

114TH CONGRESS
1ST SESSION

H. R. 3292

To amend title XVIII of the Social Security Act to revise Medicare payment for indirect medical education (IME) costs in teaching hospitals.

IN THE HOUSE OF REPRESENTATIVES

JULY 29, 2015

Mr. BRADY of Texas introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend title XVIII of the Social Security Act to revise Medicare payment for indirect medical education (IME) costs in teaching hospitals.

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 “Medicare IME Pool
5 Act of 2015”.

6 **SEC. 2. REVISION OF MEDICARE PAYMENTS FOR INDIRECT**
7 **MEDICAL EDUCATION (IME) COSTS IN TEACH-**
8 **ING HOSPITALS.**

9 (a) IN GENERAL.—Section 1886 of the Social Secu-
10 rity Act (42 U.S.C. 1395ww) is amended—

1 (1) in subsection (d)(5)(B)—

2 (A) in the clause (x) added by section
3 5505(b) of the Patient Protection and Afford-
4 able Care Act—

5 (i) by moving the indentation of each
6 provision in such clause 6 ems to the left;
7 and

8 (ii) by redesignating such clause as
9 clause (xi); and

10 (B) by adding at the end the following new
11 clause:

12 “(xii) With respect to discharges occurring in cost re-
13 porting periods ending during or after fiscal year 2019,
14 instead of the additional payment that would have been
15 paid under this subparagraph to a subsection (d) hospital
16 or a subsection (d) Puerto Rico hospital with indirect costs
17 of medical education and notwithstanding the previous
18 provisions of this subparagraph, there shall be paid to the
19 hospital the payment determined under subsection (t) for
20 such hospital and cost reporting period.”; and

21 (2) by adding at the end the following new sub-
22 section:

23 “(t) PAYMENT FOR INDIRECT MEDICAL EDU-
24 CATION.—

25 “(1) IN GENERAL.—

1 “(A) AMOUNT OF PAYMENT.—For pur-
2 poses of subsection (d)(5)(B)(xii), the payment
3 under this subsection for a subsection (d) hos-
4 pital (or a subsection (d) Puerto Rico hospital)
5 for a cost reporting period ending during or
6 after fiscal year 2019 is the payment of an
7 amount equal to the product of—

8 “(i) the IME pool amount computed
9 under paragraph (2) for the fiscal year;
10 and

11 “(ii) the allotment factor under para-
12 graph (3) for such cost reporting period
13 and fiscal year.

14 “(B) FORM OF PAYMENT.—Payments of
15 amounts under this subsection shall be made
16 from the Federal Hospital Insurance Trust
17 Fund with respect to a cost reporting period in
18 accordance with such timing as the Secretary
19 determines is similar to the timing of additional
20 payments that are made under subsection (h).

21 “(2) IME POOL AMOUNT.—

22 “(A) IN GENERAL.—The IME pool amount
23 under this paragraph—

1 “(i) for fiscal year 2019 is equal to
2 the base amount computed under subpara-
3 graph (B); and

4 “(ii) for a subsequent fiscal year is
5 equal to the sum of—

6 “(I) the IME pool amount under
7 this paragraph for the previous fiscal
8 year increased by the market basket
9 percentage increase (as defined in
10 subsection (b)(3)(B)(iii)) applicable to
11 discharges occurring in such subse-
12 quent fiscal year; and

13 “(II) the new teaching program
14 amount computed under subpara-
15 graph (C) for the fiscal year.

16 “(B) BASE AMOUNT.—The base amount
17 computed under this subparagraph is
18 \$9,500,000,000, increased by the sum, for each
19 of fiscal years 2015 through 2019, of the prod-
20 uct of—

21 “(i) the weighted average number of
22 full-time-equivalent resident positions in
23 approved medical residency training pro-
24 grams (as determined under subsection

(h)(4)) for which payment is first made under subsection (h) in the fiscal year; and

“(ii) the Secretary’s estimate of the national average expenditures per resident position that are attributable to additional payments under subsection (d)(5)(B) for discharges in such fiscal year.

“(C) ADJUSTMENT FOR NEW TEACHING PROGRAMS.—The new teaching program amount computed under this subparagraph for a fiscal year is equal to the product of—

“(i) the weighted average number of full-time-equivalent resident positions in approved medical residency training programs (as determined under subsection (h)(4)) for which payment is first made under subsection (h) in the fiscal year; and

“(ii) the IME pool amount under this paragraph for the fiscal year (determined without regard to this subparagraph), divided by the average number of all full-time-equivalent resident positions in approved medical residency training programs (as determined under subsection (h)(4)) for which payment is made under

1 subsection (h) in the fiscal year (as esti-
2 mated by the Secretary).

3 “(3) ALLOTMENT BASED ON FTE RESIDENT
4 COUNT.—The allotment factor under this paragraph
5 for a hospital eligible to receive payment under this
6 subsection with respect to a cost reporting period
7 ending in a fiscal year is equal to the ratio (as esti-
8 mated by the Secretary) of—

9 “(A) the weighted average number of full-
10 time-equivalent residents for the hospital for
11 the cost reporting period (as determined under
12 subsection (h)(4)); to

13 “(B) the total of the weighted average
14 numbers of full-time-equivalent residents, as de-
15 termined under subparagraph (A), for all such
16 hospitals for cost reporting periods ending in
17 such fiscal year.

18 The Secretary shall make such adjustments in such
19 allotment factor for subsequent cost reporting peri-
20 ods as the Secretary determines necessary to ac-
21 count for errors in the Secretary’s estimation of
22 such allotment factor under this paragraph for pre-
23 vious cost reporting periods.”.

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