H. R. 11

To amend title XVIII of the Social Security Act to make improvements to the physician fee schedule under the Medicare program.

IN THE HOUSE OF REPRESENTATIVES

Mrs. MILLER-MEEKS (for herself and Ms. SCHRIER) introduced the following bill; which was referred to the Committee on

A BILL

To amend title XVIII of the Social Security Act to make improvements to the physician fee schedule under the Medicare program.

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.
4 This Act may be referred to as the “Physician Fee
5 Schedule Update and Improvements Act”.

SEC. 2. EXTENDING FLOOR FOR WORK GEOGRAPHIC INDEX.

Section 1848(e)(1)(E) of the Social Security Act (42 U.S.C. 1395w–4(e)(1)(E)) is amended by striking “January 20, 2024” and inserting “January 1, 2025”.

SEC. 3. INCREASING SUPPORT FOR PHYSICIANS AND OTHER PRACTITIONERS IN ADJUSTING TO MEDICARE PAYMENT CHANGES.

Section 1848(t)(1)(D) of the Social Security Act (42 U.S.C. 1395w–4(t)(1)(D)) is amended by striking “1.25 percent” and inserting “3 percent”.

SEC. 4. EXTENDING INCENTIVE PAYMENTS FOR PARTICIPATION IN ELIGIBLE ALTERNATIVE PAYMENT MODELS.

(a) IN GENERAL.—Section 1833(z) of the Social Security Act (42 U.S.C. 1395l(z)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking “In the case” and inserting “Subject to subparagraph (E), in the case”;

(ii) by striking “ending with 2025” and inserting “ending with 2026”; and

(iii) by inserting “and 2026” after “with respect to 2025”; and
(B) by adding at the end the following new subparagraph:

"(E) SPECIAL PAYMENT RULE FOR 2026.—

"(i) IN GENERAL.—Subject to clause (ii), with respect to an amount payable under subparagraph (A) for 2026 to an eligible professional who is a qualifying APM participant for such year, such amount shall be reduced, in the case such participant has received payment under such subparagraph—

"(I) for at least 4 years but fewer than 7 years, by 34 percent; or

"(II) for 7 years, by 67 percent.

"(ii) EXCEPTION.—If an eligible professional described in clause (i) increased such professional’s financial risk (as specified by the Secretary) with respect to the furnishing of items and services during the most recent period for which data are available (which may be less than a year) for 2026 as compared to such professional’s financial risk with respect to the furnishing of such items and services during the most recent period for which data
were available (which may be less than a year) for 2025, the Secretary may reduce
the amount payable under subparagraph (A) for 2026 to such professional by a per-
centage that is less than the percentage otherwise applicable to such amount under
clause (i) (and which may include 0 per-
cent).’’;

(2) in paragraph (2)—

(A) in subparagraph (B)—

(i) in the subparagraph heading, by
striking “2025” and inserting “2026”; and

(ii) in the matter preceding clause (i),
by striking “2025” and inserting “2026”;

(B) in subparagraph (C)—

(i) in the subparagraph heading, by
striking “2026” and inserting “2027”; and

(ii) in the matter preceding clause (i),
by striking “2026” and inserting “2027”;

and

(C) in subparagraph (D), by striking
“2024, and 2025” and inserting “2024, 2025, and 2026”; and

(3) in paragraph (4)(B), by striking “2025”
and inserting “2025 and 2026”.

(912767/4)
(b) CONFORMING AMENDMENTS.—Section 1848(q)(1)(C)(iii) of the Social Security Act (42 U.S.C. 1395w–4(q)(1)(C)(iii) is amended—

(1) in subclause (II), by striking “2025” and inserting “2026”; and

(2) in subclause (III), by striking “2026” and inserting “2027”.

SEC. 5. UPDATING THE BUDGET NEUTRALITY THRESHOLD.

Section 1848(c)(2)(B)(ii)(II) of the Social Security Act (42 U.S.C. 1395w–4(c)(2)(B)(ii)(II)) is amended—

(1) by striking “Subject to” and inserting the following:

“(aa) IN GENERAL.—Subject to”;

(2) in item (aa), as inserted by subparagraph (A), by striking “$20,000,000” and inserting “the amount specified in item (bb) for such year”; and

(3) by adding at the end the following new items:

“(bb) AMOUNT SPECIFIED.—For purposes of item (aa), subject to item (cc), the amount specified in this item is—
“(AA) for years before 2025, $20,000,000;

“(BB) for 2025, $53,000,000; and

“(CC) for 2026 and each subsequent year, the amount specified in this item for the preceding year.

“(ce) INDEXING LIMITATION ON ANNUAL ADJUSTMENTS.—For 2030 and every subsequent fifth year, the Secretary shall increase the amount specified in item (bb) for such year by the cumulative increase in the MEI (as defined in section 1842(i)(3)) applicable to physicians’ services over the 5-year period ending on the last day of the preceding year.”.

SEC. 6. TIMELY UPDATES TO DIRECT COSTS USED TO CALCULATE PRACTICE EXPENSE RVUS.

Section 1848(c)(2)(B) of the Social Security Act (42 U.S.C. 1395w–4(c)(2)(B)) is amended by adding at the end the following new clause:
“(vii) **Timely updates to direct costs used to calculate practice expense relative value units.**

“(I) **Simultaneous updates to direct cost inputs at least once every 5 years.**—The Secretary shall, not less often than every 5 years, update the prices and rates, as applicable, for each of the direct costs inputs described in subclause (II) used in the methodology for calculating the practice expense relative value units under this subsection for physicians’ services. Updates made pursuant to the previous sentence shall be made in the same year for all direct cost inputs described in such subclause.

“(II) **Direct costs input categories described.**—For purposes of this clause, the direct costs inputs described in this subclause are clinical staff wage rates, prices of medical supplies, and prices of equipment.

“(III) **Consultation.**—In making the updates under this clause, the
Secretary shall consult with relevant stakeholders, including physician specialty societies.”.