

117TH CONGRESS
1ST SESSION

H. R. 3069

To provide relief for small rural hospitals from inaccurate instructions provided by certain medicare administrative contractors.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2021

Ms. TENNEY (for herself, Mr. REED, Ms. STEFANIK, Mr. DELGADO, and Mr. KATKO) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To provide relief for small rural hospitals from inaccurate instructions provided by certain medicare administrative contractors.

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 “Access for Rural Com-
5 munities Act” or the “ARC Act”.

1 **SEC. 2. RELIEF FOR SMALL RURAL HOSPITALS FROM INAC-**
2 **CURATE INSTRUCTIONS PROVIDED BY CER-**
3 **TAIN MEDICARE ADMINISTRATIVE CONTRAC-**
4 **TORS.**

5 (a) APPLICATION OF REVISED VOLUME DECREASE
6 ADJUSTMENT METHODOLOGY.—Subject to subsection (b),
7 in the case of a sole community hospital or a medicare-
8 dependent, small rural hospital with respect to which a
9 medicare administrative contractor determined a volume
10 decrease adjustment applies for any specified cost report-
11 ing period, at the election of the hospital, the Secretary
12 of Health and Human Services shall recalculate the
13 amount of the volume decrease adjustment determined by
14 the medicare administrative contractor for such hospital
15 and specified cost reporting period using the revised vol-
16 ume decrease adjustment payment methodology for any
17 specified cost reporting period requested by the hospital
18 in its election.

19 (b) LIMITATION.—

20 (1) IN GENERAL.—Subsection (a) shall not
21 apply in the case of a sole community hospital or a
22 medicare-dependent, small rural hospital for which
23 the medicare administrative contractor determina-
24 tion of the volume decrease adjustment with respect
25 to a specified cost reporting period of the hospital is
26 administratively final before the date that is three

1 years before the date of the enactment of this sec-
2 tion.

3 (2) ADMINISTRATIVE FINALITY.—For purposes
4 of paragraph (1), the date on which the medicare
5 administrative contractor determination with respect
6 to a volume decrease adjustment for a specified cost
7 reporting period is administratively final is the latest
8 of the following:

9 (A) The date of the contractor determina-
10 tion (as defined in section 405.1801 of title 42,
11 Code of Federal Regulations).

12 (B) The date of the final outcome of any
13 reopening of the medicare administrative con-
14 tractor determination under section 405.1885
15 of title 42, Code of Federal Regulations.

16 (C) The date of the final outcome of the
17 final appeal filed by such hospital with respect
18 to such volume decrease adjustment for such
19 specified cost reporting period.

20 (c) DEFINITIONS.—In this section:

21 (1) MEDICARE ADMINISTRATIVE CON-
22 TRACTOR.—The term “medicare administrative con-
23 tractor” means the entity that has entered into a
24 contract with the Secretary of Health and Human
25 Services under section 1874A of the Social Security

1 Act (42 U.S.C. 1395kk–1) to service A/B Medicare
2 Administrative Contractor Jurisdiction K of the
3 Centers for Medicare & Medicaid Services as of July
4 1, 2016.

5 (2) MEDICARE-DEPENDENT, SMALL RURAL
6 HOSPITAL.—The term “medicare-dependent, small
7 rural hospital” has the meaning given such term
8 under section 1886(d)(5)(G)(iv) of the Social Secu-
9 rity Act (42 U.S.C. 1395ww(d)(5)(G)(iv)).

10 (3) REVISED VOLUME DECREASE ADJUSTMENT
11 PAYMENT METHODOLOGY.—The term “revised vol-
12 ume decrease adjustment payment methodology”
13 means the methodology to calculate the volume de-
14 crease adjustment that is described in the second
15 sentence of section 412.92(e)(3) of title 42, Code of
16 Federal Regulations (relating to the methodology to
17 calculate the volume decrease adjustment for sole
18 community hospitals (and, pursuant to section
19 412.108(d)(3) of such title 42, for medicare-depend-
20 ent, small rural hospitals) that is effective for cost
21 reporting periods beginning on or after October 1,
22 2017).

23 (4) SOLE COMMUNITY HOSPITAL.—The term
24 “sole community hospital” has the meaning given
25 such term under section 1886(d)(5)(D)(iii) of the

1 Social Security Act (42 U.S.C.
2 1395ww(d)(5)(D)(iii)).

3 (5) SPECIFIED COST REPORTING PERIOD.—The
4 term “specified cost reporting period” means a cost
5 reporting period of a sole community hospital or a
6 medicare-dependent, small rural hospital, as the case
7 may be, that begins during a fiscal year before fiscal
8 year 2018.

9 (6) VOLUME DECREASE ADJUSTMENT.—The
10 term “volume decrease adjustment” means the ad-
11 justment required with respect to a sole community
12 hospital or a medicare-dependent, small rural hos-
13 pital, as the case may be, under subparagraph
14 (D)(ii) or subparagraph (G)(iii), respectively, of sec-
15 tion 1886(d)(5) of the Social Security Act (42
16 U.S.C. 1395ww(d)(5)).

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