

119TH CONGRESS  
1ST SESSION

# S. 2439

To amend title XVIII of the Social Security Act to provide for the distribution of additional residency positions, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JULY 24, 2025

Mr. BOOZMAN (for himself, Mr. WARNOCK, Ms. COLLINS, Mr. SCHUMER, Mrs. GILLIBRAND, Ms. ROSEN, Ms. KLOBUCHAR, Mr. KING, Mr. GALLEG0, Mr. WELCH, Ms. SLOTKIN, and Mr. DURBIN) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XVIII of the Social Security Act to provide for the distribution of additional residency positions, 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 “Resident Physician  
5 Shortage Reduction Act of 2025”.

6 **SEC. 2. DISTRIBUTION OF ADDITIONAL RESIDENCY POSI-**  
7 **TIONS.**

8 (a) IN GENERAL.—Section 1886(h) of the Social Se-  
9 curity Act (42 U.S.C. 1395ww(h)) is amended—

1 (1) in paragraph (4)(F)(i), by striking “and  
2 (10)” and inserting “(10), and (11)”;

3 (2) in paragraph (4)(H)(i), by striking “and  
4 (10)” and inserting “(10), and (11)”;

5 (3) in paragraph (7)(E), by inserting “para-  
6 graph (11),” after “paragraph (10),”; and

7 (4) by adding at the end the following new  
8 paragraph:

9 “(11) DISTRIBUTION OF ADDITIONAL RESI-  
10 DENCY POSITIONS.—

11 “(A) ADDITIONAL RESIDENCY POSI-  
12 TIONS.—

13 “(i) IN GENERAL.—For each of fiscal  
14 years 2027 through 2033 (and succeeding  
15 fiscal years if the Secretary determines  
16 that there are additional residency posi-  
17 tions available to distribute under clause  
18 (iii)(II)), the Secretary shall increase the  
19 otherwise applicable resident limit for each  
20 qualifying hospital (as defined in subpara-  
21 graph (G)) that submits a timely applica-  
22 tion under this subparagraph by such  
23 number as the Secretary may approve for  
24 portions of cost reporting periods occurring  
25 on or after July 1 of the fiscal year of the

1 increase. Except as provided in clause (iii),  
2 the aggregate number of increases in the  
3 otherwise applicable resident limit under  
4 this subparagraph shall be equal to 2,000  
5 in each of fiscal years 2027 through 2033.

6 “(ii) PROCESS FOR DISTRIBUTING PO-  
7 SITIONS.—

8 “(I) ROUNDS OF APPLICA-  
9 TIONS.—The Secretary shall initiate 7  
10 separate rounds of applications for an  
11 increase under clause (i), 1 round  
12 with respect to each of fiscal years  
13 2027 through 2033.

14 “(II) NUMBER AVAILABLE.—In  
15 each of such rounds, the aggregate  
16 number of positions available for dis-  
17 tribution in the fiscal year as a result  
18 of an increase in the otherwise appli-  
19 cable resident limit (as described in  
20 clause (i)) shall be distributed, plus  
21 any additional positions available  
22 under clause (iii).

23 “(III) TIMING.—The Secretary  
24 shall notify hospitals of the number of  
25 positions distributed to the hospital

under this paragraph as result of an increase in the otherwise applicable resident limit by January 31 of the fiscal year of the increase. Such increase shall be effective for portions of cost reporting periods beginning on or after July 1 of that fiscal year.

“(iii) POSITIONS NOT DISTRIBUTED DURING THE FISCAL YEAR.—

“(I) IN GENERAL.—If the number of resident full-time equivalent positions distributed under this paragraph in a fiscal year is less than the aggregate number of positions available for distribution in the fiscal year (as described in clause (i), including after application of this subclause), the difference between such number distributed and such number available for distribution shall be added to the aggregate number of positions available for distribution in the following fiscal year.

“(II) EXCEPTION IF POSITIONS NOT DISTRIBUTED BY END OF FISCAL

1 YEAR 2033.—If the aggregate number  
2 of positions distributed under this  
3 paragraph during the 7-year period of  
4 fiscal years 2027 through 2033 is less  
5 than 14,000, the Secretary shall, in  
6 accordance with the considerations de-  
7 scribed in subparagraph (B)(i) and  
8 the priority described in subparagraph  
9 (B)(ii), conduct an application and  
10 distribution process in each subse-  
11 quent fiscal year until such time as  
12 the aggregate amount of positions dis-  
13 tributed under this paragraph is equal  
14 to 14,000.

15 “(B) DISTRIBUTION TO CERTAIN HOS-  
16 PITALS.—

17 “(i) CONSIDERATION IN DISTRIBUTION.—In determining for which hospitals  
18 the increase in the otherwise applicable  
19 resident limit is provided under subpara-  
20 graph (A), the Secretary shall take into ac-  
21 count the demonstrated likelihood of the  
22 hospital filling the positions made available  
23 under this paragraph within the first 5  
24 cost reporting periods beginning after the  
25

1 date the increase would be effective, as de-  
2 termined by the Secretary.

3 “(ii) MINIMUM DISTRIBUTION FOR  
4 CERTAIN CATEGORIES OF HOSPITALS.—

5 With respect to the aggregate number of  
6 such positions available for distribution  
7 under this paragraph, the Secretary shall  
8 distribute not less than 10 percent of such  
9 aggregate number to each of the following  
10 categories of hospitals:

11 “(I) Hospitals that—

12 “(aa) are located in a rural  
13 area (as defined in section  
14 1886(d)(2)(D)), excluding hos-  
15 pitals that are treated as being  
16 located in a rural area pursuant  
17 to section 1886(d)(8)(E);

18 “(bb) are located in an area  
19 that has a rural-urban com-  
20 muting code equal to or great  
21 than 4.0;

22 “(cc) are sole community  
23 hospitals (as defined in section  
24 1866(d)(5)(D)(iii));

1 “(dd) are located within 10  
2 miles of a sole community hos-  
3 pital; or

4 “(ee) for fiscal years after  
5 fiscal year 2031, have an accred-  
6 ited rural training track (as de-  
7 scribed in paragraph (4)(H)(iv)).

8 “(II) Hospitals in which the ref-  
9 erence resident level of the hospital  
10 (as specified in subparagraph (G)(iv))  
11 is greater than the otherwise applica-  
12 ble resident limit.

13 “(III) Hospitals in States with—

14 “(aa) new medical schools  
15 that received ‘Candidate School’  
16 status from the Liaison Com-  
17 mittee on Medical Education or  
18 that received ‘Pre-Accreditation’  
19 status from the American Osteo-  
20 pathic Association Commission  
21 on Osteopathic College Accredita-  
22 tion on or after January 1, 2000,  
23 and that have achieved or con-  
24 tinue to progress toward ‘Full  
25 Accreditation’ status (as such

term is defined by the Liaison Committee on Medical Education) or toward ‘Accreditation’ status (as such term is defined by the American Osteopathic Association Commission on Osteopathic College Accreditation); or

“(bb) additional locations and branch campuses established on or after January 1, 2000, by medical schools with ‘Full Accreditation’ status (as such term is defined by the Liaison Committee on Medical Education) or ‘Accreditation’ status (as such term is defined by the American Osteopathic Association Commission on Osteopathic College Accreditation).

“(IV) Hospitals that serve areas designated as health professional shortage areas under section 332(a)(1)(A) of the Public Health Service Act, as determined by the Secretary.

1 “(iii) SPECIAL RULES.—

2 “(I) IN GENERAL.—In distrib-  
 3 uting positions under clause (ii), the  
 4 Secretary shall not prioritize hospitals  
 5 in multiple categories over hospitals in  
 6 an individual category or based on  
 7 section 332 of the Public Health Serv-  
 8 ice Act.

9 “(II) PRIORITIZATION IN DIS-  
 10 TRIBUTION TO HPSA HOSPITALS.—In  
 11 distributing positions to a hospital de-  
 12 scribed in clause (ii)(IV), the Sec-  
 13 retary shall give priority to hospitals  
 14 that are affiliated with—

15 “(aa) a historically Black  
 16 medical school (as defined in sub-  
 17 paragraph (G)); or

18 “(bb) any other school listed  
 19 in section 326(e)(1) of the High-  
 20 er Education Act of 1965 that  
 21 establishes a medical college.

22 “(C) PROHIBITION ON DISTRIBUTION TO  
 23 HOSPITALS WITHOUT AN INCREASE AGREE-  
 24 MENT.—No increase in the otherwise applicable  
 25 resident limit of a hospital may be made under

1 this paragraph unless such hospital agrees to  
2 increase the total number of full-time equivalent  
3 residency positions under the approved medical  
4 residency training program of such hospital by  
5 the number of such positions made available by  
6 such increase under this paragraph.

7 “(D) LIMITATION.—

8 “(i) IN GENERAL.—Except as pro-  
9 vided in clause (ii), a hospital may not re-  
10 ceive more than 75 full-time equivalent ad-  
11 ditional residency positions in the aggre-  
12 gate under this paragraph and paragraphs  
13 (9) and (10) over the period of fiscal years  
14 2027 through 2033.

15 “(ii) INCREASE IN NUMBER OF ADDI-  
16 TIONAL POSITIONS A HOSPITAL MAY RE-  
17 CEIVE.—The Secretary shall increase the  
18 aggregate number of full-time equivalent  
19 additional residency positions a hospital  
20 may receive under this paragraph over  
21 such period if the Secretary estimates that  
22 the number of positions available for dis-  
23 tribution under subparagraph (A) exceeds  
24 the number of applications approved under  
25 such subparagraph over such period.

“(E) APPLICATION OF PER RESIDENT AMOUNTS FOR PRIMARY CARE AND NONPRIMARY CARE.—With respect to additional residency positions in a hospital attributable to the increase provided under this paragraph, the approved FTE per resident amounts are deemed to be equal to the hospital per resident amounts for primary care and nonprimary care computed under paragraph (2)(D) for that hospital.

“(F) PERMITTING FACILITIES TO APPLY AGGREGATION RULES.—The Secretary shall permit hospitals receiving additional residency positions attributable to the increase provided under this paragraph to, beginning in the fifth year after the effective date of such increase, apply such positions to the limitation amount under paragraph (4)(F) that may be aggregated pursuant to paragraph (4)(H) among members of the same affiliated group.

“(G) DEFINITIONS.—In this paragraph:

“(i) HISTORICALLY BLACK MEDICAL SCHOOL.—The term ‘historically Black medical school’ means Howard University College of Medicine, Charles R. Drew University of Medicine and Science, Meharry

1 Medical College, Morehouse School of Med-  
 2 icine, Xavier University Graduate School  
 3 of Health Sciences and Medical School,  
 4 and Maryland College of Osteopathic Medi-  
 5 cine at Morgan State University.

6 “(ii) OTHERWISE APPLICABLE RESI-  
 7 DENT LIMIT.—The term ‘otherwise appli-  
 8 cable resident limit’ means, with respect to  
 9 a hospital, the limit otherwise applicable  
 10 under subparagraphs (F)(i) and (H) of  
 11 paragraph (4) on the resident level for the  
 12 hospital determined without regard to this  
 13 paragraph but taking into account para-  
 14 graphs (7)(A), (7)(B), (8)(A), (8)(B),  
 15 (9)(A), (9)(B), (10)(A), and (10)(B).

16 “(iii) QUALIFYING HOSPITAL.—The  
 17 term ‘qualifying hospital’ means a hospital  
 18 described in any of subclauses (I) through  
 19 (IV) of subparagraph (B)(ii).

20 “(iv) REFERENCE RESIDENT  
 21 LEVEL.—The term ‘reference resident  
 22 level’ means, with respect to a hospital, the  
 23 resident level for the most recent cost re-  
 24 porting period of the hospital ending on or  
 25 before the date of enactment of this para-

1 graph, for which a cost report has been  
 2 settled (or, if not, submitted (subject to  
 3 audit)), as determined by the Secretary.

4 “(v) RESIDENT LEVEL.—The term  
 5 ‘resident level’ has the meaning given such  
 6 term in paragraph (7)(C)(i).”.

7 (b) IME.—

8 (1) IN GENERAL.—Section 1886(d)(5)(B)(v) of  
 9 the Social Security Act (42 U.S.C.  
 10 1395ww(d)(5)(B)(v)), in the third sentence, is  
 11 amended by striking “and (h)(10)” and inserting  
 12 “(h)(10), and (h)(11)”.

13 (2) CONFORMING PROVISION.—Section  
 14 1886(d)(5)(B) of the Social Security Act (42 U.S.C.  
 15 1395ww(d)(5)(B)) is amended by adding at the end  
 16 the following new clause:

17 “(xiv) For discharges occurring on or after July  
 18 1, 2027 insofar as an additional payment amount  
 19 under this subparagraph is attributable to resident  
 20 positions distributed to a hospital under subsection  
 21 (h)(11), the indirect teaching adjustment factor shall  
 22 be computed in the same manner as provided under  
 23 clause (ii) with respect to such resident positions.”.

1 **SEC. 3. STUDY AND REPORT ON STRATEGIES FOR INCREAS-**  
2 **ING DIVERSITY.**

3 (a) STUDY.—The Comptroller General of the United  
4 States (in this section referred to as the “Comptroller  
5 General”) shall conduct a study on strategies for increas-  
6 ing the diversity of the health professional workforce. Such  
7 study shall include an analysis of strategies for increasing  
8 the number of health professionals from rural, lower in-  
9 come, and underrepresented minority communities, includ-  
10 ing which strategies are most effective for achieving such  
11 goal.

12 (b) REPORT.—Not later than 2 years after the date  
13 of the enactment of this Act, the Comptroller General shall  
14 submit to Congress a report on the study conducted under  
15 subsection (a), together with recommendations for such  
16 legislation and administrative action as the Comptroller  
17 General determines appropriate.

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