



## **The Resident Physician Shortage Reduction Act of 2021**

### **Summary**

- Introduced by Representatives Terri Sewell (D-AL), John Katko (R-NY), Thomas Suozzi (D-NY), and Rodney Davis (R-Ill.)
- Increases, by 14,000 over seven years, the number of Medicare supported direct graduate medical education (DGME) and indirect medical education (IME) slots.
- Requires the Comptroller General to conduct a study on strategies for increasing health professional workforce diversity.

### **Distribution Methodology for Additional Slots**

- Increases the number of residency slots nationally by 2,000 each year between 2023-2029 (total 14,000).
- One-third of new residency slots are available only to teaching hospitals training over their cap.
- A hospital may receive up to 75 slots in any fiscal year.
- In determining which hospitals will receive slots, CMS is required to consider the likelihood of a teaching hospital filling positions and must distribute at least 10% of the slots to each of the following categories of hospitals:
  - Hospitals in rural areas;
  - Hospitals training over their GME cap;
  - Hospitals in states with new medical schools or new branch campuses; and
  - Hospitals that serve areas designated as health professional shortage areas (HPSAs).
- Hospitals receiving additional slots must ensure that:
  - They agree to increase the total number of resident full-time equivalent positions by the number of such positions awarded by CMS;
  - The total number of current slots is not reduced prior to the increase; and
  - The number of full-time equivalent (FTE) residents at the hospital is not decreased prior to the increase.

### **Reimbursement Level for Additional Slots**

- Under this legislation, new slots would be reimbursed at the hospital's otherwise applicable per resident amounts for DGME purposes and using the statutory adjustment factor for IME reimbursement purposes.

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