

107TH CONGRESS  
1ST SESSION

# H. R. 975

To amend title XVIII of the Social Security Act to eliminate the 15 percent reduction in payment rates under the prospective payment system for home health services under the Medicare Program and to permanently increase payments for such services that are furnished in rural areas.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 13, 2001

Mr. WATKINS (for himself, Mr. WATTS of Oklahoma, Mr. PETERSON of Pennsylvania, Mr. JEFFERSON, Mr. McGOVERN, Mr. LAFALCE, Mr. MCHUGH, Mr. HILLEARY, Mr. RAHALL, Mr. SESSIONS, Mr. McNULTY, Mr. FROST, Mr. PICKERING, Mr. ROGERS of Michigan, Mr. GORDON, Ms. HART, Mr. BLUMENAUER, Mr. DEAL of Georgia, Mr. TOWNS, Mr. WALSH, Mr. KANJORSKI, Mr. KILDEE, Ms. CARSON of Indiana, Mrs. MINK of Hawaii, Mr. DOYLE, Mr. BALDACCI, Ms. BERKLEY, Mr. JONES of North Carolina, Mrs. THURMAN, Ms. SLAUGHTER, Mr. DEFAZIO, Mr. MASCARA, Mr. SMITH of Washington, Ms. WOOLSEY, Mr. PAUL, Ms. LEE, Ms. KILPATRICK, Ms. HOOLEY of Oregon, Mr. OLVER, and Mr. MALONEY of Connecticut) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and 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 eliminate the 15 percent reduction in payment rates under the prospective payment system for home health services under the Medicare Program and to permanently increase payments for such services that are furnished in rural areas.

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 “Home Health Fairness  
5   Act of 2001”.

6   **SEC. 2. ELIMINATION OF 15 PERCENT REDUCTION IN PAY-**  
7                   **MENT RATES UNDER THE PROSPECTIVE PAY-**  
8                   **MENT SYSTEM FOR HOME HEALTH SERVICES.**

9       (a) IN GENERAL.—Section 1895(b)(3)(A) of the So-  
10   cial Security Act (42 U.S.C. 1395fff(b)(3)(A)), as amend-  
11   ed by section 501(a) of the Medicare, Medicaid, and  
12   SCHIP Benefits Improvement and Protection Act of 2000  
13   (as enacted into law by section 1(a)(6) of Public Law 106–  
14   554), is amended to read as follows:

15                   “(A) INITIAL BASIS.—Under such system  
16                   the Secretary shall provide for computation of  
17                   a standard prospective payment amount (or  
18                   amounts) as follows:

19                   “(i) Such amount (or amounts) shall  
20                   initially be based on the most current au-  
21                   dited cost report data available to the Sec-  
22                   retary and shall be computed in a manner  
23                   so that the total amounts payable under  
24                   the system for fiscal year 2001 shall be  
25                   equal to the total amount that would have

1                   been made if the system had not been in  
2                   effect and if section 1861(v)(1)(L)(ix) had  
3                   not been enacted.

4                   “(ii) For fiscal year 2002 and for  
5                   each subsequent fiscal year, such amount  
6                   (or amounts) shall be equal to the amount  
7                   (or amounts) determined under this para-  
8                   graph for the previous fiscal year, updated  
9                   under subparagraph (B).

10                  Each such amount shall be standardized in a  
11                  manner that eliminates the effect of variations  
12                  in relative case mix and area wage adjustments  
13                  among different home health agencies in a  
14                  budget neutral manner consistent with the case  
15                  mix and wage level adjustments provided under  
16                  paragraph (4)(A). Under the system, the Sec-  
17                  retary may recognize regional differences or dif-  
18                  ferences based upon whether or not the services  
19                  or agency are in an urbanized area.”.

20                  (b) ELIMINATION OF REPORT.—Section 302(c) of the  
21                  Medicare, Medicaid, and SCHIP Balanced Budget Refine-  
22                  ment Act of 1999 (Appendix F, 113 Stat. 1501A–360),  
23                  as enacted into law by section 1000(a)(6) of Public Law  
24                  106–113, and as amended by section 501(b) of the Medi-  
25                  care, Medicaid, and SCHIP Benefits Improvement and

1 Protection Act of 2000 (as enacted into law by section  
2 1(a)(6) of Public Law 106–554), is repealed.

3 (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall take effect as if included in the amend-  
5 ments made by section 501 of the Medicare, Medicaid, and  
6 SCHIP Benefits Improvement and Protection Act of 2000  
7 (as enacted into law by section 1(a)(6) of Public Law 106–  
8 554).

9 **SEC. 3. PERMANENT INCREASE FOR HOME HEALTH SERV-**

10 **ICES FURNISHED IN A RURAL AREA.**

11 (a) IN GENERAL.—Section 1895 of the Social Secu-  
12 rity Act (42 U.S.C. 1395fff), as amended by section 504  
13 of the Medicare, Medicaid, and SCHIP Benefits Improve-  
14 ment and Protection Act of 2000 (as enacted into law by  
15 section 1(a)(6) of Public Law 106–554), is amended by  
16 adding at the end the following new subsection:

17 “(f) INCREASE FOR SERVICES FURNISHED IN A  
18 RURAL AREA.—

19 (1) IN GENERAL.—In the case of home health  
20 services furnished in a rural area (as defined in sec-  
21 tion 1886(d)(2)(D)) on or after April 1, 2001, the  
22 Secretary shall increase the payment amount other-  
23 wise made under this section for such services by 10  
24 percent.

1                   “(2) WAIVER OF BUDGET NEUTRALITY.—The  
2                   Secretary shall not reduce the standard prospective  
3                   payment amount (or amounts) under this section ap-  
4                   plicable to home health services furnished during a  
5                   period to offset the increase in payments resulting  
6                   from the application of paragraph (1).”.

7                   (b) CONFORMING AMENDMENT.—Section 508 of the  
8                   Medicare, Medicaid, and SCHIP Benefits Improvement  
9                   and Protection Act of 2000 (as enacted into law by section  
10                  1(a)(6) of Public Law 106–554) is repealed.

11                  (c) EFFECTIVE DATE.—The amendments made by  
12                  this section shall take effect as if included in the enact-  
13                  ment of the Medicare, Medicaid, and SCHIP Benefits Im-  
14                  provement and Protection Act of 2000 (as enacted into  
15                  law by section 1(a)(6) of Public Law 106–554).

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