111TH CONGRESS
1ST SESSION

S. 1218

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

IN THE SENATE OF THE UNITED STATES

JUNE 9, 2009

Mr. MENENDEZ (for himself and Mr. LAUTENBERG) 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 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:

4

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

"(i) with respect to the first 12-month cost reporting period in which this subparagraph is applied to the hospital, the allowable operating costs of inpatient hospital services (as defined in subsection (a)(4)) recognized under this title for the hospital for the 12-month cost reporting period beginning during fiscal year 2002 or 2006 (whichever results in a higher target amount), increased by the applicable percentage increase under subparagraph (B)(iv) for each of fiscal years 2003 through 2009 or 2007 through 2009, respectively; and

"(ii) with respect to discharges occurring after the first 12-month cost reporting period in which this subparagraph is applied to the hospital, the target amount for the preceding year increased by the appli-

1   cable percentage increase under subpara-

2   graph (B)(iv).''.

○