Mr. SCHROCK, Mr. MANZULLO, Mr. LATOURETTE, Mr. JOHNSON of Illinois, Mr. PICKERING, Mr. LAMPSON, Mr. BARTON of Texas, Mr. SHADEGG, Mr. BEREUTER, Mr. WAXMAN, Mr. KENNEDY of Rhode Island, Mr. RUSH, Mr. TOWNS, Mr. GREEN of Texas, Mr. ROSS, Mr. LUTHER, Mr. GORDON, Mr. HALL of Texas, Mr. ANDREWS, Mr. MCDERMOTT, Mr. STRICKLAND, Mr. THOMPSON of California, Mr. ENGEL, Mr. WYNN, Mr. BARRETT of Wisconsin, Mr. STUPAK, Mr. KLECZKA, Mr. SHIMKUS, Mr. GREENWOOD, and Mrs. THURMAN) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on 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 amend title XVIII of the Social Security Act to specify the update for payments under the Medicare physician fee schedule for 2002 and to direct the Medicare Payment Advisory Commission to conduct a study on replac-

1 “(C) CONFORMING PROVISIONS TO EN-
2 SURE NO EFFECT FOR SUBSEQUENT PERI-
3 ODS.—In carrying out subparagraph (B):

4 “(i) NO EFFECT ON TARGET FOR AL-
5 LOWED EXPENDITURES.—The allowed ex-
6 penditures under paragraph (4)(C)(iii) for
7 years after 2002 shall be applied and com-
8 puted as if subparagraph (A) had not been
9 in effect.

10 “(ii) REMOVAL OF ADDITIONAL EX-
11 PENDITURES FROM ACTUAL EXPENDI-
12 TURES.—In applying paragraph (4)(B) for
13 years beginning with 2003, the actual ex-
14 penditures for 2002 shall be the actual ex-
15 penditures otherwise determined multiplied
16 by the ratio of (I) the amount of the con-
17 version factor that would have applied for
18 2002 under this subsection but for this
19 paragraph, to (II) the amount of the con-
20 version factor that is applied for 2002
21 under this paragraph.

22 “(iii) NOT TREATED AS CHANGE IN
23 LAW AND REGULATION IN SUSTAINABLE
24 GROWTH RATE DETERMINATION.—The en-
25 actment of this paragraph shall not be

1 treated as a change in law for purposes of
2 applying subsection (f)(2)(D).”.

3 (b) CONFORMING AMENDMENTS.—Section 1848(d)
4 of the such Act (42 U.S.C. 1395w-4(d)) is amended—

5 (1) in paragraph (1)(A), by inserting “and sub-
6 ject to paragraph (5)” after “with 2001”;

7 (2) in paragraph (4)(A), by inserting “(includ-
8 ing paragraph (5))” after “Unless otherwise pro-
9 vided by law”;

10 (3) in paragraph (4)(B), by inserting “and sub-
11 paragraphs (B) and (C) of paragraph (5)” after
12 “subparagraph (D)” in the matter preceding clause
13 (i); and

14 (4) in paragraph (4)(C)(iii), by striking “The
15 allowed expenditures” and inserting “Subject to
16 paragraph (5)(C)(i), the allowed expenditures”.

17 (c) CONTINUED APPLICATION OF “PAY-AS-YOU-GO”
18 RULES.—Nothing in this section shall be construed as
19 waiving the application of the pay-as-you-go provisions of
20 section 252 of the Balanced Budget and Emergency Def-
21 icit Control Act of 1985 (Public Law 99-177).

1 **SEC. 3. STUDY AND REPORT BY MEDPAC ON REPLACING OR**
2 **MODIFYING THE SUSTAINABLE GROWTH**
3 **RATE AS A FACTOR IN DETERMINING THE UP-**
4 **DATE FOR PAYMENTS UNDER THE MEDICARE**
5 **PHYSICIAN FEE SCHEDULE.**

6 (a) **STUDY.**—The Medicare Payment Advisory Com-
7 mission shall conduct a study on replacing or modifying
8 the sustainable growth rate (as determined under sub-
9 section (f) of section 1848 of the Social Security Act (42
10 U.S.C. 1395w–4)) as a factor in determining the update
11 for payments under the Medicare physician fee schedule
12 under such section such that the factor used more fully
13 accounts for changes in the unit costs of providing physi-
14 cians’ services.

15 (b) **REPORT TO CONGRESS.**—Not later than March
16 1, 2002, the Commission shall submit to Congress a report
17 on the study conducted under subsection (a) together with
18 such recommendations for legislation and administrative
19 action as the Commission determines appropriate.

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