

110TH CONGRESS
1ST SESSION

H. R. 3533

To extend by one year the moratorium on implementation of a rule relating to the Federal-State financial partnership under Medicaid and the State Children's Health Insurance Program and on finalization of a Medicaid rule regarding graduate medical education.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 2007

Mr. ENGEL (for himself and Mrs. MYRICK) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To extend by one year the moratorium on implementation of a rule relating to the Federal-State financial partnership under Medicaid and the State Children's Health Insurance Program and on finalization of a Medicaid rule regarding graduate medical education.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as "The Public and Teaching
5 Hospital Preservation Act".

1 **SEC. 2. EXTENSION OF MORATORIUM ON IMPLEMENTA-**
2 **TION OF RULE RELATING TO THE FEDERAL-**
3 **STATE FINANCIAL PARTNERSHIP UNDER**
4 **MEDICAID AND SCHIP AND ON FINALIZATION**
5 **OF A RULE RELATING TO THE TREATMENT**
6 **OF GRADUATE MEDICAL EDUCATION UNDER**
7 **MEDICAID.**

8 (a) FINDINGS.—Congress makes the following find-
9 ings:

10 (1) A proposed rule was published on January
11 18, 2007, on pages 2236 through 2248 of volume
12 72, Federal Register, and a rule purporting to final-
13 ize that rule was published on May 29, 2007, on
14 pages 29748 through 29836 of volume 72, Federal
15 Register (relating to parts 433, 447, and 457 of title
16 42, Code of Federal Regulations). This rule would
17 significantly change the Federal-State financial part-
18 nership under the Medicaid and the State Children’s
19 Health Insurance Programs by—

20 (A) imposing a cost limit on payments
21 made under such programs to governmentally
22 operated providers;

23 (B) limiting the permissible sources of the
24 non-Federal shares required under such pro-
25 grams and the types of entities permitted to
26 contribute to such shares; and

1 (C) imposing new requirements on partici-
2 pating providers and States under such pro-
3 grams.

4 (2) A proposed rule was published on May 23,
5 2007, on pages 28930 through 28936 of volume 72,
6 Federal Register (relating to parts 438 and 447 of
7 title 42, Code of Federal Regulations) that would
8 significantly change the scope of permissible pay-
9 ments under Medicaid by removing the ability for
10 States to make payments related to graduate med-
11 ical education.

12 (3) Permitting these rules to take effect would
13 drastically alter the Federal-State financial partner-
14 ship in Medicaid and the State Children's Health In-
15 surance Programs, undermine the discretion tradi-
16 tionally accorded States, and have a negative impact
17 on States, providers, and beneficiaries in the fol-
18 lowing manner:

19 (A) Implementation of the rule regarding
20 the Federal-State financial partnership would
21 force billions of dollars of payment reductions
22 to providers, thus hampering the ability of im-
23 pacted providers to provide essential services in-
24 cluding allowing those providers to be ready
25 and available for emergency situations and to

1 provide care to the increasing numbers of unin-
2 sured.

3 (B) Implementation of the rule regarding
4 graduate medical education would force billions
5 of dollars in payment reductions to teaching
6 hospitals, thus hampering the ability of those
7 providers to provide essential services including
8 the education of the next generation of medical
9 professionals despite a shortage of medical pro-
10 fessionals.

11 (4) By including a one-year moratorium in the
12 U.S. Troop Readiness, Veterans' Care, Katrina Re-
13 covery, and Iraq Accountability Appropriations Act
14 of 2007, Congress intended to forestall administra-
15 tive action to allow itself time to assess the proposals
16 and consider alternatives that would not negatively
17 impact States, providers, and beneficiaries.

18 (5) After Congressional approval of the morato-
19 rium contained in the U.S. Troop Readiness, Vet-
20 erans' Care, Katrina Recovery, and Iraq Account-
21 ability Appropriations Act of 2007, the Centers for
22 Medicare & Medicaid Services on May 25, 2007,
23 submitted for publication its final rule, which was
24 not significantly different from the January pro-
25 posed regulation.

1 (6) The publication of a final rule in May re-
2 garding the Federal-State financial partnership was
3 not anticipated by Congress and accelerates the neg-
4 ative impact on States, providers, and beneficiaries,
5 thus undermining the intent of the moratorium
6 passed by Congress.

7 (7) The publication of a proposed rule in May
8 regarding graduate medical education was not an-
9 ticipated by Congress and undermines the intent of
10 the moratorium passed by Congress.

11 (8) Extension of the moratorium is necessary to
12 effectuate Congressional intent.

13 (b) EXTENSION OF PROHIBITION.—Section
14 7002(a)(1) of the U.S. Troop Readiness, Veterans’ Care,
15 Katrina Recovery, and Iraq Accountability Appropriations
16 Act of 2007 (Public Law 110–28), is amended by striking
17 “1 year” and inserting “2 years”.

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