



**U.S. Department of Health and Human Services
Health Resources and Services Administration**

REPORT TO CONGRESS

**Teaching Health Center Graduate Medical Education
Program Carryover Funding**

October 1, 2023 – December 31, 2024

Legislative Language

The Consolidated Appropriations Act, 2024 (P.L. 118-42), division G, section 101, extended mandatory funding for the Teaching Health Center Graduate Medical Education Program (THCGME) and temporarily provided HRSA short-term authority to use THCGME carryover funding to make payments to qualified teaching health centers for direct and indirect expenses associated with approved graduate medical residency training programs. This report to Congress is in response to section 101(c)(3), which requires:

(3) REPORT TO CONGRESS.—For the period beginning on October 1, 2023, and ending on December 31, 2024, the Secretary of Health and Human Services shall submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report specifying—

(A) the total amount of funds recouped under subsection (f) of section 340H of the Public Health Service Act (42 U.S.C. 256h);

(B) the rationale for the funds being recouped; and

(C) the total amount of funds recouped under subsection (f) of such section 340H that were used pursuant to subsection (b)(2)(C) of such section 340H to adjust total payment amounts above the total amounts appropriated under subsection (g) of such section 340H, as amended by paragraph (3).

Background

THCGME is an innovative program focused on increasing the number of primary care physician and dental residents trained in community-based settings, where most people receive their health care. THCGME funding is typically awarded to recipients at the start of each academic year (AY) in July. Awarded THCGME funding is based on projected resident numbers and applicable full-time equivalents (FTE) needed for that AY.

Overview of Reconciliation

Per statute, the Health Resources and Services Administration (HRSA) conducts an annual reconciliation process to confirm the number of residents trained by THCGME awardees and recoup any overpayments. Most commonly, recoupment of funds occurs because a THCGME residency program may not be able to fill their FTE slots, trainees may not complete a full AY of training, or a teaching health center may secure other funding sources. The process typically begins in the early fall, after an AY is completed.

It is important to note that the Public Health Service Act stipulates that the total payments made to teaching health centers in a fiscal year may not exceed the amount of appropriated funds for that year. Thus, any amounts recouped by HRSA during reconciliation (i.e., carryover funds) for one fiscal year typically cannot be used for payments to teaching health centers in a subsequent fiscal year.

The Consolidated Appropriations Act, 2024 granted HRSA short-term authority to use THCGME carryover funding through December 2024 to make payments to teaching health centers. The Consolidated Appropriations Act also required HRSA to report to Congress on the total amount of funds recouped and the rationale for why the funds were recouped.

Carryover Amounts

As of October 2023, there was an estimated \$100 million in carryover funds that had accumulated because of the statutory cap since the THCGME Program's inception. Between October 1, 2023, and December 31, 2024, HRSA used the temporary authority to spend the \$100 million of carryover. In addition to mandatory appropriations, HRSA used the carryover to support 1,287 FTEs for the first two quarters of AY 2025-2026.

Between October 2023 and December 2024, HRSA recouped an estimated additional \$800,000. The reconciliation and subsequent recoupment process can take up to 2 years to complete; payments are usually not fully recouped in the same fiscal year they were appropriated. In the past few AYs, reconciliation amounts have ranged from \$2-5 million per year.