



## **The Resident Physician Shortage Reduction Act of 2017 (S. 1301)**

### **Summary**

- Introduced by Senators Bill Nelson (D-Fla.), Dean Heller (R-Nev.) and Democratic Leader Chuck Schumer (D-NY).
- Increases, by 15,000, the number of Medicare 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 3,000 each year between 2019-2023 (total 15,000).
- One-half of the available new slots each year must be used to train residents training in a shortage specialty residency program as identified in the Health Resources and Services Administration report on the Physician Workforce.
- A hospital may not receive more than 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 the positions and would prioritize teaching hospitals in the following manner:
  - Hospitals in states with new medical schools or new branch campuses;
  - Hospitals training over their cap;
  - Hospitals affiliated with Veterans Affairs medical centers;
  - Hospitals that emphasize training in community-based settings or in hospital outpatient departments;
  - Hospitals that are not located in a rural area and operate an approved “rural track” program; and
  - All other hospitals.

### **Requirements Associated with Additional Slots**

- Hospitals receiving additional slots must ensure that:
  - At least 50 percent of the additional slots are used for a shortage specialty residency program;
  - The total number of slots is not reduced prior to the increase; and
  - The ratio of residents in a shortage specialty program is not decreased prior to the increase.

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

- Under S. 1301, new slots would be reimbursed at the hospital’s otherwise applicable per resident amounts for DGME purposes and using the usual adjustment factor for IME reimbursement purposes.

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