

107TH CONGRESS
2^D SESSION

S. 1954

To establish a demonstration project under the medicare program under title XVIII of the Social Security Act to provide the incentives necessary to attract educators and clinical practitioners to underserved areas.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 14, 2002

Mr. FEINGOLD (for himself, Ms. COLLINS, Mr. KOHL, and Mr. DAYTON) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To establish a demonstration project under the medicare program under title XVIII of the Social Security Act to provide the incentives necessary to attract educators and clinical practitioners to underserved areas.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Graduate Medical Edu-
5 cation Demonstration Act of 2002”.

6 **SEC. 2. CLINICAL ROTATION DEMONSTRATION PROJECT.**

7 (a) ESTABLISHMENT.—Not later than 6 months after
8 the date of enactment of this Act, the Secretary shall es-

1 establish a demonstration project that provides for dem-
2 onstration grants designed to provide financial or other
3 incentives to hospitals to attract educators and clinical
4 practitioners so that hospitals that serve beneficiaries
5 under the medicare program under title XVIII of the So-
6 cial Security Act (42 U.S.C. 1395 et seq.) who are resi-
7 dents of underserved areas may host clinical rotations.

8 (b) DURATION OF PROJECT.—The demonstration
9 project shall be conducted over a 5-year period.

10 (c) FUNDING.—

11 (1) IN GENERAL.—Subject to paragraph (2),
12 the Secretary shall pay the costs of the demonstra-
13 tion project conducted under this section from the
14 Federal Hospital Insurance Trust Fund under sec-
15 tion 1817 of the Social Security Act (42 U.S.C.
16 1395i).

17 (2) CAP ON FUNDING.—The Secretary may not
18 expend more than \$20,000,000 to conduct the dem-
19 onstration project under this section.

20 (3) BUDGET NEUTRALITY FOR DEMONSTRA-
21 TION PROJECT.—Notwithstanding any other provi-
22 sion of law, the Secretary shall provide for an appro-
23 priate reduction in the aggregate amount of addi-
24 tional payments made under subsection (d)(5)(B) of
25 section 1886 of the Social Security Act (42 U.S.C.

1 1395ww) for the indirect costs of medical education
2 and for direct graduate medical education costs
3 under subsection (h) of such section to reflect any
4 increase in amounts expended from the Federal Hos-
5 pital Insurance Trust Fund as a result of the dem-
6 onstration project conducted under this section.

7 (d) REPORTS.—The Secretary shall submit to the ap-
8 propriate committees of Congress interim reports on the
9 demonstration project and a final report on such project
10 within 6 months after the conclusion of the project to-
11 gether with recommendations for such legislative or ad-
12 ministrative action as the Secretary determines appro-
13 priate.

14 (e) WAIVER.—The Secretary shall waive such provi-
15 sions of titles XI and XVIII of the Social Security Act
16 (42 U.S.C. 1301 et seq. and 1395 et seq.) as may be nec-
17 essary to conduct the demonstration project under this
18 section.

19 (f) DEFINITIONS.—In this section:

20 (1) HOSPITAL.—The term “hospital” means
21 any subsection (d) hospital (as defined in section
22 1886(d)(1)(B) of the Social Security Act (42 U.S.C.
23 1395ww(d)(1)(B)) that had indirect or direct costs
24 of medical education during the most recent cost re-

1 porting period preceding the date of enactment of
2 this Act.

3 (2) SECRETARY.—The term “Secretary” means
4 the Secretary of Health and Human Services.

5 (3) UNDERSERVED AREA.—The term “under-
6 served area” means such medically underserved
7 urban areas and medically underserved rural areas
8 as the Secretary may specify.

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