State vs. Federal Roles in Physician Training

A jurisdiction guide for policymakers, advocates, and media

The governance of physician training spans multiple levels of government and involves several independent organizations. Misallocating a policy concern — directing a graduate medical education (GME) funding question to a state medical board, for instance, or asking the Accreditation Council for Graduate Medical Education (ACGME) to address a licensure dispute — is a common error with real costs. This explainer maps the jurisdiction terrain.

Jurisdiction Map

Topic	State Role	Federal Role	Accreditor Role
Physician Licensure	State medical boards license individual physicians. Each state issues its own license; individual physicians must hold a valid license in every state where they practice. State boards set licensure requirements, investigate complaints, and impose discipline.	There is no direct federal role in physician licensure. The federal government does not issue medical licenses. Some federal facilities (VA, military, Indian Health Service) have limited reciprocity policies, but state licensure remains the baseline requirement.	*None.*
Scope of Practice	State legislatures and medical boards define what physicians — and other health professionals — may legally do. Scope of practice laws vary significantly by state, including nurse practitioners, physician assistants, and other advanced practice providers.	Congress occasionally influences scope of practice through Medicare and Medicaid billing rules (e.g., which provider types can bill independently), but scope of practice authority remains primarily with states.	*None.*
GME Funding	States may provide GME payments to teaching hospitals. Structures vary significantly. Some states have robust Medicaid GME programs or separate funding mechanisms; others provide minimal supplemental funding.	The Centers for Medicare & Medicaid Services (CMS) administers Medicare Direct Medical Education (DME) and Indirect Medical Education (IME) payments to teaching hospitals — the dominant source of federal GME funding. Congress sets policy, including funding caps. HHS/HRSA administers targeted workforce programs, including primary care training grants.	*None.*
Program Accreditation	States do not accredit residency/fellowship programs. Some state licensing boards reference ACGME accreditation	No federal agency accredits residency/fellowship programs. The U.S. Department of Education (DOE) recognizes the	*The ACGME is the independent, national accrediting body for allopathic and*

	in their requirements for international medical graduates or post-graduate training verification.	ACGME as an accrediting body under the Higher Education Act for the limited purpose of federal student loan deferment for residents/fellows — but this recognition does not give the DOE authority over ACGME standards.	*osteopathic residency and fellowship programs and institutions. It sets standards through peer review, reviews institutions and programs every year, and can cite an institution or program, place it on probation, or withdraw its accreditation. No government agency accredits these institutions and programs.*
Teaching Hospital Oversight	States license hospitals and may conduct inspections. State health departments may also investigate patient safety events.	CMS oversees Medicare and Medicaid certification of hospitals (Conditions of Participation). The Joint Commission and other CMS-approved accrediting organizations conduct hospital surveys on behalf of CMS.	
Physician Workforce Policy	States conduct workforce planning, set health professional shortage area designations (in coordination with HRSA), and make Medicaid policy decisions that affect care delivery.	Congress and CMS control the primary levers of physician supply through GME funding caps. HRSA manages workforce data and grants. The National Health Service Corps and other programs target shortage areas.	*Indirect influence only. The ACGME accredits programs that train physicians in specific specialties/subspecialties and geographies but does not control how many physicians train or where they practice after completing their residency/fellowship programs.*

Key Jurisdictional Principles

Licensure is a state function.

No federal entity licenses physicians. The federal government can create incentives for physicians to practice in shortage areas (loan forgiveness, stipends), but it cannot override state licensing requirements.

Accreditation is neither state nor federal.

The ACGME is a private, independent organization. Its authority comes from the voluntary agreement of institutions and programs to seek and maintain accreditation — and from the practical reality that CMS requires ACGME accreditation as a condition of GME funding eligibility. But the ACGME is not a government body, and its standards are not federal regulations.

GME funding is largely federal.

The dominant source of GME funding — Medicare Direct Medical Education (DME) and Indirect Medical Education (IME) — is a federal program. States supplement through Medicaid and other funding mechanisms but do not control the primary funding stream. Workforce supply debates that focus on GME funding are federal policy debates.

Policy levers are often mismatched to stated goals.

Advocates seeking to increase physician supply sometimes pressure the ACGME to expand accreditation — but the ACGME cannot expand funded training positions. That authority rests with Congress and CMS. Advocates seeking to discipline a physician sometimes contact the ACGME, but the ACGME has no authority over individuals. That authority rests with state medical boards.

Quick Reference: Who to Contact for What

Physician misconduct or discipline >> State medical board

Physician license verification >> State medical board (or FSMB)

Residency/fellowship program accreditation status >> ACGME (acgme.org, Accreditation Data System)

Residency/fellowship program quality concerns >> ACGME (for educational standards); hospital administration (for operational matters)

Board certification verification >> Relevant American Board of Medical Specialties (ABMS)Member Board, the American Osteopathic Association, or other certifying board

GME funding policy and reform >> Congressional committees (Ways and Means, Finance, Energy and Commerce, HELP); CMS; state legislatures

Medicaid GME policy >> State Medicaid agency; CMS

Teaching hospital operations and oversight >> Hospital administration; the Joint Commission; CMS