

111TH CONGRESS  
1ST SESSION

# H. R. 3256

To amend the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 to extend the Rural Community Hospital Demonstration Program.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2009

Mr. SMITH of Nebraska (for himself and Mr. YOUNG of Alaska) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 to extend the Rural Community Hospital Demonstration 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 “Rural Community Hos-  
5 pital Demonstration Extension Act of 2009”.

6 **SEC. 2. EXTENSION OF RURAL COMMUNITY HOSPITAL DEM-**  
7 **ONSTRATION PROGRAM.**

8 (a) 5-YEAR EXTENSION.—Section 410A of the Medi-  
9 care Prescription Drug, Improvement, and Modernization

1 Act of 2003 (Public Law 108–173; 117 Stat. 2272) is  
2 amended by adding at the end the following new sub-  
3 section:

4 “(g) 5-YEAR EXTENSION OF DEMONSTRATION PRO-  
5 GRAM.—

6 “(1) IN GENERAL.—Subject to the succeeding  
7 provisions of this subsection, the Secretary shall con-  
8 duct the demonstration program under this section  
9 for an additional 5-year period (in this section re-  
10 ferred to as the ‘5-year extension period’) that be-  
11 gins on the date immediately following the last day  
12 of the initial 5-year period under subsection (a)(5).

13 “(2) EXPANSION OF DEMONSTRATION  
14 STATES.—Notwithstanding subsection (a)(2), during  
15 the 5-year extension period, the program shall be  
16 conducted in rural areas in any State.

17 “(3) INCREASE IN MAXIMUM NUMBER OF HOS-  
18 PITALS PARTICIPATING IN THE DEMONSTRATION  
19 PROGRAM.—Notwithstanding subsection (a)(4), dur-  
20 ing the 5-year extension period, not more than 30  
21 rural community hospitals may participate in the  
22 demonstration program under this section.

23 “(4) HOSPITALS IN DEMONSTRATION PROGRAM  
24 ON DATE OF ENACTMENT.—In the case of a rural  
25 community hospital that is participating in the dem-

1 onstration program under this section as of the last  
2 day of the initial 5-year period, the Secretary—

3 “(A) shall provide for the continued par-  
4 ticipation of such rural community hospital in  
5 the demonstration program during the 5-year  
6 extension period unless the rural community  
7 hospital makes an election, in such form and  
8 manner as the Secretary may specify, to dis-  
9 continue such participation; and

10 “(B) in calculating the amount of payment  
11 under subsection (b) to the rural community  
12 hospital for covered inpatient hospital services  
13 furnished by the hospital during such 5-year ex-  
14 tension period, shall substitute, under para-  
15 graph (1)(A) of such subsection—

16 “(i) the reasonable costs of providing  
17 such services for discharges occurring in  
18 the first cost reporting period beginning on  
19 or after the first day of the 5-year exten-  
20 sion period, for

21 “(ii) the reasonable costs of providing  
22 such services for discharges occurring in  
23 the first cost reporting period beginning on  
24 or after the implementation of the dem-  
25 onstration program.”.

1 (b) CONFORMING AMENDMENTS.—

2 (1) DURATION.—Subsection (a)(5) of section  
3 410A of the Medicare Prescription Drug, Improve-  
4 ment, and Modernization Act of 2003 (Public Law  
5 108–173; 117 Stat. 2272) is amended by inserting  
6 “(in this section referred to as the ‘initial 5-year pe-  
7 riod’) and, as provided in subsection (g), for the 5-  
8 year extension period” after “5-year period”.

9 (2) ADDITIONAL REPORT.—Subsection (e) of  
10 section 410A of the Medicare Prescription Drug,  
11 Improvement, and Modernization Act of 2003 (Pub-  
12 lic Law 108–173; 117 Stat. 2272) is amended to  
13 read as follows:

14 “(e) REPORTS.—

15 “(1) REPORT ON INITIAL 5-YEAR PERIOD.—Not  
16 later than 6 months after the last day of the initial  
17 5-year period, the Secretary shall submit to Con-  
18 gress a report on the conduct of the demonstration  
19 program under this section during such period, to-  
20 gether with recommendations for such legislation  
21 and administrative action as the Secretary deter-  
22 mines to be appropriate.

23 “(2) FINAL REPORT.—Not later than 6 months  
24 after the last day of the 5-year extension period, the  
25 Secretary shall submit to Congress a report on the

1 demonstration program under this section, together  
2 with recommendations for such legislation and ad-  
3 ministrative action as the Secretary determines to be  
4 appropriate.”.

5 (c) TECHNICAL AMENDMENTS.—

6 (1) Subsection (b) of section 410A of the Medi-  
7 care Prescription Drug, Improvement, and Mod-  
8 ernization Act of 2003 (Public Law 108–173; 117  
9 Stat. 2272) is amended—

10 (A) in paragraph (1)(B)(ii), by striking  
11 “2)” and inserting “2))”; and

12 (B) in paragraph (2), by inserting “cost”  
13 before “reporting period” the first place such  
14 term appears in each of subparagraphs (A) and  
15 (B).

16 (2) Subsection (f)(1) of section 410A of the  
17 Medicare Prescription Drug, Improvement, and  
18 Modernization Act of 2003 (Public Law 108–173;  
19 117 Stat. 2272) is amended—

20 (A) in subparagraph (A)(ii), by striking  
21 “paragraph (2)” and inserting “subparagraph  
22 (B)”; and

1           (B) in subparagraph (B), by striking  
2           “paragraph (1)(B)” and inserting “subpara-  
3           graph (A)(ii)”.

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