114TH CONGRESS
1ST SESSION

S. 1148

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

IN THE SENATE OF THE UNITED STATES

APRIL 30, 2015

Mr. NELSON (for himself, Mr. REID, and Mr. SCHUMER) introduced the following bill; which was read twice and referred to the Committee on Finance

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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.**

4 This Act may be cited as the "Resident Physician
5 Shortage Reduction Act of 2015".

6 **SEC. 2. DISTRIBUTION OF ADDITIONAL RESIDENCY POSI-**
7 **TIONS.**

8 (a) IN GENERAL.—Section 1886(h) of the Social Se-
9 curity Act (42 U.S.C. 1395ww(h)) is amended—

1 (1) in paragraph (4)(F)(i), by striking "para-
2 graphs (7) and (8)" and inserting "paragraphs (7),
3 (8), and (9)";
4 (2) in paragraph (4)(H)(i), by striking "para-
5 graphs (7) and (8)" and inserting "paragraphs (7),
6 (8), and (9)";
7 (3) in paragraph (7)(E), by inserting "para-
8 graph (9)," after "paragraph (8),"; and
9 (4) by adding at the end the following new
10 paragraph:
11 "(9) DISTRIBUTION OF ADDITIONAL RESIDENCY
12 POSITIONS.—
13 "(A) ADDITIONAL RESIDENCY POSI-
14 TIONS.—
15 "(i) IN GENERAL.—For each of fiscal
16 years 2017 through 2021 (and succeeding
17 fiscal years if the Secretary determines
18 that there are additional residency posi-
19 tions available to distribute under clause
20 (iii)(II)), the Secretary shall increase the
21 otherwise applicable resident limit for each
22 qualifying hospital that submits a timely
23 application under this subparagraph by
24 such number as the Secretary may approve
25 for portions of cost reporting periods oc-

curring on or after July 1 of the fiscal year of the increase. Except as provided in clause (iii), the aggregate number of increases in the otherwise applicable resident limit under this subparagraph shall be equal to 3,000 in each of fiscal years 2017 through 2021, of which at least 1,500 in each such fiscal year shall be used for full-time equivalent residents training in a shortage specialty residency program (as defined in subparagraph (F)(iii)).

"(ii) PROCESS FOR DISTRIBUTING POSITIONS.—

"(I) ROUNDS OF APPLICATIONS.—The Secretary shall initiate 5 separate rounds of applications for an increase under clause (i), 1 round with respect to each of fiscal years 2017 through 2021.

"(II) NUMBER AVAILABLE.—In each of such rounds, the aggregate number of positions available for distribution in the fiscal year as a result of an increase in the otherwise applicable resident limit (as described in

1 clause (i)) shall be distributed, plus
2 any additional positions available
3 under clause (iii).
4 "(III) TIMING.—The Secretary
5 shall notify hospitals of the number of
6 positions distributed to the hospital
7 under this paragraph as result of an
8 increase in the otherwise applicable
9 resident limit by January 1 of the fis-
10 cal year of the increase. Such increase
11 shall be effective for portions of cost
12 reporting periods beginning on or
13 after July 1 of that fiscal year.
14 "(iii) POSITIONS NOT DISTRIBUTED
15 DURING THE FISCAL YEAR.—
16 "(I) IN GENERAL.—If the num-
17 ber of resident full-time equivalent po-
18 sitions distributed under this para-
19 graph in a fiscal year is less than the
20 aggregate number of positions avail-
21 able for distribution in the fiscal year
22 (as described in clause (i), including
23 after application of this subclause),
24 the difference between such number
25 distributed and such number available

1 for distribution shall be added to the
2 aggregate number of positions avail-
3 able for distribution in the following
4 fiscal year.
5 "(II) EXCEPTION IF POSITIONS
6 NOT DISTRIBUTED BY END OF FISCAL
7 YEAR 2021.—If the aggregate number
8 of positions distributed under this
9 paragraph during the 5-year period of
10 fiscal years 2017 through 2021 is less
11 than 15,000, the Secretary shall, in
12 accordance with the considerations de-
13 scribed in subparagraph (B)(i) and
14 the priority described in subparagraph
15 (B)(ii), conduct an application and
16 distribution process in each subse-
17 quent fiscal year until such time as
18 the aggregate amount of positions dis-
19 tributed under this paragraph is equal
20 to 15,000.
21 "(B) DISTRIBUTION TO CERTAIN HOS-
22 PITALS.—
23 "(i) CONSIDERATION IN DISTRIBU-
24 TION.—In determining for which hospitals
25 the increase in the otherwise applicable

1 resident limit is provided under subpara-
2 graph (A), the Secretary shall take into ac-
3 count the demonstrated likelihood of the
4 hospital filling the positions made available
5 under this paragraph within the first 5
6 cost reporting periods beginning after the
7 date the increase would be effective, as de-
8 termined by the Secretary.

9 ''(ii) PRIORITY FOR CERTAIN HOS-
10 PITALS.—Subject to clause (iii), in deter-
11 mining for which hospitals the increase in
12 the otherwise applicable resident limit is
13 provided under subparagraph (A), the Sec-
14 retary shall distribute the increase in the
15 following priority order:

16 ''(I) First, to hospitals in States
17 with (aa) new medical schools that re-
18 ceived 'Candidate School' status from
19 the Liaison Committee on Medical
20 Education or that received 'Pre-Ac-
21 creditation' status from the American
22 Osteopathic Association Commission
23 on Osteopathic College Accreditation
24 on or after January 1, 2000, and that
25 have achieved or continue to progress

1 toward 'Full Accreditation' status (as
2 such term is defined by the Liaison
3 Committee on Medical Education) or
4 toward 'Accreditation' status (as such
5 term is defined by the American Os-
6 teopathic Association Commission on
7 Osteopathic College Accreditation), or
8 (bb) additional locations and branch
9 campuses established on or after Jan-
10 uary 1, 2000, by medical schools with
11 'Full Accreditation' status (as such
12 term is defined by the Liaison Com-
13 mittee on Medical Education) or 'Ac-
14 creditation' status (as such term is
15 defined by the American Osteopathic
16 Association Commission on Osteo-
17 pathic College Accreditation).
18 "(II) Second, to hospitals in
19 which the resident level of the hospital
20 is greater than the otherwise applica-
21 ble resident limit during the most re-
22 cent cost reporting period ending on
23 or before the date of enactment of
24 this paragraph.

1 "(III) Third, to hospitals with
2 which the Secretary cooperates under
3 section 7302(d) of title 38, United
4 States Code;
5 "(IV) Fourth, to hospitals that
6 emphasize training in community-
7 based settings or in hospital out-
8 patient departments.
9 "(V) Fifth, to hospitals that are
10 meaningful EHR users (as defined in
11 subsection (n)(3)) for the fiscal year
12 which includes the date the hospital
13 submits an application for such in-
14 crease under subparagraph (A).
15 "(VI) Sixth, 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 an in-
21 crease under subparagraph (A) to a lower
22 priority group under clause (ii) if all quali-
23 fying hospitals in the higher priority group
24 or groups have received the maximum
25 number of increases under such subpara-

1 graph that the hospital is eligible for under
2 this paragraph for the fiscal year.
3 ‘‘(C) REQUIREMENTS FOR USE OF ADDI-
4 TIONAL POSITIONS.—
5 ‘‘(i) IN GENERAL.—Subject to clause
6 (ii), a hospital that receives an increase in
7 the otherwise applicable resident limit
8 under subparagraph (A) shall ensure, dur-
9 ing the 5-year period beginning on the ef-
10 fective date of such increase, that—
11 ‘‘(I) not less than 50 percent of
12 the positions attributable to such in-
13 crease are used to train full-time
14 equivalent residents in a shortage spe-
15 cialty residency program (as defined
16 in subclause (F)(iii)), as determined
17 by the Secretary at the end of such 5-
18 year period;
19 ‘‘(II) the total number of full-
20 time equivalent residents, excluding
21 any additional positions attributable
22 to such increase, is not less than the
23 average number of full-time equivalent
24 residents during the 3 most recent
25 cost reporting periods ending on or

1 before the effective date of such in-
2 crease; and
3 "(III) the ratio of full-time equiv-
4 alent residents in a shortage specialty
5 residency program (as so defined) is
6 not less than the average ratio of full-
7 time equivalent residents in such a
8 program during the 3 most recent
9 cost reporting periods ending on or
10 before the effective date of such in-
11 crease.
12 "(ii) REDISTRIBUTION OF POSITIONS
13 IF HOSPITAL NO LONGER MEETS CERTAIN
14 REQUIREMENTS.—In the case where the
15 Secretary determines that a hospital de-
16 scribed in clause (i) does not meet the re-
17 quirements of such clause, the Secretary
18 shall—
19 "(I) reduce the otherwise applica-
20 ble resident limit of the hospital by
21 the amount by which such limit was
22 increased under this paragraph; and
23 "(II) provide for the distribution
24 of positions attributable to such re-

1 duction in accordance with the re-
2 quirements of this paragraph.
3 ''(D) LIMITATION.—
4 ''(i) IN GENERAL.—Except as pro-
5 vided in clause (ii), a hospital may not re-
6 ceive more than 75 full-time equivalent ad-
7 ditional residency positions in the aggre-
8 gate under this paragraph over the period
9 of fiscal years 2017 through 2021.
10 ''(ii) INCREASE IN NUMBER OF ADDI-
11 TIONAL POSITIONS A HOSPITAL MAY RE-
12 CEIVE.—The Secretary shall increase the
13 aggregate number of full-time equivalent
14 additional residency positions a hospital
15 may receive under this paragraph over
16 such period if the Secretary estimates that
17 the number of positions available for dis-
18 tribution under subparagraph (A) exceeds
19 the number of applications approved under
20 such subparagraph over such period.
21 ''(E) APPLICATION OF PER RESIDENT
22 AMOUNTS FOR PRIMARY CARE AND NONPRI-
23 MARY CARE.—With respect to additional resi-
24 dency positions in a hospital attributable to the
25 increase provided under this paragraph, the ap-

1 proved FTE per resident amounts are deemed
2 to be equal to the hospital per resident amounts
3 for primary care and nonprimary care com-
4 puted under paragraph (2)(D) for that hospital.
5 “(F) DEFINITIONS.—In this paragraph:
6 “(i) OTHERWISE APPLICABLE RESI-
7 DENT LIMIT.—The term ‘otherwise appli-
8 cable resident limit’ means, with respect to
9 a hospital, the limit otherwise applicable
10 under subparagraphs (F)(i) and (H) of
11 paragraph (4) on the resident level for the
12 hospital determined without regard to this
13 paragraph but taking into account para-
14 graphs (7)(A), (7)(B), (8)(A), and (8)(B).
15 “(ii) RESIDENT LEVEL.—The term
16 ‘resident level’ has the meaning given such
17 term in paragraph (7)(C)(i).
18 “(iii) SHORTAGE SPECIALTY RESI-
19 DENCY PROGRAM.—The term ‘shortage
20 specialty residency program’ means the fol-
21 lowing:
22 “(I) PRIOR TO REPORT ON
23 SHORTAGE SPECIALTIES.—Prior to
24 the date on which the report of the
25 National Health Care Workforce

1 Commission is submitted under sec-
2 tion 3 of the Resident Physician
3 Shortage Reduction Act of 2015, any
4 approved residency training program
5 in a specialty identified in the report
6 entitled 'The Physician Workforce:
7 Projections and Research into Current
8 Issues Affecting Supply and Demand',
9 issued in December 2008 by the
10 Health Resources and Services Ad-
11 ministration, as a specialty whose
12 baseline physician requirements pro-
13 jections exceed the projected supply of
14 total active physicians for the period
15 of 2005 through 2020.

16 "(II) AFTER REPORT ON SHORT-
17 AGE SPECIALTIES.—On or after the
18 date on which the report of the Na-
19 tional Health Care Workforce Com-
20 mission is submitted under such sec-
21 tion, any approved residency training
22 program in a physician specialty iden-
23 tified in such report as a specialty for
24 which there is a shortage.".

25 (b) IME.—

1 (1) IN GENERAL.—Section 1886(d)(5)(B)(v) of
2 the Social Security Act (42 U.S.C.
3 1395ww(d)(5)(B)(v)), in the third sentence, is
4 amended by striking "and (h)(8)" and inserting
5 "(h)(8), and (h)(9)".
6 (2) CONFORMING PROVISION.—Section
7 1886(d)(5)(B) of the Social Security Act (42 U.S.C.
8 1395ww(d)(5)(B)) is amended—
9 (A) by redesignating clause (x), as added
10 by section 5505(b) of the Patient Protection
11 and Affordable Care Act (Public Law 111–
12 148), as clause (xi) and moving such clause 4
13 ems to the left; and
14 (B) by adding after clause (xi), as redesig-
15 nated by subparagraph (A), the following new
16 clause:
17 "(xii) For discharges occurring on or after July
18 1, 2017, insofar as an additional payment amount
19 under this subparagraph is attributable to resident
20 positions distributed to a hospital under subsection
21 (h)(9), the indirect teaching adjustment factor shall
22 be computed in the same manner as provided under
23 clause (ii) with respect to such resident positions.".

1 **SEC. 3. STUDY AND REPORT BY NATIONAL HEALTH CARE**
2 **WORKFORCE COMMISSION.**

3 (a) STUDY.—The National Health Care Workforce
4 Commission established under section 5101 of the Patient
5 Protection and Affordable Care Act (Public Law 111–
6 148) shall conduct a study of the physician workforce.
7 Such study shall include the identification of physician
8 specialties for which there is a shortage, as defined by the
9 Commission.

10 (b) REPORT.—Not later than January 1, 2018, the
11 National Health Care Workforce Commission shall submit
12 to Congress a report on the study conducted under sub-
13 section (a), together with recommendations for such legis-
14 lation and administrative action as the Commission deter-
15 mines appropriate.

16 **SEC. 4. STUDY AND REPORT ON STRATEGIES FOR INCREAS-**
17 **ING DIVERSITY.**

18 (a) STUDY.—The Comptroller General of the United
19 States (in this section referred to as the ''Comptroller
20 General'') shall conduct a study on strategies for increas-
21 ing the diversity of the health professional workforce. Such
22 study shall include an analysis of strategies for increasing
23 the number of health professionals from rural, lower in-
24 come, and underrepresented minority communities, includ-
25 ing which strategies are most effective for achieving such
26 goal.

1 (b) REPORT.—Not later than 2 years after the date
2 of the enactment of this Act, the Comptroller General shall
3 submit to Congress a report on the study conducted under
4 subsection (a), together with recommendations for such
5 legislation and administrative action as the Comptroller
6 General determines appropriate.

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