

118TH CONGRESS  
2D SESSION

# S. 5397

To amend title XVIII of the Social Security Act to adjust allowable direct and indirect costs for nursing and allied health education programs.

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IN THE SENATE OF THE UNITED STATES

NOVEMBER 21, 2024

Ms. KLOBUCHAR (for herself and Mr. TILLIS) 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 adjust allowable direct and indirect costs for nursing and allied health education programs.

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 “Rebuild America’s  
5 Health Care Schools Act of 2024”.

1 **SEC. 2. ADJUSTING ALLOWABLE DIRECT AND INDIRECT**  
2 **COSTS FOR NURSING AND ALLIED HEALTH**  
3 **EDUCATION PROGRAMS.**

4 (a) IN GENERAL.—Section 1861(v)(1) of the Social  
5 Security Act (42 U.S.C. 1395x(v)(1)) is amended by add-  
6 ing at the end the following new subparagraph:

7 “(X)(i) In determining such reasonable costs for  
8 nursing and allied health education furnished by a hos-  
9 pital, beginning with respect to cost reporting periods be-  
10 ginning on or after the date of the enactment of the Re-  
11 build America’s Health Care Schools Act of 2024, the Sec-  
12 retary shall include as reasonable costs all direct and indi-  
13 rect costs incurred by a hospital participating in a nursing  
14 and allied health education program licensed by State law  
15 or accredited by a national or regional professional organi-  
16 zation, including costs that—

17 “(I) were directly incurred by the hospital;

18 “(II) were allocated to the hospital by a related  
19 entity holding the applicable State license or accredi-  
20 tation by a national or regional professional organi-  
21 zation; or

22 “(III) were associated with the training of a  
23 program participant at the hospital or at a related  
24 entity.

1       “(ii) For purposes of clause (i), the term ‘related enti-  
2 ty’ means, with respect to a hospital, any entity that is  
3 related by common ownership or control to—

4               “(I) the hospital itself; or

5               “(II) an entity—

6                       “(aa) in which the hospital (or another en-  
7 tity that is a related entity with respect to the  
8 hospital) is the sole corporate member;

9                       “(bb) that is the sole corporate member of  
10 the hospital;

11                      “(cc) that is part of the same legal entity  
12 as the hospital; or

13                      “(dd) that shares a board with the hos-  
14 pital.”.

15       (b) ALLOWING HEALTH SYSTEMS AND HOSPITAL-  
16 BASED SCHOOLS TO PROVIDE CLINICAL TRAINING AND  
17 SUPPORT.—Not later than 120 days after the date of the  
18 enactment of this section, the Secretary of Health and  
19 Human Services shall issue such rules as are necessary  
20 to carry out the amendments made by subsection (a).

21       (c) PROHIBITING RECOUPMENT OF CERTAIN COSTS  
22 UNDER MEDICARE.—

23               (1) IN GENERAL.—Beginning on the date of the  
24 enactment of this section, the Secretary of Health  
25 and Human Services may not recoup or reduce pay-

1       ments made to a hospital under part A of title  
2       XVIII of the Social Security Act (42 U.S.C. 1395c  
3       et seq.) for costs related to an approved nursing or  
4       allied health education program that are included on  
5       the Medicare cost report for such hospital if such  
6       costs would be allowable after the amendments made  
7       by subsection (a) take effect.

8               (2) REFUND OF AMOUNTS RECOUPED.—If, dur-  
9       ing the 6-year period ending on the date of the en-  
10       actment of this section, the Secretary recouped or  
11       reduced payments made to a hospital under such  
12       part A for costs described in paragraph (1), the Sec-  
13       retary shall refund to the hospital the amount so re-  
14       couped or reduced.

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