

108TH CONGRESS
1ST SESSION

S. 1135

To amend title XVIII of the Social Security Act to establish a uniform national medicare physician fee schedule.

IN THE SENATE OF THE UNITED STATES

MAY 22, 2003

Mr. HATCH (for himself, Mr. JEFFORDS, Mr. GRASSLEY, Mrs. LINCOLN, and Mr. BINGAMAN) 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 uniform national medicare physician fee schedule.

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 “Medicare Physician
5 Payment Equity Act of 2003”.

6 **SEC. 2. ESTABLISHMENT OF UNIFORM NATIONAL MEDI-**
7 **CARE PHYSICIAN FEE SCHEDULE.**

8 (a) IN GENERAL.—Section 1848(e)(1) of the Social
9 Security Act (42 U.S.C. 1395w–4(e)(1)) is amended—

1 (1) in subparagraph (A), by striking “(B) and
2 (C)” and inserting “(B), (C), (D), and (E)” in the
3 matter preceding clause (i);

4 (2) by redesignating subparagraph (D) as sub-
5 paragraph (F); and

6 (3) by inserting after subparagraph (C) the fol-
7 lowing new subparagraph:

8 “(D) UNIFORM NATIONAL MEDICARE PHY-
9 SICIAN FEE SCHEDULE RATES.—For purposes
10 of payment for services furnished on or after
11 January 1, 2007, the Secretary shall set each
12 geographic index in subparagraphs (A) and (B)
13 to 1.00 for any locality for which such a geo-
14 graphic index is not 1.00.”.

15 (b) TRANSITION FOR ELIMINATION OF GEOGRAPHIC
16 FEE DIFFERENTIAL.—Section 1848(e)(1) of the Social
17 Security Act (42 U.S.C. 1395w-4(e)(1)), as amended by
18 subsection (a), is amended by inserting after subpara-
19 graph (D) the following new subparagraph:

20 “(E) PHASE-OUT OF GEOGRAPHIC ADJUST-
21 MENT INDICES.—

22 “(i) THREE-YEAR FLOOR AT 1.0 ON
23 GEOGRAPHIC PHYSICIAN WORK ADJUST-
24 MENT INDEX.—After calculating the geo-
25 graphic physician work indices in subpara-

1 graph (A)(iii), for purposes of payment for
2 services furnished on or after January 1,
3 2004, and before January 1, 2007, the
4 Secretary shall increase such physician
5 work index to 1.00 for any locality for
6 which such physician work index is less
7 than 1.00.

8 “(ii) TWO-YEAR FLOOR AT 1.0 ON GE-
9 OGRAPHIC COST-OF-PRACTICE ADJUST-
10 MENT INDEX.—After calculating the geo-
11 graphic cost-of-practice indices in subpara-
12 graphs (A)(i) and (B), for purposes of pay-
13 ment for services furnished on or after
14 January 1, 2005, and before January 1,
15 2007, the Secretary shall increase such
16 cost-of-practice indices to 1.00 for any lo-
17 cality for which such cost-of-practice indi-
18 ces are less than 1.00.

19 “(iii) ONE-YEAR FLOOR AT 1.0 ON GE-
20 OGRAPHIC MALPRACTICE ADJUSTMENT
21 INDEX.—After calculating the geographic
22 malpractice indices in subparagraph
23 (A)(ii), for purposes of payment for serv-
24 ices furnished during 2006, the Secretary
25 shall increase such malpractice index to

1 1.00 for any locality for which such mal-
2 practice index is less than 1.00.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to payments for items and services
5 provided on and after January 1, 2004.

6 **SEC. 3. GAO STUDY AND REPORT ON THE EFFECTS OF THE**
7 **REVISIONS TO THE MEDICARE PHYSICIAN**
8 **FEE SCHEDULE.**

9 (a) STUDY.—The Comptroller General of the United
10 States shall conduct a study on the effects of the amend-
11 ments made by section 2 on—

12 (1) the recruitment and retention of physicians;

13 (2) the access of medicare beneficiaries to phy-
14 sicians, medical tests, and medical therapies in each
15 fee schedule area (as defined in section 1848(j)(2) of
16 the Social Security Act (42 U.S.C. 1395w-4(j)(2));
17 and

18 (3) the use by medicare beneficiaries of items
19 and services for which payment may be made under
20 the medicare program in each such fee schedule
21 area.

22 (b) REPORT.—Not later than the date that is 5 years
23 after the date of enactment of this Act, the Comptroller
24 General shall submit to Congress a report on the study
25 conducted under subsection (a) together with such rec-

- 1 ommendations as the Comptroller General determines to
- 2 be appropriate.

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