

115TH CONGRESS
1ST SESSION

S. 1825

To amend title XVIII of the Social Security Act to improve the accuracy of geographic adjustment factors under the Medicare program and to permanently extend certain adjustments to such factors for certain localities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 18, 2017

Mr. GRASSLEY (for himself, Ms. BALDWIN, Mrs. ERNST, and Mr. JOHNSON) 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 improve the accuracy of geographic adjustment factors under the Medicare program and to permanently extend certain adjustments to such factors for certain localities, 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. IMPROVING THE ACCURACY OF GEOGRAPHIC**
4 **ADJUSTMENT FACTORS.**

5 Section 1848(e)(1)(D) of the Social Security Act (42
6 U.S.C. 1395w-4(e)(1)(D)) is amended to read as follows:

7 “(D) USE OF ACCURATE DATA.—

“(i) IN GENERAL.—In establishing indices and index values under this paragraph, the Secretary shall use the most recent data available relating to practice expenses, malpractice expenses, and physician work effort in each fee schedule area.

“(ii) PRACTICE EXPENSE AND WORK INDICES.—In establishing indices and index values under clause (i) or (iii) of subparagraph (A), the Secretary shall—

“(I) use the most recent market data available on physician wages, or if available, actual cost data for physician labor; and

“(II) not use nonphysician professional wage data as a proxy for physician wage data.

“(iii) PRACTICE EXPENSE CALCULATION.—In calculating index values under clause (i) of subparagraph (A), the Secretary shall use the most recent office rent data available or data from Federally qualified health centers (as defined in section 1861(aa)(4)) expense reports.”.

1 **SEC. 2. FLOOR FOR WORK AND PRACTICE EXPENSE GEO-**
 2 **GRAPHIC INDICES FOR SERVICES FUR-**
 3 **NISHED IN WISCONSIN AND IOWA.**

4 (a) WORK GEOGRAPHIC INDEX.—Section
 5 1848(e)(1)(E) of the Social Security Act (42 U.S.C.
 6 1395w-4(e)(1)(D)) is amended to read as follows:

7 “(E) FLOOR AT 1.0 ON WORK GEOGRAPHIC
 8 INDEX.—

9 “(i) FOR 2004 THROUGH 2017.—After
 10 calculating the work geographic index in
 11 subparagraph (A)(iii), for purposes of pay-
 12 ment for services furnished on or after
 13 January 1, 2004, and before January 1,
 14 2018, the Secretary shall increase the work
 15 geographic index to 1.00 for any locality
 16 for which such work geographic index is
 17 less than 1.00.

18 “(ii) FOR 2018 AND SUBSEQUENT
 19 YEARS.—After calculating the work geo-
 20 graphic index in subparagraph (A)(iii), for
 21 purposes of payment for services furnished
 22 in Wisconsin or Iowa on or after January
 23 1, 2018, the Secretary shall increase any
 24 such index to 1.00 if such index would oth-
 25 erwise be less than 1.00.”.

1 (b) PRACTICE EXPENSE GEOGRAPHIC INDICES.—
 2 Section 1848(e)(1) of the Social Security Act (42 U.S.C.
 3 1395w-4(e)(1)) is amended—

4 (1) in subparagraph (A), by striking “(B), (C),
 5 (E), (G), (H), and (I)” and inserting “(B), (C), (E),
 6 (G), (H), (I), and (J)”; and

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

9 “(J) FLOOR FOR PRACTICE EXPENSE GEO-
 10 GRAPHIC INDICES FOR SERVICES FURNISHED IN
 11 WISCONSIN OR IOWA.—For purposes of pay-
 12 ment for services furnished in Wisconsin or
 13 Iowa on or after January 1, 2018, after calcu-
 14 lating the practice expense index in subpara-
 15 graph (A)(i), the Secretary shall increase any
 16 such index to 1.00 if such index would other-
 17 wise be less than 1.00.”.

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