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U.S. HOUSE OF REPRESENTATIVES

SUMMARY OF COMMITTEE DECISIONS

ON THE

SOCIAL SECURITY ACT AMENDMENTS OF 1983

(H.R. 1900)

MARCH 3, 1983

Prepared for the use of the Committee on Ways and Means by its staff

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C O N T E N T S

SOCIAL SECURITY ACT AMENDMENTS OF 1983

INTRODUCTION

On Thursday, March 3, 1983, the Committee on Ways and Means, U.S. House of Representatives, approved H.R. 1900, the Social Security Act Amendments of 1983, by a vote of 32 to 3. This document is prepared for the use of the Members of Congress and is intended to serve only as a convenient condensation of the bill's principal provisions. The Committee report will provide the official legislative history.

TITLE I.

PROVISIONS AFFECTING THE FINANCING OF THE SOCIAL SECURITY SYSTEM

COVERAGE

New Federal Employees ($9.3 billion)*

Provides for coverage under social security of the following groups: (1) all Federal employees hired on or after January 1, 1984, including those with previous periods of Federal service; (2) legislative branch employees on the same basis, as well as all current employees of the legislative branch who are not participating in the Civil Service Retirement System as of December 31, 1983; (3) all Members of Congress, the President and the Vice-President effective January 1, 1984; (4) all new employees of the judicial branch, including judges, on or after January 1, 1984; (5) all elected officials and political appointees of all branches of government, including (in addition to elected officials mentioned above) all sitting Federal judges, and all executive level and senior executive service political appointees, as of January 1, 1984. Salaries of Federal judges under age 70 will be considered wages for purposes of the social security earnings test.

Nonprofit Employees ($12.5 billion)

Extends social security coverage on a mandatory basis to all employees of nonprofit organizations as of January 1, 1984. Nonprofit employees age 55 or older affected by this provision would be deemed to be fully insured for social security benefits after acquiring a given number of quarters of coverage, according to a sliding scale set in the law (e.g., 20 quarters would be required for persons age 55 and 56, ranging down to 6 quarters for those age 60 and over).

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* All cost estimates are preliminary, subject to revision by the Office of the Actuary, Social Security Administration. The estimates are cumulative for 1983-1989.

Prohibit Termination by State and Local Governments ($3.2 billion)

Prohibits state and local governments from terminating coverage for their employees if the termination has not taken effect by the date legislation is enacted, and allows State and local governments which have withdrawn from the social security system to voluntarily rejoin.

COMPUTATION OF BENEFITS

Delay Cost-Of-Living Adjustment ($39.4 billion)

Delays the June 1983 cost-of-living adjustment until December (January 1984 check), and provides all subsequent cost-of-living adjustments in December (January checks). The SMI premium would not be adjusted until January 1, 1984. A cost-of-living adjustment would be provided in the January 1984 payment even if the increase in the CPI is less than 3 percent.

Stabilizer

Beginning with 1988, if the fund ratio of the combined OASDI Trust Funds as of the beginning of a year is less than 20.0 percent, the automatic cost-of-living (COLA) adjustment of OASDI benefits would be based on the lower of the CPI increase or the increase in average wages. A "catch-up" benefit payment would be made in a subsequent year whenever trust fund reserves reach at least 32 percent.

Windfall Benefits ($0.3 billion)

Modifies the social security benefit formula (substituting 61 percent for the 90 percent in the first bracket of the formula) so as to reduce social security benefits received by workers who are eligible for a pension from noncovered work but who have worked long enough in covered employment to be eligible for social security benefits. This formula would apply only to those reaching age 60 after 1983.

Delayed Retirement Credit

Gradually increases the delayed retirement credit from 3 percent to 8 percent per year between 1990 and 2010.

REVENUE PROVISIONS

Taxation of Social Security (OASDI) Benefits for Higher-Income Persons ($27.3 billion)

Includes in taxable income, beginning in 1984, a portion of social security benefits and Tier One benefits payable under the Railroad Retirement Act for taxpayers whose adjusted gross income combined with 50 percent of their benefits exceeds a base amount. The base amount would be $25,000 for an individual, $32,000 for a married couple filing a joint return and zero for married persons filing separate returns. The amount of benefits that could be included in taxable income would be the lesser of one-half of benefits or one-half of the excess of the taxpayers' combined income (adjusted gross income plus one-half of benefits) over the base amount.

The proceeds from the taxation of benefits, as estimated by the Treasury Department, would be transferred to the appropriate trust funds.

FICA Tax Rates (OASDI) ($39.4 billion)

Advances the payroll tax increase scheduled for 1985 to 1984 and part of the increase scheduled for 1990 to 1988, as indicated below. (Conforming changes would be made in the Tier One Railroad Retirement Tax rates.)

Employer-Employee OASDI Tax Rate
(Each)
[In percent]

	Current Law	Proposed
1984	5.40	5.70
1985	5.70	5.70
1986	5.70	5.70
1987	5.70	5.70
1988	5.70	6.06
1989	5.70	6.06
1990	6.20	6.20

Tax Credit for 1984 FICA Taxes

Provides for a one time credit of 0.3 percent of wages to be allowed against 1984 employee FICA and Tier One Railroad Retirement taxes. Appropriations to the Old Age and Survivors and Disability Insurance Trust Funds would be based on a 5.7 percent rate. Conforming changes would be made in Tier One Railroad Retirement Tax rates.

Tax on Self-Employment Income ($18.5 billion)

Beginning in 1984, the OASDHI rates for self-employed persons would be equal to the combined employer-employee OASDHI rate. In addition, self-employed persons would be allowed a SECA tax credit of 2.1 percent of net self-employment income in 1984, 1.8 percent from 1985 through 1988 and 1.9 percent thereafter.

BENEFITS FOR CERTAIN SURVIVING, DIVORCED AND DISABLED SPOUSES

Benefits for Certain Widows, Divorced and Disabled Women (-$1.5 billion)

Four provisions were approved to continue benefits for a surviving divorced or disabled spouse who remarries, to increase benefits for disabled widows and widowers and for widows whose husbands died several years before the widow is eligible for benefits and to allow divorced spouses to draw spouses' benefits at age 62 whether or not the former spouse has retired.

MECHANISMS TO ASSURE CONTINUED BENEFIT PAYMENTS IN UNEXPECTEDLY ADVERSE CONDITIONS

Interfund Borrowing

Authorizes interfund borrowing between the OASI, DI and HI trust funds for calendar years 1983-1987, with provision for repayment of the principal and interest of all such loans (including amounts borrowed in 1982) at the earliest feasible time but not later than the end of calendar year 1989.

Fixed Monthly Tax Transfers

Provides for a revision of accounting procedures under which the Treasury would credit to the OASDHI trust funds, at the beginning of each month, the amount of payroll tax revenues that is estimated to be received during the month. These amounts would be invested by the trust funds as all other assets are invested, and the trust fund would pay interest to the general fund on these amounts.

Managing Trustee Report to the Congress Concerning Trust Fund Shortfalls

Requires the Board of Trustees to report immediately to Congress whenever the amount in any trust fund is unduly small and to recommend in that report a specific legislative plan to remedy the shortfall. Any plan must be enacted by Congress before taking effect and would go into effect no earlier than 30 days after enactment.

OTHER FINANCING AMENDMENTS

Reimbursement to Trust Funds for Military Wage Credits and Uncashed OASDI Checks ($17.2 billion)

Military Wage Credits

Provides for a lump-sum payment to the OASDI trust funds from the General Fund of the Treasury for: (i) The present value of the estimated additional benefits arising from the gratuitous military service wage credits for service before 1957; and (ii) the amount of the combined employer-employee OASDHI taxes on the gratuitous military service wage credits for service approval by Congress of a repayment plan that must be submitted after 1956 and before 1983.

Uncashed OASDI Checks

Provides for a lump-sum payment to the OASDI trust funds from the General Fund representing the amount of all uncashed benefit checks which have been issued in the past, and requires the implementation of a procedure to credit the trust funds on a regular basis with an amount equal to the value of all OASDI benefit checks which have not been negotiated for a period of six months.

TITLE II.

ADDITIONAL PROVISIONS RELATING TO LONG-TERM FINANCING OF THE SOCIAL SECURITY SYSTEM

Long-Range Benefit Formula and Tax Rate Changes

Reduces initial benefit levels by 5 percent by decreasing the factors in the benefit formula by two-thirds of 1 percent each year for 8 years beginning in the year 2000. Increases the OASDI tax rate by .24 percentage points for employers and employees each in the year 2015.

TITLE III.

MISCELLANEOUS AND TECHNICAL PROVISIONS

The bill also includes a series of miscellaneous and technical provisions relating to cash management, elimination of gender-based distinctions under the social security program, coverage, and other matters.

Trust Fund Investment Procedures

Several changes would be made in the investment procedures of the social security trust funds. Most importantly, a new short-term rate would be added so that the trust funds would be invested at short-term or long-term rates in order to maximize return to the funds.

Social Security as a Separate Function in the Unified Budget

Displays the OASI, DI, HI and SMI fund operations as a separate function 650 within the budget. Beginning with fiscal year 1988, these trust fund operations would be removed from the unified budget.

SSA as Independent Agency

Authorizes a feasibility and implementation study with respect to establishing SSA as an independent agency.

Public Pension Offset

Beginning in July 1983, the amount of a social security beneficiary's public pension offset would be one-third of the public pension.

Elective Compensation

Provides that employer contributions to the following elective compensation arrangements will be includible in the FICA wage base: cash or deferred compensation (section 401(k) of the Internal Revenue Code), cafeteria plans (section 125) and tax-sheltered annuities (section 403(b)).

FICA Wage Base

Provides that the definition of wages subject to the FICA tax would be interpreted solely with reference to the FICA statute, not with reference to income taxes or income tax withholding. An explicit exclusion from FICA tax would be provided for meals and lodging excluded from income tax under section 119 of the Internal Revenue Code.

Simplified Employee Pensions

Provides that employer contributions to a simplified employee pension (SEP) would be exempt from FICA, but employee contributions would be subject to FICA. Conforming changes would be made in the Social Security Act definition of covered wages.

Income Tax Credit for Elderly and Disabled

The present Federal income tax credit for the elderly is increased and combined with the disability income exclusion. The resulting credit would be available for certain individuals under age 65 who have retired on permanent and total disability (to the extent of disability income) and individuals age 65 or over. The credit would no longer be available to those under age 65 who are not disabled and the disability exclusion is repealed. The credit would be 15 percent of a base amount equal to $5,000 for single individuals and $7,500 for joint return. As under present law, the base amount is reduced by amounts of social security or railroad retirement benefits and by one-half of adjusted gross income that exceeds $7,500 for a single return and $10,000 for a joint return.

* * *

Titles I, II and III as approved by the committee produce savings and additional social security trust fund revenue through 1989 of $165.3 billion and eliminate the long-term deficit of 2.09 percent of taxable payroll.

TITLE IV.

SUPPLEMENTAL SECURITY INCOME BENEFITS

SSI Benefit Increase and Pass-through Requirements

As approved by the Committee, the Federal SSI benefit payment is increased by $20 per month for individuals and $30 per month for couples, effective July 1, 1983.

The next Federal SSI cost-of-living adjustment (COLA) is delayed from July 1983 until January 1984, and the current linkage between the OASDI and the SSI COLA is maintained. Federal SSI benefits will be adjusted in January 1984, and every January thereafter, by the same amount and under the same procedures as OASDI benefits.

The current SSI pass-through law is amended to provide that, in order to meet the "payment level" pass-through requirement, a State could not reduce its SSI supplemental payment levels below the amount that would provide SSI recipients with an increase in benefits equal to the amount that Federal SSI benefits would be increased in July 1983 under the current COLA provisions. A State could continue to comply with Federal pass-through law by meeting the present "aggregate amount" requirement. In other words, as under current law, a State would not be required to spend more in total for State SSI supplemental payments than the total aggregate amount of State supplementation paid by the State in the previous 12-month period.

Disregard of Emergency and Other In-Kind Assistance

The committee approved a provision under which, until September 30, 1984, emergency and other in-kind assistance provided by a private non-profit organization to an aged, blind or disabled individual, or to a family with dependent children, would be disregarded under the SSI and AFDC programs, if the State determines that such assistance was provided on the basis of need.

Payment of SSI to Temporary Residents of Public Emergency Shelters

Under current law, aged, blind or disabled individuals who are residents of private emergency shelters are eligible for SSI. However, such residents of public shelters cannot receive SSI. The committee approved a provision under which aged, blind or disabled individuals who are temporary residents of public emergency shelters could receive SSI payments for a period of up to three months during any 12-month period.

TITLE V.

UNEMPLOYMENT COMPENSATION PROVISIONS

Extension of Federal Supplemental Compensation (FSC) Program

The Committee bill extends the FSC program for six months, from April 1, 1983 through September 30, 1983.

Effective April 1, 1983, FSC benefits would be payable as follows:

(a) Basic FSC Benefits: Individuals who begin receiving FSC on or after April 1, 1983 could receive up to a maximum of:

- 14 weeks in States with IUR 6.0 or above
- 13 weeks in States with IUR 5.0 to 5.9
- 11 weeks in States with IUR 4.5 to 4.9
- 10 weeks in States with IUR 3.5 to 4.4
- 8 weeks in all other States

(b) Additional FSC Benefits: Individuals who exhaust FSC on or before April 1, 1983 could receive additional weeks equal to three-fourths of their former FSC entitlement, up to a maximum of:

- 10 weeks in 14 week States
- 8 weeks in 13 and 11 week States
- 6 weeks in 10 and 8 week States

(c) Individuals who begin receiving FSC prior to April 1, 1983, and who have FSC entitlement after that date, could also receive additional weeks under (b) above. However, the combination of their basic FSC entitlement received after April 1, 1983, and the additional weeks provided in (b), cannot exceed the maximum number of weeks of basic FSC benefits payable in their State.

Option for Voluntary Health Insurance Program

The committee approved an amendment that provides States the option of deducting an amount from the unemployment compensation benefits otherwise payable to an individual and using the amount deducted to pay for health insurance, if the individual elects to have such a deduction made from his benefits.

Treatment of Certain Organizations That Were Retroactively Granted 501(c)(3) Status

The committee approved an amendment that allows a nonprofit organization that elects to switch from the contribution to the reimbursement method of financing unemployment benefits to apply any accumulated balance in its State unemployment account to costs incurred after it switches to the reimbursement method, under certain conditions.

TITLE VI.

PROSPECTIVE PAYMENTS FOR MEDICARE INPATIENT HOSPITAL SERVICES

The Committee has approved a proposal to pay for inpatient hospital services under the medicare program on the basis of prospectively determined rates. The new prospective payment system, which generally follows the outline of an Administration proposed plan, would reimburse hospitals on a per-case basis. A single payment amount would be paid for each type of case, identified by the diagnosis related group (DRG) into which each case is classified. The proposal, as approved by the Committee, consists of the elements that follow:

Setting the Prospective Payment Amount

Under the proposal, the Secretary would be required to prospectively determine a payment amount for each medicare hospital discharge. Discharges would be classified into diagnosis related groups, or DRG's. In order to moderate the impact of the prospective payment proposal on urban and rural hospitals and across different regions of the country, separate payment rates would apply to urban and rural areas in each of the nine census divisions of the country (the 50 States and the District of Columbia). The regional adjustment would no longer apply (i.e., sunsetted) beginning with payments after the fourth year of the program. The Secretary would also be required to study and report to Congress for each of the four years during the transition period on the appropriateness and necessity for the regional adjustor. In addition, the Secretary would be required to study and report to Congress, before the end of 1985, on the appropriateness of the urban/rural differential. The DRG rates would be adjusted for regional differences in hospital wage levels so that hospitals in high wage areas would receive somewhat larger payments than hospitals in lower wage areas. Hospitals would be allowed to keep payment amounts in excess of costs and would be required to absorb any costs in excess of the DRG rates. The Secretary would be authorized to make adjustments in the payment rates to take into account the unique circumstances of hospitals in Hawaii and Alaska. Hospitals would not be permitted to charge medicare beneficiaries for any of their costs in excess of the deductible and coinsurance amounts now required by law.

The rates established for hospitals would be derived from historical medicare cost data. These data would be updated to fiscal year 1983 by the estimated industry-wide increase in hospital costs. The rates would be further updated for fiscal years 1984 and 1985 by the increase in a marketbasket index measure of the changes in the costs of goods and services purchased by hospitals, plus one percentage point. Such increases would be subject to the requirement that expenditures under the prospective plan be no greater than those under the limits of the Tax Equity and Fiscal Responsibility Act of 1982. For years beginning with fiscal year 1986, a panel of independent experts would review the appropriateness of the update formula, taking into account such factors as changes in the marketbasket, productivity, technological and scientific advances, the quality of health care and utilization of relatively costly though effective methods of care. The Secretary could revise the update methodology based on the expert panel's recommendations. The Secretary would be required to maintain a system of reporting costs during the period of transition to the new prospective payment system and for at least two years after full implementation of the new payment program.

The Secretary would be required to provide additional payment amounts in cases of exceptionally lengthy stays in hospitals and, as determined by the Secretary, for other extraordinarily costly cases. Such additional payments would be required to equal total payments under the prospective payment system in not less than four percent of medicare cases. The Secretary is also directed to study and report to Congress, before the end of 1985, on the appropriateness of the policies developed for paying for these atypical (or "outlier") cases.

Transition to the New Prospective Payment System

Implementation of the new prospective payment system would be phased-in over a 3-year period, starting with each hospital's first accounting year beginning on or after October 1, 1983. During the first year, 25 percent of the payment amount would be determined under the diagnosis related prospective payment methodology described above; 75 percent of the payment amount would be determined on each hospital's own cost base. During the second year, 50 percent of the payment amount would be determined under the prospective payment methodology and 50 percent on the basis of each hospital's own cost base. During the third year of the transition, 75 percent of the payment amount would be determined under the prospective payment methodology and 25 percent would be determined on each hospital's own cost base. During the fourth year, 100 percent of the payment amount would be determined under the diagnosis related payment methodology. The intent of the phase-in period is to avoid any disruptions that might occur for hospitals because of any sudden change in medicare reimbursement policy.

Hospitals, which can demonstrate to the Secretary that their practice prior to October 1, 1982 was such that some of their services were billed independently of payments received by the hospital, could be permitted by the Secretary to continue such billing arrangements during the transition period during which the prospective payment system is phased-in. Such arrangements would not be recognized once the prospective payment system was fully implemented.

Exclusion of Medical Education and Capital-Related Expenses

Capital-related costs and direct and indirect expenses associated with medical education activities would be specifically excluded from payment determinations under the prospective payment system. Medical education expenses, such as the salaries of interns and residents under approved education programs, would continue to be paid on the basis of reasonable cost. In addition, with respect to indirect medical education expenses, an adjustment would be provided equal to twice the amount of the teaching adjustment in the "section 223" limits of present law.

Payment for capital-related expenses would continue to be made as under current law. The Secretary would be required to study and report to Congress, by December 31, 1983, recommendations for including capital-related costs (including costs relating to a return on net equity) under the prospective payment system. For purposes of developing any subsequent policies relating to payments for capital on a prospective basis, projects initiated on or after March 1, 1983, would be considered new capital subject to special future rules. States would be required to have a section 1122 capital-approval agreement within 3 years as a condition of payment for future capital expenditures in the State. This provision would take effect only if alternative capital payment policies are not enacted in the interim.

Payments for capital expenses relating to a return on net equity for proprietary institutions would be phased-out over the transition period during which the prospective payment system is phased-in. During the first year of the transition, 75 percent of any return on equity amount would be paid, since 75 percent of each payment to a hospital per discharge during that year

would be cost-based. During the second year, 50 percent of any return on equity amount would be paid, since half of an institution's payments per discharge during that year would be cost based. During the third year, 25 percent of the return on equity payment would be paid. Beginning in the fourth year, no payments for a return on equity would be paid, since 100 percent of the payments to hospitals would be determined under the diagnosis related prospective payment system.

Exemptions, Exceptions and Adjustments

Under the proposal, psychiatric, long-term care, children's and rehabilitation hospitals would be exempt from the prospective payment system and would continue to be reimbursed on a cost-based system and would be subject to the target reimbursement limitation provided for in current law. Hospitals with rehabilitation units or psychiatric care units could apply to the Secretary for exemption from the prospective payment system for care rendered in those units. Such hospital units would be paid under the cost-based system of present law. The Secretary would be required to report to Congress, before the end of 1985, on whether exempted hospitals should be brought under the prospective system and, if so, how this could be accomplished.

The Secretary would be authorized to provide for exceptions and adjustments to take into account the special needs of sole community providers. Also, the Secretary would be required to provide, by regulation, for such exceptions and adjustments as he or she deems appropriate, including those with respect to public hospitals, teaching hospitals, and hospitals that are extensively involved in cancer treatment and research. In addition, the Secretary would be required to provide exceptions and adjustments for hospitals that serve a disproportionately large number of low-income persons and medicare beneficiaries.

Administrative and Judicial Review

The proposal provides for the same administrative and judicial review procedures under the new prospective payment system as those available to hospitals under present law, except that neither administrative nor judicial review of (1) the adequacy of the amount of prospective payments and (2) the establishment of the diagnosis related classifications would be permitted.

Admissions and Quality Review

The Secretary would be required to establish an admissions and discharges monitoring system utilizing the Health Care Financing Administration, medicare intermediaries, professional standards review organizations/professional review organizations or such other medical review authority, to review admission practices and quality of care. In addition, hospitals would be required to contract with a professional review organization, or any other review organization authorized to conduct review for the medicare program in an area, for review of admissions, discharges, and quality of care as a condition of receiving medicare payments. The law would specify that the 12-month waiting period required before medicare intermediaries may be designated as review organizations would start to run on the date the Secretary begins to enter into contracts with review organizations or on October 1, 1983, whichever is earlier.

The Secretary would be authorized to disallow payment and/or terminate program participation, or require hospitals to take corrective action where a provider is determined to be engaged in aberrant and unacceptable practices.

The Secretary would be required to study and report back to Congress before the end of 1985 on long-range policy changes to limit increases in admissions resulting from the prospective payment system. The Secretary would be required to include analyses and recommendations on adjustments to the DRG payment rate for increased admissions to minimize the incentive to increase admissions and to report on the development of administrative systems, such as pre-admission certification.

State Cost Control Systems

Under the Committee proposal, the Secretary would be authorized to make medicare payments according to a State's hospital cost control system, if the State so requests, if the system: (1) applies to substantially all non-Federal acute care hospitals; (2) applies to at least 75 percent of hospital revenues in the State; (3) treats payors, employees, and patients equitably; (4) will not result in greater medicare expenditures over a three-year period than would otherwise have been made; and (5) will not preclude HMOs or CMPs from negotiating directly with hospitals with respect to payment for inpatient hospital services. The Secretary would be prohibited from requiring that a State system be based on DRG's or that the State's rate of increase in hospital costs be less than the rate of increase for the United States. The Secretary would be required to continue medicare waivers in States which currently have them if the five conditions above are being met.

The Secretary would be required, upon request of the State, to modify the terms of the current demonstration project agreements with the States of New York and Massachusetts to eliminate the requirement that New York or Massachusetts maintain a rate of increase in medicare hospital costs in the State which is less than the national rate of increase in medicare hospital costs.

In addition, the Secretary would be required to approve within 60 days a request for a State program if it meets the above five conditions and certain other requirements, including that the system: (1) is operated directly by the State or an entity designated by law; (2) is prospective; (3) provides for such hospital cost reports as the Secretary may require; (4) will not result in changes in admission practices which will reduce treatment to low income, high cost, or emergency patients; and (5) will not reduce payments without 60 days' notice to the Secretary. The Secretary is required to provide the Congress and the State an explanation for any denial of approval of the State program.

Under the Committee's proposal, local government officials must be consulted in the development of a State cost control system with respect to its impact on publicly owned hospitals.

The Secretary would be required to quantify and report to the Congress, before the end of 1986, on the overall impact of State systems, assessing their impact on medicare and other

programs, on private health insurance costs and premiums, and on tax expenditures.

Impact Studies and Research on Payment Methods

Under the Committee's proposal, the Secretary would be required to analyze the impact of the prospective payment plan in operation on individual hospitals, classes of hospitals, and third-party payors, and to report to Congress in each of four years. In addition, GAO would be required to review the adequacy of the Secretary's analysis.

The Secretary would be required to report to Congress by December 31, 1983, on the impact on skilled nursing facilities (SNFs) of the hospital prospective payment system and to make recommendations with respect to the payment of SNFs.

The Committee agreed that report language should express the Committee's intention that the Secretary conduct a major, independent, multiple-disciplinary research effort, and that such research shall include long-term contracts with two or three university-based applied research centers, on issues related to medicare program costs and payment methods, and shall include the use of such experts as physicians, economists, statisticians, actuaries, financial and organizational specialists and other relevant disciplines. The Committee report would also require studies of assignment/non-assignment for hospitals, public disclosure of hospital DRG rates, and payment methods to HMOs and CMPs.

Payments to Physicians

In the first year of the program, fiscal year 1984, the Secretary would be required to begin to collect data to calculate physician charges for each DRG. The Secretary would be required to report to the Congress by December 31, 1984, on the advisability and feasibility of making physician payments under a prospective payment system.

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