

109TH CONGRESS
1ST SESSION

H. R. 4078

To amend part B of title XVIII of the Social Security Act to establish a floor for Medicare physician payment rates for 2006 at the level for 2005.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 19, 2005

Mr. NORWOOD (for himself and Mr. WHITFIELD) 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

A BILL

To amend part B of title XVIII of the Social Security Act to establish a floor for Medicare physician payment rates for 2006 at the level for 2005.

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; FINDINGS; PURPOSE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Maintaining Medicare Access Act of 2005”.

6 (b) FINDINGS.—Congress finds the following:

7 (1) The Medicare physician fee schedule is up-
8 dated on an annual basis according to a formula

1 specified by statute (in this subsection referred to as
2 the “SGR formula”). The SGR formula requires the
3 Centers for Medicare & Medicaid Services to adjust
4 the update depending on how actual expenditures
5 compare to a target rate, called the sustainable
6 growth rate.

7 (2) The report of the trustees of the Medicare
8 trust funds states that under the SGR formula, phy-
9 sicians will receive negative payment updates for
10 each year from 2006 through 2012 and it is pro-
11 jected that physician payment rates will not return
12 to their 2002 level until after 2013.

13 (3) The report of the trustees of the Medicare
14 trust funds further states that under the SGR for-
15 mula physician reimbursement rates could be re-
16 duced by more than 30 percent during the period be-
17 tween 2006 and 2013. However, the cost of pro-
18 viding services will rise by an estimated 20 percent
19 during that period.

20 (4) Such reductions of the physician reimburse-
21 ment rates will inhibit physicians from providing
22 needed services to Medicare beneficiaries because
23 physicians will be unable to afford to treat their cur-
24 rent Medicare patients or treat new Medicare pa-
25 tients.

1 (5) Physician practices tend to be small busi-
2 nesses that do not have the resources necessary to
3 absorb continued negative updates in payment for
4 their Medicare patients.

5 (6) Lack of timely Congressional action to pre-
6 vent a reduction in reimbursement rate from the
7 2005 rate could jeopardize Medicare patients' ability
8 to promptly obtain care.

9 (7) Instability in next year's physician reim-
10 bursement rate will prevent access to quality care
11 for Medicare beneficiaries.

12 (8) Congress should replace the SGR formula
13 with a system that properly accounts for the cost of
14 delivering health care services to Medicare patients.

15 (9) The Medicare Payment Advisory Commis-
16 sion has found that an update in physician reim-
17 bursement rates that is based on the Medicare Eco-
18 nomic Index (MEI) is more predictable than the
19 SGR formula, recognizes the true costs of providing
20 physician services to Medicare patients, recognizes
21 inflation in physician practice costs and general
22 wage levels, and should replace the SGR formula.

23 (c) PURPOSE.—The purpose of this Act is to provide
24 a floor for the Medicare physician reimbursement rate for
25 2006.

1 **SEC. 2. MEDICARE PHYSICIAN PAYMENT RATE FLOOR FOR**
 2 **2006.**

3 (a) IN GENERAL.—Section 1848(d)(1) of the Social
 4 Security Act (42 U.S.C. 1395w–4(d)(1)) is amended—

5 (1) in subparagraph (A), by striking “The con-
 6 version factor” and inserting “Except as otherwise
 7 provided in this subsection, the conversion factor”;
 8 and

9 (2) by adding at the end the following new sub-
 10 paragraph:

11 “(F) FLOOR FOR 2006.—Except as pro-
 12 vided in subparagraph (D), the single conver-
 13 sion factor for 2006 under this subsection shall
 14 in no case be less than the single conversion
 15 factor for 2005. The previous sentence shall not
 16 apply in determining the single conversion fac-
 17 tor for any subsequent year.”.

18 (b) NOT TREATED AS CHANGE IN LAW AND REGULA-
 19 TION IN SUSTAINABLE GROWTH RATE DETERMINA-
 20 TION.—The amendments made by subsection (a) shall not
 21 be treated as a change in law for purposes of applying
 22 section 1848(f)(2)(D) of the Social Security Act (42
 23 U.S.C. 1395w–4(f)(2)(D)).

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