
SENATE CONCURRENT RESOLUTION

REQUESTING THE CENTERS FOR MEDICARE AND MEDICAID SERVICES TO
CONSIDER RAISING THE 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 year 2009, the geographic practice cost
29 indices for Hawaii are 1.000, 1.161, and 0.665 for the indices
30 related to physician work, practice expense, and malpractice
31 expense, respectively; and

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2 WHEREAS, the single geographic practice cost index of 1.000
3 for the physician work component represents the lowest possible
4 value for that index, and undoubtedly has an adverse effect on
5 the level of physician payments for services rendered in Hawaii;
6 now, therefore,
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8 BE IT RESOLVED by the Senate of the Twenty-fifth
9 Legislature of the State of Hawaii, Regular Session of 2009, the
10 House of Representatives concurring, that the Centers for
11 Medicare and Medicaid Services is respectfully requested to
12 recognize that the physician fee amounts for Hawaii that result
13 from the numeric values of the geographic practice cost indices
14 that the Centers for Medicare and Medicaid Services assign to
15 Hawaii do not accurately reflect the payment levels that
16 physicians rendering services in Hawaii should be receiving for
17 those services and to increase the geographic practice cost
18 indices for Hawaii; and
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20 BE IT FURTHER RESOLVED that certified copies of this
21 Concurrent Resolution be transmitted to the Acting Administrator
22 of the Centers for Medicare and Medicaid Services, the members
23 of Hawaii's congressional delegation, the Governor, and the
24 Director of Health.
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