113TH CONGRESS
2D SESSION

S. 2728

To amend title XVIII of the Social Security Act to provide community-based medical education payments to primary care teaching centers, to provide for a Medicare indirect medical education performance adjustment, and to increase Medicare graduate medical education transparency, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 31, 2014

Mrs. MURRAY introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To amend title XVIII of the Social Security Act to provide community-based medical education payments to primary care teaching centers, to provide for a Medicare indirect medical education performance adjustment, and to increase Medicare graduate medical education transparency, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Community-Based Medical Education Act of 2014''.

SEC. 2. TEACHING HEALTH CENTER EXTENSION.

(a) THC PROGRAM.—Section 340H of the Public Health Service Act (42 U.S.C. 256h) is amended—

(1) in subsection (g)—

(A) by striking ''not to exceed $230,000,000, for the period of fiscal years 2011 through 2015.'' and inserting ''not to exceed—''; and

(B) by adding at the end the following:

''(1) $230,000,000, for the period of fiscal years 2011 through 2015; and

''(2) $420,000,000, for the period of fiscal years 2016 through 2019.''; and

(2) by adding at the end the following:

''(k) EVALUATION OF PROGRAM; PARTICIPATION IN PRIMARY CARE TEACHING PROGRAM.—The Secretary shall—

''(1) not later than December 31, 2017, conduct a comprehensive evaluation of the program under this section; and

''(2) establish a process by which qualified teaching health centers that have received payments under this section prior to the date on which the primary care teaching centers program is established under section 1899B of the Social Security Act may

become eligible to participate in such primary care teaching program.''.

(b) TEACHING HEALTH CENTERS DEVELOPMENT GRANTS.—Section 749A of the Public Health Service Act (42 U.S.C. 293l–1) is amended—

(1) in subsection (a), by inserting '', based on demonstrated financial need,'' after ''centers'';

(2) in subsection (b), by striking ''$500,000'' and inserting ''$250,000''; and

(3) in subsection (g), by striking ''fiscal year 2010, $50,000,000 for fiscal year 2011, $50,000,000 for fiscal year 2012'' and inserting ''each of fiscal years 2016, 2017, and 2018''.

SEC. 3. COMMUNITY-BASED MEDICAL EDUCATION PAYMENTS.

Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended by adding at the end the following new section:

''COMMUNITY-BASED MEDICAL EDUCATION PAYMENTS

''SEC. 1899B. (a) IN GENERAL.—The Secretary shall establish a program under which the Secretary makes payments to primary care teaching centers (as defined in subsection (c)) under this section.

''(b) IMPLEMENTATION.—The Secretary shall establish the program under this section not later than January 1, 2019.

''(c) DEFINITIONS.—

''(1) DEFINITION OF PRIMARY CARE TEACHING CENTER.—In this section, the term 'primary care teaching center' means an entity described in paragraph (2) that—

''(A) is accredited by the Accreditation Council on Graduate Medical Education, the American Osteopathic Association, or the Commission on Dental Accreditation; and

''(B) operates a community-based primary care residency program (as defined in paragraph (5)) in a rural or underserved area.

''(2) ENTITY DESCRIBED.—The following entities are described in this paragraph:

''(A) An entity that received payments under section 340H of the Public Health Service Act for a community based, ambulatory patient care center which operates a primary care residency program or a related consortia recognized by the Health Resources and Services Administration.

''(B) A community-based, independent corporate entity collaborating with one or more hospitals in operating one or more primary care residency programs.

"(C) A medical education entity established by one or more hospitals to develop and operate one or more primary care residency programs. The hospital or hospitals may be the sole corporate members of the entity, but the governing board of the entity shall include representatives of the community.

"(D) A medical education entity that is independent of any hospital but collaborates with a hospital in operating one or more medical residency training programs. The medical education entity may include a university or a school of medicine.

"(E) A subsidiary of a hospital or independent corporation operating one or more primary care residency programs for the hospital with community participation in the governance of the organization.

"(F) A rural training track program (as defined in paragraph (6)).

"(3) INCLUSION OF CERTAIN ENTITIES.—The term 'primary care teaching center' includes the following:

"(A) A Federally qualified health center (as defined in section 1905(l)(2)(B)).

"(B) A community mental health center (as defined in section 1861(ff)(3)(B)).

"(C) A rural health clinic, as defined in section 1861(aa).

"(D) A health center operated by the Indian Health Service, an Indian tribe or tribal organization, or an urban Indian organization (as defined in section 4 of the Indian Health Care Improvement Act).

"(E) An entity receiving funds under title X of the Public Health Service Act.

"(F) A critical access hospital.

"(G) An entity that collaborates to form a consortium that operates an accredited primary care residency program, so long as the consortium is accredited in the primary care specialty and is listed as the institutional sponsor by the relevant accrediting body. Within the consortium, a community-based ambulatory care center shall play an integral role in the academic, financial, and administrative operations of the primary care residency program.

"(4) DEFINITION OF PRIMARY CARE.—In this section, the term 'primary care' means family medicine, internal medicine, pediatrics, internal medicine-

pediatrics, obstetrics and gynecology, psychiatry, general dentistry, pediatric dentistry, or geriatrics.

''(5) DEFINITION OF PRIMARY CARE RESIDENCY PROGRAM.—In this section, the term 'primary care residency program' means an approved medical residency training program (as defined in section 1886(h)(5)(A)) in primary care.

''(6) DEFINITION OF RURAL TRAINING TRACK PROGRAM.—In this section, the term 'rural training track program' means an alternative training track integrated with a larger more urban or community hospital program and separately accredited as such, with a rural location, a rural mission, or a major rural service area, in which the residents spend approximately two of three years in a place of practice separate and more rural or rurally focused than the larger program.

''(d) LIMITATIONS ON NUMBER OF RESIDENT TRAINING POSITIONS.—

''(1) LIMITATION ON TOTAL NUMBER UNDER PROGRAM.—Subject to paragraph (3), the Secretary shall make payments under this section for not more than 1,500 new full-time equivalent resident training positions to be distributed to primary care teaching

centers at a rate of not more than 300 per year until expended.

''(2) LIMITATION ON TOTAL NUMBER FOR EACH PRIMARY CARE TEACHING CENTER.—Subject to paragraph (3), no single primary care teaching center shall receive a total of more than 50 of the positions distributed under the program, which must be in primary care specialties.

''(3) EXCEPTION FOR EXISTING RESIDENTS OF TEACHING HEALTH CENTERS.—The limitation under each of paragraphs (1) and (2) shall not apply with respect to a resident training position of a teaching health center that received payments under section 340H of the Public Health Service Act if the resident training position was in a medical residency training program operated by the teaching health center prior to the participation of the teaching health center as a primary care teaching center under this section. The Secretary shall make payments for a resident in a training position described in the preceding center under this section in accordance with subsection (f).

''(e) PREFERENCE FOR TEACHING HEALTH CENTERS.—The Secretary shall give preference to teaching health centers that received payments under section 340H

of the Public Health Service Act that are seeking to participate as a primary care teaching center under this section.

''(f) PAYMENT OF ANNUAL PER RESIDENT PAYMENT AMOUNT.—

''(1) METHODOLOGY.—Subject to paragraph (2) and subsection (i), for each year of the program, the Secretary shall develop a methodology to determine the per resident payment amount for each full-time equivalent resident of a primary care teaching center under this section.

''(2) MINIMUM PAYMENT AMOUNT.—Subject to subsection (i), the per resident payment amount for each full-time equivalent resident of a primary care teaching center under this section for a year shall be not less than—

''(A) for 2014, $150,000; and

''(B) for each subsequent year, the amount determined under this paragraph for the preceding year increased by the percentage increase in the consumer price index for all urban consumers (United States city average) for the 12-month period ending with June of the preceding year.

"(3) DIRECT PAYMENT.—Any payment under this section with respect to a full-time equivalent resident of a primary care teaching center shall be made directly to the primary care teaching center.

"(g) NO EFFECT ON OTHER PAYMENTS OR LIMITATION ON NUMBER OF RESIDENTS UNDER SECTION 1886.—Nothing in this section shall effect payments under section 1886(d)(5)(B) or section 1886(h) or the application of the limitation on the number of residents under section 1886(h)(4)(F).

"(h) REQUIREMENTS FOR ENTITIES RECEIVING MEDICARE GRADUATE MEDICAL EDUCATION PAYMENTS.—In the case where a primary care residency program, including a rural training track program, funded by a hospital through payments under subsections (d)(5)(B) and (h) of section 1886 becomes a primary care teaching center under this section, the hospital shall ensure, during the 10-year period beginning on the date of the transition, that the total number of full-time equivalent residents of the hospital in primary care does not decrease. The transition described in the preceding sentence shall begin on the date when the primary care teaching center receives its first payment under this section.

"(i) PERFORMANCE ADJUSTMENTS.—

''(1) IN GENERAL.—Subject to the succeeding provisions of this subsection, the Secretary shall establish and implement procedures under which the amount of payments that a primary care teaching center would otherwise receive under this section for a year is adjusted based on the reporting of measures and the performance of the primary care teaching center on measures of population health priorities specified by the Secretary.

''(2) ADJUSTMENTS TO BEGIN IN 2021.—The adjustments shall apply to payments—

''(A) with respect to the adjustments for reporting under paragraph (7)(A), made for 2021; and

''(B) with respect to the adjustments for performance under paragraph (7)(B), made for 2022 and subsequent years.

''(3) MEASURES.—The measures of population health priorities specified by the Secretary under this subsection shall be the measures specified by the Secretary under section 1886(t).

''(4) PERFORMANCE STANDARDS.—The Secretary shall establish performance standards with respect to measures specified by the Secretary under

this subsection for a performance period for a year (as established under paragraph (5)).

''(5) PERFORMANCE PERIOD.—The Secretary shall establish the performance period for a year. Such performance period shall begin and end prior to the beginning of such year.

''(6) REPORTING OF MEASURES.—The procedures established and implemented under paragraph (1) shall include a process under which primary care teaching centers shall submit data on the measures specified by the Secretary under this subsection to the Secretary in a form and manner, and at a time, specified by the Secretary for purposes of this subsection.

''(7) ADJUSTMENTS.—

''(A) REPORTING FOR 2021.—For 2021, in the case of a primary care teaching center that does not submit, to the Secretary in accordance with this subsection, data required to be submitted under paragraph (6) for a period (determined appropriate by the Secretary) for such year, the total amount that the primary care teaching center would otherwise receive under this section for such year shall be reduced by 1 percent.

"(B) PERFORMANCE FOR 2022 AND SUBSEQUENT YEARS.—

"(i) IN GENERAL.—Subject to clause (ii), based on the performance of each primary care teaching center with respect to compliance with the measures for a performance period for a year (beginning with 2022), the Secretary shall determine the amount of any adjustment under this subparagraph to payments to the primary care teaching center under this section for such year. Such adjustment may not exceed an amount equal to 1 percent of the total amount that the primary care teaching center would otherwise receive under this section for such year.

"(ii) BUDGET NEUTRAL.—In making adjustments under this subparagraph, the Secretary shall ensure that the total amount of payments made to all primary care teaching centers under this section for a year is equal to the total amount of payments that would have been made to such centers under this section for such year if this subsection had not been enacted.

''(8) NO EFFECT IN SUBSEQUENT YEARS.—Any adjustment under subparagraph (A) or (B) of paragraph (7) shall apply only with respect to the year involved, and the Secretary shall not take into account any such adjustment in making payments to a primary care teaching center under this section in a subsequent year.

''(j) EVALUATION AND REPORT.—Not later than January 1, 2021, and every five years thereafter, the Secretary shall submit to Congress a report on the implementation of the program under this section, including—

''(1) the measure development procedures under subsection (i), including any barriers to measure development;

''(2) the compliance with reporting on the performance measures under that subsection, including any barriers to such compliance; and

''(3) recommendations to address any barriers described in subparagraph (A) or (B).

''(k) FUNDING.—For purposes of carrying out this section, the Secretary shall provide for the transfer, from the Federal Hospital Insurance Trust Fund under section 1817 and the Federal Supplementary Medical Insurance Trust Fund under section 1841 (in such proportion as the Secretary determines appropriate), of such sums as are

necessary to the Centers for Medicare & Medicaid Services Program Management Account for fiscal year 2019 and each succeeding fiscal year. Amounts transferred under the preceding sentence shall remain available until expended.''.

SEC. 4. MEDICARE INDIRECT MEDICAL EDUCATION PERFORMANCE ADJUSTMENT.

Section 1886 of the Social Security Act (42 U.S.C. 1395ww) is amended—

(1) in subsection (d)(5)(B), in the matter preceding clause (i), by inserting ''subject to subsection (t) and'' before ''except as follows''; and

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

''(t) INDIRECT MEDICAL EDUCATION PERFORMANCE ADJUSTMENTS.—

''(1) IN GENERAL.—Subject to the succeeding provisions of this subsection, the Secretary shall establish and implement procedures under which the amount of payments that a hospital (as defined in paragraph (11)) would otherwise receive for indirect medical education costs under subsection (d)(5)(B) for discharges occurring during a fiscal year is adjusted based on the reporting of measures and the

performance of the hospital on measures of population health priorities specified by the Secretary.

''(2) ADJUSTMENTS TO BEGIN IN FISCAL YEAR 2018.—The adjustments shall apply to payments for discharges occurring—

''(A) with respect to the adjustments for reporting under paragraph (8)(A), during fiscal year 2018; and

''(B) with respect to the adjustments for performance under paragraph (8)(B), on or after October 1, 2018.

''(3) MEASURES.—The measures of population health priorities specified by the Secretary under this subsection shall include measures relating to—

''(A) the extent of training provided in—

''(i) shortage specialties;

''(ii) a variety of settings and systems;

''(iii) the coordination of patient care across settings;

''(iv) interprofessional and multidisciplinary care teams;

''(v) methods for identifying system errors and implementing system solutions; and

''(vi) the use of health information technology; and

''(B) the number of graduates practicing in shortage specialties 5 years after graduation, including in shortage specialties in health professional shortage areas.

''(4) MEASURE DEVELOPMENT PROCESS.—

''(A) IN GENERAL.—The measures of patient care specified by the Secretary under this subsection—

''(i) shall—

''(I) be measures that have been adopted or endorsed by an accrediting organization (such as the Accreditation Council for Graduate Medical Education or American Osteopathic Association); and

''(II) be measures that the Secretary identifies as having used a consensus-based process for developing such measures; and

''(ii) may include measures that have been submitted by teaching hospitals and medical schools (allopathic and osteopathic).

"(B) PROPOSED SET OF INITIAL MEASURES.—Not later than July 1, 2015, the Secretary shall publish in the Federal Register a proposed initial set of measures for use under this subsection. The Secretary shall provide for a period of public comment on such measures.

"(C) FINAL SET OF INITIAL MEASURES.—Not later than January 1, 2016, the Secretary shall publish in the Federal Register the set of initial measures to be specified by the Secretary for use under this subsection.

"(D) UPDATE OF MEASURES.—The Secretary may, through notice and comment rulemaking, periodically update the measures specified under this subsection pursuant to the requirements under subparagraph (A).

"(5) PERFORMANCE STANDARDS.—The Secretary shall establish performance standards with respect to measures specified by the Secretary under this subsection for a performance period for a fiscal year (as established under paragraph (6)).

"(6) PERFORMANCE PERIOD.—The Secretary shall establish the performance period for a fiscal year. Such performance period shall begin and end prior to the beginning of such fiscal year.

''(7) REPORTING OF MEASURES.—The procedures established and implemented under paragraph (1) shall include a process under which hospitals shall submit data on the measures specified by the Secretary under this subsection to the Secretary in a form and manner, and at a time, specified by the Secretary for purposes of this subsection.

''(8) ADJUSTMENTS.—

''(A) REPORTING FOR FISCAL YEAR 2018.—For fiscal year 2018, in the case of a hospital that does not submit, to the Secretary in accordance with this subsection, data required to be submitted under paragraph (7) for a period (determined appropriate by the Secretary) for such fiscal year, the total amount that the hospital would otherwise receive under subsection (d)(5)(B) for discharges in such fiscal year shall be reduced by 1 percent.

''(B) PERFORMANCE FOR FISCAL YEAR 2019 AND SUBSEQUENT FISCAL YEARS.—

''(i) IN GENERAL.—Subject to clause (ii), based on the performance of each hospital with respect to compliance with the measures for a performance period for a fiscal year (beginning with fiscal year

2019), the Secretary shall determine the amount of any adjustment under this subparagraph to payments to the hospital under subsection (d)(5)(B) for discharges in such fiscal year. Such adjustment may not exceed an amount equal to 2 percent of the total amount that the hospital would otherwise receive under such subsection for discharges in such fiscal year.

''(ii) BUDGET NEUTRAL.—In making adjustments under this subparagraph, the Secretary shall ensure that the total amount of payments made to all hospitals under subsection (d)(5)(B) for discharges in a fiscal year is equal to the total amount of payments that would have been made to such hospitals under such subsection for discharges in such fiscal year if this subsection had not been enacted.

''(9) NO EFFECT IN SUBSEQUENT FISCAL YEARS.—Any adjustment under subparagraph (A) or (B) of paragraph (8) shall apply only with respect to the fiscal year involved, and the Secretary shall not take into account any such adjustment in mak-

ing payments to a hospital under this section in a subsequent fiscal year.

''(10) EVALUATION OF SUBMISSION OF PERFORMANCE MEASURES.—Not later than January 1, 2018, and every five years thereafter, the Secretary shall submit to Congress a report on the implementation of this subsection, including—

''(A) the measure development procedures, including any barriers to measure development;

''(B) the compliance with reporting on the performance measures, including any barriers to such compliance; and

''(C) recommendations to address any barriers described in subparagraph (A) or (B).

''(11) DEFINITIONS.—In this subsection:

''(A) HOSPITAL.—The term 'hospital' means a hospital that receives payments under subsection (d)(5)(B).

''(B) SHORTAGE SPECIALTY.—The term 'shortage specialty' means the following specialties and subspecialties:

''(i) Family medicine.

''(ii) Geriatric medicine.

''(iii) General internal medicine.

''(iv) General surgery.

"(v) High priority pediatric subspecialties.

"(vi) Psychiatry.

"(vii) Other specialties and subspecialties determined appropriate by the Secretary.".

SEC. 5. INCREASING MEDICARE GRADUATE MEDICAL EDUCATION TRANSPARENCY.

(a) IN GENERAL.—Not later than 2 years after the date of the enactment of this Act, and annually thereafter, the Secretary of Health and Human Services shall submit to Congress and the National Health Care Workforce Commission a report on the graduate medical education payments that hospitals and primary health training programs receive under the Medicare program.

(b) REQUIREMENTS.—The report under subsection (a) shall include the following information with respect to each hospital or primary health training program that receives such payments:

(1) The direct graduate medical education payments made to the hospital under section 1886(h) of the Social Security Act (42 U.S.C. 1395ww(h)).

(2) The total costs of direct graduate medical education to the hospital as reported on the annual Medicare Cost Reports.

(3) The indirect medical education payments made to the hospital under section 1886(d)(5)(B) of such Act (42 U.S.C. 1395ww(d)(1)(B)).

(4) The number of full-time-equivalent residents counted for purposes of making the payments described in paragraph (1).

(5) The number of full-time-equivalent residents counted for purposes of making the payments described in paragraph (3).

(6) The number of full-time-equivalent residents, if any, that are not counted for purposes of making payments described in paragraph (1).

(7) The number of full-time-equivalent residents, if any, that are not counted for purposes of making payments described in paragraph (3).

(8) The payments made to primary care teaching centers under section 1899B of the Social Security Act, as added by section 3.

(9) The number of full-time-equivalent residents counted for purposes of making the payments described in paragraph (8).

(10) The percentage of all graduates of a program for which payments described in paragraph (1) or (3) were made to the hospital that are practicing primary care 5 years after graduation.

(11) The percentage of all graduates of a program for which payments described in paragraph (1) or (3) were made to the hospital that are practicing primary care in health professional shortage areas 5 years after graduation.

(12) The percentage of all graduates of a primary care teaching center for which payments described in paragraph (8) were made to the primary care teaching center that are practicing primary care 5 years after graduation.

(13) The percentage of all graduates of a primary care teaching center for which payments described in paragraph (8) were made to the primary care teaching center that are practicing primary care in health professional shortage areas 5 years after graduation.

(14) Other information determined appropriate by the Secretary.

SEC. 6. REAUTHORIZATION OF THE HEALTH CARE WORKFORCE COMMISSION.

Section 5101(h)(2) of the Patient Protection and Affordable Care Act (42 U.S.C. 294q(h)(2)) is amended to read as follows:

''(2) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be

appropriated $14,000,000 for the period of fiscal years 2015 through 2019, and such sums as may be necessary for each subsequent fiscal year.''.

SEC. 7. REDUCTION IN MEDICARE INDIRECT GRADUATE MEDICAL EDUCATION (IME) PAYMENTS.

(a) IN GENERAL.—Section 1886(d)(5)(B)(ii) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(B)(ii)) is amended—

(1) in subclause (XI), by striking ''and'' at the end;

(2) in subclause (XII)—

(A) by inserting ''and before October 1, 2016,'' after ''2007,''; and

(B) by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following new subclause:

''(XIII) on or after October 1, 2016, 'c' is equal to 1.32.''.

(b) CONFORMING AMENDMENT RELATING TO DETERMINATION OF STANDARDIZED AMOUNT.—Section 1886(d)(2)(C)(i) of the Social Security Act (42 U.S.C. 1395ww(d)(2)(C)(i)) is amended by inserting ''or of sec-

tion 7(a) of the Community-Based Medical Education Act of 2014'' after ''Act of 1997''.

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