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June 28, 2010

Subject: **President Obama Signs Medicare "Doc Fix" Bill That Includes Pension Funding Relief**

Major References: [*"Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010" \(H.R. 3962\), as signed into law by President Obama on June 25, 2010.*](#)

Prior AALU Washington Reports: 10-59; 10-52; 10-28; 09-125; 09-120; 09-96; 09-37; 08-110

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On June 25, President Obama signed into law the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (H.R. 3962), which includes pension funding relief as a "pay for" for provisions in the law - commonly referred to as the "Doc Fix" - that reverse a 21 percent cut in physician's Medicare reimbursements and increase the reimbursements by 2.2% through the end of November 2010. The pension funding relief provisions in the new law are those from the version of the Tax Extenders bill that the Senate passed on March 10, 2010 (see our Bulletin No. 10-28), which were different in certain respects from the version of the Tax Extenders bill that was being considered in the Senate last week (see our Bulletin No. 10-59).

The Doc Fix bill, which includes the Medicare fees and pension funding relief provisions from the larger Tax Extenders bill, was passed by Congress (on June 18, 2010 by the Senate and on June 24, 2010 by the House) after the Senate Democratic leaders tabled the larger bill when the Senate failed to end a Republican filibuster of the larger bill. The Medicare and pension relief provisions were essentially carved out

of the larger Tax Extenders bill and passed as the smaller Doc Fix bill. A number of key Senate Republicans have indicated that they opposed the larger Tax Extenders bill that was being considered in the Senate before it was tabled because of its total cost and their opposition to certain of the proposed tax increases in the larger bill.

The pension funding relief provisions in the Doc Fix bill are the same as those included in the version of the Tax Extenders bill approved by the Senate on March 10, 2010 (see our Bulletin No. 10-28). A version of the Tax Extenders bill approved by the House on May 28, 2010 also included provisions that would subject defined contribution plans (e.g., 401(k) plans) to new fee disclosure requirements. (see our Bulletin No. 10-59) The Doc Fix bill does not include any of the proposed new fee disclosure requirements.

As noted in prior Bulletins (see our Bulletin No. 10-59), the Department of Labor (DOL) was in the process of finalizing interim final regulations that would impose new fee disclosure requirements and the DOL may in fact have been delaying the those regulations pending Congressional enactment of any new disclosure laws. With passage of pension funding relief provisions, it appears less likely that Congress will enact any new fee disclosure requirements in this session of Congress. Senator Reid indicated following the tabling of the larger Tax Extenders bill that the Democrats will pursue a smaller jobs bill that currently does not have any fee disclosure provisions. With these developments, it would appear more likely that the DOL will issue the interim final regulations on fee disclosure in the near future.

Any AALU member who wishes to obtain a copy of the Doc Fix Bill may do so through the following means: (1) use hyperlink above next to "Major References," (2) log onto the AALU website at www.aalu.org and enter the *Member Portal* and select *Current Washington Report* for linkage to source material or (3) email Anthony Raglani at raglani@aalu.org and include a reference to this *Washington Report*.

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