

106<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4622

To amend title 18 of the Social Security Act to provide for immediate relief for essential hospitals in a region, to assist in the long-range economic recovery of such hospitals, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 2000

Mr. KANJORSKI introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend title 18 of the Social Security Act to provide for immediate relief for essential hospitals in a region, to assist in the long-range economic recovery of such 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 “Essential Hospital  
5 Preservation Act of 2000”.

1 **SEC. 2. SPECIAL PAYMENTS TO ESSENTIAL HOSPITALS AND**  
2 **DEVELOPMENT OF ECONOMIC RECOVERY**  
3 **PLAN.**

4 (a) IN GENERAL.—Section 1886(g) of the Social Se-  
5 curity Act is amended by inserting after subsection (4)  
6 the following new subsection:

7 “(5)(A) Effective October 1, 2000, and there-  
8 after, in the case of a deemed hospital, the Secretary  
9 shall increase all payments for all services provided  
10 under this Title by such deemed hospital (including  
11 in-patient, out-patient, skilled nursing facility, home  
12 health agency, hospice, and end-stage renal disease,  
13 and other covered services provided by such deemed  
14 hospital) by 10 per centum for a period of five fiscal  
15 years, subject to the conditions under subsection 6  
16 of this subparagraph.

17 “(B) A deemed hospital shall be a hospital in  
18 a hospital referral region—

19 “(i) as defined by the The Center for the  
20 Evaluative Clinical Sciences, Dartmouth Med-  
21 ical School (popularly known as ‘The Dart-  
22 mouth Atlas of Health Care’), and as may be  
23 updated by The Center,

24 “(ii) except that the Secretary may by reg-  
25 ulation provide for criteria to adjust the hos-

1           pitals to be included or excluded from such a  
2           hospital referral region, and

3           “(iii) 75 per centum of the hospitals in  
4           such referral region shall, for the last completed  
5           cost report period, have had negative Medicare  
6           operating margins and negative total operating  
7           margins, and

8           “(iv) the Medicare-eligible beneficiary pa-  
9           tient discharge percentage of the hospitals in  
10          the referral region shall exceed 40 per centum.

11         The hospitals in the referral region shall be deemed  
12         to be essential hospitals necessary for the delivery of  
13         health care to all Medicare and other residents of  
14         the region.

15         “(6)(A) Within one year of receiving deemed  
16         status and higher Medicare payments under sub-  
17         section 5 of this subparagraph, each hospital in the  
18         referral region, either individually or (notwith-  
19         standing any other provision of law) cooperatively,  
20         shall submit an economic recovery plan to the De-  
21         partment of Health and Human Services for long-  
22         range (post-deemed status) financial viability. The  
23         Secretary shall offer assistance in the development  
24         of such plan or plans.

1           “(B) Such plan may include capital payments  
2 and operating payments to—

3                   “(i) right-size capacity,

4                   “(ii) coordinate and share high cost serv-  
5 ices,

6                   “(iii) ensure a viable regional emergency  
7 room network and access,

8                   “(iv) convert unused acute care beds to  
9 skilled nursing facility, intermediate care facil-  
10 ity, or assisted living facility support facilities,

11                   “(v) assist in the conversion of unused  
12 acute care beds to psychiatric, long-term care,  
13 or rehabilitation care hospital services as are  
14 determined to be in short supply, and

15                   “(vi) such other adjustments to the current  
16 acute care hospital facility as shall ensure the  
17 long-term economic viability of the facility and  
18 the continuation of essential health care serv-  
19 ices to the community.

20           “(C) The Secretary shall review such economic  
21 recovery plans, provide assistance in the improve-  
22 ment and modification of such plans, and within one  
23 year of receipt of a plan which the Secretary deter-  
24 mines has a reasonable opportunity of ensuring the  
25 long term viability of the facility or facilities, the

1 Secretary shall further increase the Medicare pay-  
2 ment increases described in subsection 5 of this sub-  
3 paragraph by such additional amount as to ensure  
4 the successful completion of the economic recovery  
5 plan or plans under this subsection.

6 “(7) Notwithstanding any other provision of  
7 law, the additional payments made to deemed hos-  
8 pitals under subsections 5 and 6 of this subpara-  
9 graph shall not result in payment reductions to any  
10 non-deemed hospital or provider under this Title.”.

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