

110TH CONGRESS  
2D SESSION

# H. R. 5545

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.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2008

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

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## 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 2008”.

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 I—PAYMENT AND QUALITY INCENTIVES**

## **SEC. 101. RESETTING TO 2007 THE BASE YEAR FOR APPLI- CATION OF SUSTAINABLE GROWTH RATE FORMULA; ELIMINATION OF SUSTAINABLE GROWTH RATE FORMULA IN 2010.**

(a) IN GENERAL.—Section 1848(d) of the Social Security Act (42 U.S.C. 1395w–4(d)), as amended by section 101 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (Public Law 110–173), is amended—

(1) in paragraph (4)—

(A) in subparagraph (B), by striking “subparagraph (D)” and inserting “subparagraphs (D) and (G)”; and

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

“(G) REBASING TO 2007 FOR UPDATE ADJUSTMENTS BEGINNING WITH JULY 1, 2008.—In determining the update adjustment factor under subparagraph (B) for 2008, for the period beginning on July 1, 2008, and ending on December 31, 2008, and 2009—

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

“(ii) subparagraph (B)(ii) shall not apply to 2008, for the period beginning on July 1, 2008, and ending on December 31, 2008; and

“(iii) the reference in subparagraph (B)(ii)(I) to ‘April 1, 1996’ shall be treated, beginning with 2009, as a reference to ‘January 1, 2007’.”; and

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

1           “(9) UPDATING BEGINNING WITH 2010.—The  
 2           update to the single conversion factor for each year  
 3           beginning with 2010 shall be the percentage increase  
 4           in the MEI (as defined in section 1842(i)(3)) for  
 5           that year.”.

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

9   **SEC. 102. QUALITY INCENTIVES.**

10          (a) EXTENSION OF CURRENT TRANSITIONAL BONUS  
 11          INCENTIVE PAYMENTS FOR 2009.—Section 101(c) of divi-  
 12          sion B of the Tax Relief and Health Care Act of 2006  
 13          (42 U.S.C. 1395w–4 note), as amended by section 101  
 14          of the Medicare, Medicaid, and SCHIP Extension Act of  
 15          2007 (Public Law 110–173), is amended—

16               (1) in the heading, by striking “AND 2008” and  
 17               inserting “, 2008, AND 2009”;

18               (2) in paragraph (1), by inserting “(or 3 per-  
 19               cent in the case of the reporting periods beginning  
 20               after December 31, 2008)” after “1.5 percent”; and

21               (3) in paragraph (6)(C)—

22                       (A) in clause (i), by striking “and” at the  
 23                       end;

24                       (B) in clause (ii), by striking the period at  
 25                       the end and inserting “; and”; and

1 (C) by adding at the end the following new  
2 clause:

3 “(III) for 2009, all of 2009.”.

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

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

9 “(k) PHYSICIAN QUALITY INCENTIVE SYSTEM.—

10 “(1) IN GENERAL.—The Secretary shall estab-  
11 lish a reporting system (in this subsection referred  
12 to as the ‘Physician Quality Incentive System’ or  
13 ‘System’) for quality measures relating to physi-  
14 cians’ services that focuses on disease-specific high  
15 cost conditions. Not later than January 1, 2010, the  
16 Secretary shall—

17 “(A) identify the 10 health conditions that  
18 have the highest proportion of spending under  
19 this part, due in part to a gap in patient care,  
20 and for which reporting measures are feasible;  
21 and

22 “(B) adopt reporting measures on these  
23 conditions, based on measures developed by the  
24 Physician Consortium of the American Medical  
25 Association.

1 “(2) ADD-ON PAYMENT.—

2 “(A) IN GENERAL.—The Secretary shall  
3 provide, in a form and manner specified by the  
4 Secretary, for a bonus or other add-on payment  
5 for physicians that submit information required  
6 on the conditions identified under paragraph  
7 (1).

8 “(B) AMOUNT.—Such a bonus or add-on  
9 payment shall be equal to 1.0 percent of the  
10 payment amount otherwise computed under this  
11 section.

12 “(C) TIMELY PAYMENTS.—Such a pay-  
13 ment shall be made, with respect to information  
14 submitted for a month, by not later than 30  
15 days after the date the information is submitted  
16 for such month.

17 “(D) DEDUCTIBLE AND COINSURANCE NOT  
18 APPLICABLE.—Such payment shall not be sub-  
19 ject to the deductible or coinsurance otherwise  
20 applicable to physicians’ services under this  
21 part.

22 “(E) USE OF REGISTRY.—In carrying out  
23 subparagraph (A), the Secretary shall allow the  
24 submission of the required information through

1 an appropriate medical registry identified by  
2 the Secretary.

3 “(3) MONITORING.—The Secretary shall mon-  
4 itor and report to Congress on an annual basis phy-  
5 sician participation in the Physician Quality Incen-  
6 tive System, administrative burden encountered by  
7 participants, barriers to participation, as well as sav-  
8 ings accrued to the Medicare program due to quality  
9 care improvements based on measures established  
10 under the Physician Quality Incentive System.”.

11 (2) EFFECTIVE DATE.—The amendment made  
12 by paragraph (1) shall apply to payment for physi-  
13 cians’ services for services furnished in years begin-  
14 ning with 2010.

## 15 **TITLE II—HEALTH INFORMATION** 16 **TECHNOLOGY INCEN-** 17 **TIVES**

### 18 **SEC. 201. HEALTH INFORMATION TECHNOLOGY (HIT) PAY-** 19 **MENT INCENTIVE.**

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

22 “(m) HEALTH INFORMATION TECHNOLOGY PAY-  
23 MENT INCENTIVES.—

24 “(1) STANDARDS.—Not later than January 1,  
25 2009, the Secretary shall create standards for the

1 certification of health information technology used in  
2 the furnishing of physicians' services.

3 “(2) ADD-ON PAYMENT.—The Secretary shall  
4 provide for a bonus or other add-on payment for  
5 physicians that implement a health information tech-  
6 nology system that is certified under paragraph (1).  
7 Such a bonus shall be equal to 3.0 percent of the  
8 payment amount otherwise computed under this sec-  
9 tion, except that—

10 “(A) in no case may the total of such  
11 bonus and the bonus provided under subsection  
12 (k)(2) exceed 6 percent of such payment  
13 amount; and

14 “(B) such payments with respect to a phy-  
15 sician shall only apply to physicians' services  
16 furnished during a period of 36 consecutive  
17 months beginning with the first day of the first  
18 month after the date of such certification.

19 The bonus payment under this paragraph shall not  
20 be subject to the deductible or coinsurance otherwise  
21 applicable to physicians' services under this part.”.

1 **SEC. 202. SAFE HARBORS TO ANTIKICKBACK, CIVIL PEN-**  
2 **ALTIES, AND CRIMINAL PENALTIES FOR PRO-**  
3 **VISION OF HEALTH INFORMATION TECH-**  
4 **NOLOGY AND TRAINING SERVICES.**

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

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

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

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

16 “(8) The term ‘health information technology’  
17 means hardware, software, license, right, intellectual  
18 property, equipment, or other information tech-  
19 nology (including new versions, upgrades, and  
20 connectivity) designed or provided primarily for the  
21 electronic creation, maintenance, or exchange of  
22 health information to better coordinate care or im-  
23 prove health care quality, efficiency, or research.”.

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

26 (1) in subsection (b)(3)—

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

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

7 (i) by moving such subparagraph 2  
8 ems to the left; and

9 (ii) by striking the period at the end  
10 and inserting a semicolon;

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

13 (i) by redesignating such subpara-  
14 graph as subparagraph (I);

15 (ii) by moving such subparagraph 2  
16 ems to the left; and

17 (iii) by striking the period at the end  
18 and inserting “; and”; and

19 (D) by adding at the end the following new  
20 subparagraph:

21 “(J) any nonmonetary remuneration (in the  
22 form of health information technology, as defined in  
23 section 1128A(i)(8), or related installation, mainte-  
24 nance, support, or training services) made to a per-

son by a specified entity (as defined in subsection  
(g)) if—

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

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

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

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

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

1           “(iii) the specified entity providing the re-  
2           muneration (or a representative of such entity)  
3           has not taken any action to disable any basic  
4           feature of any hardware or software component  
5           of such remuneration that would permit inter-  
6           operability.”; and

7           (2) by adding at the end the following new sub-  
8           section:

9           “(g) SPECIFIED ENTITY DEFINED.—For purposes of  
10          subsection (b)(3)(J), the term ‘specified entity’ means an  
11          entity that is a hospital, group practice, prescription drug  
12          plan sponsor, a Medicare Advantage organization, or any  
13          other such entity specified by the Secretary, considering  
14          the goals and objectives of this section, as well as the goals  
15          to better coordinate the delivery of health care and to pro-  
16          mote the adoption and use of health information tech-  
17          nology.”.

18          (c) EFFECTIVE DATE AND EFFECT ON STATE  
19          LAWS.—

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

24               (2) PREEMPTION OF STATE LAWS.—No State  
25          (as defined in section 1101(a) of the Social Security

1 Act (42 U.S.C. 1301(a)) for purposes of title XI of  
2 such Act) shall have in effect a State law that im-  
3 poses a criminal or civil penalty for a transaction de-  
4 scribed in section 1128A(b)(4) or section  
5 1128B(b)(3)(J) of such Act, as added by subsections  
6 (a)(1) and (b), respectively, if the conditions de-  
7 scribed in the respective provision, with respect to  
8 such transaction, are met.

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

11 (1) IN GENERAL.—The Secretary of Health and  
12 Human Services shall conduct a study to determine  
13 the impact of each of the safe harbors described in  
14 paragraph (3). In particular, the study shall examine  
15 the following:

16 (A) The effectiveness of each safe harbor  
17 in increasing the adoption of health information  
18 technology.

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

21 (C) The extent to which the financial or  
22 other business relationships between providers  
23 under each safe harbor have changed as a re-  
24 sult of the safe harbor in a way that adversely

1 affects or benefits the health care system or  
2 choices available to consumers.

3 (D) The impact of the adoption of health  
4 information technology on health care quality,  
5 cost, and access under each safe harbor.

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

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

14 (A) the safe harbor under section  
15 1128A(b)(4) of such Act (42 U.S.C. 1320a-  
16 7a(b)(4)), as added by subsection (a)(1); and

17 (B) the safe harbor under section  
18 1128B(b)(3)(J) of such Act (42 U.S.C. 1320a-  
19 7b(b)(3)(J)), as added by subsection (b).

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

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

9 “(6) INFORMATION TECHNOLOGY AND TRAIN-  
10 ING SERVICES.—

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

16 “(i) the provision of such remunera-  
17 tion is without an agreement between the  
18 parties or legal condition that—

19 “(I) limits or restricts the use of  
20 the health information technology to  
21 services provided by the physician to  
22 individuals receiving services at the  
23 specified entity;

24 “(II) limits or restricts the use of  
25 the health information technology in

1 conjunction with other health informa-  
2 tion technology; or

3 “(III) conditions the provision of  
4 such remuneration on the referral of  
5 patients or business to the specified  
6 entity;

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

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

22 “(B) HEALTH INFORMATION TECHNOLOGY  
23 DEFINED.—For purposes of this paragraph, the  
24 term ‘health information technology’ means  
25 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  
4 the electronic creation, maintenance, or ex-  
5 change of health information to better coordi-  
6 nate care or improve health care quality, effi-  
7 ciency, or research.

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

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

19 (1) EFFECTIVE DATE.—The amendment made  
20 by subsection (a) shall take effect on the date that  
21 is 120 days after the date of the enactment of this  
22 Act.

23 (2) PREEMPTION OF STATE LAWS.—No State  
24 (as defined in section 1101(a) of the Social Security  
25 Act (42 U.S.C. 1301(a)) for purposes of title XI of

1 such Act) shall have in effect a State law that im-  
2 poses a criminal or civil penalty for a transaction de-  
3 scribed in section 1877(b)(6) of such Act, as added  
4 by subsection (a), if the conditions described in such  
5 section, with respect to such transaction, are met.

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

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

14 (A) The effectiveness of the exception in  
15 increasing the adoption of health information  
16 technology.

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

19 (C) The extent to which the financial or  
20 other business relationships between providers  
21 under the exception have changed as a result of  
22 the exception in a way that adversely affects or  
23 benefits the health care system or choices avail-  
24 able to consumers.

1 (D) The impact of the adoption of health  
2 information technology on health care quality,  
3 cost, and access under the exception.

4 (2) REPORT.—Not later than three years after  
5 the effective date described in subsection (b)(1), the  
6 Secretary of Health and Human Services shall sub-  
7 mit to Congress a report on the study conducted  
8 under paragraph (1).

9 **SEC. 204. RULES OF CONSTRUCTION REGARDING USE OF**  
10 **CONSORTIA.**

11 (a) APPLICATION TO SAFE HARBOR FROM CRIMINAL  
12 PENALTIES.—Section 1128B(b)(3) of the Social Security  
13 Act (42 U.S.C. 1320a–7b(b)(3)) is amended by adding  
14 after and below subparagraph (J), as added by section  
15 202(b)(1), the following: “For purposes of subparagraph  
16 (J), nothing in such subparagraph shall be construed as  
17 preventing a specified entity, consistent with the specific  
18 requirements of such subparagraph, from forming a con-  
19 sortium composed of health care providers, payers, em-  
20 ployers, and other interested entities to collectively pur-  
21 chase and donate health information technology, or from  
22 offering health care providers a choice of health informa-  
23 tion technology products in order to take into account the  
24 varying needs of such providers receiving such products.”.

1       (b) APPLICATION TO STARK EXCEPTION.—Para-  
2 graph (6) of section 1877(b) of the Social Security Act  
3 (42 U.S.C. 1395nn(b)), as added by section 203(a), is  
4 amended by adding at the end the following new subpara-  
5 graph:

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

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

16               “(ii) offering health care providers a  
17 choice of health information technology  
18 products in order to take into account the  
19 varying needs of such providers receiving  
20 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 amended by adding  
7     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 anyone other than the physician to  
22     whom the information relates.

23            “(3) REPORT NOT TO BE USED IN DETER-  
24     MINING REIMBURSEMENT RATES FOR A SPECIFIC  
25     PHYSICIAN.—The Secretary shall not use informa-

1       tion contained in a report under this subsection with  
2       respect to a physician in determining reimbursement  
3       rates under this part for items and services fur-  
4       nished by that physician.”.

5       (b) EFFECTIVE DATE.—The Secretary of Health and  
6 Human Services shall first provide for reporting of infor-  
7 mation under the amendment made by subsection (a) for  
8 billings during 2007.

9       **SEC. 302. INFORMATION FOR BENEFICIARIES ON MEDI-**  
10                   **CARE EXPENDITURES.**

11       (a) IN GENERAL.—Section 1804 of the Social Secu-  
12 rity Act (42 U.S.C. 1395b–2) is amended by adding at  
13 the end the following new subsection:

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

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 payments made during 2007.

3 **SEC. 303. COLLECTION OF DATA ON MEDICARE SAVINGS**  
4 **FROM PHYSICIANS' SERVICES DIVERSION.**

5 (a) IN GENERAL.—The Secretary of Health and  
6 Human Services shall collect data on annual savings in  
7 expenditures in the Medicare program due to physicians'  
8 services that resulted in hospital or in-patient diversion.

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

12 **SEC. 304. TRUSTEES' ONGOING EXAMINATION OF MEDI-**  
13 **CARE FUNDING.**

14 (a) EXAMINATION BY BOARD OF TRUSTEES.—The  
15 Board of Trustees of the Federal Hospital Insurance  
16 Trust Fund under section 1817 of the Social Security Act  
17 (42 U.S.C. 1395i) and of the Federal Supplementary Med-  
18 ical Insurance Trust Fund under section 1841 of such Act  
19 (42 U.S.C. 1395t) shall monitor and examine the extent  
20 to which the different funding mechanisms under parts A,  
21 B, and D of title XVIII of such Act provide an appropriate  
22 alignment with the program goals of the respective parts.  
23 Such examination shall include an analysis of each of the  
24 following:

1           (1) The extent to which, as the volume of serv-  
2       ices increases in physician settings under such part  
3       B, there is a corresponding reduction in similar serv-  
4       ices provided in a hospital setting under such part  
5       A.

6           (2) The extent to which, as a result of increased  
7       coordination between physicians and the delivery of  
8       prescription drugs under such part D, particularly  
9       with respect to individuals with chronic conditions,  
10      there will be a decrease in hospitalizations under  
11      such part A.

12          (3) The extent to which other changes in physi-  
13      cian or other health care practice results in a shift-  
14      ing of expenditures among the various parts of such  
15      title XVIII.

16      (b) INCLUSION IN ANNUAL REPORTS.—In each an-  
17      nual report submitted to the Congress after the date of  
18      the enactment of this Act under section 1817(b)(2) or sec-  
19      tion 1841(b)(2) of the Social Security Act (42 U.S.C.  
20      1395i(b)(2), 1395t(b)(2)), such Board of Trustees shall  
21      include information on the matters described in subsection  
22      (a).

1 **SEC. 305. INDEPENDENT STUDY ON MEDICARE RELATIVE**  
2 **VALUE UNIT SCALE UPDATE COMMITTEE**  
3 **(RUC) PROCESS.**

4 (a) IN GENERAL.—The Secretary of Health and  
5 Human Services shall enter into an arrangement with an  
6 appropriate independent entity to conduct a study of price  
7 inputs and relative values for physicians' services rec-  
8 ommended by the AMA/Specialty Society Relative Value  
9 Unit Scale Update Committee (RUC) process. The study  
10 shall examine (and make recommendations on) how to im-  
11 prove accuracy in pricing the mix of physicians' services  
12 and how such process could improve value weighting as  
13 new services become available.

14 (b) REPORT.—The Secretary shall provide for com-  
15 pletion of the study under subsection (a) by January 1,  
16 2010, and shall provide for a report to Congress on the  
17 results of the study.

18 **SEC. 306. STUDY OF REPORTING REQUIREMENTS ON**  
19 **HEALTH CARE DISPARITIES.**

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

25 (b) REPORT.—The Secretary shall provide for the  
26 completion of the study conducted under subsection (a)

- 1 by not later than January 1, 2011, and shall submit to
- 2 Congress a report on the study upon its completion.

