# Medicare Rural Health Access Improvement Act of 2008

## Title I – Provisions Relating to Medicare Part A

### Section 101. Extension of Medicare FLEX Program.

The provision would extend the Medicare Rural Hospital Flexibility Grant Program through FY2009.

### Section 102. Improvements to the Medicare Dependent Hospital (MDH) Program.

Starting for discharges on October 1, 2008 until October 1, 2011, MDH payments would not be adjusted for area wages unless it would result in improved payments, and MDHs would have their payments based on 85 percent of their hospital specific costs instead of 75 percent.

### Section 103. Rebasing for Sole Community Hospitals (SCHs).

Starting for discharges on October 1, 2008, SCHs would be able to elect payment based on their FY2002 hospital-specific payment amount per discharge.

### Section 104. Temporary Improvements to the Medicare Inpatient Hospital Payment Adjustment for Low-volume Hospitals.

In FY2009 and FY2010 hospitals that are located more than 15 road miles from another comparable hospital and have 2,000 discharges of individuals entitled to or enrolled for Medicare Part A benefits would receive a low-volume payment adjustment for Medicare inpatient hospital services. The Secretary would determine the applicable percentage increase using a linear sliding scale ranging from 25% for low-volume hospitals below a certain threshold to no adjustment for hospitals with greater than 2,000 discharges of individuals with Medicare Part A benefits.

### Section 105. Temporarily Lifting the Disproportionate (DSH) Adjustment Cap for Rural Hospitals.

The provision would eliminate the DSH adjustment cap for rural hospitals for discharges occurring in FY2009 and FY2010.

## Title II – Provisions Relating to Medicare Part B

### Section 201. Extension and Expansion of the Medicare Hospital Outpatient Department Hold Harmless Provision for Small Rural Hospitals.

The provision would establish that in CY 2009 and CY 2010, small rural hospitals, including Medicare Dependent Hospitals and Sole Community Hospitals, would receive 100% of the difference between payments made under the Medicare Hospital Outpatient Prospective Payment System and those made under the prior reimbursement system.

**Section 202. Expansion of the Medicare Hospital Outpatient Department Add-on Payment for Rural Sole Community Hospitals (SCHs).**

Both SCHs and Medicare Dependent Hospitals (MDHs) in rural areas would receive a 7.1% increase in payments for covered hospital outpatient services starting January 1, 2009. The Secretary would be able to revise this percentage starting for services furnished after January 1, 2010 through promulgation of a regulation. The increased payments as they relate to SCHs and MDHs would not be implemented in a budget-neutral manner.

**Section 203. Permanent Treatment of Medicare Reasonable Costs Payments for Certain Clinical Diagnostic Laboratory Tests Furnished to Hospital Patients in Certain Rural Areas.**

This provision would make reasonable cost reimbursement for laboratory services provided by qualified rural hospitals permanent starting July 1, 2008.

**Section 204. Clarification of Payment for Clinical Laboratory Tests Furnished by Critical Access Hospitals (CAHs).**

Under this provision, clinical diagnostic laboratory services furnished by a CAH starting in January 1, 2009 would be reimbursed at 101% of costs as outpatient hospital services without regard to whether the specimen was collected from a patient of the CAH or whether the specimen was collected in a skilled nursing facility or clinic that is owned by or co-located with the CAH.

**Section 205. Extension of Medicare Incentive Payment Program for Physician Scarcity Areas.**

The provision would extend the 5% bonus payment to physicians practicing in physician scarcity areas through December 31, 2009.

**Section 206. Revisions to the Work Geographic Adjustment Under the Medicare Physician Fee Schedule.**

The provision would extend the 1.0 work floor through December 31, 2009. It would eliminate the work adjustment and establish a national value of 1.0, effective January 1, 2010.

**Section 207. Revisions to the Practice Expense Geographic Adjustment Under the Medicare Physician Fee Schedule.**

The provision would establish a practice expense floor of 1.0 for 2009. It would reduce the geographic adjustment for practice expense to 50 percent of the current adjustment, effective January 1, 2010.

**Section 208. Extension of Treatment of Certain Physician Pathology Services Under Medicare.**

The provision extends for eighteen months the provision that allows independent laboratories to continue to bill Medicare directly for the technical component of certain physician pathology services provided to hospitals as authorized by the Balanced Budget Act of 1997 through December 31, 2009

**Section 209. Extension of Increased Medicare Payments for Rural Ground Ambulance Services.**
The provision would provide for an increase in the rates otherwise established for ground ambulance services of 5 % in rural areas for the period July 1, 2008 – December 31, 2009.

**Sec. 210. Adding Hospital-Based Renal Dialysis Centers (Including Satellites) As Originating Sites for Payment of Telehealth Services.**
The provision would permit a hospital-based or critical access hospital-based renal dialysis center (including satellites) to serve as a telemedicine site, effective January 1, 2009.

**Section 211. Expansion of Telehealth Services to Skilled Nursing Facilities.**
The provision would permit otherwise qualifying skilled nursing facilities to be the originating site for the provision of covered telehealth services, effective January 1, 2009.

**Section 212. Rural Health Clinic Improvements.**
The provision would establish the RHC upper payment limit at $92 per visit in 2009. The limit would be increased in subsequent years by the percentage increase in the MEI applicable to primary care services.

**Section 213. Exemption for suppliers in small MSAs and rural areas.**
The provision would require the Secretary to exempt rural areas and small MSAs with a population of 600,000 or less from the Medicare competitive bidding program. Competitively bid prices would not apply to rural and small MSAs exempted under this section. The provision would be effective as if included in the MMA, other than for contracts entered into pursuant to implementation of competitive bidding prior to September 1, 2008.

**Section 214. Permitting Physician Assistants to Order Post-Hospital Extended Care Services and to Provide for Recognition of Attending Physician Assistants as Attending Physicians to Serve Hospice Patients.**
The provision would allow a physician assistant who does not have a direct or indirect employment relationship with a SNF, but who is working in collaboration with a physician, to order post-hospital extended care services. For purposes of a hospice written plan of care, the provision would recognize attending physician assistants as attending physicians to serve hospice patients. It would continue to exclude physician assistants from the authority to certify an individual as terminally ill. The provisions would apply to items and services furnished on or after January 1, 2009.