

Nov 2019

## Advancing Medical Resident Training in Community Hospitals Act

**Recommendation:** Please pass H.R.3417 - Beneficiary Education Tools, Telehealth, and Extenders Reauthorization Act of 2019 – or the BETTER Act which includes HR 1358, Advancing Medical Resident Training in Community Hospitals Act, as amended in the House Ways and Means Committee

### Background:

Many hospitals have experienced a problem when trying to find out whether they are "virgin" by CMS standards before they decide to start a residency program or programs and become a teaching hospital. Unfortunately, just knowing a hospital has never had a teaching program is not enough. Hospitals that took residents for away rotations, even very briefly, are finding out that CMS has set a cap, and often a miniscule Per Resident Amount (PRA), which are so little (as in below one FTE) that it makes it impossible to start a program there. Additionally, some community hospitals are afraid to take residents for a rotation from another hospital or program because that might start the cap-setting process, even though they don't currently have a teaching program. They want to preserve their ability possibly become one in the future.

The original bill was introduced by Reps Ron Kind (D-WI) and Mike Gallagher (R-WI) and the other Wisconsin representatives, and was amended and reported out as part of the BETTER Act, introduced by Chairman Richard Neal (D-MA) and Ranking Minority member Kevin Brady (R-TX). This legislation is supported by the CAFM organizations and the AAFP, the Association of American Medical Colleges (AAMC) and various hospital(s) and hospital systems, to correct a small technical problem. It is not a larger GME reform bill.

### Content of Legislation:

The proposed legislation would make minor, technical adjustments to the current policy for new teaching hospitals to allow hospitals to host a small number of resident rotators for short durations without setting a permanent full-time equivalent (FTE) resident cap or a Per Resident Amount (PRA). These hospitals would have five years within which they would have to start new residency programs to obtain a new cap and/or PRA. This is not a fix for every hospital with the problem – but it is a fix that should help those fitting the characteristics below as well as allow hospitals in the future to host small numbers of rotating residents.

The legislation would benefit three groups of hospitals by:

- Group 1: Providing a one-time opportunity to establish a new FTE cap and PRA for hospitals that trained less than 1.0 FTE in the 1996 base year and thus have a resident cap of less than 1.0;
- Group 2: Providing a one-time opportunity to establish a new FTE cap and PRA for hospitals that inadvertently triggered an FTE cap and/or PRA between 1997 and the date of enactment by training no more than 3.0 resident FTEs in a cost reporting period from newly accredited residency training programs established by other institutions; and
- Group 3: Prospectively prohibiting the Centers for Medicare & Medicaid Services (CMS) from establishing an FTE cap or PRA for hospitals until they accept rotations of more than 1.0 resident FTE in a year