

Rebuild America’s Health Care Schools Act of 2025: H.R. 1708, S. 1087

Sponsors:

U.S. Rep. Darin LaHood (R-IL)

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Cosponsors:

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U.S. Rep. Michelle Fischbach (R-MN)

U.S. Rep. Don Davis (D-NC)

Section 1 – Short Title

“Rebuild America’s Health Care Schools Act of 2025”

Section 2 – Adjusting Allowable Direct and Indirect Costs for NAHE Programs

A. Inclusion of All Reasonable Costs

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. Those costs are reported fully on the hospital’s Medicare cost report; no change in reporting process.

- Addresses CMS fiscal intermediaries’ inconsistent and sporadic disallowances.
- Clarifies which costs are eligible for reimbursement.

B. Training Across a Health System

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.

- Updates outdated restrictions from the 1990s that limited training to a host hospital.
- Supports broader clinical exposure and system-wide education.

C. Program Qualification Criteria

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.

- Eliminates outdated requirements (e.g. hospital-specific payroll rules) that no longer reflect modern health system practices.
- Allows centralized staffing and payroll processes.

D. Temporary Protections and Rulemaking Deadline

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.

- During that period, CMS may not recoup or reduce payments for costs that would be allowable under the new law.
- Protects NAHE programs from financially destabilizing audits.

E. Reimbursement of Recouped Funds

- CMS must return funds recouped under provisions now clarified by this law.
- It covers up to six years prior to enactment.
- Guarantees fair treatment for hospitals that sponsor NAHE programs.