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(Original Signature of Member)

112TH CONGRESS
2D SESSION

H. R. _____

To amend part B of title XVIII of the Social Security Act to reform Medicare payment for physicians' services by eliminating the sustainable growth rate system and providing incentives for the adoption of innovative payment and delivery models to improve quality and efficiency.

IN THE HOUSE OF REPRESENTATIVES

Ms. SCHWARTZ (for herself, Mr. HECK, Mrs. CHRISTENSEN, and [see ATTACHED LIST of cosponsors]) introduced the following bill; which was referred to the Committee on _____

A BILL

To amend part B of title XVIII of the Social Security Act to reform Medicare payment for physicians' services by eliminating the sustainable growth rate system and providing incentives for the adoption of innovative payment and delivery models to improve quality and efficiency.

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

1 **SECTION 1. SHORT TITLE; PURPOSE.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “Medicare Physician Payment Innovation Act of 2012”.

4 (b) **PURPOSE.**—The purpose of this Act is to reform
5 the system of Medicare payment for physicians’ services—

6 (1) by ending the application of the sustainable
7 growth rate (SGR) system;

8 (2) to stabilize payments for 2013;

9 (3) to promote the rapid development and im-
10 plementation of alternative improved payment and
11 delivery models that incentivize high quality, high-
12 value care; and

13 (4) to provide continuing incentives for physi-
14 cian adoption of such alternative payment and deliv-
15 ery models.

16 **SEC. 2. MEDICARE PHYSICIAN PAYMENT REFORM.**

17 (a) **REPEAL OF SGR PAYMENT METHODOLOGY.**—
18 Section 1848 of the Social Security Act (42 U.S.C.
19 1395w-4) is amended—

20 (1) in subsection (d)—

21 (A) in paragraph (1)(A), by inserting “or
22 a subsequent paragraph” after “paragraph
23 (4)”; and

24 (B) in paragraph (4)—

1 (i) in the heading, by striking “YEARS
2 BEGINNING WITH 2001” and inserting
3 “2001, 2002, AND 2003”; and

4 (ii) in subparagraph (A), by striking
5 “a year beginning with 2001” and insert-
6 ing “2001, 2002, and 2003”; and

7 (2) in subsection (f)—

8 (A) in paragraph (1)(B), by inserting
9 “through 2012” after “of such succeeding
10 year” ; and

11 (B) in paragraph (2), by inserting “and
12 ending with 2012” after “beginning with
13 2000”.

14 (b) STABILIZING 2013 PAYMENT RATES AT CUR-
15 RENT LEVEL.—

16 (1) IN GENERAL.—Subsection (d) of section
17 1848 of the Social Security Act (42 U.S.C. 1395w-
18 4) is amended by adding at the end the following
19 new paragraph:

20 “(14) UPDATE FOR 2013.—In lieu of the update
21 to the single conversion factor established in para-
22 graph (1)(C) that would otherwise apply for 2013,
23 the update to the single conversion factor shall be 0
24 percent for 2013.”.

1 (2) TECHNICAL AMENDMENT.—Effective for
2 years beginning with 2013, section 1848(m)(7)(C)(i)
3 of the Social Security Act (42 U.S.C. 1395w-
4 4(m)(7)(C)(i)) is amended by inserting “, the pro-
5 gram of Osteopathic Continuous Certification of the
6 American Osteopathic Association,” after “Special-
7 ties Maintenance of Certification program”.

8 (c) ESTABLISHMENT OF DIFFERENTIAL UPDATES
9 BEGINNING WITH 2014 TO PROMOTE ACCESS TO PRI-
10 MARY CARE SERVICES.—

11 (1) ESTABLISHMENT OF SERVICE CAT-
12 EGORIES.—Subsection (j) of section 1848 of the So-
13 cial Security Act (42 U.S.C. 1395w-4) is amended
14 by adding at the end the following new paragraphs:

15 “(5) SERVICE CATEGORIES.—

16 “(A) IN GENERAL.—For services furnished
17 on or after January 1, 2014, each of the fol-
18 lowing categories of services shall be treated as
19 a separate ‘service category’:

20 “(i) PRIMARY CARE.—Primary care
21 services (as defined in subparagraph (B))
22 furnished by a qualifying practitioner.

23 “(ii) OTHER SERVICES.—Other physi-
24 cians’ services.

1 “(B) PRIMARY CARE SERVICES.—In this
2 subsection, the term ‘primary care services’
3 means services identified, as of April 1, 2012,
4 with the following HCPCS codes (and as subse-
5 quently modified by the Secretary):

6 “(i) OFFICE AND OUTPATIENT VIS-
7 ITS.—99201 through 99215.

8 “(ii) HOSPITAL OBSERVATIONAL
9 SERVICES.—99217 through 99220.

10 “(iii) HOSPITAL INPATIENT VISITS
11 SERVICES.—99221 through 99239

12 “(iv) NURSING HOME, DOMICILIARY,
13 REST HOME OR CUSTODIAL CARE VISITS.—
14 99304 through 99340.

15 “(v) HOME SERVICE VISITS.—99341
16 through 99350.

17 “(vi) WELCOME TO MEDICARE
18 VISIT.—G0402.

19 “(vii) ANNUAL WELLNESS VISITS.—
20 G0438 and G0439.

21 “(C) INCLUSION OF PREVENTIVE SERV-
22 ICES.—Such term also includes preventive serv-
23 ices described in section 1861(ddd)(3) and addi-
24 tional preventive services described in section
25 1861(ddd)(1).

1 “(D) INCLUSION OF ADDITIONAL SERV-
2 ICES.—Such term also includes services, such
3 as care coordination services, telemedicine serv-
4 ices, non-face-to-face care management services,
5 preparation and supervision of long-term care
6 plans, home care plan oversight services, and
7 similar services that the Secretary identifies, by
8 regulation, as being similar to the services de-
9 scribed in subparagraph (B) or (C).

10 “(6) QUALIFYING PRACTITIONER.—The term
11 ‘qualifying practitioner’ means, with respect to the
12 furnishing of primary care services, an individual—

13 “(A) for whom primary care services has
14 accounted for at least 60 percent of the allowed
15 charges under this part (not counting any such
16 charges attributable to in-office clinical labora-
17 tory services) in a prior period as determined by
18 the Secretary; or

19 “(B) who does not have claims under this
20 part during such a prior period and whom the
21 Secretary determines is likely to meet the re-
22 quirement of subparagraph (A) for the subse-
23 quent period.”.

24 (2) ESTABLISHMENT OF SEPARATE CONVER-
25 SION FACTORS FOR EACH SERVICE CATEGORY.—Sec-

1 tion 1848(d)(1) of the Social Security Act (42
2 U.S.C. 1395w-4(d)(1)) is amended—

3 (A) in subparagraph (A)—

4 (i) by designating the sentence begin-
5 ning “The conversion factor” as clause (i)
6 with the heading “APPLICATION OF SIN-
7 GLE CONVERSION FACTOR.—” and with
8 appropriate indentation;

9 (ii) by striking “The conversion fac-
10 tor” and inserting “Subject to clause (ii),
11 the conversion factor”; and

12 (iii) by adding at the end the fol-
13 lowing new clause:

14 “(ii) APPLICATION OF MULTIPLE CON-
15 VERSION FACTORS BEGINNING WITH
16 2014.—

17 “(I) IN GENERAL.—In applying
18 clause (i) for each year beginning with
19 2014, separate conversion factors
20 shall be established for each service
21 category of physicians’ services (as de-
22 fined in subsection (j)(5)(A)) and any
23 reference in this section to a conver-
24 sion factor for such years shall be

1 deemed a reference to the conversion
2 factor for each of such categories.

3 “(II) INITIAL CONVERSION FAC-
4 TORS.—Such factors for 2014 shall be
5 based upon the single conversion fac-
6 tor for the previous year multiplied by
7 the update established under para-
8 graph (15) for such category for
9 2014.

10 “(III) UPDATING OF CONVER-
11 SION FACTORS.—Such factor for a
12 service category for a subsequent year
13 shall be based upon the conversion
14 factor for such category for the pre-
15 vious year and adjusted by the update
16 established for such category under
17 paragraph (15) or a subsequent para-
18 graph for the year involved.”; and

19 (B) in subparagraph (D), by striking
20 “other physicians’ services” and inserting “for
21 physicians’ services in the service category de-
22 scribed in subsection (j)(5)(A)(ii)”.

23 (3) ESTABLISHMENT OF SEPARATE UPDATES
24 FOR CONVERSION FACTORS FOR EACH SERVICE CAT-
25 EGORY.—Section 1848(d) of the Social Security Act

1 (42 U.S.C. 1395w-4(d)), as amended by subsection
2 (b), is amended by adding at the end the following
3 new paragraph:

4 “(15) UPDATES BY SERVICE CATEGORY BEGIN-
5 NING WITH 2014; UPDATES FOR 2014 THROUGH
6 2017.—In applying paragraph (4) for each year be-
7 ginning with 2014, the following rules apply:

8 “(A) APPLICATION OF SEPARATE UPDATE
9 ADJUSTMENTS FOR EACH SERVICE CAT-
10 EGORY.—Pursuant to paragraph (1)(A)(ii)(I),
11 for each year beginning with 2013, the update
12 shall be made to the conversion factor for each
13 service category (as defined in subsection
14 (j)(5)(A)).

15 “(B) UPDATES FOR 2014 THROUGH 2017.—
16 The updates for 2014, 2015, 2016, and 2017
17 for the conversion factor for the services cat-
18 egory described in—

19 “(i) subsection (j)(5)(A)(i) shall be
20 2.5 percent; and

21 “(ii) subsection (j)(5)(A)(ii) shall be
22 0.5 percent.”.

23 (d) PROMOTING TESTING AND EVALUATION OF NEW
24 PAYMENT AND DELIVERY MODELS (PHASE I).—

1 (1) EXPANSION OF TESTING IN MULTIPLE GEO-
2 GRAPHIC REGIONS.—Section 1115A(a)(5) of the So-
3 cial Security Act (42 U.S.C. 1315a(a)(5)) is amend-
4 ed by inserting before the period at the end the fol-
5 lowing: “, but shall (to the maximum extent feasible)
6 including testing of each such model in geographic
7 areas in at least 3 regions”.

8 (2) INCLUSION OF PHYSICIAN IMPLEMENTA-
9 TION COSTS IN EVALUATIONS.—Section
10 1115A(b)(4)(A) of the Social Security Act (42
11 U.S.C. 1315a(b)(4)(A)) is amended—

12 (A) by striking “and” at the end of clause
13 (i);

14 (B) by striking the period at the end of
15 clause (ii) and inserting “; and”; and

16 (C) by adding at the end the following new
17 clause:

18 “(iii) the average cost, per physician,
19 of implementation of the model.”.

20 (3) ACCELERATING TESTING AND EVALUATION
21 PROCESS.—Section 1115A(b) of the Social Security
22 Act (42 U.S.C. 1315a(b)) is amended by adding at
23 the end the following new paragraph:

24 “(5) TIMING.—The Secretary, acting through
25 the Center, shall conduct activities under this sub-

1 section in such a timely manner so that evaluations
2 of initial models can be initially completed so that
3 physicians can begin to transition to implementation
4 of such models beginning not later than January 1,
5 2017.”.

6 (4) INVOLVEMENT OF PROVIDER GROUPS IN SE-
7 LECTION OF MODELS.—Section 1115A(b)(4) of such
8 Act is amended by adding at the end the following
9 subparagraph:

10 “(D) INVOLVEMENT OF PROVIDER GROUPS
11 IN MODEL SELECTION.—The Secretary shall
12 consult and work closely with physician and
13 other provider groups in the selection of models
14 under this subsection and subsection (e).”.

15 (5) USE OF OTHER MODELS.—Section 1115A
16 of such Act is further amended—

17 (A) by adding at the end of subsection
18 (b)(4) the following new subparagraph:

19 “(E) USE OF OTHER MODELS.—Nothing
20 in this section shall be construed as preventing
21 the Secretary from selecting, for expansion
22 under subsection (c), a model that was not test-
23 ed under this subsection.”; and

24 (B) in subsection (c), by inserting “or
25 other model” after “section 1866C”.

1 (6) GAO REVIEW AND STUDY.—The Comp-
2 troller General of the United States shall conduct a
3 study of the evaluations made under subsection (b)
4 of section 1115A of the Social Security Act, as
5 amended by this section. Such study shall include an
6 analysis of the alternative payment and delivery
7 models identified under such section for payment for
8 physicians' services (and other services) under the
9 Medicare program. Not later than April 1, 2016, the
10 Comptroller General shall submit a report to Con-
11 gress on such study and shall include in the report
12 such recommendations as the Comptroller General
13 deems appropriate for—

14 (A) changes in the development and imple-
15 mentation process under such section; and

16 (B) alternative payment and delivery mod-
17 els identified under such section as being appro-
18 priate for expansion under subsection (c) of
19 such section.

20 (7) PUBLICATION OF LIST OF SUCCESSFUL
21 MODELS.—Beginning on October 1, 2016, and each
22 year thereafter, the Secretary of Health and Human
23 Services shall publicly release a comprehensive list of
24 such health care delivery and payment models identi-
25 fied, under section 1115A of the Social Security Act

1 or otherwise, as meeting (or likely to meet) the re-
2 quirements of subsection (c)(1) of such section. Such
3 list shall include at least 4 health care delivery and
4 payment models and may include models not tested
5 under subsection (b) of such section.

6 (8) CONSIDERATIONS.—The Comptroller Gen-
7 eral in making recommendations under paragraph
8 (6) and the Secretary in releasing the list of models
9 under paragraph (7) shall take into account vari-
10 ations among providers in size, specialty mix, case
11 mix, and patient demographics, as well as regional
12 health care infrastructure variations and variations
13 in cost of living among areas, and shall specifically
14 consider appropriate variations that take into ac-
15 count the special circumstances of providers in rural
16 and other underserved areas.

17 (e) IMPLEMENTATION OF PAYMENT AND DELIVERY
18 MODEL OPTIONS (PHASE II).—

19 (1) IN GENERAL.—Based on the report of the
20 Comptroller General under subsection (d)(4) and not
21 later than October 1, 2016, the Secretary of Health
22 and Human Services shall provide information to
23 physicians, nurse practitioners, group practices and
24 institutions employing Medicare part B providers on
25 how best to transition to alternative health care de-

1 livery and payment models that are aimed at im-
2 proving the coordination, quality and efficiency of
3 health care, including those developed under section
4 1115A or 1866E of the Social Security Act (42
5 U.S.C. 1315a, 1395cc-5).

6 (2) INCREASING FLEXIBILITY IN IMPLEMENTA-
7 TION.—Section 1115A(c) of the Social Security Act
8 (42 U.S.C. 1315a(c)) is amended by inserting after
9 “through rulemaking” the following: “(which may
10 include the issuance of interim, final rules) or
11 through publication of a directive or other guid-
12 ance”.

13 (3) TIMING.—Such section is further amended
14 by adding at the end the following: “The Secretary
15 shall seek to effect such expansion to the maximum
16 extent feasible so that physicians may begin to tran-
17 sition to implementation of such models beginning
18 not later than January 1, 2017.”.

19 (f) TRANSITION DURING 2018.—

20 (1) FREEZE IN FEE SCHEDULE FOR 2018.—
21 Subsection (d) of section 1848 of the Social Security
22 Act (42 U.S.C. 1395w-4), as amended by sub-
23 sections (b) and (c)(3), is amended by adding at the
24 end the following new paragraph:

1 “(15) UPDATE FOR 2018.—The update to both
2 of the conversion factors for 2018 shall be 0 per-
3 cent.”.

4 (2) EXPANDED ASSISTANCE THROUGH RE-
5 GIONAL EXTENSION CENTERS AND OTHER QUALI-
6 FIED ENTITIES.—Section 1115A(d) of the Social Se-
7 curity Act (42 U.S.C. 1315a(d)) is amended by add-
8 ing at the end the following new paragraph:

9 “(4) ASSISTANCE IN IMPLEMENTATION.—

10 “(A) IN GENERAL.—Using funds available
11 under subsection (f)(1) and consistent with this
12 paragraph, the Secretary shall enter into con-
13 tracts and agreements with regional extension
14 centers, in coordination with the National Coor-
15 dinator for Health Information Technology, and
16 other appropriate entities to provide guidance
17 and assistance on how physicians may transi-
18 tion to implementation of alternative health
19 care delivery models identified as representing
20 best practices under this section.

21 “(B) DEDICATED FUNDING.—

22 “(i) IN GENERAL.—Of the amounts
23 available under subsection (f)(1)(B), the
24 Secretary shall make \$720,000,000 avail-
25 able to the Office of the National Coordi-

1 nator for Health Information Technology
2 for the awarding of grants and incentive
3 payments under a competitive process to
4 regional extension centers (receiving fund-
5 ing under section 3012(c) of the Public
6 Health Service Act) and other qualified en-
7 tities for activities described in subpara-
8 graph (A). Such grants and payments shall
9 not be available for assistance after De-
10 cember 31, 2018.

11 “(ii) PROCESS.—Under clause (i), the
12 Office shall—

13 “(I) establish a competitive selec-
14 tion process for the selection of re-
15 gional extension centers (and other
16 qualified entities) in the third quarter
17 of 2014; and

18 “(II) provide for the initial dis-
19 tribution of funds to such centers and
20 entities by January 1, 2015.

21 “(iii) COLLABORATION.—The Center
22 shall collaborate with the Office in pro-
23 viding direction to such centers and enti-
24 ties in conducting activities under this
25 paragraph, including the development of

1 performance benchmarks based on provider
2 participation and progress toward integra-
3 tion.

4 “(iv) PRIORITY.—The grants and in-
5 centive payments under this subparagraph
6 shall be directed to target assistance to
7 solo and small specialty practices as well as
8 community health centers and similar pro-
9 viders of primary care services.”.

10 (g) CONTINUING INCENTIVES FOR PHYSICIANS PRO-
11 VIDING HIGH-QUALITY, HIGH-VALUE CARE.—

12 (1) FEE SCHEDULE ADJUSTMENTS.—Sub-
13 section (d) of section 1848 of the Social Security Act
14 (42 U.S.C. 1395w-4), as amended by subsections
15 (b), (c)(3), and (f), is amended by adding at the end
16 the following:

17 “(17) UPDATES FOR 2019 THROUGH 2022.—

18 “(A) IN GENERAL.—Except as provided in
19 this paragraph, the update to each of the con-
20 version factors—

21 “(i) for 2019 shall be minus 2 per-
22 cent;

23 “(ii) for 2020 shall be minus 3 per-
24 cent;

1 “(iii) for 2021 shall be minus 4 per-
2 cent; and

3 “(iv) for 2022 shall be minus 5 per-
4 cent.

5 “(B) TREATMENT OF SERVICES PAID
6 USING ALTERNATIVE PAYMENT AND DELIVERY
7 MODELS.—In the case of physicians’ services
8 for which payment is covered under an alter-
9 native payment and delivery model, such as
10 those implemented under section 1115A, sub-
11 paragraph (A) does not apply.

12 “(C) GENERAL EXEMPTION.—The Sec-
13 retary shall, by regulation, exempt a provider
14 from the application of the negative payment
15 update specified in subparagraph (A) for a year
16 if the Secretary determines that—

17 “(i) the provider—

18 “(I) is a meaningful EHR user
19 (as determined under subsection
20 (o)(2) with respect to the year); and

21 “(II) meets the qualifications
22 under subparagraph (B) of subsection
23 (m)(7) (relating to additional incen-
24 tive payments) for an additional in-
25 centive payment under subparagraph

1 (A) of such subsection (which includes
2 satisfactory participation in the qual-
3 ity reporting system and participation
4 in an approved Maintenance of Cer-
5 tification program); or

6 “(ii) the payment modifier for the
7 provider under subsection (p), which is
8 based upon the performance of the pro-
9 vider on measures of quality of care fur-
10 nished compared to cost and which is ex-
11 pressed as a percentage of payment, is
12 within the top 25 percent of such payment
13 modifiers for providers within the same fee
14 schedule area, as determined by the Sec-
15 retary.

16 “(D) CASE-BY-CASE HARDSHIP EXEMP-
17 TION.—The Secretary may, on a case-by-case
18 basis, exempt a provider from the application of
19 the negative payment update specified in sub-
20 paragraph (A) for a year if the Secretary deter-
21 mines, subject to annual renewal, that because
22 of limitations in the nature of a medical prac-
23 tice, limitations in the number of Medicare
24 beneficiaries that may be served by the pro-
25 vider, or other special circumstances, imposing

1 a financial disincentive under such subpara-
2 graph for failure to adopt an alternative pay-
3 ment and delivery model referred to in subpara-
4 graph (B) would result in a significant hardship
5 to the provider.

6 “(18) UPDATES BEGINNING WITH 2023.—

7 “(A) IN GENERAL.—The update to both of
8 the conversion factors for each year beginning
9 with 2023 shall be 0 percent.

10 “(B) TREATMENT OF SERVICES PAID
11 USING ALTERNATIVE PAYMENT AND DELIVERY
12 MODELS.—In the case of physicians’ services
13 for which payment is covered under an alter-
14 native payment and delivery model, such as
15 those implemented under section 1115A, sub-
16 paragraph (A) does not apply.”.

17 (2) CONSIDERATIONS IN PROMULGATING
18 GROWTH RATES FOR ALTERNATIVE PAYMENT AND
19 DELIVERY MODELS.—

20 (A) IN GENERAL.—In determining the
21 growth rates to be recognized beginning with
22 2019 for alternative payment and delivery mod-
23 els under the Medicare program that cover phy-
24 sicians’ services, such as those implemented
25 under section 1115A of the Social Security Act,

1 the Secretary of Health and Human Services
2 shall consider (among other factors) the fol-
3 lowing:

4 (i) Ensuring access to primary care
5 and specialty services, including participa-
6 tion of primary care practitioners and spe-
7 cialists and newly graduating practitioners.

8 (ii) Restraining spending growth.

9 (iii) Ensuring access to services for
10 vulnerable populations.

11 (B) LIMITATIONS.—In no case shall the
12 growth factor determined under this paragraph
13 for a year—

14 (i) be less than 1 percent; or

15 (ii) be greater than the percentage in-
16 crease in the MEI (as defined in section
17 1842(i)(3) of the Social Security Act, 42
18 U.S.C. 1395u(i)(3)) for such year.

19 (C) APPLICATION OF CONGRESSIONAL RE-
20 VIEW ACT.—Chapter 8 of title 5, United States
21 Code, applies with respect to the promulgation
22 of a growth factor under this paragraph for a
23 year.

24 (h) IMPACT REPORT.—Not later than January 1,
25 2022, the Secretary of Health and Human Services shall

1 submit to Congress a report the impact on spending and
2 on access to services under title XVIII of the Social Secu-
3 rity Act, including under part A of such title, resulting
4 from changes to Medicare delivery and payment systems,
5 including under the amendments made by this section.

6 **SEC. 3. SAVINGS FROM OVERSEAS CONTINGENCY AND RE-**
7 **LATED ACTIVITIES.**

8 (a) IN GENERAL.—Section 251(b)(2) of the Balanced
9 Budget and Emergency Deficit Control Act of 1985 (2
10 U.S.C. 901(b)(2)) is amended by adding at the end the
11 following new subparagraph:

12 “(E) OVERSEAS CONTINGENCY AND RE-
13 LATED ACTIVITIES.—

14 “(i) CAP ADJUSTMENT.—If a bill or
15 joint resolution making appropriations for
16 a fiscal year is enacted that specifies an
17 amount for overseas contingency and re-
18 lated activities for that fiscal year after
19 taking into account any other bills or joint
20 resolutions enacted for that fiscal year that
21 specify an amount for overseas contingency
22 and related activities, but do not exceed in
23 the aggregate the amounts specified in
24 clause (ii), then the adjustments for that
25 fiscal year shall be the additional new

1 budget authority provided in that Act for
2 such activities for that fiscal year.

3 “(ii) LEVELS.—The levels for overseas
4 contingency and related activities specified
5 in this subparagraph are as follows:

6 “(I) For fiscal year 2013,
7 \$83,000,000,000 in budget authority.

8 “(II) For fiscal year 2014,
9 \$50,000,000,000 in budget authority.

10 “(III) For fiscal year 2015,
11 \$50,000,000,000 in budget authority.

12 “(IV) For fiscal year 2016,
13 \$50,000,000,000 in budget authority.

14 “(V) For fiscal year 2017,
15 \$50,000,000,000 in budget authority.

16 “(VI) For fiscal year 2018,
17 \$50,000,000,000 in budget authority.

18 “(VII) For fiscal year 2019,
19 \$50,000,000,000 in budget authority.

20 “(VIII) For fiscal year 2020,
21 \$50,000,000,000 in budget authority.

22 “(IX) For fiscal year 2021,
23 \$50,000,000,000 in budget author-
24 ity.”.

1 (b) BREACH.—Section 251(a)(2) of such Act (2
2 U.S.C. 901(a)(2)) is amended to read as follows:

3 “(2) ELIMINATING A BREACH.—

4 “(A) IN GENERAL.—Each non-exempt ac-
5 count within a category shall be reduced by a
6 dollar amount calculated by multiplying the en-
7 acted level of sequestrable budgetary resources
8 in that account by the uniform percentage nec-
9 essary to eliminate a breach within that cat-
10 egory.

11 “(B) OVERSEAS CONTINGENCIES.—Any
12 amount of budget authority for overseas contin-
13 gency operations and related activities for fiscal
14 years 2013 through 2021 in excess of the levels
15 set in subsection 251(b)(2)(E) shall be counted
16 in determining whether a breach has occurred
17 in the security category and the nonsecurity
18 category on a proportional basis to the total
19 spending for overseas contingency operations in
20 the security category and the nonsecurity cat-
21 egory.”.

22 (c) CONFORMING AMENDMENT.—Section
23 251(b)(2)(A) of such Act (2 U.S.C. 901(b)(2)(A)) is
24 amended to read as follows:

1 “(A) EMERGENCY APPROPRIATIONS.—If,
2 for any fiscal year, appropriations for discre-
3 tionary accounts are enacted that the Congress
4 designates as emergency requirements in stat-
5 ute on an account by account basis and the
6 President subsequently so designates, the ad-
7 justment shall be the total of such appropria-
8 tions in discretionary accounts designated as
9 emergency requirements.”.