118TH CONGRESS
2D SESSION

S. ______

To amend title XVIII of the Social Security Area to provide additional and improved distribution of Medicare GME residency positions to rural areas and key specialties in shortage, and for other purposes.

IN THE SENATE OF THE UNITED STATES

______________________ introduced the following bill; which was read twice and referred to the Committee on ______________________

A BILL

To amend title XVIII of the Social Security Area to provide additional and improved distribution of Medicare GME residency positions to rural areas and key specialties in shortage, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the [“______ Act”].

1 **SEC. 2. ADDITIONAL AND IMPROVED DISTRIBUTION OF**
2 **MEDICARE GME RESIDENCY POSITIONS TO**
3 **RURAL AREAS AND KEY SPECIALTIES IN**
4 **SHORTAGE.**

5 (a) DISTRIBUTION.—
6 (1) IN GENERAL.—Section 1886(h) of the So-
7 cial Security Act (42 U.S.C. 1395ww(h)) is amend-
8 ed—
9 (A) in paragraph (4)(F)(i), by striking
10 ‘‘and (10)’’ and inserting ‘‘(10), and (11)’’;
11 (B) in paragraph (4)(H)(i), by striking
12 ‘‘and (10)’’ and inserting ‘‘(10), and (11)’’; and
13 (C) by adding at the end the following new
14 paragraph:
15 ‘‘(11) DISTRIBUTION OF ADDITIONAL RESI-
16 DENCY POSITIONS IN PSYCHIATRY AND PSYCHIATRY
17 SUBSPECIALTIES AND PRIMARY CARE.—
18 ‘‘(A) ADDITIONAL RESIDENCY POSI-
19 TIONS.—
20 ‘‘(i) IN GENERAL.—For each of fiscal
21 years 2027 through 2031 and for each suc-
22 ceeding fiscal year until the aggregate
23 number of full-time equivalent residency
24 positions distributed under this paragraph
25 is equal to the aggregate number of such
26 positions made available (as specified in

1 clause (ii)), the Secretary shall, subject to
2 the succeeding provisions of this para-
3 graph, increase the otherwise applicable
4 resident limit for each qualifying hospital
5 (as defined in subparagraph (F)) that sub-
6 mits a timely application under this sub-
7 paragraph by such number as the Sec-
8 retary may approve effective beginning
9 July 1 of the fiscal year of the increase.
10 ‘‘(ii) NUMBER AVAILABLE FOR DIS-
11 TRIBUTION.—The aggregate number of
12 such positions made available under this
13 paragraph shall be equal to [5,000].
14 ‘‘(iii) DISTRIBUTION FOR PSYCHIATRY
15 OR PSYCHIATRY SUBSPECIALTY
16 RESIDENCIES; PRIMARY CARE
17 RESIDENCIES.—
18 ‘‘(I) IN GENERAL.—For each of
19 fiscal years 2027 through 2031, of the
20 positions made available under this
21 paragraph—
22 ‘‘(aa) at least 15 percent
23 shall be distributed for a psychi-
24 atry or psychiatry subspecialty

1 residency (as defined in subparagraph (F));
3 "(bb) at least 25 percent shall be distributed for a primary care residency (as defined in such subparagraph); and
7 "(II) CONSIDERATION OF RECOMMENDATIONS OF GME POLICY COUNCIL.—For fiscal year 2032 and every 5 years thereafter until the aggregate number of full-time equivalent positions under this paragraph is equal to the aggregate number of such positions made available (as specified in clause (ii)), the Secretary shall, taking into consideration the recommendations of the Graduate Medical Education Policy Council established under paragraph (12), determine the appropriate percentage of the positions made available under this paragraph that should be distributed to a psychiatry or psychiatry subspecialty residency, a primary care residency, or other residency.

1 "(iv) TIMING.—The Secretary shall
2 notify hospitals of the number of positions
3 distributed to the hospital under this para-
4 graph as a result of an increase in the oth-
5 erwise applicable resident limit by January
6 31 of the fiscal year of the increase. Such
7 increase shall be effective beginning July 1
8 of such fiscal year.
9 "(B) DISTRIBUTION.—For purposes of
10 providing an increase in the otherwise applica-
11 ble resident limit under subparagraph (A), the
12 following shall apply:
13 "(i) CONSIDERATIONS IN DISTRIBU-
14 TION.—In determining for which qualifying
15 hospitals such an increase is provided
16 under subparagraph (A), the Secretary
17 shall take into account the demonstrated
18 likelihood of the hospital filling the posi-
19 tions made available under this paragraph
20 within the first 5 training years beginning
21 after the date the increase would be effec-
22 tive, as determined by the Secretary.
23 "(ii) MINIMUM DISTRIBUTION FOR
24 CERTAIN CATEGORIES OF HOSPITALS.—
25 Subject to clauses (iii), (iv), and (v), with

1 respect to the aggregate number of such
2 positions available for distribution under
3 this paragraph, the Secretary shall dis-
4 tribute not less than 10 percent of such
5 aggregate number to each of the following
6 categories of hospitals:
7 ''(I) Hospitals that—
8 ''(aa) are located in a rural
9 area (as defined in section
10 1886(d)(2)(D)), excluding hos-
11 pitals that are treated as being
12 located in a rural area pursuant
13 to section 1886(d)(8)(E);
14 ''(bb) are located in an area
15 that has a rural-urban com-
16 muting code equal to or great
17 than 4.0;
18 ''(cc) are sole community
19 hospitals (as defined in section
20 1866(d)(5)(D)(iii));
21 ''(dd) are located within 10
22 miles of a sole community hos-
23 pital; or
24 ''(ee) for fiscal years after
25 fiscal year 2031, have an accred-

1 ited rural training track (as de-
2 scribed in paragraph (4)(H)(iv)).
3 ''(II) Hospitals in which the ref-
4 erence resident level of the hospital
5 (as specified in subparagraph (F)(v))
6 is greater than the otherwise applica-
7 ble resident limit.
8 ''(III) Hospitals in States with—
9 ''(aa) new medical schools
10 that received 'Candidate School'
11 status from the Liaison Com-
12 mittee on Medical Education or
13 that received 'Pre-Accreditation'
14 status from the American Osteo-
15 pathic Association Commission
16 on Osteopathic College Accredita-
17 tion on or after January 1, 2000,
18 and that have achieved or con-
19 tinue to progress toward 'Full
20 Accreditation' status (as such
21 term is defined by the Liaison
22 Committee on Medical Edu-
23 cation) or toward 'Accreditation'
24 status (as such term is defined
25 by the American Osteopathic As-

1 sociation Commission on Osteo-
2 pathic College Accreditation); or
3 "(bb) additional locations
4 and branch campuses established
5 on or after January 1, 2000, by
6 medical schools with 'Full Ac-
7 creditation' status (as such term
8 is defined by the Liaison Com-
9 mittee on Medical Education) or
10 'Accreditation' status (as such
11 term is defined by the American
12 Osteopathic Association Commis-
13 sion on Osteopathic College Ac-
14 creditation).
15 "(IV) Hospitals that serve areas
16 designated as health professional
17 shortage areas under section
18 332(a)(1)(A) of the Public Health
19 Service Act, as determined by the Sec-
20 retary.
21 "(iii) SPECIAL RULE.—In distributing
22 positions to hospitals under clause (ii), the
23 Secretary shall follow the minimum dis-
24 tribution for certain categories of hospitals
25 as outlined in clause (ii).

1 "(iv) PRIORITY FOR DISTRIBUTION TO
2 HOSPITALS THAT SERVE RURAL AND UN-
3 DERSERVED AREAS.—In distributing posi-
4 tions to hospitals described in clause (ii),
5 the Secretary shall give priority to such
6 hospitals that are—
7 "(I) located in a State with a
8 lower ratio of medical residents per
9 100,000 population (as determined by
10 the Secretary);
11 "(II) located in a medically un-
12 derserved area (as designated pursu-
13 ant to section 330(b)(3)(A) of the
14 Public Health Service Act); or
15 "(III) affiliated with an eligible
16 institution described in section 371(a)
17 of the Higher Education Act of 1965
18 (20 U.S.C. 1067q(a)) that establishes
19 a college of medicine.
20 "(v) REQUIREMENT RELATING TO PO-
21 SITIONS DISTRIBUTED FOR A PSYCHIATRY
22 OR PSYCHIATRY SUBSPECIALTY OR PRI-
23 MARY CARE RESIDENCY.—
24 "(I) IN GENERAL.—Subject to
25 subclause (III), in the case of a hos-

1 pital that receives an increase in the
2 otherwise applicable resident limit
3 under this paragraph, with respect to
4 any positions distributed to the hos-
5 pital for a psychiatry or psychiatry
6 subspecialty residency or a primary
7 care residency under subparagraph
8 (A)(iii), such hospital shall ensure
9 that such positions are in a psychiatry
10 or psychiatry subspecialty residency or
11 primary care residency, as applicable
12 based on such distribution, for the du-
13 ration of the 10-year period beginning
14 on the date of such increase (as deter-
15 mined by the Secretary).
16 "(II) DETERMINATION.—The
17 Secretary may determine whether a
18 hospital has met the requirements
19 under subclause (I) during such 10-
20 year period in such manner and at
21 such time as the Secretary determines
22 appropriate, including at the end of
23 such 10-year period.
24 "(III) REDISTRIBUTION OF POSI-
25 TIONS IF HOSPITAL NO LONGER

1 MEETS CERTAIN REQUIREMENTS.—In
2 the case where the Secretary deter-
3 mines that a hospital described in
4 subclause (I) does not meet the re-
5 quirement under such subclause with
6 respect to any positions distributed to
7 the hospital for a psychiatry or psy-
8 chiatry subspecialty residency or a
9 primary care residency under sub-
10 paragraph (A)(iii), the Secretary
11 shall—
12 ''(aa) reduce the otherwise
13 applicable resident limit of the
14 hospital by the amount by which
15 such limit was increased under
16 this paragraph for the distribu-
17 tion of such positions; and
18 ''(bb) provide for the dis-
19 tribution of positions attributable
20 to such reduction for a psychi-
21 atry or psychiatry subspecialty
22 residency or a primary care resi-
23 dency, as applicable, in accord-
24 ance with the requirements of
25 this paragraph.

1 "(C) REQUIREMENTS.—
2 "(i) LIMITATION.—A hospital may not
3 receive more than [30] additional full-time
4 equivalent residency positions under this
5 paragraph.
6 "(ii) PROHIBITION ON DISTRIBUTION
7 TO HOSPITALS WITHOUT AN INCREASE
8 AGREEMENT.—No increase in the other-
9 wise applicable resident limit of a hospital
10 may be made under this paragraph unless
11 such hospital agrees to increase the total
12 number of full-time equivalent residency
13 positions under the approved medical resi-
14 dency training program of such hospital by
15 the number of such positions made avail-
16 able by such increase under this para-
17 graph.
18 "(iii) REQUIREMENT FOR HOSPITALS
19 TO EXPAND PROGRAMS.—If a hospital that
20 receives an increase in the otherwise appli-
21 cable resident limit under this paragraph
22 would be eligible for an adjustment to the
23 otherwise applicable resident limit for par-
24 ticipation in a new medical residency train-
25 ing program under section 413.79(e)(3) of

1 title 42, Code of Federal Regulations (or
2 any successor regulation), the hospital
3 shall ensure that any positions made avail-
4 able under this paragraph are used to ex-
5 pand an existing program of the hospital
6 and not for participation in a new medical
7 residency training program.
8 ''(D) APPLICATION OF HOSPITAL-SPECIFIC
9 PER RESIDENT AMOUNT.—With respect to addi-
10 tional residency positions in a hospital attrib-
11 utable to the increase provided under this para-
12 graph, the approved FTE resident amount shall
13 be determined in accordance with paragraph
14 (2)(G).
15 ''(E) PERMITTING FACILITIES TO APPLY
16 AGGREGATION RULES.—The Secretary shall
17 permit hospitals receiving additional residency
18 positions attributable to the increase provided
19 under this paragraph to, beginning in the fifth
20 year after the effective date of such increase,
21 apply such positions to the limitation amount
22 under paragraph (4)(F) that may be aggre-
23 gated pursuant to paragraph (4)(H) among
24 members of the same affiliated group.
25 ''(F) DEFINITIONS.—In this paragraph:

1 "(i) OTHERWISE APPLICABLE RESI-
2 DENT LIMIT.—The term 'otherwise appli-
3 cable resident limit' means, with respect to
4 a hospital, the limit otherwise applicable
5 under subparagraphs (F)(i) and (H) of
6 paragraph (4) on the resident level for the
7 hospital determined without regard to this
8 paragraph, but taking into account para-
9 graphs (7)(A), (7)(B), (8)(A), (8)(B),
10 (9)(A), and (10)(A).
11 "(ii) PRIMARY CARE RESIDENCY.—
12 The term 'primary care residency' means a
13 residency in a program described in para-
14 graph (5)(H).
15 "(iii) PSYCHIATRY OR PSYCHIATRY
16 SUBSPECIALTY RESIDENCY.—The term
17 'psychiatry or psychiatry subspecialty resi-
18 dency' has the meaning given that term in
19 paragraph (10)(F).
20 "(iv) QUALIFYING HOSPITAL.—The
21 term 'qualifying hospital' means a hospital
22 described in any of subclauses (I) through
23 (IV) of subparagraph (B)(ii).
24 "(v) REFERENCE RESIDENT LEVEL.—
25 The term 'reference resident level' means,

1 with respect to a hospital, the resident
2 level for the most recent cost reporting pe-
3 riod of the hospital ending on or before the
4 date of enactment of this paragraph, for
5 which a cost report has been settled (or, if
6 not, submitted (subject to audit)), as de-
7 termined by the Secretary.
8 ''(vi) RESIDENT LEVEL.—The term
9 'resident level' has the meaning given such
10 term in paragraph (7)(C)(i).''.
11 (2) IME.—Section 1886(d)(5)(B) of the Social
12 Security Act (42 U.S.C. 1395ww(d)(5)(B)) is
13 amended—
14 (A) in clause (v), in the third sentence, by
15 striking ''and (h)(10)'' and inserting ''(h)(10),
16 and (h)(11)''; and
17 (B) by adding at the end the following new
18 clause:
19 ''(xiii) For discharges occurring on or
20 after July 1, 2027, insofar as an additional
21 payment amount under this subparagraph
22 is attributable to resident positions distrib-
23 uted to a hospital under subsection
24 (h)(11), the indirect teaching adjustment
25 factor shall be computed in the same man-

1 ner as provided under clause (ii) with re-
2 spect to such resident positions.''.
3 (3) PROHIBITION ON JUDICIAL REVIEW.—Sec-
4 tion 1886(h)(7)(E) of the Social Security Act (42
5 U.S.C. 1395ww(h)(7)(E)) is amended by inserting
6 ''paragraph (11),'' after ''paragraph (10),''.
7 [(b) DETERMINATION OF HOSPITAL-SPECIFIC PER
8 RESIDENT AMOUNT FOR NEW POSITIONS.—Section
9 1886(h)(2) of the Social Security Act (42 U.S.C.
10 1395ww(h)(2)) is amended by adding at the end the fol-
11 lowing new subparagraph:]
12 [''(G) DETERMINATION OF HOSPITAL-SPE-
13 CIFIC PER RESIDENT AMOUNT FOR NEW POSI-
14 TIONS.—Notwithstanding any other provision of
15 law, for cost reporting periods beginning during
16 each fiscal year beginning on or after the date
17 of enactment of this subparagraph, the fol-
18 lowing shall apply in the case of any residency
19 positions distributed or redistributed on or after
20 the date of enactment of this subparagraph, or
21 any positions attributable to the establishment
22 or expansion of an approved medical residency
23 training program on or after such date:]
24 [''(i) IN GENERAL.—The approved
25 FTE amount shall be equal to the hos-

1 pital-specific per resident amount deter-
2 mined under clause (ii).]
3 [“(ii) HOSPITAL-SPECIFIC PER RESI-
4 DENT AMOUNT.—The hospital-specific per
5 resident amount is, with respect to an ap-
6 proved medical residency training program
7 of a hospital, an amount equal to the prod-
8 uct of—]
9 [“(I) the national per resident
10 amount base rate (as determined
11 under clause (iii)); and]
12 [“(II) the sum of—]
13 [“(aa) 1; and]
14 [“(bb) the cumulative bonus
15 percentage (as determined for the
16 hospital under clause (iv)).]
17 [“(iii) DETERMINATION OF NATIONAL
18 PER RESIDENT AMOUNT BASE RATE.—]]
19 [“(I) IN GENERAL.—The na-
20 tional per resident amount base rate
21 is, with respect to cost reporting peri-
22 ods beginning during a fiscal year,
23 equal to the product of—]
24 [“(aa) the national weighted
25 average per resident amount (as

1 determined under subclause (II))
2 for the fiscal year; and]
3 [“(bb) 0.8.]
4 [“(II) NATIONAL WEIGHTED AV-
5 ERAGE PER RESIDENT AMOUNT.—For
6 cost reporting periods beginning dur-
7 ing each fiscal year, the Secretary
8 shall calculate a national weighted av-
9 erage per resident amount. Such
10 amount shall be equal to the sum of
11 the hospital-specific weights calculated
12 for each hospital under subclause (II)
13 with respect to the fiscal year.]
14 [“(III) CALCULATION OF HOS-
15 PITAL-SPECIFIC WEIGHTS.—The hos-
16 pital-specific weight calculated under
17 this subclause, with respect to a hos-
18 pital and a fiscal year, is equal to the
19 product of—]
20 [“(aa) the per-resident
21 amount for the hospital for the
22 fiscal year; and]
23 [“(bb) the weighting
24 amount (as determined under

1 subclause (IV)) for the hospital
2 for the fiscal year.]
3 [‘‘(IV) WEIGHTING AMOUNT.—
4 For purposes of subclause (III), the
5 weighting amount determined under
6 this subclause, with respect to a hos-
7 pital and a fiscal year, is equal to the
8 quotient obtained by dividing—]
9 [‘‘(aa) the limit applicable
10 under subparagraphs (F)(i) and
11 (H) of paragraph (4) on the resi-
12 dent level for the hospital (deter-
13 mined taking into account para-
14 graphs (7)(A), (7)(B), (8)(A),
15 (8)(B), (9)(A), (10)(A), and
16 (11)(A)); and]
17 [‘‘(bb) the sum of the limits
18 described in item (aa) for each
19 hospital with respect to the fiscal
20 year.]
21 [‘‘(iv) DETERMINATION OF CUMU-
22 LATIVE BONUS PERCENTAGE.—The Sec-
23 retary shall determine the cumulative
24 bonus percentage for each hospital. The
25 cumulative bonus percentage for a hospital

1 shall be equal to the sum of each of the
2 bonus percentages the hospital receives
3 under clauses (v) through (viii).]
4 [''(v) STATE SHORTAGE AREA BONUS
5 PERCENTAGE.—]
6 [''(I) IN GENERAL.—A hospital
7 described in subclause (III) shall be
8 eligible for a State shortage area
9 bonus percentage of the applicable
10 percentage specified for the hospital
11 in such subclause.]
12 [''(II) RANKING.—For each fis-
13 cal year, the Secretary shall rank
14 States based on the ratio of primary
15 care physicians in the State to total
16 population of the State for the pre-
17 ceding fiscal year, with States having
18 the lowest ratio ranked at the bottom
19 and those with the highest ratio
20 ranked at the top.]
21 [''(III) BONUS APPLICABLE.—
22 For purposes of subclause (I), the ap-
23 plicable percentage specified in this
24 subclause in the case of a hospital lo-

1 cated in a State that is ranked for the
2 fiscal year under subclause (II)—]
3 [''(aa) in the lowest two
4 deciles, 20 percent;]
5 [''(bb) in the next lowest
6 two deciles, 15 percent;]
7 [''(cc) in the next lowest
8 two deciles, 10 percent; and]
9 [''(dd) in the next lowest
10 two deciles , 5 percent.]
11 [''(vi) MEDICALLY UNDERSERVED
12 POPULATION BONUS PERCENTAGE.—A
13 hospital that is located in an area des-
14 ignated as having a medically underserved
15 population (as defined in section 330(b)(3)
16 of the Public Health Service Act) shall re-
17 ceive a medically underserved population
18 bonus percentage of 10 percent.]
19 [''(vii) HIGH DUAL ELIGIBLE POPU-
20 LATION.—]
21 [''(I) IN GENERAL.—A hospital
22 described in subclause (II) shall re-
23 ceive a high dual eligible population
24 bonus percentage of 5 percent.]

1 [“(II) HOSPITAL DESCRIBED.—
2 The following hospitals are described
3 in this subclause:]
4 [“(aa) A hospital that is in
5 the top ten percent of hospitals
6 nationwide with respect to share
7 of full-benefit dual eligible indi-
8 viduals (as defined in section
9 1935(c)(6)) (as determined by
10 the Secretary, based on the total
11 number of such individuals fur-
12 nished services by the hospital
13 during the preceding fiscal
14 year).]
15 [“(bb) If no hospital in a
16 State is described in item (aa),
17 the hospital in the State that has
18 the highest share of full-benefit
19 dual eligible individuals in the
20 State (as so determined).]
21 [“(viii) HIGH EXPENSE HOSPITAL.—]
22 [“(I) IN GENERAL.—A hospital
23 may receive only one of the bonuses
24 specified in subclause (II) in a fiscal
25 year. In instances where a hospital

1 qualifies for more than one such
2 bonus, the hospital will receive the
3 larger of the bonuses the hospital is
4 otherwise eligible for.]

5 [''(II) BONUSES SPECIFIED.—
6 The following bonuses are specified in
7 this subclause:]

8 [''(aa) DISASTER DESIGNA-
9 TION.—In the case of a hospital
10 that is located in an area in
11 which a major disaster has been
12 declared under section 401 of the
13 Robert T. Stafford Disaster Re-
14 lief and Emergency Assistance
15 Act (42 U.S.C. 5170) 5 or more
16 times in the last 5 years, a bonus
17 of 45 percent.]

18 [''(bb) LEVEL-1 TRAUMA
19 CENTER.—In the case of a hos-
20 pital with a level I trauma center,
21 a bonus of 15 percent.]

22 [''(cc) LEVEL-2 TRAUMA
23 CENTER.—In the case of a hos-
24 pital with a level II trauma cen-
25 ter, a bonus of 5 percent.]

1 [“(dd) LOW-CAP HOS-
2 PITAL.—In the case of a hospital
3 for which the limit applicable
4 under subparagraphs (F)(i) and
5 (H) of paragraph (4) on the resi-
6 dent level for the hospital (deter-
7 mined taking into account para-
8 graphs (7)(A), (7)(B), (8)(A),
9 (8)(B), (9)(A), (10), and (11)) is
10 below 30, a bonus of 15 per-
11 cent.]
12 [“(III) CLARIFICATION REGARD-
13 ING NONAPPLICATION TO EXISTING
14 POSITIONS.—The subparagraph shall
15 not apply to any full-time equivalent
16 residency position in an approved
17 medical residency training program of
18 a hospital for which payment is made
19 under this subsection prior to the date
20 of enactment of this subparagraph,
21 except in the case where such position
22 is redistributed.”.]
23 (c) COUNTING TIME SPENT IN CERTAIN NONPRO-
24 VIDER SETTINGS.—

1 (1) GME.—Section 1886(h)(4)(E) of the Social
2 Security Act (42 U.S.C. 1395ww(h)(4)(E)) is
3 amended, in the flush matter at the end, by adding
4 at the end the following: ''Effective for cost report-
5 ing periods beginning on or after July 1, 2026, the
6 term 'nonprovider setting' includes a facility of the
7 Indian Health Service (whether operated by such
8 Service, by an Indian tribe or tribal organization, or
9 an urban Indian organization (as those terms are
10 defined in section 4 of the Indian Health Care Im-
11 provement Act)).''.
12 (2) IME.—Section 1886(d)(5)(B)(iv)(II) of the
13 Social Security Act (42 U.S.C.
14 1395ww(d)(5)(B)(iv)(II)) is amended by adding at
15 the end the following: ''Effective for discharges oc-
16 curring on or after July 1, 2026, the term 'nonpro-
17 vider setting' includes a facility of the Indian Health
18 Service (whether operated by such Service, by an In-
19 dian tribe or tribal organization, or an urban Indian
20 organization (as those terms are defined in section
21 4 of the Indian Health Care Improvement Act)).''.

22 **SEC. 3. ENCOURAGING HOSPITALS TO TRAIN IN RURAL**
23 **AREAS.**

24 (a) IN GENERAL.—Section 1886(b)(3) of the Social
25 Security Act (42 U.S.C. 1395ww(b)(3)) is amended—

1 (1) in subparagraph (C), in the matter pre-
2 ceding clause (i), by striking ''and (L)'' and insert-
3 ing '', (L), and (M)'';
4 (2) in subparagraph (D), in the matter pre-
5 ceding clause (i), by striking ''subparagraph (K)''
6 and inserting ''subparagraphs (K) and (M)''; and
7 (3) by adding the following new subparagraph:
8 ''(M) For cost reporting periods beginning
9 on or after the date of enactment of this sub-
10 paragraph, in the case of a sole community hos-
11 pital or a Medicare-dependent, small rural hos-
12 pital that develops or expands an approved
13 medical residency training program after the
14 year in which the hospital-specific rate for such
15 hospital was calculated, the hospital shall be eli-
16 gible for an indirect medical education payment
17 adjustment in the same manner as other sub-
18 section (d) hospitals as described in paragraph
19 (5)(B).''.
20 (b) ALLOWING FOR PAYMENT FOR SERVICES UNDER
21 THE MEDICARE PHYSICIAN FEE SCHEDULE WHEN RESI-
22 DENTS ARE SUPERVISED BY TEACHING PHYSICIANS VIR-
23 TUALLY.—Section 1848 of the Social Security Act (42
24 U.S.C. 1395w–4) is amended by adding at the end the
25 following new subsection:

1 "(u) ALLOWING TEACHING PHYSICIANS TO SUPER-
2 VISE VIRTUALLY.—In the case of physicians' services fur-
3 nished on or after January 1, 2026, if a resident partici-
4 pates in a service furnished in a teaching setting, payment
5 for such service may be made under this section if a teach-
6 ing physician has a virtual presence during the key portion
7 of the service, but only in clinical instances when the serv-
8 ice is furnished virtually.".
9 (c) PROVIDING OUTREACH AND TECHNICAL ASSIST-
10 ANCE TO RURAL HOSPITALS REGARDING AVAILABILITY
11 OF MEDICARE GRADUATE MEDICAL EDUCATION PAY-
12 MENTS.—Section 1820 of the Social Security Act (42
13 U.S.C. 1395i–4) is amended—
14 (1) in subsection (g)(1)—
15 (A) in subparagraph (C), by striking
16 "and" at the end;
17 (B) in subparagraph (D), by striking the
18 period at the end and inserting "; and"; and
19 (C) by adding at the end the following new
20 subparagraph:
21 "(E) conducting outreach regarding pay-
22 ments for indirect medical education costs
23 under section 1886(d)(5)(B) and direct grad-
24 uate medical education costs under section
25 1886(h), providing information regarding eligi-

1 bility for graduate medical education positions
2 intended for rural hospitals, and providing as-
3 sistance with the application process for the dis-
4 tribution of such positions to—
5 "(i) hospitals that are described in
6 section 1886(h)(11)(B)(ii)(I); and
7 "(ii) rural emergency hospitals (as de-
8 fined in section 1861(kkk)(2))."; and
9 (2) in subsection (j)—
10 (A) by striking "expended and for" and in-
11 serting "expended, for"; and
12 (B) by inserting the following before the
13 period: ", and for making grants to all States
14 under subsection (g)(1)(E), $5,000,000 in each
15 of fiscal years 2026 through 2030, to remain
16 available until expended".

17 **SEC. 4. ESTABLISHMENT OF MEDICARE GRADUATE MED-**
18 **ICAL EDUCATION POLICY COUNCIL TO IM-**
19 **PROVE DISTRIBUTION OF MEDICARE GME**
20 **RESIDENCY POSITIONS TO SPECIALTIES IN**
21 **SHORTAGE.**

22 Section 1886(h) of the Social Security Act (42 U.S.C.
23 1395ww(h)), as amended by section 2, is amended by add-
24 ing at the end the following new paragraph:

1 "(12) MEDICARE GRADUATE MEDICAL EDU-
2 CATION POLICY COUNCIL.—
3 "(A) ESTABLISHMENT.—There is estab-
4 lished the Medicare Graduate Medical Edu-
5 cation Policy Council (in this paragraph re-
6 ferred to as the 'Council').
7 "(B) MEMBERSHIP.—
8 "(i) COMPOSITION.—The Council
9 shall be composed of 13 members who are
10 not employees of the United States and
11 who are appointed by the Secretary, as ad-
12 vised by the Comptroller General of the
13 United States.
14 "(ii) QUALIFICATIONS.—The member-
15 ship of the Council shall include individuals
16 representing academic medical institutions,
17 including at least one representative of an
18 allopathic medical school and one rep-
19 resentative of an osteopathic medical
20 school, hospitals that serve rural areas and
21 underserved communities, medical stu-
22 dents, health care workforce experts, at
23 least one doctor of medicine, and at least
24 one doctor of osteopathy.

1 "(iii) NOMINATIONS.—The Secretary
2 shall solicit nominations for membership to
3 the Council through a notice published in
4 the Federal Register.
5 "(C) TERMS.—A member of the Council
6 shall be appointed for a term of 5 years.
7 "(D) VACANCIES.—A vacancy in the Coun-
8 cil shall be filled in the same manner as the
9 original appointment.
10 "(E) MEETINGS.—
11 "(i) INITIAL MEETING.—Not later
12 than 180 days after the date on which all
13 members of the Council have been ap-
14 pointed, the Council shall hold the first
15 meeting of the Council.
16 "(ii) FREQUENCY.—The Council shall
17 meet not less than 2 times per year and at
18 the call of the Chairperson.
19 "(iii) QUORUM.—A majority of the
20 members of the Council shall constitute a
21 quorum.
22 "(iv) DECISIONS.—A decision at a
23 meeting is to be made by a ballot of a ma-
24 jority of the members of the Council
25 present at the meeting.

1 “(F) COMPENSATION.—Members of the
2 Council shall be compensated at a rate not to
3 exceed the daily equivalent of the rate in effect
4 for grade GS–18 of the General Schedule for
5 each day (including travel time) when they are
6 engaged in the performance of their duties as
7 members of the Council.
8 “(G) TRAVEL EXPENSES.—All members,
9 while serving away from their homes or regular
10 places of business, may be allowed travel ex-
11 penses, including per diem in lieu of subsist-
12 ence, in the same manner as such expenses are
13 authorized by section 5703 of title 5, United
14 States Code, for employees serving intermit-
15 tently.
16 “(H) STAFF.—The Secretary shall provide
17 the Council with such professional and clerical
18 staff, such information, and the services of such
19 consultants as may be necessary to assist the
20 Council in carrying out effectively its functions
21 under this section.
22 “(I) FUNCTIONS.—The Council shall—
23 “(i) for fiscal year 2032 and every 5
24 years thereafter, advise the Secretary on
25 the distribution of graduate medical edu-

1 cation positions under this subsection
2 based on geographic areas and medical
3 specialties in which there are projected
4 shortages of physicians;
5 "(ii) evaluate the distribution of posi-
6 tions made available under paragraph (11),
7 including an evaluation of whether such
8 distribution is being carried out in accord-
9 ance with the requirements under such
10 paragraph and whether such distribution is
11 effective in addressing projected physician
12 shortages in rural areas and medically un-
13 derserved areas (as designated pursuant to
14 section 330(b)(3)(A) of the Public Health
15 Service Act) and medical specialties in
16 shortage;
17 "(iii) advise the Secretary on the de-
18 velopment of a measure to assess how
19 many physicians an approved medical resi-
20 dency training program sends to practice
21 in a health professional shortage area (as
22 defined in section 332(a)(1)(A) of the Pub-
23 lic Health Service Act) or a medically un-
24 derserved area (as designated pursuant to
25 section 330(b)(3)(A) of the Public Health

1 Service Act), and for how long such physi-
2 cians practice in those areas;
3 “(iv) advise the Secretary on the de-
4 velopment of an application process for
5 hospitals with a low otherwise applicable
6 resident limit (as defined in paragraph
7 (11)(F)) to apply for graduate medical
8 education positions that remain available
9 for distribution under paragraph (11) after
10 fiscal year 2031; and
11 “(v) carry out its functions under
12 clauses (i) through (iv) in collaboration
13 with the Accreditation Council on Grad-
14 uate Medical Education.
15 “(J) TERMINATION.—The Council shall
16 terminate not later than the date that is 20
17 years after the date of its establishment.”.

18 **SEC. 5. IMPROVEMENTS TO MEDICARE GME TREATMENT**
19 **OF HOSPITALS ESTABLISHING NEW MEDICAL**
20 **RESIDENCY TRAINING PROGRAMS.**

21 (a) REDETERMINATION OF APPROVED FTE RESI-
22 DENT AMOUNT.—Section 1886(h)(2)(F)(iii) of the Social
23 Security Act (42 U.S.C. 1395ww(h)(2)(F)(iii)) is amend-
24 ed, in the flush matter at the end, by striking “and before
25 the date that is 5 years after such date”.

1 (b) REDETERMINATION OF FTE RESIDENT LIMITA-
2 TION.—Section 1886(h)(4)(H)(i) of the Social Security
3 Act (42 U.S.C. 1395ww(h)(4)(H)(i)) is amended—
4 (1) in subclause (III), by striking ‘‘and before
5 the date that is 5 years after such date’’; and
6 (2) in subclause (IV), by striking ‘‘and before
7 the date that is 5 years after such date’’.
8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to payment under section 1886 of
10 the Social Security Act (42 U.S.C. 1395ww) for cost re-
11 porting periods beginning on or after the date of the en-
12 actment of this Act.
13 **SEC. 6. IMPROVEMENTS TO THE DISTRIBUTION OF RESI-**
14 **DENT SLOTS UNDER THE MEDICARE PRO-**
15 **GRAM AFTER A HOSPITAL CLOSES.**
16 (a) IN GENERAL.—Section 1886(h)(4)(H)(vi) of the
17 Social Security Act (42 U.S.C. 1395ww(h)(4)(H)(vi)) is
18 amended—
19 (1) in subclause (II)—
20 (A) by striking item (cc) and redesignating
21 item (dd) as item (cc); and
22 (B) in item (cc), as redesignated under
23 subparagraph (A)—
24 (i) by striking ‘‘Fourth’’ and inserting
25 ‘‘Third’’; and

1 (ii) by striking ''item (cc)'' and insert-
2 ing ''item (bb)''; and
3 (2) in subclause (III), by striking ''likelihood of
4 filling'' and all that follows and inserting the fol-
5 lowing: ''likelihood of—
6 ''(aa) starting to utilize the
7 positions made available under
8 this clause within 2 years; and
9 ''(bb) filling the positions
10 made available under this clause
11 within 5 years.''.
12 (b) EFFECTIVE DATE.—The amendments made by
13 subsection (a) shall apply to the redistribution of residency
14 slots with respect to hospitals that close on or after the
15 date of enactment of this Act.
16 **SEC. 7. IMPROVING GME DATA COLLECTION AND TRANS-**
17 **PARENCY.**
18 Part A of title XI of the Social Security Act (42
19 U.S.C. 1301 et seq.) is amended by adding at the end
20 the following new section:
21 **''SEC. 1150D. GRADUATE MEDICAL EDUCATION REPORTING.**
22 ''(a) IN GENERAL.—Not later than January 1, 2026,
23 and annually thereafter, the Secretary of Health and
24 Human Services, shall make publicly available information

1 on Federal graduate medical education programs, includ-
2 ing—
3 ‘‘(1) payments for indirect medical education
4 costs under section 1886(d)(5)(B) and direct grad-
5 uate medical education costs under section 1886(h),
6 including—
7 ‘‘(A) full-time equivalent resident caps ap-
8 plicable under section 1886(d)(5)(B)(v) and
9 subparagraphs (F)(i) and (H) of section
10 1886(h)(4);
11 ‘‘(B) numbers of full-time equivalent resi-
12 dents for hospitals for purposes of section
13 1886(d)(5)(B) and section 1886(h); and
14 ‘‘(C) approved FTE resident amounts for
15 hospitals for purposes of section 1886(h);
16 ‘‘(2) the number, specialty type, licensure type
17 (including doctor of medicine or doctor of osteop-
18 athy), diversity (including gender and race or eth-
19 nicity), and citizenship information of residents sup-
20 ported in the most recent completed residency aca-
21 demic year prior to the fiscal year;
22 ‘‘(3) the number and percentage of residents
23 supported, by specialty type, who completed their
24 residency training and entered practice—

1 "(A) primarily serving a health profes-
2 sional shortage area (as designated under sec-
3 tion 332 of the Public Health Service Act) or
4 a medically underserved community (as defined
5 in section 799B(6) of the Public Health Service
6 Act); or
7 "(B) in a rural area (as defined in section
8 1886(d)(2)(D));
9 "(4) the number and percentage of residents
10 supported who were retained in the practice of pri-
11 mary care (as defined in section 1886(h)(5)(H)) at
12 least 2 years post initial residency completion to ac-
13 count for further specialization;
14 "(5) the aggregate graduate medical education
15 payment amounts provided by residency type or spe-
16 cialty and site of training;
17 "(6) the number of residents who experienced
18 remediation, probation, transfers, withdrawals, or
19 dismissals, broken out based on gender and race or
20 ethnicity, on an aggregated basis to protect privacy;
21 and
22 "(7) other information as determined appro-
23 priate by the Secretary.
24 "(b) PUBLIC USE DATA FILE.—The Secretary shall
25 make available on the internet website of the Centers for

1 Medicare & Medicaid Services public use data files con-
2 taining the information described in subsection (a) in a
3 format that is easy to use by policymakers, researchers,
4 and the public.

5 "(c) IMPLEMENTATION.—In carrying out this sec-
6 tion, the Secretary shall—

7 "(1) utilize existing data collected for adminis-
8 trative or other purposes, such as hospital cost re-
9 ports, claims data, national provider identifier data,
10 Medicare Intern and Resident Information Systems,
11 proprietary professional data such as the American
12 Medical Association Physician Masterfile, and data
13 collected by the Accreditation Council on Graduate
14 Medical Education; and

15 "(2) minimize administrative, data collection,
16 and reporting burdens on the individual, institution,
17 and residency program levels.".