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(Original Signature of Member)

113TH CONGRESS  
1ST SESSION

# H. R. 1390

To amend title XVIII of the Social Security Act to preserve access to urban Medicare-dependent hospitals.

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## IN THE HOUSE OF REPRESENTATIVES

Mr. SMITH of New Jersey introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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## A BILL

To amend title XVIII of the Social Security Act to preserve access to urban Medicare-dependent 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 “Urban Medicare-De-  
5 pendent Hospitals Preservation Act of 2013”.

1 **SEC. 2. CRITERIA AND PAYMENT FOR CERTAIN URBAN**  
2 **MEDICARE-DEPENDENT HOSPITALS.**

3 (a) IN GENERAL.—Section 1886(d)(5) of the Social  
4 Security Act (42 U.S.C. 1395ww(d)(5)) is amended by  
5 adding at the end the following new subparagraph:

6 “(M)(i) For cost reporting periods begin-  
7 ning on or after October 1, 2013, and before  
8 October 1, 2016, in the case of a subsection (d)  
9 hospital which is an urban Medicare-dependent  
10 hospital, payment under paragraph (1)(A) shall  
11 be equal to the sum of the amount determined  
12 under clause (ii) and the amount determined  
13 under paragraph (1)(A)(iii).

14 “(ii) The amount determined under this  
15 clause is, for discharges occurring during a cost  
16 reporting period that begins on or after October  
17 1, 2013, and before October 1, 2016, 50 per-  
18 cent of the amount by which the hospital’s tar-  
19 get amount for the cost reporting period (as de-  
20 fined in subsection (b)(3)(L)) exceeds the  
21 amount determined under paragraph (1)(A)(iii).

22 “(iii) For purposes of this subparagraph,  
23 the term ‘urban Medicare-dependent hospital’  
24 means, with respect to any cost reporting pe-  
25 riod to which clause (i) applies, any hospital—

1           “(I) located in an urban area or re-  
2           classified to an urban area for wage index  
3           purposes;  
4           “(II) that does not receive payment—  
5                 “(aa) under subparagraph (C) as  
6                 a rural referral center;  
7                 “(bb) under subparagraph (D) as  
8                 a sole community hospital;  
9                 “(cc) under subparagraph (B) or  
10                under subsection (h); or  
11                “(dd) under subparagraph (F);  
12           “(III) that is not a physician-owned  
13           hospital, as defined in section 489.3 of title  
14           42, Code of Federal Regulations (as in ef-  
15           fect as of the date of the enactment of this  
16           subparagraph); and  
17           “(IV) for which not less than 60 per-  
18           cent of its inpatient days or discharges  
19           during the cost reporting period beginning  
20           in fiscal year 2006, or two of the three  
21           most recently audited cost reporting peri-  
22           ods for which the Secretary has a settled  
23           cost report, were attributable to inpatients  
24           entitled to benefits under part A and not

1 enrolled in a Medicare Advantage plan  
2 under part C.”.

3 (b) TARGET PAYMENT AMOUNT.—Section  
4 1886(b)(3) of the Social Security Act (42 U.S.C.  
5 1395ww(b)(3)) is amended—

6 (1) in subparagraph (B)(iv), by striking “and  
7 (D)” and inserting “, (D), and (M)”; and

8 (2) by adding at the end the following new sub-  
9 paragraph:

10 “(M) For cost reporting periods occurring  
11 on or after October 1, 2013, and before October  
12 1, 2016, in the case of a hospital that is an  
13 urban Medicare-dependent hospital (as defined  
14 in subsection (d)(5)(M)), the term ‘target  
15 amount’ means—

16 “(i) with respect to the first 12-month  
17 cost reporting period in which this sub-  
18 paragraph is applied to the hospital, the  
19 allowable operating costs of inpatient hos-  
20 pital services (as defined in subsection  
21 (a)(4)) recognized under this title for the  
22 hospital for the 12-month cost reporting  
23 period beginning during fiscal year 2002 or  
24 2006 (whichever results in a higher target  
25 amount), increased by the applicable per-

1 centage increase under subparagraph  
2 (B)(iv) for each of fiscal years 2003  
3 through 2013 or 2007 through 2013, re-  
4 spectively; and  
5 “(ii) with respect to discharges occur-  
6 ring after the first 12-month cost reporting  
7 period in which this subparagraph is ap-  
8 plied to the hospital, the target amount for  
9 the preceding year increased by the appli-  
10 cable percentage increase under subpara-  
11 graph (B)(iv).”.