I

114TH CONGRESS
2D SESSION

H. R. 4774

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 17, 2016

Ms. CASTOR of Florida 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

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A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Training Tomorrow's Doctors Today Act''.

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

SEC. 2. DISTRIBUTION OF ADDITIONAL RESIDENCY POSITIONS.

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

(1) in paragraph (4)(F)(i), by striking ''paragraphs (7) and (8)'' and inserting ''paragraphs (7), (8), and (9)'';

(2) in paragraph (4)(H)(i), by striking ''paragraphs (7) and (8)'' and inserting ''paragraphs (7), (8), and (9)'';

(3) in paragraph (7)(E), by inserting ''paragraph (9),'' after ''paragraph (8),''; and

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

''(9) DISTRIBUTION OF ADDITIONAL RESIDENCY POSITIONS.—

''(A) ADDITIONAL RESIDENCY POSITIONS.—

''(i) IN GENERAL.—For each of fiscal years 2017 through 2021 (and succeeding

fiscal years if the Secretary determines that there are additional residency positions available to distribute under clause (iv)(II)), the Secretary shall, subject to clause (ii) and subparagraph (D), increase the otherwise applicable resident limit for each qualifying hospital that submits a timely application under this subparagraph by such number as the Secretary may approve for portions of cost reporting periods occurring on or after July 1 of the fiscal year of the increase.

''(ii) NUMBER AVAILABLE FOR DISTRIBUTION.—For each such fiscal year, the Secretary shall determine the total number of additional residency positions available for distribution under clause (i) in accordance with the following:

''(I) ALLOCATION TO HOSPITALS ALREADY OPERATING OVER RESIDENT LIMIT.—One-third of such number shall be available for distribution only to hospitals described in subparagraph (B).

''(II) AGGREGATE LIMITATION.—Except as provided in clause (iv)(I), the aggregate number of increases in the otherwise applicable resident limit under this subparagraph shall be equal to 3,000 in each such year.

''(iii) PROCESS FOR DISTRIBUTING POSITIONS.—

''(I) ROUNDS OF APPLICATIONS.—The Secretary shall initiate 5 separate rounds of applications for an increase under clause (i), 1 round with respect to each of fiscal years 2017 through 2021.

''(II) NUMBER AVAILABLE.—In each of such rounds, the aggregate number of positions available for distribution in the fiscal year under clause (ii) shall be distributed, plus any additional positions available under clause (iv).

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

increase in the otherwise applicable resident limit by January 1 of the fiscal year of the increase. Such increase shall be effective for portions of cost reporting periods beginning on or after July 1 of that fiscal year.

''(iv) POSITIONS NOT DISTRIBUTED DURING THE FISCAL YEAR.—

''(I) IN GENERAL.—If the number of resident full-time equivalent positions distributed under this paragraph in a fiscal year is less than the aggregate number of positions available for distribution in the fiscal year (as described in clause (ii), including after application of this subclause), the difference between such number distributed and such number available for distribution shall be added to the aggregate number of positions available for distribution in the following fiscal year.

''(II) EXCEPTION IF POSITIONS NOT DISTRIBUTED BY END OF FISCAL YEAR 2021.—If the aggregate number

of positions distributed under this paragraph during the 5-year period of fiscal years 2017 through 2021 is less than 15,000, the Secretary shall, in accordance with the provisions of clause (ii) and subparagraph (D) and the considerations and priority described in subparagraph (C), conduct an application and distribution process in each subsequent fiscal year until such time as the aggregate amount of positions distributed under this paragraph is equal to 15,000.

''(B) ALLOCATION OF DISTRIBUTION FOR POSITIONS TO HOSPITALS ALREADY OPERATING OVER RESIDENT LIMIT.—

''(i) IN GENERAL.—Subject to clauses (ii) and (iii), in the case of a hospital in which the reference resident level of the hospital (as specified in subparagraph (G)(iii)) is greater than the otherwise applicable resident limit, the increase in the otherwise applicable resident limit under subparagraph (A) for a fiscal year described in such subparagraph shall be an

amount equal to the product of the total number of additional residency positions available for distribution under subparagraph (A)(ii)(I) for such fiscal year and the quotient of—

"(I) the number of resident positions by which the reference resident level of the hospital exceeds the otherwise applicable resident limit for the hospital; and

"(II) the number of resident positions by which the reference resident level of all such hospitals with respect to which an application is approved under this paragraph exceeds the otherwise applicable resident limit for such hospitals.

"(ii) REQUIREMENTS.—A hospital described in clause (i)—

"(I) is not eligible for an increase in the otherwise applicable resident limit under this subparagraph unless the amount by which the reference resident level of the hospital exceeds the otherwise applicable resident limit

is not less than 10 and the hospital trains at least 30 percent of the full-time equivalent residents of the hospital in primary care and general surgery (as of the date of enactment of this paragraph); and

"(II) shall continue to train at least 30 percent of the full-time equivalent residents of the hospital in primary care and general surgery for the 5-year period beginning on such date.

In the case where the Secretary determines that a hospital described in clause (i) no longer meets the requirement of subclause (II), the Secretary may reduce the otherwise applicable resident limit of the hospital by the amount by which such limit was increased under this subparagraph.

"(iii) CLARIFICATION REGARDING ELIGIBILITY FOR OTHER ADDITIONAL RESIDENCY POSITIONS.—Nothing in this subparagraph shall be construed as preventing a hospital described in clause (i) from applying for and receiving additional residency 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:

''(I) First, to hospitals with approved medical residency programs affiliated with medical schools that have at least 40 percent of graduates matched in primary care residency program in the 5 years prior.

''(II) Second, to hospitals in States with (aa) new medical schools that received Candidate School status from the Liaison Committee on Medical Education or that received Pre-Accreditation status from the American Osteopathic Association Commission on Osteopathic College Accreditation on or after January 1, 2000, and that have achieved or continue to progress toward Full Accreditation status (as such term is defined by the Liaison Committee on Medical Education) or toward Accreditation status (as such term is defined by the American Osteopathic Association Commission on Osteopathic College Accreditation), or (bb) additional locations and branch campuses established on or

after January 1, 2000, by medical schools with Full Accreditation status (as such term is defined by the Liaison Committee on Medical Education) or Accreditation status (as such term is defined by the American Osteopathic Association Commission on Osteopathic College Accreditation).

''(III) Third, to hospitals with which the Secretary cooperates under section 7302(d) of title 38, United States Code.

''(IV) Fourth, to all other hospitals.

''(iii) DISTRIBUTION TO HOSPITALS IN HIGHER PRIORITY GROUP PRIOR TO DISTRIBUTION IN LOWER PRIORITY GROUPS.—The Secretary may only distribute such an increase to a lower priority group under clause (ii) if all qualifying hospitals in the higher priority group or groups have received the maximum number of increases under such subparagraph that the hospital is eligible for under this paragraph for the fiscal year.

"(iv) REQUIREMENTS FOR USE OF ADDITIONAL POSITIONS.—

"(I) IN GENERAL.—Subject to subclause (II), a hospital that receives such an increase shall ensure, during the 5-year period beginning on the effective date of such increase, that—

"(aa) not less than 50 percent of the positions attributable to such increase that are used in a given year during such 5-year period are used to train full-time equivalent residents in a shortage specialty residency program (as defined in subparagraph (G)(v)), as determined by the Secretary at the end of such 5-year period;

"(bb) the total number of full-time equivalent residents, excluding any additional positions attributable to such increase, is not less than the average number of full-time equivalent residents during the 3 most recent cost reporting periods ending on or be-

fore the effective date of such increase; and

''(cc) the ratio of full-time equivalent residents in a shortage specialty residency program (as so defined) is not less than the average ratio of full-time equivalent residents in such a program during the 3 most recent cost reporting periods ending on or before the effective date of such increase.

''(II) REDISTRIBUTION OF POSITIONS IF HOSPITAL NO LONGER MEETS CERTAIN REQUIREMENTS.—With respect to each fiscal year described in subparagraph (A), the Secretary shall determine whether or not a hospital described in subclause (I) meets the requirements of such subclause. In the case that the Secretary determines that such a hospital does not meet such requirements, the Secretary shall—

"(aa) reduce the otherwise applicable resident limit of the hospital by the amount by which such limit was increased under this paragraph; and

"(bb) provide for the distribution of positions attributable to such reduction in accordance with the requirements of this paragraph.

"(D) LIMITATION.—A hospital may not receive more than 75 full-time equivalent additional residency positions under this paragraph for any fiscal year.

"(E) APPLICATION OF PER RESIDENT AMOUNTS FOR PRIMARY CARE AND NONPRIMARY CARE.—With respect to additional residency positions in a hospital attributable to the increase provided under this paragraph, the approved FTE per resident amounts are deemed to be equal to the hospital per resident amounts for primary care and nonprimary care computed under paragraph (2)(D) for that hospital.

"(F) PERMITTING FACILITIES TO APPLY AGGREGATION RULES.—The Secretary shall

permit hospitals receiving additional residency positions attributable to the increase provided under this paragraph to, beginning in the fifth year after the effective date of such increase, apply such positions to the limitation amount under paragraph (4)(F) that may be aggregated pursuant to paragraph (4)(H) among members of the same affiliated group.

''(G) DEFINITIONS.—In this paragraph:

''(i) OTHERWISE APPLICABLE RESIDENT LIMIT.—The term 'otherwise applicable resident limit' means, with respect to a hospital, the limit otherwise applicable under subparagraphs (F)(i) and (H) of paragraph (4) on the resident level for the hospital determined without regard to this paragraph but taking into account paragraphs (7)(A), (7)(B), (8)(A), and (8)(B).

''(ii) PRIMARY CARE.—The term 'primary care' means family medicine, general internal medicine, general pediatrics, geriatrics, preventive medicine, obstetrics and gynecology, general surgery, and psychiatry.

"(iii) REFERENCE RESIDENT LEVEL.—Except as otherwise provided in subclause (II), the term 'reference resident level' means, with respect to a hospital, the resident level for the most recent cost reporting period of the hospital ending on or before the date of enactment of this paragraph, for which a cost report has been settled (or, if not, submitted (subject to audit)), as determined by the Secretary.

"(iv) RESIDENT LEVEL.—The term 'resident level' has the meaning given such term in paragraph (7)(C)(i).

"(v) SHORTAGE SPECIALTY RESIDENCY PROGRAM.—The term 'shortage specialty residency program' means the following:

"(I) PRIOR TO REPORT ON SHORTAGE SPECIALTIES.—Prior to the date on which the report is submitted under section 10(a) of the Training Tomorrow's Doctors Today Act, any approved residency training program in a specialty identified in the report entitled 'The Physician

Workforce: Projections and Research into Current Issues Affecting Supply and Demand', issued in December 2008 by the Health Resources and Services Administration, as a specialty whose baseline physician requirements projections exceed the projected supply of total active physicians for the period of 2005 through 2020.

''(II) AFTER REPORT ON SHORTAGE SPECIALITIES.—On or after the date on which the report is submitted under such section 5, any approved residency training program in a physician specialty identified in such report as a specialty for which there is a shortage.''.

(b) IME.—Section 1886(d)(5)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(B)) is amended—

(1) in clause (v), in the second sentence, by striking ''subsections (h)(7) and (h)(8)'' and inserting ''subsections (h)(7), (h)(8), and (h)(9)'';

(2) by redesignating clause (x), as added by section 5505(b) of the Patient Protection and Af-

fordable Care Act (Public Law 111–148), as clause (xi) and moving such clause 4 ems to the left; and

(3) by adding after clause (xi), as redesignated by subparagraph (A), the following new clause:

''(xii) For discharges occurring on or after July 1, 2016, insofar as an additional payment amount under this subparagraph is attributable to resident positions distributed to a hospital under subsection (h)(9), the indirect teaching adjustment factor shall be computed in the same manner as provided under clause (ii) with respect to such resident positions.''.

SEC. 3. ADDITIONAL RULES RELATING TO APPLICATION OF 3-YEAR ROLLING AVERAGE FOR REDISTRIBUTED RESIDENCY POSITIONS.

(a) ELIMINATION OF 3-YEAR ROLLING AVERAGE RELATING TO REDISTRIBUTIONS AFTER A HOSPITAL CLOSES AND UNDER PPACA REDISTRIBUTIONS.—

(1) DGME.—

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

(i) IN GENERAL.—Section 1886(h)(4)(H)(vi) of the Social Security Act (42 U.S.C. 1395ww(h)(4)(H)(vi)) is amended by adding at the end the following new subclause:

''(VI) THREE-YEAR ROLLING AVERAGE INAPPLICABLE.—In applying subparagraph (G), in the case of additional residency positions in a hospital attributable to the increase in the otherwise applicable resident limit provided under this paragraph pursuant to this clause, the reference to 'the average of the actual full-time equivalent resident counts for the cost reporting period and the preceding two cost reporting periods' shall be deemed to be a reference to 'the actual full-time equivalent residents count for the cost reporting period'.''.

(ii) EFFECTIVE DATE.—The amendment made by clause (i) shall apply with respect to hospitals with an approved medical residency program that closes on or after March 23, 2008.

(B) DISTRIBUTION OF ADDITIONAL RESIDENCY SLOTS UNDER PPACA.—

(i) IN GENERAL.—Section 1886(h)(8) of the Social Security Act (42 U.S.C.

1395ww(h)(8)) is amended by adding at the end the following new subparagraph:

"(J) THREE-YEAR ROLLING AVERAGE INAPPLICABLE.—In applying paragraph (4)(G), in the case of additional residency positions in a hospital attributable to the increase in the otherwise applicable resident limit provided under this paragraph, the reference to 'the average of the actual full-time equivalent resident counts for the cost reporting period and the preceding two cost reporting periods' shall be deemed to be a reference to 'the actual full-time equivalent residents count for the cost reporting period'.".

(ii) EFFECTIVE DATE.—The amendment made by clause (i) shall apply with respect to cost reporting periods occurring on or after July 1, 2011.

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

(A) IN GENERAL.—Section 1886(d)(5)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(B)), as amended by section 2(b), is further amended—

(i) in subclause (I) of clause (xi), as redesignated by section 2(b)(2), by striking ''The provisions'' and inserting ''Subject to clauses (xiii) and (xiv)''; and

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

''(xiii) In the case of additional residency positions in a hospital attributable to the increase in the otherwise applicable resident limit provided under subsection (h)(4)(H)(vi) or (h)(8), the provisions of clause (vi)(II) shall be applied by deeming the reference to 'the average of the actual full-time equivalent resident count for the cost reporting period and the preceding two cost reporting periods' to be a reference to 'the actual full-time equivalent resident count for the cost reporting period'.

''(xiv) In the case of additional residency positions in a hospital attributable to the increase in the otherwise applicable resident limit provided under subsection (h)(4)(H)(vi) or (h)(8), the ratio of the hospital's full-time equivalent interns and

residents to beds shall be equal to the ratio for the hospital's current cost reporting period.''.

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

(i) to the extent such amendments relate to section 1886(h)(4)(H)(vi) of the Social Security Act, as if included in the enactment of section 5506 of the Patient Protection and Affordable Care Act; and

(ii) to the extent such amendments relate to section 1886(h)(8) of the Social Security Act, as if included in the enactment of section 5503 of the Patient Protection and Affordable Care Act.

(b) ELIMINATION OF 3-YEAR ROLLING AVERAGE AND INTERN AND RESIDENT BED RATIO CAP BEGINNING IN 2015.—

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

(A) in clause (i), by inserting ''and before December 31, 2014,'' after ''October 1, 1997,''; and

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

''(iv) CURRENT YEAR COUNT USED TO DETERMINE FULL-TIME EQUIVALENT RESIDENT COUNT.—For cost reporting periods beginning on or after December 31, 2014, subject to the limit described in subparagraph (F), the total number of full-time equivalent residents for determining a hospital's graduate medical education payment shall equal the actual full-time equivalent residents count for the hospital's cost reporting period.''.

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

''(xv) For cost reporting periods beginning on or after December 31, 2014, subject to the limits described in clauses (iv) and (v), the total number of full-time equivalent residents for payment purposes shall equal the actual full-time equivalent resident count for the hospital's cost reporting period.

''(xvi) For cost reporting periods beginning on or after December 31, 2014, the ratio of the hospital's full-time equivalent interns and residents to beds shall be equal to the ratio for the hospital's cost reporting period.''.

SEC. 4. RULES FOR DETERMINING FULL-TIME EQUIVALENT RESIDENTS.

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

(1) in subparagraph (E), by striking ''Subject to subparagraphs (J) and (K), such rules'' and inserting ''Subject to subparagraphs (J), (K), and (L), such rules'';

(2) in subparagraph (J), by striking ''Such rules'' and inserting ''Subject to subparagraph (L), such rules'';

(3) in subparagraph (K), by striking ''In determining'' and inserting ''Subject to subparagraph (L), in determining''; and

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

''(L) TREATMENT OF TIME SPENT IN APPROVED MEDICAL RESIDENCY TRAINING PROGRAM WITH RESPECT TO CERTAIN HOS-

PITALS.—For purposes of cost reporting periods beginning on or after July 1, 2017, 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) in subclause (II), by striking "In determining" and inserting "Subject to subclause (x)(IV), in determining";

(2) in subclause (III), by striking ''In determining'' and inserting ''Subject to subclause (x)(IV), in determining''; and

(3) by adding at the end the following new subclause:

''(IV) The provisions of subparagraph (L) of subsection (h)(4) shall apply under this subparagraph in the same manner as they apply under such subsection.''.

SEC. 5. MEDICARE GME TREATMENT OF HOSPITALS ESTABLISHING NEW MEDICAL RESIDENCY TRAINING PROGRAMS AFTER HOSTING MEDICAL RESIDENT ROTATORS FOR SHORT DURATIONS.

(a) REDETERMINATION OF APPROVED FTE RESIDENT AMOUNT.—Section 1886(h)(2)(F) of the Social Security Act (42 U.S.C. 1395ww(h)(2)(F)) is amended—

(1) by inserting ''(i)'' before ''In the case of''; and

(2) by adding at the end the following:

''(ii) In applying this subparagraph to a hospital that has not entered into a GME affiliation agreement (as defined by the Secretary for purposes of paragraph

(4)(H)(ii)), the Secretary shall not provide for the establishment of an FTE resident amount until such time as the Secretary determines that the hospital has a medical residency training program that trains more than 1.0 full-time-equivalent resident in a cost reporting period.

''(iii) In the case of a hospital with an approved FTE resident amount—

''(I) based on the training of less than 1.0 full-time-equivalent resident before October 1, 1997, or

''(II) based on the training of no more than 3.0 full-time-equivalent residents in a new medical residency training program in any cost reporting period beginning on or after October 1, 1997, and before the date of the enactment of this clause,

the Secretary shall provide the hospital an opportunity to have a new FTE resident amount established when the hospital begins training at least 1.0 full-time equivalent resident (in the case of a hospital described in subclause (I)) or more than 3.0

full-time-equivalent residents (in the case of a hospital described in subclause (II)) for cost reporting periods beginning on or after the date of the enactment of this clause and in accordance with the methodology under the rules in effect as of October 1, 2015.''.

(b) REDETERMINATION OF FTE RESIDENT LIMITATION.—Section 1886(h)(4)(H)(i) of the Social Security Act (42 U.S.C. 1395ww(h)(4)(H)(i)) is amended—

(1) by inserting ''(I)'' before ''The Secretary''; and

(2) by adding at the end the following:

''(II) Under this clause the Secretary shall not determine an adjustment in the limitation applicable to a hospital under subparagraph (F) until the hospital trains more than 1.0 full-time equivalent resident in a new medical residency training program in a cost reporting period.

''(III) In the case of a hospital that has a limitation under subparagraph (F) of less than 1.0 full-time-equivalent resident as of the date of

the enactment of this subclause based on training before October 1, 1997, under this clause the Secretary shall provide the hospital an opportunity to have a new adjustment in such limitation determined when such hospital begins training at least 1.0 full-time equivalent resident in accordance with the methodology applicable to hospitals under the rules in effect as of October 1, 2015, and applied for cost reporting periods beginning on or after the date of the enactment of this subclause.

''(IV) In the case of a hospital for which an adjustment in the limitation applicable to a hospital under subparagraph (F) is based on the training of no more than 3.0 full-time-equivalent residents in a new medical residency training program in a cost reporting period beginning on or after October 1, 1997, and before the date of the enactment of this subclause, the Secretary shall provide the hos-

pital an opportunity to have a new adjustment in such limitation determined when the hospital begins training more than 3.0 full-time-equivalent residents in accordance with the methodology applicable to hospitals under the rules in effect as of October 1, 2015, and applied for cost reporting periods beginning on or after the date of the enactment of this subclause.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payment under section 1886 of the Social Security Act (42 U.S.C. 1395ww) for cost reporting periods beginning on or after the date of the enactment of this Act.

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

(a) REQUIRED RULES TO PERMIT MEMBERS OF SAME AFFILIATED GROUP TO ELECT TO APPLY LIMITATION ON AGGREGATE LEVEL.—Section 1886(h)(4)(H)(ii) of the Social Security Act (42 U.S.C. 1395ww(h)(4)(H)(ii)) is amended by striking ''may'' and inserting ''shall''.

(b) ELECTION FOR NEW FACILITIES.—Such section is further amended by adding at the end the following new

sentence: ''Such rules shall provide that all facilities established on or after January 1, 2000, whose resident limits are adjusted according to this subparagraph on or after January 1, 1997, may elect to apply the limitation under subparagraph (F) on an aggregate basis after a period specified by the Secretary but that shall not exceed 5 years from the date of such adjustment.''.

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

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

(1) in clause (i), by striking ''(iv), and (v)'' and inserting ''(iv), (v), and (vi)''; and

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

''(vi) In the case of a resident who changes residency specialties, the period of board eligibility and the initial residency period shall be equal to the minimum number of years of formal training required to satisfy the requirements for the initial board eligibility of the program into which the resident transfers.''.

SEC. 8. MEDICARE INDIRECT MEDICAL EDUCATION PERFORMANCE ADJUSTMENT.

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

(1) in subsection (d)(5)(B), in the matter preceding clause (i), by inserting ''subject to subsection (t) and'' before ''except as follows''; and

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

''(t) INDIRECT MEDICAL EDUCATION PERFORMANCE ADJUSTMENTS.—

''(1) IN GENERAL.—Subject to the succeeding provisions of this subsection, the Secretary shall establish and implement procedures under which the amount of payments that a hospital (as defined in paragraph (11)) would otherwise receive for indirect medical education costs under subsection (d)(5)(B) for discharges occurring during a fiscal year is adjusted based on the reporting of measures and the performance of the hospital on measures of patient care priorities specified by the Secretary.

''(2) ADJUSTMENTS TO BEGIN IN FISCAL YEAR 2020.—The adjustments shall apply to payments for discharges occurring—

''(A) with respect to the adjustments for reporting under paragraph (8)(A), during fiscal year 2020; and

''(B) with respect to the adjustments for performance under paragraph (8)(B), on or after October 1, 2020.

''(3) MEASURES.—The measures of patient care priorities specified by the Secretary under this subsection shall include the extent of training provided in—

''(A) the delivery of services categorized as evaluation and management codes by the Centers for Medicare & Medicaid Services;

''(B) a variety of settings and systems;

''(C) the coordination of patient care across settings;

''(D) the relevant cost and value of various diagnostic and treatment options;

''(E) interprofessional and multidisciplinary care teams;

''(F) methods for identifying system errors and implementing system solutions; and

''(G) the use of health information technology.

''(4) MEASURE DEVELOPMENT PROCESS.—

"(A) IN GENERAL.—The measures of patient care specified by the Secretary under this subsection—

"(i) shall—

"(I) be measures that have been adopted or endorsed by an accrediting organization (such as the Accreditation Council for Graduate Medical Education or American Osteopathic Association); and

"(II) be measures that the Secretary identifies as having used a consensus-based process for developing such measures; and

"(ii) may include measures that have been submitted by teaching hospitals and medical schools.

"(B) PROPOSED SET OF INITIAL MEASURES.—Not later than July 1, 2018, the Secretary shall publish in the Federal Register a proposed initial set of measures for use under this subsection. The Secretary shall provide for a period of public comment on such measures.

"(C) FINAL SET OF INITIAL MEASURES.—Not later than January 1, 2019, the Secretary

shall publish in the Federal Register the set of initial measures to be specified by the Secretary for use under this subsection.

''(D) UPDATE OF MEASURES.—The Secretary may, through notice and comment rulemaking, periodically update the measures specified under this subsection pursuant to the requirements under subparagraph (A).

''(5) PERFORMANCE STANDARDS.—The Secretary shall establish performance standards with respect to measures specified by the Secretary under this subsection for a performance period for a fiscal year (as established under paragraph (6)).

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

''(7) REPORTING OF MEASURES.—The procedures established and implemented under paragraph (1) shall include a process under which hospitals shall submit data on the measures specified by the Secretary under this subsection to the Secretary in a form and manner, and at a time, specified by the Secretary for purposes of this subsection.

''(8) ADJUSTMENTS.—

"(A) REPORTING FOR FISCAL YEAR 2021.—For fiscal year 2021, in the case of a hospital that does not submit, to the Secretary in accordance with this subsection, data required to be submitted under paragraph (7) for a period (determined appropriate by the Secretary) for such fiscal year, the total amount that the hospital would otherwise receive under subsection (d)(5)(B) for discharges in such fiscal year shall be reduced by 0.5 percent.

"(B) PERFORMANCE FOR FISCAL YEAR 2022 AND SUBSEQUENT FISCAL YEARS.—

"(i) IN GENERAL.—Subject to clause (ii), based on the performance of each hospital with respect to compliance with the measures for a performance period for a fiscal year (beginning with fiscal year 2022), the Secretary shall determine the amount of any adjustment under this subparagraph to payments to the hospital under subsection (d)(5)(B) for discharges in such fiscal year. Such adjustment may not exceed an amount equal to 2 percent of the total amount that the hospital would

otherwise receive under such subsection for discharges in such fiscal year.

"(ii) BUDGET NEUTRAL.—In making adjustments under this subparagraph, the Secretary shall ensure that the total amount of payments made to all hospitals under subsection (d)(5)(B) for discharges in a fiscal year is equal to the total amount of payments that would have been made to such hospitals under such subsection for discharges in such fiscal year if this subsection had not been enacted.

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

"(10) EVALUATION OF SUBMISSION OF PERFORMANCE MEASURES.—Not later than January 1, 2021, the Secretary shall submit to Congress a report on the implementation of this subsection, including—

''(A) the measure development procedures, including any barriers to measure development;

''(B) the compliance with reporting on the performance measures, including any barriers to such compliance; and

''(C) recommendations to address any barriers 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).''.

SEC. 9. INCREASING GRADUATE MEDICAL EDUCATION 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 program. The report shall include the following information with respect to each hospital that receives such payments:

(1) The direct graduate medical education payments made to the hospital under section 1886(h) of the Social Security Act (42 U.S.C. 1395ww(h)).

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

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

(4) The number of full-time-equivalent residents counted for purposes of making the payments described in paragraph (1).

(5) The number of full-time-equivalent residents counted for purposes of making the payments described in paragraph (3).

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

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

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

(A) the costs of trauma, burn, other standby services;

(B) translation services for disabled or non-English speaking patients;

(C) the cost of uncompensated care;

(D) financial losses with respect to Medicaid patients; and

(E) uncompensated costs of clinical research.

SEC. 10. GAO STUDIES AND REPORTS.

(a) ON PHYSICIAN WORKFORCE.—

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

(2) REPORT.—Not later than January 1, 2018, the Comptroller General shall submit to Congress a report on the study conducted under subsection (a), together with recommendations for such legislation and administrative action as the Comptroller General determines appropriate.

(b) ON STRATEGIES FOR INCREASING DIVERSITY.—

(1) STUDY.—The Comptroller General of the United States shall conduct a study on strategies for increasing the diversity of the health professional workforce. Such study shall include an analysis of strategies for increasing the number of health professionals from rural, lower income, and underrep-

resented minority communities, including which strategies are most effective for achieving such goal.

(2) REPORT.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall submit to Congress a report on the study conducted under subsection (a), together with recommendations for such legislation and administrative action as the Comptroller General determines appropriate.

(c) ON PROTECTING OLDER ADULTS.—

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

(2) REPORT.—Not later than 2 years after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report on such study, including such recommendations for legislation and administrative action as the Comptroller General determines appropriate based on such study.

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