

107TH CONGRESS
1ST SESSION

S. 326

To amend title XVIII of the Social Security Act to eliminate the 15 percent reduction in payment rates under the prospective payment system for home health services and to permanently increase payments for such services that are furnished in rural areas.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 14, 2001

Ms. COLLINS (for herself, Mr. BOND, Mr. KERRY, Mr. REED, Mr. JEFFORDS, Mr. ROBERTS, Mr. LEVIN, Mr. HUTCHINSON, Mrs. MURRAY, Mr. ENZI, Ms. MIKULSKI, Mr. SMITH of New Hampshire, Mr. SANTORUM, Mr. CHAFEE, Mr. DEWINE, Mr. HELMS, Mrs. HUTCHISON, Mr. SPECTER, Mr. MURKOWSKI, Ms. SNOWE, Mr. WARNER, Mr. GREGG, Mrs. CARNAHAN, Mr. LUGAR, and Mr. COCHRAN) 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 eliminate the 15 percent reduction in payment rates under the prospective payment system for home health services and to permanently increase payments for such services that are furnished in rural areas.

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 “Home Health Payment
5 Fairness Act of 2001”.

1 **SEC. 2. ELIMINATION OF 15 PERCENT REDUCTION IN PAY-**
2 **MENT RATES UNDER THE PROSPECTIVE PAY-**
3 **MENT SYSTEM FOR HOME HEALTH SERVICES.**

4 (a) IN GENERAL.—Section 1895(b)(3)(A) of the So-
5 cial Security Act (42 U.S.C. 1395fff(b)(3)(A)), as amend-
6 ed by section 501(a) of the Medicare, Medicaid, and
7 SCHIP Benefits Improvement and Protection Act of 2000
8 (as enacted into law by section 1(a)(6) of Public Law 106–
9 554), is amended to read as follows:

10 “(A) INITIAL BASIS.—Under such system
11 the Secretary shall provide for computation of
12 a standard prospective payment amount (or
13 amounts) as follows:

14 “(i) Such amount (or amounts) shall
15 initially be based on the most current au-
16 dited cost report data available to the Sec-
17 retary and shall be computed in a manner
18 so that the total amounts payable under
19 the system for fiscal year 2001 shall be
20 equal to the total amount that would have
21 been made in such year if the system had
22 not been in effect and if section
23 1861(v)(1)(L)(ix) had not been enacted.

24 “(ii) For fiscal year 2002 and for
25 each subsequent fiscal year, such amount
26 (or amounts) shall be equal to the amount

1 (or amounts) determined under this para-
2 graph for the previous fiscal year, updated
3 under subparagraph (B).

4 Each such amount shall be standardized in a
5 manner that eliminates the effect of variations
6 in relative case mix and area wage adjustments
7 among different home health agencies in a
8 budget neutral manner consistent with the case
9 mix and wage level adjustments provided under
10 paragraph (4)(A). Under the system, the Sec-
11 retary may recognize regional differences or dif-
12 ferences based upon whether or not the services
13 or agency are in an urbanized area.”.

14 (b) ELIMINATION OF REPORT.—Section 302(c) of the
15 Medicare, Medicaid, and SCHIP Balanced Budget Refine-
16 ment Act of 1999 (Appendix F, 113 Stat. 1501A–360),
17 as enacted into law by section 1000(a)(6) of Public Law
18 106–113, and as amended by section 501(b) of the Medi-
19 care, Medicaid, and SCHIP Benefits Improvement and
20 Protection Act of 2000 (as enacted into law by section
21 1(a)(6) of Public Law 106–554), is repealed.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall take effect as if included in the amend-
24 ments made by section 501 of the Medicare, Medicaid, and
25 SCHIP Benefits Improvement and Protection Act of 2000

1 (as enacted into law by section 1(a)(6) of Public Law 106–
2 554).

3 **SEC. 3. PERMANENT INCREASE FOR HOME HEALTH SERV-**
4 **ICES FURNISHED IN A RURAL AREA.**

5 (a) IN GENERAL.—Section 1895 of the Social Secu-
6 rity Act (42 U.S.C. 1395fff), as amended by section 504
7 of the Medicare, Medicaid, and SCHIP Benefits Improve-
8 ment and Protection Act of 2000 (as enacted into law by
9 section 1(a)(6) of Public Law 106–554), is amended by
10 adding at the end the following new subsection:

11 “(f) INCREASE FOR SERVICES FURNISHED IN A
12 RURAL AREA.—

13 “(1) IN GENERAL.—In the case of home health
14 services furnished in a rural area (as defined in sec-
15 tion 1886(d)(2)(D)) on or after April 1, 2001, the
16 Secretary shall increase the payment amount other-
17 wise made under this section for such services by 10
18 percent.

19 “(2) WAIVER OF BUDGET NEUTRALITY.—The
20 Secretary shall not reduce the standard prospective
21 payment amount (or amounts) under this section ap-
22 plicable to home health services furnished during a
23 period to offset the increase in payments resulting
24 from the application of paragraph (1).”.

1 (b) CONFORMING AMENDMENT.—Section 508 of the
2 Medicare, Medicaid, and SCHIP Benefits Improvement
3 and Protection Act of 2000 (as enacted into law by section
4 1(a)(6) of Public Law 106–554) is repealed.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall take effect as if included in the enact-
7 ment of the Medicare, Medicaid, and SCHIP Benefits Im-
8 provement and Protection Act of 2000 (as enacted into
9 law by section 1(a)(6) of Public Law 106–554).

○