

## **Joint Committee on Health Care Financing 2025-2026 (194<sup>th</sup>) Bill Summary**

**Bill Number:** House, No. 1393

**Title:** AN ACT TO PROMOTE GRADUATE MEDICAL EDUCATION

**Sponsor:** Representative Frank A. Moran (Lawrence)

**Hearing Date:** May 12, 2025

**Reporting Deadline:** July 11, 2025

**Prior History:**

**2023-2024** (H1226 & S0765) Refiles of matters, H1226 & S0765 referred to referred to the Joint Committee on Health Care Financing. Public hearing on May 16, 2023. S0765 reported Ought to Pass, accompanied by H1226 and referred to Senate Ways & Means on July 8, 2024. No further action taken.

**2021-2022** (H1300 & S0789) Refiles of matters, H1300 & S0789 referred to the Joint Committee on Health Care Financing. Public hearing on October 19, 2021. S0789 reported Ought to Pass, accompanied by H1300, and referred to Senate Ways & Means on March 31, 2022. No further action taken.

**2019-2020** (H1183 & S0698) Refiles of matters, H1183 & S0698 referred to the Joint Committee on Health Care Financing. Public hearing on May 7, 2019. Reporting deadline extended to Friday, May 1, 2020. Reporting deadline extended to Friday, June 19, 2020. On June 22, 2020, House extended reporting deadline until Thursday, December 31, 2020. On H1183, Senate non-concurred on June 25, 2020. No further action taken. On S0698, Senate non-concurred on June 25, 2020. Read Ought Not to Pass (JR10) in the Senate, rules suspended, and placed in the Orders of the Day for the next session on July 23, 2020. No further action taken.

**Similar Matters:** S882 – Lewis (Identical, Health Care Financing)

**Current Law:**

**M.G.L. Ch. 23H § 1** establishes within the Executive Office of Labor and Workforce Development (EOLWD) a Department of Career Services (DCS), which itself oversees the following state agencies and funds: the One Stop Career Centers, the State Workforce Development Board, the Commonwealth Corporation, and the Workforce Training Fund.

**M.G.L. Ch. 29 § 2RR** establishes the Workforce Training Fund and authorizes the director of the DCS to contract with the Commonwealth Corporation to administer the fund.

**M.G.L. Ch. 29 § 2FFFF** establishes the Health Care Workforce Transformation Fund administered by the Executive Office of Labor and Workforce Development (EOLWD).

**M.G.L. Ch. 111 § 25L** establishes a Health Care Workforce Center (Center) within the Department of Public Health (DPH) to coordinate the department’s primary care workforce activities with other state agencies and

public and private entities, including those of the Health Care Workforce Transformation Fund. In consultation with the Health Care Workforce Advisory Council, the Center is charged with monitoring workforce trends and promoting systemic solutions to shortages and access issues, with a particular emphasis on primary care and behavioral, substance use disorder and mental health care services. The Center is also tasked with administration of the health care workforce loan repayment program established by section 25N and with the regulation of the primary care residency grant program established by section 25N ½. The Center is supported by the Health Workforce Transformation Fund through an inter-state-agreement with the EOLWD. The Center is also supported by grant funding from the federal Health Resources and Services Administration (HRSA).

**M.G.L. Ch. 111 § 25M** established a 19 member Health care Workforce Advisory Council (Council) within, but not subject to, the Center. The Council consists of representatives of various disciplines and affiliations appointed by the Governor, each serving a three-year terms.

**M.G.L. Ch. 111 § 25N ½** establishes a primary care residency grant program, governed by regulations promulgated by the Center, for the purpose of financing the training of primary care providers at teaching community health centers. To be eligible for funds, applicant community health centers must demonstrate that at least 50% of their graduates practice in primary care within 2 years of graduation. The Health Care Workforce Transformation Fund established by section 2FFFF of Chapter 29 is designated as the source of funding for the grant program.

**M.G.L. Ch. 111 § 25N ¾** establishes a community health center primary care workforce development and loan forgiveness grant program administered by DPH for the purpose of enhancing recruitment and retention of primary care physicians and other clinicians at community health centers. DPH is authorized to contract with an organization to administer the grant program. Funds designated for the program may be matched by other public and private funds.

**M.G.L. Ch.112 §§ 74 through 81C, inclusive** governs the licensing and registration and sets forth the statutory scope of practice of registered nurses, advanced practice nurses, and licensed practical nurses.

**M.G.L. Ch. 118E § 1** designates the Executive Office of Health and Human Services [EOHHS] as the single state agency responsible for the administration of any programs of medical assistance and medical benefits established pursuant to Chapter 118E. The secretary of EOHHS is authorized to take actions, through the division of medical assistance and the secretary of aging and independence, as appropriate, in this capacity, in accordance with section 2 of Chapter 118E.

**M.G.L. Ch. 118E § 8A** defines certain terms as understood within the context of sections 13C to 13K, inclusive, and sections 64 to 70, inclusive, of chapter 118E, governing the Division of Medical Assistance and the MassHealth program.

**M.G.L. Ch. 118E § 9A** authorizes the Division of Medical Assistance to implement the state Medicaid program (MassHealth) in accordance with the terms and conditions of a demonstration project approved by the Secretary pursuant to section 1115(a) of the Social Security Act, 42 USC Section 1315(a) or any other federal waiver or demonstration authority and lists beneficiary categories for whom MassHealth may provider medical benefits.

- On September 28, 2022, CMS approved the Commonwealth's request to extend the MassHealth demonstration (Project Number 11-W-00030/1 and 21-W00071/1), in accordance with section 1115(a) of the Social Security Act (the Act), effective October 1, 2022, through December 31, 2027.
- CMS approval for the current demonstration period includes authorization to continue 3 primary care and behavioral health workforce initiatives from the previous demonstration period. CMS approved expenditures

not to exceed \$43.24M in total over the 5-year waiver period, including 15% administrative costs, for the following:

- *Family Nurse Practitioner (FNP) Residency Grant Program.*
  - Up to \$105,000 per residency slot to allow Community Health Centers (CHCs) to support up to 10 FNP residency slots per year for four years.
  - Awards may be made only to CHCs whose patient populations are at least 40% of MassHealth beneficiaries.
  - Eligible recipient organizations must demonstrate significant residency training experience and infrastructure and must align programs with established standards for FNP residency training programs to meet a baseline of quality and standardization.
  - Total authorized expenditures over 5 years not to exceed \$4.84M.

**M.G.L. Ch. 118E § 12** authorizes MassHealth to enter into any type of contracts with providers of medical services and establish or negotiate rates with providers of care and manufacturers of medical services, equipment and supplies for the provision of such services to its enrollees, as governed by sections 13 through 13L, inclusive, and sections 64 through 70, inclusive.

**M.G.L. Ch. 118E §§ 13, 13A, 13B, 13C, 13D, 13D½, 13E, 13E½, 13F, 13J** provide for the review of MassHealth reimbursement rates or rate methodologies and requires rates to be established by contract and contingent upon performance and quality standards developed by EOHHS.

**Chapter 140 of the Acts of 2024, the Fiscal Year 2025 General Appropriations Act**, in Section 2, in line item 4000-0700, included the following earmarked funds:

- \$900,000 equally distributed to the teaching community health centers with family medicine residency programs in the cities of Worcester and Lawrence and in the South Boston section of the city of Boston, under the to be administration of the Massachusetts League of Community Health Centers.
- \$250,000 to the community health center in Greenfield to support its family medicine residency program.
- \$100,000 shall be made available to the family medicine program at Franklin medical center.

**Chapter 102 of the Acts of 2021, An Act Relative to Immediate COVID-19 Recovery Needs [H4269]**, in Section 2A:

- Line item 1599-2026, expended funds for:
  - Programs that promote primary care workforce development, recruitment and retention at community health centers, funded up to \$15,000,000.
  - A psychiatric mental health nurse practitioner fellowship program, funded up to \$11,600,000, to recruit and retain psychiatric mental health nurse practitioners at community health centers.

**Chapter 24 of the Acts of 2021, the Fiscal Year 2022 General Appropriations Act**, in Section 2, in line item 4513-2020 to increase behavioral health outreach, access and support:

- Not less than \$500,000 from the department of higher education, in consultation with the department of mental health for a mental health workforce pipeline program to encourage a culturally, ethnically and linguistically diverse behavioral health workforce through collaboration between colleges and behavioral health providers

**101 CMR 31.00** governs the EOHHS administration and enforcement of the loan repayment assistance program, which includes

- Chapter 24 of the Acts of 2021, in line item 4513-2020, a loan repayment initiative funded by \$5,000,000.
- Chapter 102 of the Acts of 2021, in line item 1599-2026, a loan repayment and workforce development initiatives funded by \$110,500,000; and in line item 1599-2027, a loan repayment initiative funded by \$16,500,000.
- And other loan repayment and workforce development initiatives authorized by the Massachusetts legislature, federal government, or other entity, and administered by EOHHS, other than MassHealth initiatives eligible for federal financial participation.

**10 U.S.C. § 2001 et. seq.** governs Department of Defense Graduate Medical Education payments for the training of medical residents at facilities operated by the DOD.

**38 U.S.C. §7302** governs Veterans Affairs Graduate Medical Education payments for the training of medical residents at facilities operated by the VA. The VA under affiliation agreements, pays for the salary, benefits and a portion of the indirect costs of trainees rotating at their facilities.

**42 U.S.C. §256e (PHSA §340E)** governs Health Resources and Services Administration (HRSA)'s Children's Hospital GME program (CHGME). The CHGME program makes both Direct Graduate Medical Education payments (DGME) and Indirect Medical Education payments (IME) payments to children's hospitals for residents and fellows in training. It allocates one-third of its appropriation to DGME payments and the remaining two-thirds to IME payments.

**42 U.S.C. §256e (PHSA §340H)** governs Health Resources and Services Administration (HRSA)'s Teaching Health Center GME (THCGME) authorized in PHSA §340H (42 U.S.C. 256h). The THCGME program provides payments to outpatient facilities to support the training of primary care medical and dental residents at these facilities. The THCGME program makes both DGME and Indirect Medical Education payments IME to teaching health centers, defined as community based, ambulatory patient care center that operates a primary care residency program. The definition explicitly includes federal health centers, community mental health centers, rural health clinics, facilities operated by the Indian Health Service, and Title X Family Planning clinics The payments support the costs associated with primary care resident training, primary care residents, defined as residents training in family medicine, internal medicine, pediatrics, combined training in internal medicine-pediatrics, obstetrics and gynecology, psychiatry, general dentistry, pediatric dentistry, or geriatrics.

**42 U.S.C. §1395ww 42 (d)(5)(B), 1395ww(h), and 1395ww(k)** governs Medicare Graduate Medical Education payments to teaching hospitals with an approved and accredited residency program in medicine, osteopathy, dentistry, or podiatry for inpatient hospital. The Balanced Budget Act (BBA) of 1997 (Public Law 105-33) capped the number of Medicare-supported of resident full-time equivalents (FTEs) and the per resident amounts (PRAs), set at each hospital's resident count in the cost report period ending on or before December 31, 1996 with certain limited exceptions and periodically adjusted by subsequent Congressional acts. Hospitals may add residents beyond their cap, but these trainees do not generate additional Medicare revenues.

Medicare's pays separately for Direct Graduate Medical Education (DGME) and Indirect Medical Education (IME) costs under statutory formulas generally based on patient volume or the number of beds and number of residents. DGME aggregated payments are provided to teaching hospitals for the direct costs of educating resident physicians, including resident and faculty salaries, classroom space, and administrative support. IME payments are provided as an adjustment or add-on to both the operating and capital portions of the Medicare IPPS per discharge payment, with adjustment for each portion—operating and capital IPPS payments—is calculated differently.

**Summary:** The proposed legislation inserts into Chapter 118E a new Section 83, requiring MassHealth to make payments to community-based health care settings, including community health centers, for graduate medical education for post-graduate residency and other training in community-based primary care, behavioral health, and other areas of physician or provider shortage. The proposed legislation also grants MassHealth discretionary authority to make payments to providers to support community-based training for other classes of health professionals, including but not limited to, family medicine nurse practitioners, dentists, and dental hygienists. In making payments under this section, MassHealth is directed to prioritize community-based settings and organizations that serve a high public payer mix. Finally, the proposed legislation instructs consult with the Massachusetts League of Community Health Centers, Inc. and promulgate to implement this section within 180 days of its enactment.