To enable hospital-based nursing programs that are affiliated with a hospital to maintain payments under the Medicare program to hospitals for the costs of such programs.

SECTION 1. SHORT TITLE.

This Act may be cited as the “Making the Education of Nurses Dependable for Schools Act” or the “MEND Act”.

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

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SEC. 2. ENABLING HOSPITAL-BASED NURSING PROGRAMS

THAT ARE AFFILIATED WITH A HOSPITAL TO

MAINTAIN MEDICARE PAYMENTS FOR THE

COSTS OF SUCH PROGRAMS.

(a) IN GENERAL.—For purposes of clarifying the
methodology for payment under the Medicare program
under title XVIII of the Social Security Act (42 U.S.C.
1395 et seq.) to providers for the costs of nursing and
allied health education activities for cost reporting periods
beginning on or after the date of the enactment of this
Act, the Secretary of Health and Human Services shall
apply section 413.85 of title 42, Code of Federal Regula-
tions—

(1) by treating a provider as meeting all of the
requirements described in paragraph (f)(1) of such
section if the provider or a wholly owned subsidiary
educational institution of such provider singly or col-
lectively meets all of such requirements;

(2) in the case of a provider that would meet
the requirements of paragraph (g)(3) of such sec-
tion, with respect to a nursing or allied health edu-
cation program, except that the transfer described in
such paragraph of such a program to a wholly
owned subsidiary educational institution in order to
meet accreditation standards occurred after October
1, 2003, by treating such provider as meeting the
requirements of such paragraph (and eligible for payments under such paragraph) with respect to such program;

(3) in the case of a provider or wholly owned subsidiary educational institution of such provider that has been in continuous operation since October 1, 2003, by treating such provider, beginning as of such date with respect to such program, as described in paragraphs (1) and (2) of this subsection; and

(4) by defining the term “wholly owned subsidiary educational institution”, as referenced in such section, as such term is defined under subsection (b).

(b) DEFINITIONS.—For purposes of this section:

(1) PROVIDER.—The term “provider” has the meaning given such term in section 400.202 of title 42, Code of Federal Regulations.

(2) WHOLLY OWNED SUBSIDIARY EDUCATIONAL INSTITUTION.—The term “wholly owned subsidiary educational institution” means, with respect to a provider, an educational institution that—

(A) is organized as a legal entity distinct from the provider;

(B) has the provider as its sole owner or sole member; and
(C) is organized in the same State in which the provider is organized or registered to do business.