

NOVEMBER 19, 2021

On November 19, the U.S. House of Representatives passed President Biden's \$1.75 trillion social infrastructure package, the Build Back Better Act, which now moves to the Senate for consideration.

Legislative text and a [section-by-section summary](#) of the Build Back Better Act is available on the [House Rules Committee website](#). Key provisions of interest to hospitals and health systems include:

Medicare Graduate Medical Education

The legislation would provide 4,000 new, Medicare-supported GME slots in FY 2025 and 2026, with 25% of the new slots directed to primary care specialties and 15% to psychiatry residencies. The slots would be distributed to eligible hospitals with 30% to teaching hospitals over their caps, 20% to teaching hospitals in rural areas, 20% to teaching hospitals in states with new medical schools or branch campuses, 20% to teaching hospitals located in or serving a health professional shortage area, and 10% to teaching hospitals in states in the lowest quartile of resident-to-population ratios. Teaching hospitals would not be allowed to receive more than 25 slots in one year and those receiving slots would be required to comply with new reporting requirements.

Pathway to Practice Training Program

The legislation would create a new Pathway to Practice Training Program, which would provide 1,000 scholarship vouchers per year to students from disadvantaged backgrounds that cover tuition, fees, and a monthly stipend for medical school or post-baccalaureate programs. Institutions would be reimbursed for scholarship expenses through a refundable tax credit. Pathway scholars would be exempt from Medicare GME caps at institutions recognized by Accrediting Council for Graduate Medical Education as having mentorship programs, cultural competency training, and a record of training residents in underserved communities.

Children's Hospital Graduate Medical Education

The bill would provide \$200 million in funding for the Children's Hospital Graduate Medical Education program, which supports the training of pediatric primary care, specialty, and dental residents.

Health Workforce Programs

The bill would invest \$2 billion in the National Health Service Corps, which provides scholarships and loan repayment to qualified healthcare providers in exchange for service in underserved areas. In addition, the legislation provides \$500 million for the Nurse Corps, which provides

scholarships and loan repayment assistance to registered nurses and advanced practice registered nurses in return for a commitment to serve in shortage areas.

Ensuring Affordability of Coverage for Certain Low-Income Populations

To address the Medicaid coverage gap in states that have not enacted the Affordable Care Act (ACA) Medicaid expansion, the legislation would provide temporary enhanced ACA Marketplace premium tax credits to individuals with household incomes below 138% of the FPL in 2022 through 2025. The legislation also includes a three percent increase in the Medicaid expansion FMAP (to 93%) through 2025 for newly eligible adults in states that have expanded Medicaid under the ACA.

Improve Affordability and Reduce Premium Costs of Health Insurance for Consumers

As advocated by IHA and AHA, the legislation would extend the American Rescue Plan's enhanced Marketplace tax credits for three additional years through 2025. The enhanced Marketplace tax credits increased financial assistance for consumers eligible for tax credits across all income levels and extended financial assistance to people with incomes above 400% of the federal poverty line (FPL).

Investments to Strengthen CHIP

The legislation would authorize permanent funding for the Children's Health Insurance Program (CHIP) and provide states with the option to increase CHIP income eligibility levels.

Maternal Health

The legislation would provide 12 months of continuous Medicaid eligibility to postpartum individuals, as well as more than \$1 billion in other maternal health investments. It also contains funding for initiatives to address morbidity and mortality including \$110 million for addressing social determinants of maternal health; \$50 million for perinatal quality collaboratives, \$100 million for maternal health equity grants; and \$15 million for the Pregnancy Risk Assessment Monitoring System.

Public Health Infrastructure and Preparedness

The manager's amendment maintains a \$7 billion investment for core public health infrastructure activities for state, territorial, local, and tribal health departments as well as for the Centers for Disease Control and Prevention (CDC). The bill also includes \$1.4 billion to support public health laboratory infrastructure. The bill also would provide \$1.3 billion for the assistant secretary for preparedness and response to address public health emergencies, including funds to support surge capacity, vaccine production, supply chain resiliency, and increased biosafety and biosecurity in infectious disease research.

Community Violence and Trauma Intervention

The bill provides a \$2.5 billion investment in the Centers for Disease Control and Prevention to support public health approaches to reducing community violence, including through hospital-based violence intervention programs. Grants would be made available to state and local

governmental entities, hospitals and community health centers, nonprofit organizations and others to support evidence-informed, culturally competent strategies to reduce violence, including outreach and conflict mediation, hospital-based violence intervention, violence interruption, and services for victims and individuals and communities at risk for experiencing violence, such as trauma-informed mental healthcare and counseling, workforce development services, and other services that prevent or mitigate the impact of trauma, build appropriate skills, or promote resilience.

Drug Pricing

The legislation directs the Health and Human Services Secretary to create a Drug Negotiation Program to help reduce spending and out-of-pocket costs for prescription drugs. Under the program, the secretary would negotiate a maximum price of high-cost Medicare Part B & D prescription drugs beginning in 2025. Manufacturers that are non-compliant with negotiation program would be subject to an excise tax and civil monetary penalties. The legislation would also cap seniors' out-of-pocket costs for prescription drugs at \$2,000 beginning in 2024.

The Build Back Better Act is expected to undergo changes in the Senate as Democratic leaders seek full support of its caucus and the chamber's parliamentarian reviews the legislation for adherence to Senate rules governing the reconciliation process.

As outlined in a recent [letter](#) to the Congressional delegation, IHA will continue to advocate for critical hospital and health system priorities in this legislation and other bills under consideration through the end of the year.