

107TH CONGRESS
2D SESSION

S. 2542

To amend title XVIII of the Social Security Act to establish a medicare demonstration project under which incentive payments are provided in certain areas in order to stabilize, maintain, or increase access to primary care services for individuals enrolled under part B of such title.

IN THE SENATE OF THE UNITED STATES

MAY 22, 2002

Ms. CANTWELL 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 establish a medicare demonstration project under which incentive payments are provided in certain areas in order to stabilize, maintain, or increase access to primary care services for individuals enrolled under part B of such title.

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 Incentive Ac-
5 cess Act of 2002”.

1 **SEC. 2. INCENTIVE PAYMENT IN MEDICARE HEALTH PRO-**
 2 **FESSIONAL SHORTAGE AREAS DEMONSTRA-**
 3 **TION PROJECT.**

4 Title XVIII of the Social Security Act (42 U.S.C.
 5 1395 et seq.) is amended by adding at the end the fol-
 6 lowing new section:

7 “INCENTIVE PAYMENTS IN MEDICARE HEALTH PROFES-
 8 SIONAL SHORTAGE AREAS DEMONSTRATION PROJECT

9 “SEC. 1897. (a) ESTABLISHMENT.—

10 “(1) IN GENERAL.—The Secretary shall estab-
 11 lish a demonstration project under which—

12 “(A) pursuant to paragraph (3), the Sec-
 13 retary designates areas in a State selected
 14 under paragraph (5) as medicare health profes-
 15 sional shortage areas; and

16 “(B) an incentive payment is provided
 17 under part B to primary care physicians for
 18 each physician’s service (as defined in section
 19 1861(q)) that is furnished in a medicare health
 20 professional shortage area to an individual en-
 21 rolled under such part.

22 “(2) PRIMARY CARE PHYSICIAN DEFINED.—For
 23 purposes of this section, the term ‘primary care phy-
 24 sician’ has the meaning given such term for pur-
 25 poses of designating health professional shortage

1 areas under section 332(a) of the Public Health
2 Service Act (42 U.S.C. 254e(a)).

3 “(3) DESIGNATION OF AREAS.—The Secretary
4 shall designate an area in a State selected under
5 paragraph (5) as a medicare health professional
6 shortage area if the Secretary determines, using the
7 methodology established under subsection (b)(1)(B),
8 that individuals enrolled under part B and residing
9 in the area have inadequate access to primary care
10 physicians.

11 “(4) TERMS AND CONDITIONS.—

12 “(A) INCENTIVE PAYMENT IN ADDITION
13 TO PAYMENT OTHERWISE MADE.—

14 “(i) IN GENERAL.—Subject to clause
15 (ii), the incentive payment made under the
16 demonstration project for a physician’s
17 service shall be in addition to the amount
18 otherwise made for the service under part
19 B.

20 “(ii) NO PAYMENTS UNDER THE IN-
21 CENTIVE PAYMENT PROGRAM IN A DEM-
22 ONSTRATION STATE DURING OPERATION
23 OF THE DEMONSTRATION PROGRAM.—Sub-
24 ject to subparagraph (D), notwithstanding
25 section 1833(m), during the operation of

1 the demonstration project in a State se-
2 lected under paragraph (5), the Secretary
3 may not make any incentive payment to
4 any physician under such section for any
5 service furnished in any part of such State,
6 regardless of—

7 “(I) whether the physician is eli-
8 gible for bonus payments under the
9 demonstration program; and

10 “(II) where the service was fur-
11 nished in the State.

12 “(B) AMOUNT OF INCENTIVE PAYMENT.—

13 The amount of the incentive payment for a phy-
14 sician’s service furnished under the demonstra-
15 tion project shall be an amount equal to 40 per-
16 cent of the payment amount for the service
17 under part B.

18 “(C) NO EFFECT ON AMOUNT OF COIN-
19 SURANCE AN INDIVIDUAL IS REQUIRED TO
20 PAY.—The amount of any coinsurance that an
21 individual enrolled under part B is responsible
22 for paying with respect to a physicians’ service
23 furnished to the individual shall be determined
24 as if this section had not been enacted.

1 “(D) NO EFFECT ON PAYMENTS TO CRIT-
2 ICAL ACCESS HOSPITALS.—The amount of pay-
3 ment for outpatient critical access services of a
4 critical access hospital under section 1834(g)
5 shall be determined as if this section had not
6 been enacted.

7 “(5) DEMONSTRATION SITES.—The Secretary
8 shall conduct the demonstration project in 5 States
9 selected by the Secretary as demonstration sites.

10 “(6) AUTOMATION OF INCENTIVE PAYMENTS.—

11 “(A) IN GENERAL.—Under the demonstra-
12 tion project, incentive payments under para-
13 graph (1)(B) to a primary care physician shall
14 be made automatically to the physician rather
15 than the physician being responsible for deter-
16 mining when a payment is required to be made
17 under that paragraph.

18 “(B) INCENTIVE PAYMENT BASED ON ZIP
19 CODES.—In order to comply with subparagraph
20 (A), the Secretary shall establish procedures in
21 which the amount of payment otherwise made
22 for a physician’s service is automatically in-
23 creased by the amount of the incentive payment
24 under the demonstration project if the service
25 was furnished in any zip code that is entirely or

1 partially in a designated medicare health pro-
 2 fessional shortage area in a State selected
 3 under paragraph (5).

4 “(7) DURATION.—The demonstration project
 5 shall be conducted for a 3-year period. The period
 6 for establishing the methodology under subsection
 7 (b) shall not be counted for purposes determining
 8 such 3-year period.

9 “(b) ESTABLISHMENT OF METHODOLOGY FOR AS-
 10 SISTING SECRETARY IN DESIGNATING MEDICARE
 11 HEALTH PROFESSIONAL SHORTAGE AREAS.—

12 “(1) IN GENERAL.—The Secretary shall select
 13 1 or more Federal rural health research centers
 14 within the Health Resources Services Administration
 15 to establish a methodology to assist the Secretary in
 16 designating areas within the States selected under
 17 subsection (a)(5) as medicare health professional
 18 shortage areas pursuant to subsection (a)(3).

19 “(2) RULES FOR ESTABLISHING METHOD-
 20 OLOGY.—

21 “(A) IN GENERAL.—The methodology es-
 22 tablished under paragraph (1) shall address—

23 “(i) how to measure the percentage of
 24 the total population in an area that con-

1 sists of individuals enrolled under part B;
2 and

3 “(ii) the appropriate ratio of such in-
4 dividuals to primary care physicians in an
5 area in order to ensure that such individ-
6 uals have adequate access to services fur-
7 nished by such physicians.

8 “(B) METHODOLOGY MAY BE SIMILAR TO
9 METHODOLOGIES USED UNDER THE PUBLIC
10 HEALTH SERVICE ACT.—The methodology es-
11 tablished under paragraph (1) may be similar
12 to methodologies utilized by the Secretary for
13 designating areas, and population groups within
14 areas, as health professional shortage areas
15 under section 332(a) of the Public Health Serv-
16 ice Act (42 U.S.C. 254e(a)).

17 “(C) CONSULTATION.—The Federal rural
18 health research centers selected under para-
19 graph (1) shall consult with the State and local
20 medical societies of the States selected under
21 subsection (a)(5) in establishing the method-
22 ology under paragraph (1).

23 “(c) NO EFFECT ON DESIGNATION AS A HEALTH
24 PROFESSIONAL SHORTAGE AREA.—Except as provided in
25 subsection (a)(4)(A)(ii), the designation of an area as a

1 medicare health professional shortage area under sub-
 2 section (a)(3) shall have no effect on the designation of
 3 such area as a health professional shortage area under
 4 section 332(a) of the Public Health Service Act (42 U.S.C.
 5 254e(a)).

6 “(d) WAIVER AUTHORITY.—The Secretary may
 7 waive such requirements of title XI and this title as may
 8 be necessary for the purpose of carrying out the dem-
 9 onstration project.

10 “(e) REPORT.—

11 “(1) IN GENERAL.—Not later than 6 months
 12 after the completion of the demonstration project,
 13 the Secretary shall submit to Congress a report on
 14 such project.

15 “(2) CONTENTS.—The report submitted under
 16 paragraph (1) shall contain—

17 “(A) an evaluation of whether the dem-
 18 onstration project has had the effect of stabi-
 19 lizing, maintaining, or increasing access of indi-
 20 viduals enrolled under part B to physicians’
 21 services furnished by primary care physicians,
 22 including whether the amount of the incentive
 23 payment is adequate to stabilize, maintain, or
 24 increase such access and if not, then what
 25 amount will;

1 “(B) a comparison of the effectiveness of
 2 the demonstration project in stabilizing, main-
 3 taining, or increasing such access with the ef-
 4 fectiveness of other Federal, State, and local
 5 programs, such as the incentive program under
 6 section 1833(m), that are designed to stabilize,
 7 maintain, or increase such access;

8 “(C) recommendations for such legislation
 9 and administrative actions as the Secretary con-
 10 siders appropriate; and

11 “(D) any other items that the Secretary
 12 considers appropriate.

13 “(f) FUNDING.—

14 “(1) INCENTIVE PAYMENTS.—The Secretary
 15 shall use funds in the Federal Supplementary Med-
 16 ical Insurance Trust Fund under section 1841 to
 17 make the incentive payments under this section.

18 “(2) ESTABLISHMENT OF METHODOLOGY.—

19 “(A) IN GENERAL.—There is authorized to
 20 be appropriated \$6,000,000 to establish the
 21 methodology under subsection (b)(1).

22 “(B) AVAILABILITY.—Any amounts appro-
 23 priated pursuant to subparagraph (A) shall re-
 24 main available until expended.”.

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