

1 ceding sentence shall remain available until ex-
2 pended.

3 (f) **MEDPAC REVIEW OF PAYMENTS TO RURAL**
4 **EMERGENCY HOSPITALS.**—Each report submitted by the
5 Medicare Payment Advisory Commission under section
6 1805(b)(1)(C) of the Social Security Act (42 U.S.C.
7 1395b–6(b)(1)(C)) (beginning with 2024), shall include a
8 review of payments to rural emergency hospitals under
9 section 1834(x), as added by subsection (a).

10 (g) **EFFECTIVE DATE.**—The amendments made by
11 this section shall apply to items and services furnished on
12 or after January 1, 2023.

13 **SEC. 126. DISTRIBUTION OF ADDITIONAL RESIDENCY POSI-**
14 **TIONS.**

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

17 (1) in paragraph (4)(F)(i), by striking “para-
18 graphs (7) and (8)” and inserting “paragraphs (7),
19 (8), and (9)”;

20 (2) in paragraph (4)(H)(i), by striking “para-
21 graphs (7) and (8)” and inserting “paragraphs (7),
22 (8), and (9)”;

23 (3) in paragraph (7)(E), by inserting “para-
24 graph (9),” after “paragraph (8),”; and

1 (4) by adding at the end the following new
2 paragraph:

3 “(9) DISTRIBUTION OF ADDITIONAL RESIDENCY
4 POSITIONS.—

5 “(A) ADDITIONAL RESIDENCY POSI-
6 TIONS.—

7 “(i) IN GENERAL.—For fiscal year
8 2023, and for each succeeding fiscal year
9 until the aggregate number of full-time
10 equivalent residency positions distributed
11 under this paragraph is equal to the aggre-
12 gate number of such positions made avail-
13 able (as specified in clause (ii)(I)), the Sec-
14 retary shall, subject to the succeeding pro-
15 visions of this paragraph, increase the oth-
16 erwise applicable resident limit for each
17 qualifying hospital (as defined in subpara-
18 graph (F)) that submits a timely applica-
19 tion under this subparagraph by such
20 number as the Secretary may approve ef-
21 fective beginning July 1 of the fiscal year
22 of the increase.

23 “(ii) NUMBER AVAILABLE FOR DIS-
24 TRIBUTION.—

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1 “(I) TOTAL NUMBER AVAIL-
2 ABLE.—The aggregate number of
3 such positions made available under
4 this paragraph shall be equal to
5 1,000.

6 “(II) ANNUAL LIMIT.—The ag-
7 gregate number of such positions so
8 made available shall not exceed 200
9 for a fiscal year.

10 “(iii) PROCESS FOR DISTRIBUTING
11 POSITIONS.—

12 “(I) ROUNDS OF APPLICA-
13 TIONS.—The Secretary shall initiate a
14 separate round of applications for an
15 increase under clause (i) for each fis-
16 cal year for which such an increase is
17 to be provided.

18 “(II) TIMING.—The Secretary
19 shall notify hospitals of the number of
20 positions distributed to the hospital
21 under this paragraph as a result of an
22 increase in the otherwise applicable
23 resident limit by January 31 of the
24 fiscal year of the increase. Such in-

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1 crease shall be effective beginning
2 July 1 of such fiscal year.

3 “(B) DISTRIBUTION.—For purposes of
4 providing an increase in the otherwise applica-
5 ble resident limit under subparagraph (A), the
6 following shall apply:

7 “(i) CONSIDERATIONS IN DISTRIBUTION.—In determining for which qualifying
8 hospitals such an increase is provided
9 under subparagraph (A), the Secretary
10 shall take into account the demonstrated
11 likelihood of the hospital filling the posi-
12 tions made available under this paragraph
13 within the first 5 training years beginning
14 after the date the increase would be effec-
15 tive, as determined by the Secretary.

16 “(ii) MINIMUM DISTRIBUTION FOR
17 CERTAIN CATEGORIES OF HOSPITALS.—
18 With respect to the aggregate number of
19 such positions available for distribution
20 under this paragraph, the Secretary shall
21 distribute not less than 10 percent of such
22 aggregate number to each of the following
23 categories of hospitals:
24

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1 “(I) Hospitals that are located in
2 a rural area (as defined in section
3 1886(d)(2)(D)) or are treated as
4 being located in a rural area pursuant
5 to section 1886(d)(8)(E).

6 “(II) Hospitals in which the ref-
7 erence resident level of the hospital
8 (as specified in subparagraph (F)(iii))
9 is greater than the otherwise applica-
10 ble resident limit.

11 “(III) Hospitals in States with—

12 “(aa) new medical schools
13 that received ‘Candidate School’
14 status from the Liaison Com-
15 mittee on Medical Education or
16 that received ‘Pre-Accreditation’
17 status from the American Osteo-
18 pathic Association Commission
19 on Osteopathic College Accredita-
20 tion on or after January 1, 2000,
21 and that have achieved or con-
22 tinue to progress toward ‘Full
23 Accreditation’ status (as such
24 term is defined by the Liaison
25 Committee on Medical Edu-

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1 cation) or toward ‘Accreditation’
2 status (as such term is defined
3 by the American Osteopathic As-
4 sociation Commission on Osteo-
5 pathic College Accreditation); or

6 “(bb) additional locations
7 and branch campuses established
8 on or after January 1, 2000, by
9 medical schools with ‘Full Ac-
10 creditation’ status (as such term
11 is defined by the Liaison Com-
12 mittee on Medical Education) or
13 ‘Accreditation’ status (as such
14 term is defined by the American
15 Osteopathic Association Commis-
16 sion on Osteopathic College Ac-
17 creditation).

18 “(IV) Hospitals that serve areas
19 designated as health professional
20 shortage areas under section
21 332(a)(1)(A) of the Public Health
22 Service Act, as determined by the Sec-
23 retary.

24 “(C) LIMITATIONS.—

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1 “(i) IN GENERAL.—A hospital may
2 not receive more than 25 additional full-
3 time equivalent residency positions under
4 this paragraph.

5 “(ii) PROHIBITION ON DISTRIBUTION
6 TO HOSPITALS WITHOUT AN INCREASE
7 AGREEMENT.—No increase in the other-
8 wise applicable resident limit of a hospital
9 may be made under this paragraph unless
10 such hospital agrees to increase the total
11 number of full-time equivalent residency
12 positions under the approved medical resi-
13 dency training program of such hospital by
14 the number of such positions made avail-
15 able by such increase under this para-
16 graph.

17 “(D) 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 “(E) 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 “(F) 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) QUALIFYING HOSPITAL.—The
22 term ‘qualifying hospital’ means a hospital
23 described in any of subclauses (I) through
24 (IV) of subparagraph (B)(ii).

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

10 “(iv) RESIDENT LEVEL.—The term
11 ‘resident level’ has the meaning given such
12 term in paragraph (7)(C)(i).”.

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

15 (1) in clause (v), in the third sentence, by strik-
16 ing “and (h)(8)” and inserting “(h)(8), and (h)(9)”;

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

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

23 “(xii) For discharges occurring on or
24 after July 1, 2023, insofar as an additional
25 payment amount under this subparagraph

1 is attributable to resident positions distrib-
2 uted to a hospital under subsection (h)(9),
3 the indirect teaching adjustment factor
4 shall be computed in the same manner as
5 provided under clause (ii) with respect to
6 such resident positions.”.

7 (c) PROHIBITION ON JUDICIAL REVIEW.—Section
8 1886(h)(7)(E) of the Social Security Act (42 U.S.C.
9 1395ww-4(h)(7)(E)) is amended by inserting “paragraph
10 (9),” after “paragraph (8),”.

11 (d) REPORTS.—

12 (1) IN GENERAL.—Not later than September
13 30, 2025, and again not later than September 30,
14 2027, the Comptroller General of the United States
15 (in this subsection referred to as the “Comptroller
16 General”) shall conduct a study and submit to Con-
17 gress a report on—

18 (A) the distribution of additional full-time
19 equivalent resident positions under paragraph
20 (9) of section 1886(h) of the Social Security
21 Act, as added by subsection (a); and

22 (B) rural track and rotator programs
23 under such section.

24 (2) CONTENTS.—Each report described in para-
25 graph (1) shall include—

1 (A) a description of the distribution de-
2 scribed in paragraph (1)(A) and an analysis of
3 the use of such positions so distributed, includ-
4 ing a description of the effects of such distribu-
5 tion on rural track and rotator programs;

6 (B) a specification, with respect to each
7 hospital that has received such a distribution, of
8 whether such hospital has abided by the agree-
9 ment described in paragraph (9)(C)(ii) of sec-
10 tion 1886(h) of the Social Security Act, as
11 added by subsection (a); and

12 (C) to the extent practicable, a description
13 of—

14 (i) the type of program in which each
15 such position so distributed is being used;

16 (ii) the total number of full-time
17 equivalent residency positions available in
18 each such program;

19 (iii) the number of instances in which
20 residents filling such positions so distrib-
21 uted treated individuals entitled to benefits
22 under part A, or enrolled under part B, of
23 title XVIII of the Social Security Act (42
24 U.S.C. 1395 et seq.);

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1 (iv) the location where each resident
2 that filled a position so distributed went on
3 to practice.

4 **SEC. 127. PROMOTING RURAL HOSPITAL GME FUNDING OP-**
5 **PORTUNITY.**

6 Section 1886(h)(4)(H)(iv) of the Social Security Act
7 (42 U.S.C. 1395ww(h)(4)(iv)) is amended—

8 (1) by striking “(iv) NONRURAL HOSPITAL OP-
9 ERATING TRAINING PROGRAMS IN RURAL AREAS.—
10 In the case of” and inserting the following:

11 “(iv) TRAINING PROGRAMS IN RURAL
12 AREAS.—

13 “(I) COST REPORTING PERIODS
14 BEGINNING BEFORE OCTOBER 1,
15 2022.—For cost reporting periods be-
16 ginning before October 1, 2022, in the
17 case of”; and

18 (2) by adding at the end the following new sub-
19 clause:

20 “(II) COST REPORTING PERIODS
21 BEGINNING ON OR AFTER OCTOBER 1,
22 2022.—For cost reporting periods be-
23 ginning on or after October 1, 2022,
24 in the case of a hospital not located in
25 a rural area that established or estab-

1 lishes a medical residency training
2 program (or rural tracks) in a rural
3 area or establishes an accredited pro-
4 gram where greater than 50 percent
5 of the program occurs in a rural area,
6 the Secretary shall consistent with the
7 principles of subparagraphs (F) and
8 (G) and subject to paragraphs (7) and
9 (8), prescribe rules for the application
10 of such subparagraphs with respect to
11 such a program and, in accordance
12 with such rules, adjust in an appro-
13 priate manner the limitation under
14 subparagraph (F) for such hospital
15 and each such hospital located in a
16 rural area that participates in such a
17 training.”.

18 **SEC. 128. FIVE-YEAR EXTENSION OF THE RURAL COMMU-**
19 **NITY HOSPITAL DEMONSTRATION PROGRAM.**

20 (a) EXTENSION.—

21 (1) IN GENERAL.—Subsection (a)(5) of section
22 410A of the Medicare Prescription Drug, Improve-
23 ment, and Modernization Act of 2003 (Public Law
24 108–173; 42 U.S.C. 1395ww note), is amended by

1 striking “10-year extension period” and inserting
2 “15-year extension period”.

3 (2) CONFORMING AMENDMENTS FOR EXTEN-
4 SION.—

5 (A) EXTENSION OF DEMONSTRATION PE-
6 RIOD.—Subsection (g) of such section 410A is
7 amended—

8 (i) in the subsection heading, by strik-
9 ing “TEN-YEAR” and inserting “FIFTEEN-
10 YEAR”;

11 (ii) in paragraph (1)—

12 (I) by striking “additional 10-
13 year” and inserting “additional 15-
14 year”; and

15 (II) by striking “10-year exten-
16 sion period” and inserting “15-year
17 extension period”;

18 (iii) in paragraph (2), by striking “10-
19 year extension period” and inserting “15-
20 year extension period”;

21 (iv) in paragraph (3), by striking “10-
22 year extension period” and inserting “15-
23 year extension period”;

24 (v) in paragraph (4), by striking “10-
25 year extension period” each place it ap-

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1 pears and inserting “15-year extension pe-
2 riod”;

3 (vi) in paragraph (5), by striking “10-
4 year extension period” and inserting “15-
5 year extension period”; and

6 (vii) in subparagraph (A) of para-
7 graph (6), by striking “10-year extension
8 period” and inserting “15-year extension
9 period”.

10 (B) RULE FOR HOSPITALS THAT ARE NOT
11 ORIGINAL PARTICIPANTS IN THE DEMONSTRA-
12 TION.—Paragraph (5) of subsection (g) of such
13 section 410A is amended—

14 (i) by striking “PROGRAM.—During”
15 and inserting “PROGRAM.—
16 “(A) CURES ACT EXTENSION.—During”;
17 and

18 (ii) by adding at the end the following
19 new subparagraph:

20 “(B) ADDITIONAL EXTENSION.—During
21 the third 5 years of the 15-year extension pe-
22 riod, the Secretary shall apply the provisions of
23 paragraph (4) to rural community hospitals
24 that are not described in paragraph (4) but are
25 participating in the demonstration program

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1 under this section as of December 30, 2019, in
2 a similar manner as such provisions apply to
3 rural community hospitals described in para-
4 graph (4).”.

5 (b) CLARIFYING TECHNICAL AMENDMENTS.—Such
6 section 410A, as amended by subsection (a), is further
7 amended—

8 (1) in subsection (a)(1), by inserting “of Health
9 and Human Services” after “Secretary”;

10 (2) in subsection (f)(1)(A)(iv) by inserting “of
11 the Social Security Act (42 U.S.C. 1395i–4)” after
12 “section 1820”; and

13 (3) in subsection (g)—

14 (A) in the heading of paragraph (4), by
15 striking “HOSPITALS IN DEMONSTRATION PRO-
16 GRAM ON DATE OF ENACTMENT” and inserting
17 “HOSPITALS PARTICIPATING IN THE DEM-
18 ONSTRATION PROGRAM DURING THE INITIAL 5-
19 YEAR PERIOD”; and

20 (B) in paragraph (6)(A), by striking “not
21 later than 120 days after the date of the enact-
22 ment of this paragraph” and inserting “not
23 later than April 12, 2017”.

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1 **SEC. 129. EXTENSION OF FRONTIER COMMUNITY HEALTH**
2 **INTEGRATION PROJECT DEMONSTRATION.**

3 (a) IN GENERAL.—Subsection (f) of section 123 of
4 the Medicare Improvements for Patients and Providers
5 Act of 2008 (42 U.S.C. 1395i–4 note) is amended—

6 (1) in paragraph (1), by striking “3-year period
7 beginning on October 1, 2009” and inserting “3-
8 year period beginning on August 1, 2016 (referred
9 to in this section as the ‘initial period’), and 5-year
10 period beginning on July 1, 2021 (referred to in this
11 section as the ‘extension period’)”;

12 (2) in paragraph (2)—

13 (A) by striking “PROJECT.—The dem-
14 onstration” and inserting “PROJECT.—

15 “(A) INITIAL PERIOD.—During the initial
16 period, the demonstration”; and

17 (B) by adding at the end the following new
18 subparagraph:

19 “(B) EXTENSION PERIOD.—During the ex-
20 tension period, the demonstration project under
21 this section shall be considered to have begun in
22 a State on the date during such period on
23 which the eligible counties selected to partici-
24 pate in the demonstration project under sub-
25 section (d)(3) begin operations in accordance

1 with the requirements under the demonstration
2 project.”; and

3 (3) by adding at the end the following new
4 paragraph:

5 “(3) RE-ENTRY ON A ROLLING BASIS FOR EX-
6 TENSION PERIOD.—A critical access hospital partici-
7 pating in the demonstration project under this sec-
8 tion during the extension period shall begin such
9 participation in the cost reporting year that begins
10 on or after July 1, 2021.”.

11 (b) ELIGIBLE ENTITIES.—Subsection (d)(1) of such
12 section 123 is amended—

13 (1) in subparagraph (B), in the matter pre-
14 ceding clause (i), by striking “In this section” and
15 inserting “Subject to subparagraph (C), in this sec-
16 tion”; and

17 (2) by adding at the end the following new sub-
18 paragraph:

19 “(C) EXTENSION PERIOD.—An entity shall
20 only be eligible to participate in the demonstra-
21 tion project under this section during the exten-
22 sion period if the entity participated in the
23 demonstration project under this section during
24 the initial period.”.

1 (c) FUNDING.—Subsection (g)(1) of such section 123
2 is amended—

3 (1) in subparagraph (A)—

4 (A) by striking “IN GENERAL” and insert-
5 ing “INITIAL PERIOD”; and

6 (B) by inserting “with respect to the initial
7 period” before the period at the end; and

8 (2) by adding at the end the following new sub-
9 paragraph:

10 “(C) EXTENSION PERIOD.—The Secretary
11 shall provide for the transfer of \$10,000,000, in
12 appropriate part from the Federal Hospital In-
13 surance Trust Fund established under section
14 1817 of the Social Security Act (42 U.S.C.
15 1395i) and the Federal Supplementary Medical
16 Insurance Trust Fund established under section
17 1841 of such Act (42 U.S.C. 1395t), to the
18 Centers for Medicare & Medicaid Services for
19 the purposes of carrying out its duties under
20 the demonstration project under this section
21 with respect to the extension period.”.

22 **SEC. 130. IMPROVING RURAL HEALTH CLINIC PAYMENTS.**

23 Section 1833(f) of the Social Security Act (42 U.S.C.
24 1395l(f)) is amended—

25 (1) in paragraph (2)—

2225

1 (A) by inserting “(before April 1, 2021)”
2 after “in a subsequent year”; and

3 (B) by striking “this subsection” and in-
4 serting “this paragraph”;

5 (2) by redesignating paragraphs (1) and (2) as
6 subparagraphs (A) and (B), respectively;

7 (3) in the matter preceding subparagraph (A),
8 as redesignated by paragraph (2)—

9 (A) by inserting “(1)” after “(f)”; and

10 (B) by inserting “prior to April 1, 2021”
11 after “services provided”; and

12 (4) by adding at the end the following new
13 paragraphs:

14 “(2) In establishing limits under subsection (a) on
15 payment for rural health clinic services furnished on or
16 after April 1, 2021, by a rural health clinic (other than
17 a rural health clinic described in paragraph (3)(B)), the
18 Secretary shall establish such limit, for services pro-
19 vided—

20 “(A) in 2021, after March 31, at \$100 per
21 visit;

22 “(B) in 2022, at \$113 per visit;

23 “(C) in 2023, at \$126 per visit;

24 “(D) in 2024, at \$139 per visit;

25 “(E) in 2025, at \$152 per visit;

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1 “(F) in 2026, at \$165 per visit;

2 “(G) in 2027, at \$178 per visit;

3 “(H) in 2028, at \$190 per visit; and

4 “(I) in a subsequent year, at the limit estab-
5 lished under this paragraph for the previous year in-
6 creased by the percentage increase in the MEI appli-
7 cable to primary care services furnished as of the
8 first day of such subsequent year.

9 “(3)(A) In establishing limits under subsection (a) on
10 payment for rural health clinic services furnished on or
11 after April 1, 2021, by a rural health clinic described in
12 subparagraph (B), the Secretary shall establish such limit,
13 with respect to each such rural health clinic, for services
14 provided—

15 “(i) in 2021, after March 31, at an amount
16 equal to the greater of—

17 “(I) the per visit payment amount applica-
18 ble to such rural health clinic for rural health
19 clinic services furnished in 2020, increased by
20 the percentage increase in the MEI applicable
21 to primary care services furnished as of the
22 first day of 2021; or

23 “(II) the limit described in paragraph
24 (2)(A); and

2227

1 “(ii) in a subsequent year, at an amount equal
2 to the greater of—

3 “(I) the amount established under clause
4 (i)(I) or this subclause for the previous year
5 with respect to such rural health clinic, in-
6 creased by the percentage increase in the MEI
7 applicable to primary care services furnished as
8 of the first day of such subsequent year; or

9 “(II) the limit established under paragraph
10 (2) for such subsequent year.

11 “(B) A rural health clinic described in this subpara-
12 graph is a rural health clinic that, as of December 31,
13 2019, was—

14 “(i) in a hospital with less than 50 beds; and

15 “(ii) enrolled under section 1866(j).”.

16 **SEC. 131. MEDICARE GME TREATMENT OF HOSPITALS ES-**
17 **TABLISHING NEW MEDICAL RESIDENCY**
18 **TRAINING PROGRAMS AFTER HOSTING MED-**
19 **ICAL RESIDENT ROTATORS FOR SHORT DU-**
20 **RATIONS.**

21 (a) REDETERMINATION OF APPROVED FTE RESI-
22 DENT AMOUNT.—Section 1886(h)(2)(F) of the Social Se-
23 curity Act (42 U.S.C. 1395ww(h)(2)(F)) is amended—

24 (1) by inserting “(i)” before “In the case of”;

25 and

1 (2) by adding at the end the following:

2 “(ii) In applying this subparagraph in the
3 case of a hospital that trains residents and has
4 not entered into a GME affiliation agreement
5 (as defined by the Secretary for purposes of
6 paragraph (4)(H)(ii)), on or after the date of
7 the enactment of this clause, the Secretary shall
8 not establish an FTE resident amount until
9 such time as the Secretary determines that the
10 hospital has trained at least 1.0 full-time-equiv-
11 alent resident in an approved medical residency
12 training program in a cost reporting period.

13 “(iii) In applying this subparagraph for
14 cost reporting periods beginning on or after the
15 date of enactment of this clause, in the case of
16 a hospital that, as of such date of enactment,
17 has an approved FTE resident amount based
18 on the training in an approved medical resi-
19 dency program or programs of—

20 “(I) less than 1.0 full-time-equivalent
21 resident in any cost reporting period begin-
22 ning before October 1, 1997, as deter-
23 mined by the Secretary; or

24 “(II) no more than 3.0 full-time-
25 equivalent residents in any cost reporting

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1 period beginning on or after October 1,
2 1997, and before the date of the enactment
3 of this clause, as determined by the Sec-
4 retary,

5 in lieu of such FTE resident amount the Sec-
6 retary shall, in accordance with the method-
7 ology described in section 413.77(e) of title 42
8 of the Code of Federal Regulations (or any suc-
9 cessor regulation), establish a new FTE resi-
10 dent amount if the hospital trains at least 1.0
11 full-time-equivalent resident (in the case of a
12 hospital described in subclause (I)) or more
13 than 3.0 full-time-equivalent residents (in the
14 case of a hospital described in subclause (II)) in
15 a cost reporting period beginning on or after
16 such date of enactment and before the date that
17 is 5 years after such date of enactment.

18 “(iv) For purposes of carrying out this
19 subparagraph for cost reporting periods begin-
20 ning on or after the date of the enactment of
21 this clause, a hospital shall report full-time-
22 equivalent residents on its cost report for a cost
23 reporting period if the hospital trains at least
24 1.0 full-time-equivalent residents in an ap-

1 proved medical residency training program or
2 programs in such period.

3 “(v) As appropriate, the Secretary may
4 consider information from any cost reporting
5 period necessary to establish a new FTE resi-
6 dent amount as described in clause (iii).”.

7 (b) REDETERMINATION OF FTE RESIDENT LIMITA-
8 TION.—Section 1886(h)(4)(H)(i) of the Social Security
9 Act (42 U.S.C. 1395ww(h)(4)(H)(i)) is amended—

10 (1) by inserting “(I)” before “The Secretary”;

11 and

12 (2) by adding at the end the following:

13 “(II) In applying this clause in the
14 case of a hospital that, on or after the date
15 of the enactment of this subclause, begins
16 training residents in a new approved med-
17 ical residency training program or pro-
18 grams (as defined by the Secretary), the
19 Secretary shall not determine a limitation
20 applicable to the hospital under subpara-
21 graph (F) until such time as the Secretary
22 determines that the hospital has trained at
23 least 1.0 full-time-equivalent resident in
24 such new approved medical residency train-

1 ing program or programs in a cost report-
2 ing period.

3 “(III) In applying this clause in the
4 case of a hospital that, as of the date of
5 the enactment of this subclause, has a lim-
6 itation under subparagraph (F), based on
7 a cost reporting period beginning before
8 October 1, 1997, of less than 1.0 full-time-
9 equivalent resident, the Secretary shall ad-
10 just the limitation in the manner applica-
11 ble to a new approved medical residency
12 training program if the Secretary deter-
13 mines the hospital begins training at least
14 1.0 full-time-equivalent residents in a pro-
15 gram year beginning on or after such date
16 of enactment and before the date that is 5
17 years after such date of enactment.

18 “(IV) In applying this clause in the
19 case of a hospital that, as of the date of
20 the enactment of this subclause, has a lim-
21 itation under subparagraph (F), based on
22 a cost reporting period beginning on or
23 after October 1, 1997, and before such
24 date of enactment, of no more than 3.0
25 full-time-equivalent residents, the Sec-

1 retary shall adjust the limitation in the
2 manner applicable to a new approved med-
3 ical residency training program if the Sec-
4 retary determines the hospital begins train-
5 ing more than 3.0 full-time-equivalent resi-
6 dents in a program year beginning on or
7 after such date of enactment and before
8 the date that is 5 years after such date of
9 enactment.

10 “(V) An adjustment to the limitation
11 applicable to a hospital made pursuant to
12 subclause (III) or (IV) shall be made in a
13 manner consistent with the methodology,
14 as appropriate, in section 413.79(e) of title
15 42, Code of Federal Regulations (or any
16 successor regulation). As appropriate, the
17 Secretary may consider information from
18 any cost reporting periods necessary to
19 make such an adjustment to the limita-
20 tion.”.

21 (c) TECHNICAL AND CONFORMING AMENDMENTS.—
22 Section 1886 of the Social Security Act (42 U.S.C.
23 1395ww) is amended—

1 (1) in subsection (d)(5)(B)(viii), by striking
2 “subsection (h)(4)(H)” and inserting “paragraphs
3 (2)(F)(iv) and (4)(H) of subsection (h)”; and

4 (2) in subsection (h)—

5 (A) in paragraph (4)(H)(iv), by striking
6 “an rural area” and inserting “a rural area”;
7 and

8 (B) in paragraph (7)(E), by striking
9 “under this” and all that follows through the
10 period at the end and inserting the following:
11 “under this paragraph, paragraph (8), clause
12 (i), (ii), (iii), or (v) of paragraph (2)(F), or
13 clause (i) or (vi) of paragraph (4)(H).”.

14 (d) **EFFECTIVE DATE.**—The amendments made by
15 this section shall apply to payment under section 1886 of
16 the Social Security Act (42 U.S.C. 1395ww) for cost re-
17 porting periods beginning on or after the date of the en-
18 actment of this Act.

19 **SEC. 132. MEDICARE PAYMENT FOR CERTAIN FEDERALLY**
20 **QUALIFIED HEALTH CENTER AND RURAL**
21 **HEALTH CLINIC SERVICES FURNISHED TO**
22 **HOSPICE PATIENTS.**

23 Section 1834 of the Social Security Act (42 U.S.C.
24 1395m), as amended by section 125(a)(2)(B), is amend-
25 ed—