

113TH CONGRESS  
1ST SESSION

# H. R. 1201

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

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 14, 2013

Mr. SCHOCK (for himself and Ms. SCHWARTZ) 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.

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. Treatment of hospitals with rotating residents.
- 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 2014 through 2018 (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                   2014 through 2018.

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 2018.—If the aggregate number

1 of positions distributed under this  
2 paragraph during the 5-year period of  
3 fiscal years 2014 through 2018 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 training pro-  
3 grams affiliated with medical schools  
4 that have at least 40 percent of grad-  
5 uates matched in primary care resi-  
6 dency 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 that  
10 are eligible for incentive payments  
11 under section 1886(n) or 1903(t) as  
12 of the date the hospital submits an  
13 application for such increase under  
14 subparagraph (A).

15 “(IV) Fourth, to all other hos-  
16 pitals.

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

1 is eligible for under this paragraph for the  
2 fiscal year.

3 “(iv) REQUIREMENTS FOR USE OF AD-  
4 DITIONAL POSITIONS.—

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

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

20 “(bb) the total number of  
21 full-time equivalent residents, ex-  
22 cluding any additional positions  
23 attributable to such increase, is  
24 not less than the average number  
25 of full-time equivalent residents

1 during the 3 most recent cost re-  
2 porting periods ending on or be-  
3 fore the effective date of such in-  
4 crease; and

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

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

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

1 not meet such requirements, the Sec-  
2 retary shall—

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

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

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

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

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

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

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

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

1 gynecology, general surgery, and psychi-  
2 atry.

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

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

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

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



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

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

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

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

1           (2) by redesignating clause (x), as added by  
 2           section 5505(b) of the Patient Protection and Af-  
 3           fordable Care Act (Public Law 111–148), as clause  
 4           (xi) and moving such clause 4 ems to the left; and

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

7           “(xii) For discharges occurring on or after July  
 8           1, 2014, insofar as an additional payment amount  
 9           under this subparagraph is attributable to resident  
 10          positions distributed to a hospital under subsection  
 11          (h)(9), the indirect teaching adjustment factor shall  
 12          be computed in the same manner as provided under  
 13          clause (ii) with respect to such resident positions.”.

14 **SEC. 3. ADDITIONAL RULES RELATING TO APPLICATION OF**  
 15 **3-YEAR ROLLING AVERAGE FOR REDISTRIB-**  
 16 **UTED RESIDENCY POSITIONS.**

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

20           (1) **DGME.—**

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

23           (i) **IN GENERAL.—**Section  
 24           1886(h)(4)(H)(vi) of the Social Security  
 25           Act (42 U.S.C. 1395ww(h)(4)(H)(vi)) is

1 amended by adding at the end the fol-  
2 lowing new subclause:

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

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

23 (B) DISTRIBUTION OF ADDITIONAL RESI-  
24 DENCY SLOTS UNDER PPACA.—

1 (i) IN GENERAL.—Section 1886(h)(8)  
2 of the Social Security Act (42 U.S.C.  
3 1395ww(h)(8)) is amended by adding at  
4 the end the following new subparagraph:

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

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

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

23 (A) IN GENERAL.—Section 1886(d)(5)(B)  
24 of the Social Security Act (42 U.S.C. 1395

1           ww(d)(5)(B)), as amended by section 2(b), is  
2           further amended—

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

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

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

22                  “(xiv) In the case of additional resi-  
23                  dency positions in a hospital attributable  
24                  to the increase in the otherwise applicable  
25                  resident limit provided under subsection

1 (h)(4)(H)(vi) or (h)(8), the ratio of the  
2 hospital’s full-time equivalent interns and  
3 residents to beds shall be equal to the ratio  
4 for the hospital’s current cost reporting pe-  
5 riod.”.

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

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

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

18 (b) ELIMINATION OF 3-YEAR ROLLING AVERAGE  
19 AND INTERN AND RESIDENT BED RATIO CAP BEGINNING  
20 IN 2013.—

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

1 (A) in clause (i), by inserting “and before  
2 December 31, 2012,” after “October 1, 1997,”;  
3 and

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

6 “(iv) CURRENT YEAR COUNT USED TO  
7 DETERMINE FULL-TIME EQUIVALENT RESI-  
8 DENT COUNT.—For cost reporting periods  
9 beginning on or after December 31, 2012,  
10 subject to the limit described in subpara-  
11 graph (F), the total number of full-time  
12 equivalent residents for determining a hos-  
13 pital’s graduate medical education payment  
14 shall equal the actual full-time equivalent  
15 residents count for the hospital’s cost re-  
16 porting period.”.

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

21 “(xv) For cost reporting periods be-  
22 ginning on or after December 31, 2012,  
23 subject to the limits described in clauses  
24 (iv) and (v), the total number of full-time  
25 equivalent residents for payment purposes

1 shall equal the actual full-time equivalent  
2 resident count for the hospital's cost re-  
3 porting period.

4 “(xvi) For cost reporting periods be-  
5 ginning on or after December 31, 2012,  
6 the ratio of the hospital's full-time equiva-  
7 lent interns and residents to beds shall be  
8 equal to the ratio for the hospital's cost re-  
9 porting period.”.

10 **SEC. 4. RULES FOR DETERMINING FULL-TIME EQUIVALENT**  
11 **RESIDENTS.**

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

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

18 (2) in subparagraph (J), by striking “Such  
19 rules” and inserting “Subject to subparagraph (L),  
20 such rules”

21 (3) in subparagraph (K), by striking “In deter-  
22 mining” and inserting “Subject to subparagraph  
23 (L), in determining”; and

24 (4) by adding at the end the following new sub-  
25 paragraph:



1           “(L) TREATMENT OF TIME SPENT IN AP-  
2           PROVED MEDICAL RESIDENCY TRAINING PRO-  
3           GRAM WITH RESPECT TO CERTAIN HOS-  
4           PITALS.—For purposes of cost reporting peri-  
5           ods beginning on or after July 1, 2014, in de-  
6           termining the number of full-time equivalent  
7           residents of the hospital for purposes of this  
8           paragraph, all the time spent by an intern or  
9           resident in an approved medical residency train-  
10          ing program, regardless of setting, shall be  
11          counted toward the determination of full-time  
12          equivalency, and subparagraphs (J) and (K)  
13          shall not apply, if the hospital—

14                   “(i) is recognized as a subsection (d)  
15                   hospital;

16                   “(ii) is recognized as a subsection (d)  
17                   Puerto Rico hospital;

18                   “(iii) is reimbursed under a reim-  
19                   bursement system authorized under section  
20                   1814(b)(3); or

21                   “(iv) is a provider-based hospital out-  
22                   patient department.”.

23          (b) IME.—The second clause (x) of section  
24          1886(d)(5)(B) of the Social Security Act (42 U.S.C.  
25          1395ww(d)(5)(B)) is amended—



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

3 (a) **REQUIRED RULES TO PERMIT MEMBERS OF**  
4 **SAME AFFILIATED GROUP TO ELECT TO APPLY LIMITA-**  
5 **TION ON AGGREGATE LEVEL.**—Section 1886(h)(4)(H)(ii)  
6 of the Social Security Act (42 U.S.C.  
7 1395ww(h)(4)(H)(ii)) is amended by striking “may” and  
8 inserting “shall”.

9 (b) **ELECTION FOR NEW FACILITIES.**—Such section  
10 is further amended by adding at the end the following new  
11 sentence: “Such rules shall provide that all facilities estab-  
12 lished on or after January 1, 2000, whose resident limits  
13 are adjusted according to this subparagraph on or after  
14 January 1, 1997, may elect to apply the limitation under  
15 subparagraph (F) on an aggregate basis after a period  
16 specified by the Secretary but that shall not exceed 5 years  
17 from the date of such adjustment.”.

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

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

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

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

1           “(vi) In the case of a resident who  
2           changes residency specialties, the period of  
3           board eligibility and the initial residency  
4           period shall be equal to the minimum num-  
5           ber of years of formal training required to  
6           satisfy the requirements for the initial  
7           board eligibility of the program into which  
8           the resident transfers.”.

9   **SEC. 8. MEDICARE INDIRECT MEDICAL EDUCATION PER-**  
10                           **FORMANCE ADJUSTMENT.**

11           Section 1886 of the Social Security Act (42 U.S.C.  
12 1395ww) is amended—

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

16           (2) by adding at the end the following new sub-  
17           section:

18           “(t) INDIRECT MEDICAL EDUCATION PERFORMANCE  
19   ADJUSTMENTS.—

20           “(1) IN GENERAL.—Subject to the succeeding  
21           provisions of this subsection, the Secretary shall es-  
22           tablish and implement procedures under which the  
23           amount of payments that a hospital (as defined in  
24           paragraph (11)) would otherwise receive for indirect  
25           medical education costs under subsection (d)(5)(B)

1 for discharges occurring during a fiscal year is ad-  
2 justed based on the reporting of measures and the  
3 performance of the hospital on measures of patient  
4 care priorities specified by the Secretary.

5 “(2) ADJUSTMENTS TO BEGIN IN FISCAL YEAR  
6 2018.—The adjustments shall apply to payments for  
7 discharges occurring—

8 “(A) with respect to the adjustments for  
9 reporting under paragraph (8)(A), during fiscal  
10 year 2018; and

11 “(B) with respect to the adjustments for  
12 performance under paragraph (8)(B), on or  
13 after October 1, 2018.

14 “(3) MEASURES.—The measures of patient care  
15 priorities specified by the Secretary under this sub-  
16 section shall include the extent of training provided  
17 in—

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

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

22 “(C) the coordination of patient care  
23 across settings;

24 “(D) the relevant cost and value of various  
25 diagnostic and treatment options;

1           “(E) interprofessional and multidisci-  
2 plinary care teams;

3           “(F) methods for identifying system errors  
4 and implementing system solutions; and

5           “(G) the use of health information tech-  
6 nology.

7           “(4) MEASURE DEVELOPMENT PROCESS.—

8           “(A) IN GENERAL.—The measures of pa-  
9 tient care specified by the Secretary under this  
10 subsection—

11           “(i) shall—

12           “(I) be measures that have been  
13 adopted or endorsed by an accrediting  
14 organization (such as the Accredita-  
15 tion Council for Graduate Medical  
16 Education or American Osteopathic  
17 Association); and

18           “(II) be measures that the Sec-  
19 retary identifies as having used a con-  
20 sensus-based process for developing  
21 such measures; and

22           “(ii) may include measures that have  
23 been submitted by teaching hospitals and  
24 medical schools.

1           “(B) PROPOSED SET OF INITIAL MEAS-  
2           URES.—Not later than July 1, 2015, the Sec-  
3           retary shall publish in the Federal Register a  
4           proposed initial set of measures for use under  
5           this subsection. The Secretary shall provide for  
6           a period of public comment on such measures.

7           “(C) FINAL SET OF INITIAL MEASURES.—  
8           Not later than January 1, 2016, the Secretary  
9           shall publish in the Federal Register the set of  
10          initial measures to be specified by the Secretary  
11          for use under this subsection.

12          “(D) UPDATE OF MEASURES.—The Sec-  
13          retary may, through notice and comment rule-  
14          making, periodically update the measures speci-  
15          fied under this subsection pursuant to the re-  
16          quirements under subparagraph (A).

17          “(5) PERFORMANCE STANDARDS.—The Sec-  
18          retary shall establish performance standards with re-  
19          spect to measures specified by the Secretary under  
20          this subsection for a performance period for a fiscal  
21          year (as established under paragraph (6)).

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

1           “(7) REPORTING OF MEASURES.—The proce-  
2           dures established and implemented under paragraph  
3           (1) shall include a process under which hospitals  
4           shall submit data on the measures specified by the  
5           Secretary under this subsection to the Secretary in  
6           a form and manner, and at a time, specified by the  
7           Secretary for purposes of this subsection.

8           “(8) ADJUSTMENTS.—

9           “(A) REPORTING FOR FISCAL YEAR 2018.—

10           For fiscal year 2018, in the case of a hospital  
11           that does not submit, to the Secretary in ac-  
12           cordance with this subsection, data required to  
13           be submitted under paragraph (7) for a period  
14           (determined appropriate by the Secretary) for  
15           such fiscal year, the total amount that the hos-  
16           pital would otherwise receive under subsection  
17           (d)(5)(B) for discharges in such fiscal year  
18           shall be reduced by 0.5 percent.

19           “(B) PERFORMANCE FOR FISCAL YEAR  
20           2019 AND SUBSEQUENT FISCAL YEARS.—

21           “(i) IN GENERAL.—Subject to clause  
22           (ii), based on the performance of each hos-  
23           pital with respect to compliance with the  
24           measures for a performance period for a  
25           fiscal year (beginning with fiscal year



1           2019), the Secretary shall determine the  
2           amount of any adjustment under this sub-  
3           paragraph to payments to the hospital  
4           under subsection (d)(5)(B) for discharges  
5           in such fiscal year. Such adjustment may  
6           not exceed an amount equal to 2 percent  
7           of the total amount that the hospital would  
8           otherwise receive under such subsection for  
9           discharges in such fiscal year.

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

20           “(9) NO EFFECT IN SUBSEQUENT FISCAL  
21           YEARS.—Any adjustment under subparagraph (A)  
22           or (B) of paragraph (8) shall apply only with respect  
23           to the fiscal year involved, and the Secretary shall  
24           not take into account any such adjustment in mak-

1 ing payments to a hospital under this section in a  
2 subsequent fiscal year.

3 “(10) EVALUATION OF SUBMISSION OF PER-  
4 FORMANCE MEASURES.—Not later than January 1,  
5 2018, the Secretary shall submit to Congress a re-  
6 port on the implementation of this subsection, in-  
7 cluding—

8 “(A) the measure development procedures,  
9 including any barriers to measure development;

10 “(B) the compliance with reporting on the  
11 performance measures, including any barriers  
12 to such compliance; and

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

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

18 **SEC. 9. INCREASING GRADUATE MEDICAL EDUCATION**  
19 **TRANSPARENCY.**

20 (a) IN GENERAL.—Not later than 2 years after the  
21 date of the enactment of this Act, and annually thereafter,  
22 the Secretary of Health and Human Services shall submit  
23 to Congress and the National Health Care Workforce  
24 Commission a report on the graduate medical education  
25 payments that hospitals receive under the Medicare pro-

1 gram. The report shall include the following information  
2 with respect to each hospital that receives such payments:

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

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

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

12 (4) The number of full-time-equivalent residents  
13 counted for purposes of making the payments de-  
14 scribed in paragraph (1).

15 (5) The number of full-time-equivalent residents  
16 counted for purposes of making the payments de-  
17 scribed in paragraph (3).

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

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

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

1 (A) the costs of trauma, burn, other stand-  
2 by services;

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

5 (C) the cost of uncompensated care;

6 (D) financial losses with respect to Med-  
7 icaid patients; and

8 (E) uncompensated costs of clinical re-  
9 search.

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

11 (a) ON PHYSICIAN WORKFORCE.—

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

17 (2) REPORT.—Not later than January 1, 2015,  
18 the Comptroller General shall submit to Congress a  
19 report on the study conducted under subsection (a),  
20 together with recommendations for such legislation  
21 and administrative action as the Comptroller Gen-  
22 eral determines appropriate.

23 (b) ON STRATEGIES FOR INCREASING DIVERSITY.—

24 (1) STUDY.—The Comptroller General of the  
25 United States shall conduct a study on strategies for

1 increasing the diversity of the health professional  
2 workforce. Such study shall include an analysis of  
3 strategies for increasing the number of health pro-  
4 fessionals from rural, lower income, and under-rep-  
5 resented minority communities, including which  
6 strategies are most effective for achieving such goal.

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

14 (c) ON PROTECTING OLDER ADULTS.—

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

20 (2) REPORT.—Not later than 2 years after the  
21 date of the enactment of this Act, the Comptroller  
22 General shall submit to Congress a report on such  
23 study, including such recommendations for legisla-

- 1 tion and administrative action as the Comptroller
- 2 General determines appropriate based on such study.

○