To amend the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 to extend the Rural Community Hospital Demonstration Program.

IN THE SENATE OF THE UNITED STATES

DECEMBER 22, 2009

Mr. HATCH introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 to extend the Rural Community Hospital Demonstration Program.

Be it enacted by the Senate and House ofRepresentatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Rural Community Hospital Demonstration Extension Act”.

SEC. 2. EXTENSION OF RURAL COMMUNITY HOSPITAL DEMONSTRATION PROGRAM.

(a) 5-YEAR EXTENSION.—Section 410A of the Medicare Prescription Drug, Improvement, and Modernization
Act of 2003 (Public Law 108–173; 117 Stat. 2272) is amended by adding at the end the following new subsection:

“(g) 5-Year Extension of Demonstration Program.—

“(1) In general.—Subject to the succeeding provisions of this subsection, the Secretary shall conduct the demonstration program under this section for an additional 5-year period (in this section referred to as the ‘5-year extension period’) that begins on the date immediately following the last day of the initial 5-year period under subsection (a)(5).

“(2) Expansion of Demonstration States.—Notwithstanding subsection (a)(2), during the 5-year extension period, the program shall be conducted in rural areas in any State.

“(3) Increase in Maximum Number of Hospitals Participating in the Demonstration Program.—Notwithstanding subsection (a)(4), during the 5-year extension period, not more than 30 rural community hospitals may participate in the demonstration program under this section.

“(4) Hospitals in Demonstration Program on Date of Enactment.—In the case of a rural community hospital that is participating in the dem-
onstration program under this section as of the last
day of the initial 5-year period, the Secretary—

“(A) shall provide for the continued par-
ticipation of such rural community hospital in
the demonstration program during the 5-year
extension period unless the rural community
hospital makes an election, in such form and
manner as the Secretary may specify, to dis-
continue such participation; and

“(B) in calculating the amount of payment
under subsection (b) to the rural community
hospital for covered inpatient hospital services
furnished by the hospital during such 5-year ex-
tension period, shall substitute, under para-
graph (1)(A) of such subsection—

“(i) the reasonable costs of providing
such services for discharges occurring in
the first cost reporting period beginning on
or after the first day of the 5-year exten-
sion period, for

“(ii) the reasonable costs of providing
such services for discharges occurring in
the first cost reporting period beginning on
or after the implementation of the dem-
onstration program.”.
(b) Conforming Amendments.—

(1) Duration.—Subsection (a)(5) of section 410A of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173; 117 Stat. 2272) is amended by inserting “(in this section referred to as the ‘initial 5-year period’) and, as provided in subsection (g), for the 5-year extension period” after “5-year period”.

(2) Additional Report.—Subsection (e) of section 410A of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173; 117 Stat. 2272) is amended to read as follows:

“(e) Reports.—

“(1) Report on Initial 5-Year Period.—Not later than 6 months after the last day of the initial 5-year period, the Secretary shall submit to Congress a report on the conduct of the demonstration program under this section during such period, together with recommendations for such administrative action as the Secretary determines to be appropriate.

“(2) Final Report.—Not later than 6 months after the last day of the 5-year extension period, the Secretary shall submit to Congress a report on the
demonstration program under this section, together
with recommendations for such administrative action
as the Secretary determines to be appropriate.”

(c) TECHNICAL AMENDMENTS.—

(1) Subsection (b) of section 410A of the Medi-
care Prescription Drug, Improvement, and Mod-
ernization Act of 2003 (Public Law 108–173; 117
Stat. 2272) is amended—

(A) in paragraph (1)(B)(ii), by striking
“2)” and inserting “2))”;

(B) in paragraph (2), by inserting “cost”
before “reporting period” the first place such
term appears in each of subparagraphs (A) and
(B).

(2) Subsection (f)(1) of section 410A of the
Medicare Prescription Drug, Improvement, and
Modernization Act of 2003 (Public Law 108–173;
117 Stat. 2272) is amended—

(A) in subparagraph (A)(ii), by striking
“paragraph (2)” and inserting “subparagraph
(B)”;

(B) in subparagraph (B), by striking
“paragraph (1)(B)” and inserting “subpara-
graph (A)(ii)”.

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