

# Committee on Ways and Means

## Medicare Prescription Drug, Improvement, and Modernization Act of 2003

### *New 5% Bonus Payment in Areas With Few Physicians*

#### Need for a Bonus Payment

- To help recruit and retain physicians, Medicare would pay a new 5% bonus to physicians delivering care in areas with few physicians.
- The 5% bonus payment would provide an incentive for physicians to locate their practice or provide services in more rural areas without many physicians. For example, a specialist who holds a clinic in a qualifying rural county two afternoons per week would be reimbursed for those services at the increased rate.
- The structure is simple, based on demographic indicators of need, and responsive to claims that low Medicare payments prevent physicians from practicing in certain areas.

#### Structure of the Bonus Payment

- Two bonuses would be offered – one for primary care physicians and one for specialty care physicians.
- Primary care physicians would be eligible for a 5% bonus if they practiced in a primary care scarcity area, which would be designated based on the ratio of primary care physicians per Medicare beneficiary in the area.
- Specialty care physicians would be eligible for a 5% bonus if they practiced in a specialty care scarcity area, which would be designated based on the ratio of specialty care physicians per Medicare beneficiary in the area.
- Areas could be eligible for primary care bonuses, specialty care bonuses, or both.
- Physicians practicing in counties ranked in the bottom 20% of these ratios would automatically qualify for the 5% bonus payment.
- Bonus payments would be made for 3 years, beginning in 2005.