

107TH CONGRESS
1ST SESSION

H. R. 1901

To modify the manner in which the wage index adjustment to payments under the Medicare Program to hospitals for inpatient hospital services is calculated.

IN THE HOUSE OF REPRESENTATIVES

MAY 17, 2001

Mr. KIND introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To modify the manner in which the wage index adjustment to payments under the Medicare Program to hospitals for inpatient hospital services is calculated.

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 Equitable
5 Payment Enhancement Act of 2001”.

1 **SEC. 2. MODIFICATION OF CALCULATION OF MEDICARE IN-**
2 **PATIENT HOSPITAL WAGE INDEX.**

3 (a) IN GENERAL.—Effective with respect to cost re-
4 porting periods beginning on or after October 1, 2002, in
5 determining what proportion of operating costs of inpa-
6 tient hospital services (as defined in section 1886(a)(4)
7 of the Social Security Act (42 U.S.C. 1395ww(a)(4))) are
8 attributable to wages and wage-related costs, the Sec-
9 retary of Health and Human Services shall exclude the
10 following cost categories:

11 (1) “Professional fees”.

12 (2) “Postal services”.

13 (3) Under the cost category of “All other labor
14 intensive”, the following:

15 (A) “Business services”.

16 (B) “Computer and data processing”.

17 (C) “Other membership organizations”.

18 (b) USE OF MORE RECENT DATA IN UPDATING THE
19 WAGE INDEX.—The Secretary of Health and Human
20 Services, in updating the factor (established by the Sec-
21 retary) reflecting the relative hospital wage level in the
22 geographic area of a hospital compared to the national av-
23 erage hospital wage level under the second sentence of sec-
24 tion 1886(d)(3)(E) of the Social Security Act (42 U.S.C.
25 1395ww(d)(3)(E)) for a fiscal year, the Secretary shall use

- 1 data from the cost reports beginning during the third fis-
- 2 cal year that precedes the fiscal year involved.

