

117TH CONGRESS
1ST SESSION

S. _____

To amend title XVIII of the Social Security Act to stabilize payments under the Medicare program for rural providers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. MANCHIN introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend title XVIII of the Social Security Act to stabilize payments under the Medicare program for rural providers, and for other purposes.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Rural Health Stabilization Act”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—RURAL PROVIDER PAYMENT STABILIZATION

Subtitle A—Rural Hospitals

2

Sec. 101. Temporary reduction of cuts to reimbursement of bad debt for critical access hospitals and rural hospitals that implement new rural payment models.

Sec. 102. Temporary elimination of Medicare sequestration for critical access hospitals and rural hospitals that implement new rural payment models.

Sec. 103. Temporary extension of payment levels for Medicare-dependent hospitals and low-volume hospitals.

Subtitle B—Protecting Rural Emergency Providers

Sec. 111. Temporary extension of increased Medicare payments for ground ambulance services in rural areas.

TITLE II—REGULATORY RELIEF

Sec. 201. Review of 96-hour physician certification requirement with respect to inpatient CAH services.

Sec. 202. Maintaining sole community hospital status.

TITLE III—FUTURE OF RURAL HEALTH CARE

Sec. 301. Development and implementation of voluntary alternative new rural payment models to address rural hospital closure crisis.

1 **TITLE I—RURAL PROVIDER**
 2 **PAYMENT STABILIZATION**
 3 **Subtitle A—Rural Hospitals**

4 **SEC. 101. TEMPORARY REDUCTION OF CUTS TO REIM-**
 5 **BURSEMENT OF BAD DEBT FOR CRITICAL AC-**
 6 **CESS HOSPITALS AND RURAL HOSPITALS**
 7 **THAT IMPLEMENT NEW RURAL PAYMENT**
 8 **MODELS.**

9 (a) RURAL HOSPITALS.—Section 1861(v)(1)(T) of
 10 the Social Security Act (42 U.S.C. 1395x(v)(1)(T)) is
 11 amended—

12 (1) by redesignating clauses (i) through (v) as
 13 subclause (I) through (V), respectively, and indent-
 14 ing appropriately;

1 (2) by striking “In determining” and inserting

2 “(i) Subject to clause (ii), in determining”; and

3 (3) by adding at the end the following new

4 clause:

5 “(ii)(I) For cost reporting periods beginning during

6 fiscal years **[2022]** through **[2026]**, in the case of an

7 applicable hospital (as defined in subclause (II)), clause

8 (i)(V) shall be applied by substituting ‘20 percent’ for ‘35

9 percent’.

10 “(II) For purposes of this clause, the term ‘applicable

11 hospital’ means a hospital that is—

12 “(aa) located in a rural area; and

13 “(bb) participating in a new rural payment

14 model under section 301 of the Rural Health Sta-

15 bilization Act”.

16 (b) CAHs.—Section 1861(v)(1)(W) of the Social Se-

17 curity Act (42 U.S.C. 1395x(v)(1)(W)) is amended—

18 (1) in clause (i), by striking “In determining”

19 and inserting “Subject to clause (iii), in deter-

20 mining”;

21 (2) in clause (ii), by inserting after “or (V)”

22 the following: “, a critical access hospital”; and

23 (3) by adding at the end the following new

24 clause:

1 “(iii) For cost reporting periods beginning during fis-
2 cal years **【2022】** through **【2026】**, in the case of an appli-
3 cable hospital (as defined in subparagraph (T)(ii)(II)),
4 clause (i)(III) shall be applied by substituting ‘20 percent’
5 for ‘35 percent’.”.

6 **SEC. 102. TEMPORARY ELIMINATION OF MEDICARE SE-**
7 **QUESTRATION FOR CRITICAL ACCESS HOS-**
8 **PITALS AND RURAL HOSPITALS THAT IMPLE-**
9 **MENT NEW RURAL PAYMENT MODELS.**

10 Section 256(d)(7) of the Balanced Budget and Emer-
11 gency Deficit Control Act of 1985 (2 U.S.C. 906(d)(7))
12 is amended by adding at the end the following:

13 “(D) RURAL HOSPITALS.—With respect to
14 each of fiscal years **【2022】** through **【2026】**,
15 payments under part A or part B of title XVIII
16 of the Social Security Act with respect to items
17 and services furnished by an applicable hospital
18 (as defined in section 1861(v)(1)(T)(ii)(II) of
19 the Social Security Act).”.

20 **SEC. 103. TEMPORARY EXTENSION OF PAYMENT LEVELS**
21 **FOR MEDICARE-DEPENDENT HOSPITALS AND**
22 **LOW-VOLUME HOSPITALS.**

23 (a) MEDICARE-DEPENDENT HOSPITALS.—

1 (1) IN GENERAL.—Section 1886(d)(5)(G) of
2 the Social Security Act (42 U.S.C.
3 1395ww(d)(5)(G)) is amended—

4 (A) in clause (i), by striking “October 1,
5 2022” and inserting “October 1, 2027”; and

6 (B) in clause (ii)(II), by striking “October
7 1, 2022” and inserting “October 1, 2027”.

8 (2) CONFORMING AMENDMENTS.—

9 (A) EXTENSION OF TARGET AMOUNT.—
10 Section 1886(b)(3)(D) of the Social Security
11 Act (42 U.S.C. 1395ww(b)(3)(D)) is amend-
12 ed—

13 (i) in the matter preceding clause (i),
14 by striking “October 1, 2022” and insert-
15 ing “October 1, 2027”; and

16 (ii) in clause (iv), by striking
17 “through fiscal year 2022” and inserting
18 “through fiscal year 2027”.

19 (iii) PERMITTING HOSPITALS TO DE-
20 CLINE RECLASSIFICATION.—Section
21 13501(e)(2) of the Omnibus Budget Rec-
22 onciliation Act of 1993 (42 U.S.C. 1395ww
23 note), as amended by section 50205(b)(2)
24 of division E of the Bipartisan Budget Act
25 of 2018 (Public Law 115–123), is amend-

1 ed by striking “through fiscal year 2022”
2 and inserting “through fiscal year 2027”.

3 (b) LOW-VOLUME HOSPITALS.—Section 1886(d)(12)
4 of the Social Security Act (42 U.S.C. 1395ww(d)(12)) is
5 amended—

6 (1) in subparagraph (B), in the matter pre-
7 ceding clause (i), by striking “fiscal year 2023” and
8 inserting “fiscal year 2028”;

9 (2) in subparagraph (C)—

10 (A) in clause (i), in the matter preceding
11 subclause (I), by striking “through 2022” and
12 inserting “through 2027”;

13 (B) in subclause (III), by striking
14 “through 2022” and inserting “through 2027”;
15 and

16 (C) in subclause (IV), by striking “fiscal
17 year 2023” and inserting “fiscal year 2028”;
18 and

19 (3) in subparagraph (D)—

20 (A) in the matter preceding clause (i), by
21 striking “through 2022” and inserting
22 “through 2027”; and

23 (B) in clause (ii), by striking “through
24 2022” and inserting “through 2027”.

1 **Subtitle B—Protecting Rural**
2 **Emergency Providers**

3 **SEC. 111. TEMPORARY EXTENSION OF INCREASED MEDI-**
4 **CARE PAYMENTS FOR GROUND AMBULANCE**
5 **SERVICES IN RURAL AREAS.**

6 (a) GROUND AMBULANCE.—Section 1834(l)(13)(A)
7 of the Social Security Act (42 U.S.C. 1395m(l)(13)(A))
8 is amended by striking “2023” and inserting “2028” each
9 place it appears.

10 [(b) SUPER RURAL AMBULANCE.— Section
11 1834(l)(12)(A) of the Social Security Act (42 U.S.C.
12 1395m(l)(12)(A)) is amended, in the first sentence, by
13 striking “2023” and inserting “2028”.]

14 **TITLE II—REGULATORY RELIEF**

15 **SEC. 201. REVIEW OF 96-HOUR PHYSICIAN CERTIFICATION**
16 **REQUIREMENT WITH RESPECT TO INPATIENT**
17 **CAH SERVICES.**

18 (a) IN GENERAL.—The Secretary of Health and
19 Human Services shall review whether there is any need
20 to retain the physician certification requirement under
21 section 1814(a)(8) of the Social Security Act (42 U.S.C.
22 1395f(a)(8)) with respect to inpatient critical access hos-
23 pital services (as defined in section 1861(mm)(2) of such
24 Act (42 U.S.C. 1395x(mm)(2))).

1 (b) WAIVER.—The Secretary may waive such physi-
2 cian certification requirement if the Secretary determines,
3 based on the review conducted under subsection (a), that
4 such waiver is appropriate.

5 **SEC. 202. MAINTAINING SOLE COMMUNITY HOSPITAL STA-**
6 **TUS.**

7 During the period beginning on [the date of enact-
8 ment of this Act and ending on September 30, [2027]],
9 the Secretary of Health and Human Services shall waive
10 enforcement of the criteria for classification of sole com-
11 munity hospitals, as defined in section 1886(d)(5)(D)(iii)
12 of such Act (42 U.S.C. 1395ww(d)(5)(D)(iii)), under sec-
13 tion 412.92 of title 42, Code of Federal Regulations (or
14 any successor regulations), due to changes in the hospital
15 or bed counts in the service area during such period.

16 **TITLE III—FUTURE OF RURAL**
17 **HEALTH CARE**

18 **SEC. 301. DEVELOPMENT AND IMPLEMENTATION OF VOL-**
19 **UNTARY ALTERNATIVE NEW RURAL PAY-**
20 **MENT MODELS TO ADDRESS RURAL HOS-**
21 **PITAL CLOSURE CRISIS.**

22 (a) IMPLEMENTATION.—

23 (1) IN GENERAL.—The Secretary of Health and
24 Human Services (in this section referred to shall de-
25 velop and implement voluntary alternative new rural

1 payment models under title XVIII of the Social Se-
2 curity Act (42 U.S.C. 1395 et seq.) to address the
3 rural hospital closure crisis. Such models may in-
4 clude, but not be limited to, a global budget or en-
5 hanced cost-based reimbursement model described in
6 subsection (b).

7 (2) ELIGIBILITY.—In order to be eligible to
8 participate in a model under this section, a facility
9 must—

10 (A) as of the date of enactment of this sec-
11 tion, be—

12 (i) a critical access hospital (as de-
13 fined in section 1861(mm)(1) of the Social
14 Security Act (42 U.S.C.
15 1395ww(mm)(1))); or

16 (ii) a subsection (d) hospital (as de-
17 fined in section 1886(d)(1)(B) of the So-
18 cial Security Act (42 U.S.C.
19 1395ww(d)(1)(B))) that is located in a
20 rural area (as defined in section
21 1886(d)(2)(B) of such Act (42 U.S.C.
22 1395ww(d)(2)(B))), or is treated as being
23 located in a rural area pursuant to section
24 1886(d)(8)(E) of such Act (42 U.S.C.
25 1395ww(d)(8)(E)); or

1 (B) be a critical access hospital or sub-
2 section (d) hospital described in clause (i) or
3 (ii) of subparagraph (A) that ceased operations
4 during the 2-year period preceding the date of
5 the enactment of this section.

6 (3) ELECTION TO CONVERT TO PRIOR DESIGNA-
7 TION.—

8 (A) IN GENERAL.—A facility participating
9 in a model under this section may elect to con-
10 vert back to its prior designation as a critical
11 access hospital (as so defined) or a subsection
12 (d) hospital (as so defined), subject to require-
13 ments applicable under title XVIII of the Social
14 Security Act (42 U.S.C. 1395 et seq.) for such
15 designation and in accordance with procedures
16 established by the Secretary.

17 (B) APPLICATION OF REDUCTION OF CUTS
18 TO REIMBURSEMENT OF BAD DEBT AND ELIMI-
19 NATION OF SEQUESTRATION FOR APPLICABLE
20 HOSPITALS.—If a facility participating in a
21 model under this section elects to convert back
22 to its prior designation as a critical access hos-
23 pital or a subsection (d) hospital under sub-
24 paragraph (A), the facility shall, effective begin-
25 ning on the date of such conversion, no longer

1 be considered to be an applicable hospital for
2 purposes of subparagraph (T)(ii) or (W)(iii), as
3 applicable, of section 1861(v)(1) of the Social
4 Security Act (42 U.S.C. 1395x(v)(1)) or section
5 256(d)(7)(D) of the Balanced Budget and
6 Emergency Deficit Control Act of 1985 (2
7 U.S.C. 906(d)(7)(D)).

8 (b) MODELS DESCRIBED.—The following models are
9 described in this subsection:

10 (1) GLOBAL BUDGET MODEL.—Under the glob-
11 al budget model—

12 (A) the Secretary [and other participating
13 payers] shall pay rural hospitals participating
14 in such model on a global budget, which is a
15 fixed amount that is set in advance, to cover all
16 inpatient hospital and outpatient hospital items
17 and services furnished by the rural hospital;
18 and

19 (B) such hospitals shall work to redesign
20 the delivery of care for beneficiaries, to improve
21 the quality of care and better meet the health
22 needs of their local communities.

23 (2) ENHANCED COST-BASED REIMBURSEMENT
24 MODEL.—Under the enhanced cost-based reimburse-
25 ment model—

1 (A) the Secretary shall provide for the es-
2 tablishment of a rural access hospital that—

3 (i) has an emergency department that
4 is staffed 24 hours a day, 7 days a week;

5 (ii) furnishes—

6 (I) emergency department serv-
7 ices and observation care; and

8 (II) other medical and health
9 services on an outpatient basis;

10 (iii) does not have any inpatient beds;

11 and

12 (iv) may include a unit of the facility
13 that is a distinct part licensed as a skilled
14 nursing facility to furnish post-hospital ex-
15 tended care services;

16 (B) the amount of payment for such serv-
17 ices furnished by a rural access hospital shall be
18 equal to 110 percent of reasonable costs to the
19 facility in furnishing such services, including for
20 telehealth services furnished by the rural emer-
21 gency hospital and ambulance services fur-
22 nished by the rural emergency hospital or by an
23 entity owned and operated by the rural emer-
24 gency hospital, without regard to any mileage
25 limits otherwise applicable to ambulance serv-

1 ices under title XVIII of the Social Security Act
2 (42 U.S.C. 1395 et seq.), subject to the deduct-
3 ible under section 1833(b) of such Act (42
4 U.S.C. 1395l(b)) and the applicable coinsurance
5 amount determined under subparagraph (C);

6 (C) the coinsurance amount for such serv-
7 ices shall be determined based on the amount of
8 coinsurance that would be applicable for the
9 service under section 1833(t)(8) of such Act
10 (42 U.S.C. 1395l(t)(8)) [or other applicable fee
11 schedule] under such title; and

12 (D) the determination of the reasonable
13 costs for such services shall be made in the
14 same manner in which such determination is
15 made with respect to outpatient critical access
16 hospital services (as defined in section
17 1861(mm)(3) of such Act (42 U.S.C.
18 1395x(mm)(3)) under such title, including with
19 respect to the treatment of bad debt and profes-
20 sional fees.

21 (c) REQUIREMENTS.—Models developed and imple-
22 mented under this section shall—

23 (1) have sustainability;

24 (2) be implemented not later than 5 years after
25 the date of the enactment of this section; and

1 (3) include geographic diversity and patient-
2 population diversity.

3 (d) TECHNICAL ASSISTANCE.—

4 (1) IN GENERAL.—The Federal Office of Rural
5 Health Policy of the Department of Health and
6 Human Services shall provide grants to facilities
7 participating in a model under this section. Such
8 funds shall be used for technical assistance in imple-
9 menting such model.

10 (2) AUTHORIZATION.—There are authorized to
11 be appropriated **【_____】** for purposes of carrying out
12 this subsection.

13 (e) REPORT.—Not later than **【_____】**, the Secretary
14 shall submit a report to Congress on the models developed
15 and implemented under this section, together with rec-
16 ommendations for such legislation and administrative ac-
17 tion as the Secretary determines appropriate.