

106TH CONGRESS
1ST SESSION

H. R. 1103

To amend title XVIII of the Social Security Act to carve out from payments to Medicare+Choice organizations amounts attributable to disproportionate share hospital payments and pay such amounts directly to those disproportionate share hospitals in which their enrollees receive care.

IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 1999

Mr. RANGEL (for himself, Mr. STARK, Mr. QUINN, Mr. WALSH, Mr. ACKERMAN, Mrs. CHRISTENSEN, Mr. DOYLE, Mr. FATTAH, Mr. FROST, Mr. HINCHEY, Mr. HOLDEN, Mr. JENKINS, Ms. KILPATRICK, Mr. KLINK, Mr. LAFALCE, Mr. LEWIS of Georgia, Mrs. MALONEY of New York, Mr. MASCARA, Mr. MATSUI, Mrs. MCCARTHY of New York, Mr. McDERMOTT, Mr. MCGOVERN, Ms. SLAUGHTER, Mr. McNULTY, Mr. NADLER, Mr. PASTOR, Mr. SERRANO, Mrs. THURMAN, Mr. TOWNS, and Ms. VELÁZQUEZ) 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

A BILL

To amend title XVIII of the Social Security Act to carve out from payments to Medicare+Choice organizations amounts attributable to disproportionate share hospital payments and pay such amounts directly to those disproportionate share hospitals in which their enrollees receive care.

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. CARVING OUT DSH PAYMENTS FROM PAY-**
 4 **MENTS TO MEDICARE+CHOICE ORGANIZA-**
 5 **TIONS AND PAYING THE AMOUNTS DIRECTLY**
 6 **TO DSH HOSPITALS ENROLLING**
 7 **MEDICARE+CHOICE ENROLLEES.**

8 (A) IN GENERAL.—Section 1853(c)(3) of the Social
 9 Security Act (42 U.S.C. 1395w–23(c)(3)), as inserted by
 10 section 4001 of the Balanced Budget Act of 1997, is
 11 amended—

12 (1) in subparagraph (A), by striking “subpara-

13 graph (B)” and inserting “subparagraphs (B) and

14 (D)”,

15 (2) by redesignating subparagraph (D) as sub-

16 paragraph (E), and

17 (3) by inserting after subparagraph (C) the fol-

18 lowing new subparagraph:

19 “(D) REMOVAL OF PAYMENTS ATTRIB-

20 UTABLE TO DISPROPORTIONATE SHARE PAY-

21 MENTS FROM CALCULATION OF ADJUSTED AV-

22 ERAGE PER CAPITA COST.—

23 “(i) IN GENERAL.—In determining

24 the area-specific Medicare+Choice capita-

25 tion rate under subparagraph (A) for a

1 year (beginning with 2000), the annual per
 2 capita rate of payment for 1997 deter-
 3 mined under section 1876(a)(1)(C) shall be
 4 adjusted, subject to clause (ii) to exclude
 5 from the rate the additional payments that
 6 the Secretary estimates were payment dur-
 7 ing 1997 for additional payments described
 8 in section 1886(d)(5)(F).

9 “(ii) TREATMENT OF PAYMENTS COV-
 10 ERED UNDER STATE HOSPITAL REIM-
 11 BURSEMENT SYSTEM.—To the extent that
 12 the Secretary estimates that an annual per
 13 capita rate of payment for 1997 described
 14 in clause (i) reflects payments to hospitals
 15 reimbursed under section 1814(b)(3), the
 16 Secretary shall estimate a payment adjust-
 17 ment that is comparable to the payment
 18 adjustment that would have been made
 19 under clause (i) if the hospitals had not
 20 been reimbursed under such section.”.

21 (b) ADDITIONAL PAYMENTS FOR MANAGED CARE
 22 ENROLLEES.—Section 1886(d)(5)(F) of such Act ((42
 23 U.S.C. 1395ww(d)(5)(F)) is amended—

24 (1) in clause (ii), by striking “clause (ix)” and
 25 inserting “clauses (ix) and (x)”, and

(2) by adding at the end the following:

“(ix)(I) For portions of cost reporting periods occurring on or after January 1, 2000, the Secretary shall provide for an additional payment amount for each applicable discharge of any subsection (d) hospital that is a disproportionate share hospital (as described in clause (i)).

“(II) For purposes of this clause the term ‘applicable discharge’ means the discharge of any individual who is enrolled under a risk-sharing contract with a eligible organization under section 1876 and who is entitled to benefits under part A or any individual who is enrolled with a Medicare+Choice organization under part C.

“(III) The amount of the payment under this clause with respect to any applicable discharge shall be equal to the estimated average per discharge amount that would otherwise have been paid under this subparagraph if the individuals had not been enrolled as described in subclause (II).

1 “(IV) The Secretary shall establish
2 rules for an additional payment amount,
3 for any hospital reimbursed under a reim-
4 bursement system authorized under
5 1814(b)(3) if such hospital would qualify
6 as a disproportionate share hospital under
7 clause (i) were it not so reimbursed. Such
8 payment shall be determined in the same
9 manner as the amount of payment is de-
10 termined under this clause for dispropor-
11 tionate share hospitals.”.

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