113TH CONGRESS
1st Session
HOUSE OF REPRESENTATIVES
REPORT
113–3

CHILDREN'S HOSPITAL GME SUPPORT REAUTHORIZATION ACT OF 2013

FEBRUARY 4, 2013.—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. 297]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 297) 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. 297, the "Children's Hospital GME Support Reauthorization Act of 2013," was introduced on January 15, 2013, by Rep. Joseph R. Pitts (R–PA) and subsequently referred to the Committee on Energy and Commerce.

The legislation would amend the Public Health Service Act (PHSA) to reauthorize support for graduate medical education in children's hospitals for five years. In addition, the bill would move the deadline for the report on the program ahead by one year to FY 2016.

BACKGROUND AND NEED FOR THE LEGISLATION

The Children's Hospital Graduate Medical Education (CHGME) program was first 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 graduate medical education program.

Today, the CHGME program provides funding to 56 hospitals in 30 States to support pediatric residency training. Together, freestanding children's hospitals train over 40% of pediatricians, 43% of pediatric specialists, and most pediatric researchers.

Congress reauthorized CHGME twice, each time with broad bipartisan support. In 2000, the CHGME program was reauthorized through FY 2005 as part of the "Children's Health Act of 2000" (P.L. 106–310). In 2006, the "CHGME Support Reauthorization Act" (P.L. 109–307) reauthorized the program for an additional five years through FY 2011.

In 2011, H.R. 1852, the Children's Hospital Graduate Medical Education Reauthorization Act of 2011, was introduced to reauthorize the program through FY 2016. The text of H.R. 1852 was updated for time-frames and incorporated into S. 1440 prior to its consideration by the House of Representatives on December 19, 2012. No further action was taken during the 112th Congress.

H.R. 297 would extend the CHGME program until FY 2017 at the statutory authorization level of $330 million. Any cost associated with enacting the provisions of this Act should be paid for out of existing funds.

The report to Congress on the CHGME program required by the bill would be moved to FY 2016, a year before the authority for the program would expire. The report includes a summary of the annual reports prepared by the grantees as a requirement for funding that describes the types of residency programs, the types and number of training positions, any changes in residency training curriculum, a review of patient and safety care, and the number of residents who complete training.

HEARINGS

The Committee on Energy and Commerce has not held hearings on the legislation. However, the Subcommittee on Health held a hearing on H.R. 1852 during the 112th Congress.

COMMITTEE CONSIDERATION

On January 22, 2013, the Energy and Commerce Committee met in open markup session and approved H.R. 297, the "Children's Hospital GME Support Reauthorization Act of 2013," by 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. 297 reported. A motion by Mr. Upton to order H.R. 297 reported to the House, without amendment, was agreed to by unanimous consent.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee has not held an oversight or legislative hearing on this legislation.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

The goal of the legislation is to train pediatric residents in order to maintain an adequate supply of pediatricians and pediatric specialists in the health care workforce.

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. 297, the "Children's Hospital GME Support Reauthorization Act of 2013," would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

In compliance with clause 9(e), 9(f), and 9(g) of rule XXI of the House of Representatives, the Committee finds that H.R. 297, the "Children's Hospital GME Support Reauthorization Act of 2013," contains no earmarks, limited tax benefits, or limited tariff benefits.

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:

FEBRUARY 1, 2013.

Hon. FRED UPTON,
Chairman, Committee on Energy and Commerce,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 297, the Children's Hospital GME Support Reauthorization Act of 2013.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Lisa Ramirez-Branum.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

H.R. 297—Children's Hospital GME Support Reauthorization Act of 2013

Summary: H.R. 297 would amend the Public Health Service Act to authorize payments to children's hospitals for 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 salaries 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. 297 would authorize the appropriation of $300 million a year for each of fiscal years 2013 through 2017 for payments to children's hospitals. CBO estimates that implementing the bill would cost $23 million in 2013 and $1.2 billion over the 2013–2018 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. 297 is shown in the following table. The costs of this legislation fall within budget function 550 (health).

	By fiscal year, in millions of dollars—						
	2013	2014	2015	2016	2017	2018	2013–2018
CHANGES IN SPENDING SUBJECT TO APPROPRIATION							
Estimated Authorization Level	30	300	300	300	300	0	1,230
Estimated Outlays	23	233	300	300	300	75	1,230

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 expired in 2011. However, the program has continued to receive funding through appropriations. For example, in the Continuing Appropriations Resolution, 2013, the Congress appropriated $270 million (on an annualized basis) through March 27, 2013.

H.R. 297 would authorize annual appropriations of $300 million for the program for the 2013 through 2017 period. Because the Congress has already appropriated $270 million for fiscal year

2013, CBO estimates that implementing H.R. 297 would increase the funding for fiscal year 2013 by $30 million to a total of $300 million. For this estimate, CBO assumes that H.R. 297 will be enacted in fiscal year 2013 and that the authorized amount will be appropriated for each year.

H.R. 297 would authorize the appropriation of $110 million a year for 2013 through 2017 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 $190 million a year for 2013 through 2017 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 discharges, 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 $23 million in 2013 and $1.2 billion over the 2013–2018 period, assuming appropriation of the specified amounts. The low estimated cost for 2013 reflects the fact that the agency already has a current-year funding level of $270 million (on an annualized basis, through March 27, 2013).

Intergovernmental and private-sector impact: H.R. 297 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: Alexia Diorio.

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.

DUPLICATION OF FEDERAL PROGRAMS

No provision of H.R. 297, the "Children's Hospital GME Support Reauthorization Act of 2013," establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULE MAKINGS

The Committee estimates that enacting H.R. 297, the "Children's Hospital GME Support Reauthorization Act of 2013," specifically

directs to be completed no specific rule makings within the meaning of 5 U.S.C. 551.

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

Section 1 states that the legislation may be cited as the "Children's Hospitals GME Support Reauthorization of 2013."

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

Section 2 (a) amends Section 340E of the PHSA to extend the authorization of the CHGME program through FY 2017.

Section 2 (b) also amends Section 340E of the PHSA to move the deadline for the Report to Congress ahead by one year to FY 2016, one year prior to the expiration of the authorization.

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 2005, each of fiscal years 2007 through 2011, and each of fiscal years 2013 through 2017*, 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) * * *

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(3) ANNUAL REPORTING REQUIRED.—

(A) * * *

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(D) REPORT TO CONGRESS.—[Not later than the end of fiscal year 2011] *Not later than the end of fiscal year 2016*, 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 *and each of fiscal years 2013 through 2017*, $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 *and each of fiscal years 2013 through 2017*, $220,000,000.

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