

118TH CONGRESS
2D SESSION

H. R. 9128

To amend title XVIII of the Social Security Act to establish a designation for territorial safety net hospitals, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2024

Mr. SABLAN (for himself and Mr. MOYLAN) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, and the Budget, 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 establish a designation for territorial safety net 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 “Supporting Territorial
5 Safety Net Hospitals Act”.

1 **SEC. 2. DESIGNATION FOR TERRITORIAL SAFETY NET HOS-**
2 **PITALS.**

3 (a) TERRITORIAL SAFETY NET HOSPITAL DE-
4 FINED.—Section 1861 of the Social Security Act (42
5 U.S.C. 1395x) is amended by adding at the end the fol-
6 lowing new subsection:

7 “(nnn) TERRITORIAL SAFETY NET HOSPITAL.—

8 “(1) The term ‘territorial safety net hospital’
9 means a hospital (as defined in subsection (e)) that
10 is located in the Northern Mariana Islands, Amer-
11 ican Samoa, Guam, or the Virgin Islands.

12 “(2) The term ‘inpatient territorial safety net
13 hospital services’ means items and services, fur-
14 nished to an inpatient of a territorial safety net hos-
15 pital by such facility, that would be inpatient hos-
16 pital services if furnished to an inpatient of a hos-
17 pital by a hospital.

18 “(3) The term ‘outpatient territorial safety net
19 hospital services’ means medical and other health
20 services furnished by a territorial safety net hospital
21 on an outpatient basis.”.

22 (b) PAYMENT FOR INPATIENT TERRITORIAL SAFETY
23 NET HOSPITAL SERVICES.—

24 (1) IN GENERAL.—Section 1814 of the Social
25 Security Act (42 U.S.C. 1395f) is amended—

1 (A) in subsection (b), by inserting “other
2 than a territorial safety net hospital providing
3 inpatient territorial safety net hospital serv-
4 ices,” after “critical access hospital providing
5 inpatient critical access hospital services,”; and

6 (B) by adding at the end the following new
7 subsection:

8 “(m) PAYMENT FOR INPATIENT TERRITORIAL SAFE-
9 TY NET HOSPITAL SERVICES.—The amount of payment
10 under this part for inpatient territorial safety net hospital
11 services is equal to 101 percent of the reasonable costs
12 of the territorial safety net hospital in providing such serv-
13 ices.”.

14 (2) SCOPE OF BENEFITS.—Section 1812(a)(1)
15 of the Social Security Act (42 U.S.C. 1395d(a)(1))
16 is amended by striking “or inpatient critical access
17 hospital services” and inserting “, inpatient critical
18 access hospital services, or inpatient territorial safe-
19 ty net hospital services”.

20 (3) DEDUCTIBLES AND COINSURANCE.—Section
21 1813 of the Social Security Act (42 U.S.C. 1395e)
22 is amended—

23 (A) in subsection (a)(1), by striking “or in-
24 patient critical access hospital services” each
25 place it appears and inserting “, inpatient crit-

1 ical access hospital services, or inpatient terri-
2 torial safety net hospital services”; and

3 (B) in subsection (b)(3)—

4 (i) in subparagraph (A), by striking
5 “or inpatient critical access hospital serv-
6 ices” and inserting “, inpatient critical ac-
7 cess hospital services, or inpatient terri-
8 torial safety net hospital services”; and

9 (ii) in subparagraph (B), by inserting
10 “, inpatient territorial safety net hospital
11 services,” after “inpatient critical access
12 hospital services”.

13 (4) PAYMENT TO PROVIDERS OF SERVICES.—
14 Section 1815(e)(2) of the Social Security Act (42
15 U.S.C. 1395g(e)(2)) is amended—

16 (A) in subparagraph (D), by striking
17 “and” at the end;

18 (B) in subparagraph (E), by inserting
19 “and” after the semicolon at the end; and

20 (C) by adding at the end the following new
21 subparagraph:

22 “(F) inpatient territorial safety net hos-
23 pital services;”.

24 (5) ADMINISTRATION OF PART A.—Section
25 1816(e)(2)(C) of the Social Security Act (42 U.S.C.

1 1395h(c)(2)(C)) is amended by inserting “territorial
2 safety net hospital,” after “critical access hospital,”.

3 (c) PAYMENT FOR OUTPATIENT TERRITORIAL SAFE-
4 TY NET HOSPITAL SERVICES.—

5 (1) IN GENERAL.—Section 1834 of the Social
6 Security Act (42 U.S.C. 1395m) is amended by add-
7 ing at the end the following new subsection:

8 “(aa) PAYMENT FOR OUTPATIENT TERRITORIAL
9 SAFETY NET HOSPITAL SERVICES.—

10 “(1) IN GENERAL.—The amount of payment
11 for outpatient territorial safety net hospital services
12 of a territorial safety net hospital is equal to 101
13 percent of the reasonable costs of the hospital in
14 providing such services, unless the hospital makes
15 the election under paragraph (2).

16 “(2) ELECTION OF COST-BASED HOSPITAL OUT-
17 PATIENT SERVICE PAYMENT PLUS FEE SCHEDULE
18 FOR PROFESSIONAL SERVICES.—A territorial safety
19 net hospital may elect to be paid for outpatient terri-
20 torial safety net hospital services amounts equal to
21 the sum of the following, less the amount that such
22 hospital may charge as described in section
23 1866(a)(2)(A):

24 “(A) FACILITY FEE.—With respect to fa-
25 cility services, not including any services for

1 which payment may be made under subpara-
2 graph (B), 101 percent of the reasonable costs
3 of the territorial safety net hospital in providing
4 such services.

5 “(B) FEE SCHEDULE FOR PROFESSIONAL
6 SERVICES.—With respect to professional serv-
7 ices otherwise included within outpatient terri-
8 torial safety net hospital services, 115 percent
9 of such amounts as would otherwise be paid
10 under this part if such services were not in-
11 cluded in outpatient territorial safety net hos-
12 pital services. Subsections (x) and (y) of section
13 1833 shall not be taken into account in deter-
14 mining the amounts that would otherwise be
15 paid pursuant to the preceding sentence.

16 The Secretary may not require, as a condition for
17 applying subparagraph (B) with respect to a terri-
18 torial safety net hospital, that each physician or
19 other practitioner providing professional services in
20 the hospital must assign billing rights with respect
21 to such services, except that such subparagraph shall
22 not apply to those physicians and practitioners who
23 have not assigned such billing rights.

24 “(3) DISREGARDING CHARGES.—The payment
25 amounts under this subsection shall be determined

1 without regard to the amount of the customary or
2 other charge.

3 “(4) TREATMENT OF CLINICAL DIAGNOSTIC
4 LABORATORY SERVICES.—No coinsurance, deduct-
5 ible, copayment, or other cost-sharing otherwise ap-
6 plicable under this part shall apply with respect to
7 clinical diagnostic laboratory services furnished as
8 an outpatient territorial safety net hospital service.
9 Nothing in this title shall be construed as providing
10 for payment for clinical diagnostic laboratory serv-
11 ices furnished as part of outpatient territorial safety
12 net hospital services, other than on the basis de-
13 scribed in this subsection. For purposes of the pre-
14 ceding sentence and section 1861(nnn)(3), clinical
15 diagnostic laboratory services furnished by a terri-
16 torial safety net hospital shall be treated as being
17 furnished as part of outpatient critical access serv-
18 ices without regard to whether the individual with
19 respect to whom such services are furnished is phys-
20 ically present in the territorial safety net hospital, or
21 in a skilled nursing facility or a clinic (including a
22 rural health clinic) that is operated by a territorial
23 safety net hospital, at the time the specimen is col-
24 lected.

1 “(5) COVERAGE OF COSTS FOR CERTAIN ON-
2 CALL EMERGENCY ROOM PROVIDERS.—In deter-
3 mining the reasonable costs of outpatient territorial
4 safety net hospital services under paragraphs (1)
5 and (2)(A), the Secretary shall recognize as allow-
6 able costs, amounts (as defined by the Secretary) for
7 reasonable compensation and related costs for physi-
8 cians, physician assistants, nurse practitioners, and
9 clinical nurse specialists who are on-call (as defined
10 by the Secretary) to provide emergency services but
11 who are not present on the premises of the terri-
12 torial safety net hospital involved, and are not other-
13 wise furnishing services covered under this title and
14 are not on-call at any other provider or facility.”.

15 (2) SCOPE OF BENEFITS.—Section 1832(a)(2)
16 of the Social Security Act (42 U.S.C. 1395k(a)(2))
17 is amended—

18 (A) in subparagraph (I), by striking “;
19 and” and inserting a semicolon;

20 (B) in subparagraph (J), by striking the
21 period at the end and inserting “; and”; and

22 (C) by adding at the end the following new
23 subparagraph:

1 “(K) outpatient territorial safety net hos-
2 pital services (as defined in section
3 1861(nnn)(3)).”.

4 (3) PAYMENT OF BENEFITS.—Section 1833 of
5 the Social Security Act (42 U.S.C. 1395l) is amend-
6 ed—

7 (A) in subsection (a)—

8 (i) in paragraph (9), by striking “;
9 and” and inserting a semicolon;

10 (ii) in paragraph (10), by striking the
11 period at the end and inserting “; and”;
12 and

13 (iii) by inserting after paragraph (10)
14 the following new paragraph:

15 “(11) in the case of outpatient territorial safety
16 net hospital services, the amounts described in sec-
17 tion 1834(aa).”;

18 (B) in subsection (h)(5)(A)(iii), by insert-
19 ing “territorial safety net hospital,” after “crit-
20 ical access hospital,”;

21 (C) in subsection (i)(1)(A), by inserting
22 “territorial safety net hospital,” after “critical
23 access hospital,”;

24 (D) in subsection (l)(5)—

1 (i) in subparagraph (A), by inserting
2 “territorial safety net hospital,” after
3 “critical access hospital,” in each place it
4 appears; and

5 (ii) in subparagraph (B), by striking
6 “or critical access hospital” in each place
7 it appears and inserting “, critical access
8 hospital, or territorial safety net hospital”
9 in each such place;

10 (E) in subsection (r)—

11 (i) in paragraph (1), by inserting
12 “territorial safety net hospital,” after
13 “critical access hospital”; and

14 (ii) in paragraph (2), by striking “or
15 critical access hospital” and inserting “,
16 critical access hospital, or territorial safety
17 net hospital”; and

18 (F) in subsection (cc)(2), by adding at the
19 end the following new subparagraph:

20 “(F) Section 1834(aa), with respect to an
21 outpatient territorial safety net hospital serv-
22 ice.”.

23 (4) PAYMENT FOR AMBULANCE SERVICES FUR-
24 NISHED BY A TERRITORIAL SAFETY NET HOS-

1 PITAL.—Section 1834(l)(8) of the Social Security
2 Act (42 U.S.C. 1395m(l)(8)) is amended—

3 (A) in the heading, by inserting “AND TER-
4 RITORIAL SAFETY NET HOSPITALS” after
5 “CRITICAL ACCESS HOSPITALS”;

6 (B) in subparagraph (A), by inserting “or
7 a territorial safety net hospital (as defined in
8 section 1861(nnn))” after “(as defined in sec-
9 tion 1861(mm)(1))”;

10 (C) in subparagraph (B), by inserting “or
11 a territorial safety net hospital” after “critical
12 access hospital”; and

13 (D) by amending the flush left text fol-
14 lowing subparagraph (B) to read as follows:
15 “but only if the critical access hospital, territorial
16 safety net hospital, or entity is the only provider or
17 supplier of ambulance services that is located within
18 a 35-mile drive of such critical access hospital or ter-
19 ritorial safety net hospital.”.

20 (d) CONFORMING AMENDMENTS.—

21 (1) TITLE XI.—

22 (A) CIVIL MONETARY PENALTIES.—Sec-
23 tion 1128A(b)(1) of the Social Security Act (42
24 U.S.C. 1320a-7a(b)(1)) is amended by striking
25 “or a critical access hospital” in each place it

1 appears and inserting “, critical access hospital,
2 or territorial safety net hospital” in each such
3 place.

4 (B) CRIMINAL PENALTIES FOR ACTS IN-
5 VOLVING FEDERAL HEALTH CARE PROGRAMS.—
6 Section 1128B(e) of the Social Security Act (42
7 U.S.C. 1320a–7b(e)) is amended by inserting
8 “territorial safety net hospital,” after “critical
9 access hospital,”.

10 (C) NONPROFIT HOSPITAL PHILAN-
11 THROPY.—Section 1134 of the Social Security
12 Act (42 U.S.C. 1320b–4) is amended in the
13 matter preceding paragraph (1) by striking “or
14 critical access hospitals” in each place it ap-
15 pears and inserting “, critical access hospitals,
16 or territorial safety net hospitals” in each such
17 place.

18 (D) HOSPITAL PROTOCOLS FOR ORGAN
19 PROCUREMENT AND STANDARDS FOR ORGAN
20 PROCUREMENT AGENCIES.—Section 1138 of the
21 Social Security Act (42 U.S.C. 1320b–8) is
22 amended by striking “or critical access hos-
23 pital” in each place it appears and inserting “,
24 critical access hospital, or territorial safety net
25 hospital” in each such place.

1 (2) TITLE XVIII.—

2 (A) DEFINITION OF A HOSPITAL.—Section
3 1861(e) of the Social Security Act (42 U.S.C.
4 1395x(e)) is amended in the flush left matter at
5 the end by striking “or a rural emergency hos-
6 pital (as defined in subsection (kkk)(2))” and
7 inserting “, a rural emergency hospital (as de-
8 fined in subsection (kkk)(2)), or a territorial
9 safety net hospital (as defined in subsection
10 (nnn)(1))”.

11 (B) DEFINITION OF PROVIDER OF SERV-
12 ICES.—Section 1861(u) of the Social Security
13 Act (42 U.S.C. 1395x(u)) is amended by insert-
14 ing “territorial safety net hospital,” after “crit-
15 ical access hospital,”.

16 (C) DEFINITION OF REASONABLE
17 COSTS.—Section 1861(v)(1)(S)(ii)(III) of the
18 Social Security Act (42 U.S.C.
19 1395x(v)(1)(S)(ii)(III)) is amended by striking
20 “or a critical access hospital (as defined in sec-
21 tion 1861(mm)(1))” and inserting “, a critical
22 access hospital (as defined in section
23 1861(mm)(1)), or a territorial safety net hos-
24 pital (as defined in subsection (nnn) of such
25 section)”.

1 (D) DEFINITION OF ARRANGEMENTS.—
2 Section 1861(w) of the Social Security Act (42
3 U.S.C. 1395x(w)) is amended—

4 (i) in paragraph (1), by inserting
5 “territorial safety net hospital,” after
6 “critical access hospital,”; and

7 (ii) in paragraph (2), by striking “or
8 critical access hospital” in each place it ap-
9 pears and inserting “, critical access hos-
10 pital, or territorial safety net hospital” in
11 each such place.

12 (E) DEFINITION OF POST-INSTITUTIONAL
13 HOME HEALTH SERVICES; HOME HEALTH
14 SPELL OF ILLNESS.—Section 1861(tt) of the
15 Social Security Act (42 U.S.C. 1395x(tt)) is
16 amended—

17 (i) in paragraph (1)(A), by striking
18 “or critical access hospital” and inserting
19 “, critical access hospital, or territorial
20 safety net hospital”; and

21 (ii) in paragraph (2)(B), by striking
22 “or critical access hospital” and inserting
23 “, critical access hospital, or territorial
24 safety net hospital”.

1 (F) EXCLUSION FROM COVERAGE.—Sec-
2 tion 1862(a)(14) of the Social Security Act (42
3 U.S.C. 1395y(a)(14)) is amended by striking
4 “or critical access hospital” in each place it ap-
5 pears and inserting “, critical access hospital,
6 or territorial safety net hospital” in each such
7 place.

8 (G) USE OF STATE AGENCIES TO DETER-
9 MINE COMPLIANCE BY PROVIDERS OF SERVICES
10 WITH CONDITIONS OF PARTICIPATION.—Section
11 1864 of the Social Security Act (42 U.S.C.
12 1395aa) is amended—

13 (i) in subsection (a), by inserting “ter-
14 ritorial safety net hospital, as defined in
15 section 1861(nnn)(1),” after “a critical ac-
16 cess hospital, as defined in section
17 1861(mm)(1),”; and

18 (ii) by adding at the end the following
19 new subparagraph:

20 “(f) For purposes of this section, the term ‘State’
21 means the 50 States and includes the District of Colum-
22 bia, Puerto Rico, the Virgin Islands, Guam, American
23 Samoa, and the Northern Mariana Islands.”.

1 (H) AGREEMENTS WITH PROVIDERS OF
2 SERVICES.—Section 1866(a) of the Social Secu-
3 rity Act (42 U.S.C. 1395cc(a)) is amended—

4 (i) in paragraph (1)—

5 (I) in subparagraph (F)(ii), by
6 inserting “territorial safety net hos-
7 pitals,” after “critical access hos-
8 pitals,”;

9 (II) in subparagraph (H), by
10 striking “and in the case of critical
11 access hospitals which provide critical
12 access hospital services” and inserting
13 “, in the case of critical access hos-
14 pitals which provide critical access
15 hospital services, and in the case of
16 territorial safety net hospitals which
17 provide territorial safety net hospital
18 services”;

19 (III) in subparagraph (I), by in-
20 serting “territorial safety net hos-
21 pital,” after “critical access hospital,”
22 in each place it appears;

23 (IV) in subparagraph (N), by in-
24 serting “territorial safety net hos-

1 pital,” after “critical access hospital,”
2 in each place it appears;

3 (V) in subparagraph (T), by
4 striking “and critical access hospitals”
5 and inserting “, critical access hos-
6 pitals, and territorial safety net hos-
7 pitals”; and

8 (VI) in subparagraph (Y), by
9 striking “or critical access hospital”
10 each place it appears and inserting “,
11 critical access hospital, or territorial
12 safety net hospital” in each such
13 place; and

14 (ii) in paragraph (3)—

15 (I) in subparagraph (A), by in-
16 serting “territorial safety net hos-
17 pital,” after “critical access hospital,”;

18 (II) in subparagraph (B), by in-
19 serting “territorial safety net hos-
20 pital,” after “critical access hospital,”
21 in each place it appears; and

22 (III) in subparagraph (C)(ii)(II),
23 by inserting “territorial safety net
24 hospitals,” after “critical access hos-
25 pitals,” in each place it appears.

1 (I) EXAMINATION AND TREATMENT FOR
2 EMERGENCY MEDICAL CONDITIONS AND WOMEN
3 IN LABOR.—Section 1867(e)(5) of the Social
4 Security Act (42 U.S.C. 1395dd(e)(5)) is
5 amended by inserting “, territorial safety net
6 hospital (as defined in section 1861(nnn)(1)),”
7 after “(as defined in section 1861(mm)(1))”.

8 (J) HOSPITAL PROVIDERS OF EXTENDED
9 CARE SERVICES.—Section 1883(a)(3) of the So-
10 cial Security Act (42 U.S.C. 1395tt(a)(3)) is
11 amended by inserting “or a territorial safety
12 net hospital” after “critical access hospital”.

13 (K) PAYMENT TO SKILLED NURSING FA-
14 CILITIES FOR ROUTINE CARE.—Section
15 1888(e)(6)(B) of the Social Security Act (42
16 U.S.C. 1395yy(e)(6)(B)) is amended—

17 (i) in clause (i), by inserting “or a
18 territorial safety net hospital” after “crit-
19 ical access hospital”; and

20 (ii) in clause (ii), by inserting “or a
21 territorial safety net hospital” after “crit-
22 ical access hospital”.

23 (L) STANDARDIZED POST-ACUTE CARE
24 (PAC) ASSESSMENT DATA FOR QUALITY, PAY-
25 MENT, AND DISCHARGE PLANNING.—Section

1 1899B of the Social Security Act (42 U.S.C.
2 1395lll) is amended—

3 (i) in subsection (c)(1)(E)—

4 (I) in clause (i), by striking “or
5 critical access hospital” and inserting
6 “, critical access hospital, or terri-
7 torial safety net hospital”; and

8 (II) in clause (ii), by inserting
9 “territorial safety net hospital,” after
10 “critical access hospital,”; and

11 (ii) in subsection (i)(1)—

12 (I) in the first sentence, by strik-
13 ing “and critical access hospitals” and
14 inserting “, critical access hospitals,
15 and territorial safety net hospitals”;
16 and

17 (II) in the third sentence, by in-
18 serting “territorial safety net hos-
19 pitals,” after “critical access hos-
20 pitals,”.

21 **SEC. 3. INCLUSION OF TERRITORIAL SAFETY NET HOS-**
22 **PITALS AS 340B COVERED ENTITIES.**

23 Section 340B(a)(4) of the Public Health Service Act
24 (42 U.S.C. 256b(a)(4)) is amended by adding at the end
25 the following new subparagraph:

1 “(P) An entity that is a territorial safety
2 net hospital (as defined in section 1861(nnn) of
3 the Social Security Act), and that meets the re-
4 quirements of subparagraph (L)(i).”.

5 **SEC. 4. ELIMINATING MEDICARE SEQUESTRATION FOR**
6 **TERRITORIAL SAFETY NET HOSPITALS.**

7 (a) **ELIMINATING MEDICARE SEQUESTRATION FOR**
8 **TERRITORIAL SAFETY NET HOSPITALS.—**

9 (1) **IN GENERAL.—**Section 256(d)(7) of the
10 Balanced Budget and Emergency Deficit Control
11 Act of 1985 (2 U.S.C. 906(d)(7)) is amended by
12 adding at the end the following:

13 “(D) **TERRITORIAL SAFETY NET HOS-**
14 **PITALS.—**Payments under part A or part B of
15 title XVIII of the Social Security Act with re-
16 spect to items and services furnished by a terri-
17 torial safety net hospital (as defined in section
18 1861(nnn)(1) of such Act).”.

19 (2) **APPLICABILITY.—**The amendment made by
20 this section applies with respect to orders of seques-
21 tration effective on or after the date that is 60 days
22 after the date of the enactment of this Act.

23 (b) **REVERSING CUTS TO REIMBURSEMENT OF BAD**
24 **DEBT FOR TERRITORIAL SAFETY NET HOSPITALS.—**

1 (1) TERRITORIAL SAFETY NET HOSPITALS.—
2 Section 1861(v)(1)(W)(ii) of the Social Security Act
3 (42 U.S.C. 1395x(v)(1)(W)(ii)) is amended by in-
4 serting after “or (V)” the following: “, a territorial
5 safety net hospital”.

6 (2) APPLICABILITY.—The amendments made
7 by this section apply with respect to cost reporting
8 periods beginning more than 60 days after the date
9 of the enactment of this Act.

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