

Subtitle D—Workforce Capacity

SEC. 341. DISTRIBUTION OF ADDITIONAL RESIDENCY POSITIONS.

(a) In general.—[Section 1395ww\(h\)\(9\)](#) of title 42, United States Code, is amended—

(1) Increase in residency positions.—In subparagraph (A)(ii)—

(A) in subclause (I), by striking "1,000" and inserting "18,000"; and

(B) in subclause (II), by striking "200" and inserting "3,600".

(2) Expanding hospital access.—In subparagraph (B)(ii), by inserting at the end the following new subclauses:

"(V) Hospitals with which the Secretary cooperates under [section 7302\(d\) of title 38](#), United States Code.

"(VI) Hospitals that emphasize training in community-based settings or in hospital outpatient departments."

(3) Increasing hospital limits.—In subparagraph (C) by striking "25" and inserting "100".

(4) Expanding qualifying hospitals.—In subparagraph (F)(ii) by striking "(I) through (IV)" and inserting "(I) through (VI)".

SEC. 342. MINIMUM NURSING HOME STAFFING STANDARDS.

(a) Repeal of moratorium.—Section 71111 of [Public Law 119–21](#) is repealed.

(b) In general.—As a condition of participation in the Medicare program under title XVIII of the Social Security Act and the Medicaid program under title XIX of such Act, a skilled nursing facility or nursing facility shall comply with the minimum staffing standards established by the Secretary of Health and Human Services under [section 1819\(b\)](#) and [section 1919\(b\)](#) of such Act, including numeric minimums for nursing hours per resident per day and registered nurse coverage, as established in the final rule titled "Medicare and Medicaid Programs; Minimum Staffing Standards for Long-Term Care Facilities and Medicaid Institutional Payment Transparency Reporting" published on May 10, 2024 ([89 Fed. Reg. 40876](#)).

(c) Temporary staffing hardship waiver.—

(1) Authority.—The Secretary may grant a temporary waiver from the numeric staffing minimums described in subsection (b) to a facility that demonstrates an inability to meet such minimums despite documented good-faith recruitment and retention efforts.

(2) Duration.—A waiver under this subsection may be granted for a period not to exceed 12 months and may be renewed once for an additional period not to exceed 12 months.

(3) Hard stop.—No facility may receive waivers under this subsection for an aggregate period exceeding 24 months.

(4) Scope.—A waiver under this subsection shall apply only to numeric staffing minimums and shall not affect compliance obligations relating to resident safety, abuse or neglect prevention, quality of care, or reporting.

(5) Enhanced inspections.—The grant of a waiver under this subsection shall automatically subject the facility to enhanced inspection and oversight during the waiver period, as determined by the Secretary.

(d) Limitation for private equity–owned or extracting facilities.—

(1) In general.—A facility that is owned or controlled, directly or indirectly, by a private equity fund, hedge fund, or similar investment vehicle, or that makes distributions, dividends, management fees, or related-party payments above a threshold determined by the Secretary, may receive not more than 1 waiver under subsection (c).

(2) Duration.—A waiver under this subsection may not exceed 6 months and shall not be renewed.

(e) Failure to comply after waiver period.—

(1) In general.—If a facility fails to meet the staffing standards described in subsection (b) upon expiration of all waiver eligibility under this section, the Secretary shall take appropriate enforcement action.

(2) Enforcement actions.—Such actions may include restriction on new admissions, coordination of resident transfers, and prioritization of placement in compliant public or nonprofit facilities.

(f) Rule of construction.—Nothing in this section shall be construed to authorize categorical exemptions from minimum staffing standards based on geographic location or facility type.

SEC. 343. PROMOTING 6-YEAR DIRECT-ENTRY MEDICAL PROGRAMS.

(a) Findings.—Congress finds that—

(1) many industrialized nations offer medical education pathways integrating undergraduate and medical training, while the United States remains an outlier in relying predominantly on longer sequential degree structures despite the existence of accredited 6-year and 7-year pathways; and

(2) reducing unnecessary time and cost in physician education, and supporting integrated physician workforce pipelines tied to underserved communities, can expand the long-term supply and geographic distribution of physicians, including in rural areas and health professional shortage areas.

(b) In general.—[Part D of subchapter II of chapter 6A of title 42](#), United States Code, is amended by inserting after subpart xii the following:

"subpart xiii—support of 6-year direct-entry medical programs

"SEC. 256j. Promoting 6-year direct-entry medical programs.

"Sec. 256j. Promoting 6-year direct-entry medical programs.

"(a) Definitions.—In this section:

"(1) Approved 6-year direct-entry medical program.—The term 'approved 6-year direct-entry medical program' means an integrated program of education that—

"(A) admits students directly or conditionally from secondary school or early undergraduate study into a combined course of study;

"(B) culminates in the award of both a bachelor's degree and a medical degree in not more than 6 years; and

"(C) is approved by the Secretary, in consultation with nationally recognized medical education accrediting bodies.

"(2) Eligible entity.—The term 'eligible entity' means—

"(A) a medical school offering an approved 6-year direct-entry medical program; or

"(B) a consortium consisting of 1 or more medical schools and 1 or more clinical training sites, including a teaching health center, federally qualified health center, rural health clinic, critical access hospital, public hospital, tribal health program, or other clinical training site approved by the Secretary.

"(3) Underserved community.—The term 'underserved community' means—

"(A) a health professional shortage area with a designation in effect under [section 254e](#);

"(B) a medically underserved community as defined in [section 295p](#); or

"(C) a rural area as defined in [section 1395ww\(d\)\(2\)\(D\)](#).

"(b) Program authorized.—The Secretary shall award grants to eligible entities to establish, expand, or support approved 6-year direct-entry medical programs.

"(c) Use of funds.—An eligible entity receiving a grant under this section may use such grant funds for—

"(1) curriculum development and program administration;

"(2) faculty recruitment, retention, and support;

"(3) expansion of enrollment capacity;

"(4) development or expansion of clinical training partnerships and training sites;

"(5) academic advising, mentoring, tutoring, and student support services;

"(6) recruitment of students from rural areas, health professional shortage areas, medically underserved areas or populations, and low-income backgrounds;

"(7) partnerships supporting transition of graduates into residency training, with priority for primary care and other shortage specialties; and

"(8) other activities approved by the Secretary that further the purposes of this section.

"(d) Priority.—In awarding grants under this section, the Secretary shall give priority to eligible entities that—

"(1) serve, or are located in, an underserved community;

"(2) provide substantial clinical training in community-based settings; and

"(3) demonstrate a plan to increase the number of graduates who enter residency training and later practice in underserved communities.

"(e) Conditions of receipt.—As a condition of receiving funds under this section, an eligible entity shall agree to—

"(1) maintain accreditation or other approval required by the Secretary;

"(2) submit to the Secretary a plan describing how the program will reduce unnecessary time and cost in physician education while maintaining educational quality;

"(3) ensure that students receive adequate clinical training, advising, and academic support;

"(4) report such information as the Secretary may require under subsection (f); and

"(5) comply with such other program integrity and accountability requirements as the Secretary may establish by regulation.

"(f) Reports.—

"(1) Annual reports by grantees.—Each eligible entity receiving funds under this section shall submit to the Secretary, at such time and in such manner as the Secretary may require, an annual report containing—

"(A) the number of students enrolled in the program;

"(B) the number of students who completed the program;

"(C) the demographic and geographic characteristics of participating students, including the number recruited from rural areas and underserved communities;

"(D) the clinical training sites used by the program;

"(E) the number and percentage of program graduates who entered residency training; and

"(F) such other information as the Secretary determines appropriate to evaluate the program.

"(2) End of reporting requirement.—Annual reports under this subsection shall be required—

"(A) until each cohort of students supported under the program has either completed the program, withdrawn, or otherwise ceased enrollment; or

"(B) 8 years after the last fiscal year in which the entity receives such funds.

"(3) Report to Congress.—Not later than 3 years after the date of enactment of this section, and every 3 years thereafter, the Secretary shall submit to Congress a report on the operation and outcomes of the program under this section, including recommendations for legislative or administrative action.

"(g) Regulations.—The Secretary shall promulgate regulations to carry out this section.

"(h) Authorization of appropriations.—

"(1) In general.—There are authorized to be appropriated \$250,000,000 for the period of fiscal years 2027 through 2031, including \$60,000,000 for each of fiscal years 2027 and 2028, \$50,000,000 for fiscal year 2029, and \$40,000,000 for each of fiscal years 2030 and 2031.

"(2) Administrative expenses.—Of the amounts made available under this subsection for a fiscal year, not more than 5 percent may be used for administrative expenses."

(c) Stafford loans available.—[Section 1087e\(e\)\(3\)\(B\) of title 20](#), United States Code, is amended by inserting after "an individual enrolled in" the following: "an approved 6-year direct-entry medical program as defined in section 256j of title 42, United States Code, or".

SEC. 344. REALLOCATION OF UNUSED WAIVERS TO SERVE RURAL AREAS.

(a) Section 214(l) of the Immigration and Nationality Act ([8 U.S.C. 1184\(l\)](#)) is amended by adding at the end the following:

"(4) (A) Beginning on September 30, 2027, and every September 30 thereafter, each State agency that received a waiver under [section 212\(e\)](#) during the fiscal year that ends on that date shall report to the Secretary of State the total number of such waivers that the State agency did not use during such fiscal year.

"(B) (i) For fiscal year 2028, and each fiscal year thereafter, the Secretary of State shall—

"(I) calculate the total number of unused waivers reported by all State agencies under subparagraph (A); and

"(II) subject to clause (ii), reallocate such waivers for equal distribution among eligible State agencies for use during the subsequent fiscal year as waivers subject to paragraph (1)(D)(ii) (referred to in this paragraph as 'supplemental waivers').

"(ii) In accordance with the 3-year commitment required under paragraph (1)(D), the number of supplemental waivers to be redistributed for use during a subsequent fiscal year shall be the total number of unused waivers described in clause (i)(I) divided by 3.

"(C) In reallocating waivers under subparagraph (B), on January 1, 2028, and every January 1 thereafter, the Secretary of State shall inform each eligible State agency of—

"(i) the number of supplemental waivers available to the State agency for the subsequent fiscal year; and

"(ii) the manner in which the supplemental waivers will be distributed.

"(D) 50 percent of supplemental waivers distributed in a fiscal year shall be used to support positions in 1 or more facilities that serve patients who reside in medically underserved communities (as defined in section 799B of the Public Health Service Act ([42 U.S.C. 295p](#))).

"(E) If the number of supplemental waivers distributed under this paragraph in a fiscal year is less than the total number of supplemental waivers available for distribution in the fiscal year, the difference between the number distributed and the number available for distribution shall be added to the total number of supplemental waivers available for distribution in the subsequent fiscal year.

"(F) In this paragraph, the term 'eligible State agency' means a State agency that, in the preceding fiscal year, used not fewer than 30 waivers under section 212(e).".

Subtitle E—Tax Adjustments

SEC. 351. REPEALING RESTRICTIONS ON PROVIDER TAXES.

(a) Restoration of provider tax flexibility.—Section 1903(w) of the Social Security Act ([42 U.S.C. 1396b\(w\)](#)) is amended—

(1) in paragraph (3)(E), by striking clause (iii);

(2) in paragraph (4)(C)(ii), by striking ", and for fiscal years beginning on or after October 1, 2026, the applicable percent determined under subparagraph (D) shall be substituted for '6 percent' each place it appears";

(3) in paragraph (4), by striking subparagraph (D); and

(4) in paragraph (7), by striking subparagraphs (H), (I), and (J).

(b) Rescission of implementation funding.—Any unobligated balance of amounts appropriated under section 71115(c) of [Public Law 119–21](#) is rescinded.

SEC. 352. TOBACCO AND NICOTINE TAXES.

(a) Tax parity for roll-your-own tobacco.—[Section 5701\(g\)](#) of the Internal Revenue Code of 1986 is amended by striking "\$24.78" and inserting "\$49.56".

(b) Tax parity for pipe tobacco.—[Section 5701\(f\)](#) of the Internal Revenue Code of 1986 is amended by striking "\$2.8311 cents" and inserting "\$49.56".

(c) Tax parity for smokeless tobacco.—

(1) [Section 5701\(e\)](#) of the Internal Revenue Code of 1986 is amended—

(A) in paragraph (1), by striking "\$1.51" and inserting "\$26.84";