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AMENDMENT

OFFERED BY MR. V. Gray

At the end of Part II of subtitle C of title IV, add the following:

1 SEC. 4315. MINIMUM UPDATE FOR PHYSICIANS' SERVICES
2 FOR 2010 AND 2011.

3 (a) IN GENERAL.—Section 1848(d) of the Social Se-
4 curity Act (42 U.S.C. 1395w-4(d)) is amended by adding
5 at the end the following new paragraphs:

6 “(10) UPDATE FOR 2010.—The update to the
7 single conversion factor established in paragraph
8 (1)(C) for 2010 shall not be less than 2.7 percent.

9 “(11) UPDATE FOR 2011.—

10 “(A) IN GENERAL.—The update to the sin-
11 gle conversion factor established in paragraph
12 (1)(C) for 2011 shall not be less than the prod-
13 uct of—

14 “(i) 1 plus the Secretary’s estimate of
15 the percentage change in the value of the
16 input price index (as provided under sub-
17 paragraph (B)(ii)) for 2011 (divided by
18 100); and

1 “(ii) 1 minus the Secretary’s estimate
2 of the productivity adjustment factor under
3 subparagraph (C) for 2011.

4 “(B) INPUT PRICE INDEX.—

5 “(i) ESTABLISHMENT.—Taking into
6 account the mix of goods and services in-
7 cluded in computing the medicare economic
8 index (referred to in the fourth sentence of
9 section 1842(b)(3)), the Secretary shall es-
10 tablish an index that reflects the weighted-
11 average input prices for physicians’ serv-
12 ices for 2010. Such index shall only ac-
13 count for input prices and not changes in
14 costs that may result from other factors
15 (such as productivity).

16 “(ii) ANNUAL ESTIMATE OF CHANGE
17 IN INDEX.—The Secretary shall estimate,
18 before the beginning of 2011, the change
19 in the value of the input price index under
20 clause (i) from 2010 to 2011.

21 “(C) PRODUCTIVITY ADJUSTMENT FAC-
22 TOR.—The Secretary shall estimate, and cause
23 to be published in the Federal Register not
24 later than November 1, 2010, a productivity ad-
25 justment factor for 2011 that reflects the Sec-

1 retary's estimate of growth in multifactor pro-
2 ductivity in the national economy, taking into
3 account growth in productivity attributable to
4 both labor and nonlabor factors. Such adjust-
5 ment may be based on a multi-year moving av-
6 erage of productivity (based on data published
7 by the Bureau of Labor Statistics).”.

8 (b) PREMIUM TRANSITION RULE.—Notwithstanding
9 any other provision of law—

10 (1) 2010.—

11 (A) PREMIUM.—Nothing in this section
12 shall be construed as modifying the premium
13 previously computed under section 1839 of the
14 Social Security Act for months in 2010.

15 (B) GOVERNMENT CONTRIBUTION.—In
16 computing the amount of the Government con-
17 tribution under section 1844(a) of the Social
18 Security Act for months in 2010, the Secretary
19 of Health and Human Services shall compute
20 and apply a new actuarially adequate rate per
21 enrollee age 65 and over under section
22 1839(a)(1) of such Act taking into account the
23 provisions of this section.

24 (2) 2011.—

1 (A) PREMIUM.—The monthly premium
2 under section 1839 of the Social Security Act
3 for months in 2011 shall be computed as if this
4 section had not been enacted.

5 (B) GOVERNMENT CONTRIBUTION.—The
6 Government contribution under section 1844(a)
7 of the Social Security Act for months in 2011
8 shall be computed taking into account the pro-
9 visions of this section, including subparagraph

10 (A).

