

107TH CONGRESS  
2D SESSION

# S. 1953

To amend title XVIII of the Social Security Act to eliminate the geographic physician work adjustment factor from the geographic indices used to adjust payments under the physician fee schedule.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 14, 2002

Mr. FEINGOLD (for himself, Ms. COLLINS, Mr. KOHL, and Mr. DAYTON) 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 eliminate the geographic physician work adjustment factor from the geographic indices used to adjust payments under the 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 “Physician Wage Fair-  
5 ness Act of 2001”.

1 **SEC. 2. ELIMINATION OF GEOGRAPHIC PHYSICIAN WORK**  
2 **ADJUSTMENT FACTOR FROM GEOGRAPHIC**  
3 **INDICES USED TO ADJUST PAYMENTS UNDER**  
4 **THE PHYSICIAN FEE SCHEDULE.**

5 (a) FINDINGS.—Congress finds the following:

6 (1) Variations in the geographic physician work  
7 adjustment factors under section 1848(e) of the So-  
8 cial Security Act (42 U.S.C. 1395w-4(e)) result in  
9 inequity between localities in payments under the  
10 medicare physician fee schedule.

11 (2) Beneficiaries under the medicare program  
12 that reside in areas where such adjustment factors  
13 are high have relatively more access to services that  
14 are paid based on such fee schedule.

15 (3) There are a number of studies indicating  
16 that the market for health care professionals has be-  
17 come nationalized and historically low labor costs in  
18 rural and small urban areas have disappeared.

19 (4) Elimination of the adjustment factors de-  
20 scribed in paragraph (1) would equalize the reim-  
21 bursement rate for services reimbursed under the  
22 medicare physician fee schedule while remaining  
23 budget-neutral.

24 (b) ELIMINATION.—Section 1848(e) of the Social Se-  
25 curity Act (42 U.S.C. 1395w-4(e)) is amended—

1           (1) in paragraph (1)(A)(iii), by striking “an  
2           index” and inserting “for services provided before  
3           January 1, 2003, an index” after “Secretary”; and

4           (2) in paragraph (2), by inserting “, for serv-  
5           ices provided before January 1, 2003,” after “para-  
6           graph (4)), and”.

7           (c) BUDGET NEUTRALITY ADJUSTMENT FOR ELIMI-  
8           NATION OF GEOGRAPHIC PHYSICIAN WORK ADJUSTMENT  
9           FACTOR.—Section 1848(d) of the Social Security Act (42  
10          U.S.C. 1395w-4(d)) is amended—

11           (1) in paragraph (1)(A), by striking “The con-  
12           version” and inserting “Subject to paragraph (5),  
13           the conversion”; and

14           (2) by adding at the end the following new  
15           paragraph:

16           “(5) BUDGET NEUTRALITY ADJUSTMENT FOR  
17           ELIMINATION OF GEOGRAPHIC PHYSICIAN WORK AD-  
18           JUSTMENT FACTOR.—Before applying an update for  
19           a year under this subsection, the Secretary shall (if  
20           necessary) provide for an adjustment to the conver-  
21           sion factor for that year to ensure that the aggre-  
22           gate payments under this part in that year shall be  
23           equal to aggregate payments that would have been  
24           made under such part in that year if the amend-

1       ments made by section 2(b) of the Physician Wage  
2       Fairness Act of 2001 had not been enacted.”.

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