

the Budget, and International Security be authorized to meet on Tuesday, November 16, 2004, at 10:30 a.m., for a hearing entitled, "Oversight Hearing on Insurance Brokerage Practices, Including Potential Conflicts of Interest and the Adequacy of the Current Regulatory Framework."

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. REED. Mr. President, I ask unanimous consent a fellow in my office, Seth Gerson, be granted the privilege of the floor for the remainder of today's session.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHILDREN'S HOSPITALS EDUCATIONAL EQUITY AND RESEARCH ACT

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 774, S. 2526.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 2526) to reauthorize the Children's Hospitals Graduate Medical Education Program.

There being no objection, the Senate proceeded to consider the bill which was reported from the Committee on Health, Education, Labor, and Pensions, with an amendment.

(Strike the part printed in black brackets and insert the part printed in italic.)

S. 2526

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

SECTION 1. SHORT TITLE.

[This Act may be cited as the "Children's Hospitals Educational Equity and Research Act" or the "CHEER Act".]

SEC. 2. REAUTHORIZATION OF CHILDREN'S HOSPITALS GRADUATE MEDICAL EDUCATION PROGRAM.

[(a) EXTENSION OF PROGRAM.—Section 340E(a) of the Public Health Service Act (42 U.S.C. 256e(a)) is amended by striking "2005" and inserting "2010".]

[(b) DESCRIPTION OF AMOUNT OF PAYMENTS.—Section 340E(b) of the Public Health Service Act (42 U.S.C. 256e(b)) is amended—

[(1) in paragraph (1)(B), by striking "relating to teaching residents in such" and inserting "associated with graduate medical residency training"; and

[(2) in paragraph (2)(A), by inserting before the period at the end " , except as provided under paragraphs (1)(A) and (2)(B) of subsection (f)".]

[(c) DIRECT GRADUATE MEDICAL EDUCATION.—Section 340E(c) of the Public Health Service Act (42 U.S.C. 245e(c)) is amended—

[(1) in paragraph (1)—

[(A) in the matter preceding subparagraph (A), by striking "product" and inserting "sum";

[(B) in subparagraph (A), by striking "(A) the updated per resident" and inserting the following:

["(A) the product of—

["(i) the updated per resident".]

[(C) by redesignating subparagraph (B) as clause (ii) and indenting appropriately;

[(D) in subparagraph (A)(ii) (as so redesignated)—

[(i) by inserting "but without giving effect to section 1886(h)(7) of such Act" after "section 1886(h)(4) of the Social Security Act"; and

[(ii) by striking the period and inserting " ; and"; and

[(E) by inserting after subparagraph (A) the following:

["(B) amounts for other approved education programs that are provider-operated, as defined for purposes of Medicare payment, limited to not more than 30 percent of costs that would be allowed for such programs under Medicare rules for hospitals reimbursed under section 1886(d) of the Social Security Act."; and

[(2) in paragraph (2)(B), by inserting before the period at the end " , without giving effect to section 1886(d)(3)(E)(ii) of the Social Security Act".]

[(d) INDIRECT GRADUATE MEDICAL EDUCATION.—Section 340E(d) of the Public Health Service Act (42 U.S.C. 256e(d)) is amended—

[(1) in paragraph (1), by striking "related to" and inserting "associated with"; and

[(2) in paragraph (2)(A)—

[(A) by inserting "ratio of the" after "hospitals and the"; and

[(B) by inserting at the end before the semicolon "to beds (but excluding beds or bassinets assigned to healthy newborn infants)".]

[(e) NATURE OF PAYMENTS.—Section 340E(e) of the Public Health Service Act (42 U.S.C. 256e(e)) is amended—

[(1) in paragraph (2), by striking the first sentence;

[(2) in paragraph (3)—

[(A) by striking "made to pay" and inserting "made and pay"; and

[(B) by striking "to the extent possible" and all that follows through the end of the paragraph and inserting the following: ". To the greatest extent possible, amounts recouped from a hospital are to be distributed to other hospitals in the same fiscal year. Amounts recouped from a hospital and not disbursed to other hospitals in the same fiscal year shall remain available for distribution during the subsequent fiscal year. Unless there is fraud, amounts paid to a hospital without a demand for recoupment by the end of the fiscal year shall be final and not subject to recoupment."; and

[(3) by adding at the end the following:

["(4) APPEALS.—

["(A) IN GENERAL.—A decision affecting the amount payable to a hospital pursuant to this section shall—

["(i) be subject to review under section 1878 of the Social Security Act in the same manner as a final determination of a fiscal intermediary of the amount of payment under 1886(d) of such Act is subject to review; and

["(ii) be handled expeditiously so that the review decision is reflected in the final reconciliation for the year in which the appeal is made.

["(B) LIMITATION.—A review decision pursuant to this section shall not affect payments for a fiscal year prior to the fiscal year in which the review decision is rendered.

["(C) APPLICATION TO SUBSEQUENT FISCAL YEARS.—The Secretary shall apply a review decision in determining the amount of payment for the appealing hospital in the fiscal year in which the decision is rendered and in subsequent years, unless the law at issue in the review decision is amended or there are material differences between the facts for the fiscal year for which the review decision is rendered and the year for which payment

is made. Nothing in this section shall be construed to prohibit a hospital from appealing similar determinations in subsequent periods.".]

[(f) AUTHORIZATION OF APPROPRIATIONS.—Section 340E(f) of the Public Health Service Act (42 U.S.C. 256e(f)) is amended—

[(1) in paragraph (1)—

[(A) in subparagraph (A)—

[(i) in clause (ii), by striking "and";

[(ii) in clause (iii), by striking the period at the end and inserting a semicolon; and

[(iii) by adding at the end the following:

["(iv) for fiscal year 2006, \$110,000,000; and

["(v) for each of fiscal years 2007 through 2010, such sums as may be necessary, including an annual adjustment to reflect increases in the Consumer Price Index."; and

[(B) in subparagraph (B), by striking "for fiscal year 2000" and all that follows and inserting "for fiscal year 2006 and each subsequent fiscal year shall remain available for obligation for the year appropriated and the subsequent fiscal year."; and

[(2) in paragraph (2)—

[(A) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and indenting appropriately;

[(B) by striking "There are hereby authorized" and inserting the following:

["(A) IN GENERAL.—There are authorized";

[(C) in clause (ii) (as redesignated by this paragraph), by striking "and";

[(D) in clause (iii) (as redesignated by this paragraph), by striking the period at the end and inserting a semicolon;

[(E) by adding at the end of subparagraph (A) (as designated by this paragraph), the following:

["(iv) for fiscal year 2006, \$220,000,000; and

["(v) for each of fiscal years 2007 through 2010, such sums as may be necessary, including an annual adjustment to reflect increases in the Consumer Price Index."; and

[(F) at the end of paragraph (2), by adding the following:

["(B) CARRYOVER OF EXCESS.—To the extent that amounts are not expended in the year for which they are appropriated, the amounts appropriated under subparagraph (A) for fiscal year 2006 and each subsequent fiscal year shall remain available for obligation through the end of the following fiscal year.".]

[(g) DEFINITIONS.—Section 340E(g)(3) of the Public Health Service Act (42 U.S.C. 256e(g)(3)) is amended by striking "has" and all that follows through the end of the sentence and inserting the following: "includes—

["(A) the meaning given such term in section 1886(h)(5)(C) of the Social Security Act; and

["(B) costs of approved educational activities, as such term is used in section 1886(a)(4) of the Social Security Act.".]

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(a) EXTENSION OF PROGRAM.—Section 340E(a) of the Public Health Service Act (42 U.S.C. 256e(a)) is amended by striking "2005" and inserting "2010".

(b) DIRECT GRADUATE MEDICAL EDUCATION.—Section 340E(c) of the Public Health Service Act (42 U.S.C. 256e(c)) is amended—

(1) in paragraph (1)(B), by inserting "but without giving effect to section 1886(h)(7) of such Act" after "section 1886(h)(4) of the Social Security Act"; and

(2) in paragraph (2)(E)(ii), by striking "described in subparagraph (C)(ii)" and inserting