

110TH CONGRESS
1ST SESSION

H. R. 2585

To amend title XVIII of the Social Security Act to modify Medicare physician reimbursement policies to ensure a future physician workforce, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 6, 2007

Mr. BURGESS 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 title XVIII of the Social Security Act to modify Medicare physician reimbursement policies to ensure a future physician workforce, 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,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Ensuring the Future Physician Workforce Act of 2007”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—PAYMENT AND QUALITY INCENTIVES

- Sec. 101. Resetting to 2007 the base year for application of sustainable growth rate formula; elimination of sustainable growth rate formula in 2010.
- Sec. 102. Quality incentives.

TITLE II—HEALTH INFORMATION TECHNOLOGY INCENTIVES

- Sec. 201. Health information technology (HIT) payment incentive.
- Sec. 202. Safe harbors to antikickback, civil penalties, and criminal penalties for provision of health information technology and training services.
- Sec. 203. Exception to limitation on certain physician referrals (under Stark) for provision of Health Information Technology and training services to health care professionals.
- Sec. 204. Rules of construction regarding use of consortia.

TITLE III—INFORMATION AND REPORTS

- Sec. 301. Information for physicians on Medicare billings.
- Sec. 302. Information for beneficiaries on Medicare expenditures.
- Sec. 303. Collection of data on Medicare savings from physicians' services diversion.
- Sec. 304. Trustees' ongoing examination of Medicare funding.
- Sec. 305. Independent study on Medicare Relative Value Unit Scale Update Committee (RUC) process.
- Sec. 306. Study of reporting requirements on health care disparities.

TITLE IV—MISCELLANEOUS PROVISIONS

- Sec. 401. Acceleration of nationwide implementation of audit contractor program.

1 **TITLE I—PAYMENT AND**
2 **QUALITY INCENTIVES**
3 **SEC. 101. RESETTING TO 2007 THE BASE YEAR FOR APPLI-**
4 **CATION OF SUSTAINABLE GROWTH RATE**
5 **FORMULA; ELIMINATION OF SUSTAINABLE**
6 **GROWTH RATE FORMULA IN 2010.**

- 7 (a) IN GENERAL.—Section 1848(d)(4) of the Social
8 Security Act (42 U.S.C. 1395w–4(d)(4)) is amended—
9 (1) in paragraph (4)—

1 (A) in subparagraph (B), by striking “sub-
 2 paragraph (D)” and inserting “subparagraphs
 3 (D) and (G)”; and

4 (B) by adding at the end the following new
 5 subparagraph:

6 “(G) REBASING TO 2007 FOR UPDATE AD-
 7 JUSTMENTS BEGINNING WITH 2008.—In deter-
 8 mining the update adjustment factor under sub-
 9 paragraph (B) for 2008 and 2009—

10 “(i) the allowed expenditures for 2007
 11 shall be equal to the amount of the actual
 12 expenditures for physicians’ services during
 13 2007;

14 “(ii) subparagraph (B)(ii) shall not
 15 apply to 2008; and

16 “(iii) the reference in subparagraph
 17 (B)(ii)(I) to ‘April 1, 1996’ shall be treat-
 18 ed, beginning with 2009, as a reference to
 19 ‘January 1, 2007.’”; and

20 (2) by adding at the end the following new
 21 paragraph:

22 “(8) UPDATING BEGINNING WITH 2010.—The
 23 update to the single conversion factor for each year
 24 beginning with 2010 shall be the percentage increase

1 in the MEI (as defined in section 1842(i)(3)) for
 2 that year.”.

3 (b) CONFORMING SUNSET.—Section 1848(f)(1)(B)
 4 of such Act is amended by inserting “(ending with 2008)”
 5 after “each succeeding year”.

6 **SEC. 102. QUALITY INCENTIVES.**

7 (a) EXTENSION OF CURRENT QUALITY REPORTING
 8 SYSTEM AND TRANSITIONAL BONUS INCENTIVE PAY-
 9 MENTS FOR 2008 AND 2009.—

10 (1) EXTENSION OF QUALITY REPORTING SYS-
 11 TEM THROUGH 2009.—Section 1848(k) of the Social
 12 Security Act (42 U.S.C. 1395w(k)) is amended—

13 (A) in the heading of paragraph (2)(B), by
 14 inserting “AND 2009” after “2008”; and

15 (B) in paragraphs (2)(B) and (4), by in-
 16 serting “and 2009” after “2008” each place it
 17 appears.

18 (2) EXTENSION OF AND INCREASE IN BONUS
 19 PAYMENTS FOR 2008 AND 2009.—Section 101(c) of
 20 the Medicare Improvement and Extension Act of
 21 2006 (division B of Public Law 109–432) is amend-
 22 ed—

23 (A) in the heading, by inserting “, 2008,
 24 AND 2009” after “2007”;

(B) in paragraph (1), by inserting “(or 3 percent in the case of reporting periods beginning after December 31, 2007)” after “1.5 percent”;

(C) in paragraph (4), by striking “single consolidated payment.” and inserting “single consolidated payment for each reporting period. Such payment shall be made for a reporting period within 30 days after the date that required information has been submitted with respect to claims for such period.”; and

(D) in paragraph (6)(C), by striking “the period beginning on July 1, 2007, and ending on December 31, 2007” and inserting “each of the five consecutive 6-month periods beginning on July 1, 2007, and ending on December 31, 2009”.

(b) ESTABLISHMENT OF NEW QUALITY INCENTIVE SYSTEM EFFECTIVE IN 2010.—

(1) IN GENERAL.—Section 1848 of the Social Security Act (42 U.S.C. 1395w) is amended by striking subsection (k) and inserting the following:

“(k) PHYSICIAN QUALITY INCENTIVE SYSTEM.—

“(1) IN GENERAL.—The Secretary shall establish a reporting system (in this subsection referred

1 to as the ‘Physician Quality Incentive System’ or
2 ‘System’) for quality measures relating to physi-
3 cians’ services that focuses on disease-specific high
4 cost conditions. Not later than January 1, 2010, the
5 Secretary shall—

6 “(A) identify the 10 health conditions that
7 have the highest proportion of spending under
8 this part, due in part to a gap in patient care,
9 and for which reporting measures are feasible;
10 and

11 “(B) adopt reporting measures on these
12 conditions, based on measures developed by the
13 Physician Consortium of the American Medical
14 Association.

15 “(2) ADD-ON PAYMENT.—

16 “(A) IN GENERAL.—The Secretary shall
17 provide, in a form and manner specified by the
18 Secretary, for a bonus or other add-on payment
19 for physicians that submit information required
20 on the conditions identified under paragraph
21 (1).

22 “(B) AMOUNT.—Such a bonus or add-on
23 payment shall be equal to 1.0 percent of the
24 payment amount otherwise computed under this
25 section.

1 “(C) TIMELY PAYMENTS.—Such a pay-
2 ment shall be made, with respect to information
3 submitted for a month, by not later than 30
4 days after the date the information is submitted
5 for such month.

6 “(D) DEDUCTIBLE AND COINSURANCE NOT
7 APPLICABLE.—Such payment shall not be sub-
8 ject to the deductible or coinsurance otherwise
9 applicable to physicians’ services under this
10 part.

11 “(E) USE OF REGISTRY.—In carrying out
12 subparagraph (A), the Secretary shall allow the
13 submission of the required information through
14 an appropriate medical registry identified by
15 the Secretary.

16 “(3) MONITORING.—The Secretary shall mon-
17 itor and report to Congress on an annual basis phy-
18 sician participation in the Physician Quality Incen-
19 tive System, administrative burden encountered by
20 participants, barriers to participation, as well as sav-
21 ings accrued to the Medicare program due to quality
22 care improvements based on measures established
23 under the Physician Quality Incentive System.”.

24 “(2) EFFECTIVE DATE.—The amendment made
25 by paragraph (1) shall apply to payment for physi-

1 cians’ services for services furnished in years begin-
 2 ning with 2010.

3 **TITLE II—HEALTH INFORMATION**
 4 **TECHNOLOGY INCEN-**
 5 **TIVES**

6 **SEC. 201. HEALTH INFORMATION TECHNOLOGY (HIT) PAY-**
 7 **MENT INCENTIVE.**

8 Section 1848 of the Social Security Act is amended
 9 by adding at the end the following new subsection:

10 “(m) HEALTH INFORMATION TECHNOLOGY PAY-
 11 MENT INCENTIVES.—

12 “(1) STANDARDS.—Not later than January 1,
 13 2008, the Secretary shall create standards for the
 14 certification of health information technology used in
 15 the furnishing of physicians’ services.

16 “(2) ADD-ON PAYMENT.—The Secretary shall
 17 provide for a bonus or other add-on payment for
 18 physicians that implement a health information tech-
 19 nology system that is certified under paragraph (1).
 20 Such a bonus shall be equal to 3.0 percent of the
 21 payment amount otherwise computed under this sec-
 22 tion, except that—

23 “(A) in no case may total of such bonus
 24 and the bonus provided under subsection (k)(2)
 25 exceed 6 percent of such payment amount; and

1 “(B) such payments with respect to a phy-
 2 sician shall only apply to physicians’ services
 3 furnished during a period of 36 consecutive
 4 months beginning with the first day of the first
 5 month after the date of such certification.

6 The bonus payment under this paragraph shall not
 7 be subject to the deductible or coinsurance otherwise
 8 applicable to physicians’ services under this part.”.

9 **SEC. 202. SAFE HARBORS TO ANTIKICKBACK, CIVIL PEN-**
 10 **ALTIES, AND CRIMINAL PENALTIES FOR PRO-**
 11 **VISION OF HEALTH INFORMATION TECH-**
 12 **NOLOGY AND TRAINING SERVICES.**

13 (a) FOR CIVIL PENALTIES.—Section 1128A of the
 14 Social Security Act (42 U.S.C. 1320a–7a) is amended—

15 (1) in subsection (b), by adding at the end the
 16 following new paragraph:

17 “(4) For purposes of this subsection, inducements to
 18 reduce or limit services described in paragraph (1) shall
 19 not include the practical or other advantages resulting
 20 from health information technology or related installation,
 21 maintenance, support, or training services.”; and

22 (2) in subsection (i), by adding at the end the
 23 following new paragraph:

24 “(8) The term ‘health information technology’
 25 means hardware, software, license, right, intellectual

1 property, equipment, or other information tech-
2 nology (including new versions, upgrades, and
3 connectivity) designed or provided primarily for the
4 electronic creation, maintenance, or exchange of
5 health information to better coordinate care or im-
6 prove health care quality, efficiency, or research.”.

7 (b) FOR CRIMINAL PENALTIES.—Section 1128B of
8 such Act (42 U.S.C. 1320a–7b) is amended—

9 (1) in subsection (b)(3)—

10 (A) in subparagraph (G), by striking
11 “and” at the end;

12 (B) in the subparagraph (H) added by sec-
13 tion 237(d) of the Medicare Prescription Drug,
14 Improvement, and Modernization Act of 2003
15 (Public Law 108–173; 117 Stat. 2213)—

16 (i) by moving such subparagraph 2
17 ems to the left; and

18 (ii) by striking the period at the end
19 and inserting a semicolon;

20 (C) in the subparagraph (H) added by sec-
21 tion 431(a) of such Act (117 Stat. 2287)—

22 (i) by redesignating such subpara-
23 graph as subparagraph (I);

24 (ii) by moving such subparagraph 2
25 ems to the left; and

1 (iii) by striking the period at the end
2 and inserting “; and”; and

3 (D) by adding at the end the following new
4 subparagraph:

5 “(J) any nonmonetary remuneration (in the
6 form of health information technology, as defined in
7 section 1128A(i)(8), or related installation, mainte-
8 nance, support or training services) made to a per-
9 son by a specified entity (as defined in subsection
10 (g)) if—

11 “(i) the provision of such remuneration is
12 without an agreement between the parties or
13 legal condition that—

14 “(I) limits or restricts the use of the
15 health information technology to services
16 provided by the physician to individuals re-
17 ceiving services at the specified entity;

18 “(II) limits or restricts the use of the
19 health information technology in conjunc-
20 tion with other health information tech-
21 nology; or

22 “(III) conditions the provision of such
23 remuneration on the referral of patients or
24 business to the specified entity;

1 “(ii) such remuneration is arranged for in
2 a written agreement that is signed by the par-
3 ties involved (or their representatives) and that
4 specifies the remuneration solicited or received
5 (or offered or paid) and states that the provi-
6 sion of such remuneration is made for the pri-
7 mary purpose of better coordination of care or
8 improvement of health quality, efficiency, or re-
9 search; and

10 “(iii) the specified entity providing the re-
11 muneration (or a representative of such entity)
12 has not taken any action to disable any basic
13 feature of any hardware or software component
14 of such remuneration that would permit inter-
15 operability.”; and

16 (2) by adding at the end the following new sub-
17 section:

18 “(g) SPECIFIED ENTITY DEFINED.—For purposes of
19 subsection (b)(3)(J), the term ‘specified entity’ means an
20 entity that is a hospital, group practice, prescription drug
21 plan sponsor, a Medicare Advantage organization, or any
22 other such entity specified by the Secretary, considering
23 the goals and objectives of this section, as well as the goals
24 to better coordinate the delivery of health care and to pro-

1 mote the adoption and use of health information tech-
2 nology.”.

3 (c) EFFECTIVE DATE AND EFFECT ON STATE
4 LAWS.—

5 (1) EFFECTIVE DATE.—The amendments made
6 by subsections (a) and (b) shall take effect on the
7 date that is 120 days after the date of the enact-
8 ment of this Act.

9 (2) PREEMPTION OF STATE LAWS.—No State
10 (as defined in section 1101(a) of the Social Security
11 Act (42 U.S.C. 1301(a)) for purposes of title XI of
12 such Act) shall have in effect a State law that im-
13 poses a criminal or civil penalty for a transaction de-
14 scribed in section 1128A(b)(4) or section
15 1128B(b)(3)(J) of such Act, as added by subsections
16 (a)(1) and (b), respectively, if the conditions de-
17 scribed in the respective provision, with respect to
18 such transaction, are met.

19 (d) STUDY AND REPORT TO ASSESS EFFECT OF
20 SAFE HARBORS ON HEALTH SYSTEM.—

21 (1) IN GENERAL.—The Secretary of Health and
22 Human Services shall conduct a study to determine
23 the impact of each of the safe harbors described in
24 paragraph (3). In particular, the study shall examine
25 the following:

1 (A) The effectiveness of each safe harbor
2 in increasing the adoption of health information
3 technology.

4 (B) The types of health information tech-
5 nology provided under each safe harbor.

6 (C) The extent to which the financial or
7 other business relationships between providers
8 under each safe harbor have changed as a re-
9 sult of the safe harbor in a way that adversely
10 affects or benefits the health care system or
11 choices available to consumers.

12 (D) The impact of the adoption of health
13 information technology on health care quality,
14 cost, and access under each safe harbor.

15 (2) REPORT.—Not later than three years after
16 the effective date described in subsection (c)(1), the
17 Secretary of Health and Human Services shall sub-
18 mit to Congress a report on the study under para-
19 graph (1).

20 (3) SAFE HARBORS DESCRIBED.—For purposes
21 of paragraphs (1) and (2), the safe harbors de-
22 scribed in this paragraph are—

23 (A) the safe harbor under section
24 1128A(b)(4) of such Act (42 U.S.C. 1320a-
25 7a(b)(4)), as added by subsection (a)(1); and

1 (B) the safe harbor under section
 2 1128B(b)(3)(J) of such Act (42 U.S.C. 1320a–
 3 7b(b)(3)(J)), as added by subsection (b).

4 **SEC. 203. EXCEPTION TO LIMITATION ON CERTAIN PHYSI-**
 5 **CIAN REFERRALS (UNDER STARK) FOR PRO-**
 6 **VISION OF HEALTH INFORMATION TECH-**
 7 **NOLOGY AND TRAINING SERVICES TO**
 8 **HEALTH CARE PROFESSIONALS.**

9 (a) IN GENERAL.—Section 1877(b) of the Social Se-
 10 curity Act (42 U.S.C. 1395nn(b)) is amended by adding
 11 at the end the following new paragraph:

12 “(6) INFORMATION TECHNOLOGY AND TRAIN-
 13 ING SERVICES.—

14 “(A) IN GENERAL.—Any nonmonetary re-
 15 muneratation (in the form of health information
 16 technology or related installation, maintenance,
 17 support or training services) made by a speci-
 18 fied entity to a physician if—

19 “(i) the provision of such remunera-
 20 tion is without an agreement between the
 21 parties or legal condition that—

22 “(I) limits or restricts the use of
 23 the health information technology to
 24 services provided by the physician to

1 individuals receiving services at the
2 specified entity;

3 “(II) limits or restricts the use of
4 the health information technology in
5 conjunction with other health informa-
6 tion technology; or

7 “(III) conditions the provision of
8 such remuneration on the referral of
9 patients or business to the specified
10 entity;

11 “(ii) such remuneration is arranged
12 for in a written agreement that is signed
13 by the parties involved (or their represent-
14 atives) and that specifies the remuneration
15 made and states that the provision of such
16 remuneration is made for the primary pur-
17 pose of better coordination of care or im-
18 provement of health quality, efficiency, or
19 research; and

20 “(iii) the specified entity (or a rep-
21 resentative of such entity) has not taken
22 any action to disable any basic feature of
23 any hardware or software component of
24 such remuneration that would permit
25 interoperability.

1 “(B) HEALTH INFORMATION TECHNOLOGY
2 DEFINED.—For purposes of this paragraph, the
3 term ‘health information technology’ means
4 hardware, software, license, right, intellectual
5 property, equipment, or other information tech-
6 nology (including new versions, upgrades, and
7 connectivity) designed or provided primarily for
8 the electronic creation, maintenance, or ex-
9 change of health information to better coordi-
10 nate care or improve health care quality, effi-
11 ciency, or research.

12 “(C) SPECIFIED ENTITY DEFINED.—For
13 purposes of this paragraph, the term ‘specified
14 entity’ means an entity that is a hospital, group
15 practice, prescription drug plan sponsor, a
16 Medicare Advantage organization, or any other
17 such entity specified by the Secretary, consid-
18 ering the goals and objectives of this section, as
19 well as the goals to better coordinate the deliv-
20 ery of health care and to promote the adoption
21 and use of health information technology.”.

22 (b) EFFECTIVE DATE; EFFECT ON STATE LAWS.—

23 (1) EFFECTIVE DATE.—The amendment made
24 by subsection (a) shall take effect on the date that

1 is 120 days after the date of the enactment of this
2 Act.

3 (2) PREEMPTION OF STATE LAWS.—No State
4 (as defined in section 1101(a) of the Social Security
5 Act (42 U.S.C. 1301(a)) for purposes of title XI of
6 such Act) shall have in effect a State law that im-
7 poses a criminal or civil penalty for a transaction de-
8 scribed in section 1877(b)(6) of such Act, as added
9 by subsection (a), if the conditions described in such
10 section, with respect to such transaction, are met.

11 (c) STUDY AND REPORT TO ASSESS EFFECT OF EX-
12 CEPTION ON HEALTH SYSTEM.—

13 (1) IN GENERAL.—The Secretary of Health and
14 Human Services shall conduct a study to determine
15 the impact of the exception under section 1877(b)(6)
16 of such Act (42 U.S.C. 1395nn(b)(6)), as added by
17 subsection (a). In particular, the study shall examine
18 the following:

19 (A) The effectiveness of the exception in
20 increasing the adoption of health information
21 technology.

22 (B) The types of health information tech-
23 nology provided under the exception.

24 (C) The extent to which the financial or
25 other business relationships between providers

1 under the exception have changed as a result of
2 the exception in a way that adversely affects or
3 benefits the health care system or choices avail-
4 able to consumers.

5 (D) The impact of the adoption of health
6 information technology on health care quality,
7 cost, and access under the exception.

8 (2) REPORT.—Not later than three years after
9 the effective date described in subsection (b)(1), the
10 Secretary of Health and Human Services shall sub-
11 mit to Congress a report on the study under para-
12 graph (1).

13 **SEC. 204. RULES OF CONSTRUCTION REGARDING USE OF**
14 **CONSORTIA.**

15 (a) APPLICATION TO SAFE HARBOR FROM CRIMINAL
16 PENALTIES.—Section 1128B(b)(3) of the Social Security
17 Act (42 U.S.C. 1320a–7b(b)(3)) is amended by adding
18 after and below subparagraph (J), as added by section
19 203(b)(1), the following: “For purposes of subparagraph
20 (J), nothing in such subparagraph shall be construed as
21 preventing a specified entity, consistent with the specific
22 requirements of such subparagraph, from forming a con-
23 sortium composed of health care providers, payers, em-
24 ployers, and other interested entities to collectively pur-
25 chase and donate health information technology, or from

1 offering health care providers a choice of health informa-
2 tion technology products in order to take into account the
3 varying needs of such providers receiving such products.”.

4 (b) APPLICATION TO STARK EXCEPTION.—Para-
5 graph (6) of section 1877(b) of the Social Security Act
6 (42 U.S.C. 1395nn(b)), as added by section 203(a), is
7 amended by adding at the end the following new subpara-
8 graph:

9 “(D) RULE OF CONSTRUCTION.—For pur-
10 poses of subparagraph (A), nothing in such
11 subparagraph shall be construed as preventing
12 a specified entity, consistent with the specific
13 requirements of such subparagraph, from—

14 “(i) forming a consortium composed
15 of health care providers, payers, employers,
16 and other interested entities to collectively
17 purchase and donate health information
18 technology; or

19 “(ii) offering health care providers a
20 choice of health information technology
21 products in order to take into account the
22 varying needs of such providers receiving
23 such products.”.

1 **TITLE III—INFORMATION AND**
2 **REPORTS**

3 **SEC. 301. INFORMATION FOR PHYSICIANS ON MEDICARE**
4 **BILLINGS.**

5 (a) IN GENERAL.—Section 1848 of the Social Secu-
6 rity Act, as amended by section 201, is further amended
7 by adding at the end the following new subsection:

8 “(n) ANNUAL REPORTING OF INFORMATION TO PHY-
9 SICIANS.—

10 “(1) IN GENERAL.—The Secretary shall annu-
11 ally report to each physician information on total bil-
12 lings by the physician (including laboratory tests
13 and other items and services ordered by the physi-
14 cian) under this title. Such information shall be pro-
15 vided in a comparative format by code, weighting for
16 practice size, number of Medicare patients treated,
17 and relative number of Medicare beneficiaries in the
18 geographical area.

19 “(2) CONFIDENTIALITY.—Information reported
20 under paragraph (1) is confidential and shall not be
21 disclosed to other than the physician to whom the
22 information relates.”.

23 (b) EFFECTIVE DATE.—The Secretary of Health and
24 Human Services shall first provide for reporting of infor-

1 mation under the amendment made by subsection (a) for
2 billings during 2007.

3 **SEC. 302. INFORMATION FOR BENEFICIARIES ON MEDI-**
4 **CARE EXPENDITURES.**

5 (a) IN GENERAL.—Section 1804 of the Social Secu-
6 rity Act is amended by adding at the end the following
7 new subsection:

8 “(d) ANNUAL REPORT ON INDIVIDUAL RESOURCE
9 UTILIZATION.—The Secretary shall provide for the report-
10 ing, on an annual basis, to each individual entitled to ben-
11 efits under part A or enrolled under part B, on the amount
12 of payments made to or on behalf of the individual under
13 this title during the year involved. Such information shall
14 be provided in a format that compares such amount with
15 the average per capita expenditures in the region or area
16 involved.”.

17 (b) EFFECTIVE DATE.—The Secretary of Health and
18 Human Services shall first provide for reporting of infor-
19 mation under the amendment made by subsection (a) for
20 payments made during 2007.

21 **SEC. 303. COLLECTION OF DATA ON MEDICARE SAVINGS**
22 **FROM PHYSICIANS’ SERVICES DIVERSION.**

23 (a) IN GENERAL.—The Secretary of Health and
24 Human Services shall collect data on annual savings in

1 expenditures in the Medicare program due to physicians'
2 services that resulted in hospital or in-patient diversion.

3 (b) REPORT.—The Secretary shall transmit to Con-
4 gress annually a summary of the data collected under sub-
5 section (a).

6 **SEC. 304. TRUSTEES' ONGOING EXAMINATION OF MEDI-**
7 **CARE FUNDING.**

8 (a) EXAMINATION BY BOARD OF TRUSTEES.—The
9 Board of Trustees of the Federal Hospital Insurance
10 Trust Fund and of the Federal Supplementary Medical
11 Insurance Trust Fund shall monitor and examine the ex-
12 tent to which the different funding mechanisms under
13 parts A, B, and D of title XVIII of the Social Security
14 Act provide an appropriate alignment with the program
15 goals of the respective parts. Such examination shall in-
16 clude an examination of each of the following:

17 (1) The extent to which, as volume of services
18 increases in physician settings under such part B,
19 there is a corresponding reduction in similar services
20 provided in a hospital setting under such part A.

21 (2) The extent to which, as a result of increased
22 coordination between physicians and the delivery of
23 prescription drugs under such part D, particularly
24 with respect to individuals with chronic conditions,

1 there will there be a decrease in hospitalizations
2 under such part A.

3 (3) The extent to which other changes in physi-
4 cian or other health care practice results in a shift-
5 ing of expenditures among the various parts.

6 (b) INCLUSION IN ANNUAL REPORTS.—In each an-
7 nual report submitted to the Congress after the date of
8 the enactment of this Act under section 1817(b)(2) or sec-
9 tion 1841(b)(2) of the Social Security Act (42 U.S.C.
10 1395i(b)(2), 1395t(b)(2)), such Board of Trustees shall
11 include information on the matters described in subsection
12 (a).

13 **SEC. 305. INDEPENDENT STUDY ON MEDICARE RELATIVE**
14 **VALUE UNIT SCALE UPDATE COMMITTEE**
15 **(RUC) PROCESS.**

16 (a) IN GENERAL.—The Secretary of Health and
17 Human Services shall enter into an arrangement with an
18 appropriate independent entity to conduct a study of price
19 inputs and relative values for physicians' services rec-
20 ommended by the AMA/Specialty Society Relative Value
21 Unit Scale Update Committee (RUC) process. The study
22 shall examine (and make recommendations on) how to im-
23 prove accuracy in pricing the mix of physicians' services
24 and such process could improve value weighting as new
25 services become available.

1 (b) REPORT.—The Secretary shall provide for com-
 2 pletion of the study under subsection (a) by January 1,
 3 2010, and shall provide for a report to Congress on the
 4 results of the study.

5 **SEC. 306. STUDY OF REPORTING REQUIREMENTS ON**
 6 **HEALTH CARE DISPARITIES.**

7 (a) IN GENERAL.—The Secretary of Health and
 8 Human Services shall provide for a study of health care
 9 disparities in high-risk health condition areas and minor-
 10 ity communities about the impact reporting requirements
 11 may have on physician penetration in such communities.

12 (b) REPORT.—The Secretary shall provide for the
 13 completion of the study by not later than January 1, 2011,
 14 and shall submit to Congress a report on the study upon
 15 its completion.

16 **TITLE IV—MISCELLANEOUS**
 17 **PROVISIONS**

18 **SEC. 401. ACCELERATION OF NATIONWIDE IMPLEMENTA-**
 19 **TION OF AUDIT CONTRACTOR PROGRAM.**

20 Section 1893(h)(3) of the Social Security Act (42
 21 U.S.C. 1395ddd(h)(3)), as added by section 302(a) of the
 22 Medicare Improvements and Extension Act of 2006 (divi-
 23 sion B of Public Law 109–432), is amended by striking
 24 “January 1, 2010” and inserting “January 1, 2008”.

