



## New GME Residency Slots

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March 9, 2023

This memo is limited to the new residency slots authorized by Congress over the last three years and the process for obtaining one of these slots. These slots represent the first increase in slots in about 25 years. For broader information on residency slots, click [here](#) for CMS Direct GME website which contains numerous resources.

In the last three years Congress has authorized an additional 1,200 residency slots:

- 1000 slots included in Sec. 126 of the CAA, 2021 (Pub. L. 116-260)
  - Phased in at a rate of no more than 200 slots per year beginning in FY 2023
- 200 slots included in Sec. 4166 of the CAA, 2023 (Pub. L. 117-328), effective FY2026
  - 100 slots are dedicated to psychiatry or psychiatry subspecialty

Program details are summarized below.

**CAA, 2021, click [here](#) – see page 1788**

### **Sec. 126. Distribution of Additional Residency Positions**

To receive additional FTE resident cap slots, a hospital must qualify in at least one of the four categories:

- (1) Hospitals in rural areas (or treated as rural for IPPS purposes);
- (2) Hospitals training a number of residents in excess of their GME cap;
- (3) Hospitals in states with new medical schools or additional locations and branches of existing medical schools; and
- (4) Hospitals that serve areas designated as health professional shortage areas (HPSAs)

Hospitals must apply for the additional residents and at least 10 percent of the new residency positions are to go to hospitals in each of the four categories; no single hospital may receive more than 25 FTE resident cap slots. A hospital must be training residents in excess of its FTE cap and show that it is working to obtain approval or has obtained approval from the appropriate accrediting body to either establish a new residency program or expand an existing residency program.

- Click [here](#) for CMS press release stating that it will prioritize hospitals with training programs in areas with greatest need for providers as determined by HPSAs.
- Click [here](#) for the announcement of Round I allocating the first 200 slots to 100 teaching hospitals.

- Click [here](#) for Section 126 Application and [here](#) for the Attestation Form
- Click [here](#) for the Section 126 Application Submission Process and Questions – This contains information about timing for new and expanded residency programs that may be particularly helpful.
- Click [here](#) for CMS FAQs on Section 126 (updated 2/15/23)

**CAA, 2023 (click [here](#), see page 1455)**

**Sec. 4122. Additional residency positions.**

- 200 slots, with 100 dedicated to psychiatry or psychiatry subspecialty;
- same priority categorization as the 1,000 slots in CAA, 2021;
- requires all qualifying hospitals to receive at least 1.0 resident position (or a fraction of 1.0 resident positions) before a hospital can receive more than 1.0 residents;
- a hospital may not receive more than 10 additional FTE residency positions;
- the hospital agrees to increase the residents in training by the number of positions awarded (as opposed to cap relief for hospitals training above their current caps);
- the hospital agrees to expand existing programs before creating new ones.

For more information on the process of allocating residents in new medical residency training programs, click [here](#) for 42 CFR 413.79 Direct GME payments: Determination of the weighted number of FTE residents. See 42 CFR 413.79 (e) addressing new medical residency training programs describing how caps are determined. See also 42 CFR 413.79(f)(8) addressing FTE resident cap slots added under section 126 of Public Law 116-220 may be used in a Medicare GME affiliation agreement beginning in the fifth year after the effective date of those FTE resident cap slots; see also 42 CFR Sec. 413.79 (k) Residents training in rural track programs.

*For additional information, please contact our General Counsel Diane Turpin at [diane.turpin@shcare.net](mailto:diane.turpin@shcare.net) or 202-578-5444. This information is offered for the general education and knowledge of our clients. It is not offered as legal advice.*