

111TH CONGRESS
1ST SESSION

S. 2922

To amend the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 to extend the Rural Community Hospital Demonstration Program.

IN THE SENATE OF THE UNITED STATES

DECEMBER 22, 2009

Mr. HATCH introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 to extend the Rural Community Hospital Demonstration 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 “Rural Community Hos-
5 pital Demonstration Extension Act”.

6 **SEC. 2. EXTENSION OF RURAL COMMUNITY HOSPITAL DEM-**
7 **ONSTRATION PROGRAM.**

8 (a) 5-YEAR EXTENSION.—Section 410A of the Medi-
9 care Prescription Drug, Improvement, and Modernization

1 Act of 2003 (Public Law 108–173; 117 Stat. 2272) is
 2 amended by adding at the end the following new sub-
 3 section:

4 “(g) 5-YEAR EXTENSION OF DEMONSTRATION PRO-
 5 GRAM.—

6 “(1) IN GENERAL.—Subject to the succeeding
 7 provisions of this subsection, the Secretary shall con-
 8 duct the demonstration program under this section
 9 for an additional 5-year period (in this section re-
 10 ferred to as the ‘5-year extension period’) that be-
 11 gins on the date immediately following the last day
 12 of the initial 5-year period under subsection (a)(5).

13 “(2) EXPANSION OF DEMONSTRATION
 14 STATES.—Notwithstanding subsection (a)(2), during
 15 the 5-year extension period, the program shall be
 16 conducted in rural areas in any State.

17 “(3) INCREASE IN MAXIMUM NUMBER OF HOS-
 18 PITALS PARTICIPATING IN THE DEMONSTRATION
 19 PROGRAM.—Notwithstanding subsection (a)(4), dur-
 20 ing the 5-year extension period, not more than 30
 21 rural community hospitals may participate in the
 22 demonstration program under this section.

23 “(4) HOSPITALS IN DEMONSTRATION PROGRAM
 24 ON DATE OF ENACTMENT.—In the case of a rural
 25 community hospital that is participating in the dem-

1 onstration program under this section as of the last
2 day of the initial 5-year period, the Secretary—

3 “(A) shall provide for the continued par-
4 ticipation of such rural community hospital in
5 the demonstration program during the 5-year
6 extension period unless the rural community
7 hospital makes an election, in such form and
8 manner as the Secretary may specify, to dis-
9 continue such participation; and

10 “(B) in calculating the amount of payment
11 under subsection (b) to the rural community
12 hospital for covered inpatient hospital services
13 furnished by the hospital during such 5-year ex-
14 tension period, shall substitute, under para-
15 graph (1)(A) of such subsection—

16 “(i) the reasonable costs of providing
17 such services for discharges occurring in
18 the first cost reporting period beginning on
19 or after the first day of the 5-year exten-
20 sion period, for

21 “(ii) the reasonable costs of providing
22 such services for discharges occurring in
23 the first cost reporting period beginning on
24 or after the implementation of the dem-
25 onstration program.”.

1 (b) CONFORMING AMENDMENTS.—

2 (1) DURATION.—Subsection (a)(5) of section
3 410A of the Medicare Prescription Drug, Improve-
4 ment, and Modernization Act of 2003 (Public Law
5 108–173; 117 Stat. 2272) is amended by inserting
6 “(in this section referred to as the ‘initial 5-year pe-
7 riod’) and, as provided in subsection (g), for the 5-
8 year extension period” after “5-year period”.

9 (2) ADDITIONAL REPORT.—Subsection (e) of
10 section 410A of the Medicare Prescription Drug,
11 Improvement, and Modernization Act of 2003 (Pub-
12 lic Law 108–173; 117 Stat. 2272) is amended to
13 read as follows:

14 “(e) REPORTS.—

15 “(1) REPORT ON INITIAL 5-YEAR PERIOD.—Not
16 later than 6 months after the last day of the initial
17 5-year period, the Secretary shall submit to Con-
18 gress a report on the conduct of the demonstration
19 program under this section during such period, to-
20 gether with recommendations for such administra-
21 tive action as the Secretary determines to be appro-
22 priate.

23 “(2) FINAL REPORT.—Not later than 6 months
24 after the last day of the 5-year extension period, the
25 Secretary shall submit to Congress a report on the

1 demonstration program under this section, together
 2 with recommendations for such administrative action
 3 as the Secretary determines to be appropriate.”.

4 (c) TECHNICAL AMENDMENTS.—

5 (1) Subsection (b) of section 410A of the Medi-
 6 care Prescription Drug, Improvement, and Mod-
 7 ernization Act of 2003 (Public Law 108–173; 117
 8 Stat. 2272) is amended—

9 (A) in paragraph (1)(B)(ii), by striking
 10 “2)” and inserting “2))”; and

11 (B) in paragraph (2), by inserting “cost”
 12 before “reporting period” the first place such
 13 term appears in each of subparagraphs (A) and
 14 (B).

15 (2) Subsection (f)(1) of section 410A of the
 16 Medicare Prescription Drug, Improvement, and
 17 Modernization Act of 2003 (Public Law 108–173;
 18 117 Stat. 2272) is amended—

19 (A) in subparagraph (A)(ii), by striking
 20 “paragraph (2)” and inserting “subparagraph
 21 (B)”; and

22 (B) in subparagraph (B), by striking
 23 “paragraph (1)(B)” and inserting “subpara-
 24 graph (A)(ii)”.

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