

105TH CONGRESS
1ST SESSION

S. 371

To amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for physician assistants, to increase the delivery of health services in health professional shortage areas, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 27, 1997

Mr. GRASSLEY (for himself, Mr. CONRAD, and Mr. HOLLINGS) 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 provide for increased medicare reimbursement for physician assistants, to increase the delivery of health services in health professional shortage areas, 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. SHORT TITLE.**

4 This Act may be cited as the “Physician Assistant
5 Incentive Act of 1997”.

1 **SEC. 2. INCREASED MEDICARE REIMBURSEMENT FOR PHY-**
 2 **SICIAN ASSISTANTS.**

3 (a) REMOVAL OF RESTRICTION ON SETTINGS.—Sec-
 4 tion 1861(s)(2)(K)(i) of the Social Security Act (42
 5 U.S.C. 1395x(s)(2)(K)(i)) is amended by striking “(I) in
 6 a hospital” and all that follows through “shortage area,”.

7 (b) INCREASED PAYMENT.—

8 (1) IN GENERAL.—Section 1842(b)(12) of the
 9 Social Security Act (42 U.S.C. 1395u(b)(12)) is
 10 amended by adding at the end the following new
 11 subparagraph:

12 “(C) With respect to services described in clause (i)
 13 of section 1861(s)(2)(K), and in clause (iv) of that section
 14 (but only with respect to services and supplies furnished
 15 as an incident to physician assistant services)—

16 “(i) payment under this part may only be made
 17 on an assignment-related basis; and

18 “(ii) the amounts paid under this part shall be
 19 equal to 80 percent of (I) the lesser of the actual
 20 charge or 85 percent of the fee schedule amount
 21 provided under section 1848 for the same service
 22 provided by a physician who is not a specialist; or
 23 (II) in the case of services as an assistant at sur-
 24 gery, the lesser of the actual charge or 85 percent
 25 of the amount that would otherwise be recognized if

1 performed by a physician who is serving as an as-
 2 sistant at surgery.”.

3 (2) CONFORMING AMENDMENT.—Section
 4 1842(b)(12)(A) of the Social Security Act (42
 5 U.S.C. 1395u(b)(12)(A)) is amended in the matter
 6 preceding clause (i) by striking “clauses (i)” through
 7 “nurse practitioners)” and inserting the following:
 8 “clause (ii) of section 1861(s)(2)(K), and in clause
 9 (iv) of that section (but only with respect to services
 10 and supplies furnished as an incident to nurse prac-
 11 titioner services)”.

12 (c) BONUS PAYMENT FOR SERVICES PROVIDED IN
 13 HEALTH PROFESSIONAL SHORTAGE AREAS.—Section
 14 1833(m) of the Social Security Act (42 U.S.C. 1395l(m))
 15 is amended—

16 (1) by inserting “(1)” after “(m)”; and

17 (2) by adding at the end the following new
 18 paragraph:

19 “(2) In the case of services of a physician assistant
 20 furnished to an individual, described in paragraph (1), in
 21 an area that is a health professional shortage area, as de-
 22 scribed in that paragraph, in addition to the amount oth-
 23 erwise paid under this part, there shall also be paid to
 24 the physician assistant (or to an employer in the case of
 25 services described in section 1842(b)(6)(C)), on a monthly

1 or quarterly basis, from the Federal Supplementary Medi-
2 cal Insurance Trust Fund an amount equal to 10 percent
3 of the payment amount for the service under this part.”.

4 (d) REMOVAL OF RESTRICTION ON EMPLOYMENT
5 RELATIONSHIP.—Section 1842(b)(6) of the Social Secu-
6 rity Act (42 U.S.C. 1395u(b)(6)) is amended by adding
7 at the end the following: “For purposes of subparagraph
8 (C), an employment relationship includes any independent
9 contractor arrangement, and employer status shall be de-
10 termined in accordance with the law of the State in which
11 the services referred to in that subparagraph are per-
12 formed.”.

13 (e) EFFECTIVE DATE.—The amendments made by
14 this section shall apply with respect to services furnished
15 and supplies provided on and after July 1, 1997.

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