

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.

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## 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

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## 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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