

109TH CONGRESS
1ST SESSION

H. R. 2961

To amend title XVIII of the Social Security Act to extend and improve protections for sole community hospitals under the Medicare Program.

IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 2005

Mr. WALDEN of Oregon (for himself and Mr. TANNER) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and 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 extend and improve protections for sole community hospitals under the Medicare 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 “Sole Community Hos-
5 pital Preservation Act of 2005”.

1 **SEC. 2. PERMANENT HOLD HARMLESS FOR SOLE COMMU-**
 2 **NITY HOSPITALS UNDER THE PROSPECTIVE**
 3 **PAYMENT SYSTEM FOR HOSPITAL OUT-**
 4 **PATIENT DEPARTMENT SERVICES UNDER**
 5 **THE MEDICARE PROGRAM.**

6 Section 1833(t)(7)(D) of the Social Security Act (42
 7 U.S.C. 1395l(t)(7)(D)) is amended by adding at the end
 8 the following new clause:

9 “(iii) PERMANENT HOLD HARMLESS
 10 FOR SOLE COMMUNITY HOSPITALS.—In the
 11 case of a sole community hospital (as de-
 12 fined in section 1886(d)(5)(D)(iii)), for
 13 covered OPD services furnished after De-
 14 cember 31, 2005, for which the PPS
 15 amount is less than the pre-BBA amount,
 16 the amount of payment under this sub-
 17 section shall be increased by the amount of
 18 such difference.”.

19 **SEC. 3. ESTABLISHMENT OF MINIMUM BASE PAYMENT-TO-**
 20 **COST RATIO FOR DETERMINATION OF PRE-**
 21 **BBA AMOUNT FOR SOLE COMMUNITY HOS-**
 22 **PITALS.**

23 (a) MINIMUM BASE PAYMENT-TO-COST RATIO.—
 24 Section 1833(t)(7)(F)(ii) of the Social Security Act (42
 25 U.S.C. 1395l(t)(7)(F)(ii)) is amended by adding at the
 26 end the following new sentence: “Notwithstanding the pre-

1 vious sentence, in determining the pre-BBA amount for
2 covered OPD services furnished by a sole community hos-
3 pital (as defined in section 1886(d)(5)(D)(iii)), the Sec-
4 retary shall substitute a minimum base payment-to-cost
5 ratio if such substitution results in a greater amount of
6 payment for such services under this subsection furnished
7 by the sole community hospital. For purposes of the pre-
8 ceding sentence, a minimum base payment-to-cost ratio is
9 equal to the 75th percentile of the payment-to-cost ratios
10 for fiscal year 1996 of all hospitals with a designation as
11 a sole community hospital in effect during fiscal year 2004
12 (as determined by the Secretary).”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 subsection (a) shall apply to covered OPD services fur-
15 nished on or after January 1, 2006.

16 **SEC. 4. REBASING FOR SOLE COMMUNITY HOSPITALS.**

17 (a) REBASING PERMITTED.—Section 1886(b)(3) of
18 the Social Security Act (42 U.S.C. 1395ww(b)(3)) is
19 amended by adding at the end the following new subpara-
20 graph:

21 “(K)(i) For cost reporting periods beginning on or
22 after October 1, 2005, in the case of a sole community
23 hospital there shall be substituted for the amount other-
24 wise determined under subsection (d)(5)(D)(i) of this sec-

1 tion, if such substitution results in a greater amount of
2 payment under this section for the hospital—

3 “(I) with respect to discharges occurring in fis-
4 cal year 2006, 75 percent of the subsection
5 (d)(5)(D)(i) amount (as described in subparagraph
6 (I)(i)(I)) and 25 percent of the subparagraph (K)
7 rebased target amount (as defined in clause (ii));

8 “(II) with respect to discharges occurring in fis-
9 cal year 2007, 50 percent of the subsection
10 (d)(5)(D)(i) amount and 50 percent of the subpara-
11 graph (K) rebased target amount;

12 “(III) with respect to discharges occurring in
13 fiscal year 2008, 25 percent of the subsection
14 (d)(5)(D)(i) amount and 75 percent of the subpara-
15 graph (K) rebased target amount; and

16 “(IV) with respect to discharges occurring after
17 fiscal year 2008, 100 percent of the subparagraph
18 (K) rebased target amount.

19 “(ii) For purposes of this subparagraph, the ‘sub-
20 paragraph (K) rebased target amount’ has the meaning
21 given the term ‘target amount’ in subparagraph (C), ex-
22 cept that—

23 “(I) there shall be substituted for the base cost
24 reporting period the 12-month cost reporting period
25 beginning during fiscal year 2000 or 2001, which-

1 ever results in the greater amount of payment under
2 this section for the hospital;

3 “(II) any reference in subparagraph (C)(i) to
4 the ‘first cost reporting period’ described in such
5 subparagraph is deemed a reference to the first cost
6 reporting period beginning on or after October 1,
7 2005; and

8 “(III) the applicable percentage increase shall
9 only be applied under subparagraph (C)(iv) for dis-
10 charges occurring in fiscal years beginning with fis-
11 cal year 2007.”.

12 (b) CONFORMING AMENDMENTS.—Section
13 1886(b)(3) of such Act (42 U.S.C. 1395ww(b)(3)) is
14 amended—

15 (1) in subparagraph (C), by inserting “and sub-
16 paragraph (K)” after “subject to subparagraph (I)”
17 in the matter preceding clause (i); and

18 (2) in subparagraph (I)(i)—

19 (A) by striking “For” in the matter pre-
20 ceeding subclause (I) and inserting “Subject to
21 subparagraph (K), for”; and

22 (B) in subclause (I), by inserting “and
23 subparagraph (K)” after “referred to in this
24 clause”.

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