

106TH CONGRESS
1ST SESSION

S. 1263

To amend the Balanced Budget Act of 1997 to limit the reductions in medicare payments under the prospective payment system for hospital outpatient department services.

IN THE SENATE OF THE UNITED STATES

JUNE 22, 1999

Mr. JEFFORDS (for himself, Mr. HATCH, and Mr. GORTON) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Balanced Budget Act of 1997 to limit the reductions in medicare payments under the prospective payment system for hospital outpatient department services.

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 “Hospital Outpatient
5 Preservation Act of 1999”.

1 **SEC. 2. LIMITING REDUCTIONS IN MEDICARE PAYMENTS**
2 **UNDER PPS FOR HOSPITAL OUTPATIENT DE-**
3 **PARTMENT SERVICES.**

4 (a) IN GENERAL.—Section 4523 of the Balanced
5 Budget Act of 1997 (Public Law 105–33; 111 Stat. 445)
6 is amended by adding at the end the following:

7 “(e) TEMPORARY LIMIT ON REDUCTIONS IN FED-
8 ERAL PAYMENTS.—

9 “(1) IN GENERAL.—Notwithstanding section
10 1833(t) of the Social Security Act (42 U.S.C.
11 1395l(t)) (as added by subsection (a)) the amount
12 that is paid from the Federal Supplementary Med-
13 ical Insurance Trust Fund for covered OPD services
14 furnished by a hospital during a calendar year (or
15 portion thereof) specified in paragraph (2)(A) may
16 not be less than the applicable percentage of the
17 case mix adjusted average amount that would have
18 been payable to such hospital for such services (in-
19 cluding cost sharing) if the prospective payment sys-
20 tem established under such section did not apply.
21 Such average amount may be determined on a pro-
22 spective basis using the Secretary’s best estimate of
23 the reasonable costs incurred in furnishing covered
24 OPD services or on a retrospective basis using cost
25 reports submitted by a hospital.

1 “(2) DEFINITIONS.—For purposes of paragraph
2 (1)—

3 “(A) subject to paragraph (3), the term
4 ‘applicable percentage’ means—

5 “(i) with respect to covered OPD
6 services furnished during the first full cal-
7 endar year (and any portion of the imme-
8 diately preceding calendar year) for which
9 the prospective payment system established
10 under section 1833(t) of the Social Secu-
11 rity Act is in effect, 95 percent;

12 “(ii) with respect to the second full
13 calendar year for which such system is in
14 effect, 90 percent; and

15 “(iii) with respect to the third full cal-
16 endar year for which such system is in ef-
17 fect, 85 percent; and

18 “(B) the term ‘covered OPD services’ has
19 the meaning given to such term in section
20 1833(t)(1)(B) of the Social Security Act.

21 “(3) APPLICATION TO CERTAIN HOSPITALS.—In
22 the case of hospitals described in section 1833(t)(8)
23 of the Social Security Act, the ‘applicable percent-
24 age’ for a calendar year (or portion thereof) shall be
25 the same applicable percentage that applies to cov-

1 ered OPD services furnished by hospitals that are
2 not described in such section during such calendar
3 year (or portion thereof).

4 “(4) RULE OF CONSTRUCTION.—Nothing in
5 this subsection shall be construed as affecting the
6 amount of cost sharing paid by individuals enrolled
7 under part B of title XVIII of the Social Security
8 Act for covered OPD services.”.

9 (b) CONFORMING AMENDMENT.—Section
10 1833(t)(1)(A) of the Social Security Act (42 U.S.C.
11 1395l(t)(1)(A)) is amended by inserting “except as pro-
12 vided in section 4523(e) of the Balanced Budget Act of
13 1997,” after “1999,”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall become effective as if included in the en-
16 actment of the Balanced Budget Act of 1997.

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