

FEB 02 2009

SENATE CONCURRENT RESOLUTION

REQUESTING CONGRESS TO RAISE MEDICARE FEE SCHEDULE PAYMENT
AMOUNTS FOR PHYSICIANS RENDERING SERVICES IN HAWAII.

1 WHEREAS, reimbursement levels for Medicare and Medicaid are
2 based upon the Medicare fee schedule, which is constructed from
3 the Medicare fee schedule payment amount formula; and
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5 WHEREAS, the fee schedule formula for each physician
6 service is basically a conversion factor multiplied by relative
7 value units; and
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9 WHEREAS, the conversion factor converts the relative value
10 units into dollars, and the relative value units generally
11 reflect the value of a particular physician service in relation
12 to other physician services; and
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14 WHEREAS, the relative value units are composed of three
15 components reflecting the concepts of physician work, practice
16 expense, and malpractice expense; and
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18 WHEREAS, each of these three components of the relative
19 value units are multiplied by respective geographic practice
20 cost indices so that the physician fee amount is geographically
21 adjusted to the geographic region of the country in which the
22 service is rendered; and
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24 WHEREAS, these geographic adjustments are generally done
25 administratively by the federal Centers for Medicare and
26 Medicaid Services; and
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28 WHEREAS, for the years 2004 and 2005, however, Congress
29 intervened and enacted legislation that set the geographic
30 practice cost indices for the State of Alaska and set each of
31 the three indices at a very high floor of 1.67; and
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WHEREAS, in contrast, the geographic practice cost indices for Hawaii in 2005 were 1.001, 1.118, and 0.800 for the indices related to physician work, practice expense, and malpractice expense respectively; and

WHEREAS, the congressional legislation for Alaska no longer applies and the Centers for Medicare and Medicaid Services has resumed setting the geographic practice cost indices for Alaska and the rest of the nation and its localities; now, therefore,

BE IT RESOLVED by the Senate of the Twenty-fifth Legislature of the State of Hawaii, Regular Session of 2009, the House of Representatives concurring, that Congress is respectfully requested to recognize that the physician fee amounts for Hawaii that result from the numeric values of the geographic practice cost indices assigned to Hawaii by the Centers for Medicare and Medicaid Services do not accurately reflect the payment levels that physicians rendering services in Hawaii should be receiving for those services and to enact legislation to increase the geographic practice cost indices for Hawaii; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the members of Hawaii's congressional delegation, the President of the Senate of the United States Congress, and the Speaker of the House of Representatives of the United States Congress.

OFFERED BY: David Y. Ige