

110TH CONGRESS
2D SESSION

S. 2786

To amend title XVIII of the Social Security Act to improve access to health care under the Medicare program for beneficiaries residing in rural areas.

IN THE SENATE OF THE UNITED STATES

MARCH 13, 2008

Mr. GRASSLEY 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 health care under the Medicare program for beneficiaries residing 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Medicare Rural Health Access Improvement Act of
6 2008”.

7 (b) TABLE OF CONTENTS.—The table of contents of
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—PROVISIONS RELATING TO MEDICARE PART A

- Sec. 101. Extension of Medicare FLEX grants.
- Sec. 102. Improvements to the medicare-dependent hospital (MDH) program.
- Sec. 103. Rebasing for sole community hospitals.
- Sec. 104. Temporary improvements to the Medicare inpatient hospital payment adjustment for low-volume hospitals.
- Sec. 105. Temporary elimination of the DSH adjustment cap.

TITLE II—PROVISIONS RELATING TO MEDICARE PART B

- Sec. 201. Extension and expansion of the Medicare hold harmless provision under the prospective payment system for hospital outpatient department (HOPD) services for certain hospitals.
- Sec. 202. Treatment of rural sole community hospitals and medicare dependent, small rural hospitals under the prospective payment system for hospital outpatient department (HOPD) services.
- Sec. 203. Permanent treatment of Medicare reasonable costs payments for certain clinical diagnostic laboratory tests furnished to hospital patients in certain rural areas.
- Sec. 204. Clarification of payment for clinical laboratory tests furnished by critical access hospitals.
- Sec. 205. Extension of Medicare incentive payment program for physician scarcity areas.
- Sec. 206. Revisions to the work geographic adjustment under the Medicare physician fee schedule.
- Sec. 207. Revisions to the practice expense geographic adjustment under the Medicare physician fee schedule.
- Sec. 208. Extension of treatment of certain physician pathology services under Medicare.
- Sec. 209. Extension of increased Medicare payments for rural ground ambulance services.
- Sec. 210. Adding hospital-based renal dialysis centers (including satellites) as originating sites for payment of telehealth services.
- Sec. 211. Adding skilled nursing facilities as originating sites for payment of telehealth services.
- Sec. 212. Rural health clinic improvements.
- Sec. 213. Exemption for suppliers in small MSAs and rural areas.
- Sec. 214. Permitting physician assistants to order post-hospital extended care services and to provide for recognition of attending physician assistants as attending physicians to serve hospice patients.

1 **TITLE I—PROVISIONS RELATING** 2 **TO MEDICARE PART A**

3 **SEC. 101. EXTENSION OF MEDICARE FLEX GRANTS.**

4 Section 1820(j) of the Social Security Act (42 U.S.C.
5 1395i–4(j)) is amended by striking “2008” and inserting
6 “2009”.

1 **SEC. 102. IMPROVEMENTS TO THE MEDICARE-DEPENDENT**
2 **HOSPITAL (MDH) PROGRAM.**

3 (a) USE OF NON-WAGE ADJUSTED PPS RATE.—
4 Section 1886(d)(5)(G) of the Social Security Act (42
5 U.S.C. 1395ww(d)(5)(G)) is amended by adding at the
6 end the following new clause:

7 “(v) In the case of discharges occurring on or after
8 October 1, 2008, and before October 1, 2011, in deter-
9 mining the amount under paragraph (1)(A)(iii) for pur-
10 poses of clauses (i) and (ii)(II), such amount shall, if it
11 results in greater payments to the hospital, be determined
12 without regard to any adjustment for different area wage
13 levels under paragraph (3)(E).”.

14 (b) ENHANCED PAYMENT FOR AMOUNT BY WHICH
15 THE TARGET EXCEEDS THE PPS RATE.—Section
16 1886(d)(5)(G)(ii)(II) of the Social Security Act (42
17 U.S.C. 1395ww(d)(5)(G)(ii)(II)) is amended by inserting
18 “and before October 1, 2008, or 85 percent in the case
19 of discharges occurring on or after October 1, 2008, and
20 before October 1, 2011” after “October 1, 2006”.

21 **SEC. 103. REBASING FOR SOLE COMMUNITY HOSPITALS.**

22 (a) REBASING PERMITTED.—Section 1886(b)(3) of
23 the Social Security Act (42 U.S.C. 1395ww(b)(3)) is
24 amended by adding at the end the following new subpara-
25 graph:

1 “(L)(i) For cost reporting periods beginning on or
 2 after October 1, 2008, in the case of a sole community
 3 hospital there shall be substituted for the amount other-
 4 wise determined under subsection (d)(5)(D)(i) of this sec-
 5 tion, if such substitution results in a greater amount of
 6 payment under this section for the hospital, the subpara-
 7 graph (L) rebased target amount.

8 “(ii) For purposes of this subparagraph, the term
 9 ‘subparagraph (L) rebased target amount’ has the mean-
 10 ing given the term ‘target amount’ in subparagraph (C),
 11 except that—

12 “(I) there shall be substituted for the base cost
 13 reporting period the 12-month cost reporting period
 14 beginning during fiscal year 2002;

15 “(II) any reference in subparagraph (C)(i) to
 16 the ‘first cost reporting period’ described in such
 17 subparagraph is deemed a reference to the first cost
 18 reporting period beginning on or after October 1,
 19 2008; and

20 “(III) the applicable percentage increase shall
 21 only be applied under subparagraph (C)(iv) for dis-
 22 charges occurring in fiscal years beginning with fis-
 23 cal year 2009.”.

(b) CONFORMING AMENDMENTS.—Section 1886(b)(3) of the Social Security Act (42 U.S.C. 1395ww(b)(3)) is amended—

(1) in subparagraph (C), in the matter preceding clause (i), by striking “subparagraph (I)” and inserting “subparagraphs (I) and (L)”; and

(2) in subparagraph (I)(i), in the matter preceding subclause (I), by striking “For” and inserting “Subject to subparagraph (L), for”.

**SEC. 104. TEMPORARY IMPROVEMENTS TO THE MEDICARE
INPATIENT HOSPITAL PAYMENT ADJUST-
MENT FOR LOW-VOLUME HOSPITALS.**

Section 1886(d)(12) of the Social Security Act (42 U.S.C. 1395ww(d)(12)) is amended—

(1) in subparagraph (A), by inserting “or (D)” after “subparagraph (B)”;

(2) in subparagraph (B), by striking “The Secretary” and inserting “For discharges occurring in fiscal years 2005 through 2008 and for discharges occurring in fiscal year 2011 and subsequent fiscal years, the Secretary”;

(3) in subparagraph (C)(i)—

(A) by inserting “(or, with respect to fiscal years 2009 and 2010, 15 road miles)” after “25 road miles”; and

1 (B) by inserting “(or, with respect to fiscal
 2 years 2009 and 2010, 2,000 discharges of indi-
 3 viduals entitled to, or enrolled for, benefits
 4 under part A)” after “800 discharges”; and
 5 (4) by adding at the end the following new sub-
 6 paragraph:

7 “(D) TEMPORARY APPLICABLE PERCENT-
 8 AGE INCREASE.—For discharges occurring in
 9 fiscal years 2009 or 2010, the Secretary shall
 10 determine an applicable percentage increase for
 11 purposes of subparagraph (A) using a linear
 12 sliding scale ranging from 25 percent for low-
 13 volume hospitals with fewer than an appro-
 14 priate number (as determined by the Secretary)
 15 of discharges of individuals entitled to, or en-
 16 rolled for, benefits under part A in the fiscal
 17 year to 0 percent for low-volume hospitals with
 18 greater than 2,000 discharges of such individ-
 19 uals in the fiscal year.”.

20 **SEC. 105. TEMPORARY ELIMINATION OF THE DSH ADJUST-**
 21 **MENT CAP.**

22 Section 1886(d)(5)(F)(xiv)(II) of the Social Security
 23 Act (42 U.S.C. 1395ww(d)(5)(F)(xiv)(II)) is amended by
 24 adding at the end the following new sentence: “The pre-
 25 ceding sentence shall not apply to any hospital in the case

1 of discharges occurring on or after October 1, 2008, and
 2 before October 1, 2010.”.

3 **TITLE II—PROVISIONS RELAT-** 4 **ING TO MEDICARE PART B**

5 **SEC. 201. EXTENSION AND EXPANSION OF THE MEDICARE** 6 **HOLD HARMLESS PROVISION UNDER THE** 7 **PROSPECTIVE PAYMENT SYSTEM FOR HOS-** 8 **PITAL OUTPATIENT DEPARTMENT (HOPD)** 9 **SERVICES FOR CERTAIN HOSPITALS.**

10 Section 1833(t)(7)(D)(i) of the Social Security Act
 11 (42 U.S.C. 1395l(t)(7)(D)(i)) is amended—

12 (1) in subclause (II)—

13 (A) in the first sentence, by striking
 14 “2009” and inserting “2010”; and

15 (B) by striking the second sentence and in-
 16 serting the following new sentence: “For pur-
 17 poses of the preceding sentence, the applicable
 18 percentage shall be 95 percent with respect to
 19 covered OPD services furnished in 2006, 90
 20 percent with respect to such services furnished
 21 in 2007, 85 percent with respect to such serv-
 22 ices furnished in 2008, 100 percent with re-
 23 spect to such services furnished in 2009, and
 24 100 percent with respect to such services fur-
 25 nished in 2010.”; and

1 (2) by adding at the end the following new sub-
 2 clause:

3 “(III) In the case of a sole community
 4 hospital (as defined in section
 5 1886(d)(5)(D)(iii)), for covered OPD serv-
 6 ices furnished on or after January 1, 2009,
 7 and before January 1, 2011, for which the
 8 PPS amount is less than the pre-BBA
 9 amount, the amount of payment under this
 10 subsection shall be increased by 100 per-
 11 cent of the amount of such difference.”.

12 **SEC. 202. TREATMENT OF RURAL SOLE COMMUNITY HOS-**
 13 **PITALS AND MEDICARE DEPENDENT, SMALL**
 14 **RURAL HOSPITALS UNDER THE PROSPEC-**
 15 **TIVE PAYMENT SYSTEM FOR HOSPITAL OUT-**
 16 **PATIENT DEPARTMENT (HOPD) SERVICES.**

17 Section 1833(t)(13) of the Social Security Act (42
 18 U.S.C. 1395l(t)(13)) is amended—

19 (1) in the heading, by striking “AUTHORIZA-
 20 TION OF ADJUSTMENT” and inserting “ADJUST-
 21 MENT”;

22 (2) in subparagraph (B)—

23 (A) in the heading, by inserting “FOR 2006,
 24 2007, AND 2008” after “ADJUSTMENT”; and

1 (B) by adding at the end the following new
 2 sentence: “Such authority shall apply with re-
 3 spect to services furnished in 2006, 2007, or
 4 2008.”; and

5 (3) by adding at the end the following new sub-
 6 paragraph:

7 “(C) ADJUSTMENT FOR 2009 AND SUBSE-
 8 QUENT YEARS FOR CERTAIN RURAL HOS-
 9 PITALS.—

10 “(i) ADJUSTMENT.—

11 “(I) IN GENERAL.—Subject to
 12 clause (ii), in the case of covered OPD
 13 services furnished on or after January
 14 1, 2009, by a sole community hospital
 15 (as defined in subparagraph (D)(iii)
 16 of section 1886(d)(5)) located in a
 17 rural area or a medicare-dependent,
 18 small rural hospital (as defined in
 19 subparagraph (G)(iv) of such section,
 20 the amount of payment that would
 21 otherwise be made for such service
 22 under this subsection shall be in-
 23 creased by an amount equal to 7.1
 24 percent of such amount. Such increase

1 shall be applied before calculating
2 outliers and coinsurance.

3 “(II) REVISION WITH NOTICE
4 AND COMMENT.—In the case of cov-
5 ered OPD services furnished on or
6 after January 1, 2010, the Secretary
7 may revise the percent described in
8 subclause (I) through the promulga-
9 tion of a regulation.

10 “(ii) NOT APPLICABLE TO PASS-
11 THROUGH DEVICES, DRUGS, AND
12 BIOLOGICALS.—The increase under clause
13 (i) shall not apply to the payment for a de-
14 vice, drug, or biological described in clause
15 (i), (ii), (iii), or (iv) of paragraph (6)(A).

16 “(iii) EXEMPTION FROM BUDGET
17 NEUTRALITY.—The provisions of this sub-
18 paragraph shall not be effected in a budg-
19 et-neutral manner under this subsection.”.

1 **SEC. 203. PERMANENT TREATMENT OF MEDICARE REASON-**
2 **ABLE COSTS PAYMENTS FOR CERTAIN CLIN-**
3 **ICAL DIAGNOSTIC LABORATORY TESTS FUR-**
4 **NISHED TO HOSPITAL PATIENTS IN CERTAIN**
5 **RURAL AREAS.**

6 Section 1833 of the Social Security Act (42 U.S.C.
7 1395l) is amended by adding at the end the following new
8 subsection:

9 “(v) REASONABLE COSTS PAYMENTS FOR CERTAIN
10 CLINICAL DIAGNOSTIC LABORATORY TESTS FURNISHED
11 TO HOSPITAL PATIENTS IN CERTAIN RURAL AREAS.—

12 “(1) IN GENERAL.—Notwithstanding sub-
13 sections (a), (b), and (h) and section 1834(d)(1), in
14 the case of a clinical diagnostic laboratory test cov-
15 ered under this part that is furnished during a cost
16 reporting period beginning on or after July 1, 2008,
17 by a hospital with fewer than 50 beds that is located
18 in a qualified rural area (identified under paragraph
19 (12)(B)(iii) of section 1834(l)) as part of outpatient
20 services of the hospital, the amount of payment for
21 such test shall be 100 percent of the reasonable
22 costs of the hospital in furnishing such test.

23 “(2) PROVISION AS PART OF OUTPATIENT HOS-
24 PITAL SERVICES.—For purposes of paragraph (1), in
25 determining whether clinical diagnostic laboratory
26 services are furnished as part of outpatient services

1 of a hospital, the Secretary shall apply the same
 2 rules that are used to determine whether clinical di-
 3 agnostic laboratory services are furnished as an out-
 4 patient critical access hospital service under section
 5 1834(g)(4) (determined without regard to the
 6 amendments made by section 204 of the Medicare
 7 Rural Health Access Improvement Act of 2008).

8 “(3) REFERENCE.—For the treatment of cer-
 9 tain clinical diagnostic laboratory tests furnished
 10 prior to July 1, 2007, see section 416 of the Medi-
 11 care Prescription Drug, Improvement, and Mod-
 12 ernization Act of 2003, as extended by section 105
 13 of division B of the Tax Relief and Health Care Act
 14 of 2006 and section 107 of the Medicare, Medicaid,
 15 and SCHIP Extension Act of 2007.”.

16 **SEC. 204. CLARIFICATION OF PAYMENT FOR CLINICAL LAB-**
 17 **ORATORY TESTS FURNISHED BY CRITICAL**
 18 **ACCESS HOSPITALS.**

19 (a) IN GENERAL.—Section 1834(g)(4) of the Social
 20 Security Act (42 U.S.C. 1395m(g)(4)) is amended—

21 (1) in the heading, by striking “NO BENE-
 22 FICIARY COST-SHARING FOR” and inserting “TREAT-
 23 MENT OF”; and

24 (2) by adding at the end the following new sen-
 25 tence: “For purposes of the preceding sentence and

1 section 1861(mm)(3), clinical diagnostic laboratory
 2 services furnished by a critical access hospital shall
 3 be treated as being furnished as part of outpatient
 4 critical access services without regard to whether the
 5 individual with respect to whom such services are
 6 furnished is physically present in the critical access
 7 hospital at the time the specimen is collected or was
 8 in a skilled nursing facility or a clinic that is owned
 9 by, or co-located with, the critical access hospital.”.

10 (b) EFFECTIVE DATE.—The amendments made by
 11 subsection (a) shall apply to services furnished on or after
 12 January 1, 2009.

13 **SEC. 205. EXTENSION OF MEDICARE INCENTIVE PAYMENT**
 14 **PROGRAM FOR PHYSICIAN SCARCITY AREAS.**

15 Section 1833(u) of the Social Security Act (42 U.S.C.
 16 1395l(u)), as amended by section 102 of the Medicare,
 17 Medicaid, and SCHIP Extension Act of 2007 (Public Law
 18 110–173), is amended—

19 (1) in paragraph (1), by striking “before July
 20 1, 2008” and inserting “before January 1, 2010”;
 21 and

22 (2) in paragraph (4)(D), by striking “before
 23 July 1, 2008” and inserting “before January 1,
 24 2010”.

1 **SEC. 206. REVISIONS TO THE WORK GEOGRAPHIC ADJUST-**
2 **MENT UNDER THE MEDICARE PHYSICIAN**
3 **FEE SCHEDULE.**

4 (a) EXTENSION OF FLOOR.—Section 1848(e)(1)(E)
5 of the Social Security Act (42 U.S.C. 1395w–4(e)(1)(E)),
6 as amended by section 103 of the Medicare, Medicaid, and
7 SCHIP Extension Act of 2007 (Public Law 110–173), is
8 amended by striking “before July 1, 2008” and inserting
9 “before January 1, 2010”.

10 (b) RECOGNITION OF EQUALITY OF PHYSICIAN
11 WORK IN ALL GEOGRAPHIC AREAS.—Section 1848(e)(1)
12 of the Social Security Act (42 U.S.C. 1395w–4(e)(1)) is
13 amended—

14 (1) in subparagraph (A), in the matter pre-
15 ceding clause (i), by striking “subparagraphs (B)”
16 through “the Secretary” and inserting “the suc-
17 ceeding provisions of this paragraph, the Secretary”;
18 and

19 (2) by inserting after subparagraph (E) the fol-
20 lowing new subparagraph:

21 “(F) RECOGNITION OF EQUALITY OF PHY-
22 SICIAN WORK IN ALL GEOGRAPHIC AREAS.—In
23 recognition of the fact that the physician work
24 for a service is the same in all geographic areas,
25 and should be similarly valued under this title,
26 for services furnished on or after January 1,

1 2010, the geographic index for physician work
 2 under subparagraph (A)(iii) shall be 1.0 in all
 3 fee schedule areas.”.

4 **SEC. 207. REVISIONS TO THE PRACTICE EXPENSE GEO-**
 5 **GRAPHIC ADJUSTMENT UNDER THE MEDI-**
 6 **CARE PHYSICIAN FEE SCHEDULE.**

7 (a) ESTABLISHMENT OF FLOOR.—Section
 8 1848(e)(1) of the Social Security Act (42 U.S.C. 1395w–
 9 4(e)(1)) is amended by adding at the end the following
 10 new subparagraph:

11 “(H) FLOOR AT 1.0 ON PRACTICE EXPENSE
 12 GEOGRAPHIC INDEX.—After calculating the
 13 practice expense geographic index in subpara-
 14 graph (A)(i), for purposes of payment for serv-
 15 ices furnished in 2009, the Secretary shall in-
 16 crease the practice expense geographic index to
 17 1.0 for any locality for which such practice ex-
 18 pense geographic index is less than 1.0.”.

19 (b) MORE APPROPRIATE RECOGNITION OF PRACTICE
 20 EXPENSE DIFFERENCES IN EMPLOYEE WAGES AND OF-
 21 FICE RENTS AMONG GEOGRAPHIC AREAS.—Section
 22 1848(e)(1) of the Social Security Act (42 U.S.C. 1395w–
 23 4(e)(1)), as amended by subsection (a), is amended by
 24 adding at the end the following new subparagraph:

1 “(I) MORE APPROPRIATE RECOGNITION OF
2 DIFFERENCES IN EMPLOYEE WAGES AND OF-
3 FICE RENTS AMONG AREAS.—

4 “(i) IN GENERAL.—In recognition of
5 the limitations on available data (as de-
6 scribed in clause (ii)) for use as the em-
7 ployee wage and office rent proxies in the
8 practice expense geographic index de-
9 scribed in subparagraph (A)(i), and in
10 order to more appropriately reflect dif-
11 ferences among different fee schedule
12 areas, for services furnished on or after
13 January 1, 2010, such practice expense ge-
14 ographic index shall be an index which re-
15 flects $\frac{1}{2}$ of the difference between the rel-
16 ative costs of employee wages and rents in
17 each of the different fee schedule areas
18 and the national average of such employee
19 wages and rents.

20 “(ii) LIMITATIONS ON AVAILABLE
21 DATA.—The limitations on available data
22 described in this clause are the following:

23 “(I) The need to use proxy data
24 to reflect differences in employee
25 wages and rents among areas.

1 “(II) Wages for some categories
2 of employees being determined in na-
3 tional markets.

4 “(III) Physicians having to com-
5 pete for some employees in market
6 areas that cross fee schedule areas.

7 “(IV) Physicians in rural areas
8 frequently having to locate their of-
9 fices close to urban areas and com-
10 peting with urban rent markets.”.

11 **SEC. 208. EXTENSION OF TREATMENT OF CERTAIN PHYSI-**
12 **CIAN PATHOLOGY SERVICES UNDER MEDI-**
13 **CARE.**

14 Section 542(c) of the Medicare, Medicaid, and
15 SCHIP Benefits Improvement and Protection Act of 2000
16 (as enacted into law by section 1(a)(6) of Public Law 106–
17 554), as amended by section 732 of the Medicare Prescrip-
18 tion Drug, Improvement, and Modernization Act of 2003
19 (42 U.S.C. 1395w–4 note), section 104 of division B of
20 the Tax Relief and Health Care Act of 2006 (42 U.S.C.
21 1395w–4 note), and section 104 of the Medicare, Med-
22 icaid, and SCHIP Extension Act of 2007 (Public Law
23 110–173), is amended by striking “2007, and the first 6
24 months of 2008” and inserting “2007, 2008, and 2009”.

1 **SEC. 209. EXTENSION OF INCREASED MEDICARE PAYMENTS**
 2 **FOR RURAL GROUND AMBULANCE SERVICES.**

3 Section 1834(l)(13) of the Social Security Act (42
 4 U.S.C. 1395m(l)(13)) is amended—

5 (1) in subparagraph (A), in the heading, by
 6 striking “IN GENERAL” and inserting “FOR THE
 7 SECOND HALF OF 2004 AND FOR 2005 AND 2006”;

8 (2) by redesignating subparagraph (B) as sub-
 9 paragraph (C);

10 (3) by inserting the following after subpara-
 11 graph (A):

12 “(B) FOR THE SECOND HALF OF 2008 AND
 13 FOR 2009 WITH RESPECT TO RURAL AREAS.—
 14 After computing the rates with respect to
 15 ground ambulance services under the other ap-
 16 plicable provisions of this subsection, in the
 17 case of such services furnished on or after July
 18 1, 2008, and before January 1, 2010, for which
 19 the transportation originates in a rural area de-
 20 scribed in paragraph (9) or in a rural census
 21 tract described in such paragraph, the fee
 22 schedule established under this section shall
 23 provide that the rate for the service otherwise
 24 established, after application of any increase
 25 under paragraphs (11) and (12), shall be in-
 26 creased by 5 percent.”; and

1 (4) in subparagraph (C), as redesignated by
 2 paragraph (2)—

3 (A) in the heading, by striking “APPLICA-
 4 TION OF INCREASED PAYMENTS AFTER 2006”
 5 and inserting “NO EFFECT ON SUBSEQUENT
 6 PERIODS”; and

7 (B) by adding at the end the following new
 8 sentence: “The increased payments under sub-
 9 paragraph (B) shall not be taken into account
 10 in calculating payments for services furnished
 11 after the period specified in such subpara-
 12 graph.”.

13 **SEC. 210. ADDING HOSPITAL-BASED RENAL DIALYSIS CEN-**
 14 **TERS (INCLUDING SATELLITES) AS ORIGI-**
 15 **NATING SITES FOR PAYMENT OF TELE-**
 16 **HEALTH SERVICES.**

17 (a) IN GENERAL.—Section 1834(m)(4)(C)(ii) of the
 18 Social Security Act (42 U.S.C. 1395m(m)(4)(C)(ii)) is
 19 amended by adding at the end the following new sub-
 20 clause:

21 “(VI) A hospital-based or critical
 22 access hospital-based renal dialysis
 23 center (including satellites).”.

1 (b) EFFECTIVE DATE.—The amendment made by
 2 this section shall apply to services furnished on or after
 3 January 1, 2009.

4 **SEC. 211. ADDING SKILLED NURSING FACILITIES AS ORIGI-**
 5 **NATING SITES FOR PAYMENT OF TELE-**
 6 **HEALTH SERVICES.**

7 (a) ADDITION.—

8 (1) IN GENERAL.—Section 1834(m)(4)(C)(ii) of
 9 the Social Security Act (42 U.S.C.
 10 1395m(m)(4)(C)(ii)), as amended by section 210, is
 11 amended by adding at the end the following new
 12 subclause:

13 “(VII) A skilled nursing facility
 14 (as defined in section 1819(a)).”.

15 (2) CONFORMING AMENDMENT.—Section
 16 1888(e)(2)(A)(ii) of the Social Security Act (42
 17 U.S.C. 1395yy(e)(2)(A)(ii)) is amended by inserting
 18 “telehealth services furnished under section
 19 1834(m)(4)(C)(ii)(VII),” after “section
 20 1861(s)(2),”.

21 (b) EFFECTIVE DATE.—The amendments made by
 22 subsection (a) shall apply to telehealth services furnished
 23 on or after January 1, 2009.

1 **SEC. 212. RURAL HEALTH CLINIC IMPROVEMENTS.**

2 Section 1833(f) of the Social Security Act (42 U.S.C.
3 1395l(f)) is amended—

4 (1) in paragraph (1), by striking “, and” at the
5 end and inserting a semicolon;

6 (2) in paragraph (2)—

7 (A) by inserting “(before 2009)” after “in
8 a subsequent year”; and

9 (B) by striking the period at the end and
10 inserting a semicolon; and

11 (3) by adding at the end the following new
12 paragraphs:

13 “(3) in 2009, at \$92 per visit; and

14 “(4) in a subsequent year, at the limit estab-
15 lished under this subsection for the previous year in-
16 creased by the percentage increase in the MEI (as
17 so defined) furnished as of the first day of that
18 year.”.

19 **SEC. 213. EXEMPTION FOR SUPPLIERS IN SMALL MSAS AND**
20 **RURAL AREAS.**

21 (a) EXEMPTION.—Section 1847(a)(3) of the Social
22 Security Act (42 U.S.C. 1395w–3(a)(3)) is amended—

23 (1) in the matter preceding subparagraph (A),
24 by striking “may” and inserting “shall”; and

25 (2) by striking subparagraph (A) and inserting
26 the following:

1 “(A) rural areas and small metropolitan
2 statistical areas with a population of 600,000
3 or less; and”.

4 (b) INAPPLICABILITY OF COMPETITIVELY BID
5 PRICES TO RURAL AND SMALL MSAs.—Section
6 1834(a)(1)(F)(ii) of the Social Security Act (42 U.S.C.
7 1395m(a)(1)(F)(ii)) is amended by striking “the Sec-
8 retary” and inserting “except in the case of any area that
9 is exempt from the programs under section 1847 pursuant
10 to subsection (a)(3)(A) of such section, the Secretary”.

11 (c) EFFECTIVE DATE; EXCEPTION.—

12 (1) EFFECTIVE DATE.—Subject to paragraph
13 (2), the amendments made by this section shall take
14 effect as if included in the enactment of section 302
15 of the Medicare Prescription Drug, Improvement,
16 and Modernization Act of 2003 (Public Law 108–
17 173; 117 Stat. 2223).

18 (2) EXCEPTION.—The amendments made by
19 this section shall not apply to contracts entered into
20 under section 1847 of the Social Security Act (42
21 U.S.C. 1395w–3) prior to September 1, 2008, pur-
22 suant to the implementation of subsection
23 (a)(1)(B)(i)(I) of such section 1847.

1 **SEC. 214. PERMITTING PHYSICIAN ASSISTANTS TO ORDER**
 2 **POST-HOSPITAL EXTENDED CARE SERVICES**
 3 **AND TO PROVIDE FOR RECOGNITION OF AT-**
 4 **TENDING PHYSICIAN ASSISTANTS AS AT-**
 5 **TENDING PHYSICIANS TO SERVE HOSPICE**
 6 **PATIENTS.**

7 (a) ORDERING POST-HOSPITAL EXTENDED CARE
 8 SERVICES.—

9 (1) IN GENERAL.—Section 1814(a)(2) of the
 10 Social Security Act (42 U.S.C. 1395f(a)(2)), in the
 11 matter preceding subparagraph (A), is amended by
 12 striking “nurse practitioner or clinical nurse spe-
 13 cialist” and inserting “nurse practitioner, a clinical
 14 nurse specialist, or a physician assistant (as those
 15 terms are defined in section 1861(aa)(5))”.

16 (2) CONFORMING AMENDMENT.—Section
 17 1814(a) of the Social Security Act (42 U.S.C.
 18 1395f(a)) is amended, in the second sentence, by
 19 striking “or clinical nurse specialist” and inserting
 20 “clinical nurse specialist, or physician assistant”.

21 (b) RECOGNITION OF ATTENDING PHYSICIAN AS-
 22 SISTANTS AS ATTENDING PHYSICIANS TO SERVE HOS-
 23 PICE PATIENTS.—

24 (1) IN GENERAL.—Section 1861(dd)(3)(B) of
 25 the Social Security Act (42 U.S.C. 1395x(dd)(3)(B))
 26 is amended—

1 (A) by striking “or nurse” and inserting “,
2 the nurse”; and

3 (B) by inserting “, or the physician assist-
4 ant (as defined in such subsection)” after “sub-
5 section (aa)(5))”.

6 (2) CLARIFICATION OF HOSPICE ROLE OF PHY-
7 SICIAN ASSISTANTS.—Section 1814(a)(7)(A)(i)(I) of
8 the Social Security Act (42 U.S.C.
9 1395f(a)(7)(A)(i)(I)) is amended by inserting “or a
10 physician assistant” after “a nurse practitioner”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to items and services furnished on
13 or after January 1, 2009.

○