

Hall 1

1

Thurs 7/30  
6:26 pm  
B

**AMENDMENT TO THE AMENDMENT IN THE  
NATURE OF A SUBSTITUTE H.R.  
OFFERED BY MR. HALL OF TEXAS  
(AINS-ECI001)**

Amend section 1161 to read as follows:

**SEC. 1161. PHASE-IN OF REDUCTION IN PAYMENT.**

Section 1853 of the Social Security Act (42 U.S.C. 1395w-23) is amended—

(1) in subsection (c)(6)—

(A) in subparagraph (A) by striking “subparagraph (B)” and inserting “subparagraphs

(B) and (D)”;

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

“(D) ADJUSTMENT FOR 2011.—The number of percentage points specified 11 in this sub paragraph for 2011 is 1.0 percentage point, and for any other year is 0 percentage points.”;

(2) in subsection (k)—

(A) in paragraph (1) in the matter before subparagraph (A), by striking “and (4)” and inserting “, (4), and (5)”;

(B) by adding at the end the following new paragraph:

“(5) ADJUSTMENT FOR 2012, 2013, AND 2014.—

“(A) IN GENERAL.—For each of 2012, 2013, and 2014, subject to subparagraph (C), if the 2011 MA percentage (as defined in subparagraph (B)) for an area is—

“(i) greater than 120 percent, the applicable amount otherwise determined under this subsection shall be reduced by the greater of—

“(I) 2 percent; or

“(II)  $\frac{1}{3}$  of the difference between the 2011 MA percentage and 120 percent;

“(ii) not greater than 120 percent,

but greater than 101 percent, the applicable amount otherwise determined under this subsection shall be reduced by 2 percent or 1 percent if the MA capitation rate for the preceding year is less than the

amount specified in subsection (c)(1)(D)(i) for such preceding year; and “(iii) not greater than 101 percent, the applicable amount otherwise determined under this subsection shall be reduced by 1 percent.

“(B) 2011 MA PERCENTAGE DEFINED.—In this paragraph, the term ‘2011 MA percentage’

for an area is the ratio (expressed as a percentage) for 2011 of—

“(i) the MA capitation rate for 2011 for such area; to

“(ii) the FFS rate (as defined in subparagraph (D)) for 2011 for such area.

“(C) EXCEPTIONS.—

“(i) CERTAIN AREAS.—The reduction under subparagraph (A) for a year shall not exceed 1 percent of the applicable amount otherwise determined under this subsection in the case of an area that meets the following criteria:

“(I) The MA capitation rate for

the area for the year is less than 111 percent of the FFS rate for such year.

“(II) The portion of the FFS rate for the area for a year that is attributable to indirect medical education is greater than or equal to 3 percent.

“(III) The FFS rate is at or below the 90th percentile for all areas.

“(ii) PUERTO RICO.—For an area within Puerto Rico, the Secretary may modify the payment rate methodology under this section to establish rates in a manner that is in the best interests of the Medicare beneficiaries residing in the Puerto Rico and the Medicare program.

“(iii) PACE PROGRAMS.—Subpara17 graph (A) shall not apply to payments to a PACE program under section 1894.

“(D) FFS RATE DEFINED.—In this paragraph, the term ‘FFS rate’ means, for an area and year, the amount specified in subsection (c)(1)(D)(i) for such area and year.”