

111TH CONGRESS  
1ST SESSION

# H. R. 2574

To amend title XVIII of the Social Security Act to preserve access to urban Medicare-dependent hospitals.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 21, 2009

Mr. ADLER of New Jersey (for himself and Mr. PASCARELL) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend title XVIII of the Social Security Act to preserve access to urban Medicare-dependent hospitals.

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 “Urban Medicare-De-  
5       pendent Hospitals Preservation Act of 2009”.

6       **SEC. 2. CRITERIA AND PAYMENT FOR CERTAIN URBAN**  
7       **MEDICARE-DEPENDENT HOSPITALS.**

8       (a) IN GENERAL.—Section 1886(d)(5) of the Social  
9       Security Act (42 U.S.C. 1395ww(d)(5)) is amended by  
10      adding at the end the following new subparagraph:

1 “(M)(i) For cost reporting periods begin-  
2 ning on or after October 1, 2009, in the case  
3 of a subsection (d) hospital which is an urban  
4 Medicare-dependent hospital, payment under  
5 paragraph (1)(A) shall be equal to the sum of  
6 the amount determined under clause (ii) and  
7 the amount determined under paragraph  
8 (1)(A)(iii).

9 “(ii) The amount determined under this  
10 clause is, for discharges occurring during the  
11 cost reporting period that begins on or after  
12 October 1, 2009, and any subsequent cost re-  
13 porting period, 75 percent of the amount by  
14 which the hospital’s target amount for the cost  
15 reporting period (as defined in subsection  
16 (b)(3)(L)) exceeds the amount determined  
17 under paragraph (1)(A)(iii).

18 “(iii) The term ‘urban Medicare-dependent  
19 hospital’ means, with respect to any cost report-  
20 ing period to which clause (i) applies, any hos-  
21 pital—

22 “(I) located in an urban area;

23 “(II) that does not receive payment—

24 “(aa) under subparagraph (C) as  
25 a rural referral center;

1 “(bb) under subparagraph (D) as  
2 a sole community hospital;

3 “(cc) under subparagraph (B) or  
4 under subsection (h); or

5 “(dd) under subparagraph (F);

6 “(III) that is not a physician-owned  
7 hospital, as defined in section 489.3 of title  
8 42, Code of Federal Regulations (as in ef-  
9 fect as of the date of the enactment of this  
10 subparagraph); and

11 “(IV) for which not less than 60 per-  
12 cent of its inpatient days or discharges  
13 during the cost reporting period beginning  
14 in fiscal year 2006, or two of the three  
15 most recently audited cost reporting peri-  
16 ods for which the Secretary has a settled  
17 cost report, were attributable to inpatients  
18 entitled to benefits under part A.”.

19 (b) TARGET PAYMENT AMOUNT.—Section  
20 1886(b)(3) of such Act (42 U.S.C. 1395ww(b)(3)) is  
21 amended—

22 (1) in subparagraph (B)(iv), by striking “and  
23 (D)” and inserting “, (D), and (M)”; and

24 (2) by adding at the end the following new sub-  
25 paragraph:

1           “(M) For cost reporting periods occurring  
2           on or after October 1, 2009, in the case of a  
3           hospital that is an urban Medicare-dependent  
4           hospital (as defined in subsection (d)(5)(M)),  
5           the term ‘target amount’ means—

6                   “(i) with respect to the first 12-month  
7                   cost reporting period in which this sub-  
8                   paragraph is applied to the hospital, the  
9                   allowable operating costs of inpatient hos-  
10                  pital services (as defined in subsection  
11                  (a)(4)) recognized under this title for the  
12                  hospital for the 12-month cost reporting  
13                  period beginning during fiscal year 2002 or  
14                  2006 (whichever results in a higher target  
15                  amount), increased by the applicable per-  
16                  centage increase under subparagraph  
17                  (B)(iv) for each of fiscal years 2003  
18                  through 2009 or 2007 through 2009, re-  
19                  spectively; and

20                   “(ii) with respect to discharges occur-  
21                   ring after the first 12-month cost reporting  
22                   period in which this subparagraph is ap-  
23                   plied to the hospital, the target amount for  
24                   the preceding year increased by the appli-

- 1 cable percentage increase under subpara-
- 2 graph (B)(iv).”.

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