

104TH CONGRESS
1ST SESSION

S. 963

To amend the medicare program under title XVIII of the Social Security Act to improve rural health services, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 23 (legislative day, JUNE 19), 1995

Mr. BAUCUS (for himself, Mr. GRASSLEY, and Mr. ROCKEFELLER) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the medicare program under title XVIII of the Social Security Act to improve rural health services, 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 Health Improve-
5 ment Act of 1995”.

6 **SEC. 2. MEDICARE RURAL HOSPITAL FLEXIBILITY PRO-**
7 **GRAM.**

8 (a) FINDINGS AND PURPOSE.—

1 (1) FINDINGS.—The Congress finds the follow-
2 ing:

3 (A) One-quarter of the United States pop-
4 ulation, or about 65 million persons, reside in
5 rural areas. Rural areas have a larger propor-
6 tion of elderly residents. Rural populations have
7 a higher infant mortality rate, and a 40 percent
8 higher rate of death from accidents.

9 (B) Rural hospitals are forced to comply
10 with burdensome and inflexible medicare re-
11 quirements that do not fit the realities of the
12 rural environment.

13 (C) Rural hospitals are inadequately reim-
14 bursed by the medicare program.

15 (D) Inadequate medicare reimbursement
16 and burdensome and inflexible requirements
17 contribute to the high closure rate among rural
18 hospitals, resulting in reduced access to primary
19 care and emergency services for millions of
20 rural residents.

21 (E) Medical assistance facilities have been
22 operating in Montana since 1990 and rural pri-
23 mary care hospitals have been operating since
24 1993. Both programs help rural hospitals adapt

1 to the changing health care needs of the local
2 community.

3 (F) The Inspector General of the Depart-
4 ment of Health and Human Services has found
5 that medical assistance facilities—

6 (i) provide access to health care in re-
7 mote rural areas; and

8 (ii) are cost efficient.

9 (G) The Inspector General of the Depart-
10 ment of Health and Human Services found that
11 flexible medicare requirements are key to the
12 success of medical assistance facilities.

13 (H) Twenty-one states applied to the Es-
14 sential Access Hospital (EACH) program au-
15 thorized in the Omnibus Budget Reconciliation
16 Act of 1989. Seven states, West Virginia, Cali-
17 fornia, Colorado, Kansas, New York, North
18 Carolina, and South Dakota were awarded
19 grants. Eleven hospitals have been designated
20 rural primary care hospitals since final Federal
21 regulations became effective in 1993.

22 (I) Medical assistance facilities and rural
23 primary care hospitals promote the development
24 of rural health care networks and result in in-

1 creased access for rural residents to a variety of
2 health care services.

3 (2) PURPOSE.—The purpose of this section is
4 to establish the medicare rural hospital flexibility
5 program and to allow all States to develop critical
6 access hospitals.

7 (b) MEDICARE RURAL HOSPITAL FLEXIBILITY PRO-
8 GRAM.—Section 1820 of the Social Security Act (42
9 U.S.C. 1395i–4) is amended to read as follows:

10 “MEDICARE RURAL HOSPITAL FLEXIBILITY PROGRAM

11 “SEC. 1820. (a) PURPOSE.—The purpose of this sec-
12 tion is to—

13 “(1) ensure access to health care services for
14 rural communities by allowing hospitals to be des-
15 ignated as critical access hospitals if such hospitals
16 limit the scope of available inpatient acute care serv-
17 ices;

18 “(2) provide more appropriate and flexible
19 staffing and licensure standards;

20 “(3) enhance the financial security of critical
21 access hospitals by requiring that medicare reim-
22 burse such facilities on a reasonable cost basis; and

23 “(4) promote linkages between critical access
24 hospitals designated by the State under this section
25 and broader programs supporting the development
26 of and transition to integrated provider networks.

1 “(b) ESTABLISHMENT.—Any State that submits an
2 application in accordance with subsection (c) may estab-
3 lish a medicare rural hospital flexibility program described
4 in subsection (d).

5 “(c) APPLICATION.—A State may establish a medi-
6 care rural hospital flexibility program described in sub-
7 section (d) if the State submits to the Secretary at such
8 time and in such form as the Secretary may require an
9 application containing—

10 “(1) assurances that the State—

11 “(A) has developed, or is in the process of
12 developing, a State rural health care plan
13 that—

14 “(i) provides for the creation of one or
15 more rural health networks (as defined in
16 subsection (e)) in the State,

17 “(ii) promotes regionalization of rural
18 health services in the State, and

19 “(iii) improves access to hospital and
20 other health services for rural residents of
21 the State;

22 “(B) has developed the rural health care
23 plan described in subparagraph (A) in consulta-
24 tion with the hospital association of the State,
25 rural hospitals located in the State, and the

1 State Office of Rural Health (or, in the case of
2 a State in the process of developing such plan,
3 that assures the Secretary that the State will
4 consult with its State hospital association, rural
5 hospitals located in the State, and the State Of-
6 fice of Rural Health in developing such plan);

7 “(2) assurances that the State has designated
8 (consistent with the rural health care plan described
9 in paragraph (1)(A)), or is in the process of so des-
10 ignating, rural nonprofit or public hospitals or facili-
11 ties located in the State as critical access hospitals;
12 and

13 “(3) such other information and assurances as
14 the Secretary may require.

15 “(d) MEDICARE RURAL HOSPITAL FLEXIBILITY
16 PROGRAM DESCRIBED.—

17 “(1) IN GENERAL.—A State that has submitted
18 an application in accordance with subsection (c),
19 may establish a medicare rural hospital flexibility
20 program that provides that—

21 “(A) the State shall develop at least one
22 rural health network (as defined in subsection
23 (e)) in the State; and

1 “(B) at least one facility in the State shall
2 be designated as a critical access hospital in ac-
3 cordance with paragraph (2).

4 “(2) STATE DESIGNATION OF FACILITIES.—

5 “(A) IN GENERAL.—A State may des-
6 ignate one or more facilities as a critical access
7 hospital in accordance with subparagraph (B).

8 “(B) CRITERIA FOR DESIGNATION AS CRIT-
9 ICAL ACCESS HOSPITAL.—A State may des-
10 ignate a facility as a critical access hospital if
11 the facility—

12 “(i) is located in a county (or equiva-
13 lent unit of local government) in a rural
14 area (as defined in section 1886(d)(2)(D))
15 that—

16 “(I) is located more than a 35-
17 mile drive from a hospital, or another
18 facility described in this subsection, or

19 “(II) is certified by the State as
20 being a necessary provider of health
21 care services to residents in the area;
22 and

23 “(ii) makes available 24-hour emer-
24 gency care services that a State determines
25 are necessary for ensuring access to emer-

1 agency care services in each area served by
2 a critical access hospital;

3 “(iii) provides not more than 15 acute
4 care inpatient beds (meeting such stand-
5 ards as the Secretary may establish) for
6 providing inpatient care for a period not to
7 exceed 96 hours (unless a longer period is
8 required because transfer to a hospital is
9 precluded because of inclement weather or
10 other emergency conditions), except that a
11 peer review organization or equivalent en-
12 tity may, on request, waive the 96-hour re-
13 striction on a case-by-case basis;

14 “(iv) meets such staffing requirements
15 as would apply under section 1861(e) to a
16 hospital located in a rural area, except
17 that—

18 “(I) the facility need not meet
19 hospital standards relating to the
20 number of hours during a day, or
21 days during a week, in which the fa-
22 cility must be open and fully staffed,
23 except insofar as the facility is re-
24 quired to make available emergency
25 care services as determined under

1 clause (ii) and must have nursing
2 services available on a 24-hour basis,
3 but need not otherwise staff the facil-
4 ity except when an inpatient is
5 present,

6 “(II) the facility may provide any
7 services otherwise required to be pro-
8 vided by a full-time, on site dietician,
9 pharmacist, laboratory technician,
10 medical technologist, and radiological
11 technologist on a part-time, off site
12 basis under arrangements as defined
13 in section 1861(w)(1), and

14 “(III) the inpatient care de-
15 scribed in clause (iii) may be provided
16 by a physician’s assistant, nurse prac-
17 titioner, or clinical nurse specialist
18 subject to the oversight of a physician
19 who need not be present in the facil-
20 ity; and

21 “(v) meets the requirements of sub-
22 paragraph (I) of paragraph (2) of section
23 1861(aa).

24 “(e) RURAL HEALTH NETWORK DEFINED.—

1 “(1) IN GENERAL.—For purposes of this sec-
2 tion, the term ‘rural health network’ means, with re-
3 spect to a State, an organization consisting of—

4 “(A) at least 1 facility that the State has
5 designated or plans to designate as a critical
6 access hospital, and

7 “(B) at least 1 hospital that furnishes
8 acute care services.

9 “(2) AGREEMENTS.—

10 “(A) IN GENERAL.—Each critical access
11 hospital that is a member of a rural health net-
12 work shall have an agreement with respect to
13 each item described in subparagraph (B) with
14 at least 1 hospital that is a member of the net-
15 work.

16 “(B) ITEMS DESCRIBED.—The items de-
17 scribed in this subparagraph are the following:

18 “(i) Patient referral and transfer.

19 “(ii) The development and use of com-
20 munications systems including (where fea-
21 sible)—

22 “(I) telemetry systems, and

23 “(II) systems for electronic shar-
24 ing of patient data.

1 “(iii) The provision of emergency and
2 non-emergency transportation among the
3 facility and the hospital.

4 “(C) CREDENTIALING AND QUALITY AS-
5 SURANCE.—Each critical access hospital that is
6 a member of a rural health network shall have
7 an agreement with respect to credentialing and
8 quality assurance with at least 1—

9 “(i) hospital that is a member of the
10 network;

11 “(ii) peer review organization or
12 equivalent entity; or

13 “(iii) other appropriate and qualified
14 entity identified in the State rural health
15 care plan.

16 “(f) CERTIFICATION BY THE SECRETARY.—The Sec-
17 retary shall certify a facility as a critical access hospital
18 if the facility—

19 “(1) is located in a State that has established
20 a medicare rural hospital flexibility program in ac-
21 cordance with subsection (d);

22 “(2) is designated as a critical access hospital
23 by the State in which it is located; and

24 “(3) meets such other criteria as the Secretary
25 may require.

1 “(g) PERMITTING MAINTENANCE OF SWING BEDS.—
2 Nothing in this section shall be construed to prohibit a
3 State from designating or the Secretary from certifying
4 a facility as a critical access hospital solely because, at
5 the time the facility applies to the State for designation
6 as a critical access hospital, there is in effect an agreement
7 between the facility and the Secretary under section 1883
8 under which the facility’s inpatient hospital facilities are
9 used for the furnishing of extended care services, except
10 that the number of beds used for the furnishing of such
11 services may not exceed the total number of licensed inpa-
12 tient beds at the time the facility applies to the State for
13 such designation (minus the number of inpatient beds
14 used for providing inpatient care in the facility pursuant
15 to subsection (d)(2)(A)(iii)). For purposes of the previous
16 sentence, the number of beds of the facility used for the
17 furnishing of extended care services shall not include any
18 beds of a unit of the facility that is licensed as a distinct-
19 part skilled nursing facility at the time the facility applies
20 to the State for designation as a critical access hospital.

21 “(h) GRANTS.—

22 “(1) MEDICARE RURAL HOSPITAL FLEXIBILITY
23 PROGRAM.—The Secretary may award grants to
24 States that have submitted applications in accord-
25 ance with subsection (c) for—

1 “(A) engaging in activities relating to plan-
2 ning and implementing a rural health care plan;

3 “(B) engaging in activities relating to
4 planning and implementing rural health net-
5 works; and

6 “(C) designating facilities as critical access
7 hospitals.

8 “(2) RURAL EMERGENCY MEDICAL SERVICES.—

9 “(A) IN GENERAL.—The Secretary may
10 award grants to States that have submitted ap-
11 plications in accordance with subparagraph (B)
12 for the establishment or expansion of a pro-
13 gram for the provision of rural emergency medi-
14 cal services.

15 “(B) APPLICATION.—An application is in
16 accordance with this subparagraph if the State
17 submits to the Secretary at such time and in
18 such form as the Secretary may require an ap-
19 plication containing the assurances described in
20 subparagraphs (A)(ii), (A)(iii), and (B) of sub-
21 section (c)(1) and paragraph (3) of such sub-
22 section.

23 “(i) GRANDFATHERING OF CERTAIN FACILITIES.—

24 “(1) IN GENERAL.—Any medical assistance fa-
25 cility operating in Montana and any rural primary

1 care hospital designated by the Secretary under this
2 section prior to the date of the enactment of the
3 Rural Health Improvement Act of 1995 shall be
4 deemed to have been certified by the Secretary
5 under subsection (f) as a critical access hospital if
6 such facility or hospital is otherwise eligible to be
7 designated by the State as a critical access hospital
8 under subsection (d).

9 “(2) CONTINUATION OF MEDICAL ASSISTANCE
10 FACILITY AND RURAL PRIMARY CARE HOSPITAL
11 TERMS.—Notwithstanding any other provision of
12 this title, with respect to any medical assistance fa-
13 cility or rural primary care hospital described in
14 paragraph (1), any reference in this title to a ‘criti-
15 cal access hospital’ shall be deemed to be a reference
16 to a ‘medical assistance facility’ or ‘rural primary
17 care hospital’.

18 “(j) WAIVER OF CONFLICTING PART A PROVI-
19 SIONS.—The Secretary is authorized to waive such provi-
20 sions of this part and part C as are necessary to conduct
21 the program established under this section.

22 “(k) AUTHORIZATION OF APPROPRIATIONS.—There
23 are authorized to be appropriated from the Federal Hos-
24 pital Insurance Trust Fund for making grants to all

1 States under subsection (h), \$25,000,000 in each of the
2 fiscal years 1996 through 2000.”.

3 (c) REPORT ON ALTERNATIVE TO 96-HOUR RULE.—

4 Not later than January 1, 1996, the Administrator of the
5 Health Care Financing Administration shall submit to the
6 Congress a report on the feasibility of, and administrative
7 requirements necessary to establish an alternative for cer-
8 tain medical diagnoses (as determined by the Adminis-
9 trator) to the 96-hour limitation for inpatient care in criti-
10 cal access hospitals required by section 1820(d)(2)(B)(iii).

11 (d) PART A AMENDMENTS RELATING TO RURAL
12 PRIMARY CARE HOSPITALS AND CRITICAL ACCESS HOS-
13 PITALS.—

14 (1) DEFINITIONS.—Section 1861(mm) of the
15 Social Security Act (42 U.S.C. 1395x(mm)) is
16 amended to read as follows:

17 “CRITICAL ACCESS HOSPITAL; CRITICAL ACCESS
18 HOSPITAL SERVICES

19 “(mm)(1) The term ‘critical access hospital’ means
20 a facility certified by the Secretary as a critical access hos-
21 pital under section 1820(f).

22 “(2) The term ‘inpatient critical access hospital serv-
23 ices’ means items and services, furnished to an inpatient
24 of a critical access hospital by such facility, that would
25 be inpatient hospital services if furnished to an inpatient
26 of a hospital by a hospital.”.

1 (2) COVERAGE AND PAYMENT.—(A) Section
2 1812(a)(1) of such Act (42 U.S.C. 1395d(a)(1)) is
3 amended by striking “or inpatient rural primary
4 care hospital services” and inserting “or inpatient
5 critical access hospital services”.

6 (B) Section 1814 of such Act (42 U.S.C.
7 1395f) is amended—

8 (i) on subsection (a)(8)—

9 (I) by striking “rural primary care
10 hospital” each place it appears and insert-
11 ing “critical access hospital”; and

12 (II) by striking “72” and inserting
13 “96”;

14 (ii) in subsection (b), by striking “other
15 than a rural primary care hospital providing in-
16 patient rural primary care hospital services,”
17 and inserting “other than a critical access hos-
18 pital providing inpatient critical access hospital
19 services,”; and

20 (iii) by amending subsection (l) to read as
21 follows:

22 “(l) PAYMENT FOR INPATIENT CRITICAL ACCESS
23 HOSPITAL SERVICES.—The amount of payment under
24 this part for inpatient critical access hospital services is

1 the reasonable costs of the critical access hospital in pro-
2 viding such services.”.

3 (3) TREATMENT OF CRITICAL ACCESS HOS-
4 PITALS AS PROVIDERS OF SERVICES.—(A) Section
5 1861(u) of such Act (42 U.S.C. 1395x(u)) is amend-
6 ed by striking “rural primary care hospital” and in-
7 serting “critical access hospital”.

8 (B) The first sentence of section 1864(a) of
9 such Act (42 U.S.C. 1395aa(a)) is amended by
10 striking “a rural primary care hospital” and insert-
11 ing “a critical access hospital”.

12 (4) CONFORMING AMENDMENTS.—(A) Section
13 1128A(b)(1) of such Act (42 U.S.C. 1320a-
14 7a(b)(1)) is amended by striking “rural primary
15 care hospital” each place it appears and inserting
16 “critical access hospital”.

17 (B) Section 1128B(c) of such Act (42 U.S.C.
18 1320a-7b(c)) is amended by striking “rural primary
19 care hospital” and inserting “critical access hos-
20 pital”.

21 (C) Section 1134 of such Act (42 U.S.C.
22 1320b-4) is amended by striking “rural primary
23 care hospitals” each place it appears and inserting
24 “critical access hospitals”.

1 (D) Section 1138(a)(1) of such Act (42 U.S.C.
2 1320b-8(a)(1)) is amended—

3 (i) in the matter preceding subparagraph
4 (A), by striking “rural primary care hospital”
5 and inserting “critical access hospital”; and

6 (ii) in the matter preceding clause (i) of
7 subparagraph (A), by striking “rural primary
8 care hospital” and inserting “critical access
9 hospital”.

10 (E) Section 1816(c)(2)(C) of such Act (42
11 U.S.C. 1395h(c)(2)(C)) is amended by striking
12 “rural primary care hospital” and inserting “critical
13 access hospital”.

14 (F) Section 1833 of such Act (42 U.S.C. 1395l)
15 is amended—

16 (i) in subsection (h)(5)(A)(iii), by striking
17 “rural primary care hospital” and inserting
18 “critical access hospital”;

19 (ii) in subsection (i)(1)(A), by striking
20 “rural primary care hospital” and inserting
21 “critical access hospital”;

22 (iii) in subsection (i)(3)(A), by striking
23 “rural primary care hospital services” and in-
24 serting “critical access hospital services”;

1 (iv) in subsection (l)(5)(A), by striking
2 “rural primary care hospital” each place it ap-
3 pears and inserting “critical access hospital”;
4 and

5 (v) in subsection (l)(5)(B), by striking
6 “rural primary care hospital” each place it ap-
7 pears and inserting “critical access hospital”.

8 (G) Section 1835(c) of such Act (42 U.S.C.
9 1395n(c)) is amended by striking “rural primary
10 care hospital” each place it appears and inserting
11 “critical access hospital”.

12 (H) Section 1842(b)(6)(A)(ii) of such Act (42
13 U.S.C. 1395u(b)(6)(A)(ii)) is amended by striking
14 “rural primary care hospital” and inserting “critical
15 access hospital”.

16 (I) Section 1861 of such Act (42 U.S.C. 1395x)
17 is amended—

18 (i) in the last sentence of subsection (e), by
19 striking “rural primary care hospital” and in-
20 serting “critical access hospital”;

21 (ii) in subsection (v)(1)(S)(ii)(III), by
22 striking “rural primary care hospital” and in-
23 serting “critical access hospital”;

1 (iii) in subsection (w)(1), by striking
2 “rural primary care hospital” and inserting
3 “critical access hospital”; and

4 (iv) in subsection (w)(2), by striking “rural
5 primary care hospital” each place it appears
6 and inserting “critical access hospital”.

7 (J) Section 1862(a)(14) of such Act (42 U.S.C.
8 1395y(a)(14)) is amended by striking “rural pri-
9 mary care hospital” each place it appears and in-
10 sserting “critical access hospital”.

11 (K) Section 1866(a)(1) of such Act (42 U.S.C
12 1395cc(a)(1)) is amended—

13 (i) in subparagraph (F)(ii), by striking
14 “rural primary care hospitals” and inserting
15 “critical access hospitals”;

16 (ii) in subparagraph (H), in the matter
17 preceding clause (i), by striking “rural primary
18 care hospitals” and “rural primary care hos-
19 pital services” and inserting “critical access
20 hospitals” and “critical access hospital serv-
21 ices”, respectively;

22 (iii) in subparagraph (I), in the matter
23 preceding clause (i), by striking “rural primary
24 care hospital” and inserting “critical access
25 hospital”; and

1 (iv) in subparagraph (N)—

2 (I) in the matter preceding clause (i),
3 by striking “rural primary hospitals” and
4 inserting “critical access hospitals”, and

5 (II) in clause (i), by striking “rural
6 primary care hospital” and inserting “criti-
7 cal access hospital”.

8 (L) Section 1866(a)(3) of such Act (42 U.S.C.
9 1395cc(a)(3)) is amended—

10 (i) by striking “rural primary care hos-
11 pital” each place it appears in subparagraphs
12 (A) and (B) and inserting “critical access hos-
13 pital”; and

14 (ii) in subparagraph (C)(ii)(II), by striking
15 “rural primary care hospitals” each place it ap-
16 pears and inserting “critical access hospitals”.

17 (M) Section 1867(e)(5) of such Act (42 U.S.C.
18 1395dd(e)(5)) is amended by striking “rural pri-
19 mary care hospital” and inserting “critical access
20 hospital”.

21 (e) PAYMENT CONTINUED TO DESIGNATED
22 EACHs.—Section 1886(d)(5)(D) of such Act (42 U.S.C.
23 1395ww(d)(5)(D)) is amended—

1 (1) in clause (iii)(III), by inserting “as in effect
2 on September 30, 1995” before the period at the
3 end; and

4 (2) in clause (v)—

5 (A) by inserting “as in effect on September
6 30, 1995” after “1820(i)(1)”; and

7 (B) by striking “1820(g)” and inserting
8 “1820(e)”.

9 (f) PART B AMENDMENTS RELATING TO CRITICAL
10 ACCESS HOSPITALS.—

11 (1) COVERAGE.—(A) Section 1861(mm) of the
12 Social Security Act (42 U.S.C. 1395x(mm)) as
13 amended by subsection (d)(1), is amended by adding
14 at the end the following new paragraph:

15 “(3) The term ‘outpatient critical access hospital
16 services’ means medical and other health services fur-
17 nished by a critical access hospital on an outpatient
18 basis.”.

19 (B) Section 1832(a)(2)(H) of such Act (42
20 U.S.C. 1395k(a)(2)(H)) is amended by striking
21 “rural primary care hospital services” and inserting
22 “critical access hospital services”.

23 (2) PAYMENT.—(A) Section 1833(a) of such
24 Act (42 U.S.C. 1395l(a)) is amended in paragraph
25 (6), by striking “outpatient rural primary care hos-

1 pital services” and inserting “outpatient critical ac-
2 cess services”.

3 (B) Section 1834(g) of such Act (42 U.S.C.
4 1395m(g)) is amended to read as follows:

5 “(g) PAYMENT FOR OUTPATIENT CRITICAL ACCESS
6 HOSPITAL SERVICES.—The amount of payment under
7 this part for outpatient critical access hospital services is
8 the reasonable costs of the critical access hospital in pro-
9 viding such services.”.

10 (g) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to services furnished on or after
12 October 1, 1995.

13 **SEC. 3. OFFICE OF RURAL HEALTH POLICY.**

14 (a) APPOINTMENT OF ASSISTANT SECRETARY.—

15 (1) IN GENERAL.—Section 711(a) of the Social
16 Security Act (42 U.S.C. 912(a)) is amended—

17 (A) by striking “by a Director, who shall
18 advise the Secretary” and inserting “by an As-
19 sistant Secretary for Rural Health (in this sec-
20 tion referred to as the ‘Assistant Secretary’),
21 who shall report directly to the Secretary”; and

22 (B) by adding at the end the following new
23 sentence: “The Office shall not be a component
24 of any other office, service, or component of the
25 Department.”.

1 (2) CONFORMING AMENDMENTS.—(A) Section
2 711(b) of the Social Security Act (42 U.S.C. 912(b))
3 is amended by striking “the Director” and inserting
4 “the Assistant Secretary”.

5 (B) Section 338J(a) of the Public Health Serv-
6 ice Act (42 U.S.C. 254r(a)) is amended by striking
7 “Director of the Office of Rural Health Policy” and
8 inserting “Assistant Secretary for Rural Health”.

9 (C) Section 464T(b) of the Public Health Serv-
10 ice Act (42 U.S.C. 285p–2(b)) is amended in the
11 matter preceding paragraph (1) by striking “Direc-
12 tor of the Office of Rural Health Policy” and insert-
13 ing “Assistant Secretary for Rural Health”.

14 (D) Section 6213 of the Omnibus Budget Rec-
15 onciliation Act of 1989 (42 U.S.C. 1395x note) is
16 amended in subsection (e)(1) by striking “Director
17 of the Office of Rural Health Policy” and inserting
18 “Assistant Secretary for Rural Health”.

19 (E) Section 403 of the Ryan White Comprehen-
20 sive AIDS Resources Emergency Act of 1990 (42
21 U.S.C. 300ff–11 note) is amended in the matter pre-
22 ceding paragraph (1) of subsection (a) by striking
23 “Director of the Office of Rural Health Policy” and
24 inserting “Assistant Secretary for Rural Health”.

1 (3) AMENDMENT TO THE EXECUTIVE SCHED-
2 ULE.—Section 5315 of title 5, United States Code,
3 is amended by striking “Assistant Secretaries of
4 Health and Human Services (6)” and inserting “As-
5 sistant Secretaries of Health and Human Services
6 (7)”.

7 (b) EXPANSION OF DUTIES.—Section 711(a) of the
8 Social Security Act (42 U.S.C. 912(a)) is amended by
9 striking “and access to (and the quality of) health care
10 in rural areas” and inserting “access to, and quality of,
11 health care in rural areas, and reforms to the health care
12 system and the implications of such reforms for rural
13 areas”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall take effect on January 1, 1996.

16 **SEC. 4. MEDICARE REIMBURSEMENT FOR TELEMEDICINE**
17 **SERVICES.**

18 (a) SENSE OF THE CONGRESS.—It is the sense of the
19 Congress that—

20 (1) the use of telemedicine services can increase
21 access to specialized health care for rural residents;
22 and

23 (2) although telemedicine services are currently
24 being furnished to medicare beneficiaries across the
25 country, providers of telemedicine services do not re-

1 ceive reimbursement for such services under the
2 medicare program.

3 (b) PURPOSE.—It is the purpose of this section to
4 improve access to specialized health services for rural med-
5 icare beneficiaries by requiring the medicare program to
6 reimburse providers for furnishing telemedicine services.

7 (c) METHODOLOGY FOR DETERMINING PAYMENT.—
8 Not later than January 1, 1996, the Secretary of Health
9 and Human Services shall develop and submit to the Con-
10 gress a recommendation on a methodology for determining
11 payments under title XVIII of the Social Security Act for
12 telemedicine services (as defined by the Secretary).

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