

105TH CONGRESS  
2D SESSION

# H. R. 4252

To amend title XVIII of the Social Security Act to revise the interim payment system for home health care furnished to Medicare beneficiaries.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 16, 1998

Mr. ENGLISH of Pennsylvania (for himself and Mr. NEAL of Massachusetts) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, 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

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## A BILL

To amend title XVIII of the Social Security Act to revise the interim payment system for home health care furnished to Medicare beneficiaries.

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. MODIFICATIONS TO INTERIM PAYMENT SYS-**  
4 **TEM FOR HOME HEALTH SERVICES UNDER**  
5 **MEDICARE.**

6 (a) PER VISIT COST LIMITS.—

1           (1)       BASIS       FOR       LIMITS.—Section  
 2       1861(v)(1)(L)(i) of the Social Security Act (42  
 3       U.S.C. 1395x(v)(1)(L)(i)) is amended—

4                   (A) by inserting “or” at the end of sub-  
 5       clause (II);

6                   (B) in subclause (III)—

7                       (i) by striking “and before October 1,  
 8       1997”; and

9                       (ii) by striking “, or” and inserting a  
 10      period; and

11                   (C) by striking subclause (IV).

12           (2) ELIMINATION OF OUT-YEAR EFFECT OF 2-  
 13      YEAR FREEZE.—Section 1861(v)(1)(L) (42 U.S.C.  
 14      1395x(v)(1)(L)) is amended—

15                   (A) by striking clause (iv) and redesignat-  
 16      ing clauses (v) and (vi) as clauses (iv) and (v),  
 17      respectively; and

18                   (B) in clause (vii), by striking “clause  
 19      (v)(I)” and inserting “clause (iv)(I)”.

20           (b) PER BENEFICIARY COST LIMITS.—Section  
 21      1861(v)(1)(L) of such Act (42 U.S.C. 1395x(v)(1)(L)) is  
 22      amended—

23                   (1) by amending subclause (I) of clause (iv) (as  
 24      redesignated by subsection (a)(2)(A)) to read as fol-  
 25      lows:

1           “(I) a per beneficiary annual limitation cal-  
2           culated based 50 percent on the standardized aver-  
3           age of reasonable costs (including nonroutine medi-  
4           cal supplies) for agencies in the State in which an  
5           agency is located for cost reporting periods ending  
6           during fiscal year 1994, updated by the home health  
7           market basket index, and 50 percent on the stand-  
8           ardized national average of reasonable costs (includ-  
9           ing nonroutine medical supplies) for all agencies for  
10          cost reporting periods ending during fiscal year  
11          1994, updated by the home health market basket  
12          index; and”;

13           (2) in clause (v) (as redesignated by subsection  
14          (a)(2)(A)), by striking “the following rules” and all  
15          that follows and inserting in lieu thereof “the per  
16          beneficiary limitation established under clause (iv)  
17          shall, for beneficiaries who use services furnished by  
18          more than one home health agency, be prorated  
19          among such agencies.”.

20          (c) EFFICIENCY STANDARD.—Section 1861(v)(1)(L)  
21          of such Act (42 U.S.C. 1395x(v)(1)(L)) is amended—

22           (1) in clause (iv) (as redesignated by subsection  
23          (a)(2)(A)), by striking “Payment” and inserting in  
24          lieu thereof “Except as provided in clause (vi), pay-  
25          ment”;

1           (2) by inserting after clause (v) (as redesign-  
2       nated by subsection (a)(2)(A)) the following new  
3       clause:

4       “(vi)(I) Notwithstanding clause (iv), for any cost re-  
5       porting period beginning on or after October 1, 1997, for  
6       which a home health agency’s reasonable costs per bene-  
7       ficiary (as limited by clause (i)) do not exceed the wage-  
8       adjusted national average per beneficiary amount de-  
9       scribed in subclause (II), payment to such agency shall  
10      equal the agency’s reasonable costs determined under  
11      clause (i).

12      “(II) For purposes of subclause (I), the ‘wage-ad-  
13      justed national average per beneficiary amount’ for a  
14      home health agency for a cost reporting period is the na-  
15      tional average per beneficiary reasonable costs for all  
16      home health agencies for cost reporting periods beginning  
17      in fiscal year 1994 (as determined by the Secretary), up-  
18      dated by the home health market basket and adjusted for  
19      the wage-related portion of such costs by the wage index  
20      described in clause (iii).”.

21      (d) CONTINGENT APPLICATION OF EXISTING LIM-  
22      ITS.—Section 4603(e) of the Balanced Budget Act of  
23      1997 is amended by striking “a reduction by 15 percent  
24      in” and inserting “the application of”.

1       (e) EFFECTIVE DATE.—The amendments made by  
2 this section shall take effect as if included in the enact-  
3 ment of the Balanced Budget Act of 1997.

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