

115TH CONGRESS  
1ST SESSION

# H. R. 3394

To reauthorize section 340H of the Public Health Service Act to continue to encourage the expansion, maintenance, and establishment of approved graduate medical residency programs at qualified teaching health centers, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2017

Mrs. McMORRIS RODGERS (for herself, Mr. CARTER of Georgia, Mr. HECK, Mr. KENNEDY, Mr. KHANNA, Mr. LAMALFA, Mr. MCGOVERN, Mr. O'HALLERAN, Mr. RASKIN, Mr. VELA, Mr. YOUNG of Iowa, Mr. CAPUANO, Mr. CARTWRIGHT, Mr. CROWLEY, Mr. DENHAM, Mr. ESPAILLAT, Mr. FASO, Ms. JENKINS of Kansas, Mr. KILMER, Mr. MOULTON, Mr. NEWHOUSE, Mr. TAKANO, Mr. VALADAO, Mr. COHEN, Mr. CONYERS, Mr. COURTNEY, Mr. DANNY K. DAVIS of Illinois, Mr. DEFazio, Ms. DELAURO, Ms. DELBENE, Mr. GARAMENDI, Mr. LARSEN of Washington, Mr. LONG, Mr. LUCAS, Mr. MARINO, Mr. MURPHY of Pennsylvania, Mr. NOLAN, Ms. ROS-LEHTINEN, Mr. RUSH, Ms. SCHAKOWSKY, Ms. SEWELL of Alabama, Ms. WILSON of Florida, Mr. SERRANO, Ms. TSONGAS, Ms. BONAMICI, Mr. RUIZ, Ms. CLARK of Massachusetts, Mr. COLE, Mr. ROGERS of Kentucky, and Mr. LARSON of Connecticut) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To reauthorize section 340H of the Public Health Service Act to continue to encourage the expansion, maintenance, and establishment of approved graduate medical residency programs at qualified teaching health centers, 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 “Teaching Health Cen-  
5 ters Graduate Medical Education Extension Act of 2017”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds as follows:

8 (1) The program of payments to teaching  
9 health centers for graduate medical education under  
10 section 340H of the Public Health Service Act (42  
11 U.S.C. 256h) was enacted in 2010 to address the  
12 crisis-level shortage of primary care physicians, espe-  
13 cially in rural and medically underserved commu-  
14 nities.

15 (2) Teaching health center residents and faculty  
16 will provide more than one million primary care  
17 medical visits in 2017 to underserved communities.

18 (3) When compared with traditional Medicare  
19 GME residents, residents who train at teaching  
20 health centers are more likely to practice primary  
21 care and remain in underserved or rural commu-  
22 nities.

23 (4) The teaching health center program not  
24 only plays a vital role in training the Nation’s next  
25 generation of primary care physicians (including

1 dentists), but helps bridge the Nation’s physician  
2 shortfall.

3 (5) For these reasons, it is of vital importance  
4 to continue the program under section 340H of the  
5 Public Health Service Act (42 U.S.C. 256h) at a  
6 sustainable level of funding per full-time equivalent  
7 resident, as recommended in the fact sheet of the  
8 Health Resources and Services Administration enti-  
9 tled “Cost Estimates for Training Residents in a  
10 Teaching Health Center”.

11 **SEC. 3. REAUTHORIZATION OF PROGRAM OF PAYMENTS TO**  
12 **TEACHING HEALTH CENTERS THAT OPERATE**  
13 **GRADUATE MEDICAL EDUCATION PRO-**  
14 **GRAMS.**

15 (a) PAYMENTS.—Subsection (a) of section 340H of  
16 the Public Health Service Act (42 U.S.C. 256h) is amend-  
17 ed to read as follows:

18 “(a) PAYMENTS.—

19 “(1) IN GENERAL.—Subject to subsection  
20 (h)(2), the Secretary shall make payments under  
21 this section for direct expenses and indirect expenses  
22 to qualified teaching health centers that are listed as  
23 sponsoring institutions by the relevant accrediting  
24 body for—

1           “(A) maintenance of existing approved  
2 graduate medical residency training programs;

3           “(B) expansion of existing approved grad-  
4 uate medical residency training programs; and

5           “(C) establishment of new approved grad-  
6 uate medical residency training programs.

7           “(2) NEW PROGRAMS.—

8           “(A) PAYMENTS.—The Secretary shall  
9 make payments under paragraph (1)(C)—

10                   “(i) for fiscal year 2019, for a total of  
11 up to 60 full-time equivalent residents at  
12 new approved graduate medical residency  
13 programs; and

14                   “(ii) for fiscal year 2020, for a total  
15 of up to 120 full-time equivalent residents  
16 at the new approved graduate medical resi-  
17 dency programs that received payments  
18 pursuant to clause (i).

19           “(B) PRIORITY.—Subject to subparagraph  
20 (C), in making payments pursuant to para-  
21 graph (1)(C), the Secretary shall give priority  
22 to qualified teaching health centers that—

23                   “(i) serve a health professional short-  
24 age area with a designation in effect under  
25 section 332 or a medically underserved

1 community (as defined in section 799B);  
2 or

3 “(ii) are located in a rural area (as  
4 defined in section 1886(d)(2)(D) of the So-  
5 cial Security Act).

6 “(C) LIMITATION.—The number of full-  
7 time equivalent residents for which a qualified  
8 teaching health center receives payments pursu-  
9 ant to paragraph (1)(C) for a fiscal year shall  
10 not exceed by more than six the number of full-  
11 time equivalent residents for which the center  
12 received such payments for the preceding fiscal  
13 year.”.

14 (b) FUNDING.—Subsection (g) of the first section  
15 340H of the Public Health Service Act (42 U.S.C. 256h)  
16 is amended to read as follows:

17 “(g) FUNDING.—

18 “(1) EXISTING PROGRAMS.—Out of any money  
19 in the Treasury not otherwise appropriated, there  
20 are appropriated for payments under subparagraphs  
21 (A) and (B) of subsection (a)(1) \$116,500,000 for  
22 each of fiscal years 2018, 2019, and 2020, to re-  
23 main available until expended.

24 “(2) INCENTIVE FOR NEW PROGRAMS.—Out of  
25 any money in the Treasury not otherwise appro-

1        priated, there are appropriated for payments under  
2        subsection (a)(1)(C), \$10,000,000 for fiscal year  
3        2019 and \$19,000,000 for fiscal year 2020, to re-  
4        main available until expended.

5            “(3) ADMINISTRATIVE EXPENSES.—Of the  
6        amount made available to carry out this section for  
7        any fiscal year, the Secretary may not use more  
8        than 5 percent of such amount for the expenses of  
9        administering this section.”.

10        (c) ANNUAL REPORTING.—Paragraph (1) of sub-  
11        section (h) of the first section 340H of the Public Health  
12        Service Act (42 U.S.C. 256h) is amended—

13            (1) by redesignating subparagraph (D) as sub-  
14        paragraph (H); and

15            (2) by inserting after subparagraph (C) the fol-  
16        lowing:

17            “(D) The number of patients treated by  
18        residents described in paragraph (4).

19            “(E) The number of visits by patients  
20        treated by residents described in paragraph (4).

21            “(F) Of the number of residents described  
22        in paragraph (4) who completed their residency  
23        training at the end of such residency academic  
24        year, the number and percentage of such resi-  
25        dents entering primary care practice (meaning

1 any of the areas of practice listed in the defini-  
2 tion of a primary care residency program in  
3 section 749A).

4 “(G) Of the number of residents described  
5 in paragraph (4) who completed their residency  
6 training at the end of such residency academic  
7 year, the number and percentage of such resi-  
8 dents who entered practice at a health care fa-  
9 cility—

10 “(i) primarily serving a health profes-  
11 sional shortage area with a designation in  
12 effect under section 332 or a medically un-  
13 derserved community (as defined in section  
14 799B); or

15 “(ii) located in a rural area (as de-  
16 fined in section 1886(d)(2)(D) of the So-  
17 cial Security Act).”.

18 (d) REPORT ON TRAINING COSTS.—Not later than  
19 March 31, 2020, the Secretary of Health and Human  
20 Services shall submit to the Congress a report on the di-  
21 rect graduate expenses of approved graduate medical resi-  
22 dency training programs, and the indirect expenses associ-  
23 ated with the additional costs of teaching residents, of  
24 qualified teaching health centers (as such terms are used

1 or defined in section 340H of the Public Health Service  
2 Act (42 U.S.C. 256h)).

3 (e) DEFINITION.—Subsection (j) of the first section  
4 340H of the Public Health Service Act (42 U.S.C. 256h)  
5 is amended—

6 (1) by redesignating paragraphs (2) and (3) as  
7 paragraphs (3) and (4), respectively; and

8 (2) by inserting after paragraph (1) the fol-  
9 lowing:

10 “(2) NEW APPROVED GRADUATE MEDICAL  
11 RESIDENCY TRAINING PROGRAM.—The term ‘new  
12 approved graduate medical residency training pro-  
13 gram’ means an approved graduate medical resi-  
14 dency training program for which the sponsoring  
15 qualified teaching health center has not received a  
16 payment under this section for a previous fiscal year  
17 (other than pursuant to subsection (a)(1)(C)).”.

18 (f) TECHNICAL CORRECTIONS.—Part D of title III  
19 of the Public Health Service Act (42 U.S.C. 254b et seq.)  
20 is amended—

21 (1) in subsection (f) of the first section 340H  
22 (42 U.S.C. 256h), by striking “hospital” each place  
23 it appears and inserting “teaching health center”;



1           (2) by redesignating the second subpart XI (re-  
2 relating to a community-based collaborative care net-  
3 work program) as subpart XII; and

4           (3) by redesignating the second section 340H  
5 (42 U.S.C. 256i) as section 340I.

6           (g) PAYMENTS FOR PREVIOUS FISCAL YEARS.—The  
7 provisions of the first section 340H of the Public Health  
8 Service Act (42 U.S.C. 256h), as in effect on the day be-  
9 fore the date of enactment of this Act, shall continue to  
10 apply with respect to payments under such section for fis-  
11 cal years before fiscal year 2018.

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