

1 (b) WAIVER AUTHORITY.—The Secretary may waive
 2 such requirements of titles XI and XVIII of the Social
 3 Security Act (42 U.S.C. 1301 et seq.; 42 U.S.C. 1395 et
 4 seq.) as may be necessary for the purpose of carrying out
 5 the demonstration program under this section.

6 (c) REPORT.—Not later than 6 months after the com-
 7 pletion of the demonstration program under this section,
 8 the Secretary shall submit to Congress a report on such
 9 program, that includes the results of the program and rec-
 10 ommendations for such legislation and administrative ac-
 11 tion as the Secretary determines to be appropriate.

12 (d) FUNDING.—The Secretary shall provide for the
 13 transfer from the Federal Hospital Insurance Trust Fund
 14 established under section 1817 of the Social Security Act
 15 (42 U.S.C. 1395i), \$6,000,000 for the costs of carrying
 16 out the demonstration program under this section.

17 **Subtitle B—Provisions Relating to**
 18 **Part B**

19 **CHAPTER 1—PAYMENT PROVISIONS**

20 **SEC. 5101. BENEFICIARY OWNERSHIP OF CERTAIN DURA-**
 21 **BLE MEDICAL EQUIPMENT (DME).**

22 (a) DME.—

23 (1) IN GENERAL.—Section 1834(a)(7)(A) of the
 24 Social Security Act (42 U.S.C. 1395m(a)(7)(A)) is
 25 amended to read as follows:



1 “(A) PAYMENT.—In the case of an item of
2 durable medical equipment not described in
3 paragraphs (2) through (6), the following rules
4 shall apply:

5 “(i) RENTAL.—

6 “(I) IN GENERAL.—Except as
7 provided in clause (iii), payment for
8 the item shall be made on a monthly
9 basis for the rental of the item during
10 the period of medical need (but pay-
11 ments under this clause may not ex-
12 tend over a period of continuous use
13 (as determined by the Secretary) of
14 longer than 13 months).

15 “(II) PAYMENT AMOUNT.—Sub-
16 ject to subparagraph (B), the amount
17 recognized for the item, for each of
18 the first 3 months of such period, is
19 10 percent of the purchase price rec-
20 ognized under paragraph (8) with re-
21 spect to the item, and, for each of the
22 remaining months of such period, is
23 7.5 percent of such purchase price.

24 “(ii) OWNERSHIP AFTER RENTAL.—

25 On the first day that begins after the 13th



1 continuous month during which payment is
2 made for the rental of an item under
3 clause (i), the supplier of the item shall
4 transfer title to the item to the individual.

5 “(iii) PURCHASE AGREEMENT OPTION
6 FOR POWER-DRIVEN WHEELCHAIRS.—In
7 the case of a power-driven wheelchair, at
8 the time the supplier furnishes the item,
9 the supplier shall offer the individual the
10 option to purchase the item, and payment
11 for such item shall be made on a lump-sum
12 basis if the individual exercises such op-
13 tion.

14 “(iv) MAINTENANCE AND SERV-
15 ICING.—After the supplier transfers title to
16 the item under clause (ii) or in the case of
17 a power-driven wheelchair for which a pur-
18 chase agreement has been entered into
19 under clause (iii), maintenance and serv-
20 icing payments shall, if the Secretary de-
21 termines such payments are reasonable
22 and necessary, be made (for parts and
23 labor not covered by the supplier’s or man-
24 ufacturer’s warranty, as determined by the
25 Secretary to be appropriate for the par-



1 ticular type of durable medical equipment),
 2 and such payments shall be in an amount
 3 determined to be appropriate by the Sec-
 4 retary.”.

5 (2) EFFECTIVE DATE.—The amendment made
 6 by paragraph (1) shall apply to items furnished for
 7 which the first rental month occurs on or after Jan-
 8 uary 1, 2006.

9 (b) OXYGEN EQUIPMENT.—

10 (1) IN GENERAL.—Section 1834(a)(5) of such
 11 Act (42 U.S.C. 1395m(a)(5)) is amended—

12 (A) in subparagraph (A), by striking “and
 13 (E)” and inserting “(E), and (F)”; and

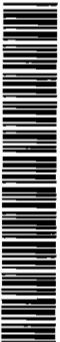
14 (B) by adding at the end the following new
 15 subparagraph:

16 “(F) OWNERSHIP OF EQUIPMENT.—

17 “(i) IN GENERAL.—Payment for oxy-
 18 gen equipment (including portable oxygen
 19 equipment) under this paragraph may not
 20 extend over a period of continuous use (as
 21 determined by the Secretary) of longer
 22 than ~~12~~ months. (36)

23 “(ii) OWNERSHIP.—

24 “(I) TRANSFER OF TITLE.—On
 25 the first day that begins after the



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th continuous month during which
payment is made for the equipment
under this paragraph, the supplier of
the equipment shall transfer title to
the equipment to the individual.

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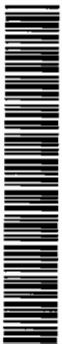
“(II) PAYMENTS FOR OXYGEN
AND MAINTENANCE AND SERV-
ICING.—After the supplier transfers
title to the equipment under subclause
(I)—

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“(aa) payments for oxygen
shall continue to be made in the
amount recognized for oxygen
under paragraph (9) for the pe-
riod of medical need; and

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“(bb) maintenance and serv-
icing payments shall, if the Sec-
retary determines such payments
are reasonable and necessary, be
made (for parts and labor not
covered by the supplier’s or man-
ufacturer’s warranty, as deter-
mined by the Secretary to be ap-
propriate for the equipment), and
such payments shall be in an



1 amount determined to be appro-
2 priate by the Secretary.”.

3 (2) EFFECTIVE DATE.—

4 (A) IN GENERAL.—The amendments made
5 by paragraph (1) shall take effect on January
6 1, 2006.

7 (B) APPLICATION TO CERTAIN INDIVID-
8 UALS.—In the case of an individual receiving
9 oxygen equipment on December 31, 2005, for
10 which payment is made under section 1834(a)
11 of the Social Security Act (42 U.S.C.
12 1395m(a)), the ~~x~~-month period described in **(36)**
13 paragraph (5)(F)(i) of such section, as added
14 by paragraph (1), shall begin on January 1,
15 2006.

16 **SEC. 5102. ADJUSTMENTS IN PAYMENT FOR IMAGING SERV-**
17 **ICES.**

18 (a) MULTIPLE PROCEDURE PAYMENT REDUCTION
19 FOR IMAGING EXEMPTED FROM BUDGET NEUTRALITY.—
20 Section 1848(c)(2)(B) of the Social Security Act (42
21 U.S.C. 1395w-4(c)(2)(B)) is amended—

22 (1) in clause (ii)(II), by striking “clause (iv)”
23 and inserting “clauses (iv) and (v)”;



1 (2) in clause (iv) in the heading, by inserting
2 "OF CERTAIN ADDITIONAL EXPENDITURES" after
3 "EXEMPTION"; and

4 (3) by adding at the end the following new
5 clause:

6 (v) EXEMPTION OF CERTAIN RE-
7 DUCED EXPENDITURES FROM BUDGET-
8 NEUTRALITY CALCULATION.—The fol-
9 lowing reduced expenditures, as estimated
10 by the Secretary, shall not be taken into
11 account in applying clause (ii)(II):

12 (I) REDUCED PAYMENT FOR
13 MULTIPLE IMAGING PROCEDURES.—
14 Effective for fee schedules established
15 beginning with 2007, reduced expendi-
16 tures attributable to the multiple pro-
17 cedure payment reduction for imaging
18 under the final rule published by the
19 Secretary in the Federal Register on
20 November 21, 2005 (42 CFR 405, et
21 al.) insofar as it relates to the physi-
22 cian fee schedules for 2006 and
23 2007.”.

