

114TH CONGRESS
2D SESSION

S. 3522

To amend title XVIII of the Social Security Act to modify the payment amount for direct graduate medical education costs for certain hospitals.

IN THE SENATE OF THE UNITED STATES

DECEMBER 8, 2016

Mr. WHITEHOUSE introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XVIII of the Social Security Act to modify the payment amount for direct graduate medical education costs for certain 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 “Graduate Medical Edu-
5 cation Equity Act”.

6 **SEC. 2. PAYMENT AMOUNT FOR DIRECT GRADUATE MED-**
7 **ICAL EDUCATION COSTS FOR CERTAIN HOS-**
8 **PITALS.**

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

(1) in subparagraph (A), by striking “The payment” and inserting “Subject to subparagraph (E), the payment”; and

(2) by adding at the end the following new subparagraph:

“(E) PAYMENT AMOUNT FOR CERTAIN HOSPITALS.—

“(i) IN GENERAL.—Beginning on or after the date of enactment of this subparagraph, the payment amount for a qualified hospital (as defined in clause (ii)) for the hospital’s cost reporting period beginning during the fiscal year that immediately follows the date on which the qualified hospital submits a letter of intent described in clause (iv) is equal to the product of—

“(I) the aggregate approved amount (as defined in subparagraph (B)) for that period, and

“(II) the hospital’s Medicaid inpatient utilization rate (as defined in section 1923(b)(2)) for that period.

“(ii) QUALIFIED HOSPITAL DEFINED.—In this subparagraph, the term

1 ‘qualified hospital’ means, with respect to
2 a hospital cost reporting period, a hospital
3 that—

4 “(I) is determined by the Sec-
5 retary to meet the requirements de-
6 scribed in clause (iii) for the pre-
7 ceding hospital cost reporting period;
8 and

9 “(II) submits to the Secretary a
10 letter of intent described in clause (iv)
11 as part of its annual cost report for
12 such preceding period.

13 “(iii) REQUIREMENTS DESCRIBED.—
14 With respect to a qualified hospital, the
15 following requirements are described in
16 this clause:

17 “(I) The hospital has a participa-
18 tion agreement under this title.

19 “(II) The hospital has an ap-
20 proved medical residency training pro-
21 gram (as defined in paragraph
22 (5)(A)).

23 “(III) With respect to the hos-
24 pital cost reporting period involved,
25 the aggregate Medicare fee-for-service

1 and managed care inpatient load of
2 the hospital does not exceed 10 per-
3 cent of the total inpatient days of the
4 hospital.

5 “(IV) With respect to such pe-
6 riod, the hospital does not receive pay-
7 ments for graduate medical education
8 under either of the following:

9 “(aa) A State plan under
10 title XIX.

11 “(bb) The Children’s Hos-
12 pitals Graduate Medical Edu-
13 cation Payment Program under
14 section 340E of the Public
15 Health Service Act.

16 “(iv) LETTER OF INTENT DE-
17 SCRIBED.—Not later than 6 months after
18 the date of enactment of this subpara-
19 graph, the Secretary shall make available a
20 model letter of intent on the Internet
21 website of the Centers for Medicare &
22 Medicaid Services. Such letter shall require
23 the following information with respect to a
24 hospital for the hospital cost reporting pe-
25 riod involved:

1 “(I) A statement of intent for the
2 hospital to be a qualified hospital
3 under this subparagraph.

4 “(II) An attestation that the hos-
5 pital does not receive payments for
6 graduate medical education under a
7 State plan under title XIX.

8 “(v) FAILURE TO MEET REQUIRE-
9 MENTS.—If a hospital does not meet one
10 or more of the requirements described in
11 clause (iii), the Secretary shall notify the
12 hospital in writing not later than 60 days
13 following the receipt of the hospital’s letter
14 of intent.

15 “(vi) ENSURING NO DUPLICATE PAY-
16 MENTS.—With respect to a qualified hos-
17 pital, the payment amount under this sub-
18 paragraph for a hospital cost reporting pe-
19 riod shall be in lieu of any other payment
20 amount that would otherwise be applicable
21 for direct graduate medical education costs
22 for such period under this subsection.”.

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