

AMENDMENT TO H.R. 2810
OFFERED BY MR. BURGESS OF TEXAS AND MR.
PALLONE OF NEW JERSEY

[Page and line numbers to SGR-EC_intro, as posted by the
Energy and Commerce Committee]

Page 7, strike lines 4 through 10, and insert the following:

1 “(D) ELIGIBLE PROFESSIONAL ORGANIZA-
2 TION.—The term ‘eligible professional organiza-
3 tion’ means a professional organization as de-
4 fined by nationally recognized multispecialty
5 boards of certification or equivalent certification
6 boards.”.

Page 9, beginning on line 8, strike “the American Board of Medical Specialties” and insert “nationally recognized multispecialty boards of certification”.

Page 29, line 1, strike “update” and insert “quality”.

Page 30, line 1, insert “beginning not later than 6 months after the first day of the first performance period,” after “quarterly,”.

Page 36, line 26, insert “testing and” before “evaluation”.

Page 37, line 4, insert “tested and” before “evaluated”.

Page 37, lines 22, strike “As soon as practicable” and all that follows through page 38, line 2, and insert “The Secretary shall enter into the first contract under subparagraph (A) to be in effect January 1, 2019.”.

Page 39, strike lines 4 through 21, and insert the following:

1 “(A) RECOMMENDATIONS TO SEC-
2 RETARY.—

3 “(i) IN GENERAL.—Under the process
4 under subsection (b), the APM contracting
5 entity shall at least quarterly recommend,
6 in accordance with clause (ii), to the Sec-
7 retary—

8 “(I) Alternative Payment Models
9 submitted under subsection (c) to be
10 tested and evaluated through a dem-
11 onstration program under subsection
12 (e); and

13 “(II) Alternative Payment Mod-
14 els submitted under subsection (c) to

1 be implemented under subsection (f)
2 without testing and evaluation
3 through such a demonstration pro-
4 gram.

5 Such a recommendation under subclause
6 (I) may be made with respect to a model
7 for which a waiver would be required under
8 paragraph (2). Any reference in this sub-
9 section to an Alternative Payment Model
10 under this clause is a reference to such
11 model as may be modified under clause
12 (iii).

13 “(ii) REQUIREMENTS.—In recom-
14 mending an Alternative Payment Model
15 under clause (i), each of the following shall
16 apply:

17 “(I) The APM contracting entity
18 may recommend an Alternative Pay-
19 ment Model under clause (i)(I) only if
20 the entity determines that the model
21 satisfies the criteria described in sub-
22 paragraph (B), including the criteria
23 described in subparagraph (B)(iv).

24 “(II) The APM contracting enti-
25 ty may recommend an Alternative

1 Payment Model under clause (i)(II)
2 only if the entity determines that the
3 model satisfies the criteria described
4 in subparagraph (C), including the
5 criteria described in subparagraph
6 (C)(iii).

7 “(III) The APM contracting enti-
8 ty shall include with the recommended
9 Alternative Payment Model rec-
10 ommendations for rules of coordina-
11 tion described in clause (v).

12 “(iii) MODIFICATIONS BY APM CON-
13 TRACTING ENTITY.—For purposes of this
14 subparagraph, to the extent necessary to
15 meet the applicable requirements of clause
16 (ii), the APM contracting entity may mod-
17 ify an Alternative Payment Model sub-
18 mitted under subsection (c) to ensure that
19 the model would—

20 “(I) reduce spending under this
21 title without reducing the quality of
22 care; or

23 “(II) improve the quality of care
24 without increasing spending under
25 this title.

1 “(iv) FORMS OF MODIFICATIONS.—

2 Such a modification under clause (iii) may

3 include one or more of the following:

4 “(I) A change to the payment ar-

5 rangement under which eligible pro-

6 fessionals participating in such model

7 would be paid for covered professional

8 services furnished under such model.

9 “(II) A change to the criteria for

10 eligible professionals to be eligible to

11 participate under such model in order

12 to ensure that the requirement de-

13 scribed in subclause (I) or (II) is sat-

14 isfied.

15 “(III) A change to the rules of

16 coordination described in clause (v).

17 “(IV) The application of a with-

18 hold mechanism under the payment

19 arrangement under which the dis-

20 tribution of withheld amounts is based

21 on the success of the model in meet-

22 ing spending reduction requirements.

23 “(V) Such other change as the

24 contracting entity may specify.

1 “(v) RULES OF COORDINATION FOR
2 APPLICATION OF PAYMENT ARRANGE-
3 MENTS UNDER MODELS.—

4 “(I) IN GENERAL.—Rules of co-
5 ordination described in this clause for
6 an Alternative Payment Model shall
7 be designed to determine, for purposes
8 of applying subsection (a) and section
9 1848(d)(16), under what cir-
10 cumstances an eligible professional is
11 treated as having a payment arrange-
12 ment under a particular model.

13 “(II) NONDUPLICATION OF PAY-
14 MENT.—Such rules of coordination
15 shall ensure coordination and non-
16 duplication of payment of services
17 that might be covered under more
18 than one payment arrangement or
19 under section 1848(d)(16).

20 “(III) APPLICATION TO NON-APM
21 PAYMENT.—In applying such rules of
22 coordination for purposes of section
23 1848(d)(16), an eligible professional
24 shall not be treated as having a pay-
25 ment arrangement in effect under

1 such a model for any covered profes-
2 sional services not treated as fur-
3 nished under the model.”.

Page 39, beginning on line 23, strike “The APM” and all that follows through page 40, line 3, and insert the following: “For purposes of subparagraph (A)(ii)(I), the criteria described in this subparagraph, with respect to an Alternative Payment Model, are each of the following:”.

Page 40, line 9, strike “clause (v)” and insert “clause (iv)”.

Page 40, line 10, strike “(ii) (I)” and insert “(ii)(I)”.

Page 40, line 18, strike “meaningful evaluation” insert “a meaningful evaluation of the likely effect of expanding the demonstration”.

Page 41, line 2, strike “meaningful evaluation” insert “a meaningful evaluation of the likely effect of expanding the demonstration”.

Page 41, line 3, insert “tested and” before “evaluated”.

Page 41, strike lines 8 through 16.

Page 41, line 17, strike “(v)” and insert “(iv)”.

Page 41, line 19, strike “potential” and insert “significant likelihood”.

Page 41, beginning on line 23, strike “for individuals participating under such APM”.

Page 41, beginning on line 25, strike “for such individuals”.

Page 42, line 2, insert “and” after the semicolon.

Page 42, strike lines 3 and 4.

Page 42, line 5, strike “(III)” and insert “(II)”.

Page 42, line 6, strike “quality of care” and insert “overall quality of patient care”.

Page 42, line 8, strike “who participate under such mode”.

Page 42, line 9, strike “(vi)” and insert “(v)”.

Page 42, amend lines 11 through 14 to read as follows:

1 “(I) that specifies the items and
2 services covered under the arrange-
3 ment and specifies rules of coordina-
4 tion described in subparagraph (A)(v)

1 between the items and services cov-
2 ered under the arrangement and other
3 items and services not covered under
4 the arrangement;”.

Page 43, beginning on line 8, strike “The APM” and all that follows through line 14, and insert the following: “For purposes of subparagraph (A)(ii)(II), the criteria described in this subparagraph, with respect to an Alternative Payment Model, is that the model has already been tested and evaluated for a sufficient enough period and through such testing and evaluation the model was shown—”.

Page 43, line 17, strike “clause (vi) of subparagraph (B);” and insert “clause (v) of subparagraph (B); and”.

Page 43, strike lines 18 through 20.

Page 43, line 21, strike “(iii)(I) to reduce” and insert “(ii)(I) to have reduced”.

Page 43, line 24, strike “improve” and insert “to have improved”.

Page 43, line 25, insert “such” before “spending”.

Page 44, line 5, strike “an entity, the APM contracting entity” and insert “the APM contracting entity, the APM contracting entity”.

Page 44, line 7, strike “such entity” and insert “the model submitter”.

Page 45, line 4, strike “(A)(i)” and insert “(A)(i)(I)”.

Page 45, beginning on line 11, strike “subparagraph (A)(ii), including any such models that require a waiver under paragraph (2),” and insert “subparagraph (A)(i)(II)”.

Page 45, line 17, strike “For any year” and insert “(iii) EXPLANATION FOR NO RECOMMENDATIONS.—For any year”.

Page 45, line 18, insert “entity” after “contracting”.

Page 45, line 19, strike “(A)” and insert “(A)(i)”.

Page 45, after line 23, insert the following:

1 “(iv) JUSTIFICATIONS FOR REC-
2 COMMENDATIONS.—In submitting data and
3 analyses under subclause (I) or (II) of
4 clause (ii) with respect to a model, the
5 APM contracting entity shall include a
6 specific explanation of how the model
7 would (and recommendations for ensuring
8 that the model will) meet the criteria de-

1 scribed in subparagraph (B) or (C), re-
2 spectively.

3 “(v) CONFIRMATION OF SPENDING ES-
4 TIMATES BY CMS CHIEF ACTUARY.—For
5 each Alternative Payment Model described
6 in subclause (I) or (II) of clause (ii), the
7 Chief Actuary of the Centers for Medicare
8 & Medicaid Services shall submit to the
9 Secretary a determination of whether or
10 not the Chief Actuary confirms that the
11 model satisfies the criterion described in
12 subparagraph (B)(iv)(I) or (C)(ii), respec-
13 tively.”.

Page 46, line 6, insert “solely” after “waiver”.

Page 46, line 7, insert “tested and” before “evalu-
ated”.

Page 46, beginning on line 8, strike “(if described
in clause (i) of such paragraph)”.

Page 46, line 10, strike “90” and insert “180”.

Page 46, line 15, strike “provided” and insert “ap-
proved”.

Page 46, line 22, strike “participating entities” and
insert “participating APM providers”.

Page 47, line 1, strike “(3)” and insert “(4)”.

Page 47, beginning on line 3, strike “(or a shorter period” and all that follows through line 5.

Page 47, strike lines 6 through 15, and insert the following:

1 “(2) APPROVAL BY SECRETARY OF MODELS
2 FOR DEMONSTRATION.—

3 “(A) IN GENERAL.—Not later than 180
4 days after the date of receipt of a submission
5 under subsection (d)(1)(D)(ii), with respect to
6 an Alternative Payment Model recommended
7 under subsection (d)(1)(A)(i)(I), the Secretary
8 shall—

9 “(i) review the basis for such rec-
10 ommendation in order to assess, taking
11 into account the determination of the Chief
12 Actuary under subsection (d)(1)(D)(v)
13 with respect to such model, if the model is
14 significantly likely to—

15 “(I) reduce spending under this
16 title without reducing the quality of
17 care; or

1 “(II) improve the quality of care
2 without increasing spending under
3 this title;

4 “(ii) assess whether the model is sig-
5 nificantly likely to result in participation
6 under such model of a sufficient number of
7 those eligible professionals for whom the
8 model was designed consistent with clause
9 (i) to be able to evaluate the likely effect
10 of expanding the demonstration; and

11 “(iii) approve such model for a dem-
12 onstration program under this subsection,
13 including as modified under subparagraph
14 (B), only if the Secretary determines—

15 “(I) the model is significantly
16 likely to satisfy the criterion described
17 in subclause (I) or (II) of clause (i);

18 “(II) the model is significantly
19 likely to result in the participation of
20 a sufficient number of eligible profes-
21 sionals described in clause (ii);

22 “(III) the model applies rules of
23 coordination described in subpara-
24 graph (C) applicable to such model;
25 and

1 “(IV) the model satisfies the cri-
2 teria described in subsection
3 (d)(1)(B).

4 The Secretary shall periodically make available
5 a list of such models approved under clause
6 (iii).

7 “(B) MODIFICATIONS BY SECRETARY.—

8 “(i) BEFORE APPROVAL.—For pur-
9 poses of subparagraph (A), the Secretary
10 may modify an Alternative Payment Model
11 recommended under subsection
12 (d)(1)(A)(i)(I) to ensure that the model
13 meets the requirements described in sub-
14 paragraph (A)(iii). Such a modification
15 may include one or more of the following:

16 “(I) A change to the payment ar-
17 rangement under which eligible pro-
18 fessionals participating in such model
19 would be paid for covered professional
20 services furnished under such model.

21 “(II) A change to the criteria for
22 eligible professionals to be eligible to
23 participate under such model in order
24 to ensure that such requirements are
25 satisfied.

1 “(III) A change to the rules of
2 coordination described in subpara-
3 graph (C).

4 “(IV) The application of a with-
5 hold mechanism under the payment
6 arrangement under which the dis-
7 tribution of withheld amounts is based
8 on the success of the model in meet-
9 ing spending reduction requirements.

10 “(V) Such other change as the
11 Secretary may specify.

12 “(ii) TERMINATION OR MODIFICATION
13 DURING DEMONSTRATION.—The Secretary
14 shall terminate or modify the design and
15 implementation of an Alternative Payment
16 Model approved under subparagraph
17 (A)(iii) for a demonstration program, after
18 testing has begun, unless the Secretary de-
19 termines (and the Chief Actuary of the
20 Centers for Medicare & Medicaid Services,
21 with respect to program spending under
22 this title, certifies) that the model is ex-
23 pected to continue to satisfy the require-
24 ments described in such paragraph relating
25 to quality of care and reduced spending.

1 Such termination may occur at any time
2 after such testing has begun and before
3 completion of the testing.

4 “(C) RULES OF COORDINATION FOR APPLI-
5 CATION OF PAYMENT ARRANGEMENTS UNDER
6 MODELS.—

7 “(i) IN GENERAL.—Rules of coordina-
8 tion described in this subparagraph for an
9 Alternative Payment Model shall be de-
10 signed to determine, for purposes of apply-
11 ing subsection (a) and section 1848(d)(16),
12 under what circumstances an eligible pro-
13 fessional is treated as having a payment
14 arrangement under a particular model.

15 “(ii) NONDUPLICATION OF PAY-
16 MENT.—Such rules of coordination shall
17 ensure coordination and nonduplication of
18 payment of services that might be covered
19 under more than one payment arrange-
20 ment or under section 1848(d)(16).

21 “(iii) APPLICATION TO NON-APM PAY-
22 MENT.—In applying such rules for pur-
23 poses of section 1848(d)(16), an eligible
24 professional shall not be treated as having
25 a payment arrangement in effect under

1 such a model for any covered professional
2 services not treated as furnished under the
3 model.”.

Page 47, line 16, strike “PARTICIPATING ENTITIES.—To participate” and insert “PARTICIPATING APM PROVIDERS—

“(A) IN GENERAL.—To participate”.

Page 47, line 19, strike “a physician, practitioner, or other supplier” and insert “an eligible professional”.

Page 47, lines 22 and 23, strike “a physician, practitioner, or supplier” and insert “an eligible professional”.

Page 48, line 1, strike “shall be referred to” and insert “in this section is referred to”.

Page 48, after line 2, insert the following:

4 “(B) REQUIREMENTS.—The Secretary
5 shall establish criteria for eligible professionals
6 to enter into contracts under this paragraph for
7 purposes of participation under a demonstration
8 program with respect to an Alternative Payment
9 Model. Such criteria shall ensure partici-
10 pation under such model of a sufficient number
11 of eligible professionals for whom the model was

1 designed in order to satisfy the criterion de-
2 scribed in paragraph (2)(A)(iii)(II).”.

Page 49, lines 3 and 4, strike “participating enti-
ties” and insert “participating APM providers”.

Page 49, line 15, strike “participating entities” and
insert “participating APM providers”.

Page 51, line 8, strike “program”.

Page 52, line 1, insert “and as of the date of the
enactment of this section” after “not otherwise appro-
priated”.

Page 52, line 6, strike “transferred” and insert “ap-
propriated”.

Page 52, line 11, strike “participating entities” and
inserting “participating APM providers”.

Page 53, line 1, insert “APM” before “contracting
entity”.

Page 53, strike line 13 and all that follows through
page 55, line 2, and insert the following:

3 “(1) ASSESSMENT.—With respect to each Alter-
4 native Payment Model recommended under sub-
5 section (d)(1)(A)(i)(II) or (e)(4)(E)(ii)(I), the Sec-
6 retary shall review the basis for such recommenda-

1 tion and assess and determine, in consultation with
2 the Chief Actuary of the Centers for Medicare &
3 Medicaid Services, whether the model is significantly
4 likely to continue to result in meeting the criterion
5 described in subsection (e)(2)(A)(iii)(I), with or
6 without a modification described in paragraph (5).

7 “(2) IMPLEMENTATION THROUGH RULE-
8 MAKING.—

9 “(A) PUBLICATION OF NPRM.—If the Sec-
10 retary determines that such a model is signifi-
11 cantly likely to meet such criterion, the Sec-
12 retary shall publish as part of the applicable
13 physician fee schedule rulemaking process
14 (specified in paragraph (3)) a notice of pro-
15 posed rulemaking to implement such model, in-
16 cluding as modified under paragraph (5).

17 “(B) COMMENTS BY MEDPAC.—Not later
18 than 90 days after the date of issuance of such
19 notice with respect to a model, the Medicare
20 Payment Advisory Commission shall submit
21 comments on the proposed rule for such model
22 to Congress and to the Secretary. Such com-
23 ments shall include an evaluation of the reports
24 from the contracting entity and independent
25 evaluation entity on such model regarding the

1 model's impact on expenditures and quality of
2 care under this title.

3 “(C) FINAL RULE AND CONDITIONS.—The
4 Secretary shall publish as part of the applicable
5 physician fee schedule rulemaking process
6 (specified in paragraph (3)) a final notice im-
7 plementing such proposed rule, including as
8 modified under paragraph (5), as an eligible
9 APM only if—

10 “(i) the Secretary determines that
11 such model is expected to—

12 “(I) reduce spending under this
13 title without reducing the quality of
14 care; or

15 “(II) improve the quality of pa-
16 tient care without increasing spend-
17 ing;

18 “(ii) the Chief Actuary of the Centers
19 for Medicare & Medicaid Services certifies
20 that such model would reduce (or would
21 not result in any increase in) spending
22 under this title;

23 “(iii) the Secretary determines that
24 such model would not deny or limit the

1 coverage or provision of benefits under this
2 title for applicable individuals; and

3 “(iv) the Secretary determines that
4 the model is significantly likely to result in
5 the participation of a sufficient number of
6 appropriate eligible professionals for whom
7 the model was designed in order to satisfy
8 the criterion described in subsection
9 (d)(2)(A)(iii)(II);

10 “(v) the Secretary determines that the
11 model applies rules of coordination de-
12 scribed in paragraph (6); and

13 “(vi) the Secretary determines that
14 model meets such other criteria as the Sec-
15 retary may determine.

16 “(3) APPLICABLE PHYSICIAN FEE SCHEDULE
17 RULEMAKING PROCESS.—For purposes of paragraph
18 (2), in the case of an Alternative Payment Model
19 recommended under subsection (d)(1)(A)(ii) or
20 (e)(4)(E)(ii)(I)—

21 “(A) on or before April 1 of a year, the ap-
22 plicable physician fee schedule rulemaking proc-
23 ess is the process for publication by November
24 1 of that year of the fee schedule amounts
25 under this section for the succeeding year; or

1 “(B) after April 1 of a year, the applicable
2 physician fee schedule rulemaking process is the
3 process for publication by November 1 of the
4 following year of the fee schedule amounts
5 under this section for the second succeeding
6 year.”.

Page 54, line 16, strike “(2)” and insert “(3)”.

Page 54, line 17, strike “(1)” and insert “(2)”.

Page 54, line 21, and page 55, line 1, strike “90
days” and insert “180 days”.

Page 55, line 2, insert a period at the end.

Page 55, line 3, strike “(3)” and insert “(4)”.

Page 55, after line 9, insert the following:

7 “(5) MODIFICATIONS BY SECRETARY.—For
8 purposes of this subsection, the Secretary may mod-
9 ify an Alternative Payment Model recommended
10 under subsection (d)(1)(A)(i)(II) or (e)(4)(E)(ii)(I)
11 to ensure that the model meets the requirements
12 under paragraph (1)(B). Such a modification may
13 include one or more of the following:

14 “(A) A change to the payment arrange-
15 ment under which eligible professionals partici-
16 pating in such model would be paid for covered

1 professional services furnished under such
2 model.

3 “(B) A change to the criteria for eligible
4 professionals to be eligible to participate under
5 such model in order to ensure that such re-
6 quirements are satisfied.

7 “(C) A change to the rules of coordination
8 described in paragraph (6).

9 “(D) The application of a withhold mecha-
10 nism under the payment arrangement under
11 which the distribution of withheld amounts is
12 based on the success of the model in meeting
13 spending reduction requirements.

14 “(E) Such other change as the Secretary
15 may specify.

16 “(6) RULES OF COORDINATION FOR APPLICA-
17 TION OF PAYMENT ARRANGEMENTS UNDER MOD-
18 ELS.—

19 “(A) IN GENERAL.—Rules of coordination
20 described in this paragraph for an Alternative
21 Payment Model shall be designed to determine,
22 for purposes of applying subsection (a) and sec-
23 tion 1848(d)(16), under what circumstances an
24 eligible professional is treated as having a pay-
25 ment arrangement under a particular model.

1 “(B) NONDUPLICATION OF PAYMENT.—
2 Such rules of coordination shall ensure coordi-
3 nation and nonduplication of payment of serv-
4 ices that might be covered under more than one
5 payment arrangement or under section
6 1848(d)(16).

7 “(C) APPLICATION TO NON-APM PAY-
8 MENT.—In applying such rules for purposes of
9 section 1848(d)(16), an eligible professional
10 shall not be treated as having a payment ar-
11 rangement in effect under such a model for any
12 covered professional services not treated as fur-
13 nished under the model.”.

Page 57, after line 5, insert the following new sub-
section:

14 (d) ADJUSTMENT TO MEDICARE PAYMENT LOCAL-
15 ITIES.—

16 (1) IN GENERAL.—Section 1848(e) of the So-
17 cial Security Act (42 U.S.C. 1395w-4(e)) is amend-
18 ed by adding at the end the following new para-
19 graph:

20 “(6) USE OF MSAS AS FEE SCHEDULE AREAS IN
21 CALIFORNIA.—

22 “(A) IN GENERAL.—Subject to the suc-
23 ceeding provisions of this paragraph and not-

1 withstanding the previous provisions of this
2 subsection, for services furnished on or after
3 January 1, 2017, the fee schedule areas used
4 for payment under this section applicable to
5 California shall be the following:

6 “(i) Each Metropolitan Statistical
7 Area (each in this paragraph referred to as
8 an ‘MSA’), as defined by the Director of
9 the Office of Management and Budget as
10 of December 31 of the previous year, shall
11 be a fee schedule area.

12 “(ii) All areas not included in an MSA
13 shall be treated as a single rest-of-State
14 fee schedule area.

15 “(B) TRANSITION FOR MSAS PREVIOUSLY
16 IN REST-OF-STATE PAYMENT LOCALITY OR IN
17 LOCALITY 3.—

18 “(i) IN GENERAL.—For services fur-
19 nished in California during a year begin-
20 ning with 2017 and ending with 2021 in
21 an MSA in a transition area (as defined in
22 subparagraph (D)), subject to subpara-
23 graph (C), the geographic index values to
24 be applied under this subsection for such

1 year shall be equal to the sum of the fol-
2 lowing:

3 “(I) CURRENT LAW COMPO-
4 NENT.—The old weighting factor (de-
5 scribed in clause (ii)) for such year
6 multiplied by the geographic index
7 values under this subsection for the
8 fee schedule area that included such
9 MSA that would have applied in such
10 area (as estimated by the Secretary)
11 if this paragraph did not apply.

12 “(II) MSA-BASED COMPO-
13 NENT.—The MSA-based weighting
14 factor (described in clause (iii)) for
15 such year multiplied by the geographic
16 index values computed for the fee
17 schedule area under subparagraph (A)
18 for the year (determined without re-
19 gard to this subparagraph).

20 “(ii) OLD WEIGHTING FACTOR.—The
21 old weighting factor described in this
22 clause—

23 “(I) for 2017, is $\frac{5}{6}$; and

24 “(II) for each succeeding year, is
25 the old weighting factor described in

1 this clause for the previous year
2 minus $\frac{1}{6}$.

3 “(iii) MSA-BASED WEIGHTING FAC-
4 TOR.—The MSA-based weighting factor
5 described in this clause for a year is 1
6 minus the old weighting factor under
7 clause (ii) for that year.

8 “(C) HOLD HARMLESS.—For services fur-
9 nished in a transition area in California during
10 a year beginning with 2017, the geographic
11 index values to be applied under this subsection
12 for such year shall not be less than the cor-
13 responding geographic index values that would
14 have applied in such transition area (as esti-
15 mated by the Secretary) if this paragraph did
16 not apply.

17 “(D) TRANSITION AREA DEFINED.—In
18 this paragraph, the term ‘transition area’
19 means each of the following fee schedule areas
20 for 2013:

21 “(i) The rest-of-State payment local-
22 ity.

23 “(ii) Payment locality 3.

24 “(E) REFERENCES TO FEE SCHEDULE
25 AREAS.—Effective for services furnished on or

1 after January 1, 2017, for California, any ref-
2 erence in this section to a fee schedule area
3 shall be deemed a reference to a fee schedule
4 area established in accordance with this para-
5 graph.”.

6 (2) CONFORMING AMENDMENT TO DEFINITION
7 OF FEE SCHEDULE AREA.—Section 1848(j)(2) of the
8 Social Security Act (42 U.S.C. 1395w-4(j)(2)) is
9 amended by striking “The term” and inserting “Ex-
10 cept as provided in subsection (e)(6)(D), the term”.

Page 57, line 12, insert “paragraph (4)(B) and”
after “notwithstanding”.

Page 57, line 17, insert “non-public” after “addi-
tional”.

Page 57, lines 18 through 19, strike “that such enti-
ty may” and insert “or”.

Page 57, line 20, insert “such data to registered or
authorized users and subscribers, including” after “sell”.

Page 57, line 20, insert “, for non-public use” after
“suppliers”.

Page 58, line 17, strike “for non-public use”.

Page 58, line 21, strike “in order” and insert “for
non-public use including”.

Page 59, line 7, insert “and disseminating risk-adjusted, scientifically valid” before “analysis”.

Page 59, line 8, insert “or patient safety, provided that any public reporting of identifiable provider data shall only be conducted with prior consent of such provider” before the period.

Page 59, lines 17 through 18, strike “applicable physician” and insert “applicable provider”.

Page 60, line 5, strike “physician” and insert “provider”.

Page 60, line 9, strike “PHYSICIAN” and insert “PROVIDER”.

Page 60, lines 10 through 11, strike “applicable physician” and insert “applicable provider”.

Page 60, line 12, insert “ or a physician assistant or nurse practitioner (as defined in section 1861(aa)(5)(A))” after “1861(r)(1)”.

Page 61, line 5, strike “PHYSICIAN” and insert “PROVIDER”.

Page 61, line 8, strike “physician” and insert “provider”.

Page 62, line 17, insert “on” after “report”.

Page 63, line 25, insert “for 2019 and each subsequent year” after “a report”.

Page 64, line 6, strike “, as of such date,”.

Page 67, after line 3, insert the following:

1 (4) REPORT ON CLINICAL DECISION SUPPORT
2 MECHANISMS.—Not later than one year after the
3 date of the enactment of this Act, the Secretary of
4 Health and Human Services shall submit to Con-
5 gress a report on the extent to which clinical deci-
6 sion support mechanisms and other provider support
7 tools could be used to further program objectives
8 under section 1848 of the Social Security Act (42
9 U.S.C. 1395w-4)) and recommendation for how
10 such mechanisms and tools should be so used.

Page 69, strike line 16 and all that follows through
page 70, line 8, and insert the following:

11 “(M) ADJUSTMENTS FOR MISVALUED PHY-
12 SICIANS’ SERVICES.—
13 “(i) IN GENERAL.—Only with respect
14 to fee schedules established for 2016,
15 2017, and 2018 (and not for subsequent
16 years), the Secretary shall—
17 “(I) identify, based on the data
18 reported under paragraph (8) and

1 other relevant data, misvalued services
2 for which adjustments to the relative
3 values established under this para-
4 graph would result in a reduction in
5 expenditures under the fee schedule
6 under this section, with respect to
7 such year, of not more than 1 percent
8 of the projected amount of expendi-
9 tures under such fee schedule for such
10 year; and

11 “(II) make such adjustments for
12 each such year so as only to result in
13 such a reduction for such year.

14 “(ii) NO EFFECT ON SUBSEQUENT
15 YEARS.—A reduction under this subpara-
16 graph for a year shall not affect any reduc-
17 tion for any subsequent year.

18 “(iii) RULE OF CONSTRUCTION RE-
19 LATING TO UNDERVALUED CODES.—Noth-
20 ing in this subparagraph shall be construed
21 as preventing the Secretary from increas-
22 ing the relative values for codes that are
23 undervalued.”.

Page 70, line 16, insert “for fiscal years 2016,
2017, and 2018” after “subparagraph (M)”.

Page 70, after line 16, insert the following new paragraph:

1 (3) DISCLOSURE OF DATA USED TO ESTABLISH
2 MULTIPLE PROCEDURE PAYMENT REDUCTION POL-
3 ICY.—The Secretary of Health and Human Services
4 shall make publicly available the data used to estab-
5 lish the multiple procedure payment reduction policy
6 to the professional component of imaging services in
7 the final rule published in the Federal Register, v.
8 77, n. 222, November 16, 2012, pages 68891-69380
9 under the physician fee schedule under section 1848
10 of the Social Security Act (42 U.S.C. 1395w-4).

Page 67, beginning on line 4, redesignate subsection (b) as subsection (e) and transfer such subsection (e), as amended, to the end of section 2 on page 57, after line 5.

Page 70, line 17, redesignate subsection (c) as subsection (b).

