

TITLE 42 - THE PUBLIC HEALTH AND WELFARE
CHAPTER 7 - SOCIAL SECURITY
SUBCHAPTER XVIII - HEALTH INSURANCE FOR AGED AND DISABLED
Part B - Supplementary Medical Insurance Benefits for Aged and Disabled

§ 1395w-4. Payment for physicians' services

(a) Payment based on fee schedule

(1) In general

Effective for all physicians' services (as defined in subsection (j)(3) of this section) furnished under this part during a year (beginning with 1992) for which payment is otherwise made on the basis of a reasonable charge or on the basis of a fee schedule under section 1395m (b) of this title, payment under this part shall instead be based on the lesser of—

- (A)** the actual charge for the service, or
- (B)** subject to the succeeding provisions of this subsection, the amount determined under the fee schedule established under subsection (b) of this section for services furnished during that year (in this subsection referred to as the "fee schedule amount").

(2) Transition to full fee schedule

(A) Limiting reductions and increases to 15 percent in 1992

(i) Limit on increase

In the case of a service in a fee schedule area (as defined in subsection (j)(2) of this section) for which the adjusted historical payment basis (as defined in subparagraph (D)) is less than 85 percent of the fee schedule amount for services furnished in 1992, there shall be substituted for the fee schedule amount an amount equal to the adjusted historical payment basis plus 15 percent of the fee schedule amount otherwise established (without regard to this paragraph).

(ii) Limit in reduction

In the case of a service in a fee schedule area for which the adjusted historical payment basis exceeds 115 percent of the fee schedule amount for services furnished in 1992, there shall be substituted for the fee schedule amount an amount equal to the adjusted historical payment basis minus 15 percent of the fee schedule amount otherwise established (without regard to this paragraph).

(B) Special rule for 1993, 1994, and 1995

If a physicians' service in a fee schedule area is subject to the provisions of subparagraph (A) in 1992, for physicians' services furnished in the area—

(i) during 1993, there shall be substituted for the fee schedule amount an amount equal to the sum of—

(I) 75 percent of the fee schedule amount determined under subparagraph (A), adjusted by the update established under subsection (d)(3) of this section for 1993, and

(II) 25 percent of the fee schedule amount determined under paragraph (1) for 1993 without regard to this paragraph;

(ii) during 1994, there shall be substituted for the fee schedule amount an amount equal to the sum of—

(I) 67 percent of the fee schedule amount determined under clause (i), adjusted by the update established under subsection (d)(3) of this section for 1994 and as adjusted under subsection (c)(2)(F)(ii) of this section and under section 13515(b) of the Omnibus Budget Reconciliation Act of 1993, and

- (II) 33 percent of the fee schedule amount determined under paragraph (1) for 1994 without regard to this paragraph; and
- (iii) during 1995, there shall be substituted for the fee schedule amount an amount equal to the sum of—
 - (I) 50 percent of the fee schedule amount determined under clause (ii) adjusted by the update established under subsection (d)(3) of this section for 1995, and
 - (II) 50 percent of the fee schedule amount determined under paragraph (1) for 1995 without regard to this paragraph.

(C) Special rule for anesthesia and radiology services

With respect to physicians' services which are anesthesia services, the Secretary shall provide for a transition in the same manner as a transition is provided for other services under subparagraph (B). With respect to radiology services, "109 percent" and "9 percent" shall be substituted for "115 percent" and "15 percent", respectively, in subparagraph (A)(ii).

(D) "Adjusted historical payment basis" defined

(i) In general

In this paragraph, the term "adjusted historical payment basis" means, with respect to a physicians' service furnished in a fee schedule area, the weighted average prevailing charge applied in the area for the service in 1991 (as determined by the Secretary without regard to physician specialty and as adjusted to reflect payments for services with customary charges below the prevailing charge or other payment limitations imposed by law or regulation) adjusted by the update established under subsection (d)(3) of this section for 1992.

(ii) Application to radiology services

In applying clause (i) in the case of physicians' services which are radiology services (including radiologist services, as defined in section 1395m (b)(6) of this title), but excluding nuclear medicine services that are subject to section 6105(b) of the Omnibus Budget Reconciliation Act of 1989, there shall be substituted for the weighted average prevailing charge the amount provided under the fee schedule established for the service for the fee schedule area under section 1395m (b) of this title.

(iii) Nuclear medicine services

In applying clause (i) in the case of physicians' services which are nuclear medicine services, there shall be substituted for the weighted average prevailing charge the amount provided under section 6105(b) of the Omnibus Budget Reconciliation Act of 1989.

(3) Incentives for participating physicians and suppliers

In applying paragraph (1)(B) in the case of a nonparticipating physician or a nonparticipating supplier or other person, the fee schedule amount shall be 95 percent of such amount otherwise applied under this subsection (without regard to this paragraph). In the case of physicians' services (including services which the Secretary excludes pursuant to subsection (j)(3) of this section) of a nonparticipating physician, supplier, or other person for which payment is made under this part on a basis other than the fee schedule amount, the payment shall be based on 95 percent of the payment basis for such services furnished by a participating physician, supplier, or other person.

(4) Special rule for medical direction

(A) In general

With respect to physicians' services furnished on or after January 1, 1994, and consisting of medical direction of two, three, or four concurrent anesthesia cases, except as provided in paragraph (5), the fee schedule amount to be applied shall be equal to one-half of the amount described in subparagraph (B).

(B) Amount

The amount described in this subparagraph, for a physician's medical direction of the performance of anesthesia services, is the following percentage of the fee schedule amount otherwise applicable under this section if the anesthesia services were personally performed by the physician alone:

- (i) For services furnished during 1994, 120 percent.
- (ii) For services furnished during 1995, 115 percent.
- (iii) For services furnished during 1996, 110 percent.
- (iv) For services furnished during 1997, 105 percent.
- (v) For services furnished after 1997, 100 percent.

(5) Incentives for electronic prescribing**(A) Adjustment****(i) In general**

Subject to subparagraph (B) and subsection (m)(2)(B), with respect to covered professional services furnished by an eligible professional during 2012 or any subsequent year, if the eligible professional is not a successful electronic prescriber for the reporting period for the year (as determined under subsection (m)(3)(B)), the fee schedule amount for such services furnished by such professional during the year (including the fee schedule amount for purposes of determining a payment based on such amount) shall be equal to the applicable percent of the fee schedule amount that would otherwise apply to such services under this subsection (determined after application of paragraph (3) but without regard to this paragraph).

(ii) Applicable percent

For purposes of clause (i), the term "applicable percent" means—

- (I) for 2012, 99 percent;
- (II) for 2013, 98.5 percent; and
- (III) for 2014 and each subsequent year, 98 percent.

(B) Significant hardship exception

The Secretary may, on a case-by-case basis, exempt an eligible professional from the application of the payment adjustment under subparagraph (A) if the Secretary determines, subject to annual renewal, that compliance with the requirement for being a successful electronic prescriber would result in a significant hardship, such as in the case of an eligible professional who practices in a rural area without sufficient Internet access.

(C) Application**(i) Physician reporting system rules**

Paragraphs (5), (6), and (8) of subsection (k) shall apply for purposes of this paragraph in the same manner as they apply for purposes of such subsection.

(ii) Incentive payment validation rules

Clauses (ii) and (iii) of subsection (m)(5)(D) shall apply for purposes of this paragraph in a similar manner as they apply for purposes of such subsection.

(D) Definitions

For purposes of this paragraph:

(i) Eligible professional; covered professional services

The terms "eligible professional" and "covered professional services" have the meanings given such terms in subsection (k)(3).

(ii) Physician reporting system

The term “physician reporting system” means the system established under subsection (k).

(iii) Reporting period

The term “reporting period” means, with respect to a year, a period specified by the Secretary.

(6) Special rule for teaching anesthesiologists

With respect to physicians’ services furnished on or after January 1, 2010, in the case of teaching anesthesiologists involved in the training of physician residents in a single anesthesia case or two concurrent anesthesia cases, the fee schedule amount to be applied shall be 100 percent of the fee schedule amount otherwise applicable under this section if the anesthesia services were personally performed by the teaching anesthesiologist alone and paragraph (4) shall not apply if—

(A) the teaching anesthesiologist is present during all critical or key portions of the anesthesia service or procedure involved; and

(B) the teaching anesthesiologist (or another anesthesiologist with whom the teaching anesthesiologist has entered into an arrangement) is immediately available to furnish anesthesia services during the entire procedure.

(b) Establishment of fee schedules

(1) In general

Before November 1 of the preceding year, for each year beginning with 1998, the Secretary shall establish, by regulation, fee schedules that establish payment amounts for all physicians’ services furnished in all fee schedule areas (as defined in subsection (j)(2) of this section) for the year. Except as provided in paragraph (2), each such payment amount for a service shall be equal to the product of—

(A) the relative value for the service (as determined in subsection (c)(2) of this section),

(B) the conversion factor (established under subsection (d) of this section) for the year, and

(C) the geographic adjustment factor (established under subsection (e)(2) of this section) for the service for the fee schedule area.

(2) Treatment of radiology services and anesthesia services

(A) Radiology services

With respect to radiology services (including radiologist services, as defined in section 1395m (b)(6) of this title), the Secretary shall base the relative values on the relative value scale developed under section 1395m (b)(1)(A) of this title, with appropriate modifications of the relative values to assure that the relative values established for radiology services which are similar or related to other physicians’ services are consistent with the relative values established for those similar or related services.

(B) Anesthesia services

In establishing the fee schedule for anesthesia services for which a relative value guide has been established under section 4048(b) of the Omnibus Budget Reconciliation Act of 1987, the Secretary shall use, to the extent practicable, such relative value guide, with appropriate adjustment of the conversion factor, in a manner to assure that the fee schedule amounts for anesthesia services are consistent with the fee schedule amounts for other services determined by the Secretary to be of comparable value. In applying the previous sentence, the Secretary shall adjust the conversion factor by geographic adjustment factors in the same manner as such adjustment is made under paragraph (1)(C).

(C) Consultation

The Secretary shall consult with the Physician Payment Review Commission and organizations representing physicians or suppliers who furnish radiology services and anesthesia services in applying subparagraphs (A) and (B).

(3) Treatment of interpretation of electrocardiograms

The Secretary—

(A) shall make separate payment under this section for the interpretation of electrocardiograms performed or ordered to be performed as part of or in conjunction with a visit to or a consultation with a physician, and

(B) shall adjust the relative values established for visits and consultations under subsection (c) of this section so as not to include relative value units for interpretations of electrocardiograms in the relative value for visits and consultations.

(4) Special rule for imaging services

(A) In general

In the case of imaging services described in subparagraph (B) furnished on or after January 1, 2007, if—

(i) the technical component (including the technical component portion of a global fee) of the service established for a year under the fee schedule described in paragraph (1) without application of the geographic adjustment factor described in paragraph (1)(C), exceeds

(ii) the Medicare OPD fee schedule amount established under the prospective payment system for hospital outpatient department services under paragraph (3)(D) of section 13951 (t) of this title for such service for such year, determined without regard to geographic adjustment under paragraph (2)(D) of such section,

the Secretary shall substitute the amount described in clause (ii), adjusted by the geographic adjustment factor described in paragraph (1)(C), for the fee schedule amount for such technical component for such year.

(B) Imaging services described

For purposes of subparagraph (A), imaging services described in this subparagraph are imaging and computer-assisted imaging services, including X-ray, ultrasound (including echocardiography), nuclear medicine (including positron emission tomography), magnetic resonance imaging, computed tomography, and fluoroscopy, but excluding diagnostic and screening mammography.

(5) Treatment of intensive cardiac rehabilitation program

(A) In general

In the case of an intensive cardiac rehabilitation program described in section 1395x (eee)(4) of this title, the Secretary shall substitute the Medicare OPD fee schedule amount established under the prospective payment system for hospital outpatient department service under paragraph (3)(D) of section 13951 (t) of this title for cardiac rehabilitation (under HCPCS codes 93797 and 93798 for calendar year 2007, or any succeeding HCPCS codes for cardiac rehabilitation).

(B) Definition of session

Each of the services described in subparagraphs (A) through (E) of section 1395x (eee)(3) of this title, when furnished for one hour, is a separate session of intensive cardiac rehabilitation.

(C) Multiple sessions per day

Payment may be made for up to 6 sessions per day of the series of 72 one-hour sessions of intensive cardiac rehabilitation services described in section 1395x (eee)(4)(B) of this title.

(c) Determination of relative values for physicians' services**(1) Division of physicians' services into components**

In this section, with respect to a physicians' service:

(A) "Work component" defined

The term "work component" means the portion of the resources used in furnishing the service that reflects physician time and intensity in furnishing the service. Such portion shall—

- (i) include activities before and after direct patient contact, and
- (ii) be defined, with respect to surgical procedures, to reflect a global definition including pre-operative and post-operative physicians' services.

(B) "Practice expense component" defined

The term "practice expense component" means the portion of the resources used in furnishing the service that reflects the general categories of expenses (such as office rent and wages of personnel, but excluding malpractice expenses) comprising practice expenses.

(C) "Malpractice component" defined

The term "malpractice component" means the portion of the resources used in furnishing the service that reflects malpractice expenses in furnishing the service.

(2) Determination of relative values**(A) In general**

- (i) Combination of units for components

The Secretary shall develop a methodology for combining the work, practice expense, and malpractice relative value units, determined under subparagraph (C), for each service in a manner to produce a single relative value for that service. Such relative values are subject to adjustment under subparagraph (F)(i) and section 13515(b) of the Omnibus Budget Reconciliation Act of 1993.

- (ii) Extrapolation

The Secretary may use extrapolation and other techniques to determine the number of relative value units for physicians' services for which specific data are not available and shall take into account recommendations of the Physician Payment Review Commission and the results of consultations with organizations representing physicians who provide such services.

(B) Periodic review and adjustments in relative values

- (i) Periodic review

The Secretary, not less often than every 5 years, shall review the relative values established under this paragraph for all physicians' services.

- (ii) Adjustments

(I) In general

The Secretary shall, to the extent the Secretary determines to be necessary and subject to subclause (II), adjust the number of such units to take into account changes in medical practice, coding changes, new data on relative value components, or the addition of new procedures. The Secretary shall publish an explanation of the basis for such adjustments.

(II) Limitation on annual adjustments

Subject to clauses (iv) and (v), the adjustments under subclause (I) for a year may not cause the amount of expenditures under this part for the year to differ by more

than \$20,000,000 from the amount of expenditures under this part that would have been made if such adjustments had not been made.

(iii) Consultation

The Secretary, in making adjustments under clause (ii), shall consult with the Medicare Payment Advisory Commission and organizations representing physicians.

(iv) Exemption of certain additional expenditures from budget neutrality

The additional expenditures attributable to—

(I) subparagraph (H) shall not be taken into account in applying clause (ii)(II) for 2004;

(II) subparagraph (I) insofar as it relates to a physician fee schedule for 2005 or 2006 shall not be taken into account in applying clause (ii)(II) for drug administration services under the fee schedule for such year for a specialty described in subparagraph (I)(ii)(II); and

(III) subparagraph (J) insofar as it relates to a physician fee schedule for 2005 or 2006 shall not be taken into account in applying clause (ii)(II) for drug administration services under the fee schedule for such year.

(v) Exemption of certain reduced expenditures from budget-neutrality calculation

The following reduced expenditures, as estimated by the Secretary, shall not be taken into account in applying clause (ii)(II):

(I) Reduced payment for multiple imaging procedures

Effective for fee schedules established beginning with 2007, reduced expenditures attributable to the multiple procedure payment reduction for imaging under the final rule published by the Secretary in the Federal Register on November 21, 2005 (42 CFR 405, et al.) insofar as it relates to the physician fee schedules for 2006 and 2007.

(II) OPD payment cap for imaging services

Effective for fee schedules established beginning with 2007, reduced expenditures attributable to subsection (b)(4).

(vi) Alternative application of budget-neutrality adjustment

Notwithstanding subsection (d)(9)(A), effective for fee schedules established beginning with 2009, with respect to the 5-year review of work relative value units used in fee schedules for 2007 and 2008, in lieu of continuing to apply budget-neutrality adjustments required under clause (ii) for 2007 and 2008 to work relative value units, the Secretary shall apply such budget-neutrality adjustments to the conversion factor otherwise determined for years beginning with 2009.

(C) Computation of relative value units for components

For purposes of this section for each physicians' service—

(i) Work relative value units

The Secretary shall determine a number of work relative value units for the service based on the relative resources incorporating physician time and intensity required in furnishing the service.

(ii) Practice expense relative value units

The Secretary shall determine a number of practice expense relative value units for the service for years before 1999 equal to the product of—

(I) the base allowed charges (as defined in subparagraph (D)) for the service, and

(II) the practice expense percentage for the service (as determined under paragraph (3)(C)(ii)),

and for years beginning with 1999 based on the relative practice expense resources involved in furnishing the service. For 1999, such number of units shall be determined based 75 percent on such product and based 25 percent on the relative practice expense resources involved in furnishing the service. For 2000, such number of units shall be determined based 50 percent on such product and based 50 percent on such relative practice expense resources. For 2001, such number of units shall be determined based 25 percent on such product and based 75 percent on such relative practice expense resources. For a subsequent year, such number of units shall be determined based entirely on such relative practice expense resources.

(iii) Malpractice relative value units

The Secretary shall determine a number of malpractice relative value units for the service for years before 2000 equal to the product of—

- (I) the base allowed charges (as defined in subparagraph (D)) for the service, and
- (II) the malpractice percentage for the service (as determined under paragraph (3)(C)(iii)),

and for years beginning with 2000 based on the malpractice expense resources involved in furnishing the service.

(D) “Base allowed charges” defined

In this paragraph, the term “base allowed charges” means, with respect to a physician’s service, the national average allowed charges for the service under this part for services furnished during 1991, as estimated by the Secretary using the most recent data available.

(E) Reduction in practice expense relative value units for certain services

(i) In general

Subject to clause (ii), the Secretary shall reduce the practice expense relative value units applied to services described in clause (iii) furnished in—

- (I) 1994, by 25 percent of the number by which the number of practice expense relative value units (determined for 1994 without regard to this subparagraph) exceeds the number of work relative value units determined for 1994,
- (II) 1995, by an additional 25 percent of such excess, and
- (III) 1996, by an additional 25 percent of such excess.

(ii) Floor on reductions

The practice expense relative value units for a physician’s service shall not be reduced under this subparagraph to a number less than 128 percent of the number of work relative value units.

(iii) Services covered

For purposes of clause (i), the services described in this clause are physicians’ services that are not described in clause (iv) and for which—

- (I) there are work relative value units, and
- (II) the number of practice expense relative value units (determined for 1994) exceeds 128 percent of the number of work relative value units (determined for such year).

(iv) Excluded services

For purposes of clause (iii), the services described in this clause are services which the Secretary determines at least 75 percent of which are provided under this subchapter in an office setting.

(F) Budget neutrality adjustments

The Secretary—

(i) shall reduce the relative values for all services (other than anesthesia services) established under this paragraph (and, in the case of anesthesia services, the conversion factor established by the Secretary for such services) by such percentage as the Secretary determines to be necessary so that, beginning in 1996, the amendment made by section 13514(a) of the Omnibus Budget Reconciliation Act of 1993 would not result in expenditures under this section that exceed the amount of such expenditures that would have been made if such amendment had not been made, and

(ii) shall reduce the amounts determined under subsection (a)(2)(B)(ii)(I) of this section by such percentage as the Secretary determines to be required to assure that, taking into account the reductions made under clause (i), the amendment made by section 13514(a) of the Omnibus Budget Reconciliation Act of 1993 would not result in expenditures under this section in 1994 that exceed the amount of such expenditures that would have been made if such amendment had not been made.

(G) Adjustments in relative value units for 1998

(i) In general

The Secretary shall—

(I) subject to clauses (iv) and (v), reduce the practice expense relative value units applied to any services described in clause (ii) furnished in 1998 to a number equal to 110 percent of the number of work relative value units, and

(II) increase the practice expense relative value units for office visit procedure codes during 1998 by a uniform percentage which the Secretary estimates will result in an aggregate increase in payments for such services equal to the aggregate decrease in payments by reason of subclause (I).

(ii) Services covered

For purposes of clause (i), the services described in this clause are physicians' services that are not described in clause (iii) and for which—

(I) there are work relative value units, and

(II) the number of practice expense relative value units (determined for 1998) exceeds 110 percent of the number of work relative value units (determined for such year).

(iii) Excluded services

For purposes of clause (ii), the services described in this clause are services which the Secretary determines at least 75 percent of which are provided under this subchapter in an office setting.

(iv) Limitation on aggregate reallocation

If the application of clause (i)(I) would result in an aggregate amount of reductions under such clause in excess of \$390,000,000, such clause shall be applied by substituting for 110 percent such greater percentage as the Secretary estimates will result in the aggregate amount of such reductions equaling \$390,000,000.

(v) No reduction for certain services

Practice expense relative value units for a procedure performed in an office or in a setting out of an office shall not be reduced under clause (i) if the in-office or out-of-office

practice expense relative value, respectively, for the procedure would increase under the proposed rule on resource-based practice expenses issued by the Secretary on June 18, 1997 (62 Federal Register 33158 et seq.).

(H) Adjustments in practice expense relative value units for certain drug administration services beginning in 2004

(i) Use of survey data

In establishing the physician fee schedule under subsection (b) of this section with respect to payments for services furnished on or after January 1, 2004, the Secretary shall, in determining practice expense relative value units under this subsection, utilize a survey submitted to the Secretary as of January 1, 2003, by a physician specialty organization pursuant to section 212 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 if the survey—

- (I)** covers practice expenses for oncology drug administration services; and
- (II)** meets criteria established by the Secretary for acceptance of such surveys.

(ii) Pricing of clinical oncology nurses in practice expense methodology

If the survey described in clause (i) includes data on wages, salaries, and compensation of clinical oncology nurses, the Secretary shall utilize such data in the methodology for determining practice expense relative value units under subsection (c) of this section.

(iii) Work relative value units for certain drug administration services

In establishing the relative value units under this paragraph for drug administration services described in clause (iv) furnished on or after January 1, 2004, the Secretary shall establish work relative value units equal to the work relative value units for a level 1 office medical visit for an established patient.

(iv) Drug administration services described

The drug administration services described in this clause are physicians' services—

- (I)** which are classified as of October 1, 2003, within any of the following groups of procedures: therapeutic or diagnostic infusions (excluding chemotherapy); chemotherapy administration services; and therapeutic, prophylactic, or diagnostic injections;
- (II)** for which there are no work relative value units assigned under this subsection as of such date; and
- (III)** for which national relative value units have been assigned under this subsection as of such date.

(I) Adjustments in practice expense relative value units for certain drug administration services beginning with 2005

(i) In general

In establishing the physician fee schedule under subsection (b) of this section with respect to payments for services furnished on or after January 1, 2005 or 2006, the Secretary shall adjust the practice expense relative value units for such year consistent with clause (ii).

(ii) Use of supplemental survey data

(I) In general

Subject to subclause (II), if a specialty submits to the Secretary by not later than March 1, 2004, for 2005, or March 1, 2005, for 2006, data that includes expenses for the administration of drugs and biologicals for which the payment amount is determined pursuant to section 1395u (o) of this title, the Secretary shall use such supplemental survey data in carrying out this subparagraph for the years involved insofar as they are collected and provided by entities and organizations consistent

with the criteria established by the Secretary pursuant to section 212(a) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999.

(II) Limitation on specialty

Subclause (I) shall apply to a specialty only insofar as not less than 40 percent of payments for the specialty under this subchapter in 2002 are attributable to the administration of drugs and biologicals, as determined by the Secretary.

(III) Application

This clause shall not apply with respect to a survey to which subparagraph (H)(i) applies.

(J) Provisions for appropriate reporting and billing for physicians' services associated with the administration of covered outpatient drugs and biologicals

(i) Evaluation of codes

The Secretary shall promptly evaluate existing drug administration codes for physicians' services to ensure accurate reporting and billing for such services, taking into account levels of complexity of the administration and resource consumption.

(ii) Use of existing processes

In carrying out clause (i), the Secretary shall use existing processes for the consideration of coding changes and, to the extent coding changes are made, shall use such processes in establishing relative values for such services.

(iii) Implementation

In carrying out clause (i), the Secretary shall consult with representatives of physician specialties affected by the implementation of section 1395w-3a of this title or section 1395w-3b of this title, and shall take such steps within the Secretary's authority to expedite such considerations under clause (ii).

(iv) Subsequent, budget neutral adjustments permitted

Nothing in subparagraph (H) or (I) or this subparagraph shall be construed as preventing the Secretary from providing for adjustments in practice expense relative value units under (and consistent with) subparagraph (B) for years after 2004, 2005, or 2006, respectively.

(3) Component percentages

For purposes of paragraph (2), the Secretary shall determine a work percentage, a practice expense percentage, and a malpractice percentage for each physician's service as follows:

(A) Division of services by specialty

For each physician's service or class of physicians' services, the Secretary shall determine the average percentage of each such service or class of services that is performed, nationwide, under this part by physicians in each of the different physician specialties (as identified by the Secretary).

(B) Division of specialty by component

The Secretary shall determine the average percentage division of resources, among the work component, the practice expense component, and the malpractice component, used by physicians in each of such specialties in furnishing physicians' services. Such percentages shall be based on national data that describe the elements of physician practice costs and revenues, by physician specialty. The Secretary may use extrapolation and other techniques to determine practice costs and revenues for specialties for which adequate data are not available.

(C) Determination of component percentages

(i) Work percentage

The work percentage for a service (or class of services) is equal to the sum (for all physician specialties) of—

- (I) the average percentage division for the work component for each physician specialty (determined under subparagraph (B)), multiplied by
- (II) the proportion (determined under subparagraph (A)) of such service (or services) performed by physicians in that specialty.

(ii) Practice expense percentage

For years before 2002, the practice expense percentage for a service (or class of services) is equal to the sum (for all physician specialties) of—

- (I) the average percentage division for the practice expense component for each physician specialty (determined under subparagraph (B)), multiplied by
- (II) the proportion (determined under subparagraph (A)) of such service (or services) performed by physicians in that specialty.

(iii) Malpractice percentage

For years before 1999, the malpractice percentage for a service (or class of services) is equal to the sum (for all physician specialties) of—

- (I) the average percentage division for the malpractice component for each physician specialty (determined under subparagraph (B)), multiplied by
- (II) the proportion (determined under subparagraph (A)) of such service (or services) performed by physicians in that specialty.

(D) Periodic recomputation

The Secretary may, from time to time, provide for the recomputation of work percentages, practice expense percentages, and malpractice percentages determined under this paragraph.

(4) Ancillary policies

The Secretary may establish ancillary policies (with respect to the use of modifiers, local codes, and other matters) as may be necessary to implement this section.

(5) Coding

The Secretary shall establish a uniform procedure coding system for the coding of all physicians' services. The Secretary shall provide for an appropriate coding structure for visits and consultations. The Secretary may incorporate the use of time in the coding for visits and consultations. The Secretary, in establishing such coding system, shall consult with the Physician Payment Review Commission and other organizations representing physicians.

(6) No variation for specialists

The Secretary may not vary the conversion factor or the number of relative value units for a physicians' service based on whether the physician furnishing the service is a specialist or based on the type of specialty of the physician.

(d) Conversion factors

(1) Establishment

(A) In general

The conversion factor for each year shall be the conversion factor established under this subsection for the previous year (or, in the case of 1992, specified in subparagraph (B)) adjusted by the update (established under paragraph (3)) for the year involved (for years before 2001) and, for years beginning with 2001, multiplied by the update (established under paragraph (4)) for the year involved.

(B) Special provision for 1992

For purposes of subparagraph (A), the conversion factor specified in this subparagraph is a conversion factor (determined by the Secretary) which, if this section were to apply during 1991 using such conversion factor, would result in the same aggregate amount of payments under this part for physicians' services as the estimated aggregate amount of the payments under this part for such services in 1991.

(C) Special rules for 1998

Except as provided in subparagraph (D), the single conversion factor for 1998 under this subsection shall be the conversion factor for primary care services for 1997, increased by the Secretary's estimate of the weighted average of the three separate updates that would otherwise occur were it not for the enactment of chapter 1 of subtitle F of title IV of the Balanced Budget Act of 1997.

(D) Special rules for anesthesia services

The separate conversion factor for anesthesia services for a year shall be equal to 46 percent of the single conversion factor established for other physicians' services, except as adjusted for changes in work, practice expense, or malpractice relative value units.

(E) Publication and dissemination of information

The Secretary shall—

- (i) cause to have published in the Federal Register not later than November 1 of each year (beginning with 2000) the conversion factor which will apply to physicians' services for the succeeding year, the update determined under paragraph (4) for such succeeding year, and the allowed expenditures under such paragraph for such succeeding year; and
- (ii) make available to the Medicare Payment Advisory Commission and the public by March 1 of each year (beginning with 2000) an estimate of the sustainable growth rate and of the conversion factor which will apply to physicians' services for the succeeding year and data used in making such estimate.

(2) Repealed. Pub. L. 105–33, title IV, § 4502(b), Aug. 5, 1997, 111 Stat. 433

(3) Update for 1999 and 2000

(A) In general

Unless otherwise provided by law, subject to subparagraph (D) and the budget-neutrality factor determined by the Secretary under subsection (c)(2)(B)(ii) of this section, the update to the single conversion factor established in paragraph (1)(C) for 1999 and 2000 is equal to the product of—

- (i) 1 plus the Secretary's estimate of the percentage increase in the MEI (as defined in section 1395u (i)(3) of this title) for the year (divided by 100), and
- (ii) 1 plus the Secretary's estimate of the update adjustment factor for the year (divided by 100),

minus 1 and multiplied by 100.

(B) Update adjustment factor

For purposes of subparagraph (A)(ii), the "update adjustment factor" for a year is equal (as estimated by the Secretary) to—

- (i) the difference between
 - (I) the sum of the allowed expenditures for physicians' services (as determined under subparagraph (C)) for the period beginning April 1, 1997, and ending on March 31 of the year involved, and
 - (II) the amount of actual expenditures for physicians' services furnished during the period beginning April 1, 1997, and ending on March 31 of the preceding year; divided by

- (ii) the actual expenditures for physicians' services for the 12-month period ending on March 31 of the preceding year, increased by the sustainable growth rate under subsection (f) of this section for the fiscal year which begins during such 12-month period.

(C) Determination of allowed expenditures

For purposes of this paragraph and paragraph (4), the allowed expenditures for physicians' services for the 12-month period ending with March 31 of—

- (i) 1997 is equal to the actual expenditures for physicians' services furnished during such 12-month period, as estimated by the Secretary; or
- (ii) a subsequent year is equal to the allowed expenditures for physicians' services for the previous year, increased by the sustainable growth rate under subsection (f) of this section for the fiscal year which begins during such 12-month period.

(D) Restriction on variation from medicare economic index

Notwithstanding the amount of the update adjustment factor determined under subparagraph (B) for a year, the update in the conversion factor under this paragraph for the year may not be—

- (i) greater than 100 times the following amount: $(1.03 + (\text{MEI percentage}/100)) 1$; or
- (ii) less than 100 times the following amount: $(0.93 + (\text{MEI percentage}/100)) 1$,

where "MEI percentage" means the Secretary's estimate of the percentage increase in the MEI (as defined in section 1395u (i)(3) of this title) for the year involved.

(4) Update for years beginning with 2001

(A) In general

Unless otherwise provided by law, subject to the budget-neutrality factor determined by the Secretary under subsection (c)(2)(B)(ii) of this section and subject to adjustment under subparagraph (F), the update to the single conversion factor established in paragraph (1)(C) for a year beginning with 2001 is equal to the product of—

- (i) 1 plus the Secretary's estimate of the percentage increase in the MEI (as defined in section 1395u (i)(3) of this title) for the year (divided by 100); and
- (ii) 1 plus the Secretary's estimate of the update adjustment factor under subparagraph (B) for the year.

(B) Update adjustment factor

For purposes of subparagraph (A)(ii), subject to subparagraph (D) and the succeeding paragraphs of this subsection, the "update adjustment factor" for a year is equal (as estimated by the Secretary) to the sum of the following:

- (i) Prior year adjustment component

An amount determined by—

- (I) computing the difference (which may be positive or negative) between the amount of the allowed expenditures for physicians' services for the prior year (as determined under subparagraph (C)) and the amount of the actual expenditures for such services for that year;
- (II) dividing that difference by the amount of the actual expenditures for such services for that year; and
- (III) multiplying that quotient by 0.75.

- (ii) Cumulative adjustment component

An amount determined by—

- (I) computing the difference (which may be positive or negative) between the amount of the allowed expenditures for physicians' services (as determined under

subparagraph (C)) from April 1, 1996, through the end of the prior year and the amount of the actual expenditures for such services during that period;

(II) dividing that difference by actual expenditures for such services for the prior year as increased by the sustainable growth rate under subsection (f) of this section for the year for which the update adjustment factor is to be determined; and

(III) multiplying that quotient by 0.33.

(C) Determination of allowed expenditures

For purposes of this paragraph:

(i) Period up to April 1, 1999

The allowed expenditures for physicians' services for a period before April 1, 1999, shall be the amount of the allowed expenditures for such period as determined under paragraph (3)(C).

(ii) Transition to calendar year allowed expenditures

Subject to subparagraph (E), the allowed expenditures for—

(I) the 9-month period beginning April 1, 1999, shall be the Secretary's estimate of the amount of the allowed expenditures that would be permitted under paragraph (3)(C) for such period; and

(II) the year of 1999, shall be the Secretary's estimate of the amount of the allowed expenditures that would be permitted under paragraph (3)(C) for such year.

(iii) Years beginning with 2000

The allowed expenditures for a year (beginning with 2000) is equal to the allowed expenditures for physicians' services for the previous year, increased by the sustainable growth rate under subsection (f) of this section for the year involved.

(D) Restriction on update adjustment factor

The update adjustment factor determined under subparagraph (B) for a year may not be less than 0.07 or greater than 0.03.

(E) Recalculation of allowed expenditures for updates beginning with 2001

For purposes of determining the update adjustment factor for a year beginning with 2001, the Secretary shall recompute the allowed expenditures for previous periods beginning on or after April 1, 1999, consistent with subsection (f)(3) of this section.

(F) Transitional adjustment designed to provide for budget neutrality

Under this subparagraph the Secretary shall provide for an adjustment to the update under subparagraph (A)—

(i) for each of 2001, 2002, 2003, and 2004, of 0.2 percent; and

(ii) for 2005 of +0.8 percent.

(5) Update for 2004 and 2005

The update to the single conversion factor established in paragraph (1)(C) for each of 2004 and 2005 shall be not less than 1.5 percent.

(6) Update for 2006

The update to the single conversion factor established in paragraph (1)(C) for 2006 shall be 0 percent.

(7) Conversion factor for 2007

(A) In general

The conversion factor that would otherwise be applicable under this subsection for 2007 shall be the amount of such conversion factor divided by the product of—

- (i) 1 plus the Secretary's estimate of the percentage increase in the MEI (as defined in section 1395u (i)(3) of this title) for 2007 (divided by 100); and
- (ii) 1 plus the Secretary's estimate of the update adjustment factor under paragraph (4)(B) for 2007.

(B) No effect on computation of conversion factor for 2008

The conversion factor under this subsection shall be computed under paragraph (1)(A) for 2008 as if subparagraph (A) had never applied.

(8) Update for 2008

(A) In general

Subject to paragraph (7)(B), in lieu of the update to the single conversion factor established in paragraph (1)(C) that would otherwise apply for 2008, the update to the single conversion factor shall be 0.5 percent.

(B) No effect on computation of conversion factor for 2009

The conversion factor under this subsection shall be computed under paragraph (1)(A) for 2009 and subsequent years as if subparagraph (A) had never applied.

(9) Update for 2009

(A) In general

Subject to paragraphs (7)(B) and (8)(B), in lieu of the update to the single conversion factor established in paragraph (1)(C) that would otherwise apply for 2009, the update to the single conversion factor shall be 1.1 percent.

(B) No effect on computation of conversion factor for 2010 and subsequent years

The conversion factor under this subsection shall be computed under paragraph (1)(A) for 2010 and subsequent years as if subparagraph (A) had never applied.

(e) Geographic adjustment factors

(1) Establishment of geographic indices

(A) In general

Subject to subparagraphs (B), (C), (E), and (G), the Secretary shall establish—

- (i) an index which reflects the relative costs of the mix of goods and services comprising practice expenses (other than malpractice expenses) in the different fee schedule areas compared to the national average of such costs,
- (ii) an index which reflects the relative costs of malpractice expenses in the different fee schedule areas compared to the national average of such costs, and
- (iii) an index which reflects 1/4 of the difference between the relative value of physicians' work effort in each of the different fee schedule areas and the national average of such work effort.

(B) Class-specific geographic cost-of-practice indices

The Secretary may establish more than one index under subparagraph (A)(i) in the case of classes of physicians' services, if, because of differences in the mix of goods and services comprising practice expenses for the different classes of services, the application of a single index under such clause to different classes of such services would be substantially inequitable.

(C) Periodic review and adjustments in geographic adjustment factors

The Secretary, not less often than every 3 years, shall, in consultation with appropriate representatives of physicians, review the indices established under subparagraph (A) and the

geographic index values applied under this subsection for all fee schedule areas. Based on such review, the Secretary may revise such index and adjust such index values, except that, if more than 1 year has elapsed¹ since the date of the last previous adjustment, the adjustment to be applied in the first year of the next adjustment shall be 1/2 of the adjustment that otherwise would be made.

(D) Use of recent data

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 different fee schedule areas.

(E) Floor at 1.0 on work geographic index

After calculating the work geographic index in subparagraph (A)(iii), for purposes of payment for services furnished on or after January 1, 2004, and before January 1, 2010, the Secretary shall increase the work geographic index to 1.00 for any locality for which such work geographic index is less than 1.00.

(G)² Floor for practice expense, malpractice, and work geographic indices for services furnished in Alaska

For purposes of payment for services furnished in Alaska on or after January 1, 2004, and before January 1, 2006, after calculating the practice expense, malpractice, and work geographic indices in clauses (i), (ii), and (iii) of subparagraph (A) and in subparagraph (B), the Secretary shall increase any such index to 1.67 if such index would otherwise be less than 1.67. For purposes of payment for services furnished in the State described in the preceding sentence on or after January 1, 2009, after calculating the work geographic index in subparagraph (A)(iii), the Secretary shall increase the work geographic index to 1.5 if such index would otherwise be less than 1.5³

(2) Computation of geographic adjustment factor

For purposes of subsection (b)(1)(C) of this section, for all physicians' services for each fee schedule area the Secretary shall establish a geographic adjustment factor equal to the sum of the geographic cost-of-practice adjustment factor (specified in paragraph (3)), the geographic malpractice adjustment factor (specified in paragraph (4)), and the geographic physician work adjustment factor (specified in paragraph (5)) for the service and the area.

(3) Geographic cost-of-practice adjustment factor

For purposes of paragraph (2), the "geographic cost-of-practice adjustment factor", for a service for a fee schedule area, is the product of—

- (A) the proportion of the total relative value for the service that reflects the relative value units for the practice expense component, and
- (B) the geographic cost-of-practice index value for the area for the service, based on the index established under paragraph (1)(A)(i) or (1)(B) (as the case may be).

(4) Geographic malpractice adjustment factor

For purposes of paragraph (2), the "geographic malpractice adjustment factor", for a service for a fee schedule area, is the product of—

- (A) the proportion of the total relative value for the service that reflects the relative value units for the malpractice component, and
- (B) the geographic malpractice index value for the area, based on the index established under paragraph (1)(A)(ii).

(5) Geographic physician work adjustment factor

For purposes of paragraph (2), the “geographic physician work adjustment factor”, for a service for a fee schedule area, is the product of—

- (A) the proportion of the total relative value for the service that reflects the relative value units for the work component, and
- (B) the geographic physician work index value for the area, based on the index established under paragraph (1)(A)(iii).

(f) Sustainable growth rate

(1) Publication

The Secretary shall cause to have published in the Federal Register not later than—

- (A) November 1, 2000, the sustainable growth rate for 2000 and 2001; and
- (B) November 1 of each succeeding year the sustainable growth rate for such succeeding year and each of the preceding 2 years.

(2) Specification of growth rate

The sustainable growth rate for all physicians’ services for a fiscal year (beginning with fiscal year 1998 and ending with fiscal year 2000) and a year beginning with 2000 shall be equal to the product of—

- (A) 1 plus the Secretary’s estimate of the weighted average percentage increase (divided by 100) in the fees for all physicians’ services in the applicable period involved,
- (B) 1 plus the Secretary’s estimate of the percentage change (divided by 100) in the average number of individuals enrolled under this part (other than Medicare+Choice plan enrollees) from the previous applicable period to the applicable period involved,
- (C) 1 plus the Secretary’s estimate of the annual average percentage growth in real gross domestic product per capita (divided by 100) during the 10-year period ending with the applicable period involved, and
- (D) 1 plus the Secretary’s estimate of the percentage change (divided by 100) in expenditures for all physicians’ services in the applicable period (compared with the previous applicable period) which will result from changes in law and regulations, determined without taking into account estimated changes in expenditures resulting from the update adjustment factor determined under subsection (d)(3)(B) or (d)(4)(B) of this section, as the case may be,

minus 1 and multiplied by 100.

(3) Data to be used

For purposes of determining the update adjustment factor under subsection (d)(4)(B) of this section for a year beginning with 2001, the sustainable growth rates taken into consideration in the determination under paragraph (2) shall be determined as follows:

(A) For 2001

For purposes of such calculations for 2001, the sustainable growth rates for fiscal year 2000 and the years 2000 and 2001 shall be determined on the basis of the best data available to the Secretary as of September 1, 2000.

(B) For 2002

For purposes of such calculations for 2002, the sustainable growth rates for fiscal year 2000 and for years 2000, 2001, and 2002 shall be determined on the basis of the best data available to the Secretary as of September 1, 2001.

(C) For 2003 and succeeding years

For purposes of such calculations for a year after 2002—

- (i) the sustainable growth rates for that year and the preceding 2 years shall be determined on the basis of the best data available to the Secretary as of September 1 of the year preceding the year for which the calculation is made; and
- (ii) the sustainable growth rate for any year before a year described in clause (i) shall be the rate as most recently determined for that year under this subsection.

Nothing in this paragraph shall be construed as affecting the sustainable growth rates established for fiscal year 1998 or fiscal year 1999.

(4) Definitions

In this subsection:

(A) Services included in physicians' services

The term "physicians' services" includes other items and services (such as clinical diagnostic laboratory tests and radiology services), specified by the Secretary, that are commonly performed or furnished by a physician or in a physician's office, but does not include services furnished to a Medicare+Choice plan enrollee.

(B) Medicare+Choice plan enrollee

The term "Medicare+Choice plan enrollee" means, with respect to a fiscal year, an individual enrolled under this part who has elected to receive benefits under this subchapter for the fiscal year through a Medicare+Choice plan offered under part C of this subchapter, and also includes an individual who is receiving benefits under this part through enrollment with an eligible organization with a risk-sharing contract under section 1395mm of this title.

(C) Applicable period

The term "applicable period" means—

- (i) a fiscal year, in the case of fiscal year 1998, fiscal year 1999, and fiscal year 2000; or
- (ii) a calendar year with respect to a year beginning with 2000;

as the case may be.

(g) Limitation on beneficiary liability

(1) Limitation on actual charges

(A) In general

In the case of a nonparticipating physician or nonparticipating supplier or other person (as defined in section 1395u (i)(2) of this title) who does not accept payment on an assignment-related basis for a physician's service furnished with respect to an individual enrolled under this part, the following rules apply:

(i) Application of limiting charge

No person may bill or collect an actual charge for the service in excess of the limiting charge described in paragraph (2) for such service.

(ii) No liability for excess charges

No person is liable for payment of any amounts billed for the service in excess of such limiting charge.

(iii) Correction of excess charges

If such a physician, supplier, or other person bills, but does not collect, an actual charge for a service in violation of clause (i), the physician, supplier, or other person shall reduce on a timely basis the actual charge billed for the service to an amount not to exceed the limiting charge for the service.

(iv) Refund of excess collections

If such a physician, supplier, or other person collects an actual charge for a service in violation of clause (i), the physician, supplier, or other person shall provide on a timely basis a refund to the individual charged in the amount by which the amount collected exceeded the limiting charge for the service. The amount of such a refund shall be reduced to the extent the individual has an outstanding balance owed by the individual to the physician.

(B) Sanctions

If a physician, supplier, or other person—

- (i) knowingly and willfully bills or collects for services in violation of subparagraph (A)(i) on a repeated basis, or
- (ii) fails to comply with clause (iii) or (iv) of subparagraph (A) on a timely basis,

the Secretary may apply sanctions against the physician, supplier, or other person in accordance with paragraph (2) of section 1395u (j) of this title. In applying this subparagraph, paragraph (4) of such section applies in the same manner as such paragraph applies to such section and any reference in such section to a physician is deemed also to include a reference to a supplier or other person under this subparagraph.

(C) Timely basis

For purposes of this paragraph, a correction of a bill for an excess charge or refund of an amount with respect to a violation of subparagraph (A)(i) in the case of a service is considered to be provided “on a timely basis”, if the reduction or refund is made not later than 30 days after the date the physician, supplier, or other person is notified by the carrier under this part of such violation and of the requirements of subparagraph (A).

(2) “Limiting charge” defined

(A) For 1991

For physicians’ services of a physician furnished during 1991, other than radiologist services subject to section 1395m (b) of this title, the “limiting charge” shall be the same percentage (or, if less, 25 percent) above the recognized payment amount under this part with respect to the physician (as a nonparticipating physician) as the percentage by which—

- (i) the maximum allowable actual charge (as determined under section 1395u (j)(1)(C) of this title as of December 31, 1990, or, if less, the maximum actual charge otherwise permitted for the service under this part as of such date) for the service of the physician, exceeds
- (ii) the recognized payment amount for the service of the physician (as a nonparticipating physician) as of such date.

In the case of evaluation and management services (as specified in section 1395u (b)(16)(B)(ii) of this title), the preceding sentence shall be applied by substituting “40 percent” for “25 percent”.

(B) For 1992

For physicians’ services furnished during 1992, other than radiologist services subject to section 1395m (b) of this title, the “limiting charge” shall be the same percentage (or, if less, 20 percent) above the recognized payment amount under this part for nonparticipating physicians as the percentage by which—

- (i) the limiting charge (as determined under subparagraph (A) as of December 31, 1991) for the service, exceeds
- (ii) the recognized payment amount for the service for nonparticipating physicians as of such date.

(C) After 1992

For physicians' services furnished in a year after 1992, the "limiting charge" shall be 115 percent of the recognized payment amount under this part for nonparticipating physicians or for nonparticipating suppliers or other persons.

(D) Recognized payment amount

In this section, the term "recognized payment amount" means, for services furnished on or after January 1, 1992, the fee schedule amount determined under subsection (a) of this section (or, if payment under this part is made on a basis other than the fee schedule under this section, 95 percent of the other payment basis), and, for services furnished during 1991, the applicable percentage (as defined in section 1395u (b)(4)(A)(iv) of this title) of the prevailing charge (or fee schedule amount) for nonparticipating physicians for that year.

(3) Limitation on charges for medicare beneficiaries eligible for medicaid benefits

(A) In general

Payment for physicians' services furnished on or after April 1, 1990, to an individual who is enrolled under this part and eligible for any medical assistance (including as a qualified medicare beneficiary, as defined in section 1396d (p)(1) of this title) with respect to such services under a State plan approved under subchapter XIX of this chapter may only be made on an assignment-related basis and the provisions of section 1396a (n)(3)(A) of this title apply to further limit permissible charges under this section.

(B) Penalty

A person may not bill for physicians' services subject to subparagraph (A) other than on an assignment-related basis. No person is liable for payment of any amounts billed for such a service in violation of the previous sentence. If a person knowingly and willfully bills for physicians' services in violation of the first sentence, the Secretary may apply sanctions against the person in accordance with section 1395u (j)(2) of this title.

(4) Physician submission of claims

(A) In general

For services furnished on or after September 1, 1990, within 1 year after the date of providing a service for which payment is made under this part on a reasonable charge or fee schedule basis, a physician, supplier, or other person (or an employer or facility in the cases described in section 1395u (b)(6)(A) of this title)—

(i) shall complete and submit a claim for such service on a standard claim form specified by the Secretary to the carrier on behalf of a beneficiary, and

(ii) may not impose any charge relating to completing and submitting such a form.

(B) Penalty

(i) With respect to an assigned claim wherever a physician, provider, supplier or other person (or an employer or facility in the cases described in section 1395u (b)(6)(A) of this title) fails to submit such a claim as required in subparagraph (A), the Secretary shall reduce by 10 percent the amount that would otherwise be paid for such claim under this part.

(ii) If a physician, supplier, or other person (or an employer or facility in the cases described in section 1395u (b)(6)(A) of this title) fails to submit a claim required to be submitted under subparagraph (A) or imposes a charge in violation of such subparagraph, the Secretary shall apply the sanction with respect to such a violation in the same manner as a sanction may be imposed under section 1395u (p)(3) of this title for a violation of section 1395u (p)(1) of this title.

(5) Electronic billing; direct deposit

The Secretary shall encourage and develop a system providing for expedited payment for claims submitted electronically. The Secretary shall also encourage and provide incentives allowing for direct deposit as payments for services furnished by participating physicians. The Secretary shall provide physicians with such technical information as necessary to enable such physicians to submit claims electronically. The Secretary shall submit a plan to Congress on this paragraph by May 1, 1990.

(6) Monitoring of charges

(A) In general

The Secretary shall monitor—

- (i) the actual charges of nonparticipating physicians for physicians' services furnished on or after January 1, 1991, to individuals enrolled under this part, and
- (ii) changes (by specialty, type of service, and geographic area) in
 - (I) the proportion of expenditures for physicians' services provided under this part by participating physicians,
 - (II) the proportion of expenditures for such services for which payment is made under this part on an assignment-related basis, and
 - (III) the amounts charged above the recognized payment amounts under this part.

(B) Report

The Secretary shall, by not later than April 15 of each year (beginning in 1992), report to the Congress information on the extent to which actual charges exceed limiting charges, the number and types of services involved, and the average amount of excess charges and information regarding the changes described in subparagraph (A)(ii).

(C) Plan

If the Secretary finds that there has been a significant decrease in the proportions described in subclauses (I) and (II) of subparagraph (A)(ii) or an increase in the amounts described in subclause (III) of that subparagraph, the Secretary shall develop a plan to address such a problem and transmit to Congress recommendations regarding the plan. The Medicare Payment Advisory Commission shall review the Secretary's plan and recommendations and transmit to Congress its comments regarding such plan and recommendations.

(7) Monitoring of utilization and access

(A) In general

The Secretary shall monitor—

- (i) changes in the utilization of and access to services furnished under this part within geographic, population, and service related categories,
- (ii) possible sources of inappropriate utilization of services furnished under this part which contribute to the overall level of expenditures under this part, and
- (iii) factors underlying these changes and their interrelationships.

(B) Report

The Secretary shall by not later than April 15,⁴ of each year (beginning with 1991) report to the Congress on the changes described in subparagraph (A)(i) and shall include in the report an examination of the factors (including factors relating to different services and specific categories and groups of services and geographic and demographic variations in utilization) which may contribute to such changes.

(C) Recommendations

The Secretary shall include in each annual report under subparagraph (B) recommendations—

- (i) addressing any identified patterns of inappropriate utilization,

- (ii) on utilization review,
- (iii) on physician education or patient education,
- (iv) addressing any problems of beneficiary access to care made evident by the monitoring process, and
- (v) on such other matters as the Secretary deems appropriate.

The Medicare Payment Advisory Commission shall comment on the Secretary's recommendations and in developing its comments, the Commission shall convene and consult a panel of physician experts to evaluate the implications of medical utilization patterns for the quality of and access to patient care.

(h) Sending information to physicians

Before the beginning of each year (beginning with 1992), the Secretary shall send to each physician or nonparticipating supplier or other person furnishing physicians' services (as defined in subsection (j)(3) of this section) furnishing physicians' services under this part, for services commonly performed by the physician, supplier, or other person, information on fee schedule amounts that apply for the year in the fee schedule area for participating and non-participating physicians, and the maximum amount that may be charged consistent with subsection (g)(2) of this section. Such information shall be transmitted in conjunction with notices to physicians, suppliers, and other persons under section 1395u (h) of this title (relating to the participating physician program) for a year.

(i) Miscellaneous provisions

(1) Restriction on administrative and judicial review

There shall be no administrative or judicial review under section 1395ff of this title or otherwise of—

- (A) the determination of the adjusted historical payment basis (as defined in subsection (a)(2)(D)(i) of this section),
- (B) the determination of relative values and relative value units under subsection (c) of this section, including adjustments under subsections (c)(2)(F), (c)(2)(H), and (c)(2)(I) of this section and section 13515(b) of the Omnibus Budget Reconciliation Act of 1993,
- (C) the determination of conversion factors under subsection (d) of this section, including without limitation a prospective redetermination of the sustainable growth rates for any or all previous fiscal years,
- (D) the establishment of geographic adjustment factors under subsection (e) of this section, and
- (E) the establishment of the system for the coding of physicians' services under this section.

(2) Assistants-at-surgery

(A) In general

Subject to subparagraph (B), in the case of a surgical service furnished by a physician, if payment is made separately under this part for the services of a physician serving as an assistant-at-surgery, the fee schedule amount shall not exceed 16 percent of the fee schedule amount otherwise determined under this section for the global surgical service involved.

(B) Denial of payment in certain cases

If the Secretary determines, based on the most recent data available, that for a surgical procedure (or class of surgical procedures) the national average percentage of such procedure performed under this part which involve the use of a physician as an assistant at surgery is less than 5 percent, no payment may be made under this part for services of an assistant at surgery involved in the procedure.

(3) No comparability adjustment

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscpri.html>).

For physicians' services for which payment under this part is determined under this section—

- (A) a carrier may not make any adjustment in the payment amount under section 1395u (b)(3)(B) of this title on the basis that the payment amount is higher than the charge applicable, for comparable services and under comparable circumstances, to the policyholders and subscribers of the carrier,
- (B) no payment adjustment may be made under section 1395u (b)(8) of this title, and
- (C) section 1395u (b)(9) of this title shall not apply.

(j) Definitions

In this section:

(1) Category

For services furnished before January 1, 1998, the term “category” means, with respect to physicians' services, surgical services, and all physicians' services other than surgical services (as defined by the Secretary and including anesthesia services), primary care services (as defined in section 1395u (i)(4) of this title), and all other physicians' services. The Secretary shall define surgical services and publish such definition in the Federal Register no later than May 1, 1990, after consultation with organizations representing physicians.

(2) Fee schedule area

The term “fee schedule area” means a locality used under section 1395u (b) of this title for purposes of computing payment amounts for physicians' services.

(3) Physicians' services

The term “physicians' services” includes items and services described in paragraphs (1), (2)(A), (2)(D), (2)(G), (2)(P) (with respect to services described in subparagraphs (A) and (C) of section 1395x (oo)(2) of this title), (2)(R) (with respect to services described in subparagraphs (B), (C), and (D) of section 1395x (pp)(1) of this title), (2)(S), (2)(W), (2)(AA), (2)(DD), (2)(EE), (3), (4), (13), (14) (with respect to services described in section 1395x (nn)(2) of this title), and (15) of section 1395x (s) of this title (other than clinical diagnostic laboratory tests and, except for purposes of subsections (a)(3), (g), and (h) of this section⁵ such other items and services as the Secretary may specify).

(4) Practice expenses

The term “practice expenses” includes all expenses for furnishing physicians' services, excluding malpractice expenses, physician compensation, and other physician fringe benefits.

(k) Quality reporting system

(1) In general

The Secretary shall implement a system for the reporting by eligible professionals of data on quality measures specified under paragraph (2). Such data shall be submitted in a form and manner specified by the Secretary (by program instruction or otherwise), which may include submission of such data on claims under this part.

(2) Use of consensus-based quality measures

(A) For 2007

(i) In general

For purposes of applying this subsection for the reporting of data on quality measures for covered professional services furnished during the period beginning July 1, 2007, and ending December 31, 2007, the quality measures specified under this paragraph are the measures identified as 2007 physician quality measures under the Physician Voluntary Reporting Program as published on the public website of the Centers for Medicare & Medicaid Services as of December 20, 2006, except as may be changed by the Secretary

based on the results of a consensus-based process in January of 2007, if such change is published on such website by not later than April 1, 2007.

(ii) Subsequent refinements in application permitted

The Secretary may, from time to time (but not later than July 1, 2007), publish on such website (without notice or opportunity for public comment) modifications or refinements (such as code additions, corrections, or revisions) for the application of quality measures previously published under clause (i), but may not, under this clause, change the quality measures under the reporting system.

(iii) Implementation

Notwithstanding any other provision of law, the Secretary may implement by program instruction or otherwise this subsection for 2007.

(B) For 2008 and 2009

(i) In general

For purposes of reporting data on quality measures for covered professional services furnished during 2008 and 2009, the quality measures specified under this paragraph for covered professional services shall be measures that have been adopted or endorsed by a consensus organization (such as the National Quality Forum or AQA), that include measures that have been submitted by a physician specialty, and that the Secretary identifies as having used a consensus-based process for developing such measures. Such measures shall include structural measures, such as the use of electronic health records and electronic prescribing technology.

(ii) Proposed set of measures

Not later than August 15 of each of 2007 and 2008, the Secretary shall publish in the Federal Register a proposed set of quality measures that the Secretary determines are described in clause (i) and would be appropriate for eligible professionals to use to submit data to the Secretary in 2008 or 2009, as applicable. The Secretary shall provide for a period of public comment on such set of measures.

(iii) Final set of measures

Not later than November 15 of each of 2007 and 2008, the Secretary shall publish in the Federal Register a final set of quality measures that the Secretary determines are described in clause (i) and would be appropriate for eligible professionals to use to submit data to the Secretary in 2008 or 2009, as applicable.

(C) For 2010 and subsequent years

(i) In general

Subject to clause (ii), for purposes of reporting data on quality measures for covered professional services furnished during 2010 and each subsequent year, subject to subsection (m)(3)(C), the quality measures (including electronic prescribing quality measures) specified under this paragraph shall be such measures selected by the Secretary from measures that have been endorsed by the entity with a contract with the Secretary under section 1395aaa (a) of this title.

(ii) Exception

In the case of a specified area or medical topic determined appropriate by the Secretary for which a feasible and practical measure has not been endorsed by the entity with a contract under section 1395aaa (a) of this title, the Secretary may specify a measure that is not so endorsed as long as due consideration is given to measures that have been endorsed or adopted by a consensus organization identified by the Secretary, such as the AQA alliance.

(D) Opportunity to provide input on measures for 2009 and subsequent years

For each quality measure (including an electronic prescribing quality measure) adopted by the Secretary under subparagraph (B) (with respect to 2009) or subparagraph (C), the Secretary shall ensure that eligible professionals have the opportunity to provide input during the development, endorsement, or selection of measures applicable to services they furnish.

(3) Covered professional services and eligible professionals defined

For purposes of this subsection:

(A) Covered professional services

The term “covered professional services” means services for which payment is made under, or is based on, the fee schedule established under this section and which are furnished by an eligible professional.

(B) Eligible professional

The term “eligible professional” means any of the following:

- (i) A physician.
- (ii) A practitioner described in section 1395u (b)(18)(C) of this title.
- (iii) A physical or occupational therapist or a qualified speech-language pathologist.
- (iv) Beginning with 2009, a qualified audiologist (as defined in section 1395x (1l)(3)(B) of this title).

(4) Use of registry-based reporting

As part of the publication of proposed and final quality measures for 2008 under clauses (ii) and (iii) of paragraph (2)(B), the Secretary shall address a mechanism whereby an eligible professional may provide data on quality measures through an appropriate medical registry (such as the Society of Thoracic Surgeons National Database), as identified by the Secretary.

(5) Identification units

For purposes of applying this subsection, the Secretary may identify eligible professionals through billing units, which may include the use of the Provider Identification Number, the unique physician identification number (described in section 1395l (q)(1) of this title), the taxpayer identification number, or the National Provider Identifier. For purposes of applying this subsection for 2007, the Secretary shall use the taxpayer identification number as the billing unit.

(6) Education and outreach

The Secretary shall provide for education and outreach to eligible professionals on the operation of this subsection.

(7) Limitations on review

There shall be no administrative or judicial review under section 1395ff of this title, section 1395oo of this title, or otherwise, of the development and implementation of the reporting system under paragraph (1), including identification of quality measures under paragraph (2) and the application of paragraphs (4) and (5).

(8) Implementation

The Secretary shall carry out this subsection acting through the Administrator of the Centers for Medicare & Medicaid Services.

(I) Physician Assistance and Quality Initiative Fund**(1) Establishment**

The Secretary shall establish under this subsection a Physician Assistance and Quality Initiative Fund (in this subsection referred to as the “Fund”) which shall be available to the Secretary

for physician payment and quality improvement initiatives, which may include application of an adjustment to the update of the conversion factor under subsection (d).

(2) Funding

(A) Amount available

(i) In general

Subject to clause (ii), there shall be available to the Fund the following amounts:

(I) For expenditures during 2008, an amount equal to \$150,500,000.

(II) For expenditures during 2009, an amount equal to \$24,500,000.

(ii) Limitations on expenditures

(I) 2008

The amount available for expenditures during 2008 shall be reduced as provided by subparagraph (A) of section 225 (c)(1) and section 524 of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2008 (division G of the Consolidated Appropriations Act, 2008).

(II) 2009

The amount available for expenditures during 2009 shall be reduced as provided by subparagraph (B) of such section 225 (c)(1).

(B) Timely obligation of all available funds for services

The Secretary shall provide for expenditures from the Fund in a manner designed to provide (to the maximum extent feasible) for the obligation of the entire amount available for expenditures, after application of subparagraph (A)(ii), during—

(i) 2008 for payment with respect to physicians' services furnished during 2008; and

(ii) 2009 for payment with respect to physicians' services furnished during 2009.

(C) Payment from Trust Fund

The amount specified in subparagraph (A) shall be available to the Fund, as expenditures are made from the Fund, from the Federal Supplementary Medical Insurance Trust Fund under section 1395t of this title.

(D) Funding limitation

Amounts in the Fund shall be available in advance of appropriations in accordance with subparagraph (B) but only if the total amount obligated from the Fund does not exceed the amount available to the Fund under subparagraph (A). 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.

(E) Construction

In the case that expenditures from the Fund are applied to, or otherwise affect, a conversion factor under subsection (d) for a year, the conversion factor under such subsection shall be computed for a subsequent year as if such application or effect had never occurred.

(m) Incentive payments for quality reporting

(1) Incentive payments

(A) In general

For 2007 through 2010, with respect to covered professional services furnished during a reporting period by an eligible professional, if—

- (i) there are any quality measures that have been established under the physician reporting system that are applicable to any such services furnished by such professional for such reporting period; and
- (ii) the eligible professional satisfactorily submits (as determined under this subsection) to the Secretary data on such quality measures in accordance with such reporting system for such reporting period,

in addition to the amount otherwise paid under this part, there also shall be paid to the eligible professional (or to an employer or facility in the cases described in clause (A) of section 1395u (b)(6) of this title) or, in the case of a group practice under paragraph (3)(C), to the group practice, from the Federal Supplementary Medical Insurance Trust Fund established under section 1395t of this title an amount equal to the applicable quality percent of the Secretary's estimate (based on claims submitted not later than 2 months after the end of the reporting period) of the allowed charges under this part for all such covered professional services furnished by the eligible professional (or, in the case of a group practice under paragraph (3)(C), by the group practice) during the reporting period.

(B) Applicable quality percent

For purposes of subparagraph (A), the term "applicable quality percent" means—

- (i) for 2007 and 2008, 1.5 percent; and
- (ii) for 2009 and 2010, 2.0 percent.

(2) Incentive payments for electronic prescribing

(A) In general

For 2009 through 2013, with respect to covered professional services furnished during a reporting period by an eligible professional, if the eligible professional is a successful electronic prescriber for such reporting period, in addition to the amount otherwise paid under this part, there also shall be paid to the eligible professional (or to an employer or facility in the cases described in clause (A) of section 1395u (b)(6) of this title) or, in the case of a group practice under paragraph (3)(C), to the group practice, from the Federal Supplementary Medical Insurance Trust Fund established under section 1395t of this title an amount equal to the applicable electronic prescribing percent of the Secretary's estimate (based on claims submitted not later than 2 months after the end of the reporting period) of the allowed charges under this part for all such covered professional services furnished by the eligible professional (or, in the case of a group practice under paragraph (3)(C), by the group practice) during the reporting period.

(B) Limitation with respect to electronic prescribing quality measures

The provisions of this paragraph and subsection (a)(5) shall not apply to an eligible professional (or, in the case of a group practice under paragraph (3)(C), to the group practice) if, for the reporting period (or, for purposes of subsection (a)(5), for the reporting period for a year)—

- (i) the allowed charges under this part for all covered professional services furnished by the eligible professional (or group, as applicable) for the codes to which the electronic prescribing quality measure applies (as identified by the Secretary and published on the Internet website of the Centers for Medicare & Medicaid Services as of January 1, 2008, and as subsequently modified by the Secretary) are less than 10 percent of the total of the allowed charges under this part for all such covered professional services furnished by the eligible professional (or the group, as applicable); or
- (ii) if determined appropriate by the Secretary, the eligible professional does not submit (including both electronically and nonelectronically) a sufficient number (as determined by the Secretary) of prescriptions under part D.

If the Secretary makes the determination to apply clause (ii) for a period, then clause (i) shall not apply for such period.

(C) Applicable electronic prescribing percent

For purposes of subparagraph (A), the term “applicable electronic prescribing percent” means—

- (i) for 2009 and 2010, 2.0 percent;
- (ii) for 2011 and 2012, 1.0 percent; and
- (iii) for 2013, 0.5 percent.

(3) Satisfactory reporting and successful electronic prescriber described

(A) In general

For purposes of paragraph (1), an eligible professional shall be treated as satisfactorily submitting data on quality measures for covered professional services for a reporting period if quality measures have been reported as follows:

- (i) Three or fewer quality measures applicable

If there are no more than 3 quality measures that are provided under the physician reporting system and that are applicable to such services of such professional furnished during the period, each such quality measure has been reported under such system in at least 80 percent of the cases in which such measure is reportable under the system.

- (ii) Four or more quality measures applicable

If there are 4 or more quality measures that are provided under the physician reporting system and that are applicable to such services of such professional furnished during the period, at least 3 such quality measures have been reported under such system in at least 80 percent of the cases in which the respective measure is reportable under the system.

For years after 2008, quality measures for purposes of this subparagraph shall not include electronic prescribing quality measures.

(B) Successful electronic prescriber

- (i) In general

For purposes of paragraph (2) and subsection (a)(5), an eligible professional shall be treated as a successful electronic prescriber for a reporting period (or, for purposes of subsection (a)(5), for the reporting period for a year) if the eligible professional meets the requirement described in clause (ii), or, if the Secretary determines appropriate, the requirement described in clause (iii). If the Secretary makes the determination under the preceding sentence to apply the requirement described in clause (iii) for a period, then the requirement described in clause (ii) shall not apply for such period.

- (ii) Requirement for submitting data on electronic prescribing quality measures

The requirement described in this clause is that, with respect to covered professional services furnished by an eligible professional during a reporting period (or, for purposes of subsection (a)(5), for the reporting period for a year), if there are any electronic prescribing quality measures that have been established under the physician reporting system and are applicable to any such services furnished by such professional for the period, such professional reported each such measure under such system in at least 50 percent of the cases in which such measure is reportable by such professional under such system.

- (iii) Requirement for electronically prescribing under part D

The requirement described in this clause is that the eligible professional electronically submitted a sufficient number (as determined by the Secretary) of prescriptions under

part D during the reporting period (or, for purposes of subsection (a)(5), for the reporting period for a year).

(iv) Use of part D data

Notwithstanding sections 1395w-115 (d)(2)(B) and 1395w-115 (f)(2) of this title, the Secretary may use data regarding drug claims submitted for purposes of section 1395w-115 of this title that are necessary for purposes of clause (iii), paragraph (2)(B)(ii), and paragraph (5)(G).

(v) Standards for electronic prescribing

To the extent practicable, in determining whether eligible professionals meet the requirements under clauses (ii) and (iii) for purposes of clause (i), the Secretary shall ensure that eligible professionals utilize electronic prescribing systems in compliance with standards established for such systems pursuant to the Part D Electronic Prescribing Program under section 1395w-104 (e) of this title.

(C) Satisfactory reporting measures for group practices

(i) In general

By January 1, 2010, the Secretary shall establish and have in place a process under which eligible professionals in a group practice (as defined by the Secretary) shall be treated as satisfactorily submitting data on quality measures under subparagraph (A) and as meeting the requirement described in subparagraph (B)(ii) for covered professional services for a reporting period (or, for purposes of subsection (a)(5), for a reporting period for a year) if, in lieu of reporting measures under subsection (k)(2)(C), the group practice reports measures determined appropriate by the Secretary, such as measures that target high-cost chronic conditions and preventive care, in a form and manner, and at a time, specified by the Secretary.

(ii) Statistical sampling model

The process under clause (i) shall provide for the use of a statistical sampling model to submit data on measures, such as the model used under the Physician Group Practice demonstration project under section 1395cc-1 of this title.

(iii) No double payments

Payments to a group practice under this subsection by reason of the process under clause (i) shall be in lieu of the payments that would otherwise be made under this subsection to eligible professionals in the group practice for satisfactorily submitting data on quality measures.

(D) Authority to revise satisfactorily reporting data

For years after 2009, the Secretary, in consultation with stakeholders and experts, may revise the criteria under this subsection for satisfactorily submitting data on quality measures under subparagraph (A) and the criteria for submitting data on electronic prescribing quality measures under subparagraph (B)(ii).

(4) Form of payment

The payment under this subsection shall be in the form of a single consolidated payment.

(5) Application

(A) Physician reporting system rules

Paragraphs (5), (6), and (8) of subsection (k) shall apply for purposes of this subsection in the same manner as they apply for purposes of such subsection.

(B) Coordination with other bonus payments

The provisions of this subsection shall not be taken into account in applying subsections (m) and (u) of section 1395l of this title and any payment under such subsections shall not be taken into account in computing allowable charges under this subsection.

(C) Implementation

Notwithstanding any other provision of law, for 2007, 2008, and 2009, the Secretary may implement by program instruction or otherwise this subsection.

(D) Validation

(i) In general

Subject to the succeeding provisions of this subparagraph, for purposes of determining whether a measure is applicable to the covered professional services of an eligible professional under this subsection for 2007 and 2008, the Secretary shall presume that if an eligible professional submits data for a measure, such measure is applicable to such professional.

(ii) Method

The Secretary may establish procedures to validate (by sampling or other means as the Secretary determines to be appropriate) whether measures applicable to covered professional services of an eligible professional have been reported.

(iii) Denial of payment authority

If the Secretary determines that an eligible professional (or, in the case of a group practice under paragraph (3)(C), the group practice) has not reported measures applicable to covered professional services of such professional, the Secretary shall not pay the incentive payment under this subsection. If such payments for such period have already been made, the Secretary shall recoup such payments from the eligible professional (or the group practice).

(E) Limitations on review

There shall be no administrative or judicial review under section 1395ff of this title, section 1395oo of this title, or otherwise of—

- (i)** the determination of measures applicable to services furnished by eligible professionals under this subsection;
- (ii)** the determination of satisfactory reporting under this subsection;
- (iii)** the determination of a successful electronic prescriber under paragraph (3), the limitation under paragraph (2)(B), and the exception under subsection (a)(5)(B); and
- (iv)** the determination of any incentive payment under this subsection and the payment adjustment under subsection (a)(5)(A).

(F) Extension

For 2008 and subsequent years, the Secretary shall establish alternative criteria for satisfactorily reporting under this subsection and alternative reporting periods under paragraph (6)(C) for reporting groups of measures under subsection (k)(2)(B) and for reporting using the method specified in subsection (k)(4).

(G) Posting on website

The Secretary shall post on the Internet website of the Centers for Medicare & Medicaid Services, in an easily understandable format, a list of the names of the following:

- (i)** The eligible professionals (or, in the case of reporting under paragraph (3)(C), the group practices) who satisfactorily submitted data on quality measures under this subsection.

(ii) The eligible professionals (or, in the case of reporting under paragraph (3)(C), the group practices) who are successful electronic prescribers.

(6) Definitions

For purposes of this subsection:

(A) Eligible professional; covered professional services

The terms “eligible professional” and “covered professional services” have the meanings given such terms in subsection (k)(3).

(B) Physician reporting system

The term “physician reporting system” means the system established under subsection (k).

(C) Reporting period

(i) In general

Subject to clauses (ii) and (iii), the term “reporting period” means—

(I) for 2007, the period beginning on July 1, 2007, and ending on December 31, 2007; and

(II) for 2008, 2009, 2010, and 2011, the entire year.

(ii) Authority to revise reporting period

For years after 2009, the Secretary may revise the reporting period under clause (i) if the Secretary determines such revision is appropriate, produces valid results on measures reported, and is consistent with the goals of maximizing scientific validity and reducing administrative burden. If the Secretary revises such period pursuant to the preceding sentence, the term “reporting period” shall mean such revised period.

(iii) Reference

Any reference in this subsection to a reporting period with respect to the application of subsection (a)(5) shall be deemed a reference to the reporting period under subparagraph (D)(iii) of such subsection.

(n) Physician Feedback Program

(1) Establishment

(A) In general

The Secretary shall establish a Physician Feedback Program (in this subsection referred to as the “Program”) under which the Secretary shall use claims data under this subchapter (and may use other data) to provide confidential reports to physicians (and, as determined appropriate by the Secretary, to groups of physicians) that measure the resources involved in furnishing care to individuals under this subchapter. If determined appropriate by the Secretary, the Secretary may include information on the quality of care furnished to individuals under this subchapter by the physician (or group of physicians) in such reports.

(B) Resource use

The resources described in subparagraph (A) may be measured—

(i) on an episode basis;

(ii) on a per capita basis; or

(iii) on both an episode and a per capita basis.

(2) Implementation

The Secretary shall implement the Program by not later than January 1, 2009.

(3) Data for reports

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscprint.html>).

To the extent practicable, reports under the Program shall be based on the most recent data available.

(4) Authority to focus application

The Secretary may focus the application of the Program as appropriate, such as focusing the Program on—

- (A) physician specialties that account for a certain percentage of all spending for physicians' services under this subchapter;
- (B) physicians who treat conditions that have a high cost or a high volume, or both, under this subchapter;
- (C) physicians who use a high amount of resources compared to other physicians;
- (D) physicians practicing in certain geographic areas; or
- (E) physicians who treat a minimum number of individuals under this subchapter.

(5) Authority to exclude certain information if insufficient information

The Secretary may exclude certain information regarding a service from a report under the Program with respect to a physician (or group of physicians) if the Secretary determines that there is insufficient information relating to that service to provide a valid report on that service.

(6) Adjustment of data

To the extent practicable, the Secretary shall make appropriate adjustments to the data used in preparing reports under the Program, such as adjustments to take into account variations in health status and other patient characteristics.

(7) Education and outreach

The Secretary shall provide for education and outreach activities to physicians on the operation of, and methodologies employed under, the Program.

(8) Disclosure exemption

Reports under the Program shall be exempt from disclosure under section 552 of title 5.

Footnotes

¹ So in original. Probably should be "elapsed".

² So in original. No subpar. (F) has been enacted.

³ So in original. Probably should be followed by a period.

⁴ So in original. The comma probably should not appear.

⁵ So in original. Probably should be followed by a comma.

(Aug. 14, 1935, ch. 531, title XVIII, § 1848, as added Pub. L. 101-239, title VI, § 6102(a), Dec. 19, 1989, 103 Stat. 2169; amended Pub. L. 101-508, title IV, §§ 4102(b), (g)(2), 4104 (b)(2), 4105 (a)(3), (c), 4106 (b)(1), 4107 (a)(1), 4109 (a), 4116, 4118 (b)–(f)(1), (k), Nov. 5, 1990, 104 Stat. 1388–56, 1388–57, 1388–59 to 1388–63, 1388–65, 1388–67, 1388–68, 1388–71; Pub. L. 103-66, title XIII, §§ 13511(a), 13512–13514(c), 13515 (a)(1), (c), 13516 (a)(1), 13517 (a), 13518 (a), Aug. 10, 1993, 107 Stat. 580–583, 585, 586; Pub. L. 103-432, title I, §§ 121(b)(1), (2), 122 (a), (b), 123 (a), (d), 126 (b)(6), (g)(2)(B), (5)–(7), (10)(A), Oct. 31, 1994, 108 Stat. 4409, 4410, 4412, 4415, 4416; Pub. L. 105-33, title IV, §§ 4022(b)(2)(B), (C), 4102 (d), 4103 (d), 4104 (d), 4105 (a)(2), 4106 (b), 4501, 4502 (a)(1), (b), 4503, 4504 (a), 4505 (a), (b), (e), (f)(1), 4644 (d), 4714 (b)(2), Aug. 5, 1997, 111 Stat. 354, 355, 361, 362, 365, 366, 368, 432–437, 488, 510; Pub. L. 106-113, div. B, § 1000(a)(6) [title II, § 211(a)(1), (2)(A), (3)(A), (b), title III, § 321(k)(5)], Nov. 29, 1999, 113 Stat. 1536, 1501A-345 to 1501A-348, 1501A-366; Pub. L. 106-554, § 1(a)(6) [title I, § 104(a)], Dec. 21, 2000, 114 Stat. 2763, 2763A-469; Pub. L. 108-7, div. N, title IV, § 402(a), Feb. 20, 2003, 117 Stat. 548; Pub. L. 108-173, title III, § 303(a)(1), (g)(2), title IV, § 412, title VI, §§ 601(a)(1), (2), (b)(1), 602, 611 (c), title VII, § 736(b)(10), Dec. 8, 2003, 117 Stat. 2233, 2253, 2274, 2300, 2301, 2304, 2356; Pub. L. 109-171, title V, §§ 5102, 5104 (a), 5112 (c), Feb.

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscprint.html>).

8, 2006, 120 Stat. 39, 40, 44; Pub. L. 109–432, div. B, title I, §§ 101(a), (b), (d), 102, Dec. 20, 2006, 120 Stat. 2975, 2980, 2981; Pub. L. 110–90, § 6, Sept. 29, 2007, 121 Stat. 985; Pub. L. 110–161, div. G, title II, § 225(c)(2), title V, § 524, Dec. 26, 2007, 121 Stat. 2190, 2212; Pub. L. 110–173, title I, §§ 101(a)(1), (2)(A), (b)(1), 103, Dec. 29, 2007, 121 Stat. 2493–2495; Pub. L. 110–252, title VII, § 7002(c), June 30, 2008, 122 Stat. 2395; Pub. L. 110–275, title I, §§ 131(a)(1), (3)(C), (b)(1)–(4)(A), (5), (c)(1), 132(a), (b), 133(b), 134, 139(a), 144(a)(2), 152(b)(1)(C), July 15, 2008, 122 Stat. 2520–2522, 2525–2527, 2529, 2532, 2541, 2546, 2552.)

References in Text

Section 13515(b) of the Omnibus Budget Reconciliation Act of 1993, referred to in subsecs. (a)(2)(B)(ii)(I), (c)(2)(A)(i), and (i)(1)(B), is section 13515(b) of Pub. L. 103–66, which is set out as a note under section 1395u of this title.

Section 6105(b) of the Omnibus Budget Reconciliation Act of 1989, referred to in subsec. (a)(2)(D)(ii), (iii), is section 6105(b) of Pub. L. 101–239, which is set out as a note under section 1395m of this title.

Section 4048(b) of the Omnibus Budget Reconciliation Act of 1987, referred to in subsec. (b)(2)(B), is section 4048(b) of Pub. L. 100–203, which is set out as a note under section 1395u of this title.

Section 13514(a) of the Omnibus Budget Reconciliation Act of 1993, referred to in subsec. (c)(2)(F), is section 13514(a) of Pub. L. 103–66, which amended subsec. (b)(3) of this section. See 1993 Amendment note below.

Section 212 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999, referred to in subsec. (c)(2)(H)(i), (I)(ii)(I), is section 1000 (a)(6) [title II, § 212] of Pub. L. 106–113, which is set out as a note under this section.

The Balanced Budget Act of 1997, referred to in subsec. (d)(1)(C), is Pub. L. 105–33, Aug. 5, 1997, 111 Stat. 251. Chapter 1 of subtitle F of title IV of the Act is chapter 1 (§§ 4501–4513) of subtitle F of title IV of Pub. L. 105–33, which amended this section and sections 1395a, 1395k, 1395l, 1395u, 1395x, 1395y, 1395cc, and 1395yy of this title and enacted provisions set out as notes under this section and sections 1395a, 1395k, 1395l, 1395x, and 1395ww of this title. For complete classification of this Act to the Code, see Tables.

Part C of this subchapter, referred to in subsec. (f)(4)(B), is classified to section 1395w–21 et seq. of this title.

Section 225 (c)(1) and section 524 of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2008, referred to in subsec. (l)(2)(A)(ii)(I), (II), are sections 225(c)(1) of title II and 524 of title V of div. G of Pub. L. 110–161, Dec. 26, 2007, 121 Stat. 2190, 2212. Section 225 (c)(1) is not classified to the Code and section 524 amended this section.

Part D, referred to in subsec. (m)(2)(B)(ii), (3)(B), is classified to section 1395w–101 et seq. of this title.

Codification

The text of section 101(c) of Pub. L. 109–432, div. B, title I, Dec. 20, 2006, 120 Stat. 2977, as amended by Pub. L. 110–173, title I, § 101(b)(2), Dec. 29, 2007, 121 Stat. 2494, which was formerly set out as a note under this section, was transferred to subsec. (m) of this section and amended by Pub. L. 110–275.

Amendments

2008—Subsec. (a)(4)(A). Pub. L. 110–275, § 139(a)(1), inserted “except as provided in paragraph (5),” after “anesthesia cases,”.

Subsec. (a)(5). Pub. L. 110–275, § 132(b), added par. (5).

Subsec. (a)(6). Pub. L. 110–275, § 139(a)(2), added par. (6).

Subsec. (b)(5). Pub. L. 110–275, § 144(a)(2)(B), added par. (5).

Subsec. (c)(2)(B)(vi). Pub. L. 110–275, § 133(b), added cl. (vi).

Subsec. (d)(8). Pub. L. 110–275, § 131(a)(1)(A)(i), struck out “a portion of” before “2008” in heading.

Subsec. (d)(8)(A). Pub. L. 110–275, § 131(a)(1)(A)(ii), struck out “for the period beginning on January 1, 2008, and ending on June 30, 2008,” after “for 2008,”.

Subsec. (d)(8)(B). Pub. L. 110–275, § 131(a)(1)(A)(iii), struck out “the remaining portion of 2008 and” before “2009” in heading and “for the period beginning on July 1, 2008, and ending on December 31, 2008, and” before “for 2009” in text.

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscript.html>).

Subsec. (d)(9). Pub. L. 110–275, § 131(a)(1)(B), added par. (9).

Subsec. (e)(1)(A). Pub. L. 110–275, § 134(c), amended Pub. L. 108–173, § 602(1). See 2003 Amendment note below.

Subsec. (e)(1)(E). Pub. L. 110–275, § 134(a), substituted “before January 1, 2010” for “before July 1, 2008”.

Subsec. (e)(1)(G). Pub. L. 110–275, § 134(b), inserted at end “For purposes of payment for services furnished in the State described in the preceding sentence on or after January 1, 2009, after calculating the work geographic index in subparagraph (A)(iii), the Secretary shall increase the work geographic index to 1.5 if such index would otherwise be less than 1.5”.

Subsec. (j)(3). Pub. L. 110–275, § 152(b)(1)(C), inserted “(2)(EE),” after “(2)(DD),”.

Pub. L. 110–275, § 144(a)(2)(A), inserted “(2)(DD),” after “(2)(AA),”.

Subsec. (k)(2)(C), (D). Pub. L. 110–275, § 131(b)(1), added subpars. (C) and (D).

Subsec. (k)(3)(B)(iv). Pub. L. 110–275, § 131(b)(4)(A), added cl. (iv).

Subsec. (l)(2)(A)(i)(III). Pub. L. 110–275, § 131(a)(3)(C)(i)(I), struck out subcl. (III) which read as follows: “For expenditures during 2013, an amount equal to \$4,670,000,000.”

Pub. L. 110–252, § 7002(c)(1)(A), substituted “\$4,670,000,000” for “\$4,960,000,000”.

Subsec. (l)(2)(A)(i)(IV). Pub. L. 110–275, § 131(a)(3)(C)(i)(I), struck out subcl. (IV) which read as follows: “For expenditures during 2014, an amount equal to \$290,000,000.”

Pub. L. 110–252, § 7002(c)(1)(B), added subcl. (IV).

Subsec. (l)(2)(A)(ii)(III). Pub. L. 110–275, § 131(a)(3)(C)(i)(II), struck out subcl. (III). Text read as follows: “The amount available for expenditures during 2013 shall only be available for an adjustment to the update of the conversion factor under subsection (d) for that year.”

Subsec. (l)(2)(A)(ii)(IV). Pub. L. 110–275, § 131(a)(3)(C)(i)(II), struck out subcl. (IV). Text read as follows: “The amount available for expenditures during 2014 shall only be available for an adjustment to the update of the conversion factor under subsection (d) for that year.”

Pub. L. 110–252, § 7002(c)(2), added subcl. (IV).

Subsec. (l)(2)(B). Pub. L. 110–275, § 131(a)(3)(C)(ii), inserted “and” at end of cl. (i), substituted period for semicolon at end of cl. (ii), and struck out cls. (iii) and (iv) which read as follows:

“(iii) 2013 for payment with respect to physicians’ services furnished during 2013; and

“(iv) 2014 for payment with respect to physicians’ services furnished during 2014.”

Subsec. (l)(2)(B)(iv). Pub. L. 110–252, § 7002(c)(3), added cl. (iv).

Subsec. (m). Pub. L. 110–275, § 131(b)(2), (3)(A), transferred subsec. (c) of section 101 of title I of div. B of Pub. L. 109–432 to subsec. (m) of this section and amended heading generally. Prior to amendment, heading read “Transitional Bonus Incentive Payments for Quality Reporting in 2007 and 2008”. See Codification note above.

Subsec. (m)(1). Pub. L. 110–275, § 131(b)(3)(B), added par. (1) and struck out former par. (1) which provided for an additional payment for certain covered professional services furnished by an eligible professional.

Subsec. (m)(2). Pub. L. 110–275, § 132(a)(1), added par. (2). Former par. (2) redesignated (3).

Subsec. (m)(3). Pub. L. 110–275, § 132(a)(2)(A), inserted “and successful electronic prescriber” after “reporting” in heading.

Pub. L. 110–275, § 131(b)(3)(D)(i), (ii), designated existing provisions as subpar. (A) and inserted heading, redesignated former subpars. (A) and (B) as cls. (i) and (ii), respectively, of subpar. (A), and realigned margins.

Pub. L. 110–275, § 131(b)(3)(C), redesignated par. (2) as (3) and struck out former par. (3) which provided for payment limitation.

Subsec. (m)(3)(A). Pub. L. 110–275, § 131(b)(3)(D)(iii), inserted concluding provisions.

Subsec. (m)(3)(B). Pub. L. 110–275, § 132(a)(2)(B), added subpar. (B). Former subpar. (B) redesignated cl. (i) of subpar. (A).

Subsec. (m)(3)(C), (D). Pub. L. 110–275, § 131(b)(3)(D)(iv), added subpars. (C) and (D).

Subsec. (m)(5)(A). Pub. L. 110–275, § 131(b)(5)(A)(i), substituted “subsection (k)” for “section 1848(k) of the Social Security Act, as added by subsection (b),” and “such subsection” for “such section”.

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscprint.html>).

Subsec. (m)(5)(B). Pub. L. 110–275, § 131(b)(5)(A)(ii), struck out “of the Social Security Act (42 U.S.C. 13951)” before “and any payment”.

Subsec. (m)(5)(C). Pub. L. 110–275, § 131(b)(3)(E)(i), inserted “for 2007, 2008, and 2009,” after “provision of law.”.

Subsec. (m)(5)(D)(i). Pub. L. 110–275, § 131(b)(3)(E)(ii)(I), which directed amendment of cl. (i) by inserting “for 2007 and 2008” after “under this subsection” and then substituting “this subsection” for “paragraph (2)”, was executed by substituting “under this subsection for 2007 and 2008” for “under paragraph (2)” to reflect the probable intent of Congress.

Subsec. (m)(5)(D)(ii). Pub. L. 110–275, § 131(b)(3)(E)(ii)(II), substituted “may establish procedures to” for “shall”.

Subsec. (m)(5)(D)(iii). Pub. L. 110–275, § 131(b)(3)(E)(ii)(III), inserted “(or, in the case of a group practice under paragraph (3)(C), the group practice)” after “an eligible professional”, substituted “incentive payment under this subsection” for “bonus incentive payment”, and inserted at end “If such payments for such period have already been made, the Secretary shall recoup such payments from the eligible professional (or the group practice).”

Subsec. (m)(5)(E). Pub. L. 110–275, § 131(b)(5)(A)(iii), substituted “1395ff of this title, section 1395oo of this title, or otherwise” for “1869 or 1878 of the Social Security Act or otherwise”.

Pub. L. 110–275, § 131(b)(3)(E)(iii)(I)–(III), struck out cl. (i) designation and heading before “There shall be”, redesignated subcls. (I) to (IV) as cls. (i) to (iv), respectively, and struck out former cl. (ii). Prior to amendment, text of cl. (ii) read as follows: “A determination under this subsection shall not be treated as a determination for purposes of section 1869 of the Social Security Act.”

Subsec. (m)(5)(E)(ii). Pub. L. 110–275, § 131(b)(3)(E)(iii)(IV), substituted “this subsection” for “paragraph (2)”.

Subsec. (m)(5)(E)(iii). Pub. L. 110–275, § 132(a)(3), added cl. (iii) and struck out former cl. (iii) which read as follows: “the determination of the payment limitation under paragraph (3); and”.

Subsec. (m)(5)(E)(iv). Pub. L. 110–275, § 131(b)(3)(E)(iii)(V), substituted “any” for “the bonus” and inserted “and the payment adjustment under subsection (a)(5)(A)” before period at end.

Subsec. (m)(5)(F). Pub. L. 110–275, § 131(b)(3)(E)(iv), (5)(A)(iv), substituted “subsequent years,” for “2009, paragraph (3) shall not apply, and”, “this subsection” for “paragraph (2)”, “subsection (k)(2)(B)” for “paragraph (2)(B) of section 1848 (k)” of the Social Security Act (42 U.S.C. 1395w–4 (k))”, and “subsection (k)(4)” for “paragraph (4) of such section”.

Subsec. (m)(5)(G). Pub. L. 110–275, § 131(b)(3)(E)(v), added subpar. (G).

Subsec. (m)(6)(A). Pub. L. 110–275, § 131(b)(5)(B)(i), substituted “subsection (k)(3)” for “section 1848(k)(3) of the Social Security Act, as added by subsection (b)”.

Subsec. (m)(6)(B). Pub. L. 110–275, § 131(b)(5)(B)(ii), substituted “subsection (k)” for “section 1848(k) of the Social Security Act, as added by subsection (b)”.

Subsec. (m)(6)(C). Pub. L. 110–275, § 131(b)(3)(F), added subpar. (C) and struck out former subpar. (C). Prior to amendment, text read as follows: “The term ‘reporting period’ means—

“(i) for 2007, the period beginning on July 1, 2007, and ending on December 31, 2007; and

“(ii) for 2008, all of 2008.”

Subsec. (m)(6)(D). Pub. L. 110–275, § 131(b)(5)(C), struck out subpar. (D). Text read as follows: “The term ‘Secretary’ means the Secretary of Health and Human Services.”

Subsec. (n). Pub. L. 110–275, § 131(c)(1), added subsec. (n).

2007—Subsec. (d)(4)(B). Pub. L. 110–173, § 101(a)(1)(A), substituted “and the succeeding paragraphs of this subsection” for “and paragraphs (5) and (6)” in introductory provisions.

Subsec. (d)(8). Pub. L. 110–173, § 101(a)(1)(B), added par. (8).

Subsec. (e)(1)(E). Pub. L. 110–173, § 103, substituted “before July 1, 2008” for “before January 1, 2008”.

Subsec. (k)(2)(B). Pub. L. 110–173, § 101(b)(1), in heading and cl. (i), inserted “and 2009” after “2008”, and, in cls. (ii) and (iii), substituted “of each of 2007 and 2008” for “, 2007” and inserted “or 2009, as applicable” after “2008”.

Subsec. (l)(2)(A). Pub. L. 110–173, § 101(a)(2)(A)(i), added subpar. (A) and struck out former subpar. (A), which read as follows: “There shall be available to the Fund for expenditures an amount equal to \$1,200,000,000, as reduced by section 524 and section 225(c)(1)(A) of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2008 (division G of the Consolidated Appropriations Act, 2008). In addition, there shall be available to the Fund for expenditures during 2009 an amount equal to \$325,000,000, as reduced by section 225(c)(1)(B) of such Act, and for expenditures during or after 2013 an amount equal to \$60,000,000.”

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscodeprint.html>).

Pub. L. 110–161, § 524, which directed amendment of subpar. (A) by reducing the dollar amount in the first sentence by \$150,000,000, was executed by substituting “\$1,200,000,000” for “\$1,350,000,000” in first sentence.

Pub. L. 110–161, § 225(c)(2), inserted, in first sentence, “, as reduced by section 524 and section 225(c)(1)(A) of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2008 (division G of the Consolidated Appropriations Act, 2008)” after “\$1,350,000,000” and, in second sentence, “, as reduced by section 225(c)(1)(B) of such Act,” after “\$325,000,000”.

Pub. L. 110–90, § 6(1), inserted at end: “In addition, there shall be available to the Fund for expenditures during 2009 an amount equal to \$325,000,000 and for expenditures during or after 2013 an amount equal to \$60,000,000.”

Subsec. (1)(2)(B). Pub. L. 110–173, § 101(a)(2)(A)(ii), substituted “entire amount available for expenditures, after application of subparagraph (A)(ii), during—” and cls. (i) to (iii) for “entire amount specified in the first sentence of subparagraph (A) for payment with respect to physicians’ services furnished during 2008 and for the obligation of the entire first amount specified in the second sentence of such subparagraph for payment with respect to physicians’ services furnished during 2009 and of the entire second amount so specified for payment with respect to physicians’ services furnished on or after January 1, 2013.”

Pub. L. 110–90, § 6(2), in heading, struck out “furnished during 2008” after “services” and, in text, substituted “specified in the first sentence of subparagraph (A)” for “specified in subparagraph (A)” and inserted “and for the obligation of the entire first amount specified in the second sentence of such subparagraph for payment with respect to physicians’ services furnished during 2009 and of the entire second amount so specified for payment with respect to physicians’ services furnished on or after January 1, 2013” after “furnished during 2008”.

2006—Subsec. (b)(4). Pub. L. 109–171, § 5102(b)(1), added par. (4).

Subsec. (c)(2)(B)(ii)(II). Pub. L. 109–171, § 5102(a)(1), substituted “clauses (iv) and (v)” for “clause (iv)”.

Subsec. (c)(2)(B)(iv). Pub. L. 109–171, § 5102(a)(2), inserted “of certain additional expenditures” after “Exemption” in heading.

Subsec. (c)(2)(B)(v). Pub. L. 109–171, § 5102(a)(3), added cl. (v).

Subsec. (c)(2)(B)(v)(II). Pub. L. 109–171, § 5102(b)(2), added subcl. (II).

Subsec. (d)(4)(B). Pub. L. 109–171, § 5104(a)(1), substituted “paragraphs (5) and (6)” for “paragraph (5)” in introductory provisions.

Subsec. (d)(6). Pub. L. 109–171, § 5104(a)(2), added par. (6).

Subsec. (d)(7). Pub. L. 109–432, § 101(a), added par. (7).

Subsec. (e)(1)(E). Pub. L. 109–432, § 102, substituted “2008” for “2007”.

Subsec. (j)(3). Pub. L. 109–171, § 5112(c), inserted “(2)(AA),” after “(2)(W),”.

Subsec. (k). Pub. L. 109–432, § 101(b), added subsec. (k).

Subsec. (l). Pub. L. 109–432, § 101(d), added subsec. (l).

2003—Subsec. (c)(2)(B)(ii)(II). Pub. L. 108–173, § 303(a)(1)(A)(i), substituted “Subject to clause (iv), the adjustments” for “The adjustments”.

Subsec. (c)(2)(B)(iv). Pub. L. 108–173, § 303(a)(1)(A)(ii), added cl. (iv).

Subsec. (c)(2)(H) to (J). Pub. L. 108–173, § 303(a)(1)(B), added subpars. (H) to (J).

Subsec. (d)(4)(B). Pub. L. 108–173, § 601(a)(2), inserted “and paragraph (5)” after “subparagraph (D)” in introductory provisions.

Subsec. (d)(5). Pub. L. 108–173, § 601(a)(1), added par. (5).

Subsec. (e)(1)(A). Pub. L. 108–173, § 602(1), as amended by Pub. L. 110–275, § 134(c), substituted “subparagraphs (B), (C), (E), and (G)” for “subparagraphs (B), (C), and (E)”.

Pub. L. 108–173, § 412(1), substituted “subparagraphs (B), (C), and (E)” for “subparagraphs (B) and (C)”.

Subsec. (e)(1)(E). Pub. L. 108–173, § 412(2), added subpar. (E).

Subsec. (e)(1)(G). Pub. L. 108–173, § 602(2), added subpar. (G).

Subsec. (f)(2)(C). Pub. L. 108–173, § 601(b)(1), substituted “annual average” for “projected” and “during the 10-year period ending with the applicable period involved” for “from the previous applicable period to the applicable period involved”.

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscprint.html>).

Subsec. (i)(1)(B). Pub. L. 108–173, § 303(g)(2), substituted “subsections (c)(2)(F), (c)(2)(H), and (c)(2)(I) of this section” for “subsection (c)(2)(F) of this section”.

Subsec. (i)(1)(C). Pub. L. 108–7 amended subpar. (C) generally. Prior to amendment, subpar. (C) read as follows: “the determination of conversion factors under subsection (d) of this section.”

Subsec. (i)(3)(A). Pub. L. 108–173, § 736(b)(10), substituted “comparable services” for “a comparable services”.

Subsec. (j)(3). Pub. L. 108–173, § 611(c), inserted “(2)(W),” after “(2)(S),”.

2000—Subsec. (j)(3). Pub. L. 106–554 inserted “(13),” after “(4),”.

1999—Subsec. (d)(1)(A). Pub. L. 106–113, § 1000(a)(6) [title II, § 211(a)(3)(A)(i)], inserted “(for years before 2001) and, for years beginning with 2001, multiplied by the update (established under paragraph (4)) for the year involved” before period at end.

Subsec. (d)(1)(E). Pub. L. 106–113, § 1000(a)(6) [title II, § 211(a)(2)(A)], amended heading and text of subpar. (E) generally. Prior to amendment, text read as follows: “The Secretary shall cause to have published in the Federal Register, during the last 15 days of October of—

“(i) 1991, the conversion factor which will apply to physicians’ services for 1992, and the update determined under paragraph (3) for 1992; and

“(ii) each succeeding year, the conversion factor which will apply to physicians’ services for the following year and the update determined under paragraph (3) for such year.”

Subsec. (d)(3). Pub. L. 106–113, § 1000(a)(6) [title II, § 211(a)(1)(A)(i)], inserted “for 1999 and 2000” after “Update” in heading.

Subsec. (d)(3)(A). Pub. L. 106–113, § 1000(a)(6) [title II, § 211(a)(1)(A)(ii)], substituted “1999 and 2000” for “a year beginning with 1999” in introductory provisions.

Subsec. (d)(3)(C). Pub. L. 106–113, § 1000(a)(6) [title II, § 211(a)(1)(A)(iii)], inserted “and paragraph (4)” after “For purposes of this paragraph” in introductory provisions.

Subsec. (d)(4). Pub. L. 106–113, § 1000(a)(6) [title II, § 211(a)(1)(B)], added par. (4).

Subsec. (f)(1). Pub. L. 106–113, § 1000(a)(6) [title II, § 211(b)(1)], amended heading and text of par. (1) generally. Prior to amendment, text read as follows: “The Secretary shall cause to have published in the Federal Register the sustainable growth rate for each fiscal year beginning with fiscal year 1998. Such publication shall occur by not later than August 1 before each fiscal year, except that such rate for fiscal year 1998 shall be published not later than November 1, 1997.”

Subsec. (f)(2). Pub. L. 106–113, § 1000(a)(6) [title II, § 211(b)(2)(A)], substituted “fiscal year 1998 and ending with fiscal year 2000) and a year beginning with 2000” for “fiscal year 1998)” in introductory provisions.

Subsec. (f)(2)(A). Pub. L. 106–113, § 1000(a)(6) [title II, § 211(b)(2)(B)], substituted “applicable period” for “fiscal year”.

Subsec. (f)(2)(B), (C). Pub. L. 106–113, § 1000(a)(6) [title II, § 211(b)(2)(B)], substituted “applicable period” for “fiscal year” in two places.

Subsec. (f)(2)(D). Pub. L. 106–113, § 1000(a)(6) [title II, § 211(a)(3)(A)(ii), (b)(2)(B)], substituted “applicable period” for “fiscal year” in two places and “subsection (d)(3)(B) or (d)(4)(B) of this section, as the case may be” for “subsection (d)(3)(B) of this section”.

Subsec. (f)(3). Pub. L. 106–113, § 1000(a)(6) [title II, § 211(b)(5)], added par. (3). Former par. (3) redesignated (4).

Subsec. (f)(3)(C). Pub. L. 106–113, § 1000(a)(6) [title II, § 211(b)(3)], added subpar. (C).

Subsec. (f)(4). Pub. L. 106–113, § 1000(a)(6) [title II, § 211(b)(4)], redesignated par. (3) as (4).

Subsec. (j)(3). Pub. L. 106–113, § 1000(a)(6) [title III, § 321(k)(5)], substituted “section 1395x (oo)(2) of this title” for “section 1395x (oo)(2) of this title,” “(B),” for “(B),” and “, and (15)” for “and (15)”.

1997—Subsec. (b)(1). Pub. L. 105–33, § 4644(d), substituted “Before November 1 of the preceding year, for each year beginning with 1998” for “Before January 1 of each year beginning with 1992” in introductory provisions.

Subsec. (c)(2)(B)(iii). Pub. L. 105–33, § 4022(b)(2)(C), substituted “Medicare Payment Advisory Commission” for “Physician Payment Review Commission”.

Subsec. (c)(2)(C)(ii). Pub. L. 105–33, § 4505(b)(1)(A), which directed an amendment striking the comma at the end of cl. (ii) and inserting a period and the following: “For 1999, such number of units shall be determined based 75 percent on such product and based 25 percent on the relative practice expense resources involved in furnishing the service. For

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscprint.html>).

2000, such number of units shall be determined based 50 percent on such product and based 50 percent on such relative practice expense resources. For 2001, such number of units shall be determined based 25 percent on such product and based 75 percent on such relative practice expense resources. For a subsequent year, such number of units shall be determined based entirely on such relative practice expense resources.”, was executed by making the insertion at end of cl. (ii) to reflect the probable intent of Congress, because cl. (ii) ended with a period rather than a comma.

Pub. L. 105–33, § 4505(a)(1), substituted “1999” for “1998” in two places.

Subsec. (c)(2)(C)(iii). Pub. L. 105–33, § 4505(f)(1)(A), inserted “for the service for years before 2000” before “equal” in introductory provisions, substituted comma for period at end of subcl. (II), and inserted concluding provisions.

Subsec. (c)(2)(G). Pub. L. 105–33, § 4505(e), added subpar. (G).

Subsec. (c)(3)(C)(ii). Pub. L. 105–33, § 4505(b)(2), substituted “2002” for “1999” in introductory provisions.

Pub. L. 105–33, § 4505(a)(2), substituted “1999” for “1998” in introductory provisions.

Subsec. (c)(3)(C)(iii). Pub. L. 105–33, § 4505(f)(1)(B), substituted “For years before 1999, the malpractice” for “The malpractice” in introductory provisions.

Subsec. (d)(1)(A). Pub. L. 105–33, § 4501(b)(1), (2), struck out “(or factors)” after “conversion factor” in two places and struck out “or updates” after “update”.

Subsec. (d)(1)(C). Pub. L. 105–33, § 4504(a)(1), substituted “Except as provided in subparagraph (D), the single conversion factor” for “The single conversion factor”.

Pub. L. 105–33, § 4501(a)(2), added subpar. (C). Former subpar. (C) redesignated (D).

Subsec. (d)(1)(D). Pub. L. 105–33, § 4504(a)(3), added subpar. (D). Former subpar. (D) redesignated (E).

Pub. L. 105–33, § 4501(b)(1), (3), struck out “(or updates)” after “update” in two places and struck out “(or factors)” after “conversion factor” in cl. (ii).

Pub. L. 105–33, § 4501(a)(1), redesignated subpar. (C) as (D).

Subsec. (d)(1)(E). Pub. L. 105–33, § 4504(a)(2), redesignated subpar. (D) as (E).

Subsec. (d)(2). Pub. L. 105–33, § 4502(b), struck out heading and text of par. (2) which related to recommendation of update.

Subsec. (d)(2)(F). Pub. L. 105–33, § 4022(b)(1)(B)(i), struck out heading and text of subpar. (F). Text read as follows: “The Physician Payment Review Commission shall review the report submitted under subparagraph (A) in a year and shall submit to the Congress, by not later than May 15 of the year, a report including its recommendations respecting the update (or updates) in the conversion factor (or factors) for the following year.”

Subsec. (d)(3). Pub. L. 105–33, § 4502(a)(1), amended heading and text generally. Prior to amendment, text related to updates of conversion factor based on index and made provision for adjustments in update.

Subsec. (f). Pub. L. 105–33, § 4503(b), amended subsec. heading and heading and text of par. (1) generally. Prior to amendment, par. (1) related to process for establishing medicare volume performance standard rates of increase.

Subsec. (f)(1)(B). Pub. L. 105–33, § 4022(b)(2)(B)(ii), struck out heading and text of subpar. (B). Text read as follows: “The Physician Payment Review Commission shall review the recommendation transmitted during a year under subparagraph (A) and shall make its recommendation to Congress, by not later than May 15 of the year, respecting the performance standard rates of increase for the fiscal year beginning in that year.”

Subsec. (f)(2). Pub. L. 105–33, § 4503(a), added par. (2) and struck out heading and text of former par. (2) which related to specification of performance standard rates of increase for physician services for fiscal years beginning in 1991.

Subsec. (f)(3). Pub. L. 105–33, § 4503(a), added par. (3) and struck out heading and text of former par. (3). Text read as follows: “The Secretary shall establish procedures for providing, on a quarterly basis to the the Congressional Budget Office, the Congressional Research Service, the Committees on Ways and Means and Energy and Commerce of the House of Representatives, and the Committee on Finance of the Senate, information on compliance with performance standard rates of increase established under this subsection.”

Pub. L. 105–33, § 4022(b)(2)(B)(iii), struck out “Physician Payment Review Commission,” before “the Congressional Budget Office”.

Subsec. (f)(4), (5). Pub. L. 105–33, § 4503(a), struck out heading and text of par. (4) which related to separate group-specific performance standard rates of increase and par. (5) which defined “physicians’ services” and “HMO enrollee”.

Subsec. (g)(3)(A). Pub. L. 105–33, § 4714(b)(2), inserted before period at end “and the provisions of section 1396a(n)(3)(A) of this title apply to further limit permissible charges under this section”.

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscprint.html>).

Subsec. (g)(6)(C), (7)(C). Pub. L. 105–33, § 4022(b)(2)(C), substituted “Medicare Payment Advisory Commission” for “Physician Payment Review Commission”.

Subsec. (j)(1). Pub. L. 105–33, § 4501(b)(4), substituted “For services furnished before January 1, 1998, the term” for “The term”.

Subsec. (j)(3). Pub. L. 105–33, § 4106(b), substituted “(4), (14)” for “(4) and (14)” and inserted “and (15)” after “1395x(nn)(2) of this title”.

Pub. L. 105–33, § 4105(a)(2), inserted “(2)(S),” before “(3)”.

Pub. L. 105–33, § 4103(d), inserted “(2)(P) (with respect to services described in subparagraphs (A) and (C) of section 1395x (oo)(2) of this title,” after “(2)(G)”.

Pub. L. 105–33, §§ 4102(d), 4104 (d), inserted “(2)(R) (with respect to services described in subparagraphs (B) , (C), and (D) of section 1395x (pp)(1) of this title,” before “(3)” and substituted “(4) and (14) (with respect to services described in section 1395x (nn)(2) of this title)” for “and (4)”.

1994—Subsec. (a)(2)(D)(iii). Pub. L. 103–432, § 126(b)(6), struck out “that are subject to section 6105(b) of the Omnibus Budget Reconciliation Act of 1989” after “nuclear medicine services” and substituted “provided under section 6105(b) of the Omnibus Budget Reconciliation Act of 1989” for “provided under such section”.

Subsec. (c)(2)(C)(ii). Pub. L. 103–432, § 121(b)(1), inserted “for the service for years before 1998” before “equal to” in introductory provisions, substituted comma for period at end of subcl. (II), and inserted “and for years beginning with 1998 based on the relative practice expense resources involved in furnishing the service.” as closing provisions.

Subsec. (c)(3)(C)(ii). Pub. L. 103–432, § 121(b)(2), substituted “For years before 1998, the practice” for “The practice”.

Subsec. (c)(4). Pub. L. 103–432, § 126(g)(6), made technical amendment to directory language of Pub. L. 101–508, § 4118(f)(1)(D). See 1990 Amendment note below.

Subsec. (e)(1)(C). Pub. L. 103–432, § 126(g)(5), inserted “date of the” before “last previous adjustment”.

Pub. L. 103–432, § 122(a), substituted “shall, in consultation with appropriate representatives of physicians, review” for “shall review”.

Subsec. (e)(1)(D). Pub. L. 103–432, § 122(b), added subpar. (D).

Subsec. (f)(2)(A)(i). Pub. L. 103–432, § 126(g)(7), made technical amendment to directory language of Pub. L. 101–508, § 4118(f)(1)(N)(ii). See 1990 Amendment note below.

Subsec. (f)(2)(C). Pub. L. 103–432, § 126(g)(2)(B), inserted heading.

Subsec. (g)(1). Pub. L. 103–432, § 123(a)(1), amended heading and text of par. (1) generally. Prior to amendment, text read as follows: “If a nonparticipating physician or nonparticipating supplier or other person (as defined in section 1395u (i)(2) of this title) knowingly and willfully bills on a repeated basis for physicians’ services (including services which the Secretary excludes pursuant to subsection (j)(3) of this section, furnished with respect to an individual enrolled under this part on or after January 1, 1991) an actual charge in excess of the limiting charge described in paragraph (2) and for which payment is not made on an assignment-related basis under this part, the Secretary may apply sanctions against such physician, supplier, or other person in accordance with section 1395u (j)(2) of this title. In applying this subparagraph, any reference in such section to a physician is deemed also to include a reference to a supplier or other person under this subparagraph.”

Subsec. (g)(3)(B). Pub. L. 103–432, § 123(a)(2), inserted after first sentence “No person is liable for payment of any amounts billed for such a service in violation of the previous sentence.” and in last sentence substituted “first sentence” for “previous sentence”.

Subsec. (g)(6)(B). Pub. L. 103–432, § 123(d), inserted “information on the extent to which actual charges exceed limiting charges, the number and types of services involved, and the average amount of excess charges and information” after “report to the Congress”.

Subsec. (i)(3). Pub. L. 103–432, § 126(g)(10)(A), struck out space before the period at end.

1993—Subsec. (a)(2)(B)(ii)(I). Pub. L. 103–66, § 13515(c)(1), inserted “and under section 13515(b) of the Omnibus Budget Reconciliation Act of 1993” after “subsection (c)(2)(F)(ii) of this section”.

Pub. L. 103–66, § 13514(c)(1), inserted “and as adjusted under subsection (c)(2)(F)(ii) of this section” after “for 1994”.

Subsec. (a)(3). Pub. L. 103–66, § 13517(a)(1), in heading inserted “and suppliers” after “physicians” and in text inserted “or a nonparticipating supplier or other person” after “nonparticipating physician” and inserted at end “In the case of physicians’ services (including services which the Secretary excludes pursuant to subsection (j)(3) of this section) of a nonparticipating physician, supplier, or other person for which payment is made under this part on a basis

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscprint.html>).

other than the fee schedule amount, the payment shall be based on 95 percent of the payment basis for such services furnished by a participating physician, supplier, or other person.”

Subsec. (a)(4). Pub. L. 103–66, § 13516(a)(1), added par. (4).

Pub. L. 103–66, § 13515(a)(1), struck out heading and text of par. (4). Text read as follows: “In the case of physicians’ services furnished by a physician before the end of the physician’s first full calendar year of furnishing services for which payment may be made under this part, and during each of the 3 succeeding years, the fee schedule amount to be applied shall be 80 percent, 85 percent, 90 percent, and 95 percent, respectively, of the fee schedule amount applicable to physicians who are not subject to this paragraph. The preceding sentence shall not apply to primary care services or services furnished in a rural area (as defined in section 1395ww (d)(2) of this title) that is designated under section 249 (a)(1)(A) of this title as a health manpower shortage area.”

Subsec. (b)(3). Pub. L. 103–66, § 13514(a), amended heading and text of par. (3) generally. Prior to amendment, text read as follows: “If payment is made under this part for a visit to a physician or consultation with a physician and, as part of or in conjunction with the visit or consultation there is an electrocardiogram performed or ordered to be performed, no payment may be made under this part with respect to the interpretation of the electrocardiogram and no physician may bill an individual enrolled under this part separately for such an interpretation. If a physician knowingly and willfully bills one or more individuals in violation of the previous sentence, the Secretary may apply sanctions against the physician or entity in accordance with section 1395u (j)(2) of this title.”

Subsec. (c)(2)(A)(i). Pub. L. 103–66, § 13515(c)(2), inserted before period at end “and section 13515(b) of the Omnibus Budget Reconciliation Act of 1993”.

Pub. L. 103–66, § 13514(c)(2), inserted at end “Such relative values are subject to adjustment under subparagraph (F)(i).”

Subsec. (c)(2)(E). Pub. L. 103–66, § 13513, added subpar. (E).

Subsec. (c)(2)(F). Pub. L. 103–66, § 13514(b), added subpar. (F).

Subsec. (d)(3)(A)(i). Pub. L. 103–66, § 13511(a)(1)(A), substituted “clauses (iii) through (v)” for “clause (iii)”.

Subsec. (d)(3)(A)(iv) to (vi). Pub. L. 103–66, § 13511(a)(1)(B), added cls. (iv) to (vi).

Subsec. (d)(3)(B)(ii). Pub. L. 103–66, § 13512(b), substituted “1994” for “1994 or 1995” in subcl. (II) and “5” for “3” in subcl. (III).

Subsec. (f)(2)(B). Pub. L. 103–66, § 13512(a), added cls. (iii) to (v) and struck out former cl. (iii) which read as follows: “for each succeeding year is 2 percentage points.”

Subsec. (g)(1). Pub. L. 103–66, § 13517(a)(2)(C), (D), inserted “, supplier, or other person” after “such physician” and inserted at end “In applying this subparagraph, any reference in such section to a physician is deemed also to include a reference to a supplier or other person under this subparagraph.”

Pub. L. 103–66, § 13517(a)(2)(B), which directed insertion of “including services which the Secretary excludes pursuant to subsection (j)(3) of this section,” after “physician’s services (”, was executed by making the insertion after “physicians’ services (” to reflect the probable intent of Congress.

Pub. L. 103–66, § 13517(a)(2)(A), inserted “or nonparticipating supplier or other person (as defined in section 1395u (i)(2) of this title)” after “nonparticipating physician”.

Subsec. (g)(2)(C). Pub. L. 103–66, § 13517(a)(3), inserted “or for nonparticipating suppliers or other persons” after “nonparticipating physicians”.

Subsec. (g)(2)(D). Pub. L. 103–66, § 13517(a)(4), inserted “(or, if payment under this part is made on a basis other than the fee schedule under this section, 95 percent of the other payment basis)” after “subsection (a) of this section”.

Subsec. (h). Pub. L. 103–66, § 13517(a)(5), inserted “or nonparticipating supplier or other person furnishing physicians’ services (as defined in subsection (j)(3) of this section)” after “each physician”, inserted “, supplier, or other person” after “by the physician”, and inserted “, suppliers, and other persons” after “notices to physicians”.

Subsec. (i)(1)(B). Pub. L. 103–66, § 13515(c)(3), inserted “and section 13515(b) of the Omnibus Budget Reconciliation Act of 1993” after “subsection (c)(2)(F) of this section”.

Pub. L. 103–66, § 13514(c)(3), inserted at end “including adjustments under subsection (c)(2)(F) of this section.”

Subsec. (j)(1). Pub. L. 103–66, § 13511(a)(2), substituted “Secretary and including anesthesia services), primary care services (as defined in section 1395u (i)(4) of this title),” for “Secretary”.

Subsec. (j)(3). Pub. L. 103–66, § 13518(a), inserted “(2)(G),” after “(2)(D),”.

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscp.html>).

Pub. L. 103–66, § 13517(a)(6), inserted “, except for purposes of subsections (a)(3), (g), and (h) of this section” after “tests and”.

1990—Subsec. (a)(1). Pub. L. 101–508, § 4104(b)(2), struck out “or 1395m(f)” after “section 1395m (b)” in introductory provisions.

Subsec. (a)(2)(C). Pub. L. 101–508, § 4102(b), inserted “and radiology” after “Special rule for anesthesia” in heading and inserted at end “With respect to radiology services, ‘109 percent’ and ‘9 percent’ shall be substituted for ‘115 percent’ and ‘15 percent’, respectively, in subparagraph (A)(ii).”

Subsec. (a)(2)(D)(ii). Pub. L. 101–508, § 4102(g)(2)(A), inserted “, but excluding nuclear medicine services that are subject to section 6105(b) of the Omnibus Budget Reconciliation Act of 1989” after “section 1395m (b)(6) of this title”.

Subsec. (a)(2)(D)(iii). Pub. L. 101–508, § 4102(g)(2)(B), added cl. (iii).

Subsec. (a)(4). Pub. L. 101–508, § 4106(b)(1), added par. (4).

Subsec. (b)(3). Pub. L. 101–508, § 4109(a), added par. (3).

Subsec. (c)(1)(B). Pub. L. 101–508, § 4118(f)(1)(A), struck out at end “In this subparagraph, the term ‘practice expenses’ includes all expenses for furnishing physicians’ services, excluding malpractice expenses, physician compensation, and other physician fringe benefits.”

Subsec. (c)(3). Pub. L. 101–508, § 4118(f)(1)(C), redesignated par. (3), relating to ancillary policies, as (4).

Subsec. (c)(3)(C)(ii)(II), (iii)(II). Pub. L. 101–508, § 4118(f)(1)(B), struck out “by” before “the proportion”.

Subsec. (c)(4). Pub. L. 101–508, § 4118(f)(1)(D), as amended by Pub. L. 103–432, § 126(g)(6), substituted “section” for “subsection”.

Pub. L. 101–508, § 4118(f)(1)(C), redesignated par. (3), relating to ancillary policies, as (4). Former par. (4) redesignated (5).

Pub. L. 101–508, § 4118(d), struck out “only for services furnished on or after January 1, 1993” after “visits and consultations”.

Subsec. (c)(5), (6). Pub. L. 101–508, § 4118(f)(1)(C), redesignated pars. (4) and (5) as (5) and (6), respectively.

Subsec. (d)(1)(A). Pub. L. 101–508, § 4118(f)(1)(E), (F)(i)(III), amended subpar. (A) identically, substituting “paragraph (3)” for “subparagraph (C)”.

Pub. L. 101–508, § 4118(f)(1)(F)(i)(I), (II), substituted “conversion factor (or factors)” for “conversion factor” in two places and “update or updates” for “update”.

Subsec. (d)(1)(C)(i). Pub. L. 101–508, § 4118(f)(1)(F)(ii)(I), substituted “conversion factor” for “conversion factor (or factors)”.

Subsec. (d)(1)(C)(ii). Pub. L. 101–508, § 4118(f)(1)(F)(ii)(II), inserted “the conversion factor (or factors) which will apply to physicians’ services for the following year and” before “the update (or updates)” and substituted “such year” for “the following year”.

Subsec. (d)(2)(A). Pub. L. 101–508, § 4118(f)(1)(G), (I), substituted “physicians’ services (as defined in subsection (f)(5)(A) of this section)” for “physicians’ services” in first sentence and “proportion of individuals who are enrolled under this part who are HMO enrollees” for “proportion of HMO enrollees” in last sentence.

Subsec. (d)(2)(A)(ii). Pub. L. 101–508, § 4118(f)(1)(H), substituted “and for the services involved” for “(as defined in subsection (f)(5)(A) of this section)” and “such services” for “all such physicians’ services”.

Subsec. (d)(2)(E)(i). Pub. L. 101–508, § 4118(f)(1)(J), inserted “the” before “most recent”.

Subsec. (d)(2)(E)(ii)(I). Pub. L. 101–508, § 4118(f)(1)(K), substituted “payments for physicians’ services” for “physicians’ services”.

Subsec. (d)(3)(A)(i). Pub. L. 101–508, § 4105(a)(3)(A), inserted “except as provided in clause (iii),” after “subparagraph (B),”.

Subsec. (d)(3)(A)(iii). Pub. L. 101–508, § 4105(a)(3)(B), added cl. (iii).

Subsec. (d)(3)(B)(i). Pub. L. 101–508, § 4118(f)(1)(L)(i)(II), which directed amendment of cl. (i) by substituting “services in such category” for “physicians’ services (as defined in subsection (f)(5)(A))”, was executed by making the substitution for “physicians’ services (as defined in section (f)(5)(A))” to reflect the probable intent of Congress.

Pub. L. 101–508, § 4118(f)(1)(L)(i)(I), substituted “update for a category of physicians’ services for a year” for “update for a year”.

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscprint.html>).

Subsec. (d)(3)(B)(ii). Pub. L. 101–508, § 4118(f)(1)(L)(ii), inserted “more than” after “decrease of” in introductory provisions and struck out “more than” before “2 percentage points” in subcl. (I).

Subsec. (e)(1)(A). Pub. L. 101–508, § 4118(c)(1), substituted “subparagraphs (B) and (C)” for “subparagraph (B)” in introductory provisions.

Subsec. (e)(1)(C). Pub. L. 101–508, § 4118(c)(2), added subpar. (C).

Subsec. (f)(1)(C). Pub. L. 101–508, § 4105(c)(1), substituted “1991” for “1990” after “beginning with”.

Subsec. (f)(1)(D)(i). Pub. L. 101–508, § 4118(f)(1)(M), substituted “portions of calendar years” for “calendar years”.

Subsec. (f)(2)(A). Pub. L. 101–508, § 4118(b)(1), (f)(1)(N)(i), in introductory provisions, substituted “the performance standard rate of increase, for all physicians’ services and for each category of physicians’ services,” for “each performance standard rate of increase” and “product” for “sum”.

Pub. L. 101–508, § 4118(b)(6), substituted “minus 1, multiplied by 100, and reduced” for “reduced” in concluding provisions.

Subsec. (f)(2)(A)(i). Pub. L. 101–508, § 4118(f)(1)(N)(ii), as amended by Pub. L. 103–432, § 126(g)(7), substituted “all physicians’ services or for the category of physicians’ services, respectively,” for “physicians’ services (as defined in subsection (f)(5)(A) of this section)”.

Pub. L. 101–508, § 4118(f)(1)(M), substituted “portions of calendar years” for “calendar years”.

Pub. L. 101–508, § 4118(b)(2), (3), substituted “1 plus the Secretary’s” for “the Secretary’s” and “percentage increase (divided by 100)” for “percentage increase”.

Subsec. (f)(2)(A)(ii). Pub. L. 101–508, § 4118(b)(2), (4), substituted “1 plus the Secretary’s” for “the Secretary’s” and inserted “(divided by 100)” after “decrease”.

Subsec. (f)(2)(A)(iii). Pub. L. 101–508, § 4118(f)(1)(N)(iii), substituted “all physicians’ services or of the category of physicians’ services, respectively,” for “physicians’ services”.

Pub. L. 101–508, § 4118(b)(2), (5), substituted “1 plus the Secretary’s” for “the Secretary’s” and inserted “(divided by 100)” after “percentage growth”.

Subsec. (f)(2)(A)(iv). Pub. L. 101–508, § 4118(e), (f)(1)(N)(iv), substituted “all physicians’ services or of the category of physicians’ services, respectively,” for “physicians’ services (as defined in subsection (f)(5)(A) of this section)” and inserted “including changes in law and regulations affecting the percentage increase described in clause (i)” after “law or regulations”.

Pub. L. 101–508, § 4118(b)(2), (4), substituted “1 plus the Secretary’s” for “the Secretary’s” and “decrease (divided by 100)” for “decrease”.

Subsec. (f)(2)(C). Pub. L. 101–508, § 4105(c)(2), added subpar. (C).

Subsec. (f)(4)(A). Pub. L. 101–508, § 4118(f)(1)(O), substituted “subparagraph (B)” for “paragraph (B)”.

Subsec. (f)(4)(B). Pub. L. 101–508, § 4118(f)(1)(P), substituted “specifically approved by law” for “Congress specifically approves the plan”.

Subsec. (g)(2)(A). Pub. L. 101–508, § 4118(f)(1)(Q), inserted “other than radiologist services subject to section 1395m (b) of this title,” after “during 1991,” in introductory provisions.

Pub. L. 101–508, § 4116, inserted at end “In the case of evaluation and management services (as specified in section 1395u (b)(16)(B)(ii) of this title), the preceding sentence shall be applied by substituting ‘40 percent’ for ‘25 percent.’”

Subsec. (g)(2)(B). Pub. L. 101–508, § 4118(f)(1)(Q), inserted “other than radiologist services subject to section 1395m (b) of this title,” after “during 1992,” in introductory provisions.

Subsec. (i)(1)(A). Pub. L. 101–508, § 4118(f)(1)(R), substituted “adjusted historical payment basis (as defined in subsection (a)(2)(D)(i))” for “historical payment basis (as defined in subsection (a)(2)(C)(i))”.

Subsec. (i)(2). Pub. L. 101–508, § 4107(a)(1), added par. (2).

Subsec. (i)(3). Pub. L. 101–508, § 4118(k), added par. (3).

Subsec. (j)(1). Pub. L. 101–508, § 4118(f)(1)(S), which directed the amendment of par. (1) by substituting “(as defined by the Secretary) and all other physicians’ services” for “, and such other” and all that follows through the period was executed by making the substitution for “, and such other category or categories of physicians’ services as the Secretary, from time to time, defines in regulation.” to reflect the probable intent of Congress.

Change of Name

References to Medicare+Choice deemed to refer to Medicare Advantage or MA, subject to an appropriate transition provided by the Secretary of Health and Human Services in the use of those terms, see section 201 of Pub. L. 108–173, set out as a note under section 1395w–21 of this title.

Effective Date of 2008 Amendment

Pub. L. 110–275, title I, § 144(a)(3), July 15, 2008, 122 Stat. 2547, provided that: “The amendments made by this subsection [amending this section and section 1395x of this title] shall apply to items and services furnished on or after January 1, 2010.”

Pub. L. 110–275, title I, § 152(b)(2), July 15, 2008, 122 Stat. 2553, provided that: “The amendments made by this subsection [amending this section and sections 1395x and 1395y of this title] shall apply to services furnished on or after January 1, 2010.”

Effective Date of 2007 Amendment

Pub. L. 110–173, title I, § 101(a)(2)(B), Dec. 29, 2007, 121 Stat. 2494, provided that:

“(i) In general.—Subject to clause (ii), the amendments made by subparagraph (A) [amending this section] shall take effect on the date of the enactment of this Act [Dec. 29, 2007].

“(ii) Special rule for coordination with consolidated appropriations act, 2008.—If the date of the enactment of the Consolidated Appropriations Act, 2008 [Dec. 26, 2007], occurs on or after the date described in clause (i), the amendments made by subparagraph (A) shall be deemed to be made on the day after the effective date of sections 225 (c)(1) [121 Stat. 2190] and 524 [amending this section] of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2008 (division G of the Consolidated Appropriations Act, 2008).”

Effective Date of 2006 Amendment

Amendment by section 5112(c) of Pub. L. 109–171 applicable to services furnished on or after Jan. 1, 2007, see section 5112(f) of Pub. L. 109–171, set out as a note under section 1395l of this title.

Effective Date of 2003 Amendment

Pub. L. 108–173, title VI, § 601(b)(2), Dec. 8, 2003, 117 Stat. 2301, provided that: “The amendments made by paragraph (1) [amending this section] shall apply to computations of the sustainable growth rate for years beginning with 2003.”

Pub. L. 108–173, title VI, § 611(e), Dec. 8, 2003, 117 Stat. 2304, provided that: “The amendments made by this section [amending this section and sections 1395x and 1395y of this title] shall apply to services furnished on or after January 1, 2005, but only for individuals whose coverage period under part B [probably means part B of title XVIII of the Social Security Act, which is classified to this part] begins on or after such date.”

Effective Date of 2000 Amendment

Amendment by Pub. L. 106–554 applicable with respect to screening mammographies furnished on or after Jan. 1, 2002, see section 1 (a)(6) [title I, § 104(c)] of Pub. L. 106–554, set out as a note under section 1395m of this title.

Effective Date of 1999 Amendment

Pub. L. 106–113, div. B, § 1000(a)(6) [title II, § 211(d)], Nov. 29, 1999, 113 Stat. 1536, 1501A–350, provided that: “The amendments made by this section [amending this section and sections 1395b–6 and 1395l of this title] shall be effective in determining the conversion factor under section 1848(d) of the Social Security Act (42 U.S.C. 1395w–4 (d)) for years beginning with 2001 and shall not apply to or affect any update (or any update adjustment factor) for any year before 2001.”

Amendment by section 1000 (a)(6) [title III, § 321(k)(5)] of Pub. L. 106–113 effective as if included in the enactment of the Balanced Budget Act of 1997, Pub. L. 105–33, except as otherwise provided, see section 1000 (a)(6) [title III, § 321(m)] of Pub. L. 106–113, set out as a note under section 1395d of this title.

Effective Date of 1997 Amendment

Amendment by section 4022(b)(2)(B), (C) of Pub. L. 105–33 effective Nov. 1, 1997, the date of termination of the Prospective Payment Assessment Commission and the Physician Payment Review Commission, see section 4022(c)(2) of Pub. L. 105–33 set out as an Effective Date; Transition; Transfer of Functions note under section 1395b–6 of this title.

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscprint.html>).

Amendment by section 4102(d) of Pub. L. 105–33 applicable to items and services furnished on or after Jan. 1, 1998, see section 4102(e) of Pub. L. 105–33, set out as a note under section 1395l of this title.

Amendment by section 4103(d) of Pub. L. 105–33 applicable to items and services furnished on or after Jan. 1, 2000, see section 4103(e) of Pub. L. 105–33, set out as a note under section 1395l of this title.

Amendment by section 4104(d) of Pub. L. 105–33 applicable to items and services furnished on or after Jan. 1, 1998, see section 4104(e) of Pub. L. 105–33, set out as a note under section 1395l of this title.

Amendment by section 4105(a)(2) of Pub. L. 105–33 applicable to items and services furnished on or after July 1, 1998, see section 4105(d)(1) of Pub. L. 105–33, set out as a note under section 1395m of this title.

Amendment by section 4106(b) of Pub. L. 105–33 applicable to bone mass measurements performed on or after July 1, 1998, see section 4106(d) of Pub. L. 105–33, set out as a note under section 1395x of this title.

Section 4502(a)(2) of Pub. L. 105–33 provided that: “The amendment made by this subsection [amending this section] shall apply to the update for years beginning with 1999.”

Section 4504(b) of Pub. L. 105–33 provided that: “The amendments made by subsection (a) [amending this section] shall apply to services furnished on or after January 1, 1998.”

Amendment by section 4714(b)(2) of Pub. L. 105–33 applicable to payment for (and with respect to provider agreements with respect to) items and services furnished on or after Aug. 5, 1997, see section 4714(c) of Pub. L. 105–33, set out as a note under section 1396a of this title.

Effective Date of 1994 Amendment

Amendment by section 123(a) of Pub. L. 103–432 applicable to services furnished on or after Oct. 31, 1994, but inapplicable to services of nonparticipating supplier or other person furnished before Jan. 1, 1995, see section 123(f)(1) of Pub. L. 103–432, set out as a note under section 1395l of this title.

Section 123(f)(5) of Pub. L. 103–432 provided that: “The amendment made by subsection (d) [amending this section] shall apply to reports for years beginning with 1995.”

Amendment by section 126 (b)(6), (g)(2)(B), (5)–(7), (10)(A) of Pub. L. 103–432 effective as if included in the enactment of Pub. L. 101–508, see section 126(i) of Pub. L. 103–432, set out as a note under section 1395m of this title.

Effective Date of 1993 Amendment

Section 13511(b) of Pub. L. 103–66 provided that: “The amendments made by this section [amending this section] shall apply to services furnished on or after January 1, 1994; except that amendment made by subsection (a)(2) shall not apply—

“(1) to volume performance standard rates of increase established under section 1848(f) of the Social Security Act [subsec. (f) of this section] for fiscal years before fiscal year 1994, and

“(2) to adjustment in updates in the conversion factors for physicians’ services under section 1848(d)(3)(B) of such Act for physicians’ services to be furnished in calendar years before 1996.”

Section 13514(d) of Pub. L. 103–66 provided that: “The amendments made by this section [amending this section] shall apply to services furnished on or after January 1, 1994.”

Amendment by section 13515(a)(1) of Pub. L. 103–66 applicable to services furnished on or after Jan. 1, 1994, see section 13515(d) of Pub. L. 103–66, set out as a note under section 1395u of this title.

Section 13517(c) of Pub. L. 103–66 provided that: “The amendments made by subsection (a) [amending this section] shall apply to services furnished on or after January 1, 1994.”

Section 13518(c) of Pub. L. 103–66 provided that: “The amendment made by subsection (a) [amending this section] shall apply to services furnished on or after January 1, 1995.”

Effective Date of 1990 Amendment

Amendment by section 4102(b), (g)(2) of Pub. L. 101–508 applicable to services furnished on or after Jan. 1, 1991, see section 4102(i)(1) of Pub. L. 101–508, set out as a note under section 1395m of this title.

Amendment by section 4104(b)(2) of Pub. L. 101–508 applicable to services furnished on or after Jan. 1, 1991, see section 4104(d) of Pub. L. 101–508, set out as a note under section 1395l of this title.

Amendment by section 4106(b)(1) of Pub. L. 101–508 applicable to services furnished after 1991, see section 4106(d)(2) of Pub. L. 101–508, set out as a note under section 1395u of this title.

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscp.html>).

Section 4107(a)(2) of Pub. L. 101–508, as amended by Pub. L. 103–432, title I, § 126(d)(2), Oct. 31, 1994, 108 Stat. 4415, provided that: “Section 1848(i)(2) of the Social Security Act [subsec. (i)(2) of this section], as added by the amendment made by paragraph (1), shall apply to services furnished in 1991 in the same manner as it applies to services furnished after 1991. In applying the previous sentence, the prevailing charge shall be substituted for the fee schedule amount. In applying section 1848(g)(2)(D) of the Social Security Act for services of an assistant-at-surgery furnished during 1991, the recognized payment amount shall not exceed the maximum amount specified under section 1848(i)(2)(A) of such Act (as applied under this paragraph in such year).”

Section 4107(c) of Pub. L. 101–508, as amended by Pub. L. 103–432, title I, § 126(d)(1), Oct. 31, 1994, 108 Stat. 4415, provided that: “The amendment made by subsection (a)(1) [amending this section] shall apply with respect to services furnished on or after January 1, 1992.”

Section 4109(b) of Pub. L. 101–508 provided that: “The amendment made by subsection (a) [amending this section] shall apply to services furnished on or after January 1, 1992. In applying section 1848(d)(1)(B) of the Social Security Act [subsec. (d)(1)(B) of this section] (in computing the initial budget-neutral conversion factor for 1991), the Secretary shall compute such factor assuming that section 1848(b)(3) of such Act (as added by the amendment made by subsection (a)) had applied to physicians’ services furnished during 1991.”

Transfer of Functions

Physician Payment Review Commission (PPRC) was terminated and its assets and staff transferred to the Medicare Payment Advisory Commission (MedPAC) by section 4022(c)(2), (3) of Pub. L. 105–33, set out as a note under section 1395b–6 of this title. Section 4022 (c)(2), (3) further provided that MedPAC was to be responsible for preparation and submission of reports required by law to be submitted by PPRC, and that, for that purpose, any reference in law to PPRC was to be deemed, after the appointment of MedPAC, to refer to MedPAC.

Termination of Reporting Requirements

For termination, effective May 15, 2000, of provisions of law requiring submittal to Congress of any annual, semiannual, or other regular periodic report listed in House Document No. 103–7 (in which item 8 on page 94 identifies a reporting provision which, as subsequently amended, is contained in subsec. (g)(6)(B) of this section and in which item 9 on page 94 identifies a reporting provision which is contained in subsec. (g)(7)(B) of this section), see section 3003 of Pub. L. 104–66, as amended, set out as a note under section 1113 of Title 31, Money and Finance.

No Change in Billing

Pub. L. 110–275, title I, § 131(b)(4)(B), July 15, 2008, 122 Stat. 2525, provided that: “Nothing in the amendment made by subparagraph (A) [amending this section] shall be construed to change the way in which billing for audiology services (as defined in section 1861(l)(2) of the Social Security Act (42 U.S.C. 1395x (l)(2))) occurs under title XVIII of such Act [this subchapter] as of July 1, 2008.”

No Effect on Incentive Payments for 2007 or 2008

Pub. L. 110–275, title I, § 131(b)(6), July 15, 2008, 122 Stat. 2526, provided that: “Nothing in the amendments made by this subsection or section 132 [amending this section] shall affect the operation of the provisions of section 1848(m) of the Social Security Act [42 U.S.C. 1395w–4 (m)], as redesignated and amended by such subsection and section, with respect to 2007 or 2008.”

Adjustment for Medicare Mental Health Services

Pub. L. 110–275, title I, § 138, July 15, 2008, 122 Stat. 2541, provided that:

“(a) Payment Adjustment.—

“(1) In general.—For purposes of payment for services furnished under the physician fee schedule under section 1848 of the Social Security Act (42 U.S.C. 1395w–4) during the period beginning on July 1, 2008, and ending on December 31, 2009, the Secretary of Health and Human Services shall increase the fee schedule otherwise applicable for specified services by 5 percent.

“(2) Nonapplication of budget-neutrality.—The budget-neutrality provision of section 1848(c)(2)(B)(ii) of the Social Security Act (42 U.S.C. 1395w–4 (c)(2)(B)(ii)) shall not apply to the adjustments described in paragraph (1).

“(b) Definition of Specified Services.—In this section, the term ‘specified services’ means procedure codes for services in the categories of the Health Care Common Procedure Coding System, established by the Secretary of Health and Human Services under section 1848(c)(5) of the Social Security Act (42 U.S.C. 1395w–4 (c)(5)), as of July 1, 2007, and as subsequently modified by the Secretary, consisting of psychiatric therapeutic procedures furnished in office or other outpatient facility settings or in inpatient hospital, partial hospital, or residential care facility settings, but only with respect to such services in such categories that are in the subcategories of services which are—

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscprint.html>).

“(1) insight oriented, behavior modifying, or supportive psychotherapy; or

“(2) interactive psychotherapy.

“(c) Implementation.—Notwithstanding any other provision of law, the Secretary may implement this section by program instruction or otherwise.”

Transfer of Funds to Part B Trust Fund

Pub. L. 110–173, title I, § 101(a)(2)(C), Dec. 29, 2007, 121 Stat. 2494, provided that: “Amounts that would have been available to the Physician Assistance and Quality Initiative Fund under section 1848(l)(2) of the Social Security Act (42 U.S.C. 1395w–4 (l)(2)) for payment with respect to physicians’ services furnished prior to January 1, 2013, but for the amendments made by subparagraph (A) [amending this section], shall be deposited into, and made available for expenditures from, the Federal Supplementary Medical Insurance Trust Fund under section 1841 of such Act (42 U.S.C. 1395t).”

Transitional Bonus Incentive Payments for Quality Reporting in 2007 and 2008

Pub. L. 109–432, div. B, title I, § 101(c), Dec. 20, 2006, 120 Stat. 2977, as amended, formerly set out as a note under this section, was transferred to subsec. (m) of this section.

Treatment of Other Services Currently in the Nonphysician Work Pool

Pub. L. 108–173, title III, § 303(a)(2), Dec. 8, 2003, 117 Stat. 2236, provided that: “The Secretary [of Health and Human Services] shall make adjustments to the nonphysician work pool methodology (as such term is used in the final rule promulgated by the Secretary in the Federal Register on December 31, 2002 (67 Fed. Reg. 251)), for the determination of practice expense relative value units under the physician fee schedule under section 1848(c)(2)(C)(ii) of the Social Security Act (42 U.S.C. 1395w–4 (c)(2)(C)(ii)), so that the practice expense relative value units for services determined under such methodology are not affected relative to the practice expense relative value units of services not determined under such methodology, as a result of the amendments made by paragraph (1) [amending this section].”

Payment for Multiple Chemotherapy Agents Furnished on a Single Day Through the Push Technique

Pub. L. 108–173, title III, § 303(a)(3), Dec. 8, 2003, 117 Stat. 2236, provided that:

“(A) Review of policy.—The Secretary [of Health and Human Services] shall review the policy, as in effect on October 1, 2003, with respect to payment under section 1848 of the Social Security Act (42 U.S.C. 1395w–4) for the administration of more than 1 drug or biological to an individual on a single day through the push technique.

“(B) Modification of policy.—After conducting the review under subparagraph (A), the Secretary shall modify such payment policy as the Secretary determines to be appropriate.

“(C) Exemption from budget neutrality under physician fee schedule.—If the Secretary modifies such payment policy pursuant to subparagraph (B), any increased expenditures under title XVIII of the Social Security Act [this subchapter] resulting from such modification shall be treated as additional expenditures attributable to subparagraph (H) of section 1848(c)(2) of the Social Security Act (42 U.S.C. 1395w–4 (c)(2)), as added by paragraph (1)(B), for purposes of applying the exemption to budget neutrality under subparagraph (B)(iv) of such section, as added by paragraph (1)(A).”

Transitional Adjustment

Pub. L. 108–173, title III, § 303(a)(4), Dec. 8, 2003, 117 Stat. 2237, provided that:

“(A) In general.—In order to provide for a transition during 2004 and 2005 to the payment system established under the amendments made by this section [enacting sections 1395w–3a and 1395w–3b of this title, amending this section and sections 1395l, 1395u, 1395x, 1395y, and 1396r–8 of this title, and repealing provisions set out as a note under section 1395u of this title], in the case of physicians’ services consisting of drug administration services described in subparagraph (H)(iv) of section 1848(c)(2) of the Social Security Act (42 U.S.C. 1395w–4 (c)(2)), as added by paragraph (1)(B), furnished on or after January 1, 2004, and before January 1, 2006, in addition to the amount determined under the fee schedule under section 1848(b) of such Act (42 U.S.C. 1395w–4 (b)) there also shall be paid to the physician from the Federal Supplementary Medical Insurance Trust Fund an amount equal to the applicable percentage specified in subparagraph (B) of such fee schedule amount for the services so determined.

“(B) Applicable percentage.—The applicable percentage specified in this subparagraph for services furnished—

“(i) during 2004, is 32 percent; and

“(ii) during 2005, is 3 percent.”

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscprint.html>).

MedPAC Review and Reports; Secretarial Response

Pub. L. 108–173, title III, § 303(a)(5), Dec. 8, 2003, 117 Stat. 2237, provided that:

“(A) Review.—The Medicare Payment Advisory Commission shall review the payment changes made under this section [enacting sections 1395w–3a and 1395w–3b of this title, amending this section and sections 1395l, 1395u, 1395x, 1395y, and 1396r–8 of this title, enacting provisions set out as notes under this section and sections 1395u, 1395w–3a, and 1395w–3b of this title, and repealing provisions set out as a note under section 1395u of this title] insofar as they affect payment under part B of title XVIII of the Social Security Act [this part]—

“(i) for items and services furnished by oncologists; and

“(ii) for drug administration services furnished by other specialists.

“(B) Other matters studied.—In conducting the review under subparagraph (A), the Commission shall also review such changes as they affect—

“(i) the quality of care furnished to individuals enrolled under part B and the satisfaction of such individuals with that care;

“(ii) the adequacy of reimbursement as applied in, and the availability in, different geographic areas and to different physician practice sizes; and

“(iii) the impact on physician practices.

“(C) Reports.—The Commission shall submit to the Secretary [of Health and Human Services] and Congress—

“(i) not later than January 1, 2006, a report on the review conducted under subparagraph (A)(i); and

“(ii) not later than January 1, 2007, a report on the review conducted under subparagraph (A)(ii).

Each such report may include such recommendations regarding further adjustments in such payments as the Commission deems appropriate.

“(D) Secretarial response.—As part of the rulemaking with respect to payment for physicians services under section 1848 of the Social Security Act (42 U.S.C. 1395w–4) for 2007, the Secretary may make appropriate adjustments to payment for items and services described in subparagraph (A)(i), taking into account the report submitted under such subparagraph (C)(i).”

Multiple Chemotherapy Agents, Other Services Currently on the Non-Physician Work Pool, and Transitional Adjustment

Pub. L. 108–173, title III, § 303(g)(3), Dec. 8, 2003, 117 Stat. 2253, provided that: “There shall be no administrative or judicial review under section 1869 [probably means section 1869 of the Social Security Act, which is classified to section 1395ff of this title], section 1878 [probably means section 1878 of the Social Security Act, which is classified to section 1395oo of this title], or otherwise, of determinations of payment amounts, methods, or adjustments under paragraphs (2) through (4) of subsection (a) [enacting provisions set out as notes under this section].”

Application of 2003 Amendment to Physician Specialties

Amendment by section 303 of Pub. L. 108–173, insofar as applicable to payments for drugs or biologicals and drug administration services furnished by physicians, is applicable only to physicians in the specialties of hematology, hematology/oncology, and medical oncology under this subchapter, see section 303(j) of Pub. L. 108–173, set out as a note under section 1395u of this title.

Notwithstanding section 303(j) of Pub. L. 108–173 (see note above), amendment by section 303 of Pub. L. 108–173 also applicable to payments for drugs or biologicals and drug administration services furnished by physicians in specialties other than the specialties of hematology, hematology/oncology, and medical oncology, see section 304 of Pub. L. 108–173, set out as a note under section 1395u of this title.

GAO Study of Geographic Differences in Payments for Physicians’ Services

Pub. L. 108–173, title IV, § 413(c), Dec. 8, 2003, 117 Stat. 2277, provided that:

“(1) Study.—The Comptroller General of the United States shall conduct a study of differences in payment amounts under the physician fee schedule under section 1848 of the Social Security Act (42 U.S.C. 1395w–4) for physicians’ services in different geographic areas. Such study shall include—

“(A) an assessment of the validity of the geographic adjustment factors used for each component of the fee schedule;

“(B) an evaluation of the measures used for such adjustment, including the frequency of revisions;

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscprint.html>).

“(C) an evaluation of the methods used to determine professional liability insurance costs used in computing the malpractice component, including a review of increases in professional liability insurance premiums and variation in such increases by State and physician specialty and methods used to update the geographic cost of practice index and relative weights for the malpractice component; and

“(D) an evaluation of the effect of the adjustment to the physician work geographic index under section 1848(e)(1)(E) of the Social Security Act [subsection (e)(1)(E) of this section], as added by section 412, on physician location and retention in areas affected by such adjustment, taking into account—

“(i) differences in recruitment costs and retention rates for physicians, including specialists, between large urban areas and other areas; and

“(ii) the mobility of physicians, including specialists, over the last decade.

“(2) Report.—Not later than 1 year after the date of the enactment of this Act [Dec. 8, 2003], the Comptroller General shall submit to Congress a report on the study conducted under paragraph (1). The report shall include recommendations regarding the use of more current data in computing geographic cost of practice indices as well as the use of data directly representative of physicians’ costs (rather than proxy measures of such costs).”

Amendments Not Treated as Change in Law and Regulation in Sustainable Growth Rate Determination

Pub. L. 109–171, title V, § 5104(b), Feb. 8, 2006, 120 Stat. 41, provided that: “The amendments made by subsection (a) [amending this section] shall not be treated as a change in law for purposes of applying section 1848(f)(2)(D) of the Social Security Act (42 U.S.C. 1395w–4 (f)(2)(D)).”

Pub. L. 108–173, title VI, § 601(a)(3), Dec. 8, 2003, 117 Stat. 2301, provided that: “The amendments made by this subsection [amending this section] shall not be treated as a change in law for purposes of applying section 1848(f)(2)(D) of the Social Security Act (42 U.S.C. 1395w–4 (f)(2)(D)).”

Collaborative Demonstration-Based Review of Physician Practice Expense Geographic Adjustment Data

Pub. L. 108–173, title VI, § 605, Dec. 8, 2003, 117 Stat. 2302, provided that:

“(a) In General.—Not later than January 1, 2005, the Secretary [of Health and Human Services] shall, in collaboration with State and other appropriate organizations representing physicians, and other appropriate persons, review and consider alternative data sources than those currently used in establishing the geographic index for the practice expense component under the medicare physician fee schedule under section 1848(e)(1)(A)(i) of the Social Security Act (42 U.S.C. 1395w–4 (e)(1)(A)(i)).

“(b) Sites.—The Secretary shall select two physician payment localities in which to carry out subsection (a). One locality shall include rural areas and at least one locality shall be a statewide locality that includes both urban and rural areas.

“(c) Report and Recommendations.—

“(1) Report.—Not later than January 1, 2006, the Secretary shall submit to Congress a report on the review and consideration conducted under subsection (a). Such report shall include information on the alternative developed data sources considered by the Secretary under subsection (a), including the accuracy and validity of the data as measures of the elements of the geographic index for practice expenses under the medicare physician fee schedule as well as the feasibility of using such alternative data nationwide in lieu of current proxy data used in such index, and the estimated impacts of using such alternative data.

“(2) Recommendations.—The report submitted under paragraph (1) shall contain recommendations on which data sources reviewed and considered under subsection (a) are appropriate for use in calculating the geographic index for practice expenses under the medicare physician fee schedule.”

MedPAC Report on Payment for Physicians’ Services

Pub. L. 108–173, title VI, § 606, Dec. 8, 2003, 117 Stat. 2302, provided that:

“(a) Practice Expense Component.—Not later than 1 year after the date of the enactment of this Act [Dec. 8, 2003], the Medicare Payment Advisory Commission shall submit to Congress a report on the effect of refinements to the practice expense component of payments for physicians’ services, after the transition to a full resource-based payment system in 2002, under section 1848 of the Social Security Act (42 U.S.C. 1395w–4). Such report shall examine the following matters by physician specialty:

“(1) The effect of such refinements on payment for physicians’ services.

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscprint.html>).

“(2) The interaction of the practice expense component with other components of and adjustments to payment for physicians’ services under such section.

“(3) The appropriateness of the amount of compensation by reason of such refinements.

“(4) The effect of such refinements on access to care by medicare beneficiaries to physicians’ services.

“(5) The effect of such refinements on physician participation under the medicare program.

“(b) Volume of Physicians’ Services.—Not later than 1 year after the date of the enactment of this Act [Dec. 8, 2003], the Medicare Payment Advisory Commission shall submit to Congress a report on the extent to which increases in the volume of physicians’ services under part B [this part] of the medicare program are a result of care that improves the health and well-being of medicare beneficiaries. The study shall include the following:

“(1) An analysis of recent and historic growth in the components that the Secretary [of Health and Human Services] includes under the sustainable growth rate (under section 1848(f) of the Social Security Act (42 U.S.C. 1395w-4 (f))).

“(2) An examination of the relative growth of volume in physicians’ services between medicare beneficiaries and other populations.

“(3) An analysis of the degree to which new technology, including coverage determinations of the Centers for Medicare & Medicaid Services, has affected the volume of physicians’ services.

“(4) An examination of the impact on volume of demographic changes.

“(5) An examination of shifts in the site of service or services that influence the number and intensity of services furnished in physicians’ offices and the extent to which changes in reimbursement rates to other providers have effected these changes.

“(6) An evaluation of the extent to which the Centers for Medicare & Medicaid Services takes into account the impact of law and regulations on the sustainable growth rate.”

MedPAC Study of Payment for Cardio-Thoracic Surgeons

Pub. L. 108–173, title VI, § 644, Dec. 8, 2003, 117 Stat. 2323, provided that:

“(a) Study.—The Medicare Payment Advisory Commission (in this section referred to as the ‘Commission’) shall conduct a study on the practice expense relative values established by the Secretary of Health and Human Services under the medicare physician fee schedule under section 1848 of the Social Security Act (42 U.S.C. 1395w-4) for physicians in the specialties of thoracic and cardiac surgery to determine whether such values adequately take into account the attendant costs that such physicians incur in providing clinical staff for patient care in hospitals.

“(b) Report.—Not later than January 1, 2005, the Commission shall submit to Congress a report on the study conducted under subsection (a) together with recommendations for such legislation or administrative action as the Commission determines to be appropriate.”

Report on Physician Compensation

Pub. L. 108–173, title IX, § 953(a)(2), Dec. 8, 2003, 117 Stat. 2428, provided that: “Not later than 12 months after the date of the enactment of this Act [Dec. 8, 2003], the Comptroller General shall submit to Congress a report on all aspects of physician compensation for services furnished under title XVIII of the Social Security Act [this subchapter], and how those aspects interact and the effect on appropriate compensation for physician services. Such report shall review alternatives for the physician fee schedule under section 1848 of such title (42 U.S.C. 1395w-4).”

Treatment of Certain Physician Pathology Services Under Medicare

Pub. L. 106–554, § 1(a)(6) [title V, § 542], Dec. 21, 2000, 114 Stat. 2763, 2763A–550, as amended by Pub. L. 108–173, title VII, § 732, Dec. 8, 2003, 117 Stat. 2352; Pub. L. 109–432, div. B, title I, § 104, Dec. 20, 2006, 120 Stat. 2981; Pub. L. 110–173, title I, § 104, Dec. 29, 2007, 121 Stat. 2495; Pub. L. 110–275, title I, § 136, July 15, 2008, 122 Stat. 2540, provided that:

“(a) In General.—When an independent laboratory furnishes the technical component of a physician pathology service to a fee-for-service medicare beneficiary who is an inpatient or outpatient of a covered hospital, the Secretary of Health and Human Services shall treat such component as a service for which payment shall be made to the laboratory under section 1848 of the Social Security Act (42 U.S.C. 1395w-4) and not as an inpatient hospital service for which payment is made to the hospital under section 1886(d) of such Act (42 U.S.C. 1395ww (d)) or as an outpatient hospital service for which payment is made to the hospital under section 1833(t) of such Act (42 U.S.C. 13951 (t)).

“(b) Definitions.—For purposes of this section:

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscodeprint.html>).

“(1) Covered hospital.—The term ‘covered hospital’ means, with respect to an inpatient or an outpatient, a hospital that had an arrangement with an independent laboratory that was in effect as of July 22, 1999, under which a laboratory furnished the technical component of physician pathology services to fee-for-service medicare beneficiaries who were hospital inpatients or outpatients, respectively, and submitted claims for payment for such component to a medicare carrier (that has a contract with the Secretary under section 1842 of the Social Security Act, 42 U.S.C. 1395u) and not to such hospital.

“(2) Fee-for-service medicare beneficiary.—The term ‘fee-for-service medicare beneficiary’ means an individual who—

“(A) is entitled to benefits under part A, or enrolled under part B, or both, of such title [part A or part B of this subchapter]; and

“(B) is not enrolled in any of the following:

“(i) A Medicare+Choice plan under part C of such title [part C of this subchapter].

“(ii) A plan offered by an eligible organization under section 1876 of such Act (42 U.S.C. 1395mm).

“(iii) A program of all-inclusive care for the elderly (PACE) under section 1894 of such Act (42 U.S.C. 1395eee).

“(iv) A social health maintenance organization (SHMO) demonstration project established under section 4018(b) of the Omnibus Budget Reconciliation Act of 1987 (Public Law 100–203) [101 Stat. 1330–65].

“(c) Effective Date.—This section shall apply to services furnished during the 2-year period beginning on January 1, 2001, and for services furnished during 2005, 2006, 2007, 2008, and 2009.

“(d) GAO Report.—

“(1) Study.—The Comptroller General of the United States shall conduct a study of the effects of the previous provisions of this section on hospitals and laboratories and access of fee-for-service medicare beneficiaries to the technical component of physician pathology services.

“(2) Report.—Not later than April 1, 2002, the Comptroller General shall submit to Congress a report on such study. The report shall include recommendations about whether such provisions should be extended after the end of the period specified in subsection (c) for either or both inpatient and outpatient hospital services, and whether the provisions should be extended to other hospitals.”

One-Time Publication of Information on Transition

Pub. L. 106–113, div. B, § 1000(a)(6) [title II, § 211(a)(2)(C)], Nov. 29, 1999, 113 Stat. 1536, 1501A–347, provided that: “The Secretary of Health and Human Services shall cause to have published in the Federal Register, not later than 90 days after the date of the enactment of this section [Nov. 29, 1999], the Secretary’s determination, based upon the best available data, of—

“(i) the allowed expenditures under subclauses (I) and (II) of subsection (d)(4)(C)(ii) of section 1848 of the Social Security Act (42 U.S.C. 1395w–4), as added by subsection (a)(1)(B), for the 9-month period beginning on April 1, 1999, and for 1999;

“(ii) the estimated actual expenditures described in subsection (d) of such section for 1999; and

“(iii) the sustainable growth rate under subsection (f) of such section for 2000.”

Use of Data Collected by Organizations and Entities in Determining Practice Expense Relative Values

Pub. L. 106–113, div. B, § 1000(a)(6) [title II, § 212], Nov. 29, 1999, 113 Stat. 1536, 1501A–350, provided that:

“(a) In General.—The Secretary of Health and Human Services shall establish by regulation (after notice and opportunity for public comment) a process (including data collection standards) under which the Secretary will accept for use and will use, to the maximum extent practicable and consistent with sound data practices, data collected or developed by entities and organizations (other than the Department of Health and Human Services) to supplement the data normally collected by that Department in determining the practice expense component under section 1848(c)(2)(C)(ii) of the Social Security Act (42 U.S.C. 1395w–4 (c)(2)(C)(ii)) for purposes of determining relative values for payment for physicians’ services under the fee schedule under section 1848 of such Act (42 U.S.C. 1395w–4). The Secretary shall first promulgate such regulation on an interim final basis in a manner that permits the submission and use of data in the computation of practice expense relative value units for payment rates for 2001.

“(b) Publication of Information.—The Secretary shall include, in the publication of the estimated and final updates under section 1848(c) of such Act (42 U.S.C. 1395w–4 (c)) for payments for 2001 and for 2002, a description of the process established under subsection (a) for the use of external data in making adjustments in relative value units

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscodeprint.html>).

and the extent to which the Secretary has used such external data in making such adjustments for each such year, particularly in cases in which the data otherwise used are inadequate because such data are not based upon a large enough sample size to be statistically reliable.”

Consultation With Organizations in Establishing Payment Amounts for Services Provided by Physicians

Section 4105(a)(3) of Pub. L. 105–33 provided that: “In establishing payment amounts under section 1848 of the Social Security Act [this section] for physicians’ services consisting of diabetes outpatient self-management training services, the Secretary of Health and Human Services shall consult with appropriate organizations, including such organizations representing individuals or medicare beneficiaries with diabetes.”

Requirements for Developing New Resource-Based Practice Expense Relative Value Units

Section 4505(d) of Pub. L. 105–33 provided that:

“(1) Development.—For purposes of section 1848(c)(2)(C)(ii) of the Social Security Act [subsec. (c)(2)(C)(ii) of this section], the Secretary of Health and Human Services shall develop new resource-based relative value units. In developing such units the Secretary shall—

“(A) utilize, to the maximum extent practicable, generally accepted cost accounting principles which (i) recognize all staff, equipment, supplies, and expenses, not just those which can be tied to specific procedures, and (ii) use actual data on equipment utilization and other key assumptions;

“(B) consult with organizations representing physicians regarding methodology and data to be used; and

“(C) develop a refinement process to be used during each of the 4 years of the transition period.

“(2) Report.—The Secretary shall transmit a report by March 1, 1998, on the development of resource-based relative value units under paragraph (1) to the Committee on Ways and Means and the Committee on Commerce of the House of Representatives and the Committee on Finance of the Senate. The report shall include a presentation of data to be used in developing the value units and an explanation of the methodology.

“(3) Notice of proposed rulemaking.—The Secretary shall publish a notice of proposed rulemaking with the new resource-based relative value units on or before May 1, 1998, and shall allow for a 90-day public comment period.

“(4) Items included.—The new proposed rule shall consider the following:

“(A) Impact projections which compare new proposed payment amounts on data on actual physician practice expenses.

“(B) Impact projections for hospital-based and other specialties, geographic payment localities, and urban versus rural localities.”

Application of Certain Budget Neutrality Provisions

Section 4505(f)(2) of Pub. L. 105–33 provided that: “In implementing the amendment made by paragraph (1)(A)(ii) [amending this section], the provisions of clauses (ii)(II) and (iii) of section 1848(c)(2)(B) of the Social Security Act (42 U.S.C. 1395w-4 (c)(2)(B)) shall apply in the same manner as they apply to adjustments under clause (ii)(I) of such section.”

Development of Resource-Based Methodology for Practice Expenses

Section 121(a) of Pub. L. 103–432 provided that:

“(1) In general.—The Secretary of Health and Human Services shall develop a methodology for implementing in 1998 a resource-based system for determining practice expense relative value units for each physicians’ service. The methodology utilized shall recognize the staff, equipment, and supplies used in the provision of various medical and surgical services in various settings.

“(2) Report.—The Secretary shall transmit a report by June 30, 1996, on the methodology developed under paragraph (1) to the Committees on Ways and Means and Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate. The report shall include a presentation of data utilized in developing the methodology and an explanation of the methodology.”

Application of Subsection (c)(2)(B)(ii)(II), (iii)

Section 121(b)(3) of Pub. L. 103–432 provided that: “In implementing the amendment made by paragraph (1)(C) [amending this section], the provisions of clauses (ii)(II) and (iii) of section 1848(c)(2)(B) of the Social Security Act

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscpri.html>).

[subsec. (c)(2)(B)(ii)(II), (iii) of this section] shall apply in the same manner as they apply to adjustments under clause (ii)(I) of such section.”

Report on Review Process

Section 122(c) of Pub. L. 103–432 provided that not later than 1 year after Oct. 31, 1994, Secretary of Health and Human Services was to study and report to Congress on data necessary to review and revise indices established under subsec. (e)(1)(A) of this section, any limitations on availability of data necessary to review and revise such indices at least every three years, ways of addressing such limitations, with particular attention to the development of alternative data sources for input components for which current index values are based on data collected less frequently than every three years, and costs of developing more accurate and timely data.

Relative Value for Pediatric Services

Section 124(a) of Pub. L. 103–432 provided that: “The Secretary of Health and Human Services shall fully develop, by not later than July 1, 1995, relative values for the full range of pediatric physicians’ services which are consistent with the relative values developed for other physicians’ services under section 1848(c) of the Social Security Act [subsec. (c) of this section]. In developing such values, the Secretary shall conduct such refinements as may be necessary to produce appropriate estimates for such relative values.”

Budget Neutrality Adjustment

For provisions requiring reduction of relative values established under subsec. (c) of this section and amounts determined under subsec. (a)(2)(B)(ii)(I) of this section for 1994 (to be applied for that year and subsequent years) in order to assure that the amendments to this section and section 1395u of this title by section 13515(a) of Pub. L. 103–66 will not result in expenditures under this part that exceed the amount of such expenditures that would have been made if such amendments had not been made, see section 13515(b) of Pub. L. 103–66, set out as a note under section 1395u of this title.

Section 13518(b) of Pub. L. 103–66 provided that: “Notwithstanding any other provision of law, the Secretary of Health and Human Services shall implement the amendment made by subsection (a) [amending this section] in a manner to assure that such amendment will result in expenditures under part B of title XVIII of the Social Security Act [this part] in 1995 for services described in such amendment that shall be equal to the amount of expenditures for such services that would have been made if such amendment had not been made.”

Ancillary Policies; Adjustment for Independent Laboratories Furnishing Physician Pathology Services

Section 4104(c) of Pub. L. 101–508 provided: “The Secretary of Health and Human Services, in establishing ancillary policies under section 1848(c)(3) of the Social Security Act [subsec. (c)(3) of this section], shall consider an appropriate adjustment to reflect the technical component of furnishing physician pathology services through a laboratory that is independent of a hospital and separate from an attending or consulting physician’s office.”

Computation of Conversion Factor for 1992

Section 4105(b)(2) of Pub. L. 101–508, as amended by Pub. L. 103–432, title I, § 126(g)(2)(A)(i), Oct. 31, 1994, 108 Stat. 4415, provided that: “In computing the conversion factor under section 1848(d)(1)(B) of the Social Security Act for 1992 [subsec. (d)(1)(B) of this section], the Secretary of Health and Human Services shall determine the estimated aggregate amount of payments under part B of title XVIII of such Act [this part] for physicians’ services in 1991 assuming that the amendment made by this subsection [amending section 1395u of this title] did not apply.”

Section 4106(c) of Pub. L. 101–508, as amended by Pub. L. 103–432, title I, § 126(g)(3), Oct. 31, 1994, 108 Stat. 4416, provided that: “In computing the conversion factor under section 1848(d)(1)(B) of the Social Security Act [subsec. (d)(1)(B) of this section] for 1992, the Secretary of Health and Human Services shall determine the estimated aggregate amount of payments under part B [this part] for physicians’ services in 1991 assuming that the amendments made by this section [amending this section, section 1395u of this title, and provisions set out as a note under section 1395u of this title] (notwithstanding subsection (d) [set out as an Effective Date of 1990 Amendment note under section 1395u of this title]) applied to all services furnished during such year.”

Publication of Performance Standard Rates

Section 4105(d) of Pub. L. 101–508, as amended by Pub. L. 103–432, title I, § 126(g)(2)(C), Oct. 31, 1994, 108 Stat. 4416, provided that: “Not later than 45 days after the date of the enactment of this Act [Nov. 5, 1990], the Secretary of Health and Human Services, based on the most recent data available, shall estimate and publish in the Federal Register the performance standard rates of increase specified in section 1848(f)(2)(C) of the Social Security Act [subsec. (f)(2)(C) of this section] for fiscal year 1991.”

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscpri.html>).

Study of Regional Variations in Impact of Medicare Physician Payment Reform

Section 4115 of Pub. L. 101–508 provided that:

“(a) Study.—The Secretary of Health and Human Services shall conduct a study of—

“(1) factors that may explain geographic variations in Medicare reasonable charges for physicians’ services that are not attributable to variations in physician practice costs (including the supply of physicians in an area and area variations in the mix of services furnished);

“(2) the extent to which the geographic practice cost indices applied under the fee schedule established under section 1848 of the Social Security Act [this section] accurately reflect variations in practice costs and malpractice costs (and alternative sources of information upon which to base such indices);

“(3) the impact of the transition to a national, resource-based fee schedule for physicians’ services under Medicare on access to physicians’ services in areas that experience a disproportionately large reduction in payments for physicians’ services under the fee schedule by reason of such variations; and

“(4) appropriate adjustments or modifications in the transition to, or manner of determining payments under, the fee schedule established under section 1848 of the Social Security Act, to compensate for such variations and ensure continued access to physicians’ services for Medicare beneficiaries in such areas.

“(b) Report.—By not later than July 1, 1992, the Secretary shall submit to Congress a report on the study conducted under subsection (a).”

Statewide Fee Schedule Areas for Physicians’ Services

Section 4117 of Pub. L. 101–508, as amended by Pub. L. 103–432, title I, § 126(f), Oct. 31, 1994, 108 Stat. 4415, provided that: “Notwithstanding section 1848(j)(2) of the Social Security Act (42 U.S.C. 1395w–4 (j)(2)), in the case of the States of Nebraska and Oklahoma the Secretary of Health and Human Services (Secretary) shall treat the State as a single fee schedule area for purposes of determining—

“(1) the adjusted historical payment basis (as defined in section 1848(a)(2)(D) of such Act (42 U.S.C. 1395w–4 (a)(2)(D))), and

“(2) the fee schedule amount (as referred to in section 1848 (a) (42 U.S.C. 1395w–4 (a)) of such Act),

for physicians’ services (as defined in section 1848(j)(3) of such Act (42 U.S.C. 1395w–4 (j)(3))) furnished on or after January 1, 1992.”

Studies

Pub. L. 101–239, title VI, § 6102(d), Dec. 19, 1989, 103 Stat. 2185, as amended by Pub. L. 103–432, title I, § 126(h)(1), Oct. 31, 1994, 108 Stat. 4416; Pub. L. 105–362, title VI, § 601(b)(5), Nov. 10, 1998, 112 Stat. 3286, provided for various studies and reports as follows: (1) directed Comptroller General to conduct study of alternative payment methodology for malpractice component for physicians’ services, and to submit report to Congress by not later than Apr. 1, 1991; (2) directed Secretary of Health and Human Services to conduct study of how payments under this section may affect payments to eligible organizations with risk-sharing contracts under section 1395mm of this title, and to submit report to Congress by not later than Apr. 1, 1990; (3) directed Secretary to conduct study of volume performance standard rates of increase for services furnished by geography, specialty, and type of service, and to submit report with appropriate recommendations to Congress by not later than July 1, 1990; (4) directed Physician Payment Review Commission to conduct study of payment for practice and malpractice expenses, including appropriate methods for allocating malpractice expenses to particular procedures which could be incorporated into the determination of relative values for such procedures using a consensus panel and other appropriate methodologies, and to submit report and recommendations to Congress by not later than July 1, 1991; (5) directed Physician Payment Review Commission to conduct study of feasibility and desirability of using Metropolitan Statistical Areas or other payment areas for purposes of payment for physicians’ services under this part, and to submit report to Congress by not later than July 1, 1991; (6) directed Physician Payment Review Commission to conduct study of payment for non-physician providers of medicare services, including physician assistants, clinical psychologists, nurse midwives, and other health practitioners whose services can be billed under medicare program on a fee-for-service basis, and to submit report to Congress by not later than July 1, 1991; (7) directed Physician Payment Review Commission to conduct study of physician fees under State medicaid programs established under subchapter XIX of this chapter, and to submit report with recommendations to Congress by no later than July 1, 1991; and (8) directed Comptroller General to conduct study of effect of anti-trust laws on ability of physicians to act in groups to educate and discipline peers of such physicians in order to reduce and eliminate ineffective practice patterns and inappropriate utilization, and to submit report to Congress by no later than July 1, 1991.

NB: This unofficial compilation of the U.S. Code is current as of Jan. 5, 2009 (see <http://www.law.cornell.edu/uscode/uscprint.html>).

Distribution of Model Fee Schedule

Section 6102(e)(11) of Pub. L. 101-239, as amended by Pub. L. 101-508, title IV, § 4118(f)(2)(E), Nov. 5, 1990, 104 Stat. 1388-70, provided that: "By September 1, 1990, the Secretary of Health and Human Services shall develop a Model Fee Schedule, using the methodology set forth in section 1848 of the Social Security Act [this section]. The Model Fee Schedule shall include as many services as the Secretary of Health and Human Services concludes can be assigned valid relative values. The Secretary of Health and Human Services shall submit the Model Fee Schedule to the appropriate committees of Congress and make it generally available to the public."