

108TH CONGRESS
1ST SESSION

S. 1098

To amend title XVIII of the Social Security Act to update the renal dialysis composite rate.

IN THE SENATE OF THE UNITED STATES

MAY 21, 2003

Mr. CONRAD (for himself, Mr. SANTORUM, 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 update the renal dialysis composite rate.

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 Renal Dialy-
5 sis Payment Fairness Act of 2003”.

6 **SEC. 2. UPDATE IN RENAL DIALYSIS COMPOSITE RATE.**

7 (a) IN GENERAL.—The last sentence of section
8 1881(b)(7) of the Social Security Act (42 U.S.C.
9 1395rr(b)(7)) is amended—

1 (1) by striking “and” before “for such serv-
2 ices”;

3 (2) by inserting “and before January 1, 2004,”
4 after “January 1, 2001,”; and

5 (3) by inserting before the period at the end the
6 following: “, and for such services furnished during
7 each subsequent year (beginning with 2004), by the
8 ESRD market basket percentage increase (as de-
9 fined in paragraph (12)(A) and including any addi-
10 tional factors that may increase costs described in
11 paragraph (12)(B)) above such composite rate pay-
12 ment amounts for such services furnished on Decem-
13 ber 31 of the previous year”.

14 (b) ESRD MARKET BASKET PERCENTAGE INCREASE
15 DEFINED.—Section 1881(b) of the Social Security Act
16 (42 U.S.C. 1395rr(b)) is amended by adding at the end
17 the following new paragraph:

18 “(12)(A) For purposes of this title, the term ‘ESRD
19 market basket percentage increase’ means, with respect to
20 a calendar year, the percentage (estimated by the Sec-
21 retary before the beginning of such year) by which—

22 “(i) the cost of the mix of goods and services
23 included in the provision of dialysis services (includ-
24 ing the costs described in subparagraph (D)) that is
25 determined based on an index of appropriately

1 weighted indicators of changes in wages and prices
2 which are representative of the mix of goods and
3 services included in such dialysis services for the cal-
4 endar year; exceeds

5 “(ii) the cost of such mix of goods and services
6 for the preceding calendar year.

7 “(B) In addition to determining the percentage up-
8 date under subparagraph (A), the Secretary shall also take
9 into account any increase in the costs of furnishing the
10 mix of goods and services described in such subparagraph
11 resulting from—

12 “(i) the adoption of scientific and technological
13 innovations used to provide dialysis services;

14 “(ii) changes in the manner or method of deliv-
15 ering dialysis services;

16 “(iii) productivity improvements in the provi-
17 sion of dialysis services; and

18 “(iv) any other relevant factor.

19 “(C) The Secretary shall periodically review and up-
20 date (as necessary) the items and services included in the
21 mix of goods and services used to determine the percent-
22 age under subparagraph (A).

23 “(D) The costs described in this subparagraph in-
24 clude—

1 “(i) labor, including direct patient care costs
2 and administrative labor costs, vacation and holiday
3 pay, payroll taxes, and employee benefits;

4 “(ii) other direct costs, including drugs, sup-
5 plies, and laboratory fees;

6 “(iii) overhead, including medical director fees,
7 temporary services, general and administrative costs,
8 interest expenses, and bad debt;

9 “(iv) capital, including rent, real estate taxes,
10 depreciation, utilities, repairs, and maintenance; and

11 “(v) such other allowable costs as the Secretary
12 may specify.”.

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