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.

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