

108TH CONGRESS  
1ST SESSION

# H. R. 1784

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

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 11, 2003

Mr. CAMP (for himself, Mr. KLECZKA, Mr. SAM JOHNSON of Texas, Mr. ISRAEL, Mr. McNULTY, Mr. ROGERS of Michigan, Mr. PAUL, Mr. HAYWORTH, Mr. ENGLISH, Mr. WHITFIELD, and Mr. LEWIS of Georgia) 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 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”.

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

2 (a) IN GENERAL.—The last sentence of section  
3 1881(b)(7) of the Social Security Act (42 U.S.C.  
4 1395rr(b)(7)) is amended—

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

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

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

18 (b) ESRD MARKET BASKET PERCENTAGE INCREASE  
19 DEFINED.—Section 1881(b) of the Social Security Act  
20 (42 U.S.C. 1395rr(b)) is amended by adding at the end  
21 the following new paragraph:

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

1           “(i) the cost of the mix of goods and services  
2           included in the provision of dialysis services (includ-  
3           ing the costs described in subparagraph (D)) that is  
4           determined based on an index of appropriately  
5           weighted indicators of changes in wages and prices  
6           which are representative of the mix of goods and  
7           services included in such dialysis services for the cal-  
8           endar year; exceeds

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

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

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

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

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

22                 “(iv) any other relevant factor.

23         “(C) The Secretary shall periodically review and up-  
24         date (as necessary) the items and services included in the

1 mix of goods and services used to determine the percent-  
2 age under subparagraph (A).

3 “(D) The costs described in this subparagraph in-  
4 clude—

5 “(i) labor, including direct patient care costs  
6 and administrative labor costs, vacation and holiday  
7 pay, payroll taxes, and employee benefits;

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

10 “(iii) overhead, including medical director fees,  
11 temporary services, general and administrative costs,  
12 interest expenses, and bad debt;

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

15 “(v) such other allowable costs as the Secretary  
16 may specify.”.

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