

108TH CONGRESS  
1ST SESSION

# S. 653

To amend title XVIII of the Social Security Act to increase payments under the medicare program to Puerto Rico hospitals.

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IN THE SENATE OF THE UNITED STATES

MARCH 18, 2003

Mr. SANTORUM (for himself and Mr. GRAHAM of Florida) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XVIII of the Social Security Act to increase payments under the medicare program to Puerto Rico hospitals.

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 Puerto Rico  
5 Hospital Payment Parity Act of 2003”.

6 **SEC. 2. MODIFICATION OF PAYMENT RATE FOR PUERTO**  
7 **RICO HOSPITALS.**

8 Section 1886(d)(9) of the Social Security Act (42  
9 U.S.C. 1395ww(d)(9)) is amended—

10 (1) in subparagraph (A)—

1 (A) in clause (i), by striking “for dis-  
2 charges beginning on or after October 1, 1997,  
3 50 percent (and for discharges between October  
4 1, 1987, and September 30, 1997, 75 percent)”  
5 and inserting “the applicable Puerto Rico per-  
6 centage (specified in subparagraph (E))”; and

7 (B) in clause (ii), by striking “for dis-  
8 charges beginning in a fiscal year beginning on  
9 or after October 1, 1997, 50 percent (and for  
10 discharges between October 1, 1987, and Sep-  
11 tember 30, 1997, 25 percent)” and inserting  
12 “the applicable Federal percentage (specified in  
13 subparagraph (E))”; and

14 (2) by adding at the end the following new sub-  
15 paragraph:

16 “(E) For purposes of subparagraph (A), for dis-  
17 charges occurring—

18 “(i) on or after October 1, 1987, and before Oc-  
19 tober 1, 1997, the applicable Puerto Rico percentage  
20 is 75 percent and the applicable Federal percentage  
21 is 25 percent;

22 “(ii) on or after October 1, 1997, and before  
23 October 1, 2003, the applicable Puerto Rico percent-  
24 age is 50 percent and the applicable Federal per-  
25 centage is 50 percent; and

1           “(iii) on or after October 1, 2003, the applica-  
 2           ble Puerto Rico percentage is 25 percent and the ap-  
 3           plicable Federal percentage is 75 percent.”.

4 **SEC. 3. CALCULATION OF MEDICARE DSH PAYMENTS FOR**  
 5 **PPS HOSPITALS IN PUERTO RICO.**

6           (a) IN GENERAL.—Section 1886(d)(9) of the Social  
 7 Security Act (42 U.S.C. 1395ww(d)(9)), as amended by  
 8 section 2, is amended—

9           (1) by striking subparagraph (D)(iii) and in-  
 10          serting the following:

11           “(iii) Subparagraph (F) (relating to dispropor-  
 12          tionate share payments), except that for this pur-  
 13          pose—

14           “(I) the sum described in clause (ii) of this  
 15          subparagraph shall be substituted for the sum  
 16          referred to in paragraph (5)(F)(ii)(I); and

17           “(II) the number of a subsection (d) Puer-  
 18          to Rico hospital’s SSI proxy patient days (as  
 19          defined in subparagraph (F)) shall be sub-  
 20          stituted for the numerator referred to in para-  
 21          graph (5)(F)(vi)(I).”;

22           (2) by adding at the end the following new sub-  
 23          paragraph:

1 “(F)(i) For purposes of subparagraph (D)(iii)(II),  
2 the term ‘subsection (d) Puerto Rico hospital’s SSI proxy  
3 patient days’ means the product of—

4 “(I) the SSI proxy percentage (as defined in  
5 clause (ii)); and

6 “(II) the total number of the hospital’s patient  
7 days for such period.

8 “(ii) For purposes of clause (i)(I), the term ‘SSI  
9 proxy percentage’ means, with respect to all subsection (d)  
10 Puerto Rico hospitals for cost reporting periods beginning  
11 in a fiscal year, the unweighted average of the fractions  
12 (expressed as percentages) determined under paragraph  
13 (5)(F)(vi)(I) for all subsection (d) hospitals in the income-  
14 equivalent proxy State (as defined in clause (iii)) for the  
15 most recent cost reporting period for which adequate data  
16 are available (other than hospitals for which such fraction  
17 or percentage is zero).

18 “(iii) For purposes of clause (ii), the term ‘income-  
19 equivalent proxy State’ means, for cost reporting periods  
20 beginning in a fiscal year, the State (other than a State  
21 for which title XVI, as in effect without regard to the  
22 amendment made by section 301 of the Social Security  
23 Amendments of 1972, continues to apply) the per capita  
24 income of which most closely approximates the per capita  
25 income of Puerto Rico (as determined by the Secretary

1 based on the most recent period for which adequate data  
2 are available).”.

3 (b) EFFECTIVE DATE.—The amendments made by  
4 subsection (a) shall apply to discharges occurring on or  
5 after October 1, 2003.

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