To amend the title XVIII of the Social Security Act to preserve access to rural health care by ensuring fairness in Medicare hospital payments.

IN THE SENATE OF THE UNITED STATES

introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the title XVIII of the Social Security Act to preserve access to rural health care by ensuring fairness in Medicare hospital payments.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Save Rural Hospitals Act of 2023”.

SEC. 2. ENSURING FAIRNESS IN MEDICARE HOSPITAL PAYMENTS.

(a) Hospital Inpatient Services.—
(1) IN GENERAL.—Section 1886(d)(3)(E) of the Social Security Act (42 U.S.C. 1395ww(d)(3)(E)) is amended—

(A) in clause (i), in the first sentence, by striking “or (iv)” and inserting “, (iv), or (v)”;

and

(B) by adding at the end the following new clause:

“(v) AREA WAGE INDEX FLOOR.—

“(I) IN GENERAL.—For discharges occurring on or after October 1, 2023, the area wage index applicable under this subparagraph to any hospital which is not located in a frontier State (as defined in clause (iii)(II)) may not be less than 0.85.

“(II) WAIVING BUDGET NEUTRALITY.—Pursuant to the fifth sentence of clause (i), this clause shall not be applied in a budget neutral manner.”.

(2) WAIVING BUDGET NEUTRALITY.—

(A) TECHNICAL AMENDATORY CORRECTION.—Section 10324(a)(2) of Public Law
111–148 is amended by striking “third sentence” and inserting “fifth sentence”.


(i) by striking “and the amendments” and inserting “, the amendments”; and

(ii) by inserting “, and the amendments made by section 2(a)(1) of the Save Rural Hospitals Act of 2023” after “Act of 2021”.

(b) HOSPITAL OUTPATIENT DEPARTMENT SERVICES.—Section 1833(t) of the Social Security Act (42 U.S.C. 1395l(t)), is amended—

(1) in paragraph (2)(D), by striking “(19), the Secretary” and inserting “(19) and paragraph (23), the Secretary”; and

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

“(23) FLOOR ON AREA WAGE ADJUSTMENT FACTOR FOR HOSPITAL OUTPATIENT DEPARTMENT SERVICES.—With respect to covered OPD services furnished on or after January 1, 2024, the area wage adjustment factor applicable under the pay-
ment system established under this subsection to any hospital outpatient department which is not located in a frontier State (as defined in section 1886(d)(3)(E)(iii)(II)) may not be less than 0.85. The preceding sentence shall not be implemented in a budget neutral manner.”