

**AMENDMENT TO MR. TAUZIN'S AMENDMENT
OFFERED BY M.**

(Page & line nos. refer to Chairman's Mark of June 17, 2003)

At the end of subtitle A of title VI, [page 206, after line 5] insert the following new section (and conform the table of contents accordingly):

1 **SEC. 605. ESTABLISHMENT OF FLOOR ON WORK GEO-**
2 **GRAPHIC ADJUSTMENT.**

3 (a) **MINIMUM INDEX.—**

4 (1) **IN GENERAL.—**Section 1848(e)(1) (42
5 U.S.C. 1395w-4(e)(1)) is amended by adding at the
6 end the following new subparagraph:

7 “(E) **FLOOR AT 1.0 ON WORK GEOGRAPHIC**
8 **INDICES.—**Subject to section 605(a)(2) of the
9 Medicare Prescription Drug and Modernization
10 Act of 2003, after calculating the work geo-
11 graphic indices in subparagraph (A)(iii), for
12 purposes of payment for services furnished on
13 or after January 1, 2004, and before January
14 1, 2006, the Secretary shall increase the work
15 geographic index to 1.00 for any locality for
16 which such geographic index is less than 1.00.”.

17 (2) **SECRETARIAL DISCRETION.—**Section
18 1848(e)(1)(E), as added by paragraph (1) shall have
19 no force or effect in law if the Secretary determines,

1 taking into account the report of the Comptroller
2 General under subsection (b)(2), that there is no
3 sound economic rationale for the implementation of
4 that section.

5 (b) GAO REPORT.—

6 (1) EVALUATION.—As part of the study on geo-
7 graphic differences in payments for physicians' serv-
8 ices conducted under section 412, the Comptroller
9 General of the United States shall evaluate the fol-
10 lowing:

11 (A) Whether there is a sound economic
12 basis for the implementation of the amendment
13 to section 1848(e)(1) under subsection (a)(1) in
14 those areas in which the adjustment applies.

15 (B) The effect of such adjustment on phy-
16 sician location and retention in areas affected
17 by such adjustment, taking into account—

18 (i) differences in recruitment costs
19 and retention rates for physicians, includ-
20 ing specialists, between large urban areas
21 and other areas; and

22 (ii) the mobility of physicians, includ-
23 ing specialists, over the last decade.

24 (C) The appropriateness of establishing a
25 floor of 1.0 for the work geographic index.

1 (2) REPORT.—By not later than September 1,
2 2004, the Comptroller General shall submit to Con-
3 gress and to the Secretary a report on the evaluation
4 conducted under paragraph (1).