

112TH CONGRESS  
1ST SESSION

# S. 1900

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

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## IN THE SENATE OF THE UNITED STATES

NOVEMBER 17, 2011

Mr. MENENDEZ (for himself, Mr. NELSON of Florida, and Mr. LAUTENBERG) introduced the following bill; which was read twice and referred to the Committee on Finance

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## 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, and before  
3           October 1, 2014, in the case of a subsection (d)  
4           hospital which is an urban Medicare-dependent  
5           hospital, payment under paragraph (1)(A) shall  
6           be equal to the sum of the amount determined  
7           under clause (ii) and the amount determined  
8           under paragraph (1)(A)(iii).

9           “(ii) The amount determined under this  
10          clause is, for discharges occurring during a cost  
11          reporting period that begins on or after October  
12          1, 2011, and before October 1, 2014, 50 per-  
13          cent of the amount by which the hospital’s tar-  
14          get amount for the cost reporting period (as de-  
15          fined in subsection (b)(3)(L)) exceeds the  
16          amount determined under paragraph (1)(A)(iii).

17          “(iii) For purposes of this subparagraph,  
18          the term ‘urban Medicare-dependent hospital’  
19          means, with respect to any cost reporting pe-  
20          riod to which clause (i) applies, any hospital—

21                 “(I) located in an urban area or re-  
22                 classified to an urban area for wage index  
23                 purposes;

24                 “(II) that does not receive payment—

1 “(aa) under subparagraph (C) as  
2 a rural referral center;

3 “(bb) under subparagraph (D) as  
4 a sole community hospital;

5 “(cc) under subparagraph (B) or  
6 under subsection (h); or

7 “(dd) under subparagraph (F);

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

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

23 (b) TARGET PAYMENT AMOUNT.—Section  
24 1886(b)(3) of the Social Security Act (42 U.S.C.  
25 1395ww(b)(3)) is amended—

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

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

5 “(M) For cost reporting periods occurring  
6 on or after October 1, 2011, and before October  
7 1, 2014, in the case of a hospital that is an  
8 urban Medicare-dependent hospital (as defined  
9 in subsection (d)(5)(M)), the term ‘target  
10 amount’ means—

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

1                   “(ii) with respect to discharges occur-  
2                   ring after the first 12-month cost reporting  
3                   period in which this subparagraph is ap-  
4                   plied to the hospital, the target amount for  
5                   the preceding year increased by the appli-  
6                   cable percentage increase under subpara-  
7                   graph (B)(iv).”.

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