

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2850

To amend title XVIII of the Social Security Act to provide an additional payment under part A of the medicare program for the operating costs of inpatient hospital services of hospitals with a high proportion of patients who are medicare beneficiaries.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 3, 1993

Mr. SMITH of New Jersey (for himself and Mr. SAXTON) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend title XVIII of the Social Security Act to provide an additional payment under part A of the medicare program for the operating costs of inpatient hospital services of hospitals with a high proportion of patients who are medicare beneficiaries.

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 “High Medicare Hos-  
5 pital Relief Act of 1993”.

1 **SEC. 2. ADDITIONAL MEDICARE PAYMENT FOR HIGH MEDI-**  
2 **CARE HOSPITALS.**

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

5 (1) by redesignating subparagraphs (H) and (I)  
6 as subparagraphs (I) and (J); and

7 (2) by inserting after subparagraph (G) the fol-  
8 lowing new subparagraph:

9 “(H)(i) For discharges occurring on or after October  
10 1, 1993, and before October 1, 1995, the Secretary shall  
11 provide, in accordance with this subparagraph, for an ad-  
12 ditional payment for each high medicare hospital.

13 “(ii) The amount of the additional payment under  
14 this subparagraph for each discharge shall be determined  
15 by multiplying (I) the sum of the amount determined  
16 under paragraph (1)(A)(ii)(II) (or, if applicable, the  
17 amount determined under paragraph (1)(A)(iii)) and the  
18 amount paid to the hospital under subparagraph (A) for  
19 that discharge, by (II) the applicable high medicare ad-  
20 justment percentage established under clause (iii) for the  
21 cost reporting period in which the discharge occurs.

22 “(iii) The high medicare adjustment percentage for  
23 a cost reporting period is equal to—

24 “(I) for a hospital located in an urban area, the  
25 difference (expressed as a percentage) between the  
26 average of the medicare operating margins of all

1 subsection (d) hospitals located in urban areas that  
2 are not high medicare hospitals and the average of  
3 the medicare operating margins of all high medicare  
4 hospitals located in urban areas, as determined for  
5 the most recent cost reporting period for which such  
6 medicare operating margins may be determined (ex-  
7 cept that such percentage may not be less than 0  
8 percent);

9 “(II) for a hospital that is located in a rural  
10 area and has 100 or more beds, the difference (ex-  
11 pressed as a percentage) between the average of the  
12 medicare operating margins of all subsection (d)  
13 hospitals located in rural areas and having 100 or  
14 more beds that are not high medicare hospitals and  
15 the average of the medicare operating margins of all  
16 high medicare hospitals located in rural areas and  
17 having 100 or more beds, as determined for the  
18 most recent cost reporting period for which such  
19 medicare operating margins may be determined (ex-  
20 cept that such percentage may not be less than 0  
21 percent); and

22 “(III) for a hospital that is located in a rural  
23 area and has less than 100 beds, the difference (ex-  
24 pressed as a percentage) between the average of the  
25 medicare operating margins of all subsection (d)

1 hospitals located in rural areas and having less than  
2 100 beds that are not high medicare hospitals and  
3 the average of the medicare operating margins of all  
4 high medicare hospitals located in rural areas and  
5 having less than 100 beds, as determined for the  
6 most recent cost reporting period for which such  
7 medicare operating margins may be determined (ex-  
8 cept that such percentage may not be less than 0  
9 percent).

10 “(iv) In this subparagraph, the term ‘high medicare  
11 hospital’ means a subsection (d) hospital for which not  
12 less than 65 percent of its inpatient days or discharges  
13 during the cost reporting period beginning in fiscal year  
14 1991 were attributable to inpatients entitled to benefits  
15 under part A.

16 “(v) In this subparagraph, a hospital’s ‘medicare op-  
17 erating margin’ for a cost reporting period is equal to the  
18 quotient of—

19 “(I) the difference between the amount of the  
20 payments received by the hospital under this title  
21 during the cost reporting period for the operating  
22 costs of inpatient hospital services and the costs to  
23 the hospital of providing such services; divided by

24 “(II) the amount of the payments received by  
25 the hospital under this title during the cost report-

1 ing period for the operating costs of inpatient hos-  
2 pital services.”.

3 (b) CONFORMING AMENDMENT.—Section  
4 1886(d)(9)(D)(iv) of such Act (42 U.S.C.  
5 1395ww(d)(9)(D)(iv)) is amended by striking “Subpara-  
6 graph (H)” and inserting “Subparagraph (I)”.

7 (c) EFFECTIVE DATE.—The amendments made by  
8 subsections (a) and (b) shall apply with respect to dis-  
9 charges occurring on or after October 1, 1993.

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