

106TH CONGRESS
1ST SESSION

S. 1757

To amend title XVIII of the Social Security Act to improve access to rural health care providers.

IN THE SENATE OF THE UNITED STATES

OCTOBER 20, 1999

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

A BILL

To amend title XVIII of the Social Security Act to improve access to rural health care providers.

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 “Rural Hospital Relief
5 Act of 1999”.

6 **SEC. 2. ELIMINATING UNINTENDED REDUCTION IN CON-**
7 **VERSION FACTOR FOR MEDICARE OPD PPS.**

8 (a) CALCULATION OF BASE AMOUNTS.—Section
9 1833(t)(3)(A)(ii) of the Social Security Act (42 U.S.C.
10 1395l(t)(3)(A)(ii)) is amended—

1 (1) by striking “copayments estimated to be
2 paid under this subsection” and inserting “coinsur-
3 ance that would be paid under this part”;and

4 (2) by striking “1999,” and inserting “1999 if
5 this subsection did not apply and”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 subsection (a) shall take effect as if included in the provi-
8 sion of the Balanced Budget Act of 1997 to which the
9 amendment relates at the time such provision became law.

10 **SEC. 3. LIMITING REDUCTIONS IN FEDERAL PAYMENTS**
11 **UNDER OPD PPS.**

12 (a) IN GENERAL.—Section 4523 of the Balanced
13 Budget Act of 1997 is amended by adding at the end the
14 following:

15 “(e) TEMPORARY LIMIT ON REDUCTIONS IN FED-
16 ERAL PAYMENTS.—

17 “(1) IN GENERAL.—Notwithstanding section
18 1833(t) of the Social Security Act (42 U.S.C.
19 1395l(t)), as added by subsection (a), the amount
20 that is paid from the Federal Supplementary Med-
21 ical Insurance Trust Fund for covered OPD Services
22 furnished by a hospital in a rural area during a cal-
23 endar year (or portion thereof) specified in para-
24 graph (2)(A) may not be less than the applicable
25 percentage of the case mix adjusted average amount

that would have been payable to such hospital for such services (including cost-sharing) if the prospective payment system established under such section did not apply. Such average amount may be determined on a prospective basis using the Secretary's best estimate of the reasonable costs incurred in furnishing covered OPD services or on a retrospective basis using cost reports submitted by such a hospital.

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

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

“(i) with respect to covered OPD services furnished during the first full calendar year (and any portion of the immediately preceding calendar year) for which the prospective payment system established under section 1833(t) of such Act is in effect—

“(I) 100 percent for hospitals in rural areas with less than 50 beds; and

“(II) 95 percent for hospitals not described in subclause (I);

1 “(ii) with respect to the second full
2 calendar year for which such system is in
3 effect—

4 “(I) 98 percent for hospitals in
5 rural areas with less than 50 beds;
6 and

7 “(II) 90 percent for hospitals not
8 described in subclause (I);

9 “(iii) with respect to the third full cal-
10 endar year for which such system is in
11 effect—

12 “(I) 95 percent for hospitals in
13 rural areas with less than 50 beds;
14 and

15 “(II) 85 percent for hospitals not
16 described in subclause (I); and

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

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

1 in such section during such calendar year (or portion
2 thereof).

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

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

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

16 **SEC. 4. EXCLUDING CERTAIN AMBULANCE SERVICES FROM**
17 **SNF PPS.**

18 (a) IN GENERAL.—Section 1888(e)(2)(A)(ii) of the
19 Social Security Act (42 U.S.C. 1395yy(e)(2)(A)(ii)) is
20 amended by inserting “ambulance and transport services
21 furnished to patients requiring outpatient dialysis serv-
22 ices,” after “section 1861(s)(2),”.

23 (b) EFFECTIVE DATE.—The amendment made by
24 subsection (a) shall apply to services furnished on or after
25 January 1, 2000.

1 **SEC. 5. STANDARDS FOR, AND TREATMENT OF, CRITICAL**
 2 **ACCESS HOSPITALS.**

3 (a) IN GENERAL.—

4 (1) LIMITATIONS ON BEDS AND LOS.—Section
 5 1820(c)(2)(B)(iii) of the Social Security Act (42
 6 U.S.C. 1395i–4(c)(2)(B)(iii)) is amended by striking
 7 “to exceed 96 hours” and inserting “to exceed, on
 8 average, 96 hours per patient”.

9 (2) PAYMENT.—

10 (A) PART A.—Section 1814(l) of the Social
 11 Security Act (42 U.S.C. 1395f(l)) is amended by
 12 adding at the end the following: “In the case of
 13 a critical access hospital that is located in a
 14 health professional shortage area, the amount
 15 otherwise payable under the preceding sentence
 16 shall be increased by 5 percentage points.”.

17 (B) PART B.—Section 1834(g) of the So-
 18 cial Security Act (42 U.S.C. 1395m(g)) is
 19 amended by adding at the end the following:
 20 “In the case of a critical access hospital that is
 21 located in a health professional shortage area,
 22 the amount otherwise payable under the pre-
 23 ceding sentence shall be increased by 5 percent-
 24 age points.”.

25 (3) PERMITTING MAINTENANCE OF DISTINCT
 26 PART GERIATRIC PSYCHIATRIC UNIT.—Section

1 1820(f) of the Social Security Act (42 U.S.C.
2 1395i-4(f)) is amended—

3 (A) by inserting “AND CERTAIN DISTINCT
4 PART UNITS” after “SWING BEDS”;

5 (B) by inserting “(1)” after “BEDS.—”,
6 and

7 (C) by adding at the end the following:

8 “(2) Nothing in this section shall be construed to pro-
9 hibit a State from designating or the Secretary from certi-
10 fying a facility as a critical access hospital solely because
11 the facility maintains a distinct part psychiatric unit for
12 geriatric patients.”.

13 (b) CRITERIA FOR DESIGNATION.—Section
14 1820(c)(2)(B)(i) of the Social Security Act (42 U.S.C.
15 1395i-4(c)(2)(B)(i)) is amended by striking “is a” and
16 all that follows through “hospital and”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to services furnished on or after
19 October 1, 1999.

20 **SEC. 6. EXCLUSION OF SWING-BED DAYS FROM SNF PPS.**

21 (a) EXCLUSION FROM SNF PPS.—Section
22 1888(e)(7) of the Social Security Act (42 U.S.C.
23 1395yy(e)(7)) is amended to read as follows:

24 “(7) EXCLUSION.—The prospective payment
25 system established under this subsection shall not

1 apply to services provided by a hospital under an
2 agreement described in section 1883.”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to services furnished on or after
5 October 1, 1999.

6 **SEC. 7. RESTORATION OF MEDICARE PAYMENTS FOR BAD**
7 **DEBT.**

8 (a) IN GENERAL.—Section 1861(v)(1)(T)(iii) of the
9 Social Security Act (42 U.S.C. 1395x(v)(1)(T)(iii)) is
10 amended by striking “45” and inserting “10”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 subsection (a) shall take effect as if included in the provi-
13 sion of the Balanced Budget Act of 1997 to which the
14 amendment relates at the time such provision became law.

15 **SEC. 8. TEMPORARY EXEMPTION OF RURAL HEALTH CLIN-**
16 **ICS FROM PRODUCTIVITY STANDARDS.**

17 (a) IN GENERAL.—Section 1833(f) of the Social Se-
18 curity Act (42 U.S.C. 1395l(f)) is amended—

19 (1) by redesignating paragraphs (1) and (2) as
20 subparagraphs (A) and (B), respectively;

21 (2) by inserting “(1)” after “(f)”; and

22 (3) by adding at the end the following:

23 “(2) The Secretary may not apply productivity guide-
24 lines in determining the reasonable costs of rural health

1 clinics for services furnished in calendar year 1998, 1999,
 2 2000, or 2001.”.

3 **SEC. 9. INFLATION UPDATES FOR RURAL PROVIDERS.**

4 (a) HOSPITALS.—

5 (1) PPS.—Subclauses (XV) and (XVI) of sec-
 6 tion 1886(b)(3)(B)(i) of the Social Security Act (42
 7 U.S.C. 1395ww(b)(3)(B)(i)) are each amended by
 8 striking “all areas” and inserting “urban areas, and
 9 the market basket percentage increase for hospitals
 10 in rural areas”.

11 (2) PPS-EXEMPT.—Section 1886(b)(3)
 12 (B)(ii)(VII) of the Social Security Act (42 U.S.C.
 13 1395ww(b)(3)(B)(ii)(VII)) is amended to read as fol-
 14 lows:

15 “(VII) for fiscal years 1999 through 2002, is
 16 the market basket percentage increase for hospitals
 17 in rural areas, and the applicable update factor spec-
 18 ified under clause (vi) for the fiscal year for hos-
 19 pitals in urban areas; and”.

20 (b) SKILLED NURSING FACILITIES.—Subclauses (I)
 21 and (II) of section 1888(e)(4)(E)(ii) of the Social Security
 22 Act (42 U.S.C. 1395yy(e)(4)(E)(ii)) are each amended by
 23 inserting “for skilled nursing facilities in urban areas, and
 24 by the skilled nursing facility market basket percentage

1 change for such year for skilled nursing facilities in rural
2 areas” after “point”.

3 **SEC. 10. EMERGENCY REQUIREMENT.**

4 The entire amount necessary to carry out this Act
5 and the amendments made by this Act shall be available
6 only to the extent that an official budget request for the
7 entire amount, that includes designation of the entire
8 amount of the request as an emergency requirement as
9 defined in the Balanced Budget and Emergency Deficit
10 Control Act of 1985, as amended, is transmitted by the
11 President to the Congress: *Provided*, That the entire
12 amount is designated by the Congress as an emergency
13 requirement pursuant to section 251(b)(2)(A) of such Act.

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