112TH CONGRESS
1st Session
HOUSE OF REPRESENTATIVES
REPORT
112–205

CHILDREN'S HOSPITAL GME SUPPORT REAUTHORIZATION ACT OF 2011

SEPTEMBER 12, 2011.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. UPTON, from the Committee on Energy and Commerce, submitted the following

R E P O R T

[To accompany H.R. 1852]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 1852) to amend the Public Health Service Act to reauthorize support for graduate medical education programs in children's hospitals, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

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PURPOSE AND SUMMARY

H.R. 1852, "Children's Hospital GME Support Reauthorization Act of 2011," was introduced by Representative Joseph Pitts (R–

PA) on May 11, 2011, and subsequently referred to the Committee on Energy and Commerce.

The goal of H.R. 1852 is to amend the Public Health Service Act to reauthorize support for graduate medical education programs in children's hospitals for 5 years. In addition, the bill moves the deadline for the report on the program ahead by one year.

BACKGROUND AND NEED FOR LEGISLATION

The Children's Hospital Graduate Medical Education Program (CHGME) was enacted in 1999 as part of the Healthcare Research and Quality Act (P.L. 106–129) to provide freestanding children's hospitals with discretionary Federal support for direct and indirect expenses associated with operating medical residency training programs. Since few children's hospitals receive Medicare funds, the legislation was designed to correct the exclusion of pediatric training in the Medicare GME program. CHGME provides funding to 56 hospitals in 30 states to support pediatric residency training. Today, freestanding children's hospitals train over 40% of pediatricians, 43% of pediatric specialists, and most pediatric researchers.

On October 6, 2006, the CHGME Support Reauthorization Act (P.L. 109–307) was enacted and extended the program through FY 2011. H.R. 1852 extends the CHGME program again until 2016 at its current authorization level. The Report to Congress on the CHGME program was moved to year four, a year before the bill expires in 2016. The Report includes a summary of the annual reports prepared by the grantees as a requirement for funding. The Report details the types of residency programs, the number of training positions, types of training, any changes in residency training curriculum, a review of patient and safety care, and the number of residents who complete training. It also includes recommendations for how to improve the program.

HEARINGS

The Subcommittee on Health on July 11, 2001 held a hearing on H.R. 1852, "Children's Hospital GME Support Reauthorization Act of 2011." The Subcommittee received testimony from:

- Janet Heinrich, Dr.P.H., R.N., Associate Administrator, Bureau of Health Professions, Health Resources and Services Administration (HRSA)
- Thomas R. Insel, M.D., Director, National Institute of Mental Health, National Institutes of Health

COMMITTEE CONSIDERATION

H.R. 1852 was introduced by Mr. Pitts on May 11, 2011, and was referred to the Committee on Energy and Commerce.

On July 26, 2011, the Subcommittee on Health met in open markup session and approved H.R. 1852, "Children's Hospital GME Support Reauthorization Act of 2011," by voice vote.

On July 28, 2011, the Energy and Commerce Committee met in open markup session and ordered H.R. 1852 reported to the House, without amendment, by a voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. There were no record votes taken in connection with ordering H.R. 1852 reported. A motion by Mr. Upton to order H.R. 1852 reported to the House, without amendment, was agreed to by a voice vote.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the oversight findings and recommendations of the Committee are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goals and objectives of the Committee are reflected in the descriptive portions of this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 1852, the "Children's Hospital GME Support Reauthorization Act of 2011," would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

EARMARK

In compliance with clause 9(e), 9(f), and 9(g) of rule XXI, the Committee finds that H.R. 1852, "Children's Hospital GME Support Reauthorization Act of 2011," contains no earmarks.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

H.R. 1852—Children's Hospital GME Support Reauthorization Act of 2011

Summary: H.R. 1852 would amend the Public Health Service Act to reauthorize payments to children's hospitals operating training programs that provide graduate medical education. Payments would be made to such hospitals for both direct and indirect costs related to graduate medical education. Direct costs are those related to operating a medical education program, such as the sala-

ries of medical students, while indirect costs are those intended to compensate hospitals for patient care costs that are expected to be higher in teaching hospitals than in non-teaching hospitals.

H.R. 1852 would reauthorize the appropriation of $330 million a year over the 2012–2016 period for payments to children's hospitals. CBO estimates that implementing the bill would cost $248 million in 2012 and $1,568 million over the 2012–2016 period, assuming the appropriation of the authorized amounts. Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 1852 is shown in the following table. The costs of this legislation fall within budget function 550 (health).

	By fiscal year, in millions of dollars—					
	2012	2013	2014	2015	2016	2012–2016
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Authorization Level	330	330	330	330	330	1,650
Estimated Outlays	248	330	330	330	330	1,568

Basis of estimate: The Health Resources and Services Administration administers a program that provides payments to children's hospitals that operate graduate medical education programs. Authorization for that program expires in 2011. H.R. 1852 would reauthorize funding for the program through 2016 at a level that is similar to recent years. For this estimate, CBO assumes that H.R. 1852 will be enacted before the end of fiscal year 2011 and that the authorized amounts will be appropriated for each year.

H.R. 1852 would authorize the appropriation of $110 million a year for 2012 through 2016 for payment toward the direct costs of graduate medical education in children's hospitals. Those funds would be awarded to eligible hospitals according to a formula that takes into account the number of residents each hospital employs and its cost per resident.

The bill also would authorize the appropriation of $220 million a year for 2012 through 2016 for payment toward the indirect costs of graduate medical education programs. Those payments would be made to hospitals on the basis of a formula that takes into account the hospital's number of discharges, the relative costliness of those cases as measured by a case-mix index, the number of residents at the hospital, and the number of inpatient beds in the hospital complex.

Based on historical patterns of spending for the graduate medical education program, CBO estimates that implementing the bill would cost $248 million in 2012 and $1,568 million over the 2012–2016 period, assuming appropriation of the specified amounts.

Intergovernmental and private-sector impact: H.R. 1852 contains no intergovernmental or private-sector mandates as defined in UMRA. Children's hospitals that are operated by governmental entities could benefit from grant funds authorized by the bill for graduate medical training.

Estimate prepared by: Federal Costs: Lisa Ramirez-Branum; Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum; Impact on the Private Sector: Jimmy Jin.

Estimate approved by: Holly Harvey, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

The title of this Act is "Children's Hospital GME Support Reauthorization Act of 2011".

Section 2. Program of payments to children's hospitals that operate graduate medical education programs

Section 2(a) amends Section 340E of the Public Health Service Act to extend the authorization of the program through 2016.

Section 2(b) also amends Section 340E of the Public Health Service Act to move the deadline for Report to Congress ahead by one year to 2015.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

PUBLIC HEALTH SERVICE ACT

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TITLE III—GENERAL POWERS AND DUTIES OF PUBLIC HEALTH SERVICE

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PART D—PRIMARY HEALTH CARE

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Subpart IX—Support of Graduate Medical Education Programs in Children's Hospitals

SEC. 340E. PROGRAM OF PAYMENTS TO CHILDREN'S HOSPITALS THAT OPERATE GRADUATE MEDICAL EDUCATION PROGRAMS.

(a) PAYMENTS.—The Secretary shall make two payments under this section to each children's hospital for each of fiscal years 2000 [through 2005 and each of fiscal years 2007 through 2011] *through 2016*, one for the direct expenses and the other for indirect expenses associated with operating approved graduate medical residency training programs. The Secretary shall promulgate regulations pursuant to the rulemaking requirements of title 5, United States Code, which shall govern payments made under this subpart.

(b) AMOUNT OF PAYMENTS.—

(1) * * *

* * * * * * *

(3) ANNUAL REPORTING REQUIRED.—

(A) * * *

* * * * * * *

(D) REPORT TO CONGRESS.—[Not later than the end of fiscal year 2011] *Not later than the end of fiscal year 2015*, the Secretary, acting through the Administrator of the Health Resources and Services Administration, shall submit a report to the Congress—

(i) * * *

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(f) AUTHORIZATION OF APPROPRIATIONS.—

(1) DIRECT GRADUATE MEDICAL EDUCATION.—

(A) IN GENERAL.—There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for payments under subsection (b)(1)(A)—

(i) * * *

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(iv) for each of fiscal years 2007 through [2011] *2016*, $110,000,000.

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(2) INDIRECT MEDICAL EDUCATION.—There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for payments under subsection (b)(1)(B)—

(A) * * *

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(D) for each of fiscal years 2007 through [2011] *2016*, $220,000,000.

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