

107TH CONGRESS
1ST SESSION

H. R. 3545

To amend title XVIII of the Social Security Act to increase by 20 percent the payment under the Medicare Program for ambulance services furnished to Medicare beneficiaries in rural areas, to determine rural areas based on population density, and to require the use of recent data in determining payment adjustments.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 19, 2001

Mr. MURTHA introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, 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 increase by 20 percent the payment under the Medicare Program for ambulance services furnished to Medicare beneficiaries in rural areas, to determine rural areas based on population density, and to require the use of recent data in determining payment adjustments.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “Medicare Rural Ambulance Service Improvement Act of
4 2001”.

5 (b) **TABLE OF CONTENTS.**—The table of contents of
6 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Payment increases for rural ambulance services.
- Sec. 3. Basing rural areas on population density by postal zip codes.
- Sec. 4. Requiring use of recent data for calculation of budget neutrality adjustment.
- Sec. 5. Exemption of ambulance suppliers from certain provider designation rules.
- Sec. 6. Calculation of separate rates for ground and air ambulance services.

7 **SEC. 2. PAYMENT INCREASES FOR RURAL AMBULANCE**
8 **SERVICES.**

9 (a) **20 PERCENT INCREASE.**—Section 1834(l) of the
10 Social Security Act (42 U.S.C. 1395m(l)), as amended by
11 sections 205(a) and 221(a) of the Medicare, Medicaid, and
12 SCHIP Benefits Improvement and Protection Act of 2000
13 (114 Stat. 2763A–482, 486), as enacted into law by sec-
14 tion 1(a)(6) of Public Law 106–554, is amended—

15 (1) by redesignating paragraph (8), as added by
16 such section 221(a), as paragraph (9), and

17 (2) by inserting after that paragraph the fol-
18 lowing new paragraph:

19 “(10) **INCREASE FOR RURAL AMBULANCE SERV-**
20 **ICES.**—Effective for ambulance services furnished on
21 or after January 1, 2002, for which the transpor-
22 tation originates in a rural area or tract to which

1 paragraph (9) applies, notwithstanding the previous
2 provisions of this subsection, the Secretary shall pro-
3 vide for an additional payment for such services
4 equal to 20 percent of the payment amount other-
5 wise made under this section for such services.”.

6 (b) INCREASE IN MILEAGE RATES FOR FIRST 50
7 MILES.—Paragraph (9) of that section, as so redesignated
8 under subsection (a)(1), is amended—

9 (1) in the heading, by striking “TRANSITIONAL
10 ASSISTANCE” and inserting “MILEAGE ASSIST-
11 ANCE”;

12 (2) by striking “furnished on or after July 1,
13 2001, and before January 1, 2004,”;

14 (3) by striking “that,” and inserting “that—”;

15 (4) by designating the remaining text of para-
16 graph (9) that follows “that—” a new subparagraph
17 (B) and indenting such subparagraph 2 ems to the
18 right;

19 (5) in such subparagraph (B), by striking “with
20 respect to the payment rate for mileage for a trip
21 above 17 miles, and up to 50 miles, the rate other-
22 wise established shall be increased” and inserting
23 “for ambulance services furnished on or after July
24 1, 2001, the payment rate otherwise established for

1 mileage for a trip above 17 miles, and up to 50
2 miles, shall be increased”; and

3 (6) by inserting before such subparagraph (B)
4 the following new subparagraph:

5 “(A) for ambulance services furnished on
6 or after January 1, 2002, the payment rate
7 otherwise established for mileage for the first
8 17 miles of a trip transporting a patient shall
9 be increased by \$7.50 per mile; and”.

10 (c) NONAPPLICATION OF INITIAL BUDGET NEU-
11 TRALITY PROVISIONS.—The provisions of section
12 1834(l)(3)(A) of the Social Security Act (42 U.S.C.
13 1395m(l)(3)(A)) do not apply with respect to the amend-
14 ments made by this section.

15 **SEC. 3. BASING RURAL AREAS ON POPULATION DENSITY**
16 **BY POSTAL ZIP CODES.**

17 (a) IN GENERAL.—Section 1834(l) of the Social Se-
18 curity Act (42 U.S.C. 1395m(l)) is amended in paragraph
19 (9), as so redesignated by section 2(a)(1), by striking “(as
20 defined in section 1886(d)(2)(D))” and all that follows
21 through “(57 Fed. Reg. 6725))” and inserting “(as deter-
22 mined under an area classification system established by
23 the Secretary that is based on population density within
24 postal zip code areas)”.

1 (b) EFFECTIVE DATE.—The Secretary of Health and
2 Human Services shall establish the classification system
3 described in the amendment made by subsection (a) by
4 not later than 1 year after the date of the enactment of
5 this Act. Such amendment shall apply to services fur-
6 nished on or after such date, not later than 30 days after
7 the establishment of such system, as the Secretary shall
8 provide by regulation.

9 **SEC. 4. REQUIRING USE OF RECENT DATA FOR CALCULA-**
10 **TION OF BUDGET NEUTRALITY ADJUSTMENT.**

11 (a) IN GENERAL.—Section 1834(l)(3) of the Social
12 Security Act (42 U.S.C. 1395m(l)(3)) is amended—

13 (1) by striking “and” at the end of subpara-
14 graph (A);

15 (2) by redesignating subparagraph (B) as sub-
16 paragraph (C); and

17 (3) by inserting after subparagraph (A) the fol-
18 lowing new subparagraph:

19 “(B) in making the determination under
20 subparagraph (A), use data from the most re-
21 cent year for which such data are available, but
22 may not use data from a year that preceded the
23 two-year period ending on the date of the im-
24 plementation of the fee schedule under this sub-
25 section; and”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 subsection (a) shall apply to ambulance services furnished
3 on or after January 1, 2003.

4 **SEC. 5. EXEMPTION OF AMBULANCE SUPPLIERS FROM**
5 **CERTAIN PROVIDER DESIGNATION RULES.**

6 In applying the regulation for requirements for deter-
7 mination that a facility or organization has provider-based
8 status under section 413.65 of title 42 of the Code of Fed-
9 eral Regulations, the Secretary of Health and Human
10 Services shall not apply the regulation with respect to am-
11 bulance services.

12 **SEC. 6. CALCULATION OF SEPARATE RATES FOR GROUND**
13 **AND AIR AMBULANCE SERVICES.**

14 (a) IN GENERAL.—Section 1861(v)(1)(U) of the So-
15 cial Security Act (42 U.S.C. 1395x(v)(1)(U)) is amended
16 by adding at the end the following: “In carrying out the
17 first sentence, upon request of a hospital, the Secretary
18 shall determine and apply separately the reasonable costs
19 of ground and air ambulance services.”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 subsection (a) shall apply to ambulance services furnished
22 on or after the date of the enactment of this Act.

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