

112TH CONGRESS
2D SESSION

S. 3201

To reform graduate medical education payments, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 17, 2012

Mr. REED (for himself and Mr. KYL) introduced the following bill; which was
read twice and referred to the Committee on Finance

A BILL

To reform graduate medical education payments, and for
other purposes.

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 “Graduate Medical Edu-
5 cation Reform Act of 2012”.

6 **SEC. 2. MEDICARE INDIRECT MEDICAL EDUCATION PER-**
7 **FORMANCE ADJUSTMENT.**

8 Section 1886 of the Social Security Act (42 U.S.C.
9 1395ww) is amended by adding at the end the following
10 new subsection:

1 “(t) INDIRECT MEDICAL EDUCATION PERFORMANCE
2 ADJUSTMENTS.—

3 “(1) IN GENERAL.—Subject to the succeeding
4 provisions of this subsection, the Secretary shall es-
5 tablish and implement procedures under which the
6 amount of payments that a hospital (as defined in
7 paragraph (11)(A)) would otherwise receive for indi-
8 rect medical education costs under subsection
9 (d)(5)(B) for discharges occurring during a fiscal
10 year is adjusted based on the reporting of measures
11 and the performance of the hospital on measures of
12 patient care priorities specified by the Secretary.

13 “(2) ADJUSTMENTS TO BEGIN IN FISCAL YEAR
14 2017.—The adjustments shall apply to payments for
15 discharges occurring—

16 “(A) with respect to the adjustments for
17 reporting under paragraph (8)(A), during fiscal
18 year 2017; and

19 “(B) with respect to the adjustments for
20 performance under paragraph (8)(B), on or
21 after October 1, 2017.

22 “(3) MEASURES.—The measures of patient care
23 priorities specified by the Secretary under this sub-
24 section shall include the extent of training provided
25 in—

1 “(A) the delivery of services categorized as
 2 evaluation and management codes by the Cen-
 3 ters for Medicare & Medicaid Services;

4 “(B) a variety of settings and systems;

5 “(C) the coordination of patient care
 6 across settings;

7 “(D) the relevant cost and value of various
 8 diagnostic and treatment options;

9 “(E) interprofessional and multidisci-
 10 plinary care teams;

11 “(F) methods for identifying system errors
 12 and implementing system solutions; and

13 “(G) the use of health information tech-
 14 nology.

15 “(4) MEASURE DEVELOPMENT PROCESS.—

16 “(A) IN GENERAL.—The measures of pa-
 17 tient care specified by the Secretary under this
 18 subsection—

19 “(i) shall—

20 “(I) be measures that have been
 21 adopted or endorsed by an accrediting
 22 organization (such as the Accredita-
 23 tion Council for Graduate Medical
 24 Education or the Commission on Os-
 25 teopathic College Accreditation); and

1 “(II) be measures that the Sec-
 2 retary identifies as having used a con-
 3 sensus-based process for developing
 4 such measures; and

5 “(ii) may include measures that have
 6 been submitted by teaching hospitals, med-
 7 ical schools, and other stakeholders.

8 “(B) PROPOSED SET OF INITIAL MEAS-
 9 URES.—Not later than July 1, 2014, the Sec-
 10 retary shall publish in the Federal Register a
 11 proposed initial set of measures for use under
 12 this subsection. The Secretary shall provide for
 13 a period of public comment on such measures.

14 “(C) FINAL SET OF INITIAL MEASURES.—
 15 Not later than January 1, 2015, the Secretary
 16 shall publish in the Federal Register the set of
 17 initial measures to be specified by the Secretary
 18 for use under this subsection.

19 “(D) UPDATE OF MEASURES.—The Sec-
 20 retary may, through notice and comment rule-
 21 making, periodically update the measures speci-
 22 fied under this subsection pursuant to the re-
 23 quirements under subparagraph (A).

24 “(5) PERFORMANCE STANDARDS.—The Sec-
 25 retary shall establish performance standards with re-

1 spect to measures specified by the Secretary under
2 this subsection for a performance period for a fiscal
3 year (as established under paragraph (6)).

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

8 “(7) REPORTING OF MEASURES.—The proce-
9 dures established and implemented under paragraph
10 (1) shall include a process under which hospitals
11 shall submit data on the measures specified by the
12 Secretary under this subsection to the Secretary in
13 a form and manner, and at a time, specified by the
14 Secretary for purposes of this subsection.

15 “(8) ADJUSTMENTS.—

16 “(A) REPORTING FOR FISCAL YEAR 2017.—

17 For fiscal year 2017, in the case of a hospital
18 that does not submit, to the Secretary in ac-
19 cordance with this subsection, data required to
20 be submitted under paragraph (7) for a period
21 (determined appropriate by the Secretary) for
22 such fiscal year, the total amount that the hos-
23 pital would otherwise receive under subsection
24 (d)(5)(B) for discharges in such fiscal year
25 shall be reduced by 0.5 percent.

1 “(B) PERFORMANCE FOR FISCAL YEAR
2 2018 AND SUBSEQUENT FISCAL YEARS.—

3 “(i) IN GENERAL.—Subject to clause
4 (ii), based on the performance of each hos-
5 pital with respect to compliance with the
6 measures for a performance period for a
7 fiscal year (beginning with fiscal year
8 2018), the Secretary shall determine the
9 amount of any adjustment under this sub-
10 paragraph to payments to the hospital
11 under subsection (d)(5)(B) for discharges
12 in such fiscal year. Such adjustment may
13 not exceed an amount equal to 3 percent
14 of the total amount that the hospital would
15 otherwise receive under such subsection for
16 discharges in such fiscal year.

17 “(ii) BUDGET NEUTRAL.—In making
18 adjustments under this subparagraph, the
19 Secretary shall ensure that the total
20 amount of payments made to all hospitals
21 under subsection (d)(5)(B) for discharges
22 in a fiscal year is equal to the total amount
23 of payments that would have been made to
24 such hospitals under such subsection for

1 discharges in such fiscal year if this sub-
2 section had not been enacted.

3 “(9) NO EFFECT IN SUBSEQUENT FISCAL
4 YEARS.—Any adjustment under subparagraph (A)
5 or (B) of paragraph (8) shall apply only with respect
6 to the fiscal year involved, and the Secretary shall
7 not take into account any such adjustment in mak-
8 ing payments to a hospital under this section in a
9 subsequent fiscal year.

10 “(10) EVALUATION OF SUBMISSION OF PER-
11 FORMANCE MEASURES.—Not later January 1, 2017,
12 the Secretary shall submit to Congress a report on
13 the implementation of this subsection, including—

14 “(A) the measure development procedures,
15 including any barriers to measure development;

16 “(B) the compliance with reporting on the
17 performance measures, including any barriers
18 to such compliance; and

19 “(C) recommendations to address any bar-
20 riers described in subparagraph (A) or (B).

21 “(11) DEFINITION OF HOSPITAL.—In this sub-
22 section, the term ‘hospital’ means a hospital the re-
23 ceives payments under subsection (d)(5)(B).”.

1 **SEC. 3. INCREASING GRADUATE MEDICAL EDUCATION**
2 **TRANSPARENCY.**

3 (a) IN GENERAL.—Not later than 2 years after the
4 date of the enactment of this Act, and annually thereafter,
5 the Secretary of Health and Human Services shall submit
6 to Congress and the National Health Care Workforce
7 Commission a report on the graduate medical education
8 payments that hospitals receive under the Medicare pro-
9 gram. The report shall include the following information
10 with respect to each hospital that receives such payments:

11 (1) The direct graduate medical education pay-
12 ments made to the hospital under section 1886(h) of
13 the Social Security Act (42 U.S.C. 1395ww(h)).

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

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

20 (4) The number of full-time-equivalent residents
21 counted for purposes of making the payments de-
22 scribed in paragraph (1).

23 (5) The number of full-time-equivalent residents
24 counted for purposes of making the payments de-
25 scribed in paragraph (3).

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

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

7 (8) The factors contributing to the higher costs
8 of patient care provided by the hospital, including—

9 (A) the costs of trauma, burn, other stand-
10 by services;

11 (B) translation services for disabled or
12 non-english speaking patients;

13 (C) the cost of uncompensated care;

14 (D) financial losses with respect to Med-
15 icaid patients; and

16 (E) uncompensated costs of clinical re-
17 search.

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