

115TH CONGRESS  
1ST SESSION

# S. 1825

To amend title XVIII of the Social Security Act to improve the accuracy of geographic adjustment factors under the Medicare program and to permanently extend certain adjustments to such factors for certain localities, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 18, 2017

Mr. GRASSLEY (for himself, Ms. BALDWIN, Mrs. ERNST, and Mr. JOHNSON) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XVIII of the Social Security Act to improve the accuracy of geographic adjustment factors under the Medicare program and to permanently extend certain adjustments to such factors for certain localities, and for other purposes.

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. IMPROVING THE ACCURACY OF GEOGRAPHIC**  
4       **ADJUSTMENT FACTORS.**

5       Section 1848(e)(1)(D) of the Social Security Act (42  
6       U.S.C. 1395w-4(e)(1)(D)) is amended to read as follows:

7               “(D) USE OF ACCURATE DATA.—

1 “(i) IN GENERAL.—In establishing in-  
2 dices and index values under this para-  
3 graph, the Secretary shall use the most re-  
4 cent data available relating to practice ex-  
5 penses, malpractice expenses, and physi-  
6 cian work effort in each fee schedule area.

7 “(ii) PRACTICE EXPENSE AND WORK  
8 INDICES.—In establishing indices and  
9 index values under clause (i) or (iii) of  
10 subparagraph (A), the Secretary shall—

11 “(I) use the most recent market  
12 data available on physician wages, or  
13 if available, actual cost data for physi-  
14 cian labor; and

15 “(II) not use nonphysician pro-  
16 fessional wage data as a proxy for  
17 physician wage data.

18 “(iii) PRACTICE EXPENSE CALCULA-  
19 TION.—In calculating index values under  
20 clause (i) of subparagraph (A), the Sec-  
21 retary shall use the most recent office rent  
22 data available or data from Federally  
23 qualified health centers (as defined in sec-  
24 tion 1861(aa)(4)) expense reports.”.

1 **SEC. 2. FLOOR FOR WORK AND PRACTICE EXPENSE GEO-**  
 2 **GRAPHIC INDICES FOR SERVICES FUR-**  
 3 **NISHED IN WISCONSIN AND IOWA.**

4 (a) WORK GEOGRAPHIC INDEX.—Section  
 5 1848(e)(1)(E) of the Social Security Act (42 U.S.C.  
 6 1395w-4(e)(1)(D)) is amended to read as follows:

7 “(E) FLOOR AT 1.0 ON WORK GEOGRAPHIC  
 8 INDEX.—

9 “(i) FOR 2004 THROUGH 2017.—After  
 10 calculating the work geographic index in  
 11 subparagraph (A)(iii), for purposes of pay-  
 12 ment for services furnished on or after  
 13 January 1, 2004, and before January 1,  
 14 2018, the Secretary shall increase the work  
 15 geographic index to 1.00 for any locality  
 16 for which such work geographic index is  
 17 less than 1.00.

18 “(ii) FOR 2018 AND SUBSEQUENT  
 19 YEARS.—After calculating the work geo-  
 20 graphic index in subparagraph (A)(iii), for  
 21 purposes of payment for services furnished  
 22 in Wisconsin or Iowa on or after January  
 23 1, 2018, the Secretary shall increase any  
 24 such index to 1.00 if such index would oth-  
 25 erwise be less than 1.00.”.

1 (b) PRACTICE EXPENSE GEOGRAPHIC INDICES.—  
 2 Section 1848(e)(1) of the Social Security Act (42 U.S.C.  
 3 1395w-4(e)(1)) is amended—

4 (1) in subparagraph (A), by striking “(B), (C),  
 5 (E), (G), (H), and (I)” and inserting “(B), (C), (E),  
 6 (G), (H), (I), and (J)”; and

7 (2) by adding at the end the following new sub-  
 8 paragraph:

9 “(J) FLOOR FOR PRACTICE EXPENSE GEO-  
 10 GRAPHIC INDICES FOR SERVICES FURNISHED IN  
 11 WISCONSIN OR IOWA.—For purposes of pay-  
 12 ment for services furnished in Wisconsin or  
 13 Iowa on or after January 1, 2018, after calcu-  
 14 lating the practice expense index in subpara-  
 15 graph (A)(i), the Secretary shall increase any  
 16 such index to 1.00 if such index would other-  
 17 wise be less than 1.00.”.

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