

119TH CONGRESS
1ST SESSION

S. 2628

To amend title XVIII of the Social Security Act to establish new payment rules for certain catastrophic specialty hospitals under the Medicare program.

IN THE SENATE OF THE UNITED STATES

JULY 31, 2025

Mr. WARNOCK (for himself and Mr. WICKER) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII of the Social Security Act to establish new payment rules for certain catastrophic specialty hospitals under the Medicare program.

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 “Catastrophic Specialty
5 Hospital Act of 2025”.

6 **SEC. 2. ESTABLISHING NEW PAYMENT RULES FOR CERTAIN**
7 **CATASTROPHIC SPECIALTY HOSPITALS**
8 **UNDER THE MEDICARE PROGRAM.**

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

1 (1) in paragraph (6)(A)(i), by inserting “and
2 paragraph (8)” after “and (G)”; and

3 (2) by adding at the end the following new
4 paragraph:

5 “(8) TREATMENT OF CERTAIN CATASTROPHIC
6 SPECIALTY HOSPITALS.—

7 “(A) IN GENERAL.—Notwithstanding sec-
8 tion 123 of the Medicare, Medicaid, and SCHIP
9 Balanced Budget Refinement Act of 1999 and
10 section 307(b) of the Medicare, Medicaid, and
11 SCHIP Benefits Improvement and Protection
12 Act of 2000, for cost reporting periods begin-
13 ning on or after the date of the enactment of
14 this subparagraph, the system described in
15 paragraph (1) shall not apply and payment
16 shall be made to a long-term care hospital with-
17 out regard to such system and without regard
18 to paragraph (6) if such long-term care hospital
19 is designated as a catastrophic specialty hos-
20 pital under subparagraph (B) with respect to
21 such period.

22 “(B) DESIGNATION.—The Secretary shall
23 designate a long-term care hospital as a cata-
24 strophic specialty hospital with respect to a cost

1 reporting period if such long-term care hospital
2 meets the following criteria:

3 “(i) Of the discharges from the hos-
4 pital during each cost reporting period oc-
5 ccurring during the 3-year period ending on
6 the day before the first day of the cost re-
7 porting period for which such hospital
8 seeks such designation, including dis-
9 charges of individuals not entitled to bene-
10 fits under part A, at least 80 percent were
11 classified under an MS–LTCH–DRG relat-
12 ing to spinal cord injury or acquired brain
13 injury (as specified by the Secretary) or
14 would have been so classified had such in-
15 dividual been entitled to such benefits.

16 “(ii) The hospital offered a continuum
17 of care during such 3-year period that in-
18 cluded inpatient care, outpatient care, and
19 a focus on long-term health and wellness
20 for individuals with spinal cord injuries or
21 acquired brain injuries.

22 “(iii) The hospital had, for the 1-year
23 period beginning on the first day of such
24 3-year period and for each subsequent 1-

1 year period occurring during such 3-year
2 period—

3 “(I) at least 175 discharges of
4 individuals (including individuals not
5 entitled to benefits under part A) clas-
6 sified under an MS–LTCH–DRG re-
7 lating to spinal cord injury (as speci-
8 fied by the Secretary) or that would
9 have been so classified had such indi-
10 vidual been so entitled to such bene-
11 fits; and

12 “(II) at least 175 discharges of
13 individuals (including individuals not
14 entitled to benefits under part A) clas-
15 sified under an MS–LTCH–DRG re-
16 lating to acquired brain injury (as
17 specified by the Secretary) or that
18 would have been so classified had such
19 individual been so entitled to such
20 benefits.

21 “(iv) At least 30 percent of inpatients
22 discharged from the hospital during each
23 cost reporting period occurring during such
24 3-year period (including both individuals
25 entitled to, or enrolled for, benefits under

1 this title and individuals not so entitled or
2 enrolled) were admitted from outside of the
3 State in which such hospital is located, as
4 determined by the States of residency of
5 such inpatients and based on such data
6 submitted by the hospital to the Secretary
7 as the Secretary may require.

8 “(v) The hospital has exhibited, dur-
9 ing such 3-year period, commitment to
10 neurorehabilitation research in specialty
11 areas, as evidenced by one or more (as de-
12 termined appropriate by the Secretary) of
13 the following:

14 “(I) Employment of full-time
15 dedicated neurorehabilitation research
16 personnel who are primarily focused
17 on spinal cord injury or acquired
18 brain injury neurorehabilitation.

19 “(II) Contributions to the field of
20 neurorehabilitation via publications of
21 such personnel in peer reviewed jour-
22 nals in the areas of the
23 neurorehabilitation of spinal cord in-
24 juries, acquired brain injuries, and

1 other paralyzing neuromuscular condi-
2 tions.

3 “(III) The maintenance of a clin-
4 ical training program providing fellow-
5 ships, residencies, or Master of Public
6 Health programs with a focus on ac-
7 quired brain injury or spinal cord in-
8 jury.

9 “(IV) Maintenance of an ap-
10 proved medical residency training pro-
11 gram (or affiliation with such a pro-
12 gram) in neurology or physical medi-
13 cine and rehabilitation.

14 “(C) LENGTH OF DESIGNATION.—

15 “(i) IN GENERAL.—A designation
16 made by the Secretary under subparagraph
17 (B) (or a redesignation made by the Sec-
18 retary under clause (ii)) with respect to a
19 hospital and a cost reporting period (re-
20 ferred to in this clause as the ‘initial cost
21 reporting period’) shall be effective for
22 such initial cost reporting period and each
23 succeeding cost reporting period occurring
24 during the 3-year period beginning on the

1 first day of such initial cost reporting pe-
2 riod.

3 “(ii) REDESIGNATION.—The Sec-
4 retary shall, for the first cost reporting in
5 which a designation (or redesignation) of a
6 hospital as a catastrophic specialty hospital
7 is due to expire under clause (i), determine
8 whether such hospital continues to meet
9 the criteria specified in subparagraph (B)
10 for such cost reporting period. If the Sec-
11 retary determines that such hospital does
12 continue to meet such criteria for such cost
13 reporting period, the Secretary shall redesi-
14 gnate such hospital as a catastrophic spe-
15 cialty hospital. If the Secretary determines
16 that such hospital does not continue to
17 meet such criteria for such cost reporting
18 period, the Secretary shall—

19 “(I) provide such hospital 60
20 days to submit additional information
21 demonstrating such hospital’s compli-
22 ance with such criteria; and

23 “(II) if such hospital fails to
24 make such demonstration, allow such

- 1 designation to expire as of the first
- 2 day of such cost reporting period.”.

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