

119TH CONGRESS
2D SESSION

H. R. 8163

To amend title XVIII of the Social Security Act to ensure stability for provider payments under the Medicare program.

IN THE HOUSE OF REPRESENTATIVES

MARCH 30, 2026

Mr. MURPHY (for himself, Mr. SCHNEIDER, Mr. JOYCE of Pennsylvania, Mr. SUOZZI, Mr. ONDER, Mr. PANETTA, Mrs. MILLER-MEEKS, Ms. SCHRIER, and Ms. KELLY of Illinois) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XVIII of the Social Security Act to ensure stability for provider payments under the Medicare program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Provider Reimburse-
5 ment Stability Act of 2026”.

6 **SEC. 2. UPDATING THE BUDGET NEUTRALITY THRESHOLD.**

7 Section 1848(c)(2)(B)(ii)(II) of the Social Security
8 Act (42 U.S.C. 1395w–4(c)(2)(B)(ii)(II)) is amended—

1 (1) by striking “Subject to” and inserting the
2 following:

3 “(aa) IN GENERAL.—Sub-
4 ject to”;

5 (2) in item (aa), as inserted by paragraph (1),
6 by striking “\$20,000,000” and inserting “the
7 amount specified in item (bb) for such year”; and

8 (3) by adding at the end the following new
9 items:

10 “(bb) AMOUNT SPECI-
11 FIED.—For purposes of item
12 (aa), subject to item (cc), the
13 amount specified in this item
14 is—

15 “(AA) for years before
16 2027, \$20,000,000;

17 “(BB) for 2027,
18 \$54,300,000; and

19 “(CC) for 2028 and
20 each subsequent year, the
21 amount specified in this
22 item for the preceding year.

23 “(cc) INDEXING LIMITATION
24 ON ANNUAL ADJUSTMENTS.—For
25 2032 and every subsequent fifth

1 year, the Secretary shall increase
 2 the amount specified in item (bb)
 3 for such year by the cumulative
 4 percentage increase in the MEI
 5 (as defined in section 1842(i)(3))
 6 applicable to physicians' services
 7 for each year occurring during
 8 the 5-year period ending on the
 9 last day of the preceding year.”.

10 **SEC. 3. BUDGET NEUTRALITY CORRECTIONS RELATING TO**
 11 **ESTIMATED UTILIZATION.**

12 (a) IN GENERAL.—Section 1848(c)(2)(B) of the So-
 13 cial Security Act (42 U.S.C. 1395w-4(c)(2)(B)) is amend-
 14 ed by adding at the end the following new clause:

15 “(vii) BUDGET NEUTRALITY CORREC-
 16 TIONS RELATING TO ESTIMATED UTILIZA-
 17 TION.—

18 “(I) IN GENERAL.—In the case
 19 of a budget neutrality adjustment ap-
 20 plied pursuant to clause (ii)(II) for a
 21 year (beginning with 2027) that is de-
 22 termined in part using estimated utili-
 23 zation (as defined in subclause
 24 (II)(bb)) with respect to a specified
 25 service (as defined in subclause

1 (II)(cc)), the Secretary shall, as part
2 of the final rule establishing the phy-
3 sician fee schedule under this section
4 for the assumption correction period
5 (as defined in subclause (II)(aa)) with
6 respect to such year—

7 “(aa) determine the dif-
8 ference between expenditures for
9 such service in such year using
10 estimated utilization and actual
11 utilization for such service (in a
12 manner determined appropriate
13 by the Secretary); and

14 “(bb) in the case that the
15 Secretary determines the dif-
16 ference described in item (aa) is
17 greater than the threshold
18 amount (as defined in subclause
19 (II)(dd)) for such year, adjust
20 the conversion factor under this
21 section for such assumption cor-
22 rection period by such amount to
23 reconcile such difference (which
24 may be positive or negative), as
25 determined by the Secretary.

1 “(II) DEFINITIONS.—For pur-
2 poses of this clause:

3 “(aa) ASSUMPTION CORREC-
4 TION PERIOD.—The term ‘as-
5 sumption correction period’
6 means, with respect to a year,
7 the second year beginning after
8 such year.

9 “(bb) ESTIMATED UTILIZA-
10 TION.—The term ‘estimated utili-
11 zation’ means an estimate of uti-
12 lization used for purposes of ap-
13 plying clause (ii)(II).

14 “(cc) SPECIFIED SERVICE.—
15 The term ‘specified service’
16 means, with respect to a year, a
17 service—

18 “(AA) with expected ex-
19 penditures for such year
20 under this part based on es-
21 timated utilization that ex-
22 ceed the threshold amount
23 (as defined in item (dd)) for
24 such year; and

1 “(BB) for which pay-
 2 ment had been bundled into
 3 payment for another service
 4 during the preceding year
 5 and for which a separate
 6 payment or add-on payment
 7 is made during such year.

8 “(dd) THRESHOLD
 9 AMOUNT.—The term ‘threshold
 10 amount’ means, with respect to a
 11 year, 0.1 percent of the total esti-
 12 mated expenditures under this
 13 part for services furnished under
 14 this section during such year.”.

15 (b) NONAPPLICATION OF BUDGET NEUTRALITY TO
 16 RECONCILIATION ADJUSTMENTS.—Section 1848(c)(2)(B)
 17 of the Social Security Act (42 U.S.C. 1395w–4(c)(2)(B))
 18 is amended—

19 (1) in clause (iv)—

20 (A) in subclause (V), by striking “and” at
 21 the end;

22 (B) in subclause (VI), by striking the pe-
 23 riod and inserting “; and”; and

24 (C) by adding at the end the following new
 25 subclause:

1 “(VII) clause (vii)(I)(bb) for an
 2 assumption correction period (as de-
 3 fined in clause (vii)(II)) shall not be
 4 taken into account in applying clause
 5 (ii)(II) with respect to such period.”;
 6 and

7 (2) in clause (v), by adding at the end the fol-
 8 lowing new subclause:

9 “(XII) REDUCTIONS ATTRIB-
 10 UTABLE TO AN ASSUMPTION CORREC-
 11 TION.—For an assumption correction
 12 period (as defined in clause (vii)(II)),
 13 reduced expenditures attributable to
 14 application of clause (vii)(I)(bb) with
 15 respect to such period.”.

16 **SEC. 4. TIMELY UPDATES TO DIRECT COSTS USED TO CAL-**
 17 **CULATE PRACTICE EXPENSE RVUS.**

18 Section 1848(c)(2)(B) of the Social Security Act (42
 19 U.S.C. 1395w–4(c)(2)(B)), as amended by section 3, is
 20 further amended by adding at the end the following new
 21 clause:

22 “(viii) TIMELY UPDATES TO DIRECT
 23 COSTS USED TO CALCULATE PRACTICE EX-
 24 PENSE RELATIVE VALUE UNITS.—

1 “(I) SIMULTANEOUS UPDATES TO
2 DIRECT COST INPUTS AT LEAST ONCE
3 EVERY 5 YEARS.—The Secretary shall,
4 not less often than every 5 years, up-
5 date the prices and rates, as applica-
6 ble, on a category-wide basis for each
7 of the categories of direct cost inputs
8 described in subclause (II) used in the
9 methodology for calculating the prac-
10 tice expense relative value units under
11 this subsection for physicians’ serv-
12 ices. Updates made pursuant to the
13 previous sentence shall be made in the
14 same year for all categories of direct
15 cost inputs described in such sub-
16 clause.

17 “(II) DIRECT COST INPUTS CAT-
18 EGORIES DESCRIBED.—For purposes
19 of this clause, the categories of direct
20 cost inputs described in this subclause
21 are clinical staff wage rates, prices of
22 medical supplies, prices of equipment,
23 and any other category of such inputs
24 used in the methodology described in

subclause (I) (as specified by the Secretary).

“(III) CONSULTATION.—In making the updates under this clause, the Secretary shall consult with relevant stakeholders, including physician specialty societies.”.

SEC. 5. LIMITATION ON YEAR-TO-YEAR CONVERSION FACTOR VARIANCE.

Section 1848(c)(2)(B) of the Social Security Act (42 U.S.C. 1395w–4(c)(2)(B)), as amended by sections 3 and 4, is further amended by adding at the end the following new clause:

“(ix) LIMITATION ON CONVERSION FACTOR VARIANCE.—

“(I) IN GENERAL.—Beginning with 2027, the Secretary may not, for purposes of complying with clause (ii)(II), apply a budget neutrality adjustment to a conversion factor established under subsection (d) for such year that would cause such factor, not taking into account any adjustment to such factor for such year provided under such subsection, to vary by

1 more than 2.5 percent compared to
2 such factor so established for the pre-
3 ceding year.

4 “(II) CONTINUED APPLICABILITY
5 OF BUDGET NEUTRALITY REQUIRE-
6 MENT.—Nothing in subclause (I) may
7 be construed to alter the requirement
8 described in clause (ii)(II).”.

○