

119TH CONGRESS
1ST SESSION

S. 1390

To amend title XVIII of the Social Security Act to revise certain physician self-referral exemptions relating to physician-owned hospitals.

IN THE SENATE OF THE UNITED STATES

APRIL 9, 2025

Mr. LANKFORD (for himself, Mr. MARSHALL, Mr. CASSIDY, Mr. TILLIS, Mr. CORNYN, Mr. MULLIN, Mr. BOOZMAN, Mr. BARRASSO, and Mr. BUDD) 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 revise certain physician self-referral exemptions relating to physician-owned 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 “Physician Led and
5 Rural Access to Quality Care Act”.

1 **SEC. 2. REVISING CERTAIN PHYSICIAN SELF-REFERRAL EX-**
 2 **EMPTIONS RELATING TO PHYSICIAN-OWNED**
 3 **HOSPITALS.**

4 (a) IN GENERAL.—Section 1877 of the Social Secu-
 5 rity Act (42 U.S.C. 1395nn) is amended—

6 (1) in subsection (d)—

7 (A) in paragraph (2)(C), by inserting
 8 “(other than a covered rural hospital (as de-
 9 fined in subsection (h)))” after “a hospital”;
 10 and

11 (B) in paragraph (3)(D), by inserting “in
 12 the case of a hospital other than a covered rural
 13 hospital (as defined in subsection (h)),” before
 14 “the hospital”; and

15 (2) in subsection (h), by adding at the end the
 16 following new paragraph:

17 “(8) COVERED RURAL HOSPITAL.—

18 “(A) IN GENERAL.—The term ‘covered
 19 rural hospital’ means a hospital that—

20 “(i) is located in a rural area (as de-
 21 fined in section 1886(d)(2)(D)); and

22 “(ii) as of the date that such hospital
 23 enrolls under this title, meets the criteria
 24 described in clause (i)(I) of section
 25 1820(c)(2)(B).

1 “(B) CLARIFICATION.—Nothing in this
2 paragraph shall be interpreted as requiring a
3 covered rural hospital to meet any other criteria
4 under section 1820(c)(2)(B).”.

5 (b) ALLOWING FOR EXPANSION OF EXISTING PHYSI-
6 CIAN-OWNED HOSPITALS.—Section 1877(i) of the Social
7 Security Act (42 U.S.C. 1395nn(i)) is amended—

8 (1) in paragraph (1)(B), by striking “in para-
9 graph (3)” and inserting “in paragraph (3) or (7)”;
10 and

11 (2) by adding at the end the following new
12 paragraph:

13 “(7) SUNSET OF EXPANSION PROHIBITION.—
14 The requirement described in paragraph (1)(B) shall
15 not apply beginning on the date of the enactment of
16 this paragraph.”.

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