

117TH CONGRESS  
1ST SESSION

# H. R. 1887

To amend title XVIII of the Social Security Act to rebase the calculation of payments for sole community hospitals and Medicare-dependent hospitals, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 12, 2021

Mr. REED (for himself and Ms. SEWELL) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend title XVIII of the Social Security Act to rebase the calculation of payments for sole community hospitals and Medicare-dependent hospitals, and for other purposes.

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 Hospital Sup-  
5 port Act”.

1 **SEC. 2. REBASING OF THE CALCULATION OF PAYMENTS**  
2 **FOR SOLE COMMUNITY HOSPITALS.**

3 (a) REBASING PERMITTED.—Section 1886(b)(3) of  
4 the Social Security Act (42 U.S.C. 1395ww(b)(3)) is  
5 amended by adding at the end the following new subpara-  
6 graph:

7 “(M)(i) For cost reporting periods begin-  
8 ning on or after October 1, 2021, in the case  
9 of a sole community hospital there shall be sub-  
10 stituted for the amount otherwise determined  
11 under subsection (d)(5)(D)(i) of this section, if  
12 such substitution results in a greater amount of  
13 payment under this section for the hospital, the  
14 subparagraph (M) rebased target amount.

15 “(ii) For purposes of this subparagraph,  
16 the term ‘subparagraph (M) rebased target  
17 amount’ has the meaning given the term ‘target  
18 amount’ in subparagraph (C), except that—

19 “(I) there shall be substituted for the  
20 base cost reporting period the 12-month  
21 cost reporting period beginning during fis-  
22 cal year 2016;

23 “(II) any reference in subparagraph  
24 (C)(i) to the ‘first cost reporting period’  
25 described in such subparagraph is deemed  
26 a reference to the first cost reporting pe-

1           riod beginning on or after October 1,  
2           2021; and

3           “(III) the applicable percentage in-  
4           crease shall only be applied under subpara-  
5           graph (C)(iv) for discharges occurring on  
6           or after October 1, 2021.”.

7           (b)       CONFORMING        AMENDMENTS.—Section  
8   1886(b)(3) of the Social Security Act (42 U.S.C.  
9   1395ww(b)(3)) is amended—

10           (1) in subparagraph (C), in the matter pre-  
11           ceding clause (i), by striking “subparagraphs (I) and  
12           (L)” and inserting “subparagraphs (I), (L), and  
13           (M)”;

14           (2) in subparagraph (I)(i), in the matter pre-  
15           ceding subclause (I), by striking “subparagraph  
16           (L)” and inserting “subparagraphs (L) and (M)”.

17   **SEC. 3. REBASING OF THE CALCULATION OF PAYMENTS**  
18                           **FOR MEDICARE-DEPENDENT HOSPITALS.**

19           Section 1886(b)(3) of the Social Security Act (42  
20   U.S.C. 1395ww(b)(3)), as amended by subsection (a), is  
21   further amended—

22           (1) in subparagraph (D), by striking “subpara-  
23           graph (K)” and inserting “subparagraphs (K) and  
24           (N)”;

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

3           “(N)(i) With respect to discharges occur-  
4 ring on or after October 1, 2021, in the case of  
5 a medicare-dependent, small rural hospital, for  
6 purposes of applying subparagraph (D)—

7           “(I) there shall be substituted for the  
8 base cost reporting period described in  
9 subparagraph (D)(i) the 12-month cost re-  
10 porting period beginning during fiscal year  
11 2016; and

12           “(II) any reference in such subpara-  
13 graph to the ‘first cost reporting period’  
14 described in such subparagraph is deemed  
15 a reference to the first cost reporting pe-  
16 riod beginning on or after October 1,  
17 2021.

18           “(ii) This subparagraph shall only apply to  
19 a hospital if the substitution described in clause  
20 (i)(I) results in an increase in the target  
21 amount under subparagraph (D) for the hos-  
22 pital.”.

1 **SEC. 4. PROHIBITION OF ADJUSTMENTS TO CLASSIFICA-**  
2 **TIONS AND WEIGHTING FACTORS RELATING**  
3 **TO THE CALCULATION OF PAYMENTS FOR**  
4 **SOLE COMMUNITY HOSPITALS AND MEDI-**  
5 **CARE-DEPENDENT HOSPITALS.**

6 Section 1886(d)(4)(C) of the Social Security Act (42  
7 U.S.C. 1395ww(d)(4)(C)—

8 (1) in clause (i), by striking “The Secretary”  
9 and inserting “Subject to clause (v), the Secretary”;  
10 and

11 (2) by adding at the end the following new  
12 clause:

13 “(v) For discharges using the rebased  
14 target amounts described in subparagraph  
15 (M) or (N) of subsection (b)(3), the Sec-  
16 retary may not adjust such amounts for  
17 adjustments required by clause (iii) prior  
18 to October 1, 2015.”.

19 **SEC. 5. EXTENSION OF THE MEDICARE-DEPENDENT HOS-**  
20 **PITAL (MDH) PROGRAM.**

21 (a) **EXTENSION OF PAYMENT METHODOLOGY.**—Sec-  
22 tion 1886(d)(5)(G) of the Social Security Act (42 U.S.C.  
23 1395ww(d)(5)(G)) is amended—

24 (1) in clause (i), by striking “, and before Octo-  
25 ber 1, 2022”; and

1           (2) in clause (ii)(II), by striking “, and before  
2           October 1, 2022”.

3           (b) CONFORMING AMENDMENTS.—

4           (1) EXTENSION OF TARGET AMOUNT.—Section  
5           1886(b)(3)(D) of the Social Security Act (42 U.S.C.  
6           1395ww(b)(3)(D)) is amended—

7                   (A) in the matter preceding clause (i), by  
8                   striking “, and before October 1, 2022”; and

9                   (B) in clause (iv), by striking “through fis-  
10                  cal year 2022” and inserting “or a subsequent  
11                  fiscal year”.

12           (2) PERMITTING HOSPITALS TO DECLINE RE-  
13           CLASSIFICATION.—Section 13501(e)(2) of the Omni-  
14           bus Budget Reconciliation Act of 1993 (42 U.S.C.  
15           1395ww note) is amended by striking “fiscal year  
16           2000 through fiscal year 2022” and inserting “a  
17           subsequent fiscal year”.

18 **SEC. 6. EXTENSION OF THE INCREASED PAYMENTS UNDER**  
19                   **THE MEDICARE LOW-VOLUME HOSPITAL**  
20                   **PROGRAM.**

21           Section 1886(d)(12) of the Social Security Act (42  
22           U.S.C. 1395\_\_\_\_(d)(12)) is amended—

23                   (1) in subparagraph (B)—

1 (A) in the header, by inserting “FOR FIS-  
2 CAL YEARS 2005 THROUGH 2010” after “IN-  
3 CREASE”; and

4 (B) in the matter preceding clause (i), by  
5 striking “and for discharges occurring in fiscal  
6 year 2023 and subsequent fiscal years”;

7 (2) in subparagraph (C)(i)—

8 (A) in the matter preceding subclause (I),  
9 by striking “through 2022” and inserting “and  
10 each subsequent fiscal year”;

11 (B) in subclause (II), by adding at the end  
12 “and”;

13 (C) in subclause (III)—

14 (i) by striking “fiscal years 2019  
15 through 2022” and inserting “fiscal year  
16 2019 and each subsequent fiscal year”;

17 (ii) by striking “; and” and inserting  
18 a period; and

19 (D) by striking subclause (IV); and

20 (3) in subparagraph (D)—

21 (A) by revising the header to reach as fol-  
22 lows: “APPLICABLE PERCENTAGE INCREASE  
23 BEGINNING WITH FISCAL YEAR 2011.—”;

24 (B) in the matter preceding clause (i), by  
25 striking “fiscal years 2011 through 2022” and

1 inserting “fiscal year 2019 and each subsequent  
2 fiscal year”; and

3 (C) in clause (ii), by striking “each of fis-  
4 cal years 2019 through 2022” and inserting  
5 “fiscal year 2019 and each subsequent fiscal  
6 year”.

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