

106TH CONGRESS
2^D SESSION

H. R. 4997

To amend title XVIII of the Social Security Act to revise and improve the Medicare-dependent, small rural hospital program.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2000

Mr. PETERSON of Pennsylvania (for himself and Mrs. EMERSON) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XVIII of the Social Security Act to revise and improve the Medicare-dependent, small rural hospital 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 “Medicare-Dependent,
5 Small Rural Hospital Equity Act of 2000”.

1 **SEC. 2. APPLICATION OF THE MEDICARE PATIENT POPU-**
2 **LATION PERCENTAGE MEASUREMENT OF**
3 **MEDICARE-DEPENDENT, SMALL RURAL HOS-**
4 **PITALS TO THE THREE MOST RECENT COST**
5 **REPORTING PERIODS.**

6 (a) **IN GENERAL.**—Section 1886(d)(5)(G)(iv)(IV) of
7 the Social Security Act (42 U.S.C.
8 1395ww(d)(5)(G)(iv)(IV)) is amended by inserting after
9 “during the cost reporting period beginning in fiscal year
10 1987” “ or, at the election of the hospital (in a form and
11 manner determined by the Secretary), during any of the
12 three most recent 12-month cost reporting periods for
13 which the Secretary has the settled cost reports”.

14 (b) **EFFECTIVE DATE.**—The amendment made by
15 subsection (a) applies with respect to discharges occurring
16 on or after October 1, 2000.

17 **SEC. 3. REBASING FOR CERTAIN MEDICARE-DEPENDENT,**
18 **SMALL RURAL HOSPITALS.**

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

21 (1) in subparagraph (D), by inserting “subject
22 to subparagraph (J),” before “the term ‘target
23 amount’ means”; and

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

1 “(J)(i) For cost reporting periods beginning on or
2 after October 1, 2000, in the case of a medicare-depend-
3 ent, small rural hospital that elects (in a form and manner
4 determined by the Secretary) this subparagraph to apply
5 to the hospital, there shall be substituted for the target
6 amount applicable to the hospital under subparagraph
7 (D)—

8 “(I) with respect to discharges occurring in fis-
9 cal year 2001, 75 percent of the target amount oth-
10 erwise applicable to the hospital under subparagraph
11 (D) (referred to in this clause as the ‘subparagraph
12 (D) target amount’) and 25 percent of the rebased
13 target amount (as defined in clause (ii));

14 “(II) with respect to discharges occurring in fis-
15 cal year 2002, 50 percent of the subparagraph (D)
16 target amount and 50 percent of the rebased target
17 amount;

18 “(III) with respect to discharges occurring in
19 fiscal year 2003, 25 percent of the subparagraph
20 (D) target amount and 75 percent of the rebased
21 target amount; and

22 “(IV) with respect to discharges occurring after
23 fiscal year 2003, 100 percent of the rebased target
24 amount.

1 “(ii) For purposes of this subparagraph, the term
2 ‘rebased target amount’ has the meaning given the term
3 ‘target amount’ in subparagraph (D) except that—

4 “(I) there shall be substituted for the base cost
5 reporting period under subparagraph (D) any of the
6 three most recent 12-month cost reporting periods
7 for which the Secretary has the settled cost reports,
8 whichever results in the greatest increase in the tar-
9 get amount for the hospital;

10 “(II) any reference in subparagraph (D)(i) to
11 the ‘first cost reporting period’ described in such
12 subparagraph is deemed a reference to the first cost
13 reporting period beginning on or after October 1,
14 2000; and

15 “(III) applicable increase percentage shall only
16 be applied under subparagraph (D)(iv) for dis-
17 charges occurring in fiscal years beginning with fis-
18 cal year 2002.”.

19 **SEC. 4. MAKING THE MEDICARE DEPENDENT, SMALL**
20 **RURAL HOSPITAL PROGRAM PERMANENT.**

21 (a) **PAYMENT METHODOLOGY.**—Section
22 1886(d)(5)(G) of the Social Security Act (42 U.S.C.
23 1395ww(d)(5)(G)) is amended—

24 (1) in clause (i), by striking “and before Octo-
25 ber 1, 2006,”; and

1 (2) in clause (ii)(II), by striking “and before
2 October 1, 2006,”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) TARGET AMOUNT.—Section 1886(b)(3)(D)
5 of the Social Security Act (42 U.S.C.
6 1395ww(b)(3)(D)) is amended—

7 (A) in the matter preceding clause (i), by
8 striking “and before October 1, 2006,”; and

9 (B) in clause (iv), by striking “through fis-
10 cal year 2005,” and inserting “or any subse-
11 quent fiscal year,”.

12 (2) PERMITTING HOSPITALS TO DECLINE RE-
13 CLASSIFICATION.—Section 13501(e)(2) of the Omni-
14 bus Budget Reconciliation Act of 1993 (42 U.S.C.
15 1395ww note) is amended by striking “or fiscal year
16 2000 through fiscal year 2005” and inserting “fiscal
17 year 2000, or any subsequent fiscal year,”.

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