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112TH CONGRESS
2D SESSION

S. 3201

To reform graduate medical education payments, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 17, 2012

Mr. REED (for himself and Mr. KYL) introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To reform graduate medical education payments, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Graduate Medical Education Reform Act of 2012''.

SEC. 2. MEDICARE INDIRECT MEDICAL EDUCATION PERFORMANCE ADJUSTMENT.

Section 1886 of the Social Security Act (42 U.S.C. 1395ww) is amended by adding at the end the following new subsection:

"(t) INDIRECT MEDICAL EDUCATION PERFORMANCE ADJUSTMENTS.—

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

"(2) ADJUSTMENTS TO BEGIN IN FISCAL YEAR 2017.—The adjustments shall apply to payments for discharges occurring—

"(A) with respect to the adjustments for reporting under paragraph (8)(A), during fiscal year 2017; and

"(B) with respect to the adjustments for performance under paragraph (8)(B), on or after October 1, 2017.

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

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

"(B) a variety of settings and systems;

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

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

"(E) interprofessional and multidisciplinary care teams;

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

"(G) the use of health information technology.

"(4) MEASURE DEVELOPMENT PROCESS.—

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

"(i) shall—

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

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

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

"(B) PROPOSED SET OF INITIAL MEASURES.—Not later than July 1, 2014, the Secretary shall publish in the Federal Register a proposed initial set of measures for use under this subsection. The Secretary shall provide for a period of public comment on such measures.

"(C) FINAL SET OF INITIAL MEASURES.—Not later than January 1, 2015, the Secretary shall publish in the Federal Register the set of initial measures to be specified by the Secretary for use under this subsection.

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

"(5) PERFORMANCE STANDARDS.—The Secretary shall establish performance standards with re-

spect to measures specified by the Secretary under this subsection for a performance period for a fiscal year (as established under paragraph (6)).

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

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

"(8) ADJUSTMENTS.—

"(A) REPORTING FOR FISCAL YEAR 2017.—For fiscal year 2017, in the case of a hospital that does not submit, to the Secretary in accordance with this subsection, data required to be submitted under paragraph (7) for a period (determined appropriate by the Secretary) for such fiscal year, the total amount that the hospital would otherwise receive under subsection (d)(5)(B) for discharges in such fiscal year shall be reduced by 0.5 percent.

"(B) PERFORMANCE FOR FISCAL YEAR 2018 AND SUBSEQUENT FISCAL YEARS.—

"(i) IN GENERAL.—Subject to clause (ii), based on the performance of each hospital with respect to compliance with the measures for a performance period for a fiscal year (beginning with fiscal year 2018), the Secretary shall determine the amount of any adjustment under this subparagraph to payments to the hospital under subsection (d)(5)(B) for discharges in such fiscal year. Such adjustment may not exceed an amount equal to 3 percent of the total amount that the hospital would otherwise receive under such subsection for discharges in such fiscal year.

"(ii) BUDGET NEUTRAL.—In making adjustments under this subparagraph, the Secretary shall ensure that the total amount of payments made to all hospitals under subsection (d)(5)(B) for discharges in a fiscal year is equal to the total amount of payments that would have been made to such hospitals under such subsection for

discharges in such fiscal year if this subsection had not been enacted.

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

"(10) EVALUATION OF SUBMISSION OF PERFORMANCE MEASURES.—Not later January 1, 2017, the Secretary shall submit to Congress a report on the implementation of this subsection, including—

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

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

"(C) recommendations to address any barriers described in subparagraph (A) or (B).

"(11) DEFINITION OF HOSPITAL.—In this subsection, the term 'hospital' means a hospital the receives payments under subsection (d)(5)(B).".

SEC. 3. INCREASING GRADUATE MEDICAL EDUCATION TRANSPARENCY.

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

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

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

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

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

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

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

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

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

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

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

(C) the cost of uncompensated care;

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

(E) uncompensated costs of clinical research.

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