

108TH CONGRESS
2D SESSION

H. R. 3790

To impose a moratorium on payments for inpatient hospital services in additional long-term care hospital beds under the Medicare Program.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 2004

Mr. STARK introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To impose a moratorium on payments for inpatient hospital services in additional long-term care hospital beds under the Medicare Program.

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 “Long-term Care Hos-
5 pital Moratorium Act of 2004”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) Long-term care hospitals are one of four
9 types of post-acute care settings that are reimbursed
10 under the Medicare program.

1 (2) There has been substantial growth in the
2 number of these hospitals over the past decade.
3 Since 1993, the number of long-term care hospitals
4 has increased over 275 percent from 109 to 300 fa-
5 cilities.

6 (3) Corresponding to the increase in number of
7 these facilities is a rapid increase in Medicare spend-
8 ing on long-term care hospitals. Medicare spending
9 has jumped over 500 percent from \$398 million in
10 1993 to an anticipated 2.3 billion in 2005.

11 (4) Long-term care hospitals are the most ex-
12 pensive on average of all the post acute alternatives,
13 currently costing approximately \$35,700 per patient
14 episode. Current earnings and margins for these
15 hospitals are significantly higher than for com-
16 parable Medicare reimbursed clinical service pro-
17 grams.

18 (5) There is evidence that patients are being
19 admitted into long-term care hospitals when services
20 can be provided in other less expensive post-acute
21 care settings.

22 (6) These trends raise questions about—

23 (A) the clinical need to support the rapid
24 growth in long-term care hospitals;

1 (B) the appropriateness of the current
2 Medicare payment system for long-term care
3 hospital services; and

4 (C) the extent to which clinical admissions
5 criteria for long-term care hospital patients can
6 be modified so as to minimize the acceptance of
7 patients into these settings that can be appro-
8 priately treated in alternative, less costly post-
9 acute settings.

10 (7) A temporary moratorium on recognizing ad-
11 ditional long-term care hospital beds is appropriate
12 until these questions are answered, in order to en-
13 sure that beneficiaries are receiving the treatment
14 they require and that Medicare funds are being pru-
15 dently spent.

16 **SEC. 3. MORATORIUM ON MEDICARE PAYMENT FOR INPA-**
17 **TIENT HOSPITAL SERVICES IN ADDITIONAL**
18 **LONG-TERM CARE HOSPITAL BEDS.**

19 (a) IN GENERAL.—Notwithstanding any other provi-
20 sion of law, except as provided in subsection (b), no pay-
21 ment shall be made under section 1886 of the Social Secu-
22 rity Act (42 U.S.C. 1395ww) for inpatient hospital serv-
23 ices provided in a long-term care hospital unless such serv-
24 ices were provided for services furnished for a patient in
25 a bed which was either in operation or in development (as

1 determined by the Secretary) as of the date of the intro-
2 duction of the Long-term Care Hospital Moratorium Act
3 of 2004.

4 (b) TERMINATION OF MORATORIUM.—

5 (1) IN GENERAL.—The Secretary may termi-
6 nate the moratorium under subsection (a) if the Sec-
7 retary determines that adequate information is ob-
8 tained and any appropriate interventions are imple-
9 mented to ensure that beneficiaries within long-term
10 care hospitals are receiving the treatment they re-
11 quire and that Medicare funds allocated to these
12 hospitals are being prudently spent.

13 (2) CONDITION.— The Secretary shall only
14 make such determination based on the Secretary
15 judgment that there is adequate evidence—

16 (A) of a clinical need for a growth in the
17 number of beds in long-term care hospitals;

18 (B) that an appropriate reimbursement
19 system and rate is in place for Medicare pay-
20 ment for inpatient hospital services in such hos-
21 pitals; and

22 (C) of a clinical admission policy for such
23 hospitals that minimizes the acceptance of pa-
24 tients into these settings that can be appro-

1 priately treated in alternative, less costly post
2 acute settings.

3 (c) PRIOR REPORT TO CONGRESS.—If the Secretary
4 intends to terminate the moratorium under subsection (b),
5 the Secretary shall submit to Congress a report at least
6 1 month before the date of such termination. Such report
7 shall include the rationale for the termination and shall
8 specify the evidence described in subsection (b)(2) that
9 supports the termination of the moratorium.

10 (d) DEFINITIONS.—For purposes of this section:

11 (1) The term “long-term care hospital” means
12 a hospital described in section 1886(d)(1)(B)(iv) of
13 the Social Security Act (42 U.S.C.
14 1395ww(d)(1)(B)(iv)).

15 (2) The term “Secretary ” means the Secretary
16 of Health and Human Services.

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