

110TH CONGRESS
1ST SESSION

S. _____

To amend title XVIII of the Social Security Act to protect and preserve access of Medicare beneficiaries in rural areas to health care providers under the Medicare program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. CONRAD (for himself, Mr. ROBERTS, Mr. HARKIN, and Mr. DOMENICI) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend title XVIII of the Social Security Act to protect and preserve access of Medicare beneficiaries in rural areas to health care providers under the Medicare program, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Craig Thomas Rural Hospital and Provider Equity Act
6 of 2007”.

7 (b) TABLE OF CONTENTS.—The table of contents of
8 this Act is as follows:

2

- Sec. 1. Short title; table of contents.
- Sec. 2. Fairness in the Medicare disproportionate share hospital (DSH) adjustment for rural hospitals.
- Sec. 3. Revision of the Medicare hold harmless provision under the prospective payment system for hospital outpatient department (HOPD) services.
- Sec. 4. Improvement of definition of low-volume hospital for purposes of the Medicare inpatient hospital payment adjustment.
- Sec. 5. Extension of Medicare wage index reclassifications for certain hospitals.
- Sec. 6. Extension of Medicare reasonable costs payments for certain clinical diagnostic laboratory tests furnished to hospital patients in certain rural areas.
- Sec. 7. Critical access hospital improvements.
- Sec. 8. Capital infrastructure revolving loan program.
- Sec. 9. Extension of Medicare incentive payment program for physician scarcity areas.
- Sec. 10. Extension of floor on Medicare work geographic adjustment.
- Sec. 11. Medicare home health care planning improvements.
- Sec. 12. Rural health clinic improvements.
- Sec. 13. Community health center collaborative access expansion.
- Sec. 14. Application of the temporary Medicare payment increase for home health services furnished in a rural area to 2008.
- Sec. 15. Extension of increased Medicare payments for rural ground ambulance services.
- Sec. 16. Coverage of marriage and family therapist services and mental health counselor services under part B of the Medicare program.
- Sec. 17. Extension of treatment of certain physician pathology services under Medicare.
- Sec. 18. Medicare remote monitoring pilot projects.
- Sec. 19. Facilitating the provision of telehealth services across State lines.

1 **SEC. 2. FAIRNESS IN THE MEDICARE DISPROPORTIONATE**
 2 **SHARE HOSPITAL (DSH) ADJUSTMENT FOR**
 3 **RURAL HOSPITALS.**

4 Section 1886(d)(5)(F)(xiv)(II) of the Social Security
 5 Act (42 U.S.C. 1395ww(d)(5)(F)(xiv)(II)) is amended—

6 (1) by striking “or, in the case” and all that
 7 follows through “subparagraph (G)(iv)”; and

8 (2) by inserting at the end the following new
 9 sentence: “The preceding sentence shall not apply to
 10 any hospital with respect to discharges occurring on
 11 or after October 1, 2008.”.

1 **SEC. 3. REVISION OF THE MEDICARE HOLD HARMLESS**
2 **PROVISION UNDER THE PROSPECTIVE PAY-**
3 **MENT SYSTEM FOR HOSPITAL OUTPATIENT**
4 **DEPARTMENT (HOPD) SERVICES.**

5 Section 1833(t)(7)(D)(i) of the Social Security Act
6 (42 U.S.C. 1395l(t)(7)(D)(i)) is amended—

7 (1) in subclause (II), by striking “85 percent”
8 and inserting “100 percent”; and

9 (2) by adding at the end the following new sub-
10 clause:

11 “(III) In the case of a sole community
12 hospital (as defined in section
13 1886(d)(5)(D)(iii)), for covered OPD serv-
14 ices furnished during 2008, for which the
15 PPS amount is less than the pre-BBA
16 amount, the amount of payment under this
17 subsection shall be increased by the
18 amount of such difference.”.

19 **SEC. 4. IMPROVEMENT OF DEFINITION OF LOW-VOLUME**
20 **HOSPITAL FOR PURPOSES OF THE MEDICARE**
21 **INPATIENT HOSPITAL PAYMENT ADJUST-**
22 **MENT.**

23 Section 1886(d)(12)(C)(i) of the Social Security Act
24 (42 U.S.C. 1395ww(d)(12)(C)(i)) is amended by inserting
25 “(or, beginning with fiscal year 2008, 2,000 discharges)”
26 after “800 discharges”.

1 **SEC. 5. EXTENSION OF MEDICARE WAGE INDEX RECLASSI-**
2 **FICATIONS FOR CERTAIN HOSPITALS.**

3 (a) EXTENSION OF CORRECTION OF MID-YEAR RE-
4 CLASSIFICATION EXPIRATION FOR CERTAIN HOS-
5 PITALS.—

6 (1) IN GENERAL.—In the case of a hospital de-
7 scribed in paragraph (2), effective September 30,
8 2007, the Secretary of Health and Human Services
9 shall apply subsection (a) of section 106 of division
10 B of the Tax Relief and Health Care Act of 2006
11 (42 U.S.C. 1395ww note) by substituting “Sep-
12 tember 30, 2008” for “September 30, 2007”.

13 (2) HOSPITAL DESCRIBED.—A hospital de-
14 scribed in this paragraph is a hospital—

15 (A) that is described in subsection (a) of
16 such section 106; and

17 (B)(i) that is located in a State with less
18 than 10 people per square mile; or

19 (ii)(I) that is located in a rural area; and

20 (II) for which the Secretary of Health and
21 Human Services has determined the extension
22 under this subsection to be appropriate.

23 (b) ADDITIONAL EXTENSION.—The Secretary of
24 Health and Human Services shall extend the special ex-
25 ception reclassification of a sole community hospital lo-
26 cated in a State with less than 10 people per square mile

1 (made under the authority of section 1886(d)(5)(I)(i) of
2 the Social Security Act (42 U.S.C. 1395ww(d)(5)(I)(i))
3 and contained in the final rule promulgated by the Sec-
4 retary in the Federal Register on August 11, 2004 (69
5 Fed. Reg. 49107)) for 1 year through September 30,
6 2008.

7 (c) NOT BUDGET NEUTRAL.—The provisions of this
8 section shall not be effected in a budget-neutral manner.

9 **SEC. 6. EXTENSION OF MEDICARE REASONABLE COSTS**
10 **PAYMENTS FOR CERTAIN CLINICAL DIAG-**
11 **NOSTIC LABORATORY TESTS FURNISHED TO**
12 **HOSPITAL PATIENTS IN CERTAIN RURAL**
13 **AREAS.**

14 Section 416(b) of the Medicare Prescription Drug,
15 Improvement, and Modernization Act of 2003 (42 U.S.C.
16 1395l–4(b)), as amended by section 105 of division B of
17 the Tax Relief and Health Care Act of 2006 (42 U.S.C.
18 1395l note), is amended by striking “3-year” and insert-
19 ing “5-year”.

20 **SEC. 7. CRITICAL ACCESS HOSPITAL IMPROVEMENTS.**

21 (a) CLARIFICATION OF PAYMENT FOR CLINICAL
22 LABORATORY TESTS FURNISHED BY CRITICAL ACCESS
23 HOSPITALS.—

1 (1) IN GENERAL.—Section 1834(g)(4) of the
2 Social Security Act (42 U.S.C. 1395m(g)(4)) is
3 amended—

4 (A) in the heading, by striking “NO BENE-
5 FICIARY COST-SHARING FOR” and inserting
6 “TREATMENT OF”; and

7 (B) by adding at the end the following new
8 sentence: “For purposes of the preceding sen-
9 tence and section 1861(mm)(3), clinical diag-
10 nostic laboratory services furnished by a critical
11 access hospital shall be treated as being fur-
12 nished as part of outpatient critical access serv-
13 ices without regard to whether—

14 “(A) the individual with respect to whom
15 such services are furnished is physically present
16 in the critical access hospital at the time the
17 specimen is collected;

18 “(B) such individual is registered as an
19 outpatient on the records of, and receives such
20 services directly from, the critical access hos-
21 pital; or

22 “(C) payment is (or, but for this sub-
23 section, would be) available for such services
24 under the fee schedule established under section
25 1833(h).”.

1 (2) EFFECTIVE DATE.—The amendments made
2 by paragraph (1) shall apply to cost reporting peri-
3 ods beginning on or after the date of enactment of
4 this Act.

5 (b) ELIMINATION OF ISOLATION TEST FOR COST-
6 BASED AMBULANCE REIMBURSEMENT.—

7 (1) IN GENERAL.—Section 1834(l)(8) of the
8 Social Security Act (42 U.S.C. 1395m(l)(8)) is
9 amended—

10 (A) in subparagraph (B)—

11 (i) by striking “owned and”; and

12 (ii) by inserting “(including when
13 such services are provided by the entity
14 under an arrangement with the hospital)”
15 after “hospital”; and

16 (B) by striking the comma at the end of
17 subparagraph (B) and all that follows and in-
18 serting a period.

19 (2) EFFECTIVE DATE.—The amendments made
20 by this subsection shall apply to services furnished
21 on or after January 1, 2008.

1 **SEC. 8. CAPITAL INFRASTRUCTURE REVOLVING LOAN PRO-**
2 **GRAM.**

3 (a) IN GENERAL.—Part A of title XVI of the Public
4 Health Service Act (42 U.S.C. 300q et seq.) is amended
5 by adding at the end the following new section:

6 “CAPITAL INFRASTRUCTURE REVOLVING LOAN PROGRAM
7 “SEC. 1603. (a) AUTHORITY TO MAKE AND GUAR-
8 ANTEE LOANS.—

9 “(1) AUTHORITY TO MAKE LOANS.—The Sec-
10 retary may make loans from the fund established
11 under section 1602(d) to any rural entity for
12 projects for capital improvements, including—

13 “(A) the acquisition of land necessary for
14 the capital improvements;

15 “(B) the renovation or modernization of
16 any building;

17 “(C) the acquisition or repair of fixed or
18 major movable equipment; and

19 “(D) such other project expenses as the
20 Secretary determines appropriate.

21 “(2) AUTHORITY TO GUARANTEE LOANS.—

22 “(A) IN GENERAL.—The Secretary may
23 guarantee the payment of principal and interest
24 for loans made to rural entities for projects for
25 any capital improvement described in paragraph
26 (1) to any non-Federal lender.

1 “(B) INTEREST SUBSIDIES.—In the case
2 of a guarantee of any loan made to a rural enti-
3 ty under subparagraph (A), the Secretary may
4 pay to the holder of such loan, for and on be-
5 half of the project for which the loan was made,
6 amounts sufficient to reduce (by not more than
7 3 percent) the net effective interest rate other-
8 wise payable on such loan.

9 “(b) AMOUNT OF LOAN.—The principal amount of
10 a loan directly made or guaranteed under subsection (a)
11 for a project for capital improvement may not exceed
12 \$5,000,000.

13 “(c) FUNDING LIMITATIONS.—

14 “(1) GOVERNMENT CREDIT SUBSIDY EXPO-
15 SURE.—The total of the Government credit subsidy
16 exposure under the Credit Reform Act of 1990 scor-
17 ing protocol with respect to the loans outstanding at
18 any time with respect to which guarantees have been
19 issued, or which have been directly made, under sub-
20 section (a) may not exceed \$50,000,000 per year.

21 “(2) TOTAL AMOUNTS.—Subject to paragraph
22 (1), the total of the principal amount of all loans di-
23 rectly made or guaranteed under subsection (a) may
24 not exceed \$250,000,000 per year.

1 “(d) CAPITAL ASSESSMENT AND PLANNING
2 GRANTS.—

3 “(1) NONREPAYABLE GRANTS.—Subject to
4 paragraph (2), the Secretary may make a grant to
5 a rural entity, in an amount not to exceed \$50,000,
6 for purposes of capital assessment and business
7 planning.

8 “(2) LIMITATION.—The cumulative total of
9 grants awarded under this subsection may not ex-
10 ceed \$2,500,000 per year.

11 “(e) TERMINATION OF AUTHORITY.—The Secretary
12 may not directly make or guarantee any loan under sub-
13 section (a) or make a grant under subsection (d) after
14 September 30, 2011.”.

15 (b) RURAL ENTITY DEFINED.—Section 1624 of the
16 Public Health Service Act (42 U.S.C. 300s–3) is amended
17 by adding at the end the following new paragraph:

18 “(15)(A) The term ‘rural entity’ includes—

19 “(i) a rural health clinic, as defined in sec-
20 tion 1861(aa)(2) of the Social Security Act;

21 “(ii) any medical facility with at least 1
22 bed, but with less than 50 beds, that is located
23 in—

24 “(I) a county that is not part of a
25 metropolitan statistical area; or

1 “(II) a rural census tract of a metro-
2 politan statistical area (as determined
3 under the most recent modification of the
4 Goldsmith Modification, originally pub-
5 lished in the Federal Register on February
6 27, 1992 (57 Fed. Reg. 6725));

7 “(iii) a hospital that is classified as a
8 rural, regional, or national referral center under
9 section 1886(d)(5)(C) of the Social Security
10 Act; and

11 “(iv) a hospital that is a sole community
12 hospital (as defined in section
13 1886(d)(5)(D)(iii) of the Social Security Act).

14 “(B) For purposes of subparagraph (A), the
15 fact that a clinic, facility, or hospital has been geo-
16 graphically reclassified under the Medicare program
17 under title XVIII of the Social Security Act shall not
18 preclude a hospital from being considered a rural en-
19 tity under clause (i) or (ii) of subparagraph (A).”.

20 (c) CONFORMING AMENDMENTS.—Section 1602 of
21 the Public Health Service Act (42 U.S.C. 300q–2) is
22 amended—

23 (1) in subsection (b)(2)(D), by inserting “or
24 1603(a)(2)(B)” after “1601(a)(2)(B)”; and

25 (2) in subsection (d)—

1 (A) in paragraph (1)(C), by striking “sec-
2 tion 1601(a)(2)(B)” and inserting “sections
3 1601(a)(2)(B) and 1603(a)(2)(B)”;

4 (B) in paragraph (2)(A), by inserting “or
5 1603(a)(2)(B)” after “1601(a)(2)(B)”.

6 **SEC. 9. EXTENSION OF MEDICARE INCENTIVE PAYMENT**
7 **PROGRAM FOR PHYSICIAN SCARCITY AREAS.**

8 Section 1833(u)(1) of the Social Security Act (42
9 U.S.C. 1395l(u)(1)) is amended by striking “before Janu-
10 ary 1, 2008” and inserting “before January 1, 2010”.

11 **SEC. 10. EXTENSION OF FLOOR ON MEDICARE WORK GEO-**
12 **GRAPHIC ADJUSTMENT.**

13 Section 1848(e)(1)(E) of the Social Security Act (42
14 U.S.C. 1395w-4(e)(1)(E)), as amended by section 102 of
15 division B of the Tax Relief and Health Care Act of 2006,
16 is amended by striking “before January 1, 2008” and in-
17 serting “before January 1, 2010”.

18 **SEC. 11. MEDICARE HOME HEALTH CARE PLANNING IM-**
19 **PROVEMENTS.**

20 (a) IN GENERAL.—Section 1814(a)(2) of the Social
21 Security Act (42 U.S.C. 1395f(a)(2)), in the matter pre-
22 ceding subparagraph (A), is amended—

23 (1) by striking “subparagraph (B)” and insert-
24 ing “subparagraphs (B) and (C)”;

1 (2) by inserting “(as those terms are defined in
2 section 1861(aa)(5))” after “clinical nurse spe-
3 cialist”;

4 (3) by inserting “or home health agency (as the
5 case may be)” after “facility”; and

6 (4) by inserting “(or in the case of services de-
7 scribed in subparagraph (C), a physician assistant
8 (as defined in 1861(aa)(5)) under the supervision of
9 a physician)” after “collaboration with a physician”.

10 (b) CONFORMING AMENDMENTS.—(1) Section
11 1814(a) of the Social Security Act (42 U.S.C. 1395f(a))
12 is amended—

13 (A) in paragraph (2)(C), by inserting “, a nurse
14 practitioner, a clinical nurse specialist, or a physi-
15 cian assistant (as the case may be)” after “physi-
16 cian” each place it appears;

17 (B) in the second sentence, by striking “or clin-
18 ical nurse specialist” and inserting “clinical nurse
19 specialist, or physician assistant”;

20 (C) in the third sentence—

21 (i) by striking “physician certification”
22 and inserting “certification”;

23 (ii) by inserting “(or on January 1, 2008,
24 in the case of regulations to implement the
25 amendments made by section 11 of the Craig

1 Thomas Rural Hospital and Provider Equity
2 Act of 2007)” after “1981”; and

3 (iii) by striking “a physician who” and in-
4 serting “a physician, nurse practitioner, clinical
5 nurse specialist, or physician assistant who”;
6 and

7 (D) in the fourth sentence, by inserting “,
8 nurse practitioner, clinical nurse specialist, or physi-
9 cian assistant” after “physician”.

10 (2) Section 1835(a) of the Social Security Act (42
11 U.S.C. 1395n(a)) is amended—

12 (A) in paragraph (2)—

13 (i) in the matter preceding subparagraph
14 (A), by inserting “or, in the case of services de-
15 scribed in subparagraph (A), a physician, or a
16 nurse practitioner or clinical nurse specialist (as
17 those terms are defined in 1861(aa)(5)), who
18 does not have a direct or indirect employment
19 relationship with the home health agency but is
20 working in collaboration with a physician (or a
21 physician assistant (as defined in 1861(aa)(5))
22 under the supervision of a physician)” after “a
23 physician”; and

24 (ii) in subparagraph (A) by inserting “, a
25 nurse practitioner, a clinical nurse specialist, or

1 a physician assistant (as the case may be)”
2 after “physician” each place it appears;

3 (B) in the third sentence, by inserting “, nurse
4 practitioner, clinical nurse specialist, or physician as-
5 sistant (as the case may be)” after physician;

6 (C) in the fourth sentence—

7 (i) by striking “physician certification”
8 and inserting “certification”;

9 (ii) by inserting “(or on January 1, 2008,
10 in the case of regulations to implement the
11 amendments made by section 11 of the Craig
12 Thomas Rural Hospital and Provider Equity
13 Act of 2007)” after “1981”; and

14 (iii) by striking “a physician who” and in-
15 sserting “a physician, nurse practitioner, clinical
16 nurse specialist, or physician assistant who”;
17 and

18 (D) in the fifth sentence, by inserting “, nurse
19 practitioner, clinical nurse specialist, or physician as-
20 sistant” after “physician”.

21 (3) Section 1861 of the Social Security Act (42
22 U.S.C. 1395x) is amended—

23 (A) in subsection (m)—

24 (i) in the matter preceding paragraph

25 (1)—

1 (I) by inserting “or a nurse practi-
2 tioner, a clinical nurse specialist, or a phy-
3 sician assistant (as those terms are defined
4 in subsection (aa)(5))” after “physician”
5 the first place it appears; and

6 (II) by inserting “a nurse practi-
7 tioner, a clinical nurse specialist, or a phy-
8 sician assistant” after “physician” the sec-
9 ond place it appears; and

10 (ii) in paragraph (3), by inserting “a nurse
11 practitioner, a clinical nurse specialist, or a
12 physician assistant” after “physician”; and

13 (B) in subsection (o)(2)—

14 (i) by inserting “, nurse practitioners, clin-
15 ical nurse specialists, or physician assistants (as
16 those terms are defined in subsection (aa)(5))”
17 after “physicians”; and

18 (ii) by inserting “, nurse practitioner, clin-
19 ical nurse specialist, physician assistant,” after
20 “physician”.

21 (4) Section 1895 of the Social Security Act (42
22 U.S.C. 1395fff) is amended—

23 (A) in subsection (c)(1), by inserting “, or the
24 nurse practitioner, clinical nurse specialist, or physi-

1 cian assistant (as those terms are defined in section
2 1861(aa)(5)),” after “physician”; and

3 (B) in subsection (e)—

4 (i) in paragraph (1)(A), by inserting “, or
5 a nurse practitioner, clinical nurse specialist, or
6 physician assistant (as those terms are defined
7 in section 1861(aa)(5)),” after “physician”; and

8 (ii) in paragraph (2)—

9 (I) in the heading, by striking “PHY-
10 SICIAN CERTIFICATION” and inserting
11 “RULE OF CONSTRUCTION REGARDING RE-
12 QUIREMENT FOR CERTIFICATION”; and

13 (II) by striking “physician”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to items and services furnished on
16 or after January 1, 2008.

17 **SEC. 12. RURAL HEALTH CLINIC IMPROVEMENTS.**

18 Section 1833(f) of the Social Security Act (42 U.S.C.
19 1395l(f)) is amended—

20 (1) in paragraph (1), by striking “, and” at the
21 end and inserting a semicolon;

22 (2) in paragraph (2)—

23 (A) by inserting “(before 2008)” after “in
24 a subsequent year”; and

1 (B) by striking the period at the end and
2 inserting a semicolon; and

3 (3) by adding at the end the following new
4 paragraphs:

5 “(3) in 2008, at \$92 per visit; and

6 “(4) in a subsequent year, at the limit estab-
7 lished under this subsection for the previous year in-
8 creased by the percentage increase in the MEI (as
9 so defined) applicable to primary care services (as so
10 defined) furnished as of the first day of that year.”

11 **SEC. 13. COMMUNITY HEALTH CENTER COLLABORATIVE**
12 **ACCESS EXPANSION.**

13 Section 330 of the Public Health Service Act (42
14 U.S.C. 254b) is amended by adding at the end the fol-
15 lowing:

16 “(s) MISCELLANEOUS PROVISIONS.—

17 “(1) RULE OF CONSTRUCTION WITH RESPECT
18 TO RURAL HEALTH CLINICS.—

19 “(A) IN GENERAL.—Nothing in this sec-
20 tion shall be construed to prevent a community
21 health center from contracting with a federally
22 certified rural health clinic (as defined by sec-
23 tion 1861(aa)(2) of the Social Security Act) for
24 the delivery of primary health care services that
25 are available at the rural health clinic to indi-

1 viduals who would otherwise be eligible for free
2 or reduced cost care if that individual were able
3 to obtain that care at the community health
4 center. Such services may be limited in scope to
5 those primary health care services available in
6 that rural health clinic.

7 “(B) ASSURANCES.—In order for a rural
8 health clinic to receive funds under this section
9 through a contract with a community health
10 center under paragraph (1), such rural health
11 clinic shall establish policies to ensure—

12 “(i) nondiscrimination based upon the
13 ability of a patient to pay; and

14 “(ii) the establishment of a sliding fee
15 scale for low-income patients.”.

16 **SEC. 14. APPLICATION OF THE TEMPORARY MEDICARE**
17 **PAYMENT INCREASE FOR HOME HEALTH**
18 **SERVICES FURNISHED IN A RURAL AREA TO**
19 **2008.**

20 Section 421 of the Medicare Prescription Drug, Im-
21 provement, and Modernization Act of 2003 (42 U.S.C.
22 1395fff note), as amended by section 5201(b) of the Def-
23 icit Reduction Act of 2005 (42 U.S.C. 1395fff note), is
24 amended—

1 (1) in the section heading, by striking “**ONE-**
2 **YEAR**” and inserting “**TEMPORARY**”; and

3 (2) in subsection (a), by inserting “and episodes
4 and visits ending on or after January 1, 2008, and
5 before January 1, 2009,” after “January 1, 2007.”.

6 **SEC. 15. EXTENSION OF INCREASED MEDICARE PAYMENTS**
7 **FOR RURAL GROUND AMBULANCE SERVICES.**

8 Section 1834(l)(13) of the Social Security Act (42
9 U.S.C. 1395m(l)(13)) is amended—

10 (1) in subparagraph (A), in the heading, by
11 striking “IN GENERAL” and inserting “FOR THE
12 SECOND HALF OF 2004 AND FOR 2005 AND 2006”;

13 (2) by redesignating subparagraph (B) as sub-
14 paragraph (C);

15 (3) by inserting the following after subpara-
16 graph (A):

17 “(B) FOR 2008 AND 2009 FOR RURAL
18 AREAS.—After computing the rates with respect
19 to ground ambulance services under the other
20 applicable provisions of this subsection, in the
21 case of such services furnished on or after Jan-
22 uary 1, 2008, and before January 1, 2010, for
23 which the transportation originates in a rural
24 area described in paragraph (9) or in a rural
25 census tract described in such paragraph, the

1 fee schedule established under this section shall
2 provide that the rate for the service otherwise
3 established, after application of any increase
4 under paragraphs (11) and (12), shall be in-
5 creased by 5 percent.”; and

6 (4) in subparagraph (C), as redesignated by
7 paragraph (2)—

8 (A) in the heading, by striking “APPLICA-
9 TION OF INCREASED PAYMENTS AFTER 2006”
10 and inserting “NO EFFECT ON SUBSEQUENT
11 PERIODS”; and

12 (B) by adding at the end the following new
13 sentence: “The increased payments under sub-
14 paragraph (B) shall not be taken into account
15 in calculating payments for services furnished
16 after the period specified in such subpara-
17 graph.”.

18 **SEC. 16. COVERAGE OF MARRIAGE AND FAMILY THERAPIST**
19 **SERVICES AND MENTAL HEALTH COUNSELOR**
20 **SERVICES UNDER PART B OF THE MEDICARE**
21 **PROGRAM.**

22 (a) COVERAGE OF SERVICES.—

23 (1) IN GENERAL.—Section 1861(s)(2) of the
24 Social Security Act (42 U.S.C. 1395x(s)(2)) is
25 amended—

1 (A) in subparagraph (Z), by striking
2 “and” after the semicolon at the end;

3 (B) in subparagraph (AA), by inserting
4 “and” after the semicolon at the end; and

5 (C) by adding at the end the following new
6 subparagraph:

7 “(BB) marriage and family therapist services
8 (as defined in subsection (ccc)(1)) and mental health
9 counselor services (as defined in subsection
10 (ccc)(3));”.

11 (2) DEFINITIONS.—Section 1861 of the Social
12 Security Act (42 U.S.C. 1395x) is amended by add-
13 ing at the end the following new subsection:

14 “Marriage and Family Therapist Services; Marriage and
15 Family Therapist; Mental Health Counselor Serv-
16 ices; Mental Health Counselor

17 “(ccc)(1) The term ‘marriage and family therapist
18 services’ means services performed by a marriage and
19 family therapist (as defined in paragraph (2)) for the diag-
20 nosis and treatment of mental illnesses, which the mar-
21 riage and family therapist is legally authorized to perform
22 under State law (or the State regulatory mechanism pro-
23 vided by State law) of the State in which such services
24 are performed, as would otherwise be covered if furnished
25 by a physician or as an incident to a physician’s profes-

1 sional service, but only if no facility or other provider
2 charges or is paid any amounts with respect to the fur-
3 nishing of such services.

4 “(2) The term ‘marriage and family therapist’ means
5 an individual who—

6 “(A) possesses a master’s or doctoral degree
7 which qualifies for licensure or certification as a
8 marriage and family therapist pursuant to State
9 law;

10 “(B) after obtaining such degree has performed
11 at least 2 years of clinical supervised experience in
12 marriage and family therapy; and

13 “(C) in the case of an individual performing
14 services in a State that provides for licensure or cer-
15 tification of marriage and family therapists, is li-
16 censed or certified as a marriage and family thera-
17 pist in such State.

18 “(3) The term ‘mental health counselor services’
19 means services performed by a mental health counselor (as
20 defined in paragraph (4)) for the diagnosis and treatment
21 of mental illnesses which the mental health counselor is
22 legally authorized to perform under State law (or the
23 State regulatory mechanism provided by the State law) of
24 the State in which such services are performed, as would
25 otherwise be covered if furnished by a physician or as inci-

1 dent to a physician’s professional service, but only if no
2 facility or other provider charges or is paid any amounts
3 with respect to the furnishing of such services.

4 “(4) The term ‘mental health counselor’ means an
5 individual who—

6 “(A) possesses a master’s or doctor’s degree in
7 mental health counseling or a related field;

8 “(B) after obtaining such a degree has per-
9 formed at least 2 years of supervised mental health
10 counselor practice; and

11 “(C) in the case of an individual performing
12 services in a State that provides for licensure or cer-
13 tification of mental health counselors or professional
14 counselors, is licensed or certified as a mental health
15 counselor or professional counselor in such State.”.

16 (3) PROVISION FOR PAYMENT UNDER PART
17 b.—Section 1832(a)(2)(B) of the Social Security Act
18 (42 U.S.C. 1395k(a)(2)(B)) is amended by adding
19 at the end the following new clause:

20 “(v) marriage and family therapist
21 services (as defined in section
22 1861(ccc)(1)) and mental health counselor
23 services (as defined in section
24 1861(ccc)(3));”.

1 (4) AMOUNT OF PAYMENT.—Section 1833(a)(1)
2 of the Social Security Act (42 U.S.C. 1395l(a)(1))
3 is amended—

4 (A) by striking “and (V)” and inserting
5 “(V)”; and

6 (B) by inserting before the semicolon at
7 the end the following: “, and (W) with respect
8 to marriage and family therapist services and
9 mental health counselor services under section
10 1861(s)(2)(BB), the amounts paid shall be 80
11 percent of the lesser of the actual charge for
12 the services or 75 percent of the amount deter-
13 mined for payment of a psychologist under sub-
14 paragraph (L)”.

15 (5) EXCLUSION OF MARRIAGE AND FAMILY
16 THERAPIST SERVICES AND MENTAL HEALTH COUN-
17 SELOR SERVICES FROM SKILLED NURSING FACILITY
18 PROSPECTIVE PAYMENT SYSTEM.—Section
19 1888(e)(2)(A)(ii) of the Social Security Act (42
20 U.S.C. 1395yy(e)(2)(A)(ii)) is amended by inserting
21 “marriage and family therapist services (as defined
22 in section 1861(ccc)(1)), mental health counselor
23 services (as defined in section 1861(ccc)(3)),” after
24 “qualified psychologist services,”.

1 (6) INCLUSION OF MARRIAGE AND FAMILY
2 THERAPISTS AND MENTAL HEALTH COUNSELORS AS
3 PRACTITIONERS FOR ASSIGNMENT OF CLAIMS.—Sec-
4 tion 1842(b)(18)(C) of the Social Security Act (42
5 U.S.C. 1395u(b)(18)(C)) is amended by adding at
6 the end the following new clauses:

7 “(vii) A marriage and family therapist (as de-
8 fined in section 1861(ccc)(2)).

9 “(viii) A mental health counselor (as defined in
10 section 1861(ccc)(4)).”.

11 (b) COVERAGE OF CERTAIN MENTAL HEALTH SERV-
12 ICES PROVIDED IN CERTAIN SETTINGS.—

13 (1) RURAL HEALTH CLINICS AND FEDERALLY
14 QUALIFIED HEALTH CENTERS.—Section
15 1861(aa)(1)(B) of the Social Security Act (42
16 U.S.C. 1395x(aa)(1)(B)) is amended by striking “or
17 by a clinical social worker (as defined in subsection
18 (hh)(1))” and inserting “, by a clinical social worker
19 (as defined in subsection (hh)(1)), by a marriage
20 and family therapist (as defined in subsection
21 (ccc)(2)), or by a mental health counselor (as de-
22 fined in subsection (ccc)(4))”.

23 (2) HOSPICE PROGRAMS.—Section
24 1861(dd)(2)(B)(i)(III) of the Social Security Act (42
25 U.S.C. 1395x(dd)(2)(B)(i)(III)) is amended by in-

1 **SEC. 18. MEDICARE REMOTE MONITORING PILOT**
2 **PROJECTS.**

3 (a) PILOT PROJECTS.—

4 (1) IN GENERAL.—Not later than 9 months
5 after the date of enactment of this Act, the Sec-
6 retary of Health and Human Services (in this sec-
7 tion referred to as the “Secretary”) shall conduct
8 pilot projects under title XVIII of the Social Secu-
9 rity Act for the purpose of providing incentives to
10 home health agencies to utilize home monitoring and
11 communications technologies that—

12 (A) enhance health outcomes for Medicare
13 beneficiaries; and

14 (B) reduce expenditures under such title.

15 (2) SITE REQUIREMENTS.—

16 (A) URBAN AND RURAL.—The Secretary
17 shall conduct the pilot projects under this sec-
18 tion in both urban and rural areas.

19 (B) SITE IN A SMALL STATE.—The Sec-
20 retary shall conduct at least 3 of the pilot
21 projects in a State with a population of less
22 than 1,000,000.

23 (3) DEFINITION OF HOME HEALTH AGENCY.—

24 In this section, the term “home health agency” has
25 the meaning given that term in section 1861(o) of
26 the Social Security Act (42 U.S.C. 1395x(o)).

1 (b) MEDICARE BENEFICIARIES WITHIN THE SCOPE
2 OF PROJECTS.—The Secretary shall specify the criteria
3 for identifying those Medicare beneficiaries who shall be
4 considered within the scope of the pilot projects under this
5 section for purposes of the application of subsection (c)
6 and for the assessment of the effectiveness of the home
7 health agency in achieving the objectives of this section.
8 Such criteria may provide for the inclusion in the projects
9 of Medicare beneficiaries who begin receiving home health
10 services under title XVIII of the Social Security Act after
11 the date of the implementation of the projects.

12 (c) INCENTIVES.—

13 (1) PERFORMANCE TARGETS.—The Secretary
14 shall establish for each home health agency partici-
15 pating in a pilot project under this section a per-
16 formance target using one of the following meth-
17 odologies, as determined appropriate by the Sec-
18 retary:

19 (A) ADJUSTED HISTORICAL PERFORMANCE
20 TARGET.—The Secretary shall establish for the
21 agency—

22 (i) a base expenditure amount equal
23 to the average total payments made to the
24 agency under parts A and B of title XVIII
25 of the Social Security Act for Medicare

1 beneficiaries determined to be within the
2 scope of the pilot project in a base period
3 determined by the Secretary; and

4 (ii) an annual per capita expenditure
5 target for such beneficiaries, reflecting the
6 base expenditure amount adjusted for risk
7 and adjusted growth rates.

8 (B) COMPARATIVE PERFORMANCE TAR-
9 GET.—The Secretary shall establish for the
10 agency a comparative performance target equal
11 to the average total payments under such parts
12 A and B during the pilot project for comparable
13 individuals in the same geographic area that
14 are not determined to be within the scope of the
15 pilot project.

16 (2) INCENTIVE.—Subject to paragraph (3), the
17 Secretary shall pay to each participating home care
18 agency an incentive payment for each year under the
19 pilot project equal to a portion of the Medicare sav-
20 ings realized for such year relative to the perform-
21 ance target under paragraph (1).

22 (3) LIMITATION ON EXPENDITURES.—The Sec-
23 retary shall limit incentive payments under this sec-
24 tion in order to ensure that the aggregate expendi-
25 tures under title XVIII of the Social Security Act

1 (including incentive payments under this subsection)
2 do not exceed the amount that the Secretary esti-
3 mates would have been expended if the pilot projects
4 under this section had not been implemented.

5 (d) WAIVER AUTHORITY.—The Secretary may waive
6 such provisions of titles XI and XVIII of the Social Secu-
7 rity Act as the Secretary determines to be appropriate for
8 the conduct of the pilot projects under this section.

9 (e) REPORT TO CONGRESS.—Not later than 5 years
10 after the date that the first pilot project under this section
11 is implemented, the Secretary shall submit to Congress a
12 report on the pilot projects. Such report shall contain a
13 detailed description of issues related to the expansion of
14 the projects under subsection (f) and recommendations for
15 such legislation and administrative actions as the Sec-
16 retary considers appropriate.

17 (f) EXPANSION.—If the Secretary determines that
18 any of the pilot projects under this section enhance health
19 outcomes for Medicare beneficiaries and reduce expendi-
20 tures under title XVIII of the Social Security Act, the Sec-
21 retary may initiate comparable projects in additional
22 areas.

23 (g) INCENTIVE PAYMENTS HAVE NO EFFECT ON
24 OTHER MEDICARE PAYMENTS TO AGENCIES.—An incen-
25 tive payment under this section—

1 (1) shall be in addition to the payments that a
2 home health agency would otherwise receive under
3 title XVIII of the Social Security Act for the provi-
4 sion of home health services; and

5 (2) shall have no effect on the amount of such
6 payments.

7 **SEC. 19. FACILITATING THE PROVISION OF TELEHEALTH**
8 **SERVICES ACROSS STATE LINES.**

9 (a) IN GENERAL.—For purposes of expediting the
10 provision of telehealth services, for which payment is made
11 under the Medicare program, across State lines, the Sec-
12 retary of Health and Human Services shall, in consulta-
13 tion with representatives of States, physicians, health care
14 practitioners, and patient advocates, encourage and facili-
15 tate the adoption of provisions allowing for multistate
16 practitioner practice across State lines.

17 (b) DEFINITIONS.—In subsection (a):

18 (1) TELEHEALTH SERVICE.—The term “tele-
19 health service” has the meaning given that term in
20 subparagraph (F) of section 1834(m)(4) of the So-
21 cial Security Act (42 U.S.C. 1395m(m)(4)).

22 (2) PHYSICIAN, PRACTITIONER.—The terms
23 “physician” and “practitioner” have the meaning
24 given those terms in subparagraphs (D) and (E), re-
25 spectively, of such section.

1 (3) MEDICARE PROGRAM.—The term “Medicare
2 program” means the program of health insurance
3 administered by the Secretary of Health and Human
4 Services under title XVIII of the Social Security Act
5 (42 U.S.C. 1395 et seq.).