

this section [amending this section] shall take effect as if included in the enactment of section 1016 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173; 117 Stat. 2447).”

§ 1395iii. Medicare Improvement Fund

(a) Establishment

The Secretary shall establish under this subchapter a Medicare Improvement Fund (in this section referred to as the “Fund”) which shall be available to the Secretary to make improvements under the original Medicare fee-for-service program under parts A and B for individuals entitled to, or enrolled for, benefits under part¹ or enrolled under part B including adjustments to payments for items and services furnished by providers of services and suppliers under such original Medicare fee-for-service program.

(b) Funding

(1) In general

There shall be available to the Fund, for expenditures from the Fund for services furnished during and after fiscal year 2026, \$1,251,000,000.

(2) Payment from Trust Funds

The amount specified under paragraph (1) shall be available to the Fund, as expenditures are made from the Fund, from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund in such proportion as the Secretary determines appropriate.

(3) Funding limitation

Amounts in the Fund shall be available in advance of appropriations but only if the total amount obligated from the Fund does not exceed the amount available to the Fund under paragraph (1). The Secretary may obligate funds from the Fund only if the Secretary determines (and the Chief Actuary of the Centers for Medicare & Medicaid Services and the appropriate budget officer certify) that there are available in the Fund sufficient amounts to cover all such obligations incurred consistent with the previous sentence.

(4) No effect on payments in subsequent years

In the case that expenditures from the Fund are applied to, or otherwise affect, a payment rate for an item or service under this subchapter for a year, the payment rate for such item or service shall be computed for a subsequent year as if such application or effect had never occurred.

(Aug. 14, 1935, ch. 531, title XVIII, § 1898, as added Pub. L. 110-252, title VII, § 7002(a), June 30, 2008, 122 Stat. 2394; amended Pub. L. 110-275, title I, § 188(a)(2)(B), July 15, 2008, 122 Stat. 2589; Pub. L. 110-379, § 6, Oct. 8, 2008, 122 Stat. 4079; Pub. L. 111-5, div. B, title IV, § 4103(b), Feb. 17, 2009, 123 Stat. 487; Pub. L. 111-118, div. B, § 1011(b), Dec. 19, 2009, 123 Stat. 3474; Pub. L. 111-148, title III, § 3112, Mar. 23, 2010, 124 Stat. 421; Pub. L. 111-309, title II, § 207, Dec. 15, 2010, 124 Stat. 3291; Pub. L. 112-240, title VI, § 640, Jan. 2, 2013, 126 Stat. 2357; Pub. L. 113-82, § 3, Feb. 15, 2014, 128 Stat. 1009;

Pub. L. 113-93, title II, § 219, Apr. 1, 2014, 128 Stat. 1070; Pub. L. 113-185, § 3(e), Oct. 6, 2014, 128 Stat. 1969; Pub. L. 114-10, title V, § 518, Apr. 16, 2015, 129 Stat. 175; Pub. L. 114-60, § 2(c), Oct. 7, 2015, 129 Stat. 544; Pub. L. 114-113, div. O, title V, § 501, Dec. 18, 2015, 129 Stat. 3018; Pub. L. 114-115, § 5, Dec. 28, 2015, 129 Stat. 3133; Pub. L. 114-198, title VII, § 704(h), July 22, 2016, 130 Stat. 752; Pub. L. 114-255, div. A, title V, § 5001, Dec. 13, 2016, 130 Stat. 1188; Pub. L. 115-63, title III, § 303, Sept. 29, 2017, 131 Stat. 1172; Pub. L. 115-123, div. E, title XII, § 53115, Feb. 9, 2018, 132 Stat. 306; Pub. L. 116-260, div. CC, title IV, § 408, Dec. 27, 2020, 134 Stat. 3008; Pub. L. 117-43, div. D, title I, § 3106, Sept. 30, 2021, 135 Stat. 380; Pub. L. 117-70, div. C, title I, § 2104(b), Dec. 3, 2021, 135 Stat. 1504; Pub. L. 117-71, § 6, Dec. 10, 2021, 135 Stat. 1508; Pub. L. 117-86, div. B, title I, § 1104(b), Feb. 18, 2022, 136 Stat. 17; Pub. L. 117-103, div. P, title II, § 313, Mar. 15, 2022, 136 Stat. 809; Pub. L. 117-159, div. A, title III, § 13201, June 25, 2022, 136 Stat. 1333; Pub. L. 117-180, div. D, title I, § 104, Sept. 30, 2022, 136 Stat. 2135; Pub. L. 117-229, div. C, title I, § 104, Dec. 16, 2022, 136 Stat. 2311; Pub. L. 117-328, div. FF, title IV, § 4161, Dec. 29, 2022, 136 Stat. 5931; Pub. L. 118-22, div. B, title II, § 503, Nov. 17, 2023, 137 Stat. 123; Pub. L. 118-31, div. A, title XVIII, § 1853, Dec. 22, 2023, 137 Stat. 709; Pub. L. 118-35, div. B, title I, § 132, Jan. 19, 2024, 138 Stat. 6; Pub. L. 118-42, div. G, title I, § 309, Mar. 9, 2024, 138 Stat. 417; Pub. L. 118-83, div. B, title II, § 222, Sept. 26, 2024, 138 Stat. 1539; Pub. L. 118-158, div. C, title II, § 3210, Dec. 21, 2024, 138 Stat. 1766.)

Editorial Notes

AMENDMENTS

2024—Subsec. (b)(1). Pub. L. 118-158 substituted “\$1,251,000,000” for “\$3,197,000,000”.

Pub. L. 118-83 substituted “2026, \$3,197,000,000” for “2022, \$0”.

Pub. L. 118-42 substituted “\$0” for “\$2,197,795,056”.

Pub. L. 118-35 substituted “\$2,197,795,056” for “\$2,250,795,056”.

2023—Subsec. (b)(1). Pub. L. 118-31 substituted “\$2,250,795,056” for “\$466,795,056”.

Pub. L. 118-22 substituted “\$466,795,056” for “\$180,000,000”.

2022—Subsec. (b)(1). Pub. L. 117-328 substituted “\$180,000,000” for “\$7,278,000,000”.

Pub. L. 117-229 substituted “\$7,278,000,000” for “\$7,308,000,000”.

Pub. L. 117-180 substituted “\$7,308,000,000” for “\$7,500,000,000”.

Pub. L. 117-159 substituted “fiscal year 2022, \$7,500,000,000” for “fiscal year 2021, \$5,000,000”.

Pub. L. 117-103 substituted “\$5,000,000” for “\$99,000,000”.

Pub. L. 117-86 substituted “\$99,000,000” for “\$101,000,000”.

2021—Subsec. (b)(1). Pub. L. 117-71 substituted “fiscal year 2021, \$101,000,000” for “fiscal year 2021, \$69,000,000”.

Pub. L. 117-70 substituted “\$56,000,000” for “\$69,000,000”.

Pub. L. 117-43 substituted “\$69,000,000” for “\$165,000,000”.

2020—Subsec. (b)(1). Pub. L. 116-260 substituted “\$165,000,000” for “\$0”.

2018—Subsec. (b)(1). Pub. L. 115-123 substituted “\$0” for “\$220,000,000”.

2017—Subsec. (b)(1). Pub. L. 115-63 substituted “during and after fiscal year 2021, \$220,000,000” for “during and after fiscal year 2021, \$270,000,000”.

2016—Subsec. (b)(1). Pub. L. 114-255 substituted “\$270,000,000” for “\$140,000,000”.

¹ So in original.

Pub. L. 114-198 substituted “during and after fiscal year 2021, \$140,000,000” for “during and after fiscal year 2020, \$0”.

2015—Subsec. (b)(1). Pub. L. 114-115 substituted “\$0” for “\$5,000,000”.

Pub. L. 114-113 substituted “\$5,000,000” for “\$205,000,000”.

Pub. L. 114-60 substituted “\$205,000,000” for “\$0”.

Pub. L. 114-10 substituted “\$0” for “\$195,000,000”.

2014—Pub. L. 113-185, §3(e)(1), substituted “Medicare Improvement Fund” for “Transitional Fund for Sustainable Growth Rate (SGR) Reform” in section catchline.

Pub. L. 113-82, §3(1), substituted “Transitional Fund for Sustainable Growth Rate (SGR) Reform” for “Medicare Improvement Fund” in section catchline.

Subsec. (a). Pub. L. 113-185, §3(e)(2), amended subsec. (a) generally. Prior to amendment, text read as follows: “The Secretary shall establish under this subchapter a Transitional Fund for Sustainable Growth Rate (SGR) Reform (in this section referred to as the ‘Fund’) which shall be available to the Secretary to provide funds to pay for physicians’ services under part B to supplement the conversion factor under section 1395w-4(d) of this title for 2017 if the conversion factor for 2017 is less than conversion factor for 2013.”

Pub. L. 113-82, §3(2), amended subsec. (a) generally. Prior to amendment, text read as follows: “The Secretary shall establish under this subchapter a Medicare Improvement Fund (in this section referred to as the ‘Fund’) which shall be available to the Secretary to make improvements under the original medicare fee-for-service program under parts A and B for individuals entitled to, or enrolled for, benefits under part A or enrolled under part B including, but not limited to, an increase in the conversion factor under section 1395w-4(d) of this title to address, in whole or in part, any projected shortfall in the conversion factor for 2014 relative to the conversion factor for 2008 and adjustments to payments for items and services furnished by providers of services and suppliers under such original medicare fee-for-service program.”

Subsec. (b)(1). Pub. L. 113-185, §3(e)(3), substituted “during and after fiscal year 2020, \$195,000,000.” for “during or after 2017, \$0.”

Pub. L. 113-93 substituted “\$0” for “\$2,300,000,000”.

Pub. L. 113-82, §3(3), substituted “during or after 2017, \$2,300,000,000.” for “during—

“(A) fiscal year 2014, \$0; and

“(B) fiscal year 2015, \$0.”

Subsec. (b)(2). Pub. L. 113-185, §3(e)(4), substituted “from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund in such proportion as the Secretary determines appropriate.” for “from the Federal Supplementary Medical Insurance Trust Fund.”

Pub. L. 113-82, §3(4), substituted “from the Federal Supplementary Medical Insurance Trust Fund.” for “from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund in such proportion as the Secretary determines appropriate.”

2013—Subsec. (b)(1). Pub. L. 112-240 added subpars. (A) and (B) and struck out former subpars. (A) to (C) which read as follows:

“(A) fiscal year 2014, \$0;

“(B) fiscal year 2015, \$275,000,000; and

“(C) fiscal year 2020 and each subsequent fiscal year, the Secretary’s estimate, as of July 1 of the fiscal year, of the aggregate reduction in expenditures under this subchapter during the preceding fiscal year directly resulting from the reduction in payment amounts under sections 1395w-4(a)(7), 1395w-23(l)(4), 1395w-23(m)(4), and 1395ww(b)(3)(B)(ix) of this title.”

2010—Subsec. (b)(1)(A). Pub. L. 111-148, which directed substitution of “\$0” for “\$22,290,000,000”, was executed by making the substitution for “\$20,740,000,000” to reflect the probable intent of Congress and the intervening amendment by Pub. L. 111-118, §1011(b)(1)(A). See 2009 Amendment note below.

Subsec. (b)(1)(B). Pub. L. 111-309 substituted “\$275,000,000” for “\$550,000,000”.

2009—Subsec. (a). Pub. L. 111-5, §4103(b)(1), inserted “medicare” before “fee-for-service program under” and “including, but not limited to, an increase in the conversion factor under section 1395w-4(d) of this title to address, in whole or in part, any projected shortfall in the conversion factor for 2014 relative to the conversion factor for 2008 and adjustments to payments for items and services furnished by providers of services and suppliers under such original medicare fee-for-service program” before period at end.

Subsec. (b)(1). Pub. L. 111-5, §4103(b)(2)(A), substituted “during—” for “during fiscal year 2014, \$2,290,000,000 and, in addition for services furnished during fiscal years 2014 through 2017, \$19,900,000,000.” and added subpars. (A) and (B).

Subsec. (b)(1)(A). Pub. L. 111-118, §1011(b)(1)(A), substituted “\$20,740,000,000” for “\$22,290,000,000”.

Subsec. (b)(1)(B), (C). Pub. L. 111-118, §1011(b)(1)(B)–(3), added subpar. (B) and redesignated former subpar. (B) as (C).

Subsec. (b)(4). Pub. L. 111-5, §4103(b)(2)(B), added par. (4).

2008—Subsec. (b)(1). Pub. L. 110-379 substituted “\$2,290,000,000” for “\$2,220,000,000”.

Pub. L. 110-275 inserted “and, in addition for services furnished during fiscal years 2014 through 2017, \$19,900,000,000” before period at end.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2016 AMENDMENT

Amendment by Pub. L. 114-198 applicable to prescription drug plans (and MA-PD plans) for plan years beginning on or after Jan. 1, 2019, see section 704(g)(1) of Pub. L. 114-198, set out as a note under section 1395w-101 of this title.

§ 1395jjj. Shared savings program

(a) Establishment

(1)¹ In general

Not later than January 1, 2012, the Secretary shall establish a shared savings program (in this section referred to as the “program”) that promotes accountability for a patient population and coordinates items and services under parts A and B, and encourages investment in infrastructure and redesigned care processes for high quality and efficient service delivery. Under such program—

(A) groups of providers of services and suppliers meeting criteria specified by the Secretary may work together to manage and coordinate care for Medicare fee-for-service beneficiaries through an accountable care organization (referred to in this section as an “ACO”); and

(B) ACOs that meet quality performance standards established by the Secretary are eligible to receive payments for shared savings under subsection (d)(2).

(b) Eligible ACOs

(1) In general

Subject to the succeeding provisions of this subsection, as determined appropriate by the Secretary, the following groups of providers of services and suppliers which have established a mechanism for shared governance are eligible to participate as ACOs under the program under this section:

¹ So in original. No par. (2) has been enacted.