

## SECTION 126 APPLICATION SUBMISSION PROCESS

The electronic application intake system, Medicare Electronic Application Request Information System (MEARIS™), is available for Section 126 application submissions, with application submissions for fiscal year 2027 due no later than March 31, 2026. The Section 126 application can be accessed at: <https://mearis.cms.gov/public/home>.

CMS will only accept Section 126 applications submitted via MEARIS™. Applications submitted through any other method will not be considered. Within MEARIS™, we have built in several resources to support applicants:

- Please refer to the “Resources” section for guidance regarding the application submission process at: <https://mearis.cms.gov/public/resources>.
- Technical support is available under “Useful Links” at the bottom of the MEARIS™ webpage.
- Application related questions can be submitted to CMS using the form available under “Contact” at: <https://mearis.cms.gov/public/resources>. Select “Graduate Medical Education (GME) Slot Distribution Under Section 126”. The “Contact” link is in the top right-hand corner.
- The time required for application submission, including the time needed to gather relevant information as well as to complete the form, is estimated to be roughly around 8 hours per submission. Applicants are, therefore, encouraged to start in advance of the due date to ensure adequate time for submission.

Application submission through MEARIS™ will not only help CMS track applications and streamline the review process, but it will also create efficiencies for applicants when compared to a paper submission process.

## APPLICATION QUESTIONS FOR GRADUATE MEDICAL EDUCATION (GME) SECTION 126

The text below includes the information requested as part of the Section 126 application:

1. Provide information identifying the applicant hospital to include:
  - Hospital Name
  - CMS Certification Number (CCN)
  - Mailing Address
  - County or County Equivalent
  - Core-Based Statistical Area (CBSA)

- Servicing Medicare Administrative Contractor (MAC)

2. Provide primary and secondary contact information for the applicant hospital to include:
  - Salutation Title
  - Name
  - Organization
  - Occupation/Job Title
  - Phone Number
  - Email Address
  - Mailing Address
3. Provide the name of the residency program for which the hospital is applying.
4. Indicate whether the residency program for which the hospital is applying is a psychiatry program or subspecialty of psychiatry.
5. Provide the Accreditation Council for Graduate Medical Education (ACGME) accreditation number for the residency program for which the hospital is applying.
6. If the residency program does not have an ACGME accreditation number, please explain why.
7. Enter the ACGME program length in years for the maximum number of DGME FTE slots and/or IME FTE slots that will factor into the amount of slots that can be requested.

**Note:** A hospital can receive no more than 5.00 FTEs per application round.

8. Indicate whether you will be able to provide the number of months or weeks residents spend training at the applicant hospital as well as the total number of months or weeks among all participating sites.
9. If you are unable to provide the number of months or weeks residents spend training at the applicant hospital as well as the total number of months or weeks among all participating sites, please explain why.
10. Determine the allowable FTE request by entering the amount of time residents spend training at the applicant hospital by entering XX months out of XX total program months (or weeks if the program is based on blocks rather than months). Please only include allowable FTE training time. For example, do not include any time spent training at another provider, including other hospitals with a different CCN and skilled nursing

facilities. If you are a hospital paid under the Inpatient Prospective Payment System, do not include in the hospital's IME training time, any time spent training in a psychiatric or rehabilitation distinct part unit at your hospital and any time spent in research that is not associated with the treatment or diagnosis of a particular patient.

Please only use weeks or months when entering training time for all fields not a combination of both. Use the following week to month conversions as necessary: 1 week = 0.25 months, 2 weeks = 0.50 months, 3 weeks = 0.75 months, 4 weeks = 1 month, 5 weeks = 1.25 months and 6 weeks = 1.50 months. If you are not requesting DGME or IME FTE cap slots, please place a 0 in the respective field.

11. If any other participating sites included on the program's ACGME webpage are nonprovider (nonhospital) settings for which the applicant hospital is paying the residents' salaries and fringe benefits, enter the time spent training at the nonprovider (nonhospital) settings using the number of months or weeks (if the program is based on blocks rather than months). The nonprovider (nonhospital) setting training time included should be consistent with the IME regulations at 42 CFR 412.105(f)(1)(ii)(E) and the DGME regulations at 42 CFR 413.78(g). If there are no nonprovider (nonhospital) settings for which the applicant hospital is paying the residents' salaries and fringe benefits, please place a zero in the respective field.
12. Enter the total number of months or weeks among all participating sites.
13. The maximum FTE amounts that can be requested for this round of section 126 applications will automatically populate based on the training data provided. This amount may be manually reduced further, however, it cannot be increased.
14. If the applicant hospital is training below its DGME and/or IME FTE resident cap(s), that FTE amount will be subtracted by CMS from the allowable FTE amount. Do not perform this step yourself.
15. The applicant hospital must provide information to demonstrate the likelihood of filling requested slots under section 126 within the first five training years beginning on or after July 1, 2027. Select the demonstrated likelihood criterion (DLC) that best describes this application. Options include, DLC 1 (establishing a new residency program) or DLC 2 (expanding an existing residency program). For section 126, including round 5, the training of residents in the new program or program expansion cannot have occurred prior to July 1, 2023. Please refer to the frequently asked questions document located on the Direct Graduate Medical Education (DGME) webpage at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service->

[Payment/AcuteInpatientPPS/DGME](#) for more information on filling out the demonstrated likelihood criterion portions of the application.

Under DLC 1 (establishing a new residency program), the applicant hospital does not have sufficient room under its FTE resident cap, and the hospital intends to use the additional FTEs as part of a new residency program that it intends to establish on or after July 1, 2023.

**Note:** If the hospital was awarded FTE resident cap slots as part of a new residency program using DLC 1 in a previous round of section 126, but did not receive the full amount of FTE resident cap slots for which it was eligible, after prorating for participating sites, the hospital may reapply in round 5 for the remaining FTE resident cap slots using the same residency program under DLC 1.

If a hospital was eligible for slots in a previous round because it met the 50 percent prioritization criterion but did not receive any FTE resident cap slots due to its HPSA score, the hospital may reapply in round 5 using the same residency program under DLC 1.

**Note:** A “new” residency program that is currently part of a hospital’s five-year cap building period to establish or adjust its cap, cannot be used for a hospital’s DLC 1 section 126 application.

For round 5 of section 126 with FTE resident cap slots effective July 1, 2027, training residents in the new program cannot begin prior to July 1, 2023. Specifically, if a hospital received accreditation from the ACGME effective July 1, 2022 to train 5 FTE residents in a new residency training program, it must first begin training any of those 5 FTE residents on or after July 1, 2023 to be eligible to receive FTE resident cap slots under section 126, including round 5. If the hospital began training residents in the new program any time prior to July 1, 2023, it is not eligible for additional FTE resident cap slots under section 126, including round 5.

The applicant hospital is required to confirm that FTE residents did not/will not begin training in the new program at the applicant hospital or any nonprovider (nonhospital) setting for which the applicant hospital is paying the residents’ salaries and fringe benefits, prior to July 1, 2023.

Under DLC 1, the hospital is required to select at least one of the following as part of its application:

- Application for accreditation of the new residency program has been submitted to the ACGME or application for approval of the new residency program has been submitted to the American Board of Medical Specialties (ABMS) by March 31, 2026.

- The hospital has received written correspondence from the ACGME (or ABMS) acknowledging receipt of the application for the new residency program, or other types of communication concerning the new program accreditation or approval process (such as notification of site visit) by March 31, 2026.

Under DLC 2 (expanding an existing residency program), the hospital does not have sufficient room under its FTE resident cap, and the hospital intends to use the additional FTEs to expand an existing residency training program on or after July 1, 2023.

**Note:** If the hospital was awarded FTE resident cap slots to expand an existing residency training program using DLC 2 in a previous round, but did not receive the full amount of FTE resident cap slots the hospital was eligible for, after prorating for participating sites, the hospital may reapply in round 5 for the remaining cap slots using the same residency training program under DLC 2.

If a hospital was eligible for slots under a previous round because it met the 50 percent prioritization criterion but did not receive any FTE resident cap slots due to its HPSA score, the hospital may reapply in round 5 using the same residency program under DLC 2.

For round 5 of section 126 with FTE resident cap slots effective July 1, 2027, the hospital cannot begin training residents as a result of the program expansion prior to July 1, 2023.

Specifically, if a hospital received approval from the ACGME to expand the number of FTE residents in the program by 5 effective July 1, 2022, it must first begin training additional FTE residents as a result of this expansion on or after July 1, 2023 to be eligible to receive FTE resident cap slots under section 126, including round 5. If the hospital began the program expansion any time prior to July 1, 2023, it is not eligible for additional FTE resident cap slots under section 126, including round 5.

The applicant hospital is required to confirm that the program expansion did not/will not occur at the applicant hospital or any nonprovider (nonhospital) setting for which the applicant hospital is paying the residents' salaries and fringe benefits, prior to July 1, 2023.

Under DLC 2, the hospital would be required to select at least one of the following as part of its application:

- The hospital has received approval by March 31, 2026 from an appropriate accrediting body (the ACGME or ABMS) to expand the number of FTE residents in the program.
- The hospital has submitted a request for a permanent complement increase of the existing residency program by March 31, 2026.

- The hospital currently has unfilled positions in its residency program that have previously been approved by the ACGME, and is now seeking to fill those positions.

In selecting this third option, the applicant hospital is required to confirm that it is eligible for this specific DLC 2 option before proceeding.

**Note:** if you were awarded FTE resident cap slots in a previous round of section 126 but have not filled all of the awarded slots, you are not eligible to select this specific DLC 2 option. For example, if an applicant hospital was awarded 5 slots in round 1 but plans to fill 1 slot each year for 5 years, the hospital does not qualify for this specific DLC 2 option. If an applicant hospital applied for 5 slots and after prorating for participating sites was eligible to receive 4.5 slots, but only received 3 slots in round 1, they would be eligible to apply for the remaining 1.5 slots in round 5 using the same residency training program.

16. A hospital may qualify under more than one eligibility category. Select all eligibility categories that apply to your hospital.

- The hospital is located in a rural area (as defined in section 1886(d)(2)(D) of the Social Security Act) or is treated as being located in a rural area pursuant to section 1886(d)(8)(E) of the Social Security Act.
- The hospital is currently training over its DGME and/or IME cap. The reference resident level of the hospital (as specified in section 1886(h)(9)(F)(iii) of the Social Security Act) is greater than the otherwise applicable resident limit.
- The hospital is located in a State with a new medical school (as specified in section 1886(h)(9)(B)(ii)(III)(aa) of the Act), or with additional locations and branch campuses established by medical schools (as specified in section 1886(h)(9)(B)(ii)(III)(bb) of the Act) on or after January 1, 2000. Those states and territories are Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, and Wisconsin.
- The hospital is serving an area designated as a geographic health professional shortage area (HPSA) under section 332(a)(1)(A) of the Public Health Service Act (PHSA), as determined by the Secretary. A hospital is qualified under Category Four if it participates in training residents in a program where the residents rotate for at least 50 percent of their training time to scheduled training sites physically located in a geographic HPSA.

**Note:** When a hospital indicates it is eligible for category four, it will be required to enter the HPSA ID of the qualifying geographic primary care or mental health HPSA to validate the selection before proceeding forward with the application.

17. Using the find shortage areas by address tool, <https://data.hrsa.gov/tools/shortage-area/by-address>, enter the address of a training location (included on the hospital's rotation schedule or similar documentation). Using the results of the address entered, identify and choose either a geographic or population HPSA to include in the hospital's application for prioritization purposes.

**Note:** In order for the hospital to be prioritized for distribution of additional residency positions, the location chosen must participate in training residents in a program where at least 50 percent (5 percent if an Indian and Tribal facility is included) of the training time occurs in the HPSA.

18. Indicate which training time prioritization criterion is met.

Under Population HPSA, the hospital would be required to select one of the following as part of its application:

- In the population HPSA the hospital is requesting that CMS use for prioritization of its application, at least 50 percent of the program's training time based on resident rotation schedules (or similar documentation) occurs at training sites that treat the designated underserved population of the HPSA and are physically located in the HPSA.
- In the population HPSA the hospital is requesting that CMS use for prioritization of its application, at least 5 percent of the program's training time based on resident rotation schedules (or similar documentation) occurs at training sites that treat the designated underserved population of the HPSA and are physically located in the HPSA, and the program's training time at those sites plus the program's training time at Indian or Tribal facilities located outside of that HPSA is at least 50 percent of the program's training time.
- The hospital does not meet either of the two criteria above.

Under Geographic HPSA, the hospital would be required to select one of the following as part of its application:

- In the geographic HPSA the hospital is requesting that CMS use for prioritization of its application, at least 50 percent of the program's training time based on resident rotation schedules (or similar documentation) occurs at training sites that treat the population of the HPSA and are physically located in the HPSA.

- In the geographic HPSA the hospital is requesting that CMS use for prioritization of its application, at least 5 percent of the program's training time based on resident rotation schedules (or similar documentation) occurs at training sites that treat the population of the HPSA and are physically located in the HPSA, and the program's training time at those sites plus the program's training time at Indian or Tribal facilities located outside of the HPSA is at least 50 percent of the program's training time.
- The hospital does not meet either of the two criteria above.

19. In the application, include the HPSA ID and HPSA discipline (primary care or mental health) (and type, if population HPSA) as depicted in the find shortage areas by address tool (<https://data.hrsa.gov/tools/shortage-area/by-address>).

**Note:** Each year, prior to the beginning of the application period, HPSA public ID and score information current as of November will be posted on the Direct Graduate Medicare Education (DGME) web page at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/DGME> to assist hospitals in the application process for the coming year. HPSA IDs will include geographic and population (primary care and mental health) HPSAs that are in designated or proposed for withdrawal status. The section 126 application review process includes prioritization of applications based on HPSA score. Only these HPSA IDs are applicable and used for prioritization of section 126 applications.

20. Include Worksheets E, Part A and E-4 of the most recent as-filed cost report (CMS-2552-10).

21. Download an attestation form that consists of attestation statements as finalized in the FY 2022 IPPS final rule with comment period (CMS-1752-FC3). Ensure the attestation form is signed and dated by an officer or administrator of the hospital who signs the hospital's Medicare cost report.

22. Upload the signed and dated (digital or scanned) copy of the attestation form.

23. Review a summary of the details included in the application and submit the application.