

106TH CONGRESS
1ST SESSION

S. 1500

To amend title XVIII of the Social Security Act to provide for an additional payment for services provided to certain high-cost individuals under the prospective payment system for skilled nursing facility services, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 5, 1999

Mr. HATCH (for himself, Mr. DOMENICI, Mr. DASCHLE, Mr. KERREY, Mr. INOUE, Mr. BINGAMAN, Mr. COCHRAN, Ms. MIKULSKI, Mr. BURNS, Mrs. BOXER, Mr. MCCONNELL, Mr. BUNNING, Mr. JEFFORDS, Mr. ROBB, Mr. SANTORUM, Mr. DODD, and Mrs. FEINSTEIN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII of the Social Security Act to provide for an additional payment for services provided to certain high-cost individuals under the prospective payment system for skilled nursing facility 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 “Medicare Beneficiary
5 Access to Quality Nursing Home Care Act of 1999”.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) Beneficiaries under the Medicare Program
4 under title XVIII of the Social Security Act are ex-
5 periencing decreased access to skilled nursing facility
6 services due to inadequate reimbursement under the
7 prospective payment system for such services under
8 section 1888(e) of such Act.

9 (2) Such inadequate reimbursement may force
10 skilled nursing facilities to file for bankruptcy and
11 close their doors, resulting in reduced access to
12 skilled nursing facility services for Medicare bene-
13 ficiaries.

14 (3) The methodology under the prospective pay-
15 ment system for skilled nursing facility services has
16 made it more difficult for Medicare beneficiaries to
17 find nursing home care. Some beneficiaries are re-
18 maining in hospitals for extended stays due to re-
19 duced access to nursing homes. Others are placed in
20 nursing homes that are hours away from family and
21 friends.

22 (4) The Health Care Financing Administration
23 has indicated that the prospective payment system
24 for skilled nursing facility services does not accu-
25 rately account for the costs associated with pro-
26 viding medically complex care (non-therapy ancillary

1 services and supplies). Due to Year 2000 problems,
2 the Health Care Financing Administration claims
3 that it will be unable to properly account for such
4 costs under such system.

5 (5) The Medicare Payment Advisory Commis-
6 sion (MedPAC) has indicated that payments to
7 skilled nursing facilities under the Medicare Pro-
8 gram may not be adequate for beneficiaries who
9 need relatively high levels of non-therapy ancillary
10 services and supplies. According to MedPAC, such
11 inadequate funding could result in access problems
12 for beneficiaries with medically complex conditions.

13 (6) In order to provide adequate payment under
14 the prospective payment system for skilled nursing
15 facility services, such system must take into account
16 the costs associated with providing 1 or more of the
17 following services:

18 (A) Ventilator care.

19 (B) Tracheostomy care.

20 (C) Care for pressure ulcers.

21 (D) Care associated with individuals that
22 have experienced a stroke or a hip fracture.

23 (E) Care for non-vent, non-trach pneu-
24 monia.

25 (F) Dialysis.

1 (G) Infusion therapy.

2 (H) Deep vein thrombosis.

3 (I) Care associated with individuals with
4 transient peripheral neuropathy, a chronic ob-
5 structive pulmonary disease, congestive heart
6 failure, diabetes, a wound infection, a res-
7 piratory infection, sepsis, tuberculosis, HIV, or
8 cancer.

9 (7) A temporary legislative solution is necessary
10 in order to ensure that Medicare beneficiaries with
11 complex conditions continue to receive access to ap-
12 propriate skilled nursing facility services.

13 (8) The skilled nursing facility market basket
14 increase over the last 3 years evidences a critical
15 payment gap that exists between the actual cost of
16 providing services to Medicare beneficiaries residing
17 in a skilled nursing facility and the reimbursement
18 levels for such services under the prospective pay-
19 ment system. In addition, the Health Care Financ-
20 ing Administration, in establishing the skilled nurs-
21 ing facility market basket index under section
22 1888(e)(5)(A) of the Social Security Act only ac-
23 counted for the cost of goods, but not for the cost
24 of services, as such section requires.

1 **SEC. 3. MODIFICATION OF CASE MIX CATEGORIES FOR**
 2 **CERTAIN CONDITIONS.**

3 (a) IN GENERAL.—For purposes of applying any for-
 4 mula under paragraph (1) of section 1888(e) of the Social
 5 Security Act (42 U.S.C. 1395yy(e)), for services provided
 6 on or after October 1, 1999, and before the earlier of Oc-
 7 tober 1, 2001, or the date described in subsection (c), the
 8 Secretary of Health and Human Services shall increase
 9 the adjusted Federal per diem rate otherwise determined
 10 under paragraph (4) of such section for services provided
 11 to any individual during the period in which such indi-
 12 vidual is in a RUGS III category by the applicable pay-
 13 ment add-on as determined in accordance with the fol-
 14 lowing table:

RUGS III Category	Applicable Payment Add- On
RUC	\$73.57
RUB	\$23.06
RUA	\$17.04
RVC	\$76.25
RVB	\$30.36
RVA	\$20.93
RHC	\$54.07
RHB	\$27.28
RHA	\$25.07
RMC	\$69.98
RMB	\$30.09
RMA	\$24.24
SE3	\$98.41
SE2	\$89.05
CA1	\$27.02.

15 (b) UPDATE.—The Secretary shall update the appli-
 16 cable payment add-on under subsection (a) for fiscal year
 17 2001 by the skilled nursing facility market basket percent-

1 age change (as defined under section 1888(e)(5)(B) of the
 2 Social Security Act (42 U.S.C. 1395yy(e)(5)(B))) applica-
 3 ble to such fiscal year.

4 (c) DATE DESCRIBED.—The date described in this
 5 subsection is the date that the Secretary of Health and
 6 Human Services implements a case mix methodology
 7 under section 1888(e)(4)(G)(i) of the Social Security Act
 8 (42 U.S.C. 1395yy(e)(4)(G)(i)) that takes into account
 9 adjustments for the provision of non-therapy ancillary
 10 services and supplies such as drugs and respiratory ther-
 11 apy.

12 **SEC. 4. MODIFICATION TO THE SNF UPDATE TO FIRST**
 13 **COST REPORTING PERIOD.**

14 (a) IN GENERAL.—Section 1888(e) of the Social Se-
 15 curity Act (42 U.S.C. 1395yy(e)) is amended—

16 (1) in paragraph (3)(B)(i), by striking “minus
 17 1 percentage point”; and

18 (2) in paragraph (4)(B), by striking “reduced
 19 (on an annualized basis) by 1 percentage point”.

20 (b) EFFECTIVE DATE.—The amendments made by
 21 subsection (a) shall apply to services provided on or after
 22 October 1, 1999.

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