

118TH CONGRESS
1ST SESSION

H. R. 6371

To provide for certain adjustments to the physician fee schedule under the Medicare program.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 13, 2023

Mr. MURPHY (for himself, Mr. BURGESS, Mr. WENSTRUP, Ms. KELLY of Illinois, Mr. BUCSHON, Mr. VAN DREW, Mrs. MILLER-MEEKS, Mr. HARRIS, Mr. BABIN, Mr. JOYCE of Pennsylvania, Mr. JACKSON of Texas, Mr. MCCORMICK, Mr. FERGUSON, Mr. DUNN of Florida, and Mr. CARTER of Georgia) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for certain adjustments to the physician fee schedule under the Medicare program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Provider Reimburse-
5 ment Stability Act of 2023”.

1 **SEC. 2. UPDATING THE BUDGET NEUTRALITY THRESHOLD.**

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

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

6 “(aa) IN GENERAL.—Sub-
7 ject to”;

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

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

13 “(bb) AMOUNT SPECI-
14 FIED.—For purposes of item
15 (aa), subject to item (cc), the
16 amount specified in this item
17 is—

18 “(AA) for years before
19 2025, \$20,000,000;

20 “(BB) for 2025,
21 \$53,000,000; and

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

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

12 **SEC. 3. BUDGET NEUTRALITY CORRECTIONS FOR OVER-**
 13 **ESTIMATES AND UNDERESTIMATES IN UTILI-**
 14 **ZATION.**

15 (a) IN GENERAL.—Section 1848(c)(2)(B) of the So-
 16 cial Security Act (42 U.S.C. 1395w-4(c)(2)(B)) is amend-
 17 ed by adding at the end the following new clause:

18 “(vii) BUDGET NEUTRALITY CORREC-
 19 TIONS FOR OVERESTIMATES AND UNDER-
 20 ESTIMATES IN UTILIZATION.—

21 “(I) IN GENERAL.—In the case
 22 of a budget neutrality adjustment ap-
 23 plied pursuant to clause (ii)(II) for an
 24 adjustment application year (as de-
 25 fined in clause (viii)(I)) beginning

1 with 2025, with respect to an adjust-
2 ment to relative value units made
3 under clause (ii)(I), that is deter-
4 mined using estimated utilization (as
5 defined in clause (viii)(III))—

6 “(aa) the Secretary shall, by
7 not later than September 1 of the
8 subsequent year—

9 “(AA) compare such es-
10 timated utilization to actual
11 utilization occurring during
12 such adjustment application
13 year with respect to the ad-
14 justment to the relative
15 value units made under
16 clause (ii)(I); and

17 “(BB) if applicable, de-
18 termine the extent to which,
19 if any, the difference be-
20 tween the estimated utiliza-
21 tion and such actual utiliza-
22 tion affected the amount of
23 such budget neutrality ad-
24 justment applied for such

1 adjustment application year;

2 and

3 “(bb) in the case that the
4 Secretary determines under sub-
5 clause (I)(bb) that the difference
6 between the estimated utilization
7 and such actual utilization af-
8 fected the amount of the budget
9 neutrality adjustment applied for
10 such adjustment application year,
11 the Secretary shall adjust the
12 amount of payment made under
13 this section for services furnished
14 during the adjustment correction
15 period (as defined in clause
16 (viii)(II)) with respect to such
17 year by such amount as deter-
18 mined necessary by the Secretary
19 to reconcile the difference (which
20 may be positive or negative) be-
21 tween—

22 “(AA) the budget neu-
23 trality adjustment that had
24 been applied for such appli-
25 cation adjustment year,

1 using the estimated utiliza-
2 tion; and

3 “(BB) the budget neu-
4 trality adjustment that
5 would have been applied for
6 such year if such adjustment
7 had been calculated using
8 such actual utilization.

9 “(II) DEFINITIONS.—For pur-
10 poses of this clause:

11 “(aa) ADJUSTMENT APPLI-
12 CATION YEAR.—The term ‘ad-
13 justment application year’ means,
14 with respect to an adjustment to
15 relative value units made under
16 clause (ii)(I) for which a budget
17 neutrality adjustment under
18 clause (ii)(II) is required, the
19 year for which such adjustments
20 are applied.

21 “(bb) ADJUSTMENT COR-
22 RECTION PERIOD.—The term
23 ‘adjustment correction period’
24 means, with respect to an adjust-
25 ment application year, the second

1 year beginning after such adjust-
2 ment application year.

3 “(cc) ESTIMATED UTILIZA-
4 TION.—The term ‘estimated utili-
5 zation’ means, with respect to an
6 adjustment to relative value units
7 made under clause (ii)(I), an es-
8 timate of utilization associated
9 with such adjustment used for
10 purposes of applying clause
11 (ii)(II).”.

12 (b) NONAPPLICATION OF BUDGET NEUTRALITY TO
13 RECONCILIATION ADJUSTMENTS.—Section 1848(c)(2)(B)
14 of the Social Security Act (42 U.S.C. 1395w-4(c)(2)(B))
15 is amended—

16 (1) in clause (iv)—

17 (A) in subclause (V), by striking “and” at
18 the end;

19 (B) in subclause (VI), by striking the pe-
20 riod and inserting “; and”; and

21 (C) by adding at the end the following new
22 subclause:

23 “(VII) clause (vii)(I)(bb) for an
24 adjustment correction period shall not
25 be taken into account in applying

1 clause (ii)(II) with respect to such pe-
 2 riod.”; and

3 (2) in clause (v), by adding at the end the fol-
 4 lowing new subclause:

5 “(XII) REDUCTIONS ATTRIB-
 6 UTABLE TO AN ADJUSTMENT CORREC-
 7 TION.—For an adjustment correction
 8 period, reduced expenditures attrib-
 9 utable to application of clause
 10 (vii)(I)(bb) with respect to such pe-
 11 riod.”.

12 **SEC. 4. TIMELY UPDATES TO DIRECT COSTS USED TO CAL-**
 13 **CULATE PRACTICE EXPENSE RVUS.**

14 Section 1848(c)(2)(B) of the Social Security Act (42
 15 U.S.C. 1395w-4(c)(2)(B)), as amended by section 3, is
 16 further amended by adding at the end the following new
 17 clause:

18 “(viii) TIMELY UPDATES TO DIRECT
 19 COSTS USED TO CALCULATE PRACTICE EX-
 20 PENSE RELATIVE VALUE UNITS.—

21 “(I) SIMULTANEOUS UPDATES TO
 22 DIRECT COST INPUTS AT LEAST ONCE
 23 EVERY 5 YEARS.—The Secretary shall,
 24 not less often than every 5 years, up-
 25 date the prices and rates, as applica-

1 ble, for each of the direct costs inputs
2 described in subclause (II) used in the
3 methodology for calculating the prac-
4 tice expense relative value units under
5 this subsection for physicians' serv-
6 ices. Updates made pursuant to the
7 previous sentence shall be made in the
8 same year for all direct cost inputs
9 described in such subclause.

10 “(II) DIRECT COSTS INPUT CAT-
11 EGORIES DESCRIBED.—For purposes
12 of this clause, the direct costs inputs
13 described in this subclause are clinical
14 staff wage rates, prices of medical
15 supplies, and prices of equipment.

16 “(III) CONSULTATION.—In mak-
17 ing the updates under this clause, the
18 Secretary shall consult with relevant
19 stakeholders, including physician spe-
20 cialty societies.”.

21 **SEC. 5. LIMITATION ON YEAR-TO-YEAR CONVERSION FAC-**
22 **TOR VARIANCE.**

23 Section 1848(c)(2)(B) of the Social Security Act (42
24 U.S.C. 1395w-4(c)(2)(B)), as amended by sections 3 and

1 4, is further amended— by adding at the end the following
2 new clause:

3 “(ix) LIMITATION ON CONVERSION
4 FACTOR VARIANCE.—

5 “(I) IN GENERAL.—In the case
6 that application of clause (ii)(II) for a
7 year (beginning with 2025) would re-
8 sult in a conversion factor established
9 under subsection (d) for such year,
10 not taking into account any adjust-
11 ment provided under such subsection,
12 to vary by more than 2.5 percent com-
13 pared to such factor so established for
14 the preceding year (in this subclause
15 referred to as the ‘preceding year’s
16 conversion factor’), the Secretary
17 shall—

18 “(aa) if such application
19 would result in a decrease in
20 such conversion factor, modify
21 any budget neutrality adjustment
22 applied to such conversion factor
23 pursuant to such clause such
24 that such conversion factor is de-
25 creased by 2.5 percent, not tak-

1 ing into account any adjustment
2 provided under such subsection,
3 compared to the preceding year’s
4 conversion factor; and

5 “(bb) if such application
6 would result in an increase in
7 such conversion factor, modify
8 any budget neutrality adjustment
9 applied to such conversion factor
10 pursuant to such clause such
11 that such conversion factor is in-
12 creased by 2.5 percent, not tak-
13 ing into account any adjustment
14 provided under such subsection,
15 compared to the preceding year’s
16 conversion factor.

17 “(II) SPECIAL RULE FOR 2025.—

18 In applying subclause (I) with respect
19 to the conversion factor established
20 under subsection (d) for 2025, in de-
21 termining whether the application of
22 clause (ii)(II) for such year would re-
23 sult in such conversion factor varying
24 by more than 2.5 percent compared to
25 such factor so established for 2024,

1 the Secretary shall take into account
2 the increase to such conversion factor
3 so established for 2024 provided
4 under subsection (t).

5 “(III) CLARIFICATION RELATING
6 TO TRANSITION TO MULTIPLE CON-
7 VERSION FACTORS.—For 2026, in ap-
8 plying subclause (I) with respect to
9 the qualifying APM conversion factor
10 (as described in subsection (d)(1)(A))
11 and the nonqualifying APM conver-
12 sion factor (as so described) estab-
13 lished under subsection (d) for such
14 year, each reference in such subclause
15 to the ‘preceding year’s conversion
16 factor’ shall be deemed to be a ref-
17 erence to ‘the single conversion factor
18 (as described in subsection (d)(1)(A))
19 so established for 2025’.”.

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