

115TH CONGRESS 1ST SESSION

H. R. 1130

To amend title XVIII of the Social Security Act to ensure fairness in Medicare hospital payments by establishing a floor for the area wage index applied with respect to certain hospitals.

IN THE HOUSE OF REPRESENTATIVES

February 16, 2017

Mrs. Black (for herself, Ms. Sewell of Alabama, Mrs. Blackburn, Mr. Roe of Tennessee, Mr. Byrne, Mr. Cohen, Mrs. Roby, Mr. Rogers of Alabama, Mr. Brooks of Alabama, Mr. Duncan of Tennessee, Mr. Cooper, Mr. Desjarlais, Mr. Fleischmann, Mr. Kustoff of Tennessee, and Mr. Aderholt) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, 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 title XVIII of the Social Security Act to ensure fairness in Medicare hospital payments by establishing a floor for the area wage index applied with respect to certain 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 "Fair Medicare Hospital
- 5 Payments Act of 2017".

1	SEC. 2. ENSURING FAIRNESS IN MEDICARE HOSPITAL PAY-
2	MENTS IN A BUDGET NEUTRAL MANNER.
3	(a) Hospital Inpatient Services.—Section
4	1886(d)(3)(E) of the Social Security Act (42 U.S.C.
5	1395www(d)(3)(E)) is amended—
6	(1) in clause (i), by striking "clause (ii) or (iii)"
7	and inserting "clause (ii), (iii), or (iv)"; and
8	(2) by adding at the end the following new
9	clause:
10	"(iv) Floor on area wage index for hos-
11	PITALS IN CERTAIN OTHER AREAS.—
12	"(I) In general.—For discharges occur-
13	ring on or after October 1, 2017, the area wage
14	index applicable under this subparagraph to
15	any hospital which is not located in a frontier
16	State (as defined in clause (iii)(II)) may not be
17	less than 0.874.
18	"(II) Ensuring budget neutrality.—
19	In order to ensure that the aggregate payments
20	made under this subsection for a fiscal year
21	(beginning with fiscal year 2018) are not great-
22	er than the aggregate payments that would
23	have been made under this subsection for such
24	fiscal year without the application of subclause
25	(I), as estimated by the Secretary, the Sec-
26	retary shall establish pursuant to rulemaking a

- 1 maximum area wage index to apply under this 2 subparagraph to any hospital which is not lo-3 cated in a frontier State (as defined in clause 4 (iii)(II). "(III) NO IMPACT FOR HOSPITALS WITH 6 AN AREA WAGE INDEX BETWEEN THE FLOOR 7 AND THE MAXIMUM INDEX.—Subclauses (I) 8 and (II) shall have no effect on the area wage 9 index applicable in a fiscal year to a hospital 10 with an area wage index that is greater than 11 the floor under subclause (I) but less than the 12 maximum area wage index established under 13 subclause (II) for the fiscal year.". 14 (b) Hospital Outpatient Department Serv-15 ICES.—Section 1833(t) of the Social Security Act (42) U.S.C. 1395l(t)), is amended— 16 (1) in paragraph (2)(D), by striking "para-17 18 graph (19), the Secretary" and inserting "para-
- 19 graphs (19) and (22), the Secretary"; and
- 20 (2) by adding at the end the following new 21 paragraph:
- 22 "(22) Floor on area wage adjustment 23 FACTOR FOR HOSPITAL OUTPATIENT DEPARTMENT 24 SERVICES IN AREAS OTHER THAN IN FRONTIER

25 STATES.— "(A) IN GENERAL.—With respect to covered OPD services furnished on or after January 1, 2018, the area wage adjustment factor applicable under the payment system established under this subsection to any hospital outpatient department which is not located in a frontier State (as defined in section 1886(d)(3)(E)(iii)(II)) may not be less than 0.874.

"(B) Ensuring Budget Neutrality.—
In order to ensure that the aggregate payments made under this subsection for a year (beginning with 2018) are not greater than the aggregate payments that would have been made under this subsection for such year without the application of subparagraph (A), as estimated by the Secretary, the Secretary shall establish pursuant to rulemaking a maximum area wage adjustment factor to apply under the payment system established under this subsection to any hospital outpatient department which is not located in a frontier State (as defined in clause (iii)(II)).

"(C) NO IMPACT FOR HOSPITALS WITH AN AREA WAGE ADJUSTMENT FACTOR BETWEEN

THE FLOOR AND THE MAXIMUM FACTOR.—Subparagraphs (A) and (B) shall have no effect on the area wage adjustment factor applicable in a year to a hospital with an area wage adjustment factor that is greater than the floor under subparagraph (A) but less than the maximum area wage adjustment factor established under subparagraph (B) for the year.".

 \bigcirc