

107<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3147

To amend section 404 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 with respect to application of employment criteria under management contracts for certain mental health facilities.

---

## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 16, 2001

Ms. WOOLSEY introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, 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

---

## A BILL

To amend section 404 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 with respect to application of employment criteria under management contracts for certain mental health facilities.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. CONTINUING CRITERIA FOR MANAGEMENT**  
2 **CONTRACTS FOR PROVIDER-BASED STATUS**  
3 **UNDER PART B OF THE MEDICARE PROGRAM**  
4 **FOR CERTAIN MENTAL HEALTH FACILITIES.**

5 Section 404 of the Medicare, Medicaid, and SCHIP  
6 Benefits Improvement and Protection Act of 2000 (113  
7 Stat. 2763A–506), as enacted into law by section 1(a)(6)  
8 of Public Law 106–554, is amended by adding at the end  
9 the following new subsection:

10 “(e) GRANDFATHER OF MANAGEMENT CONTRACTS  
11 WITH CERTAIN MENTAL HEALTH FACILITIES.—Notwith-  
12 standing subsections (a) and (b), with respect to deter-  
13 minations of provider-based status on or after January 20,  
14 2001, a facility or organization that provides inpatient  
15 psychiatric services and other mental health services shall  
16 be exempt from the restrictions on managements contracts  
17 under section 413.65(f)(1) of title 42, Code of Federal  
18 Regulations insofar as they apply to employment of all  
19 staff, if the facility or organization—

20 “(1) is managed and staffed by employees of a  
21 unit of State or local government pursuant to a pub-  
22 lic-private affiliation that was entered into before  
23 such date; and

24 “(2) assures access to mental health services  
25 for low-income individuals who are not entitled to  
26 benefits under title XVIII of the Social Security Act

1 or to medical assistance under a State plan under  
2 title XIX of such Act.”.

○