AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 9642 OFFERED BY MR. SMITH OF MISSOURI

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Medicare Access to Rural Anesthesiology Act''.

SEC. 2. MEDICARE PART A PAYMENT FOR ANESTHESIOLOGIST SERVICES IN CERTAIN RURAL HOSPITALS AND CRITICAL ACCESS HOSPITALS.

(a) SUBSECTION (D) HOSPITALS.—

(1) IN GENERAL.—Section 1886(d)(5) of the Social Security Act (42 U.S.C. 1395ww(d)(5)) is amended by adding at the end the following new subparagraph:

''(N)(i) For cost reporting periods beginning on or after the date that is 1 year after the date of the enactment of the Medicare Access to Rural Anesthesiology Act, in the case of a subsection (d) hospital described in clause (ii), payment to such hospital for physicians' services that are anesthesia services furnished by a physician who is

an anesthesiologist in such hospital shall be made on a reasonable cost basis.

''(ii) (I) Subject to subclause (II), for purposes of clause (i), a subsection (d) hospital described in this clause is, with respect to a year (beginning with 2027), a subsection (d) hospital that is located in a rural area (as defined in paragraph (2)(D)) (but not including any hospital that is treated as being located in such an area pursuant to paragraph (8)(E)) that establishes, at any time before the year, to the satisfaction of the Secretary, that—

''(aa) as of the date of the enactment of the Medicare Access to Rural Anesthesiology Act, the hospital employed or contracted with a physician who is an anesthesiologist (but not more than one full-time equivalent physician);

''(bb) in 2026, the hospital had a volume of surgical procedures (including inpatient and outpatient procedures) requiring anesthesia services that did not exceed 800 (or such higher number as the Secretary determines to be appropriate); and

''(cc) each physician who is an anesthesiologist employed by, or under contract with, the hospital has agreed not to bill under part B for professional services furnished by the anesthesiologist at the hospital.

''(II) With respect to a year (after 2027), a hospital is not a subsection (d) hospital described in this clause unless the hospital establishes, before the beginning of the year, that the hospital has had a volume of surgical procedures (including inpatient and outpatient procedures) requiring anesthesia services in the previous year that did not exceed 800 (or such higher number as the Secretary determines to be appropriate).''.

(2) TREATED AS PART OF INPATIENT HOSPITAL SERVICES.—Section 1861(b) of the Social Security Act (42 U.S.C. 1395x(b)) is amended—

(A) in paragraph (6), by striking ''or'' at the end;

(B) in paragraph (7), by striking the period at the end and inserting ''; or''; and

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

''(8) a physician who is an anesthesiologist where the hospital is a subsection (d) hospital described in section 1886(d)(5)(N)(ii).''.

(3) EXCLUDED FROM OPERATING COSTS OF INPATIENT HOSPITAL SERVICES.—Section 1886(a)(4) of the Social Security Act (42 U.S.C. 1395ww(a)(4)) is amended in the second sentence by inserting ''for cost reporting periods beginning on or after the date

that is 1 year after the date of the enactment of the Medicare Access to Rural Anesthesiology Act, costs of physicians' services that are anesthesia services furnished by a physician who is an anesthesiologist in a subsection (d) hospital described in subsection (d)(5)(N)(ii),'' before ''or costs with respect to administering blood clotting factors''.

(b) CRITICAL ACCESS HOSPITALS.—Section 1861(mm) of the Social Security Act (42 U.S.C. 1395x(mm)) is amended—

(1) in paragraph (2), by adding at the end the following new sentence: ''For cost reporting periods beginning on or after the date that is 1 year after the date of the enactment of the Medicare Access to Rural Anesthesiology Act, such term includes physicians' services that are anesthesia services furnished by a physician who is an anesthesiologist in a critical access hospital described in paragraph (4).''; and

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

''(4)(A) Subject to subparagraph (B), for purposes of paragraph (2), a critical access hospital described in this paragraph is, with respect to a year (beginning with 2027), a critical access hospital that establishes, at any

time before the year, to the satisfaction of the Secretary, that—

''(i) as of the date of the enactment of the Medicare Access to Rural Anesthesiology Act, the critical access hospital employed or contracted with a physician who is an anesthesiologist (but not more than one full-time equivalent physician);

''(ii) in 2026, the critical access hospital had a volume of surgical procedures (including inpatient and outpatient procedures) requiring anesthesia services that did not exceed 800 (or such higher number as the Secretary determines to be appropriate); and

''(iii) each physician who is an anesthesiologist employed by, or under contract with, the critical access hospital has agreed not to bill under part B for professional services furnished by the anesthesiologist at the critical access hospital.

''(B) With respect to a year (after 2027), a critical access hospital is not a critical access hospital described in this paragraph unless the critical access hospital establishes, before the beginning of the year, that the critical access hospital has had a volume of surgical procedures (including inpatient and outpatient procedures) requiring anesthesia services in the previous year that did not exceed

800 (or such higher number as the Secretary determines to be appropriate).''.

(c) EXCLUDED FROM MEDICAL AND OTHER HEALTH SERVICES.—Section 1861(s)(1) of the Social Security Act (42 U.S.C. 1395x(s)(1)) is amended by inserting ''(other than physicians' services that are anesthesia services furnished during a cost reporting period beginning on or after the date that is 1 year after the date of the enactment of the Medicare Access to Rural Anesthesiology Act by a physician who is an anesthesiologist in a subsection (d) hospital described in section 1886(d)(5)(N)(ii) or a critical access hospital described in section 1861(mm)(4))'' before the semicolon.

(d) REGULATIONS.—The Secretary of Health and Human Services shall revise the regulations promulgated for purposes of section 1862(a)(14) of the Social Security Act (42 U.S.C. 1395y(a)(14)) such that, for cost reporting periods beginning on or after the date that is 1 year after the date of the enactment of this section, such regulations define the term ''physicians' services'' to exclude physicians' services that are anesthesia services furnished by a physician who is an anesthesiologist in—

(1) a subsection (d) hospital described in subparagraph (N)(ii) of section 1886(d)(5) of such Act

(42 U.S.C. 1395ww(d)(5)), as added by subsection (a); or

(2) a critical access hospital described in paragraph (4) of section 1861(mm) of such Act (42 U.S.C. 1395x(mm)), as added by subsection (b).

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