The Resident Physician Shortage Reduction Act of 2011 (S. 1627)

Summary

- Introduced by Senators Bill Nelson (D-FL), Charles Schumer (D-NY), and Senate Majority Leader Harry Reid (D-NV)
- Increases by 15,000 the number of Medicare direct graduate medical education (DGME) and indirect medical education (IME) slots.
- Requires National Health Care Workforce Commission to submit a report to Congress by January 1, 2014 identifying physician shortage specialties.
- Requires Government Accountability Office 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 2013-17 (total 15,000).
- At least 1,500 slots each year must be used for a shortage specialty residency program as identified in the National Health Care Workforce Commission's report.
- Prior to report, directs the HHS to define shortage specialties as identified by the December 2008 HRSA report on the physician workforce.
- A hospital may not receive more than 75 slots in the aggregate between 2013-17, unless CMS determines there are remaining slots available for distribution.
- In determining which hospitals will receive slots, CMS required to consider the likelihood of a teaching hospital's filling the positions and would prioritize teaching hospitals in the following manner:
  - Hospitals in states with new medical schools or new branch campuses;
  - Hospitals that have exceeded their resident cap at the time of enactment of the legislation;
  - Hospitals that emphasize training in community health center or community-based settings or in hospital outpatient departments;
  - Hospitals eligible for electronic health record (EHR) incentive payments, and;
  - All other hospitals.

Requirements Associated with Additional Slots

- Hospitals receiving additional slots must ensure that:
  - At least 50% 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. 1627, 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.

For more information, please contact Len Marquez, Director, Government Relations, AAMC, at lmarquez@aamc.org or 202-862-6281.