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# SENATE CONCURRENT RESOLUTION

RESPECTFULLY REQUESTING THE UNITED STATES 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 is multiplied by respective geographic practice cost  
20 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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3 WHEREAS, in contrast, the geographic practice cost indices  
4 for Hawaii in 2005 were 1.001, 1.118, and 0.800 for the indices  
5 related to physician work, practice expense, and malpractice  
6 expense, respectively; and  
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8 WHEREAS, the congressional legislation for Alaska no longer  
9 applies and the Centers for Medicare and Medicaid Services has  
10 resumed setting the geographic practice cost indices for Alaska  
11 and the rest of the nation and its localities; and  
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13 WHEREAS, the unreasonably low geographic practice cost  
14 indices for Hawaii have an adverse effect on the level of  
15 physician payments for services rendered in Hawaii, thereby  
16 limiting Medicare and Medicaid recipients' access to quality  
17 health care; now, therefore,  
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19 BE IT RESOLVED by the Senate of the Twenty-fifth  
20 Legislature of the State of Hawaii, Regular Session of 2009, the  
21 House of Representatives concurring, that Congress is  
22 respectfully requested to recognize that the physician fee  
23 amounts for Hawaii that result from the numeric values of the  
24 geographic practice cost indices assigned to Hawaii by the  
25 Centers for Medicare and Medicaid Services do not accurately  
26 reflect the payment levels that physicians rendering services in  
27 Hawaii should be receiving for those services and to enact  
28 legislation to increase the geographic practice cost indices for  
29 Hawaii; and  
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31 BE IT FURTHER RESOLVED that certified copies of this  
32 Concurrent Resolution be transmitted to the members of Hawaii's  
33 congressional delegation, the President and Majority Leader of  
34 the Senate of the United States Congress, and the Speaker of the  
35 House of Representatives of the United States Congress.  
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