

107TH CONGRESS
1ST SESSION

H. R. 3511

To amend title XVIII of the Social Security Act to continue the 2001 conversion factor under the Medicare physician fee schedule for the first 6 months of 2002, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 18, 2001

Mr. FLETCHER (for himself, Mr. PETERSON of Minnesota, and Mrs. JOHNSON of Connecticut) 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 continue the 2001 conversion factor under the Medicare physician fee schedule for the first 6 months of 2002, 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,*

1 **SECTION 1. CONTINUATION OF 2001 CONVERSION FACTOR**
2 **UNDER THE MEDICARE PHYSICIAN FEE**
3 **SCHEDULE FOR FIRST 6 MONTHS OF 2002;**
4 **MEDPAC REPORT ON SUSTAINABLE GROWTH**
5 **RATE.**

6 (a) IN GENERAL.—Section 1848(d) of the Social Se-
7 curity Act (42 U.S.C. 1395w-4(d)) is amended by adding
8 at the end the following new paragraph:

9 “(5) CONVERSION FACTOR FOR FIRST 6
10 MONTHS OF 2002.—

11 “(A) IN GENERAL.—Notwithstanding the
12 update otherwise determined under paragraph
13 (4) for 2002, the conversion factor established
14 under this subsection for services furnished
15 during the first 6 months of 2002 shall be the
16 conversion factor established under this sub-
17 section for 2001.

18 “(B) NO EFFECT FOR SUBSEQUENT PERI-
19 ODS.—The conversion factor under paragraph
20 (1) and the update adjustment factor under
21 paragraph (4)(B) for services furnished on or
22 after July 1, 2002, shall be applied and com-
23 puted as if subparagraph (A) had not been in
24 effect.

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 the first 6 months of 2002
15 shall be the actual expenditures otherwise
16 determined multiplied by the ratio of (I)
17 the amount of the conversion factor that
18 would have applied for the first 6 months
19 of 2002 under this subsection but for this
20 paragraph, to (II) the amount of the con-
21 version factor that is applied for the first
22 6 months of 2002 under this paragraph.

23 “(iii) NOT TREATED AS CHANGE IN
24 LAW AND REGULATION IN SUSTAINABLE
25 GROWTH RATE DETERMINATION.—The en-

1 actment of this paragraph shall not be
2 treated as a change in law for purposes of
3 applying subsection (f)(2)(D).”.

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

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

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

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

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

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

23 (d) STUDY AND REPORT BY MEDPAC ON REPLAC-
24 ING OR MODIFYING THE SUSTAINABLE GROWTH RATE AS
25 A FACTOR IN DETERMINING THE UPDATE FOR PAY-

1 MENTS UNDER THE MEDICARE PHYSICIAN FEE SCHED-
2 ULE.—

3 (1) STUDY.—The Medicare Payment Advisory
4 Commission shall conduct a study on replacing or
5 modifying the sustainable growth rate (as deter-
6 mined under subsection (f) of section 1848 of the
7 Social Security Act (42 U.S.C. 1395w-4)) as a fac-
8 tor in determining the update for payments under
9 the medicare physician fee schedule under such sec-
10 tion such that the factor used more fully accounts
11 for changes in the unit costs of providing physicians'
12 services.

13 (2) REPORT TO CONGRESS.—Not later than
14 March 1, 2002, the Commission shall submit to
15 Congress a report on the study conducted under
16 paragraph (1) together with such recommendations
17 for legislation and administrative action as the Com-
18 mission determines appropriate.

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