

106TH CONGRESS
2D SESSION

H. R. 5220

To amend title XVIII of the Social Security Act to preserve essential rural hospitals.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 20, 2000

Mr. PAUL (for himself, Mr. EDWARDS, and Mr. SMITH of Texas) 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 preserve essential rural 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 “Essential Rural Hos-
5 pital Preservation Act of 2000”.

1 **SEC. 2. REVISIONS IN THE MEDICARE PROGRAM TO PRE-**
 2 **SERVE ESSENTIAL RURAL HOSPITALS.**

3 (a) **ESSENTIAL RURAL HOSPITAL DEFINED.**—Sec-
 4 tion 1861 of the Social Security Act (42 U.S.C. 1395x)
 5 is amended by adding at the end the following new sub-
 6 section:

7 “Essential Rural Hospital

8 “(uu) The term ‘essential rural hospital’ means a
 9 subsection (d) hospital (as defined in section
 10 1886(d)(1)(B)) that is located in a rural area (as defined
 11 in section 1886(d)(2)(D)) and that has 50 or fewer beds.”.

12 (b) **FLOOR ON WAGE INDEX APPLIED UNDER INPA-**
 13 **TIENT HOSPITAL PROSPECTIVE PAYMENT SYSTEM.**—Sec-
 14 tion 1886(d)(3)(E) of the Social Security Act (42 U.S.C.
 15 1395ww(d)(3)(E)) is amended by adding at the end the
 16 following: “In no case shall the wage index factor for an
 17 essential rural hospital (as defined in section 1861(uu))
 18 be less than 1.0.”.

19 (c) **TREATING AS ALLOWABLE COSTS 100 PERCENT**
 20 **OF BAD DEBTS ATTRIBUTABLE TO MEDICARE COPAY-**
 21 **MENTS AND DEDUCTIONS.**—Section 1861(v)(1)(T) of
 22 such Act (42 U.S.C. 1395x(v)(1)(T)) is amended by in-
 23 serting “(other than essential rural hospitals, as defined
 24 in subsection (uu))” after “In determining such reason-
 25 able costs for hospitals”.

1 (d) EXEMPTION FROM HOSPITAL OUTPATIENT PRO-
2 SPECTIVE PAYMENT SYSTEM.—Section 1833(t)(13) of
3 such Act (42 U.S.C. 1395l(t)(13)) is amended by adding
4 at the end the following new subparagraph:

5 “(B) EXEMPTION OF ESSENTIAL RURAL
6 HOSPITALS.—The system under this subsection
7 shall not apply to covered OPD services fur-
8 nished in an essential rural hospital (as defined
9 in section 1861(uu)).”.

10 (e) DSH PAYMENTS.—Section 1886(d)(5)(F) of such
11 Act (42 U.S.C. 1395ww(d)(5)(F)) is amended—

12 (1) in clause (i)—

13 (A) by striking “or” at the end of sub-
14 clause (I);

15 (B) by striking the period at the end of
16 subclause (II); and

17 (C) by adding at the end the following new
18 subclause:

19 “(III) is an essential rural hospital (as defined
20 in section 1861(uu)).”;

21 (2) in clause (ii), by striking “clause (ix)” and
22 inserting “clauses (ix) and (x)”; and

23 (3) by adding at the end the following new
24 clause:

1 “(x) In no case shall the disproportionate share ad-
2 justment percentage under this subparagraph for a hos-
3 pital described in clause (i)(III) be less than 20 percent.”.

4 (f) EFFECTIVE DATES.—The amendments made
5 by—

6 (1) subsections (b) and (e) apply to discharges
7 occurring on or after October 1, 2000;

8 (2) subsection (c) applies to cost reporting peri-
9 ods beginning on or after October 1, 2000; and

10 (3) subsection (d) applies to covered OPD serv-
11 ices furnished on or after October 1, 2000.

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