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(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R.

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

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

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

1 **SEC. 2. EXTENDING FLOOR FOR WORK GEOGRAPHIC**
2 **INDEX.**

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

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

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

12 **SEC. 4. EXTENDING INCENTIVE PAYMENTS FOR PARTICIPA-**
13 **TION IN ELIGIBLE ALTERNATIVE PAYMENT**
14 **MODELS.**

15 (a) IN GENERAL.—Section 1833(z) of the Social Se-
16 curity Act (42 U.S.C. 1395l(z)) is amended—

17 (1) in paragraph (1)—

18 (A) in subparagraph (A)—

19 (i) by striking “In the case” and in-
20 serting “Subject to subparagraph (E), in
21 the case”;

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

24 (iii) by inserting “and 2026” after
25 “with respect to 2025”; and

1 (B) by adding at the end the following new
2 subparagraph:

3 “(E) SPECIAL PAYMENT RULE FOR 2026.—

4 “(i) IN GENERAL.—Subject to clause
5 (ii), with respect to an amount payable
6 under subparagraph (A) for 2026 to an eli-
7 gible professional who is a qualifying APM
8 participant for such year, such amount
9 shall be reduced, in the case such partici-
10 pant has received payment under such sub-
11 paragraph—

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

14 “(II) for 7 years, by 67 percent.

15 “(ii) EXCEPTION.—If an eligible pro-
16 fessional described in clause (i) increased
17 such professional’s financial risk (as speci-
18 fied by the Secretary) with respect to the
19 furnishing of items and services during the
20 most recent period for which data are
21 available (which may be less than a year)
22 for 2026 as compared to such profes-
23 sional’s financial risk with respect to the
24 furnishing of such items and services dur-
25 ing the most recent period for which data

1 were available (which may be less than a
2 year) for 2025, the Secretary may reduce
3 the amount payable under subparagraph
4 (A) for 2026 to such professional by a per-
5 centage that is less than the percentage
6 otherwise applicable to such amount under
7 clause (i) (and which may include 0 per-
8 cent).”;

9 (2) in paragraph (2)—

10 (A) in subparagraph (B)—

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

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

15 (B) in subparagraph (C)—

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

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

20 and

21 (C) in subparagraph (D), by striking
22 “2024, and 2025” and inserting “2024, 2025,
23 and 2026”; and

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

1 (b) CONFORMING AMENDMENTS.—Section
2 1848(q)(1)(C)(iii) of the Social Security Act (42 U.S.C.
3 1395w-4(q)(1)(C)(iii) is amended—

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

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

8 **SEC. 5. UPDATING THE BUDGET NEUTRALITY THRESHOLD.**

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

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

13 “(aa) IN GENERAL.—Sub-
14 ject to”;

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

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

20 “(bb) AMOUNT SPECI-
21 FIED.—For purposes of item
22 (aa), subject to item (cc), the
23 amount specified in this item
24 is—

1 “(AA) for years before
2 2025, \$20,000,000;

3 “(BB) for 2025,
4 \$53,000,000; and

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

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

20 **SEC. 6. TIMELY UPDATES TO DIRECT COSTS USED TO CAL-**
21 **CULATE PRACTICE EXPENSE RVUS.**

22 Section 1848(c)(2)(B) of the Social Security Act (42
23 U.S.C. 1395w-4(c)(2)(B)) is amended by adding at the
24 end the following new clause:

1 “(vii) TIMELY UPDATES TO DIRECT
2 COSTS USED TO CALCULATE PRACTICE EX-
3 PENSE RELATIVE VALUE UNITS.—

4 “(I) SIMULTANEOUS UPDATES TO
5 DIRECT COST INPUTS AT LEAST ONCE
6 EVERY 5 YEARS.—The Secretary shall,
7 not less often than every 5 years, up-
8 date the prices and rates, as applica-
9 ble, for each of the direct costs inputs
10 described in subclause (II) used in the
11 methodology for calculating the prac-
12 tice expense relative value units under
13 this subsection for physicians’ serv-
14 ices. Updates made pursuant to the
15 previous sentence shall be made in the
16 same year for all direct cost inputs
17 described in such subclause.

18 “(II) DIRECT COSTS INPUT CAT-
19 EGORIES DESCRIBED.—For purposes
20 of this clause, the direct costs inputs
21 described in this subclause are clinical
22 staff wage rates, prices of medical
23 supplies, and prices of equipment.

24 “(III) CONSULTATION.—In mak-
25 ing the updates under this clause, the

1 Secretary shall consult with relevant
2 stakeholders, including physician spe-
3 cialty societies.”.