

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

# H. R. 5228

To amend title XVIII 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

SEPTEMBER 20, 2000

Mr. KANJORSKI (for himself and Mr. NEY) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, 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

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## A BILL

To amend title XVIII 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 and Critical  
5 Hospital Preservation Act of 2000”.

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

4 Section 1886(g) of the Social Security Act (42 U.S.C.  
5 1395ww(g)) is amended by inserting after paragraph (4)  
6 the following new paragraphs:

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

17 “(B) A deemed hospital referred to in subpara-  
18 graph (A) is a hospital that—

19 “(i) is located in a Metropolitan Statistical  
20 Area that, during fiscal years 1999, 2000, and  
21 2001, had an area wage index value which, be-  
22 fore the application of section 4410 of the Bal-  
23 anced Budget Act of 1997 (Public Law 105–  
24 33) is lower than the wage index applicable to  
25 hospitals located in rural areas in the State in  
26 which the hospital is located,

1           “(ii) is located in a Metropolitan Statistical  
2           Area that is contiguous to at least two other  
3           Metropolitan Statistical Areas, and

4           “(iii) is located in a Metropolitan Statis-  
5           tical Area where, for cost reporting periods be-  
6           ginning during fiscal year 1997, all hospitals in  
7           that Metropolitan Statistical Area had, on an  
8           aggregate basis, a medicare-eligible beneficiary  
9           patient discharge percentage exceeding 40 per-  
10          cent.

11          “(6)(A) Within one year of receiving deemed  
12          status and increased payments under this title by  
13          reason of paragraph (5), each hospital in the Metro-  
14          politan Statistical Area, either individually or (not-  
15          withstanding any other provision of law) coopera-  
16          tively, shall submit to the Secretary an economic re-  
17          covery plan for long-range (post-deemed status) fi-  
18          nancial viability. The Secretary shall offer assistance  
19          in the development of such plan or plans.

20          “(B) Such plan may include capital payments  
21          and operating payments to—

22                  “(i) right-size capacity,

23                  “(ii) coordinate and share high cost serv-  
24          ices,

1           “(iii) ensure a viable regional emergency  
2 room network and access,

3           “(iv) convert unused acute care beds to  
4 skilled nursing facility, intermediate care facil-  
5 ity, or assisted living facility support facility  
6 beds,

7           “(v) assist in the conversion of unused  
8 acute care beds to psychiatric, long-term care,  
9 or rehabilitation care hospital beds as are deter-  
10 mined by the hospital to be in short supply, and

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

16           “(C) The Secretary shall review such economic  
17 recovery plans, provide assistance in the improve-  
18 ment and modification of such plans, and within one  
19 year of receipt of a plan which the Secretary deter-  
20 mines has a reasonable opportunity of ensuring the  
21 long-term viability of the facility or facilities, the  
22 Secretary shall further increase the payment in-  
23 creases under paragraph (5) by such additional  
24 amount as to ensure the successful completion of the

1 economic recovery plan or plans under this para-  
2 graph.

3 “(7) Notwithstanding any other provision of  
4 law, the additional payments made to deemed hos-  
5 pitals under paragraphs (5) and (6) shall not result  
6 in payment reductions to any hospital or provider  
7 under this title.”.

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