

119TH CONGRESS  
1ST SESSION

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

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

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Ms. KLOBUCHAR 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 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 2025”.

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 2025, 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;

22 “(III) were associated with the training or ad-  
23 vanced clinical training of a program participant at  
24 the hospital or at a related entity;

25 “(IV) were associated with contracts to provide  
26 for faculty for the program when such faculty are

1 employed by an educational institution that is not a  
2 related entity; or

3 “(V) were associated with shared services, such  
4 as shared payroll and administrative services, to  
5 support the operation of an approved nursing or al-  
6 lied health education program, provided by an edu-  
7 cational institution or a clinical site that is a related  
8 entity.

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

12 “(I) the hospital itself; or

13 “(II) an entity—

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

17 “(bb) that is the sole corporate member of  
18 the hospital;

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

21 “(dd) that shares a board with the hos-  
22 pital.”.

23 (b) ALLOWING HEALTH SYSTEMS AND HOSPITAL-  
24 BASED SCHOOLS TO PROVIDE CLINICAL TRAINING AND  
25 SUPPORT.—Not later than 120 days after the date of the

1 enactment of this section, the Secretary of Health and  
2 Human Services shall issue such rules as are necessary  
3 to carry out the amendments made by subsection (a).

4 (c) PROHIBITING RECOUPMENT OF CERTAIN COSTS  
5 UNDER MEDICARE.—

6 (1) IN GENERAL.—Beginning on the date of the  
7 enactment of this section, the Secretary of Health  
8 and Human Services may not recoup or reduce pay-  
9 ments made to a hospital under part A of title  
10 XVIII of the Social Security Act (42 U.S.C. 1395c  
11 et seq.) for costs related to an approved nursing or  
12 allied health education program that are included on  
13 the Medicare cost report for such hospital if such  
14 costs would be allowable after the amendments made  
15 by subsection (a) take effect.

16 (2) REFUND OF AMOUNTS RECOUPED.—If, dur-  
17 ing the 6-year period ending on the date of the en-  
18 actment of this section, the Secretary recouped or  
19 reduced payments made to a hospital under such  
20 part A for costs described in paragraph (1), the Sec-  
21 retary shall refund to the hospital the amount so re-  
22 couped or reduced.