

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

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. Medicare GME treatment of hospitals establishing new medical residency training programs after hosting medical resident rotators for short durations.
- 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 2017 through 2021 (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 2017 through 2021.

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 2021.—If the aggregate number

1 of positions distributed under this
2 paragraph during the 5-year period of
3 fiscal years 2017 through 2021 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 po-
12 sitions 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

1 are not reserved for distribution under this
2 subparagraph.

3 “(C) DISTRIBUTION OF OTHER POSI-
4 TIONS.—For purposes of determining an in-
5 crease in the otherwise applicable resident limit
6 under subparagraph (A) (other than such an in-
7 crease described in subparagraph (B)), the fol-
8 lowing shall apply:

9 “(i) CONSIDERATIONS IN DISTRIBU-
10 TION.—In determining for which hospitals
11 such an increase is provided under sub-
12 paragraph (A), the Secretary shall take
13 into account the demonstrated likelihood of
14 the hospital filling the positions made
15 available under this paragraph within the
16 first 5 cost reporting periods beginning
17 after the date the increase would be effec-
18 tive, as determined by the Secretary.

19 “(ii) PRIORITY FOR CERTAIN HOS-
20 PITALS.—Subject to clause (iii), in deter-
21 mining for which hospitals such an in-
22 crease is provided, the Secretary shall dis-
23 tribute the increase in the following pri-
24 ority order:

1 “(I) First, to hospitals with ap-
2 proved medical residency programs af-
3 filiated with medical schools that have
4 at least 40 percent of graduates
5 matched in primary care residency
6 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 with
10 which the Secretary cooperates under
11 section 7302(d) of title 38, United
12 States Code.

13 “(IV) Fourth, to all other hos-
14 pitals.

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

1 “(iv) REQUIREMENTS FOR USE OF AD-
2 DITIONAL POSITIONS.—

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

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

18 “(bb) the total number of
19 full-time equivalent residents, ex-
20 cluding any additional positions
21 attributable to such increase, is
22 not less than the average number
23 of full-time equivalent residents
24 during the 3 most recent cost re-
25 porting periods ending on or be-

1 fore the effective date of such in-
2 crease; and

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

13 “(II) REDISTRIBUTION OF POSI-
14 TIONS IF HOSPITAL NO LONGER
15 MEETS CERTAIN REQUIREMENTS.—

16 With respect to each fiscal year de-
17 scribed in subparagraph (A), the Sec-
18 retary shall determine whether or not
19 a hospital described in subclause (I)
20 meets the requirements of such sub-
21 clause. In the case that the Secretary
22 determines that such a hospital does
23 not meet such requirements, the Sec-
24 retary shall—

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

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

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

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

24 “(F) PERMITTING FACILITIES TO APPLY
25 AGGREGATION RULES.—The Secretary shall

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

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

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

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

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

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

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

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

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

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

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

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

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

1 fordable Care Act (Public Law 111–148), as clause
 2 (xi) and moving such clause 4 ems to the left; and
 3 (3) by adding after clause (xi), as redesignated
 4 by subparagraph (A), the following new clause:

5 “(xii) For discharges occurring on or after July
 6 1, 2016, insofar as an additional payment amount
 7 under this subparagraph is attributable to resident
 8 positions distributed to a hospital under subsection
 9 (h)(9), the indirect teaching adjustment factor shall
 10 be computed in the same manner as provided under
 11 clause (ii) with respect to such resident positions.”.

12 **SEC. 3. ADDITIONAL RULES RELATING TO APPLICATION OF**
 13 **3-YEAR ROLLING AVERAGE FOR REDISTRIB-**
 14 **UTED RESIDENCY POSITIONS.**

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

18 (1) **DGME.—**

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

21 (i) **IN GENERAL.—**Section
 22 1886(h)(4)(H)(vi) of the Social Security
 23 Act (42 U.S.C. 1395ww(h)(4)(H)(vi)) is
 24 amended by adding at the end the fol-
 25 lowing new subclause:

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

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

21 (B) DISTRIBUTION OF ADDITIONAL RESI-
22 DENCY SLOTS UNDER PPACA.—

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

1 1395ww(h)(8)) is amended by adding at
2 the end the following new subparagraph:

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

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

18 (2) 3-YEAR ROLLING AVERAGE AND INTERN
19 AND RESIDENT BED RATIO CAP INAPPLICABLE
20 UNDER IME.—

21 (A) IN GENERAL.—Section 1886(d)(5)(B)
22 of the Social Security Act (42 U.S.C.
23 1395ww(d)(5)(B)), as amended by section 2(b),
24 is further amended—

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

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

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

20 “(xiv) In the case of additional resi-
21 dency positions in a hospital attributable
22 to the increase in the otherwise applicable
23 resident limit provided under subsection
24 (h)(4)(H)(vi) or (h)(8), the ratio of the
25 hospital’s full-time equivalent interns and

1 residents to beds shall be equal to the ratio
2 for the hospital's current cost reporting pe-
3 riod.”.

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

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

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

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

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

22 (A) in clause (i), by inserting “and before
23 December 31, 2014,” after “October 1, 1997,”;
24 and

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

3 “(iv) CURRENT YEAR COUNT USED TO
4 DETERMINE FULL-TIME EQUIVALENT RESI-
5 DENT COUNT.—For cost reporting periods
6 beginning on or after December 31, 2014,
7 subject to the limit described in subpara-
8 graph (F), the total number of full-time
9 equivalent residents for determining a hos-
10 pital’s graduate medical education payment
11 shall equal the actual full-time equivalent
12 residents count for the hospital’s cost re-
13 porting period.”.

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

18 “(xv) For cost reporting periods be-
19 ginning on or after December 31, 2014,
20 subject to the limits described in clauses
21 (iv) and (v), the total number of full-time
22 equivalent residents for payment purposes
23 shall equal the actual full-time equivalent
24 resident count for the hospital’s cost re-
25 porting period.

1 “(xvi) For cost reporting periods be-
2 ginning on or after December 31, 2014,
3 the ratio of the hospital’s full-time equiva-
4 lent interns and residents to beds shall be
5 equal to the ratio for the hospital’s cost re-
6 porting period.”.

7 **SEC. 4. RULES FOR DETERMINING FULL-TIME EQUIVALENT**
8 **RESIDENTS.**

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

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

15 (2) in subparagraph (J), by striking “Such
16 rules” and inserting “Subject to subparagraph (L),
17 such rules”;

18 (3) in subparagraph (K), by striking “In deter-
19 mining” and inserting “Subject to subparagraph
20 (L), in determining”; and

21 (4) by adding at the end the following new sub-
22 paragraph:

23 “(L) TREATMENT OF TIME SPENT IN AP-
24 PROVED MEDICAL RESIDENCY TRAINING PRO-
25 GRAM WITH RESPECT TO CERTAIN HOS-

1 PITALS.—For purposes of cost reporting peri-
2 ods beginning on or after July 1, 2017, in de-
3 termining the number of full-time equivalent
4 residents of the hospital for purposes of this
5 paragraph, all the time spent by an intern or
6 resident in an approved medical residency train-
7 ing program, regardless of setting, shall be
8 counted toward the determination of full-time
9 equivalency, and subparagraphs (J) and (K)
10 shall not apply, if the hospital—

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

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

15 “(iii) is reimbursed under a reim-
16 bursement system authorized under section
17 1814(b)(3); or

18 “(iv) is a provider-based hospital out-
19 patient department.”.

20 (b) IME.—The second clause (x) of section
21 1886(d)(5)(B) of the Social Security Act (42 U.S.C.
22 1395ww(d)(5)(B)) is amended—

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

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

4 (3) by adding at the end the following new sub-
 5 clause:

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

11 **SEC. 5. MEDICARE GME TREATMENT OF HOSPITALS ESTAB-**
 12 **LISHING NEW MEDICAL RESIDENCY TRAIN-**
 13 **ING PROGRAMS AFTER HOSTING MEDICAL**
 14 **RESIDENT ROTATORS FOR SHORT DURA-**
 15 **TIONS.**

16 (a) REDETERMINATION OF APPROVED FTE RESI-
 17 DENT AMOUNT.—Section 1886(h)(2)(F) of the Social Se-
 18 curity Act (42 U.S.C. 1395ww(h)(2)(F)) is amended—

19 (1) by inserting “(i)” before “In the case of”;

20 and

21 (2) by adding at the end the following:

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

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

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

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

13 “(II) based on the training of no
14 more than 3.0 full-time-equivalent
15 residents in a new medical residency
16 training program in any cost report-
17 ing period beginning on or after Octo-
18 ber 1, 1997, and before the date of
19 the enactment of this clause,

20 the Secretary shall provide the hospital an
21 opportunity to have a new FTE resident
22 amount established when the hospital be-
23 gins training at least 1.0 full-time equiva-
24 lent resident (in the case of a hospital de-
25 scribed in subclause (I)) or more than 3.0

1 full-time-equivalent residents (in the case
2 of a hospital described in subclause (II))
3 for cost reporting periods beginning on or
4 after the date of the enactment of this
5 clause and in accordance with the method-
6 ology under the rules in effect as of Octo-
7 ber 1, 2015.”.

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

11 (1) by inserting “(I)” before “The Secretary”;

12 and

13 (2) by adding at the end the following:

14 “(II) Under this clause the Sec-
15 retary shall not determine an adjust-
16 ment in the limitation applicable to a
17 hospital under subparagraph (F) until
18 the hospital trains more than 1.0 full-
19 time equivalent resident in a new
20 medical residency training program in
21 a cost reporting period.

22 “(III) In the case of a hospital
23 that has a limitation under subpara-
24 graph (F) of less than 1.0 full-time-
25 equivalent resident as of the date of

1 the enactment of this subclause based
2 on training before October 1, 1997,
3 under this clause the Secretary shall
4 provide the hospital an opportunity to
5 have a new adjustment in such limita-
6 tion determined when such hospital
7 begins training at least 1.0 full-time
8 equivalent resident in accordance with
9 the methodology applicable to hos-
10 pitals under the rules in effect as of
11 October 1, 2015, and applied for cost
12 reporting periods beginning on or
13 after the date of the enactment of this
14 subclause.

15 “(IV) In the case of a hospital
16 for which an adjustment in the limita-
17 tion applicable to a hospital under
18 subparagraph (F) is based on the
19 training of no more than 3.0 full-time-
20 equivalent residents in a new medical
21 residency training program in a cost
22 reporting period beginning on or after
23 October 1, 1997, and before the date
24 of the enactment of this subclause,
25 the Secretary shall provide the hos-

1 pital an opportunity to have a new ad-
2 justment in such limitation deter-
3 mined when the hospital begins train-
4 ing more than 3.0 full-time-equivalent
5 residents in accordance with the meth-
6 odology applicable to hospitals under
7 the rules in effect as of October 1,
8 2015, and applied for cost reporting
9 periods beginning on or after the date
10 of the enactment of this subclause.”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to payment under section 1886 of
13 the Social Security Act (42 U.S.C. 1395ww) for cost re-
14 porting periods beginning on or after the date of the en-
15 actment of this Act.

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

18 (a) REQUIRED RULES TO PERMIT MEMBERS OF
19 SAME AFFILIATED GROUP TO ELECT TO APPLY LIMITA-
20 TION ON AGGREGATE LEVEL.—Section 1886(h)(4)(H)(ii)
21 of the Social Security Act (42 U.S.C.
22 1395ww(h)(4)(H)(ii)) is amended by striking “may” and
23 inserting “shall”.

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

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

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

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

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

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

16 “(vi) In the case of a resident who
17 changes residency specialties, the period of
18 board eligibility and the initial residency
19 period shall be equal to the minimum num-
20 ber of years of formal training required to
21 satisfy the requirements for the initial
22 board eligibility of the program into which
23 the resident transfers.”.

1 **SEC. 8. MEDICARE INDIRECT MEDICAL EDUCATION PER-**
2 **FORMANCE ADJUSTMENT.**

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

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

8 (2) by adding at the end the following new sub-
9 section:

10 “(t) INDIRECT MEDICAL EDUCATION PERFORMANCE
11 ADJUSTMENTS.—

12 “(1) IN GENERAL.—Subject to the succeeding
13 provisions of this subsection, the Secretary shall es-
14 tablish and implement procedures under which the
15 amount of payments that a hospital (as defined in
16 paragraph (11)) would otherwise receive for indirect
17 medical education costs under subsection (d)(5)(B)
18 for discharges occurring during a fiscal year is ad-
19 justed based on the reporting of measures and the
20 performance of the hospital on measures of patient
21 care priorities specified by the Secretary.

22 “(2) ADJUSTMENTS TO BEGIN IN FISCAL YEAR
23 2020.—The adjustments shall apply to payments for
24 discharges occurring—

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

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

7 “(3) MEASURES.—The measures of patient care
8 priorities specified by the Secretary under this sub-
9 section shall include the extent of training provided
10 in—

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

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

15 “(C) the coordination of patient care
16 across settings;

17 “(D) the relevant cost and value of various
18 diagnostic and treatment options;

19 “(E) interprofessional and multidisci-
20 plinary care teams;

21 “(F) methods for identifying system errors
22 and implementing system solutions; and

23 “(G) the use of health information tech-
24 nology.

25 “(4) MEASURE DEVELOPMENT PROCESS.—

1 “(A) IN GENERAL.—The measures of pa-
2 tient care specified by the Secretary under this
3 subsection—

4 “(i) shall—

5 “(I) be measures that have been
6 adopted or endorsed by an accrediting
7 organization (such as the Accredita-
8 tion Council for Graduate Medical
9 Education or American Osteopathic
10 Association); and

11 “(II) be measures that the Sec-
12 retary identifies as having used a con-
13 sensus-based process for developing
14 such measures; and

15 “(ii) may include measures that have
16 been submitted by teaching hospitals and
17 medical schools.

18 “(B) PROPOSED SET OF INITIAL MEAS-
19 URES.—Not later than July 1, 2018, the Sec-
20 retary shall publish in the Federal Register a
21 proposed initial set of measures for use under
22 this subsection. The Secretary shall provide for
23 a period of public comment on such measures.

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

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

4 “(D) UPDATE OF MEASURES.—The Sec-
5 retary may, through notice and comment rule-
6 making, periodically update the measures speci-
7 fied under this subsection pursuant to the re-
8 quirements under subparagraph (A).

9 “(5) PERFORMANCE STANDARDS.—The Sec-
10 retary shall establish performance standards with re-
11 spect to measures specified by the Secretary under
12 this subsection for a performance period for a fiscal
13 year (as established under paragraph (6)).

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

18 “(7) REPORTING OF MEASURES.—The proce-
19 dures established and implemented under paragraph
20 (1) shall include a process under which hospitals
21 shall submit data on the measures specified by the
22 Secretary under this subsection to the Secretary in
23 a form and manner, and at a time, specified by the
24 Secretary for purposes of this subsection.

25 “(8) ADJUSTMENTS.—

1 “(A) REPORTING FOR FISCAL YEAR 2021.—
2 For fiscal year 2021, in the case of a hospital
3 that does not submit, to the Secretary in ac-
4 cordance with this subsection, data required to
5 be submitted under paragraph (7) for a period
6 (determined appropriate by the Secretary) for
7 such fiscal year, the total amount that the hos-
8 pital would otherwise receive under subsection
9 (d)(5)(B) for discharges in such fiscal year
10 shall be reduced by 0.5 percent.

11 “(B) PERFORMANCE FOR FISCAL YEAR
12 2022 AND SUBSEQUENT FISCAL YEARS.—

13 “(i) IN GENERAL.—Subject to clause
14 (ii), based on the performance of each hos-
15 pital with respect to compliance with the
16 measures for a performance period for a
17 fiscal year (beginning with fiscal year
18 2022), the Secretary shall determine the
19 amount of any adjustment under this sub-
20 paragraph to payments to the hospital
21 under subsection (d)(5)(B) for discharges
22 in such fiscal year. Such adjustment may
23 not exceed an amount equal to 2 percent
24 of the total amount that the hospital would

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

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

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

20 “(10) EVALUATION OF SUBMISSION OF PER-
21 FORMANCE MEASURES.—Not later than January 1,
22 2021, the Secretary shall submit to Congress a re-
23 port on the implementation of this subsection, in-
24 cluding—

1 “(A) the measure development procedures,
2 including any barriers to measure development;

3 “(B) the compliance with reporting on the
4 performance measures, including any barriers
5 to such compliance; and

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

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

11 **SEC. 9. INCREASING GRADUATE MEDICAL EDUCATION**
12 **TRANSPARENCY.**

13 (a) IN GENERAL.—Not later than 2 years after the
14 date of the enactment of this Act, and annually thereafter,
15 the Secretary of Health and Human Services shall submit
16 to Congress and the National Health Care Workforce
17 Commission a report on the graduate medical education
18 payments that hospitals receive under the Medicare pro-
19 gram. The report shall include the following information
20 with respect to each hospital that receives such payments:

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

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

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

7 (4) The number of full-time-equivalent residents
8 counted for purposes of making the payments de-
9 scribed in paragraph (1).

10 (5) The number of full-time-equivalent residents
11 counted for purposes of making the payments de-
12 scribed in paragraph (3).

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

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

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

21 (A) the costs of trauma, burn, other stand-
22 by services;

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

25 (C) the cost of uncompensated care;

1 (D) financial losses with respect to Med-
2 icaid patients; and

3 (E) uncompensated costs of clinical re-
4 search.

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

6 (a) ON PHYSICIAN WORKFORCE.—

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

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

18 (b) ON STRATEGIES FOR INCREASING DIVERSITY.—

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

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

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

10 (c) ON PROTECTING OLDER ADULTS.—

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

16 (2) REPORT.—Not later than 2 years after the
17 date of the enactment of this Act, the Comptroller
18 General shall submit to Congress a report on such
19 study, including such recommendations for legisla-
20 tion and administrative action as the Comptroller
21 General determines appropriate based on such study.

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