

Act, OMB¹⁵⁶² shall determine, and the applicable Presidential order under section 254 shall implement, the percentage reduction that shall apply to payments under the health insurance programs under title XVIII¹⁵⁶³ of the Social Security Act for services furnished after the order is issued, such that the reduction made in payments under that order shall achieve the required total percentage reduction in those payments for that fiscal year as determined on a 12-month basis.

§ 256(d)(2)

(2) TIMING OF APPLICATION OF REDUCTIONS. —

§ 256(d)(2)(A)

(A) IN GENERAL. — Except as provided in subparagraph (B), if a reduction is made under paragraph (1) in payment amounts pursuant to a sequestration¹⁵⁶⁴ order, the reduction shall be applied to payment for services furnished during the effective period of the order. For purposes of the previous sentence, in the case of inpatient services furnished for an individual, the services shall be considered to be furnished on the date of the individual's discharge from the inpatient facility.

§ 256(d)(2)(B)

(B) PAYMENT ON THE BASIS OF COST REPORTING PERIODS. — In the case in which payment for services of a provider of services is made under title XVIII¹⁵⁶⁵ of the Social Security Act on a basis relating to the reasonable cost incurred for the services during a cost reporting period of the provider, if a reduction is made under paragraph (1) in payment

¹⁵⁶² Section 250(c)(15) defines "OMB" to mean "the Director of the Office of Management and Budget." *See supra* p. 446.

¹⁵⁶³ 42 U.S.C. §§ 1395-1395ccc (1988 & Supp. III 1991).

¹⁵⁶⁴ Section 250(c)(2) defines "sequestration." *See supra* p. 440.

¹⁵⁶⁵ 42 U.S.C. §§ 1395-1395ccc (1988 & Supp. III 1991).