

135.176 Medical residency training state matching grants program.

1. The department shall establish a medical residency training state matching grants program to provide matching state funding to sponsors of accredited graduate medical education residency programs in this state to establish, expand, or support medical residency training programs. Funding for the program may be provided through the health care workforce shortage fund or the medical residency training account created in [section 135.175](#). For the purposes of [this section](#), unless the context otherwise requires, “accredited” means a graduate medical education program approved by the accreditation council for graduate medical education or the American osteopathic association. The grant funds may be used to support medical residency programs through any of the following:

a. The establishment of new or alternative campus accredited medical residency training programs. For the purposes of this paragraph, “*new or alternative campus accredited medical residency training program*” means a program that is accredited by a recognized entity approved for such purpose by the accreditation council for graduate medical education or the American osteopathic association with the exception that a new medical residency training program that, by reason of an insufficient period of operation is not eligible for accreditation on or before the date of submission of an application for a grant, may be deemed accredited if the accreditation council for graduate medical education or the American osteopathic association finds, after consultation with the appropriate accreditation entity, that there is reasonable assurance that the program will meet the accreditation standards of the entity prior to the date of graduation of the initial class in the program.

b. The provision of new residency positions within existing accredited medical residency or fellowship training programs.

c. The funding of residency positions which are in excess of the federal residency cap. For the purposes of this paragraph, “*in excess of the federal residency cap*” means a residency position for which no federal Medicare funding is available because the residency position is a position beyond the cap for residency positions established by the federal Balanced Budget Act of 1997, Pub. L. No. 105-33.

d. For the period beginning July 1, 2021, and ending June 30, 2026, the payment by the sponsor of medical residency program liability costs subject to provision by the sponsor of dollar-for-dollar matching funds used for payment of such costs. This paragraph shall not apply to medical residency programs to which [chapter 669](#) applies.

2. The department shall adopt rules pursuant to [chapter 17A](#) to provide for all of the following:

a. Eligibility requirements for and qualifications of a sponsor of an accredited graduate medical education residency program to receive a grant. The requirements and qualifications shall include but are not limited to all of the following:

(1) A sponsor shall demonstrate that funds have been budgeted and will be expended by the sponsor in the amount required to provide matching funds for each residency position proposed in the request for state matching funds.

(2) A sponsor shall demonstrate, through objective evidence as prescribed by rule of the department, a need for such residency program in the state.

b. The application process for the grant.

c. Criteria for preference in awarding of the grants, including preference in the residency specialty and preference for candidates who are residents of Iowa, attended and earned an undergraduate degree from an Iowa college or university, or attended and earned a medical degree from a medical school in Iowa.

d. Determination of the amount of a grant. The total amount of a grant awarded to a sponsor proposing the establishment of a new or alternative campus accredited medical residency training program as defined in [subsection 1](#), paragraph “a”, shall be limited to no more than one hundred percent of the amount the sponsor has budgeted as demonstrated under paragraph “a”. The total amount of a grant awarded to a sponsor proposing the provision of a new residency position within an existing accredited medical residency or fellowship training program as specified in [subsection 1](#), paragraph “b”, or the funding of residency positions which are in excess of the federal residency cap as defined in [subsection](#)

1, paragraph “c”, shall be limited to no more than twenty-five percent of the amount that the sponsor has budgeted for each residency position sponsored for the purpose of the residency program.

e. The maximum award of grant funds to a particular individual sponsor per year. An individual sponsor that establishes a new or alternative campus accredited medical residency training program as defined in [subsection 1](#), paragraph “a”, shall not receive more than fifty percent of the state matching funds available each year to support the program. An individual sponsor proposing the provision of a new residency position within an existing accredited medical residency or fellowship training program as specified in [subsection 1](#), paragraph “b”, the funding of residency positions which are in excess of the federal residency cap as defined in [subsection 1](#), paragraph “c”, or the funding of the payment by the sponsor of medical residency program liability costs subject to provision by the sponsor of dollar-for-dollar matching funds used for payment of such costs as specified in [subsection 1](#), paragraph “d”, shall not receive more than twenty-five percent of the state matching funds available each year to support the program.

f. Use of the funds awarded. Funds may be used to pay the costs of establishing, expanding, or supporting an accredited graduate medical education program as specified in [this section](#), including but not limited to the costs associated with residency stipends and physician faculty stipends. For the period beginning July 1, 2021, and ending June 30, 2026, use of the funds awarded may include payment by the sponsor of medical residency program liability costs in accordance with [subsection 1](#), paragraph “d”, and subject to provision by the sponsor of dollar-for-dollar matching funds used for payment of such costs.

g. A requirement that the residency program offer persons to whom a primary care residency position is awarded, the opportunity to participate in a rural rotation to expose the resident to the rural areas of the state. For the purposes of this paragraph, “*primary care*” shall include psychiatry, obstetrics, gynecology, family medicine, internal medicine, and emergency medicine.

[2015 Acts, ch 30, §213, 218, 219; 2015 Acts, ch 57, §18 – 21; 2016 Acts, ch 1073, §57; 2019 Acts, ch 55, §1, 2; 2020 Acts, ch 1082, §1; 2021 Acts, ch 182, §63, 64](#)

Referred to in [§135.175](#)

For future repeal of this section effective upon the date the department of health and human services notifies the general assembly and the Code editor of the receipt of federal approval for a Medicaid supplemental enhanced payment for the purposes of maximizing federal funding opportunities for graduate medical education and to increase the number of medical residencies in the state, see [2025 Acts, ch 120, §17, 21](#)