

106TH CONGRESS  
1ST SESSION

# H. R. 2241

To amend the Balanced Budget Act of 1997 to limit the reductions in Federal payments under the Medicare prospective payment system for hospital outpatient department services.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 1999

Mr. FOLEY (for himself, Mrs. JOHNSON of Connecticut, Mr. HAYWORTH, Mr. ENGLISH, Mr. DAVIS of Florida, Mr. PETERSON of Minnesota, and Mr. LARSON) introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committee on Ways and Means, 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 the Balanced Budget Act of 1997 to limit the reductions in Federal payments under the Medicare prospective payment system for hospital outpatient department services.

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. SHORT TITLE.**

4       This Act may be cited as the “Hospital Outpatient  
5       Preservation Act of 1999”.

1 **SEC. 2. LIMITING REDUCTIONS IN FEDERAL PAYMENTS**  
2 **UNDER PPS FOR HOSPITAL OUTPATIENT DE-**  
3 **PARTMENT SERVICES.**

4 (a) IN GENERAL.—Section 4523 of the Balanced  
5 Budget Act of 1997 is amended by adding at the end the  
6 following:

7 “(e) TEMPORARY LIMIT ON REDUCTIONS IN FED-  
8 ERAL PAYMENTS.—

9 “(1) IN GENERAL.—Notwithstanding section  
10 1833(t) of the Social Security Act (42 U.S.C.  
11 1395l(t)), as added by subsection (a), the amount  
12 that is paid from the Federal Supplementary Med-  
13 ical Insurance Trust Fund for covered OPD services  
14 furnished by a hospital during a calendar year (or  
15 portion thereof) specified in paragraph (2)(A) may  
16 not be less than the applicable percentage of the  
17 case mix adjusted average amount that would have  
18 been payable to such hospital for such services (in-  
19 cluding cost sharing) if the prospective payment sys-  
20 tem established under such section did not apply.  
21 Such average amount may be determined on a pro-  
22 spective basis using the Secretary’s best estimate of  
23 the reasonable costs incurred in furnishing covered  
24 OPD services or on a retrospective basis using cost  
25 reports submitted by a hospital.

1 “(2) DEFINITIONS.—For purposes of paragraph  
2 (1)—

3 “(A) subject to paragraph (3), the term  
4 ‘applicable percentage’ means—

5 “(i) with respect to covered OPD  
6 services furnished during the first full cal-  
7 endar year (and any portion of the imme-  
8 diately preceding calendar year) for which  
9 the prospective payment system established  
10 under section 1833(t) of such Act is in ef-  
11 fect, 95 percent;

12 “(ii) with respect to the second full  
13 calendar year for which such system is in  
14 effect, 90 percent; and

15 “(iii) with respect to the third full cal-  
16 endar year for which such system is in ef-  
17 fect, 85 percent; and

18 “(B) the term ‘covered OPD services’ has  
19 the meaning given to such term in section  
20 1833(t)(1)(B) of such Act.

21 “(3) APPLICATION TO CERTAIN HOSPITALS.—In  
22 the case of hospitals described in section 1833(t)(8)  
23 of such Act, the ‘applicable percentage’ for a cal-  
24 endar year (or portion thereof) shall be the same ap-  
25 plicable percentage that applies to covered OPD

1 services furnished by hospitals that are not described  
2 in such section during such calendar year (or portion  
3 thereof).

4 “(4) RULE OF CONSTRUCTION.—Nothing in  
5 this subsection shall be construed as affecting the  
6 amount of cost sharing paid by individuals enrolled  
7 under part B of title XVIII of the Social Security  
8 Act for covered OPD services.”.

9 (b) CONFORMING AMENDMENT.—Section  
10 1833(t)(1)(A) of the Social Security Act (42 U.S.C.  
11 1395l(t)(1)(A)) is amended by inserting “except as pro-  
12 vided in section 4523(e) of the Balanced Budget Act of  
13 1997,” after “1999,”.

14 (c) EFFECTIVE DATE.—The amendments made by  
15 this section shall become effective as if included in the en-  
16 actment of the Balanced Budget Act of 1997.

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