

113TH CONGRESS
1ST SESSION

H. R. 1201

To amend title XVIII of the Social Security Act to provide for the distribution of additional residency positions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 14, 2013

Mr. SCHOCK (for himself and Ms. SCHWARTZ) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XVIII of the Social Security Act to provide for the distribution of additional residency positions, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Training Tomorrow’s Doctors Today Act”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Distribution of additional residency positions.

- Sec. 3. Additional rules relating to application of 3-year rolling average for re-distributed residency positions.
- Sec. 4. Rules for determining full-time equivalent residents.
- Sec. 5. Treatment of hospitals with rotating residents.
- Sec. 6. Aggregation rules relating to applying limitation on number of residents.
- Sec. 7. Period of board eligibility for residents who change programs.
- Sec. 8. Medicare indirect medical education performance adjustment.
- Sec. 9. Increasing graduate medical education transparency.
- Sec. 10. GAO studies and reports.

1 SEC. 2. DISTRIBUTION OF ADDITIONAL RESIDENCY POSI-
2 TIONS.

3 (a) DGME.—Section 1886(h) of the Social Security
4 Act (42 U.S.C. 1395ww(h)) is amended—

5 (1) in paragraph (4)(F)(i), by striking “para-
6 graphs (7) and (8)” and inserting “paragraphs (7),
7 (8), and (9)”;

8 (2) in paragraph (4)(H)(i), by striking “para-
9 graphs (7) and (8)” and inserting “paragraphs (7),
10 (8), and (9)”;

11 (3) in paragraph (7)(E), by inserting “para-
12 graph (9),” after “paragraph (8),”; and

13 (4) by adding at the end the following new
14 paragraph:

15 “(9) DISTRIBUTION OF ADDITIONAL RESIDENCY
16 POSITIONS.—

17 “(A) ADDITIONAL RESIDENCY POSI-
18 TIONS.—

19 “(i) IN GENERAL.—For each of fiscal
20 years 2014 through 2018 (and succeeding

1 fiscal years if the Secretary determines
2 that there are additional residency posi-
3 tions available to distribute under clause
4 (iv)(II)), the Secretary shall, subject to
5 clause (ii) and subparagraph (D), increase
6 the otherwise applicable resident limit for
7 each qualifying hospital that submits a
8 timely application under this subparagraph
9 by such number as the Secretary may ap-
10 prove for portions of cost reporting periods
11 occurring on or after July 1 of the fiscal
12 year of the increase.

13 “(ii) NUMBER AVAILABLE FOR DIS-
14 TRIBUTION.—For each such fiscal year,
15 the Secretary shall determine the total
16 number of additional residency positions
17 available for distribution under clause (i)
18 in accordance with the following:

19 “(I) ALLOCATION TO HOSPITALS
20 ALREADY OPERATING OVER RESIDENT
21 LIMIT.—One-third of such number
22 shall be available for distribution only
23 to hospitals described in subparagraph
24 (B).

1 “(II) AGGREGATE LIMITATION.—

2 Except as provided in clause (iv)(I),
3 the aggregate number of increases in
4 the otherwise applicable resident limit
5 under this subparagraph shall be
6 equal to 3,000 in each such year.

7 “(iii) PROCESS FOR DISTRIBUTING
8 POSITIONS.—

9 “(I) ROUNDS OF APPLICA-
10 TIONS.—The Secretary shall initiate 5
11 separate rounds of applications for an
12 increase under clause (i), 1 round
13 with respect to each of fiscal years
14 2014 through 2018.

15 “(II) NUMBER AVAILABLE.—In
16 each of such rounds, the aggregate
17 number of positions available for dis-
18 tribution in the fiscal year under
19 clause (ii) shall be distributed, plus
20 any additional positions available
21 under clause (iv).

22 “(III) TIMING.—The Secretary
23 shall notify hospitals of the number of
24 positions distributed to the hospital
25 under this paragraph as a result of an

1 increase in the otherwise applicable
2 resident limit by January 1 of the fis-
3 cal year of the increase. Such increase
4 shall be effective for portions of cost
5 reporting periods beginning on or
6 after July 1 of that fiscal year.

7 “(iv) POSITIONS NOT DISTRIBUTED
8 DURING THE FISCAL YEAR.—

9 “(I) IN GENERAL.—If the num-
10 ber of resident full-time equivalent po-
11 sitions distributed under this para-
12 graph in a fiscal year is less than the
13 aggregate number of positions avail-
14 able for distribution in the fiscal year
15 (as described in clause (ii), including
16 after application of this subclause),
17 the difference between such number
18 distributed and such number available
19 for distribution shall be added to the
20 aggregate number of positions avail-
21 able for distribution in the following
22 fiscal year.

23 “(II) EXCEPTION IF POSITIONS
24 NOT DISTRIBUTED BY END OF FISCAL
25 YEAR 2018.—If the aggregate number

1 of positions distributed under this
2 paragraph during the 5-year period of
3 fiscal years 2014 through 2018 is less
4 than 15,000, the Secretary shall, in
5 accordance with the provisions of
6 clause (ii) and subparagraph (D) and
7 the considerations and priority de-
8 scribed in subparagraph (C), conduct
9 an application and distribution proc-
10 ess in each subsequent fiscal year
11 until such time as the aggregate
12 amount of positions distributed under
13 this paragraph is equal to 15,000.

14 “(B) ALLOCATION OF DISTRIBUTION FOR
15 POSITIONS TO HOSPITALS ALREADY OPERATING
16 OVER RESIDENT LIMIT.—

17 “(i) IN GENERAL.—Subject to clauses
18 (ii) and (iii), in the case of a hospital in
19 which the reference resident level of the
20 hospital (as specified in subparagraph
21 (G)(iii)) is greater than the otherwise ap-
22 plicable resident limit, the increase in the
23 otherwise applicable resident limit under
24 subparagraph (A) for a fiscal year de-
25 scribed in such subparagraph shall be an

1 amount equal to the product of the total
2 number of additional residency positions
3 available for distribution under subpara-
4 graph (A)(ii)(I) for such fiscal year and
5 the quotient of—

6 “(I) the number of resident posi-
7 tions by which the reference resident
8 level of the hospital exceeds the other-
9 wise applicable resident limit for the
10 hospital; and

11 “(II) the number of resident posi-
12 tions by which the reference resident
13 level of all such hospitals with respect
14 to which an application is approved
15 under this paragraph exceeds the oth-
16 erwise applicable resident limit for
17 such hospitals.

18 “(ii) REQUIREMENTS.—A hospital de-
19 scribed in clause (i)—

20 “(I) is not eligible for an increase
21 in the otherwise applicable resident
22 limit under this subparagraph unless
23 the amount by which the reference
24 resident level of the hospital exceeds
25 the otherwise applicable resident limit

1 is not less than 10 and the hospital
2 trains at least 30 percent of the full-
3 time equivalent residents of the hos-
4 pital in primary care and general sur-
5 gery (as of the date of enactment of
6 this paragraph); and

7 “(II) shall continue to train at
8 least 30 percent of the full-time equiv-
9 alent residents of the hospital in pri-
10 mary care and general surgery for the
11 5-year period beginning on such date.

12 In the case where the Secretary determines
13 that a hospital described in clause (i) no
14 longer meets the requirement of subclause
15 (II), the Secretary may reduce the other-
16 wise applicable resident limit of the hos-
17 pital by the amount by which such limit
18 was increased under this subparagraph.

19 “(iii) CLARIFICATION REGARDING ELI-
20 GIBILITY FOR OTHER ADDITIONAL RESI-
21 DENCY POSITIONS.—Nothing in this sub-
22 paragraph shall be construed as preventing
23 a hospital described in clause (i) from ap-
24 plying for and receiving additional resi-
25 dency positions under this paragraph that

are not reserved for distribution under this subparagraph.

“(C) DISTRIBUTION OF OTHER POSITIONS.—For purposes of determining an increase in the otherwise applicable resident limit under subparagraph (A) (other than such an increase described in subparagraph (B)), the following shall apply:

“(i) CONSIDERATIONS IN DISTRIBUTION.—In determining for which hospitals such an increase is provided under subparagraph (A), the Secretary shall take into account the demonstrated likelihood of the hospital filling the positions made available under this paragraph within the first 5 cost reporting periods beginning after the date the increase would be effective, as determined by the Secretary.

“(ii) PRIORITY FOR CERTAIN HOSPITALS.—Subject to clause (iii), in determining for which hospitals such an increase is provided, the Secretary shall distribute the increase in the following priority order:

1 “(I) First, to hospitals with ap-
2 proved medical residency training pro-
3 grams affiliated with medical schools
4 that have at least 40 percent of grad-
5 uates matched in primary care resi-
6 dency program in the 5 years prior.

7 “(II) Second, to hospitals in
8 States with (aa) new medical schools
9 that received Candidate School status
10 from the Liaison Committee on Med-
11 ical Education or that received Pre-
12 Accreditation status from the Amer-
13 ican Osteopathic Association Commis-
14 sion on Osteopathic College Accredita-
15 tion on or after January 1, 2000, and
16 that have achieved or continue to
17 progress toward Full Accreditation
18 status (as such term is defined by the
19 Liaison Committee on Medical Edu-
20 cation) or toward Accreditation status
21 (as such term is defined by the Amer-
22 ican Osteopathic Association Commis-
23 sion on Osteopathic College Accredita-
24 tion), or (bb) additional locations and
25 branch campuses established on or

1 after January 1, 2000, by medical
2 schools with Full Accreditation status
3 (as such term is defined by the Liai-
4 son Committee on Medical Education)
5 or Accreditation status (as such term
6 is defined by the American Osteo-
7 pathic Association Commission on Os-
8 teopathic College Accreditation).

9 “(III) Third, to hospitals that
10 are eligible for incentive payments
11 under section 1886(n) or 1903(t) as
12 of the date the hospital submits an
13 application for such increase under
14 subparagraph (A).

15 “(IV) Fourth, to all other hos-
16 pitals.

17 “(iii) DISTRIBUTION TO HOSPITALS IN
18 HIGHER PRIORITY GROUP PRIOR TO DIS-
19 TRIBUTION IN LOWER PRIORITY GROUPS.—
20 The Secretary may only distribute such an
21 increase to a lower priority group under
22 clause (ii) if all qualifying hospitals in the
23 higher priority group or groups have re-
24 ceived the maximum number of increases
25 under such subparagraph that the hospital

1 is eligible for under this paragraph for the
2 fiscal year.

3 “(iv) REQUIREMENTS FOR USE OF AD-
4 DITIONAL POSITIONS.—

5 “(I) IN GENERAL.—Subject to
6 subclause (II), a hospital that receives
7 such an increase shall ensure, during
8 the 5-year period beginning on the ef-
9 fective date of such increase, that—

10 “(aa) not less than 50 per-
11 cent of the positions attributable
12 to such increase that are used in
13 a given year during such 5-year
14 period are used to train full-time
15 equivalent residents in a shortage
16 specialty residency program (as
17 defined in subparagraph (G)(v)),
18 as determined by the Secretary
19 at the end of such 5-year period;

20 “(bb) the total number of
21 full-time equivalent residents, ex-
22 cluding any additional positions
23 attributable to such increase, is
24 not less than the average number
25 of full-time equivalent residents

1 during the 3 most recent cost re-
2 porting periods ending on or be-
3 fore the effective date of such in-
4 crease; and

5 “(cc) the ratio of full-time
6 equivalent residents in a shortage
7 specialty residency program (as
8 so defined) is not less than the
9 average ratio of full-time equiva-
10 lent residents in such a program
11 during the 3 most recent cost re-
12 porting periods ending on or be-
13 fore the effective date of such in-
14 crease.

15 “(II) REDISTRIBUTION OF POSI-
16 TIONS IF HOSPITAL NO LONGER
17 MEETS CERTAIN REQUIREMENTS.—
18 With respect to each fiscal year de-
19 scribed in subparagraph (A), the Sec-
20 retary shall determine whether or not
21 a hospital described in subclause (I)
22 meets the requirements of such sub-
23 clause. In the case that the Secretary
24 determines that such a hospital does

1 not meet such requirements, the Sec-
2 retary shall—

3 “(aa) reduce the otherwise
4 applicable resident limit of the
5 hospital by the amount by which
6 such limit was increased under
7 this paragraph; and

8 “(bb) provide for the dis-
9 tribution of positions attributable
10 to such reduction in accordance
11 with the requirements of this
12 paragraph.

13 “(D) LIMITATION.—A hospital may not re-
14 ceive more than 75 full-time equivalent addi-
15 tional residency positions under this paragraph
16 for any fiscal year.

17 “(E) APPLICATION OF PER RESIDENT
18 AMOUNTS FOR PRIMARY CARE AND NONPRI-
19 MARY CARE.—With respect to additional resi-
20 dency positions in a hospital attributable to the
21 increase provided under this paragraph, the ap-
22 proved FTE per resident amounts are deemed
23 to be equal to the hospital per resident amounts
24 for primary care and nonprimary care com-
25 puted under paragraph (2)(D) for that hospital.

1 “(F) PERMITTING FACILITIES TO APPLY
2 AGGREGATION RULES.—The Secretary shall
3 permit hospitals receiving additional residency
4 positions attributable to the increase provided
5 under this paragraph to, beginning in the fifth
6 year after the effective date of such increase,
7 apply such positions to the limitation amount
8 under paragraph (4)(F) that may be aggre-
9 gated pursuant to paragraph (4)(H) among
10 members of the same affiliated group.

11 “(G) DEFINITIONS.—In this paragraph:

12 “(i) OTHERWISE APPLICABLE RESI-
13 DENT LIMIT.—The term ‘otherwise appli-
14 cable resident limit’ means, with respect to
15 a hospital, the limit otherwise applicable
16 under subparagraphs (F)(i) and (H) of
17 paragraph (4) on the resident level for the
18 hospital determined without regard to this
19 paragraph but taking into account para-
20 graphs (7)(A), (7)(B), (8)(A), and (8)(B).

21 “(ii) PRIMARY CARE.—The term ‘pri-
22 mary care’ means family medicine, general
23 internal medicine, general pediatrics, geri-
24 atrics, preventive medicine, obstetrics and

1 gynecology, general surgery, and psychi-
2 atry.

3 “(iii) REFERENCE RESIDENT
4 LEVEL.—Except as otherwise provided in
5 subclause (II), the term ‘reference resident
6 level’ means, with respect to a hospital, the
7 resident level for the most recent cost re-
8 porting period of the hospital ending on or
9 before the date of enactment of this para-
10 graph, for which a cost report has been
11 settled (or, if not, submitted (subject to
12 audit)), as determined by the Secretary.

13 “(iv) RESIDENT LEVEL.—The term
14 ‘resident level’ has the meaning given such
15 term in paragraph (7)(C)(i).

16 “(v) SHORTAGE SPECIALTY RESI-
17 DENCY PROGRAM.—The term ‘shortage
18 specialty residency program’ means the fol-
19 lowing:

20 “(I) PRIOR TO REPORT ON
21 SHORTAGE SPECIALTIES.—Prior to
22 the date on which the report is sub-
23 mitted under section 10(a) of the
24 Training Tomorrow’s Doctors Today
25 Act, any approved residency training

1 program in a specialty identified in
2 the report entitled ‘The Physician
3 Workforce: Projections and Research
4 into Current Issues Affecting Supply
5 and Demand’, issued in December
6 2008 by the Health Resources and
7 Services Administration, as a specialty
8 whose baseline physician requirements
9 projections exceed the projected sup-
10 ply of total active physicians for the
11 period of 2005 through 2020.

12 “(II) AFTER REPORT ON SHORT-
13 AGE SPECIALITIES.—On or after the
14 date on which the report is submitted
15 under such section 5, any approved
16 residency training program in a physi-
17 cian specialty identified in such report
18 as a specialty for which there is a
19 shortage.”.

20 (b) IME.—Section 1886(d)(5)(B) of the Social Secu-
21 rity Act (42 U.S.C. 1395ww(d)(5)(B)) is amended—

22 (1) in clause (v), in the second sentence, by
23 striking “subsections (h)(7) and (h)(8)” and insert-
24 ing “subsections (h)(7), (h)(8), and (h)(9)”;

1 (2) by redesignating clause (x), as added by
 2 section 5505(b) of the Patient Protection and Af-
 3 fordable Care Act (Public Law 111–148), as clause
 4 (xi) and moving such clause 4 ems to the left; and
 5 (3) by adding after clause (xi), as redesignated
 6 by subparagraph (A), the following new clause:

7 “(xii) For discharges occurring on or after July
 8 1, 2014, insofar as an additional payment amount
 9 under this subparagraph is attributable to resident
 10 positions distributed to a hospital under subsection
 11 (h)(9), the indirect teaching adjustment factor shall
 12 be computed in the same manner as provided under
 13 clause (ii) with respect to such resident positions.”.

14 **SEC. 3. ADDITIONAL RULES RELATING TO APPLICATION OF**
 15 **3-YEAR ROLLING AVERAGE FOR REDISTRIB-**
 16 **UTED RESIDENCY POSITIONS.**

17 (a) **ELIMINATION OF 3-YEAR ROLLING AVERAGE RE-**
 18 **LATING TO REDISTRIBUTIONS AFTER A HOSPITAL**
 19 **CLOSES AND UNDER PPACA REDISTRIBUTIONS.—**

20 (1) **DGME.—**

21 (A) **REDISTRIBUTION OF RESIDENCY**
 22 **SLOTS AFTER A HOSPITAL CLOSES.—**

23 (i) **IN GENERAL.—**Section
 24 1886(h)(4)(H)(vi) of the Social Security
 25 Act (42 U.S.C. 1395ww(h)(4)(H)(vi)) is

1 amended by adding at the end the fol-
2 lowing new subclause:

3 “(VI) THREE-YEAR ROLLING AV-
4 ERAGE INAPPLICABLE.—In applying
5 subparagraph (G), in the case of addi-
6 tional residency positions in a hospital
7 attributable to the increase in the oth-
8 erwise applicable resident limit pro-
9 vided under this paragraph pursuant
10 to this clause, the reference to ‘the av-
11 erage of the actual full-time equiva-
12 lent resident counts for the cost re-
13 porting period and the preceding two
14 cost reporting periods’ shall be
15 deemed to be a reference to ‘the ac-
16 tual full-time equivalent residents
17 count for the cost reporting period’.”.

18 (ii) EFFECTIVE DATE.—The amend-
19 ment made by clause (i) shall apply with
20 respect to hospitals with an approved med-
21 ical residency program that closes on or
22 after March 23, 2008.

23 (B) DISTRIBUTION OF ADDITIONAL RESI-
24 DENCY SLOTS UNDER PPACA.—

1 (i) IN GENERAL.—Section 1886(h)(8)
 2 of the Social Security Act (42 U.S.C.
 3 1395ww(h)(8)) is amended by adding at
 4 the end the following new subparagraph:

5 “(J) THREE-YEAR ROLLING AVERAGE IN-
 6 APPLICABLE.—In applying paragraph (4)(G), in
 7 the case of additional residency positions in a
 8 hospital attributable to the increase in the oth-
 9 erwise applicable resident limit provided under
 10 this paragraph, the reference to ‘the average of
 11 the actual full-time equivalent resident counts
 12 for the cost reporting period and the preceding
 13 two cost reporting periods’ shall be deemed to
 14 be a reference to ‘the actual full-time equivalent
 15 residents count for the cost reporting period’.”.

16 (ii) EFFECTIVE DATE.—The amend-
 17 ment made by clause (i) shall apply with
 18 respect to cost reporting periods occurring
 19 on or after July 1, 2011.

20 (2) 3-YEAR ROLLING AVERAGE AND INTERN
 21 AND RESIDENT BED RATIO CAP INAPPLICABLE
 22 UNDER IME.—

23 (A) IN GENERAL.—Section 1886(d)(5)(B)
 24 of the Social Security Act (42 U.S.C. 1395

1 ww(d)(5)(B)), as amended by section 2(b), is
2 further amended—

3 (i) in subclause (I) of clause (xi), as
4 redesignated by section 2(b)(2), by striking
5 “The provisions” and inserting “Subject to
6 clauses (xiii) and (xiv)”;

7 (ii) by adding at the end the following
8 new clauses:

9 “(xiii) In the case of additional resi-
10 dency positions in a hospital attributable
11 to the increase in the otherwise applicable
12 resident limit provided under subsection
13 (h)(4)(H)(vi) or (h)(8), the provisions of
14 clause (vi)(II) shall be applied by deeming
15 the reference to ‘the average of the actual
16 full-time equivalent resident count for the
17 cost reporting period and the preceding
18 two cost reporting periods’ to be a ref-
19 erence to ‘the actual full-time equivalent
20 resident count for the cost reporting pe-
21 riod’.

22 “(xiv) In the case of additional resi-
23 dency positions in a hospital attributable
24 to the increase in the otherwise applicable
25 resident limit provided under subsection

1 (h)(4)(H)(vi) or (h)(8), the ratio of the
 2 hospital's full-time equivalent interns and
 3 residents to beds shall be equal to the ratio
 4 for the hospital's current cost reporting pe-
 5 riod.”.

6 (B) EFFECTIVE DATE.—The amendments
 7 made by subparagraph (A) shall apply—

8 (i) to the extent such amendments re-
 9 late to section 1886(h)(4)(H)(vi) of the So-
 10 cial Security Act, as if included in the en-
 11 actment of section 5506 of the Patient
 12 Protection and Affordable Care Act; and

13 (ii) to the extent such amendments re-
 14 late to section 1886(h)(8) of the Social Se-
 15 curity Act, as if included in the enactment
 16 of section 5503 of the Patient Protection
 17 and Affordable Care Act.

18 (b) ELIMINATION OF 3-YEAR ROLLING AVERAGE
 19 AND INTERN AND RESIDENT BED RATIO CAP BEGINNING
 20 IN 2013.—

21 (1) DGME.—Section 1886(h)(4)(G) of the So-
 22 cial Security Act (42 U.S.C. 1395ww(h)(4)(G)) is
 23 amended—

1 (A) in clause (i), by inserting “and before
 2 December 31, 2012,” after “October 1, 1997,”;
 3 and

4 (B) by adding at the end the following new
 5 clause:

6 “(iv) CURRENT YEAR COUNT USED TO
 7 DETERMINE FULL-TIME EQUIVALENT RESI-
 8 DENT COUNT.—For cost reporting periods
 9 beginning on or after December 31, 2012,
 10 subject to the limit described in subpara-
 11 graph (F), the total number of full-time
 12 equivalent residents for determining a hos-
 13 pital’s graduate medical education payment
 14 shall equal the actual full-time equivalent
 15 residents count for the hospital’s cost re-
 16 porting period.”.

17 (2) IME.—Section 1886(d)(5)(B) of the Social
 18 Security Act (42 U.S.C. 1395ww(d)(5)(B)), as
 19 amended by subsection (b), is further amended by
 20 adding at the end the following new clauses:

21 “(xv) For cost reporting periods be-
 22 ginning on or after December 31, 2012,
 23 subject to the limits described in clauses
 24 (iv) and (v), the total number of full-time
 25 equivalent residents for payment purposes

1 shall equal the actual full-time equivalent
 2 resident count for the hospital’s cost re-
 3 porting period.

4 “(xvi) For cost reporting periods be-
 5 ginning on or after December 31, 2012,
 6 the ratio of the hospital’s full-time equiva-
 7 lent interns and residents to beds shall be
 8 equal to the ratio for the hospital’s cost re-
 9 porting period.”.

10 **SEC. 4. RULES FOR DETERMINING FULL-TIME EQUIVALENT**
 11 **RESIDENTS.**

12 (a) DGME.—Section 1886(h)(4) of the Social Secu-
 13 rity Act (42 U.S.C. 1395ww(h)(4)) is amended—

14 (1) in subparagraph (E), by striking “Subject
 15 to subparagraphs (J) and (K), such rules” and in-
 16 serting “Subject to subparagraphs (J), (K), and (L),
 17 such rules”;

18 (2) in subparagraph (J), by striking “Such
 19 rules” and inserting “Subject to subparagraph (L),
 20 such rules”

21 (3) in subparagraph (K), by striking “In deter-
 22 mining” and inserting “Subject to subparagraph
 23 (L), in determining”; and

24 (4) by adding at the end the following new sub-
 25 paragraph:

“(L) TREATMENT OF TIME SPENT IN APPROVED MEDICAL RESIDENCY TRAINING PROGRAM WITH RESPECT TO CERTAIN HOSPITALS.—For purposes of cost reporting periods beginning on or after July 1, 2014, in determining the number of full-time equivalent residents of the hospital for purposes of this paragraph, all the time spent by an intern or resident in an approved medical residency training program, regardless of setting, shall be counted toward the determination of full-time equivalency, and subparagraphs (J) and (K) shall not apply, if the hospital—

“(i) is recognized as a subsection (d) hospital;

“(ii) is recognized as a subsection (d) Puerto Rico hospital;

“(iii) is reimbursed under a reimbursement system authorized under section 1814(b)(3); or

“(iv) is a provider-based hospital outpatient department.”.

(b) IME.—The second clause (x) of section 1886(d)(5)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(B)) is amended—

1 (1) in subclause (II), by striking “In deter-
 2 mining” and inserting “Subject to subclause (x)(IV),
 3 in determining”;

4 (2) in subclause (III), by striking “In deter-
 5 mining” and inserting “Subject to subclause (x)(IV),
 6 in determining”; and

7 (3) by adding at the end the following new sub-
 8 clause:

9 “(IV) The provisions of subpara-
 10 graph (L) of subsection (h)(4) shall
 11 apply under this subparagraph in the
 12 same manner as they apply under
 13 such subsection.”.

14 **SEC. 5. TREATMENT OF HOSPITALS WITH ROTATING RESI-**
 15 **DENTS.**

16 Section 1886(h)(2)(F) of the Social Security Act (42
 17 U.S.C. 1395ww(h)(2)(F)) is amended by adding at the
 18 end the following sentence: “In applying this subpara-
 19 graph for cost reporting periods beginning on or after July
 20 1, 2013, the Secretary shall not treat a cost reporting pe-
 21 riod for which a hospital trains residents participating in
 22 a program of another hospital as a period for which the
 23 hospital has an approved medical residency training pro-
 24 gram.”.

1 **SEC. 6. AGGREGATION RULES RELATING TO APPLYING**
2 **LIMITATION ON NUMBER OF RESIDENTS.**

3 (a) REQUIRED RULES TO PERMIT MEMBERS OF
4 SAME AFFILIATED GROUP TO ELECT TO APPLY LIMITA-
5 TION ON AGGREGATE LEVEL.—Section 1886(h)(4)(H)(ii)
6 of the Social Security Act (42 U.S.C.
7 1395ww(h)(4)(H)(ii)) is amended by striking “may” and
8 inserting “shall”.

9 (b) ELECTION FOR NEW FACILITIES.—Such section
10 is further amended by adding at the end the following new
11 sentence: “Such rules shall provide that all facilities estab-
12 lished on or after January 1, 2000, whose resident limits
13 are adjusted according to this subparagraph on or after
14 January 1, 1997, may elect to apply the limitation under
15 subparagraph (F) on an aggregate basis after a period
16 specified by the Secretary but that shall not exceed 5 years
17 from the date of such adjustment.”.

18 **SEC. 7. PERIOD OF BOARD ELIGIBILITY FOR RESIDENTS**
19 **WHO CHANGE PROGRAMS.**

20 Section 1886(h)(5)(G) of the Social Security Act (42
21 U.S.C. 1395ww(h)(5)(G)) is amended—

22 (1) in clause (i), by striking “(iv), and (v)” and
23 inserting “(iv), (v), and (vi)”; and

24 (2) by adding at the end the following new
25 clause:

1 “(vi) In the case of a resident who
 2 changes residency specialties, the period of
 3 board eligibility and the initial residency
 4 period shall be equal to the minimum num-
 5 ber of years of formal training required to
 6 satisfy the requirements for the initial
 7 board eligibility of the program into which
 8 the resident transfers.”.

9 **SEC. 8. MEDICARE INDIRECT MEDICAL EDUCATION PER-**
 10 **FORMANCE ADJUSTMENT.**

11 Section 1886 of the Social Security Act (42 U.S.C.
 12 1395ww) is amended—

13 (1) in subsection (d)(5)(B), in the matter pre-
 14 ceding clause (i), by inserting “subject to subsection
 15 (t) and” before “except as follows”; and

16 (2) by adding at the end the following new sub-
 17 section:

18 “(t) INDIRECT MEDICAL EDUCATION PERFORMANCE
 19 ADJUSTMENTS.—

20 “(1) IN GENERAL.—Subject to the succeeding
 21 provisions of this subsection, the Secretary shall es-
 22 tablish and implement procedures under which the
 23 amount of payments that a hospital (as defined in
 24 paragraph (11)) would otherwise receive for indirect
 25 medical education costs under subsection (d)(5)(B)

1 for discharges occurring during a fiscal year is ad-
2 justed based on the reporting of measures and the
3 performance of the hospital on measures of patient
4 care priorities specified by the Secretary.

5 “(2) ADJUSTMENTS TO BEGIN IN FISCAL YEAR
6 2018.—The adjustments shall apply to payments for
7 discharges occurring—

8 “(A) with respect to the adjustments for
9 reporting under paragraph (8)(A), during fiscal
10 year 2018; and

11 “(B) with respect to the adjustments for
12 performance under paragraph (8)(B), on or
13 after October 1, 2018.

14 “(3) MEASURES.—The measures of patient care
15 priorities specified by the Secretary under this sub-
16 section shall include the extent of training provided
17 in—

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

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

22 “(C) the coordination of patient care
23 across settings;

24 “(D) the relevant cost and value of various
25 diagnostic and treatment options;

1 “(E) interprofessional and multidisci-
2 plinary care teams;

3 “(F) methods for identifying system errors
4 and implementing system solutions; and

5 “(G) the use of health information tech-
6 nology.

7 “(4) MEASURE DEVELOPMENT PROCESS.—

8 “(A) IN GENERAL.—The measures of pa-
9 tient care specified by the Secretary under this
10 subsection—

11 “(i) shall—

12 “(I) be measures that have been
13 adopted or endorsed by an accrediting
14 organization (such as the Accredita-
15 tion Council for Graduate Medical
16 Education or American Osteopathic
17 Association); and

18 “(II) be measures that the Sec-
19 retary identifies as having used a con-
20 sensus-based process for developing
21 such measures; and

22 “(ii) may include measures that have
23 been submitted by teaching hospitals and
24 medical schools.

1 “(B) PROPOSED SET OF INITIAL MEAS-
2 URES.—Not later than July 1, 2015, the Sec-
3 retary shall publish in the Federal Register a
4 proposed initial set of measures for use under
5 this subsection. The Secretary shall provide for
6 a period of public comment on such measures.

7 “(C) FINAL SET OF INITIAL MEASURES.—
8 Not later than January 1, 2016, the Secretary
9 shall publish in the Federal Register the set of
10 initial measures to be specified by the Secretary
11 for use under this subsection.

12 “(D) UPDATE OF MEASURES.—The Sec-
13 retary may, through notice and comment rule-
14 making, periodically update the measures speci-
15 fied under this subsection pursuant to the re-
16 quirements under subparagraph (A).

17 “(5) PERFORMANCE STANDARDS.—The Sec-
18 retary shall establish performance standards with re-
19 spect to measures specified by the Secretary under
20 this subsection for a performance period for a fiscal
21 year (as established under paragraph (6)).

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

1 “(7) REPORTING OF MEASURES.—The proce-
2 dures established and implemented under paragraph
3 (1) shall include a process under which hospitals
4 shall submit data on the measures specified by the
5 Secretary under this subsection to the Secretary in
6 a form and manner, and at a time, specified by the
7 Secretary for purposes of this subsection.

8 “(8) ADJUSTMENTS.—

9 “(A) REPORTING FOR FISCAL YEAR 2018.—

10 For fiscal year 2018, in the case of a hospital
11 that does not submit, to the Secretary in ac-
12 cordance with this subsection, data required to
13 be submitted under paragraph (7) for a period
14 (determined appropriate by the Secretary) for
15 such fiscal year, the total amount that the hos-
16 pital would otherwise receive under subsection
17 (d)(5)(B) for discharges in such fiscal year
18 shall be reduced by 0.5 percent.

19 “(B) PERFORMANCE FOR FISCAL YEAR

20 2019 AND SUBSEQUENT FISCAL YEARS.—

21 “(i) IN GENERAL.—Subject to clause

22 (ii), based on the performance of each hos-
23 pital with respect to compliance with the
24 measures for a performance period for a
25 fiscal year (beginning with fiscal year

1 2019), the Secretary shall determine the
2 amount of any adjustment under this sub-
3 paragraph to payments to the hospital
4 under subsection (d)(5)(B) for discharges
5 in such fiscal year. Such adjustment may
6 not exceed an amount equal to 2 percent
7 of the total amount that the hospital would
8 otherwise receive under such subsection for
9 discharges in such fiscal year.

10 “(ii) BUDGET NEUTRAL.—In making
11 adjustments under this subparagraph, the
12 Secretary shall ensure that the total
13 amount of payments made to all hospitals
14 under subsection (d)(5)(B) for discharges
15 in a fiscal year is equal to the total amount
16 of payments that would have been made to
17 such hospitals under such subsection for
18 discharges in such fiscal year if this sub-
19 section had not been enacted.

20 “(9) NO EFFECT IN SUBSEQUENT FISCAL
21 YEARS.—Any adjustment under subparagraph (A)
22 or (B) of paragraph (8) shall apply only with respect
23 to the fiscal year involved, and the Secretary shall
24 not take into account any such adjustment in mak-

“(10) EVALUATION OF SUBMISSION OF PERFORMANCE MEASURES.—Not later than January 1, 2018, the Secretary shall submit to Congress a report on the implementation of this subsection, including—

8 “(A) the measure development procedures,
9 including any barriers to measure development;

10 “(B) the compliance with reporting on the
11 performance measures, including any barriers
12 to such compliance; and

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

“(11) DEFINITION OF HOSPITAL.—In this subsection, the term ‘hospital’ means a hospital that receives payments under subsection (d)(5)(B).”.

18 SEC. 9. INCREASING GRADUATE MEDICAL EDUCATION
19 TRANSPARENCY.

(a) IN GENERAL.—Not later than 2 years after the date of the enactment of this Act, and annually thereafter, the Secretary of Health and Human Services shall submit to Congress and the National Health Care Workforce Commission a report on the graduate medical education payments that hospitals receive under the Medicare pro-

1 gram. The report shall include the following information
2 with respect to each hospital that receives such payments:

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

6 (2) The total costs of direct graduate medical
7 education to the hospital as reported on the annual
8 Medicare Cost Reports.

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

12 (4) The number of full-time-equivalent residents
13 counted for purposes of making the payments de-
14 scribed in paragraph (1).

15 (5) The number of full-time-equivalent residents
16 counted for purposes of making the payments de-
17 scribed in paragraph (3).

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

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

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

- 1 (A) the costs of trauma, burn, other stand-
2 by services;
- 3 (B) translation services for disabled or
4 non-English speaking patients;
- 5 (C) the cost of uncompensated care;
- 6 (D) financial losses with respect to Med-
7 icaid patients; and
- 8 (E) uncompensated costs of clinical re-
9 search.

10 **SEC. 10. GAO STUDIES AND REPORTS.**

11 (a) ON PHYSICIAN WORKFORCE.—

12 (1) STUDY.—The Comptroller General of the
13 United States shall conduct a study on the physician
14 workforce. Such study shall include the identification
15 of physician specialties for which there is a shortage,
16 as defined by the Comptroller General.

17 (2) REPORT.—Not later than January 1, 2015,
18 the Comptroller General shall submit to Congress a
19 report on the study conducted under subsection (a),
20 together with recommendations for such legislation
21 and administrative action as the Comptroller Gen-
22 eral determines appropriate.

23 (b) ON STRATEGIES FOR INCREASING DIVERSITY.—

24 (1) STUDY.—The Comptroller General of the
25 United States shall conduct a study on strategies for

1 increasing the diversity of the health professional
2 workforce. Such study shall include an analysis of
3 strategies for increasing the number of health pro-
4 fessionals from rural, lower income, and under-rep-
5 resented minority communities, including which
6 strategies are most effective for achieving such goal.

7 (2) REPORT.—Not later than 2 years after the
8 date of enactment of this Act, the Comptroller Gen-
9 eral shall submit to Congress a report on the study
10 conducted under subsection (a), together with rec-
11 ommendations for such legislation and administra-
12 tive action as the Comptroller General determines
13 appropriate.

14 (c) ON PROTECTING OLDER ADULTS.—

15 (1) STUDY.—The Comptroller General of the
16 United States shall conduct a study that addresses
17 the competency of the physician workforce to care
18 for older adults upon the completion of such
19 workforce’s residency training.

20 (2) REPORT.—Not later than 2 years after the
21 date of the enactment of this Act, the Comptroller
22 General shall submit to Congress a report on such
23 study, including such recommendations for legisla-

- 1 tion and administrative action as the Comptroller
- 2 General determines appropriate based on such study.

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