

**Explanation of Changes Reflected in the Chairman’s
Amendment in the Nature of a Substitute to
H.R. 8246, *Second Chances for Rural Hospitals Act***

May 7, 2024

The Chairman’s amendment in the nature of a substitute includes the following changes to H.R. 8246 as introduced:

1. Page 1, line 6 strike “Sec. 2 MODIFICAITON OF CRITERIA FOR DESIGNATION OF RURAL EMERGENCY HOSPITALS.” and all that follows and replaces with

“SEC. 2. EXPANDING THE DEFINITION OF RURAL EMERGENCY HOSPITAL UNDER THE MEDICARE PROGRAM.

(a) IN GENERAL.—Section 1861(kkk) of the Social Security Act (42 U.S.C. 1395x(kkk)) is amended—

(1) in paragraph (2)(A), by striking “is enrolled under section 1866(j)” inserting “except in the case of a facility described in paragraph (3)(B)”;

(2) in paragraph (3)—

(A) in subparagraph (B), by striking the period at the end and inserting “; or”;

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and adjusting the margins accordingly;

(C) by striking “facility that as of” and inserting “facility—“(A) that as of”; and

(D) by adding at the end the following new subparagraph:

“(B) that—

“(i) during the period beginning January 1, 2014, and ending December 26, 2020—

“(I) was a critical access hospital; or

“(II) was a subsection (d) hospital (as defined in section 1886(d)(1)(B)) located in a county (or equivalent unit of local government) in a rural area (as defined in section 1886(d)(2)(D)); and “(ii) as of the date of the enactment of this subparagraph, had ceased operations.”; and

(3) in paragraph (4)—

(A) in subparagraph (A)(i), by striking “An action plan” and inserting “Except in the case of a facility described in paragraph (3)(B), an action plan”; and

(B) in subparagraph (B)(i), by inserting “except in the case of a facility described in paragraph (3)(B),” before “the facility”.

(b) AMENDMENTS TO PAYMENT RULES.—Section 1834(x) of the Social Security Act (42 U.S.C. 1395m(x)) is amended—

(1) in paragraph (1), by inserting “, except that, in the case of a facility described in section 1861(kkk)(3)(B) that, as of the date on which such facility submits an application under section 1866(j) to enroll under this title as a rural emergency hospital, is located less than 35 miles away from the nearest hospital, critical access hospital, or rural emergency hospital, such increase shall not apply” before the period at the end; and

(2) in paragraph (2)(A), by inserting “(other than a facility described in section 1861(kkk)(3)(B) that, as of the date on which such facility submits an application under section 1866(j) to enroll under this title as a rural emergency hospital, is located less than 10 miles away from the nearest hospital, critical access hospital, or rural emergency hospital)” after “rural emergency hospital”.

(c) EFFECTIVE DATE.—The amendments made by 2 this section shall apply beginning January 1, 2027.”