"Rebuild America's Health Care Schools Act of 2024"

Senate Sponsors:
U.S. Senator Amy Klobuchar (D-MN)
U.S. Senator Thom Tillis (R-NC)

House Sponsors:
U.S. Representative Darin LaHood (R-IL)
U.S. Representative Angie Craig (D-MN)
U.S. Representative Michelle Fischbach (R-MN)

Section 1 – Short title: 'Rebuild America's Health Care Schools Act of 2024''

Section 2 – Adjusting allowable direct and indirect costs for NAHE programs.

A. All reasonable costs for nursing and allied health education programs included on a hospital cost report shall include ALL direct and indirect costs – regardless of where those costs were incurred within the health system.
   - CMS' fiscal intermediaries have been disallowing NAHE costs unevenly, sporadically. Currently, there is no clear legislative language preventing this type of auditing behavior.
   - This language would make it clear which costs are eligible to be included for reimbursement on a hospital cost report.

B. A hospital-based nursing or allied health student would be allowed to receive their training at any location (related entity) within the same health system – any hospital, surgery center, clinic, physician's office, etc…-- as long as the location is related by common ownership or control.
   - When these programs were created by regulation in the late 1990s, there were no health systems. The NAHE educational programs were housed in an individual hospital. This has prevented nursing and allied health students from training outside their programs' host hospital.
   - This language allows students to be educated anywhere within a single health system, i.e. rural hospitals, clinics, urgent care centers, surgery centers, etc…

C. To qualify to include all reasonable direct and indirect costs, a NAHE program must be either licensed by a state or accredited by a national or regional professional organization.
   - Current requirements to qualify include these two requirements, plus more that are no longer relevant and haven't been updated in at least 30 years. For example, one requirement says a hospital with an NAHE program must pay all their teaching staff (a violation can result in CMS recouping past payments.)
   - Most health systems pay their employees through a central system office rather than having each hospital set up its own payroll system.

D. Upon enactment, HHS has 120 days to issue new rules that carry out the above new requirements. During that time, HHS may not recoup or reduce payments to an NAHE program for costs related to and would be allowable under the new law.
   - So far this year numerous programs have been forced to return millions of dollars to CMS because of audits that were at best questionable and not based on any written laws or regulations.
   - Some programs may close or be scaled back because of these actions by CMS' intermediaries.

E. CMS shall return funds to hospitals sponsoring NAHE programs that have been recouped by CMS for any of the provisions under this new law.
   - This language clarifies what constitutes appropriate reimbursement to hospitals for their NAHE programs.
   - If funds were taken by CMS for any of the reasons now clarified by the new law in the 6 years prior to enactment, those funds shall be returned to the hospital.