

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1764

To amend title XVIII of the Social Security Act to extend until October 1, 1994, the period during which medicare-dependent, small rural hospitals may be paid under alternative reimbursement methodologies for the operating costs of inpatient hospital services under the medicare program.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 21, 1993

Mr. GUNDERSON (for himself, Mr. ROBERTS, Mr. SLATTERY, Mr. LANCASTER, and Mr. BEREUTER) 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 extend until October 1, 1994, the period during which medicare-dependent, small rural hospitals may be paid under alternative reimbursement methodologies for the operating costs of inpatient hospital services under the medicare program.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION. 1. MEDICARE-DEPENDENT, SMALL RURAL HOS-**  
2 **PITALS.**

3 (a) IN GENERAL.—Section 1886(d)(5)(G) (42 U.S.C.  
4 1395ww(d)(5)(G)) is amended—

5 (1) by amending clause (i) to read as follows:

6 “(i) In the case of a subsection (d) hospital which  
7 is a medicare-dependent, small rural hospital, payment  
8 under paragraph (1)(A) for discharges occurring before  
9 October 1, 1994, shall be equal to the sum of the amount  
10 determined under clause (ii) and the amount determined  
11 under paragraph (1)(A)(iii).”;

12 (2) by redesignating clauses (ii) and (iii) as  
13 clauses (iii) and (iv); and

14 (3) by inserting after clause (i) the following  
15 new clause:

16 “(ii) The amount determined under this clause is—

17 “(I) for discharges occurring during the first 3  
18 12-month cost reporting periods that begin on or  
19 after April 1, 1990, the amount by which the hos-  
20 pital’s target amount for the cost reporting period  
21 (as defined in subsection (b)(3)(D)) exceeds the  
22 amount determined under paragraph (1)(A)(iii); and

23 “(II) for discharges occurring during any subse-  
24 quent cost reporting period (or portion thereof), 50  
25 percent of the amount by which the hospital’s target  
26 amount for the cost reporting period (as defined in

1 subsection (b)(3)(D)) exceeds the amount deter-  
2 mined under paragraph (1)(A)(iii).”.

3 (b) PERMITTING HOSPITALS TO DECLINE RECLASSI-  
4 FICATION.—If any hospital fails to qualify as a medicare-  
5 dependent, small rural hospital under section  
6 1886(d)(5)(G)(i) of the Social Security Act as a result of  
7 a decision by the Medicare Geographic Classification Re-  
8 view Board under section 1886(d)(10) of such Act to re-  
9 classify the hospital as being located in an urban area for  
10 fiscal year 1994, the Secretary of Health and Human  
11 Services shall—

12 (1) notify such hospital of such failure to  
13 qualify,

14 (2) provide an opportunity for such hospital to  
15 decline such reclassification, and

16 (3) if the hospital declines such reclassification,  
17 administer the Social Security Act (other than sec-  
18 tion 1886(d)(8)(D)) for fiscal year 1994 as if the  
19 decision by the Review Board had not occurred.

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