

113TH CONGRESS
1ST SESSION

H. R. 1390

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 21, 2013

Mr. SMITH of New Jersey (for himself, Mr. DEUTCH, Mr. LOBIONDO, Mr. RUNYAN, Mr. LARSON of Connecticut, Ms. FRANKEL of Florida, and Mr. COURTNEY) 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 2013”.

1 **SEC. 2. CRITERIA AND PAYMENT FOR CERTAIN URBAN**
2 **MEDICARE-DEPENDENT HOSPITALS.**

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

6 “(M)(i) For cost reporting periods begin-
7 ning on or after October 1, 2013, and before
8 October 1, 2016, in the case of a subsection (d)
9 hospital which is an urban Medicare-dependent
10 hospital, payment under paragraph (1)(A) shall
11 be equal to the sum of the amount determined
12 under clause (ii) and the amount determined
13 under paragraph (1)(A)(iii).

14 “(ii) The amount determined under this
15 clause is, for discharges occurring during a cost
16 reporting period that begins on or after October
17 1, 2013, and before October 1, 2016, 50 per-
18 cent of the amount by which the hospital’s tar-
19 get amount for the cost reporting period (as de-
20 fined in subsection (b)(3)(L)) exceeds the
21 amount determined under paragraph (1)(A)(iii).

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

1 “(I) located in an urban area or re-
2 classified to an urban area for wage index
3 purposes;

4 “(II) that does not receive payment—

5 “(aa) under subparagraph (C) as
6 a rural referral center;

7 “(bb) under subparagraph (D) as
8 a sole community hospital;

9 “(cc) under subparagraph (B) or
10 under subsection (h); or

11 “(dd) under subparagraph (F);

12 “(III) that is not a physician-owned
13 hospital, as defined in section 489.3 of title
14 42, Code of Federal Regulations (as in ef-
15 fect as of the date of the enactment of this
16 subparagraph); and

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

1 enrolled in a Medicare Advantage plan
2 under part C.”.

3 (b) TARGET PAYMENT AMOUNT.—Section
4 1886(b)(3) of the Social Security Act (42 U.S.C.
5 1395ww(b)(3)) is amended—

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

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

10 “(M) For cost reporting periods occurring
11 on or after October 1, 2013, and before October
12 1, 2016, in the case of a hospital that is an
13 urban Medicare-dependent hospital (as defined
14 in subsection (d)(5)(M)), the term ‘target
15 amount’ means—

16 “(i) with respect to the first 12-month
17 cost reporting period in which this sub-
18 paragraph is applied to the hospital, the
19 allowable operating costs of inpatient hos-
20 pital services (as defined in subsection
21 (a)(4)) recognized under this title for the
22 hospital for the 12-month cost reporting
23 period beginning during fiscal year 2002 or
24 2006 (whichever results in a higher target
25 amount), increased by the applicable per-

1 centage increase under subparagraph
2 (B)(iv) for each of fiscal years 2003
3 through 2013 or 2007 through 2013, re-
4 spectively; and

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

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