

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3170

To amend title XVIII of the Social Security Act to require the Secretary of Health and Human Services to consult with representatives of physicians and to use the most recent available data in making geographic adjustments to the payment rates for physicians' services under part B of the medicare program, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 29, 1993

Mr. CHAPMAN introduced the following bill; which was referred jointly to the Committees on Energy and Commerce and Ways and Means

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## A BILL

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

1 **SECTION 1. MODIFICATIONS TO GEOGRAPHIC COST OF**  
2 **PRACTICE INDEX UNDER MEDICARE PHYSI-**  
3 **CIAN FEE SCHEDULE.**

4 (a) **REQUIRING CONSULTATION WITH REPRESENTA-**  
5 **TIVES OF PHYSICIANS IN REVIEWING GEOGRAPHIC AD-**  
6 **JUSTMENT FACTORS.**—Section 1848(e)(1)(C) of the So-  
7 cial Security Act (42 U.S.C. 1395w-4(e)(1)(C)) is amend-  
8 ed by striking “shall review” and inserting “shall, in con-  
9 sultation with appropriate representatives of physicians,  
10 review”.

11 (b) **USE OF MOST RECENT DATA IN GEOGRAPHIC**  
12 **ADJUSTMENT.**—Section 1848(e)(1) of such Act (42  
13 U.S.C. 1395w-4(e)(1)) is amended by adding at the end  
14 the following new subparagraph:

15 “(D) **USE OF RECENT DATA.**—In estab-  
16 lishing indices and index values under this  
17 paragraph, the Secretary shall use the most re-  
18 cent data available relating to practice ex-  
19 penses, malpractice expenses, and physician  
20 work effort in different fee schedule areas.”.

21 (c) **DEADLINE FOR INITIAL REVIEW AND REVI-**  
22 **SION.**—The Secretary of Health and Human Services  
23 shall first review and revise geographic adjustment factors  
24 under section 1848(e)(1)(C) of the Social Security Act by  
25 not later than January 1, 1995. Not later than April 1,  
26 1994, the Secretary shall study and report to the Commit-

1 tee on Finance of the Senate and the Committee on Ways  
2 and Means and the Committee on Energy and Commerce  
3 of the House of Representatives on the construction of the  
4 geographic cost of practice index under section  
5 1848(e)(1)(A)(i) of such Act.

6 (d) REPORT ON REVIEW PROCESS.—Not later than  
7 1 year after the date of the enactment of this Act, the  
8 Secretary of Health and Human Services shall study and  
9 report to the Committee on Finance of the Senate and  
10 the Committee on Ways and Means and the Committee  
11 on Energy and Commerce of the House of Representatives  
12 on—

13 (1) the data necessary to review and revise the  
14 indices established under section 1848(e)(1)(A) of  
15 the Social Security Act, including—

16 (A) the shares allocated to physicians'  
17 work effort, practice expenses (other than mal-  
18 practice expenses), and malpractice expenses;

19 (B) the weights assigned to the input com-  
20 ponents of such shares; and

21 (C) the index values assigned to such com-  
22 ponents;

23 (2) any limitations on the availability of data  
24 necessary to review and revise such indices at least  
25 every three years;

1           (3) ways of addressing such limitations, with  
2           particular attention to the development of alternative  
3           data sources for input components for which current  
4           index values are based on data collected less fre-  
5           quently than every three years; and

6           (4) the costs of developing more accurate and  
7           timely data.

8           (e) DEVELOPMENT OF CRITERIA FOR USE IN DE-  
9           TERMINING PAYMENT LOCALITIES.—The Physician Pay-  
10          ment Review Commission shall conduct a study to develop  
11          criteria that would be used to refine the fee schedule areas  
12          that are used within States, in applying geographic adjust-  
13          ment factors for computing payment amounts, under sec-  
14          tion 1848 of the Social Security Act. The Commission  
15          shall include a report on such study in its recommenda-  
16          tions submitted to the Congress under section 1845(b) of  
17          such Act in 1994.

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