

117TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend title XVIII of the Social Security Act to support rural residency training funding that is equitable for all States, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mr. TESTER (for himself and Mr. BARRASSO) introduced the following bill; which was read twice and referred to the Committee on

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**A BILL**

To amend title XVIII of the Social Security Act to support rural residency training funding that is equitable for all States, 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 “Rural Physician Work-  
5 force Production Act of 2021”.

1 **SEC. 2. ELECTIVE RURAL SUSTAINABILITY PER RESIDENT**  
2 **PAYMENT FOR RESIDENTS TRAINING IN**  
3 **RURAL TRAINING LOCATIONS.**

4 (a) IN GENERAL.—Section 1886 of the Social Secu-  
5 rity Act (42 U.S.C. 1395ww) is amended by adding at the  
6 end the following new subsection:

7 “(u) ELECTIVE RURAL SUSTAINABILITY PER RESI-  
8 DENT PAYMENT AMOUNT FOR RESIDENTS TRAINING IN  
9 RURAL TRAINING LOCATIONS.—

10 “(1) DETERMINATION OF ELECTIVE RURAL  
11 SUSTAINABILITY PER RESIDENT PAYMENT  
12 AMOUNT.—

13 “(A) IN GENERAL.—The elective rural sus-  
14 tainability per resident payment amount deter-  
15 mined under this subsection for an applicable  
16 hospital (as defined in paragraph (7)(A)) that  
17 makes an election under paragraph (2), with re-  
18 spect to each full-time-equivalent resident in an  
19 approved medical residency training program  
20 that receives training in a rural training loca-  
21 tion (as defined in paragraph (7)(C)), is an  
22 amount equal to the difference between—

23 “(i) the total elective rural sustain-  
24 ability amount determined under subpara-  
25 graph (B) (or, in the case of an applicable  
26 hospital not located in a rural area, the

1 total elective rural sustainability amount or  
2 urban total elective rural sustainability  
3 amount, as applicable, determined under  
4 such subparagraph); and

5 “(ii) the amount (if any) the applica-  
6 ble hospital otherwise receives for direct  
7 graduate medical education costs under  
8 subsection (h) or section 1814(l), as appli-  
9 cable, with respect to each such resident.

10 “(B) TOTAL ELECTIVE RURAL SUSTAIN-  
11 ABILITY AMOUNT.—

12 “(i) ESTABLISHMENT FOR INITIAL  
13 COST REPORTING PERIODS.—

14 “(I) IN GENERAL.—Subject to  
15 subclause (II), for cost reporting peri-  
16 ods beginning during the first year be-  
17 ginning on or after the date of the en-  
18 actment of this subsection, the Sec-  
19 retary shall establish a total elective  
20 rural sustainability amount for time  
21 spent by each full-time-equivalent resi-  
22 dent in an approved medical residency  
23 training program that receives train-  
24 ing in a rural training location. Such  
25 amount shall be the amount that the

1 Secretary determines is equal to the  
2 median national direct GME training  
3 costs per full-time equivalent resident  
4 for 2015 described in table 9 on page  
5 33 of the March 2018 GAO report on  
6 Physician Workforce (GAO–18–240),  
7 updated for each subsequent year  
8 through the first year beginning on or  
9 after the date of the enactment of this  
10 subsection, by the annual percentage  
11 increase in the consumer price index  
12 for all urban consumers (all items;  
13 United States city average).

14 “(II) APPLICATION TO URBAN  
15 HOSPITALS.—For cost reporting peri-  
16 ods beginning during the first year be-  
17 ginning on or after the date of the en-  
18 actment of this subsection, in the case  
19 of an applicable hospital that is not  
20 located in a rural area—

21 “(aa) with respect to such  
22 residents that receive training in  
23 a rural track or an integrated  
24 rural track, the total elective  
25 rural sustainability amount per

1 resident shall be equal to the  
2 amount established under sub-  
3 clause (I); and

4 “(bb) with respect to such  
5 residents that receive training in  
6 a rural training location and who  
7 are not participating in a rural  
8 track or an integrated rural  
9 track, the total elective rural sus-  
10 tainability amount per resident  
11 shall be equal to 50 percent of  
12 the amount established under  
13 subclause (I) (referred to in this  
14 subsection as the ‘urban total  
15 elective rural sustainability  
16 amount’).

17 “(ii) UPDATING FOR SUBSEQUENT  
18 COST REPORTING PERIODS.—For each sub-  
19 sequent cost reporting period, the total  
20 elective rural sustainability amount under  
21 clause (i)(I) and clause (i)(II)(aa) and the  
22 urban total elective rural sustainability  
23 amount under clause (i)(II)(bb), respec-  
24 tively, are equal to such amounts deter-  
25 mined under such clause for the previous

1 cost reporting period updated, through the  
2 midpoint of the period, by projecting the  
3 estimated percentage change in the con-  
4 sumer price index for all urban consumers  
5 (all items; United States city average) dur-  
6 ing the 12-month period ending at that  
7 midpoint, with appropriate adjustments to  
8 reflect previous under- or over-estimations  
9 under this clause in the projected percent-  
10 age change in the consumer price index for  
11 medical care services.

12 “(C) CLARIFICATION.—The total elective  
13 rural sustainability amount, the urban total  
14 elective rural sustainability amount, and the  
15 elective rural sustainability per resident pay-  
16 ment amount determined under this paragraph  
17 shall not be discounted or otherwise adjusted  
18 based on the Medicare patient load (as defined  
19 in subsection (h)(3)(C)) of an applicable hos-  
20 pital or discharges in a diagnosis-related group.

21 “(2) ELECTION.—For cost reporting periods  
22 beginning on or after the date that is 1 year after  
23 the date of the enactment of this subsection, an ap-  
24 plicable hospital may elect to receive the elective  
25 rural sustainability per resident payment amount for

1 each full-time-equivalent resident in an approved  
2 medical residency training program that receives  
3 training in a rural training location in accordance  
4 with this subsection. An applicable hospital may  
5 make an election under the preceding sentence re-  
6 gardless of whether the applicable hospital is other-  
7 wise eligible for a payment or adjustment for indi-  
8 rect and direct graduate medical education costs  
9 under subsections (d)(5)(B) and (h) or section  
10 1814(l), as applicable, with respect to such resi-  
11 dents.

12 “(3) APPLICATION.—The provisions of this sub-  
13 section, or the application of such provisions to an  
14 applicable hospital—

15 “(A) shall not result in—

16 “(i) the establishment of a limitation  
17 on the number of residents in allopathic or  
18 osteopathic medicine for purposes of sub-  
19 sections (d)(5)(B) and (h) with respect to  
20 an approved medical residency training  
21 program of an applicable hospital (or be  
22 taken into account in determining such a  
23 limitation during the cap building period of  
24 an applicable hospital); or

1                   “(ii) the counting of any resident with  
2                   respect to which the applicable hospital re-  
3                   ceives an elective rural sustainability per  
4                   resident payment amount under this sub-  
5                   section towards the application of the limi-  
6                   tation described in clause (i) for purposes  
7                   of subsections (d)(5)(B) and (h); and

8                   “(B) shall not have any effect on the de-  
9                   termination of—

10                   “(i) the additional payment amount  
11                   under subsection (d)(5)(B); or

12                   “(ii) hospital-specific approved FTE  
13                   resident amounts under subsection (h).

14                   “(4) ALLOCATION OF PAYMENTS.—In providing  
15                   for payments under this subsection, the Secretary  
16                   shall provide for an allocation of such payments be-  
17                   tween parts A and part B (and the trust funds es-  
18                   tablished under the respective parts) as reasonably  
19                   reflects the proportion of such costs associated with  
20                   the provision of services under each respective part.

21                   “(5) ELIGIBILITY FOR PAYMENT.—

22                   “(A) IN GENERAL.—An applicable hospital  
23                   shall be eligible for payment of the elective  
24                   rural sustainability per resident payment  
25                   amount under this subsection for time spent by



1 a resident training in a rural training location  
2 if the following requirements are met:

3 “(i) The resident spends the equiva-  
4 lent of at least 8 weeks over the course of  
5 their training in a rural training location.

6 “(ii) The hospital pays the salary and  
7 benefits of the resident for the time spent  
8 training in a rural training location.

9 “(B) TREATMENT OF TIME SPENT IN  
10 RURAL TRACKS OR INTEGRATED RURAL  
11 TRACKS.—An applicable hospital shall be eligi-  
12 ble for payment of the elective rural sustain-  
13 ability per resident payment amount under this  
14 subsection for all time spent by residents in an  
15 approved medical residency program (or sepa-  
16 rately defined track within a program) that pro-  
17 vides more than 50 percent of the total resi-  
18 dency training time in rural training locations,  
19 regardless of where the training occurs and re-  
20 gardless of specialty.

21 “(6) DETERMINATION OF FULL-TIME-EQUIVA-  
22 LENT RESIDENTS.—The determination of full-time-  
23 equivalent residents for purposes of this subsection  
24 shall be made in the same manner as the determina-  
25 tion of full-time-equivalent residents under sub-

1 section (h)(4), but not taking into account the limi-  
2 tation under subparagraph (F) of such subsection.

3 “(7) DEFINITIONS.—In this subsection:

4 “(A) APPLICABLE HOSPITAL.—The term  
5 ‘applicable hospital’ means a hospital, critical  
6 access hospital, sole community hospital (as de-  
7 fined in subsection (d)(5)(D)(iii)), or rural  
8 emergency hospital (as defined in section  
9 1861(kkk)(2)).

10 “(B) APPROVED MEDICAL RESIDENCY  
11 TRAINING PROGRAM; DIRECT GRADUATE MED-  
12 ICAL EDUCATION COSTS; RESIDENT.—The  
13 terms ‘approved medical residency training pro-  
14 gram’, ‘direct graduate medical education  
15 costs’, and ‘resident’ have the meanings given  
16 those terms in subsection (h)(5).

17 “(C) RURAL TRAINING LOCATION.—The  
18 term ‘rural training location’ means a location  
19 in which training occurs that, based on the  
20 2010 census or any subsequent census adjust-  
21 ment, meets one or more of the following cri-  
22 teria:

23 “(i) The training occurs in a location  
24 that is a rural area (as defined in section  
25 1886(d)(2)(D)).

1                   “(ii) The training occurs in a location  
2                   that has a rural-urban commuting area  
3                   code equal to or greater than 4.0.

4                   “(iii) The training occurs in a sole  
5                   community hospital (as defined in sub-  
6                   section (d)(5)(D)(iii)) or in a location that  
7                   is within 10 miles of a sole community hos-  
8                   pital.

9                   “(8) BUDGET NEUTRALITY REQUIREMENT.—  
10                  The Secretary shall ensure that aggregate payments  
11                  for direct medical education costs and indirect med-  
12                  ical education costs under this title, including any  
13                  payments under this subsection, for each year (effec-  
14                  tive beginning on or after the date that is 1 year  
15                  after the date of enactment of this subsection) are  
16                  not greater than the aggregate payments for such  
17                  costs that would have been made under this title for  
18                  the year without the application of this subsection.  
19                  For purposes of carrying out the budget neutrality  
20                  requirement under the preceding sentence, the Sec-  
21                  retary may make appropriate adjustments to the  
22                  amount of such payments for direct graduate med-  
23                  ical education costs and indirect medical education  
24                  costs under subsections (h) and (d)(5)(B), respec-  
25                  tively.”.

1 (b) TREATMENT OF CRITICAL ACCESS HOSPITALS  
2 AND SOLE COMMUNITY HOSPITALS.—

3 (1) CRITICAL ACCESS HOSPITALS.—Section  
4 1814(l) of the Social Security Act (42 U.S.C.  
5 1395f(l)) is amended by adding at the end the fol-  
6 lowing new paragraph:

7 “(6) For cost reporting periods beginning on or after  
8 the date that is 1 year after the date of enactment of this  
9 paragraph, the following shall apply:

10 “(A) A critical access hospital may elect to be  
11 treated as a hospital or as a non-provider setting for  
12 purposes of counting resident time for indirect med-  
13 ical education costs and direct graduate medical edu-  
14 cation costs for the time spent by the resident in  
15 that setting under subsections (d)(5)(B) and (h), re-  
16 spectively, of section 1886.

17 “(B) Medical education costs shall not be con-  
18 sidered reasonable costs of a critical access hospital  
19 for purposes of payment under paragraph (1), to the  
20 extent that the critical access hospital is treated as  
21 a non-provider setting of another hospital or another  
22 hospital receives payment for such costs for the time  
23 spent by the resident in that setting pursuant to  
24 subsection (d)(5)(B), subsection (h), or subsection  
25 (u) of section 1886.”.

1           (2) SOLE COMMUNITY HOSPITALS.—Section  
2           1886(d)(5)(D) of the Social Security Act (42 U.S.C.  
3           1395ww(d)(5)(D)) is amended by adding at the end  
4           the following new clause:

5           “(vi) For cost reporting periods beginning on or after  
6           the date that is 1 year after the date of enactment of this  
7           paragraph, the hospital-specific payment amount deter-  
8           mined under clause (i)(I) with respect to a sole community  
9           hospital shall not include medical education costs, to the  
10          extent that the sole community hospital receives payment  
11          for such costs for the time spent by the resident in that  
12          setting pursuant to subsection (u).”.

13          (c) CONFORMING AMENDMENTS.—

14           (1) Section 1886 of the Social Security Act (42  
15          U.S.C. 1395ww) is amended—

16           (A) in subsection (d)(5)(B), in the matter  
17          preceding clause (i), by striking “The Sec-  
18          retary” and inserting “Subject to subsection  
19          (u), the Secretary”; and

20           (B) in subsection (h)—

21           (i) in paragraph (1), by inserting  
22          “subject to subsection (u)” after  
23          “1861(v),”; and

24           (ii) in paragraph (3), in the flush  
25          matter following subparagraph (B), by

1 striking “subsection (k)” and inserting  
2 “subsection (k) or subsection (u)”.

3 **SEC. 3. SUPPORTING NEW, EXPANDING, AND EXISTING**  
4 **RURAL TRAINING TRACKS.**

5 (a) DIRECT GRADUATE MEDICAL EDUCATION.—Sec-  
6 tion 1886(h) of the Social Security Act (42 U.S.C.  
7 1395ww(h)) is amended—

8 (1) in paragraph (4)—

9 (A) in subparagraph (F)(i)—

10 (i) by striking “130 percent” and in-  
11 sserting “for cost reporting periods begin-  
12 ning on or after October 1, 1997, and be-  
13 fore the date that is 1 year after the date  
14 of enactment of the Rural Physician Work-  
15 force Production Act of 2021, 130 per-  
16 cent”; and

17 (ii) by adding at the end the fol-  
18 lowing: “For cost reporting periods begin-  
19 ning on or after the date that is 1 year  
20 after the date of enactment of the Rural  
21 Physician Workforce Production Act of  
22 2021, such rules shall provide that any  
23 full-time-equivalent resident in an ap-  
24 proved medical residency program (or sep-  
25 arately defined track within a program)

1 that provides more than 50 percent of the  
2 total residency training time in rural train-  
3 ing locations (as defined in subsection  
4 (u)(6)(C)), regardless of where the training  
5 occurs and regardless of specialty, shall  
6 not be taken into account for purposes of  
7 applying the limitation under this subpara-  
8 graph.”; and

9 (B) in subparagraph (H)—

10 (i) in clause (i), in the second sen-  
11 tence, by inserting the following before the  
12 period: “, in accordance with the second  
13 sentence of clause (i) of such subpara-  
14 graph”; and

15 (ii) in clause (iv), by inserting the fol-  
16 lowing before the period: “, in accordance  
17 with the second sentence of clause (i) of  
18 such subparagraph”; and

19 (2) in paragraph (5), by adding at the end the  
20 following new subparagraph:

21 “(L) SPECIAL RULES REGARDING APPLICA-  
22 TION OF ELECTIVE RURAL SUSTAINABILITY PER  
23 RESIDENT PAYMENT AMOUNT.—For special  
24 rules regarding application of the elective rural  
25 sustainability per resident payment amount

1           under subsection (u), see paragraph (3) of such  
2           subsection.”.

3           (b)   INDIRECT   MEDICAL   EDUCATION.—Section  
4 1886(d)(5)(B)(v) is amended—

5           (1) by striking “130 percent” and inserting  
6           “for cost reporting periods beginning on or after Oc-  
7           tober 1, 1997, and before the date that is 1 year  
8           after the date of enactment of the Rural Physician  
9           Workforce Production Act of 2021, 130 percent”;  
10          and

11          (2) by adding at the end the following: “For  
12          cost reporting periods beginning on or after the date  
13          that is 1 year after the date of enactment of the  
14          Rural Physician Workforce Production Act of 2021,  
15          such rules shall provide that any full-time-equivalent  
16          resident in an approved medical residency program  
17          (or separately defined track within a program) that  
18          provides more than 50 percent of the total residency  
19          training time in rural training locations (as defined  
20          in subsection (u)(6)(C)), regardless of where the  
21          training occurs and regardless of specialty, shall not  
22          be taken into account for purposes of applying the  
23          limitation under this subparagraph. For special rules  
24          regarding application of the elective rural sustain-



1 ability per resident payment amount under sub-  
2 section (u), see paragraph (3) of such subsection.”.