

107TH CONGRESS
1ST SESSION

S. 730

To amend title XVIII of the Social Security Act to provide for the fair treatment of certain physician pathology services under the medicare program.

IN THE SENATE OF THE UNITED STATES

APRIL 6, 2001

Mr. JOHNSON (for himself, Mr. HUTCHINSON, and Mrs. LINCOLN) 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 the fair treatment of certain physician pathology services under the medicare program.

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 Pathology
5 Services Fair Payment Act of 2001”.

1 **SEC. 2. TREATMENT OF CERTAIN PHYSICIAN PATHOLOGY**
 2 **SERVICES.**

3 (a) IN GENERAL.—Section 1848(i) of the Social Se-
 4 curity Act (42 U.S.C. 1395w–4(i)) is amended by adding
 5 at the end the following new paragraph:

6 “(4) TREATMENT OF CERTAIN PHYSICIAN PA-
 7 THOLOGY SERVICES.—

8 “(A) IN GENERAL.—With respect to serv-
 9 ices furnished on or after January 1, 2001, if
 10 an independent laboratory furnishes the tech-
 11 nical component of a physician pathology serv-
 12 ice to a fee-for-service medicare beneficiary who
 13 is an inpatient or outpatient of a covered hos-
 14 pital, the Secretary shall treat such component
 15 as a service for which payment shall be made
 16 to the laboratory under this section and not as
 17 an inpatient hospital service for which payment
 18 is made to the hospital under section 1886(d)
 19 or as a hospital outpatient service for which
 20 payment is made to the hospital under section
 21 1834(t).

22 “(B) DEFINITIONS.—In this paragraph:

23 “(i) COVERED HOSPITAL.—

24 “(I) IN GENERAL.—The term
 25 ‘covered hospital’ means, with respect
 26 to an inpatient or outpatient, a hos-

1 pital that had an arrangement with
2 an independent laboratory that was in
3 effect as of July 22, 1999, under
4 which a laboratory furnished the tech-
5 nical component of physician pathol-
6 ogy services to fee-for-service medi-
7 care beneficiaries who were hospital
8 inpatients or outpatients, respectively,
9 and submitted claims for payment for
10 such component to a carrier with a
11 contract under section 1842 and not
12 to the hospital.

13 “(II) CHANGE IN OWNERSHIP
14 DOES NOT AFFECT DETERMINA-
15 TION.—A change in ownership with
16 respect to a hospital on or after the
17 date referred to in subclause (I) shall
18 not affect the determination of wheth-
19 er such hospital is a covered hospital
20 for purposes of such subclause.

21 “(ii) FEE-FOR-SERVICE MEDICARE
22 BENEFICIARY.—The term ‘fee-for-service
23 medicare beneficiary’ means an individual
24 who is entitled to benefits under part A, or

1 enrolled under this part, or both, but is not
 2 enrolled in any of the following:

3 “(I) A Medicare+Choice plan
 4 under part C.

5 “(II) A plan offered by an eligi-
 6 ble organization under section 1876.

7 “(III) A program of all-inclusive
 8 care for the elderly (PACE) under
 9 section 1894.

10 “(IV) A social health mainte-
 11 nance organization (SHMO) dem-
 12 onstration project established under
 13 section 4018(b) of the Omnibus
 14 Budget Reconciliation Act of 1987
 15 (Public Law 100–203).”.

16 (b) CONFORMING AMENDMENT.—Section 542 of the
 17 Medicare, Medicaid, and SCHIP Benefits Improvement
 18 and Protection Act of 2000 (as enacted into law by section
 19 1(a)(6) of Public Law 106–554) is repealed.

20 (c) EFFECTIVE DATES.—The amendments made by
 21 this section shall take effect as if included in the enact-
 22 ment of the Medicare, Medicaid, and SCHIP Benefits Im-
 23 provement and Protection Act of 2000 (as enacted into
 24 law by section 1(a)(6) of Public Law 106–554).

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