

118TH CONGRESS  
2D SESSION

# S. 4322

To amend title XVIII of the Social Security Act to make improvements relating to the designation of rural emergency hospitals.

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IN THE SENATE OF THE UNITED STATES

MAY 14, 2024

Mr. MORAN (for himself and Ms. SMITH) 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 make improvements relating to the designation of rural emergency 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 “Rural Emergency Hos-  
5 pital Designation Improvement Act”.

6 **SEC. 2. ELIGIBILITY CHANGES.**

7 (a) IN GENERAL.—Section 1861(kkk)(3) of the So-  
8 cial Security Act (42 U.S.C. 1395x(kkk)(3)) is amended,  
9 in the matter preceding subparagraph (A), by striking “as

1 of” and inserting “at any point during the period begin-  
 2 ning on January 1, 2015, and ending on”.

3 (b) WAIVER OF CERTAIN REQUIREMENTS.—Section  
 4 1861(kkk)(3) of the Social Security (42 U.S.C.  
 5 1395x(kkk)(3), as amended by subsection (a), is amend-  
 6 ed—

7 (1) by redesignating subparagraphs (A) and  
 8 (B) as clauses (i) and (ii), respectively;

9 (2) by striking “DESCRIBED.—A facility” and  
 10 inserting “DESCRIBED.—

11 “(A) IN GENERAL.—Subject to subpara-  
 12 graph (B), a facility”; and

13 (3) by adding at the end the following new sub-  
 14 paragraph:

15 “(B) WAIVER.—Not later than one year  
 16 after the date of enactment of this subpara-  
 17 graph, the Secretary shall promulgate regula-  
 18 tions to waive subparagraph (A) with respect to  
 19 facilities that operate similarly to a rural emer-  
 20 gency hospital in order for such facilities to be  
 21 eligible for conversion to a rural emergency hos-  
 22 pital under this subsection.”.

23 **SEC. 3. DISTINCT PART UNITS.**

24 Section 1861(kkk)(6) of the Social Security Act (42  
 25 U.S.C. 1395x(kkk)(6)) is amended—

1           (1) in subparagraph (A), by striking “and” at  
2 the end;

3           (2) in subparagraph (B), by striking the period  
4 at the end and inserting a semicolon; and

5           (3) by adding at the end the following new sub-  
6 paragraphs:

7                   “(C) maintain or include a unit of the fa-  
8 cility that is a distinct part licensed as an inpa-  
9 tient psychiatric unit for behavioral health pa-  
10 tients and allows for inpatient care;

11                   “(D) maintain or include a unit of the fa-  
12 cility that is a distinct part licensed as an inpa-  
13 tient rehabilitation facility and allows for inpa-  
14 tient care; and

15                   “(E) maintain or include a unit of the fa-  
16 cility that is a distinct part unit licensed as an  
17 obstetric wing, labor and delivery unit, or ob-  
18 stetric emergency department.”.

19 **SEC. 4. ADD-ON PAYMENT FOR DIAGNOSTIC LABORATORY**  
20 **TESTS.**

21           Section 1834(x)(1) of the Social Security Act (42  
22 U.S.C. 1395m(x)(1)) is amended—

23           (1) by striking “HOSPITALS.—” and all that  
24 follows through “In the case” and inserting “HOS-  
25 PITALS.—”

1 “(1) IN GENERAL.—

2 “(A) PAYMENT FOR RURAL EMERGENCY  
3 HOSPITAL SERVICES.—In the case”; and

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

6 “(B) PAYMENT FOR DIAGNOSTIC LABORA-  
7 TORY TESTS.—In the case of clinical diagnostic  
8 laboratory tests and other diagnostic laboratory  
9 tests that are not covered OPD services (as de-  
10 fined in section 1833(t)(1)(B)) furnished by a  
11 rural emergency hospital (as defined in section  
12 1861(kkk)(2)) on or after January 1, 2025, the  
13 amount of payment for such tests shall be equal  
14 to the amount of payment that would otherwise  
15 apply under the applicable fee schedule, in-  
16 creased by 5 percent to reflect the higher costs  
17 incurred by such hospitals, and shall include the  
18 application of any copayment amount deter-  
19 mined under this part as if such increase had  
20 not occurred”.

21 **SEC. 5. SWING BEDS.**

22 Section 1861(kkk)(6) of the Social Security Act (42  
23 U.S.C. 1395x(kkk)(6)), as amended by section 3, is  
24 amended—

1 (1) in subparagraph (B), by striking “and” at  
2 the end;

3 (2) in subparagraph (C), by striking the period  
4 at the end and inserting “; and”; and

5 (3) by adding at the end the following new sub-  
6 paragraph:

7 “(D) may enter into an agreement de-  
8 scribed in section 1883.”.

9 **SEC. 6. NECESSARY PROVIDER STATUS FOR FACILITIES**  
10 **THAT REVERT TO CRITICAL ACCESS HOS-**  
11 **PITAL DESIGNATION.**

12 Not later than one year after the date of the enact-  
13 ment of this Act, the Secretary of Health and Human  
14 Services shall promulgate regulations to permit a rural  
15 emergency hospital (as defined in section 1861(kkk)(2) of  
16 the Social Security Act (42 U.S.C. 1395x(kkk)(2))) that  
17 reverts back to its previous designation as a critical access  
18 hospital (as defined in section 1861(mm)(1) of such Act  
19 (42 U.S.C. 1395x(m))) to regain its status as a necessary  
20 provider of health care services pursuant to section  
21 1820(c)(2)(B)(i)(II) of such Act (42 U.S.C. 1395i-  
22 4(c)(2)(B)(i)(II)), but only if the facility was designated  
23 as a necessary provider of health care services pursuant  
24 to such section prior to converting to a rural emergency  
25 hospital.

1 **SEC. 7. NATIONAL HEALTH SERVICE CORPS SITE ELIGI-**  
2 **BILITY.**

3 The Secretary of Health and Human Services, acting  
4 through the Administrator of the Health Resources and  
5 Services Administration, shall promulgate regulations to  
6 deem a rural emergency hospital (as defined in section  
7 1861(kkk)(2) of the Social Security Act (42 U.S.C.  
8 1395x(kkk)(2))) to be a health professional shortage area  
9 in accordance with section 332(a)(1)(C) of the Public  
10 Health Service Act (42 U.S.C. 254e(a)(1)(C)).

11 **SEC. 8. SMALL RURAL HOSPITAL IMPROVEMENT PROGRAM**  
12 **GRANTS.**

13 Section 1820(g) of the Social Security Act (42 U.S.C.  
14 42 U.S.C. 1395i-4(g)) is amended—

15 (1) in paragraph (1)(D), by inserting “or rural  
16 emergency hospitals (as defined in section  
17 1861(kkk)(2))” after “critical access hospitals”; and

18 (2) in paragraph (3)(A), by inserting “or rural  
19 emergency hospitals (as defined in section  
20 1861(kkk)(2))” after “small rural hospitals”.

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