

107TH CONGRESS
1ST SESSION

S. 1001

To amend title XVIII of the Social Security Act to establish a floor on area wage adjustment factors used under the medicare prospective payment system for inpatient and outpatient hospital services.

IN THE SENATE OF THE UNITED STATES

JUNE 7, 2001

Mr. SESSIONS (for himself, Mr. HUTCHINSON, and Mr. SHELBY) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII of the Social Security Act to establish a floor on area wage adjustment factors used under the medicare prospective payment system for inpatient and outpatient hospital services.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Wage Index Fairness
5 Act of 2001”.

1 **SEC. 2. FLOOR ON AREA WAGE ADJUSTMENT FACTORS**
2 **USED UNDER MEDICARE PPS FOR INPATIENT**
3 **AND OUTPATIENT HOSPITAL SERVICES.**

4 (a) INPATIENT PPS.—Section 1886(d)(3)(E) of the
5 Social Security Act (42 U.S.C. 1395ww(d)(3)(E)) is
6 amended—

7 (1) by inserting “(i) IN GENERAL.—” before
8 “The Secretary”, and adjusting the margin two ems
9 to the right;

10 (2) by striking “The Secretary” and inserting
11 “Subject to clause (ii), the Secretary”; and

12 (3) by adding at the end the following new
13 clause:

14 “(ii) FLOOR ON AREA WAGE ADJUSTMENT
15 FACTOR.—Notwithstanding clause (i), in deter-
16 mining payments under this subsection for dis-
17 charges occurring on or after October 1, 2001,
18 the Secretary shall substitute a factor of .925
19 for any factor that would otherwise apply under
20 such clause that is less than .925. Nothing in
21 this clause shall be construed as authorizing—

22 “(I) the application of the last sen-
23 tence of clause (i) to any substitution made
24 pursuant to this clause, or

25 “(II) the application of the preceding
26 sentence of this clause to adjustments for

1 area wage levels made under other pay-
2 ment systems established under this title
3 (other than the payment system under sec-
4 tion 1833(t)) to which the factors estab-
5 lished under clause (i) apply.”.

6 (b) OUTPATIENT PPS.—Section 1833(t)(2) of the
7 Social Security Act (42 U.S.C. 1395l(t)(2)) is amended
8 by adding at the end the following: “For purposes of sub-
9 paragraph (D) for items and services furnished on or after
10 October 1, 2001, if the factors established under clause
11 (i) of section 1886(d)(3)(E) are used to adjust for relative
12 differences in labor and labor-related costs under the pay-
13 ment system established under this subsection, the provi-
14 sions of clause (ii) of such section (relating to a floor on
15 area wage adjustment factor) shall apply to such factors,
16 as used in this subsection, in the same manner and to
17 the same extent (including waiving the applicability of the
18 requirement for such floor to be applied in a budget neu-
19 tral manner) as they apply to factors under section
20 1886.”.

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