

119TH CONGRESS
1ST SESSION

S. 335

To amend title XVIII of the Social Security Act to rebase the calculation of payments for sole community hospitals and Medicare-dependent hospitals, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 30, 2025

Mr. GRASSLEY (for himself, Mr. WELCH, Mrs. CAPITO, Mr. Kaine, Mr. WICKER, Mrs. SHAHEEN, Mr. MORAN, Ms. SMITH, Mrs. HYDE-SMITH, Mr. FETTERMAN, Mr. BOOZMAN, and Mr. KELLY) 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 rebase the calculation of payments for sole community hospitals and Medicare-dependent hospitals, 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.**

4 This Act may be cited as the “Rural Hospital Sup-
5 port Act”.

1 **SEC. 2. REBASING OF THE CALCULATION OF PAYMENTS**
 2 **FOR SOLE COMMUNITY HOSPITALS.**

3 (a) REBASING PERMITTED.—Section 1886(b)(3) of
 4 the Social Security Act (42 U.S.C. 1395ww(b)(3)) is
 5 amended by adding at the end the following new subpara-
 6 graph:

7 “(M)(i) For cost reporting periods begin-
 8 ning on or after October 1, 2025, in the case
 9 of a sole community hospital there shall be sub-
 10 stituted for the amount otherwise determined
 11 under subsection (d)(5)(D)(i) of this section, if
 12 such substitution results in a greater amount of
 13 payment under this section for the hospital, the
 14 subparagraph (M) rebased target amount.

15 “(ii) For purposes of this subparagraph,
 16 the term ‘subparagraph (M) rebased target
 17 amount’ has the meaning given the term ‘target
 18 amount’ in subparagraph (C), except that—

19 “(I) there shall be substituted for the
 20 base cost reporting period the 12-month
 21 cost reporting period beginning during fis-
 22 cal year 2016;

23 “(II) any reference in subparagraph
 24 (C)(i) to the ‘first cost reporting period’
 25 described in such subparagraph is deemed
 26 a reference to the first cost reporting pe-

1 riod beginning on or after October 1,
2 2025; and

3 “(III) the applicable percentage in-
4 crease shall only be applied under subpara-
5 graph (C)(iv) for discharges occurring on
6 or after October 1, 2025.”.

7 (b) CONFORMING AMENDMENTS.—Section
8 1886(b)(3) of the Social Security Act (42 U.S.C.
9 1395ww(b)(3)) is amended—

10 (1) in subparagraph (C), in the matter pre-
11 ceding clause (i), by striking “subparagraphs (I) and
12 (L)” and inserting “subparagraphs (I), (L), and
13 (M)”;

14 (2) in subparagraph (I)(i), in the matter pre-
15 ceding subclause (I), by striking “subparagraph
16 (L)” and inserting “subparagraphs (L) and (M)”.

17 **SEC. 3. REBASING OF THE CALCULATION OF PAYMENTS**
18 **FOR MEDICARE-DEPENDENT HOSPITALS.**

19 Section 1886(b)(3) of the Social Security Act (42
20 U.S.C. 1395ww(b)(3)), as amended by section 2, is
21 amended—

22 (1) in subparagraph (D), by striking “subpara-
23 graph (K)” and inserting “subparagraphs (K) and
24 (N)”;

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

3 “(N)(i) With respect to discharges occur-
4 ring on or after October 1, 2025, in the case of
5 a medicare-dependent, small rural hospital, for
6 purposes of applying subparagraph (D)—

7 “(I) there shall be substituted for the
8 base cost reporting period described in
9 subparagraph (D)(i) the 12-month cost re-
10 porting period beginning during fiscal year
11 2016; and

12 “(II) any reference in such subpara-
13 graph to the ‘first cost reporting period’
14 described in such subparagraph is deemed
15 a reference to the first cost reporting pe-
16 riod beginning on or after October 1,
17 2025.

18 “(ii) This subparagraph shall only apply to
19 a hospital if the substitution described in clause
20 (i)(I) results in an increase in the target
21 amount under subparagraph (D) for the hos-
22 pital.”.

1 **SEC. 4. PROHIBITION OF ADJUSTMENTS TO CLASSIFICA-**
 2 **TIONS AND WEIGHTING FACTORS RELATING**
 3 **TO THE CALCULATION OF PAYMENTS FOR**
 4 **SOLE COMMUNITY HOSPITALS AND MEDI-**
 5 **CARE-DEPENDENT HOSPITALS.**

6 Section 1886(d)(4)(C) of the Social Security Act (42
 7 U.S.C. 1395ww(d)(4)(C))—

8 (1) in clause (i), by striking “The Secretary”
 9 and inserting “Subject to clause (v), the Secretary”;
 10 and

11 (2) by adding at the end the following new
 12 clause:

13 “(v) For discharges using the rebased target amounts
 14 described in subparagraph (M) or (N) of subsection
 15 (b)(3), the Secretary may not adjust such amounts for ad-
 16 justments required by clause (iii) prior to October 1,
 17 2015.”.

18 **SEC. 5. EXTENSION OF THE MEDICARE-DEPENDENT HOS-**
 19 **PITAL (MDH) PROGRAM.**

20 (a) EXTENSION OF PAYMENT METHODOLOGY.—Sec-
 21 tion 1886(d)(5)(G) of the Social Security Act (42 U.S.C.
 22 1395ww(d)(5)(G)) is amended—

23 (1) in clause (i), by striking “, and before April
 24 1, 2025”; and

25 (2) in clause (ii)(II), by striking “, and before
 26 April 1, 2025”.

1 (b) CONFORMING AMENDMENTS.—

2 (1) EXTENSION OF TARGET AMOUNT.—Section
3 1886(b)(3)(D) of the Social Security Act (42 U.S.C.
4 1395ww(b)(3)(D)) is amended—

5 (A) in the matter preceding clause (i), by
6 striking “, and before April 1, 2025”; and

7 (B) in clause (iv), by striking “through fis-
8 cal year 2024 and the portion of fiscal year
9 2025 beginning on October 1, 2024, and ending
10 on March 31, 2025” and inserting “or a subse-
11 quent fiscal year”.

12 (2) PERMITTING HOSPITALS TO DECLINE RE-
13 CLASSIFICATION.—Section 13501(e)(2) of the Omni-
14 bus Budget Reconciliation Act of 1993 (42 U.S.C.
15 1395ww note) is amended by striking “fiscal year
16 2000 through fiscal year 2024, or the portion of fis-
17 cal year 2025 beginning on October 1, 2024, and
18 ending on March 31, 2025” and inserting “a subse-
19 quent fiscal year”.

20 **SEC. 6. EXTENSION OF THE INCREASED PAYMENTS UNDER**
21 **THE MEDICARE LOW-VOLUME HOSPITAL**
22 **PROGRAM.**

23 Section 1886(d)(12) of the Social Security Act (42
24 U.S.C. 1395(d)(12)) is amended—

25 (1) in subparagraph (B)—

1 (A) in the subparagraph heading, by in-
 2 serting “FOR FISCAL YEARS 2005 THROUGH
 3 2010” after “INCREASE”; and

4 (B) in the matter preceding clause (i), by
 5 striking “and for discharges occurring during
 6 the portion of fiscal year 2025 beginning on
 7 April 1, 2025, and ending on September 30,
 8 2025, and in fiscal year 2026 and subsequent
 9 fiscal years”;

10 (2) in subparagraph (C)(i)—

11 (A) in the matter preceding subclause (I),
 12 by striking “fiscal years 2011 through 2024
 13 and the portion of fiscal year 2025 beginning
 14 on October 1, 2024, and ending on March 31,
 15 2025” and inserting “fiscal year 2011 and sub-
 16 sequent fiscal years”;

17 (B) in subclause (III)—

18 (i) by striking “each of fiscal years
 19 2019 through 2024 and the portion of fis-
 20 cal year 2025 beginning on October 1,
 21 2024, and ending on March 31, 2025” and
 22 inserting “fiscal year 2019 and each subse-
 23 quent fiscal year”; and

24 (ii) by striking “; and” at the end and
 25 inserting a period; and

1 (C) by striking subclause (IV); and
 2 (3) in subparagraph (D)—

3 (A) by amending the subparagraph head-
 4 ing to read as follows: “APPLICABLE PER-
 5 CENTAGE INCREASE BEGINNING WITH FISCAL
 6 YEAR 2011.—”;

7 (B) in the matter preceding clause (i), by
 8 striking “fiscal years 2011 through 2024 or
 9 during the portion of fiscal year 2025 beginning
 10 on October 1, 2024, and ending on March 31,
 11 2025” and inserting “fiscal year 2011 and sub-
 12 sequent fiscal years”; and

13 (C) in clause (ii), by striking “each of fis-
 14 cal years 2019 through 2024 and the portion of
 15 fiscal year 2025 beginning on October 1, 2024,
 16 and ending on March 31, 2025” and inserting
 17 “fiscal year 2019 and each subsequent fiscal
 18 year”.

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