

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3294

To amend title XVIII of the Social Security Act to include services provided at any Federally-qualified health center by interns and residents in a medical residency training program of a hospital in determining the amount of payment to the hospital under the medicare program for the costs of graduate medical education if the hospital incurs any of the costs of providing the services, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 15, 1993

Mr. BARRETT of Wisconsin introduced the following bill; which was referred jointly to the Committees on Ways and Means and Energy and Commerce

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## A BILL

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Frontline Medical  
3 Education Act”.

4 **SEC. 2. INCLUDING SERVICES OF INTERNS AND RESIDENTS**

5 **AT ANY FEDERALLY-QUALIFIED HEALTH**  
6 **CENTER UNDER ANY PROGRAM PAID FOR BY**  
7 **A HOSPITAL IN DETERMINING MEDICARE**  
8 **PAYMENTS FOR GRADUATE MEDICAL EDU-**  
9 **CATION.**

10 (a) PAYMENT FOR DIRECT COSTS OF GRADUATE  
11 MEDICAL EDUCATION.—Section 1886(h)(4)(E) of the So-  
12 cial Security Act (42 U.S.C. 1395ww(h)(4)(E)) is amend-  
13 ed by striking “setting.” and inserting the following: “set-  
14 ting (or, in the case of activities performed at an Feder-  
15 ally-qualified health center described in section  
16 1861(aa)(4), if the hospital incurs any of the costs for the  
17 training program at such center and reimburses the center  
18 for any of the costs of the program that the center in-  
19 curs).”.

20 (b) PAYMENT FOR INDIRECT COSTS OF GRADUATE  
21 MEDICAL EDUCATION.—Section 1886(d)(5)(B)(iv) of  
22 such Act (42 U.S.C. 1395ww(d)(5)(B)(iv)), as amended  
23 by section 13506 of the Omnibus Budget Reconciliation  
24 Act of 1993, is amended—

25 (1) by striking “entity receiving a grant” and  
26 all that follows through “control of the hospital” and

1 inserting “Federally-qualified health center described  
2 in section 1861(aa)(4)”;

3 (2) by striking “all, or substantially all, of the  
4 costs” and inserting “any of the costs”; and

5 (3) by striking “residents)” and inserting “resi-  
6 dents and reimburses the center for any of the costs  
7 of the program that the center incurs)”.

8 (c) EFFECTIVE DATE.—The amendments made by  
9 subsections (a) and (b) shall apply to services furnished  
10 during cost reporting periods beginning on or after Octo-  
11 ber 1, 1994.

12 **SEC. 3. MEDICARE PAYMENT FOR DIRECT MEDICAL EDU-**  
13 **CATION COSTS OF FEDERALLY-QUALIFIED**  
14 **HEALTH CENTERS.**

15 (a) IN GENERAL.—Title XVIII of the Social Security  
16 Act (42 U.S.C. 1395 et seq.) is amended by inserting after  
17 section 1889 the following new section:

18 “GRADUATE MEDICAL EDUCATION PAYMENTS FOR  
19 FEDERALLY-QUALIFIED HEALTH CENTERS

20 “SEC. 1890. (a) IN GENERAL.—Notwithstanding any  
21 other provision of this title, in the case of any Federally-  
22 qualified health center that participates in an approved  
23 medical residency training program, in addition to any  
24 other payments that may be made to the center under this  
25 title, the Secretary shall provide for payment to the center

1 for direct graduate medical education costs in accordance  
2 with subsection (b).

3 “(b) DETERMINATION OF AMOUNT OF PAYMENT.—

4 “(1) IN GENERAL.—Subject to paragraph (4),  
5 the amount of payment made to a Federally-quali-  
6 fied health center under this section for direct medi-  
7 cal education for a fiscal year is equal to the product  
8 of—

9 “(A) the aggregate approved amount (as  
10 defined in paragraph (2)) for the year; and

11 “(B) the center’s medicare patient load (as  
12 defined in subsection (d)(2)) for the year.

13 “(2) AGGREGATE APPROVED AMOUNT.—In  
14 paragraph (1), the term ‘aggregate approved  
15 amount’ means, for a fiscal year, the product of—

16 “(A) the approved FTE resident amount  
17 (determined under paragraph (3)) for the year;  
18 and

19 “(B) the weighted average number of full-  
20 time equivalent residents (as determined by the  
21 Secretary in a manner similar to the manner  
22 used to determine the number of such residents  
23 under section 1886(h)(4)) providing services for  
24 the center under the approved medical resi-

1            gency training program in which the center par-  
2            ticipates during the year.

3            “(3) DETERMINATION OF APPROVED FTE RESI-  
4            DENT AMOUNT.—

5                    “(A) IN GENERAL.—For each approved  
6            medical residency training program, the Sec-  
7            retary shall determine an approved FTE resi-  
8            dent amount for each fiscal year (beginning  
9            with fiscal year 1995) equal to 250 percent of  
10           the national average salary for the year (as de-  
11           fined in subparagraph (B)(ii)).

12                   “(B) DETERMINATION OF NATIONAL AV-  
13           ERAGE SALARY.—

14                    “(i) DETERMINATION OF BASE  
15            AMOUNT.—The Secretary shall determine a  
16            base salary amount equal to the Sec-  
17            retary’s estimate (using the most recent  
18            available audited cost reports) of the na-  
19            tional average salary, including fringe ben-  
20            efits, for a full-time-equivalent resident in  
21            an approved medical residency training  
22            program during fiscal year 1990, increased  
23            (in a compounded manner) by the sum of  
24            the estimated percentage changes in the  
25            consumer price index during the 12-month

1 periods between the midpoint of fiscal year  
2 1990 and the midpoint of fiscal year 1994.

3 “(ii) NATIONAL AVERAGE SALARY DE-  
4 FINED.—In this paragraph, the ‘national  
5 average salary’ for a fiscal year is equal  
6 to—

7 “(I) for fiscal year 1995, the  
8 base amount determined under clause  
9 (i) updated through the midpoint of  
10 the year by projecting the estimated  
11 percentage change in the consumer  
12 price index during the 12-month pe-  
13 riod ending at that midpoint (with ap-  
14 propriate adjustments to reflect pre-  
15 vious under- or over-estimations under  
16 this subparagraph in the projected  
17 percentage change in the consumer  
18 price index); and

19 “(II) for a subsequent fiscal year,  
20 the amount determined under this  
21 clause for the previous fiscal year up-  
22 dated through the midpoint of the  
23 year by projecting the estimated per-  
24 centage change in the consumer price  
25 index during the 12-month period

1 ending at that midpoint (with appro-  
2 priate adjustments to reflect previous  
3 under- or over-estimations under this  
4 subparagraph in the projected per-  
5 centage change in the consumer price  
6 index).

7 “(4) OFFSET FOR REIMBURSEMENT RECEIVED  
8 DIRECTLY THROUGH HOSPITALS.—The amount of  
9 payment made to a Federally-qualified health center  
10 under this subsection with respect to costs incurred  
11 by the center shall be reduced by the amount of any  
12 payment received by the center from a hospital  
13 under section 1886(d)(5)(B)(iv) or section  
14 1886(h)(4)(E) as reimbursement for such costs.

15 “(c) ALLOCATION OF PAYMENTS AMONG TRUST  
16 FUNDS.—In providing for payments under this section,  
17 the Secretary shall provide for an allocation of such pay-  
18 ments between part A and part B (and the trust funds  
19 established under the respective parts) as reasonably re-  
20 flects the proportion of direct graduate medical costs of  
21 Federally-qualified health centers associated with the pro-  
22 vision of services under each respective part.

23 “(d) DEFINITIONS.—In this section:

24 “(1) The terms ‘approved medical residency  
25 training program’, ‘consumer price index’, ‘direct

1 graduate medical education costs', and 'resident'  
2 have the meaning given such terms under section  
3 1886(h)(5).

4 “(2) The term ‘Federally-qualified health cen-  
5 ter’ has the meaning given such term under section  
6 1861(aa)(4).

7 “(3) The term ‘medicare patient load’ means,  
8 with respect to a Federally-qualified health center  
9 for a year, the fraction of the center’s services dur-  
10 ing the year which are attributable to individuals en-  
11 titled to benefits under this title (based on such  
12 measure of services as the Secretary determines to  
13 be appropriate for purposes of this section).”.

14 (b) EFFECTIVE DATE.—The amendment made by  
15 subsection (a) shall apply to services furnished during cost  
16 reporting periods beginning on or after October 1, 1994.

17 **SEC. 4. REPEAL OF APPLICATION OF PRODUCTIVITY**  
18 **SCREENS FOR CENTERS RECEIVING PAY-**  
19 **MENTS FOR MEDICAL EDUCATION.**

20 Section 1861(aa) of the Social Security Act (42  
21 U.S.C. 1395x(aa)) is amended by adding at the end the  
22 following new paragraph:

23 “(8)(A) In the case of a Federally-qualified health  
24 center receiving any medical education payment described  
25 in subparagraph (B) during a cost reporting period, the

1 Secretary shall waive the application of any screening  
2 guideline used to determine the productivity of practition-  
3 ers providing services at the center for purposes of para-  
4 graph (3) or (4).

5 “(B) A medical education payment described in this  
6 subparagraph is a payment made to a Federally-qualified  
7 health center—

8 “(i) by a hospital as reimbursement to the cen-  
9 ter for medical education costs, as described in sec-  
10 tion 1886(d)(5)(B)(iv) or section 1886(h)(4)(E); or

11 “(ii) by the Secretary under section 1890.”.

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