

112TH CONGRESS
1ST SESSION

H. R. 1656

To amend title XVIII of the Social Security Act to preserve access to urban Medicare-dependent hospitals.

IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 2011

Mr. SMITH of New Jersey (for himself and Mr. DEUTCH) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend title XVIII of the Social Security Act to preserve access to urban Medicare-dependent 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 “Urban Medicare-De-
5 pendent Hospitals Preservation Act of 2011”.

6 **SEC. 2. CRITERIA AND PAYMENT FOR CERTAIN URBAN**

7 **MEDICARE-DEPENDENT HOSPITALS.**

8 (a) IN GENERAL.—Section 1886(d)(5) of the Social
9 Security Act (42 U.S.C. 1395ww(d)(5)) is amended by
10 adding at the end the following new subparagraph:

1 “(M)(i) For cost reporting periods begin-
2 ning on or after October 1, 2011, in the case
3 of a subsection (d) hospital which is an urban
4 Medicare-dependent hospital, payment under
5 paragraph (1)(A) shall be equal to the sum of
6 the amount determined under clause (ii) and
7 the amount determined under paragraph
8 (1)(A)(iii).

9 “(ii) The amount determined under this
10 clause is, for discharges occurring during the
11 cost reporting period that begins on or after
12 October 1, 2011, and any subsequent cost re-
13 porting period, 75 percent of the amount by
14 which the hospital’s target amount (as defined
15 in subsection (b)(3)(M)) for the cost reporting
16 period exceeds the amount determined under
17 paragraph (1)(A)(iii).

18 “(iii) The term ‘urban Medicare-dependent
19 hospital’ means, with respect to any cost report-
20 ing period to which clause (i) applies, any hos-
21 pital—

22 “(I) located in an urban area;

23 “(II) that does not receive payment—

24 “(aa) under subparagraph (C) as
25 a rural referral center;

1 “(bb) under subparagraph (D) as
2 a sole community hospital;

3 “(cc) under subparagraph (B) or
4 under subsection (h); or

5 “(dd) under subparagraph (F);

6 “(III) that is not a physician-owned
7 hospital, as defined in section 489.3 of title
8 42, Code of Federal Regulations (as in ef-
9 fect as of the date of the enactment of this
10 subparagraph); and

11 “(IV) for which not less than 60 per-
12 cent of its inpatient days or discharges
13 during the cost reporting period beginning
14 in fiscal year 2006, or two of the three
15 most recently audited cost reporting peri-
16 ods for which the Secretary has a settled
17 cost report, were attributable to inpatients
18 entitled to benefits under part A, other
19 than inpatients enrolled in a Medicare Ad-
20 vantage plan under part C.”.

21 (b) TARGET PAYMENT AMOUNT.—Section
22 1886(b)(3) of such Act (42 U.S.C. 1395ww(b)(3)) is
23 amended—

24 (1) in subparagraph (B)(iv), by striking “and
25 (D)” and inserting “, (D), and (M)”; and

1 (2) by adding at the end the following new sub-
2 paragraph:

3 “(M) For cost reporting periods occurring
4 on or after October 1, 2011, in the case of a
5 hospital that is an urban Medicare-dependent
6 hospital (as defined in subsection
7 (d)(5)(M)(iii)), the term ‘target amount’
8 means—

9 “(i) with respect to the first 12-month
10 cost reporting period in which this sub-
11 paragraph is applied to the hospital, the
12 allowable operating costs of inpatient hos-
13 pital services (as defined in subsection
14 (a)(4)) recognized under this title for the
15 hospital for the 12-month cost reporting
16 period beginning during fiscal year 2002 or
17 2006 (whichever results in a higher target
18 amount), increased by the applicable per-
19 centage increase under subparagraph
20 (B)(iv) for each of fiscal years 2003
21 through 2011 or 2007 through 2011, re-
22 spectively; and

23 “(ii) with respect to discharges occur-
24 ring after the first 12-month cost reporting
25 period in which this subparagraph is ap-

1 plied to the hospital, the target amount for
2 the preceding year increased by the appli-
3 cable percentage increase under subpara-
4 graph (B)(iv).”.

○