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ABSTRACT

The bill is designed to amend the Public Health Service Act in order to revise and extend the programs of assistance under Title VII for training in the health and allied health professions, and to revise the National Health Service Corps scholarship training program. The bill details the exact additions and deletions to be made in the original Act. The amendments are organized around the original topics of the Act: Title I--extension of current authorities through fiscal year 1975; Title II--general provisions; Title III--assistance for construction of teaching facilities; Title IV--student assistance and National Health Service Corps; Title V--grants for health profession schools; Title VI--special project grants and contracts; Title VII--public and allied health personnel; Title VIII--medical residency training programs; and Title X--miscellaneous (physician distribution, education of allied health personnel, study of allied health personnel, study of funding alternatives for health professions education, and recovery). (Author/PR)

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# Union Calendar No. 127

94TH CONGRESS  
1ST SESSION

# H. R. 5546

[Report No. 94-266]

U. S. DEPARTMENT OF HEALTH,  
EDUCATION & WELFARE  
NATIONAL INSTITUTE OF  
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## IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 1975

Mr. ROGERS (for himself, Mr. PREYER, Mr. SYMINGTON, Mr. CARNEY, Mr. SCHEUER, Mr. WAXMAN, Mr. HEFNER, Mr. FLORIO, Mr. WIRTH, Mr. CARTER, Mr. BROYHILL, Mr. HASTINGS, and Mr. HEENZ) introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

JUNE 7, 1975

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

## A BILL

To amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 SHORT TITLE; REFERENCE TO ACT; EFFECTIVE DATE;

4 TABLE OF CONTENTS

5 SECTION 1. (a) This Act may be cited as the "Health  
6 Manpower Act of 1975".

1 (b) Whenever in this Act an amendment or repeal is  
 2 expressed in terms of an amendment to, or repeal of, a sec-  
 3 tion or other provision, the reference shall be considered to  
 4 be made to a section or other provision of the Public Health  
 5 Service Act.

6 (c) Except as otherwise specifically provided, the  
 7 amendments made by titles II, III, IV, V, VI, and VII  
 8 shall take effect July 1, 1975. The amendments made by  
 9 such titles to provisions of title VII of the Public Health  
 10 Service Act are made to such provisions as amended by  
 11 title I.

12 *amendments made by titles II, III, IV, V, VI, and VII shall*  
 13 *take effect July 1, 1975. The amendments made by such titles*  
 14 *to provisions of titles III and VII of the Public Health Serv-*  
 15 *ice Act are made to such provisions as amended by title I.*

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1 TITLE I—EXTENSION OF CURRENT AUTHORI-  
2 TIES THROUGH FISCAL YEAR 1975

3 EXTENSION

4 SEC. 101. (a) Sections 312 (a), 313 (a), and 315 (c)  
5 (relating to traineeships for public health personnel and  
6 graduate training in public health) are each amended by  
7 striking out "for the fiscal year ending June 30, 1974" and  
8 inserting in lieu thereof "each for the fiscal years ending  
9 June 30, 1974, and June 30, 1975".

10 (b) Section 329 (h) (relating to the National Health  
11 Service Corps) is amended by striking out "for the fiscal  
12 year ending June 30, 1974" and inserting in lieu thereof  
13 "each for the fiscal years ending June 30, 1974, and  
14 June 30, 1975".

15 (c) Section 720 (relating to grants for construction of  
16 teaching facilities) is amended by striking out "for the fiscal  
17 year ending June 30, 1974" and inserting in lieu thereof  
18 "each for the fiscal years ending June 30, 1974, and June  
19 30, 1975".

1 (d) Section 729 (relating to loan guarantees and inter-  
2 est subsidies) is amended—

3 (1) by striking out "1974" in subsections (a) and  
4 (b) and inserting in lieu thereof "1975",

5 (2) by inserting after "1974" in subsection (e)  
6 the following: ", and in the next fiscal year".

7 (e) Section 747 (d) (relating to loans for students in  
8 foreign medical schools) is amended by striking out "two"  
9 and inserting in lieu thereof "three".

10 (f) The section 767 entitled "GRANTS FOR TRAINING,  
11 TRAINEESHIPS, AND FELLOWSHIPS IN FAMILY MEDICINE"  
12 is amended by striking out "for the fiscal year ending June  
13 30, 1974" and inserting in lieu thereof "each for the fiscal  
14 years ending June 30, 1974, and June 30, 1975".

15 (g) The section 768 entitled "GRANTS FOR SUPPORT  
16 OF POST-GRADUATE TRAINING PROGRAMS FOR PHYSICIANS  
17 AND DENTISTS" is amended—

18 (1) by striking out "for the fiscal year ending  
19 June 30, 1974" in subsection (a) and inserting in lieu  
20 thereof "each for the fiscal years ending June 30, 1974,  
21 and June 30, 1975"; and

22 (2) by inserting "and the next fiscal year" after  
23 "1974," in subsection (b) (3) (B).

24 (h) Section 769 (a) (relating to grants for training for

1 health professions teaching personnel) is amended by striking  
2 out "for the fiscal year ending June 30, 1974" and inserting  
3 in lieu thereof "each for the fiscal years ending June 30,  
4 1974, and June 30, 1975".

5 (i) Section 769A (relating to grants for computer tech-  
6 nology) is amended by striking out "for the fiscal year end-  
7 ing June 30, 1974" and inserting in lieu thereof "each for  
8 the fiscal years ending June 30, 1974, and June 30, 1975".

9 (j) Paragraphs (1) and (2) of section 770 (j) (relat-  
10 ing to capitation grants) are each amended by striking out  
11 "for the fiscal year ending June 30, 1974" and inserting in  
12 lieu thereof "each for the fiscal years ending June 30, 1974,  
13 and June 30, 1975".

14 (k) Section 771 (relating to start-up assistance) is  
15 amended (1) by striking out "two" in subsection (a) (6)  
16 and inserting in lieu thereof "three", (2) by striking out  
17 "July 1, 1974" in subsection (b) (2) and inserting in lieu  
18 thereof "July 1, 1975", and (3) by striking out "June 30,  
19 1975" in such subsection and inserting in lieu thereof  
20 "June 30, 1976".

21 (l) Section 772 (d) (relating to special project grants  
22 and contracts) is amended by striking out "for the fiscal  
23 year ending June 30, 1974" and inserting in lieu thereof

1 "each for the fiscal years ending June 30, 1974, and June  
2 30, 1975".

3 (m) Section 773 (a) (relating to financial distress  
4 grants) is amended by striking out "for the fiscal year end-  
5 ing June 30, 1974" *the first time it appears* and inserting in  
6 lieu thereof "each for the fiscal years ending June 30, 1974,  
7 and June 30, 1975".

8 (n) Section 774 (e) (relating to education initiative  
9 awards) is amended by striking out "for the fiscal year end-  
10 ing June 30, 1974" and inserting in lieu thereof "each for  
11 the fiscal years ending June 30, 1974, and June 30, 1975".

12 (o) Section 780 (relating to scholarship grants) is  
13 amended (1) by striking out "the next fiscal year" in sub-  
14 section (b) and inserting in lieu thereof "the next two fiscal  
15 years", (2) by striking out "1974" in such subsection and  
16 subsection (c) (1) (B) and inserting in lieu thereof "1975".  
17 (3) by striking out in subsections (b) and (c) (1) (B)  
18 "June 30, 1975" and inserting in lieu thereof "June 30,  
19 1976" and (4) by striking out "two" in subsection (c) (1)  
20 (A) and inserting in lieu thereof "three".

21 (p) The section 785 entitled "SCHOLARSHIP GRANTS  
22 FOR STUDY ABROAD" is amended (1) by striking "two" in  
23 subsection (e) (1) and inserting in lieu thereof "three", (2)  
24 by striking out "1975" in subsection (e) (2) and inserting



1 in lieu thereof "1976", and (3) by striking out in such sub-  
2 section "1974" and inserting in lieu thereof "1975".

3 (q) Section 786 (relating to physician shortage area  
4 scholarships) is amended (1) by striking out "for the fiscal  
5 year ending June 30, 1974" and inserting in lieu thereof  
6 "each for the fiscal years ending June 30, 1974, and  
7 June 30, 1975", (2) by striking out "1975" and inserting  
8 in lieu thereof "1976", and (3) by striking out "1974" and  
9 inserting in lieu thereof "1975".

10 (r) (1) Section 792 (b) (relating to special improve-  
11 ment grants) is amended by striking out "for the fiscal year  
12 ending June 30, 1974" and inserting in lieu thereof "each  
13 for the fiscal years ending June 30, 1974, and June 30,  
14 1975".

15 (2) Section 792 (c) (1) (relating to special projects)  
16 is amended by striking out "for the fiscal year ending  
17 June 30, 1974" and inserting in lieu thereof "each for the  
18 fiscal years ending June 30, 1974, and June 30, 1975".

19 (3) Section 793 (a) (relating to traineeships for ad-  
20 vanced training) is amended by striking out "for the fiscal  
21 year ending June 30, 1974" and inserting in lieu thereof  
22 "each for the fiscal years ending June 30, 1974, and  
23 June 30, 1975".

24 (4) Section 794A (b) (relating to assistance for recruit-  
25 ment) is amended by striking out "for the fiscal year end-

1 ing June 30, 1974" and inserting in lieu thereof "each for  
2 the fiscal years ending June 30, 1974, and June 30, 1975".

### 3 TITLE II—GENERAL PROVISIONS

#### 4 NEW GENERAL PROVISIONS

5 SEC. 201. (a) Sections 701 through 711 are repealed.

6 (b) Sections 724, 725, 799, and 799A are transferred  
7 to part A of title VII and are redesignated as sections 701,  
8 702, 703, and 704, respectively.

9 (c) (1) The heading for part A of title VII is amended  
10 to read as follows:

#### 11 "PART A—GENERAL PROVISIONS"

12 (2) The heading for part ~~II~~ H of title VII is repealed.

13 (d) Section 701 (as so redesignated) is amended—

14 (1) by striking out "As used in this part and  
15 parts C, E, and F—" and inserting in lieu thereof "For  
16 purposes of this title:";

17 (2) by inserting "or an equivalent degree" after  
18 "degree in public health" in paragraph (4); and

19 (3) by adding at the end the following new para-  
20 graphs:

21 "(7) (A) The term 'program for the training of  
22 physician assistants' means an educational program  
23 which (i) has as its objective the education of individuals  
24 who will, upon completion of their studies in the pro-  
25 gram, be qualified to effectively provide primary health

1 care under the supervision of a physician and (ii) meets  
2 guidelines prescribed by the Secretary in accordance  
3 with subparagraph (B).

4 “(B) After consultation with appropriate profes-  
5 sional organizations, the Secretary shall prescribe guide-  
6 lines for programs for the training of physician assistants.  
7 Such guidelines shall, as a minimum, require that such  
8 a program—

9 “(i) extend for at least one academic year and  
10 consist of—

11 “(I) supervised clinical practice, and

12 “(II) at least four months (in the aggre-  
13 gate) of classroom instruction,

14 directed toward preparing students to deliver pri-  
15 mary health care; and

16 “(ii) have an enrollment of not less than eight  
17 students.

18 “(8) (A) The term ‘programs for the training of  
19 nurse practitioners’ means educational programs for reg-  
20 istered nurses (irrespective of the type of school of nurs-  
21 ing in which the nurses received their training) which  
22 (i) have as their objective the education of nurses (in-  
23 cluding pediatric and geriatric nurses) who will, upon  
24 completion of their studies in such programs, be qualified  
25 to effectively provide primary health care, including pri-

1       mary health care in homes and in ambulatory care facili-  
 2       ties, long-term care facilities, and other health care  
 3       institutions, and (ii) meet guidelines prescribed by the  
 4       Secretary in accordance with subparagraph (B).

5       “(B) After consultation with appropriate educa-  
 6       tional organizations and professional nursing and medical  
 7       organizations, the Secretary shall prescribe guidelines  
 8       for programs for the training of nurse practitioners. Such  
 9       guidelines shall, as a minimum, require that such a  
 10      program—

11           “(i) extend for at least one academic year and  
 12           consist of—

13                   “(I) supervised clinical practice, and

14                   “(II) at least four months (in the aggre-  
 15                   gate) of classroom instruction,

16           directed toward preparing nurses to deliver primary  
 17           health care; and

18           “(ii) have an enrollment of not less than eight  
 19           students.

20       “(9) (A) The term ‘program for the training of ex-  
 21       panded function dental auxiliaries’ means an educa-  
 22       tional program which (i) has as its objective the educa-  
 23       tion of individuals who will, upon completion of their  
 24       studies in the program, be qualified to effectively provide

1 an accredited program of studies, be qualified to assist  
2 in the provision of primary dental care under the super-  
3 vision of a dentist and (ii) meets guidelines prescribed  
4 by the Secretary in accordance with subparagraph (B).

5 “(B) After consultation with appropriate profes-  
6 sional organizations, the Secretary shall prescribe guide-  
7 lines for programs for the training of expanded function  
8 dental auxiliaries. Such guidelines shall, as a minimum,  
9 require that such a program—

10 “(i) extend for at least one academic year and  
11 consist of—

12 “(I) supervised clinical practice, and

13 “(II) at least four months (in the  
14 aggregate) of classroom instruction,  
15 directed toward preparing students to deliver  
16 primary dental care; and

17 “(ii) have an enrollment of not less than eight  
18 students.”

19 (e) The Secretary of Health, Education, and Welfare  
20 shall within ninety days of the date of the enactment of  
21 this Act prescribe the guidelines for programs for the  
22 training of physician assistants, nurse practitioners, and ex-  
23 panded function dental auxiliaries specified in the amend-  
24 ment made by subsection (d) (3) of this section.

## ADVISORY COUNCIL

1  
2 SEC. 202. (a) The second sentence of subsection (a)  
3 of section 702 (as so redesignated) is amended to read as  
4 follows: "Of the appointed members of the Council (1)  
5 twelve shall be representatives of the health professions  
6 schools assisted under programs authorized by this title, in-  
7 cluding at least six persons experienced in university admini-  
8 stration and at least one representative of schools of medi-  
9 cine, osteopathy, dentistry, veterinary medicine, optometry,  
10 pharmacy, podiatry, and public health, and entities which  
11 may receive a grant under section 791, (2) two shall be  
12 full-time students enrolled in health professions schools, and  
13 (3) six shall be members of the general public."

14 (b) (1) The amendment made by subsection (a) with  
15 respect to composition of the National Advisory Council  
16 on Health Professions Education shall apply with respect  
17 to appointments made to the Council after June 30, 1975,  
18 and the Secretary of Health, Education, and Welfare shall  
19 make appointments to the Council after such date in a  
20 manner which will bring about, at the earliest feasible  
21 time, the Council composition prescribed by the amendment.

22 (2) Section 702 (as so redesignated) is amended by  
23 striking out "E, and F" in subsection (a) and inserting in  
24 lieu thereof "E, F, and G".

1 (3) Section 702 (as so redesignated) is amended by  
 2 striking out "parts A and G" in subsections (b) and (c) and  
 3 inserting in lieu thereof "part II".

4 ADVANCE FUNDING AUTHORITY

5 SEC. 203. Section 703 (as so redesignated) is amended  
 6 to read as follows:

7 "ADVANCE FUNDING

8 "SEC. 703. An appropriation under an authorization of  
 9 appropriations for grants or contracts under this title for any  
 10 fiscal year may be made at any time before that fiscal year  
 11 and may be included in an Act making an appropriation  
 12 under such authorization for another fiscal year; but no funds  
 13 may be made available from any appropriation under such  
 14 authorization for obligation for such grants or contracts before  
 15 the fiscal year for which such appropriation is authorized."

16 DISCRIMINATION

17 SEC. 204. Section 704 (as so redesignated) is amended  
 18 to read as follows:

19 "DISCRIMINATION PROHIBITED

20 "~~SEC. 704. (a) (1) No—~~

21 "~~(A) school of medicine, osteopathy, dentistry,~~  
 22 ~~veterinary medicine, optometry, pharmacy, podiatry, or~~  
 23 ~~public health, or~~

24 "~~(B) entity which provides training of allied or~~  
 25 ~~public and community health personnel,~~

1 may discriminate, on the basis of race, color, national origin,  
 2 religion, or sex, in the admission of individuals to any of its  
 3 training programs for any academic year which begins after  
 4 calendar year 1975 if during any part of such academic year  
 5 the school or entity is receiving funds under a grant, contract,  
 6 loan, or interest subsidy under this title or if during any part  
 7 of such academic year a loan guarantee under this title for  
 8 the benefit of such school or entity is in effect.

9       ~~“(2)(A)(i)~~ A school or entity shall be in violation of  
 10 paragraph ~~(1)~~ if it utilizes admissions standards under which  
 11 individuals are accorded a preference on the basis of their  
 12 race, color, national origin, religion, or sex or if it utilizes any  
 13 other means to effect the discrimination prohibited by such  
 14 paragraph.

15       ~~“(ii)~~ A school or entity shall not be in violation of  
 16 paragraph ~~(1)~~ because of appropriate affirmative actions  
 17 taken by the school or entity to provide compensatory edu-  
 18 cation and counseling or other assistance to disadvantaged  
 19 individuals in meeting admissions requirements.

20       ~~“(B)~~ In the case of a school of medicine which—

21       ~~“(i)~~ on the date of the enactment of the National  
 22       Research Service Award Act of 1974 was in the process  
 23       of changing its status as an institution which admits only  
 24       female students to that of an institution which admits  
 25       students without regard to their sex, and





1 undertaking supplied by other sources, and such other records  
2 as will facilitate an effective audit.

3 “(b) Each recipient of a grant or contract under this  
4 title shall provide for an annual financial audit of any books,  
5 accounts, financial records, files, and other papers or property  
6 which relate to the disposition or use of the funds received  
7 under such grant or contract. For purposes of assuring  
8 accurate, current, and complete disclosure of the disposition  
9 or use of the funds received under such a grant or contract,  
10 each such audit shall be conducted in accordance with such  
11 requirements concerning the individual or agency which con-  
12 ducts the audit, and such standards applicable to the perform-  
13 ance of the audit, as the Secretary may by regulation provide.  
14 The report of each such audit shall be filed with the Secretary  
15 at such time and in such manner as he may by regulation  
16 prescribe.

17 “(c) The recipient of a scholarship or traineeship under  
18 this title or a grant under subsection (f) or (g) of section  
19 747 shall not with respect to the scholarship, traineeship, or  
20 grant be required to keep the records prescribed under sub-  
21 section (a) or provide for the audit prescribed by subsection  
22 (b).”.

23 DELEGATION OF AUTHORITY

24 SEC. 206 205. Part A of title VII is amended by adding  
H.R. 5546—2

1 after section 705 (added by section ~~205~~ 204) the following  
2 new section:

3 "DELEGATION"

4 "SEC. 706. The Secretary may delegate the authority  
5 to administer any program authorized by this title to the  
6 administrator of a central or regional office or offices of the  
7 Department of Health, Education, and Welfare, except that  
8 the authority—

9 "(1) to review, and prepare comments on the merit  
10 of, any application for a grant or contract under any  
11 such program for purposes of presenting such applica-  
12 tion to the National Advisory Council on Health Pro-  
13 fessions Education, and

14 "(2) to make such a grant or enter into such a  
15 contract,

16 shall not be delegated to any administrator of, or officer in, a  
17 regional office or offices of the Department."

18 ACTIVE SERVICE UNDER SOLDIERS' AND SAILORS'

19 CIVIL RELIEF ACT

20 SEC. ~~207~~ 206. Section 212 is amended by adding after  
21 subsection (d) the following new subsection:

22 "(e) Active service of commissioned officers of the  
23 Service shall be deemed to be active military service in the  
24 Armed Forces of the United States for the purposes of all  
25 rights, privileges, immunities, and benefits now or hereafter

1 provided under the Soldiers' and Sailors' Civil Relief Act of  
2 1940 (50 App. U.S.C. 501 et seq.).”.

3 **TITLE III—ASSISTANCE FOR CONSTRUCTION OF**  
4 **TEACHING FACILITIES**

5 **GRANT AUTHORITY; AUTHORIZATIONS**

6 **SEC. 301.** Section 720 is amended to read as follows:

7 **“GRANT AUTHORITY; AUTHORIZATIONS OF**  
8 **APPROPRIATIONS**

9 **“SEC. 720. (a)** The Secretary may make grants to assist  
10 in the construction of teaching facilities (including teaching  
11 hospitals) for the training of physicians, dentists, pharma-  
12 cists, optometrists, podiatrists, veterinarians, and professional  
13 public health personnel.

14 **“(b)** For payments under grants under this part, there  
15 is authorized to be appropriated \$25,000,000 for fiscal year  
16 1976, \$25,000,000 for fiscal year 1977, and \$25,000,000  
17 for fiscal year 1978.”.

18 **GRANT AMOUNTS**

19 **SEC. 302. (a) (1)** Subsection (a) of section 722 is  
20 amended to read as follows:

21 **“(a)** The amount of any grant under this part for con-  
22 struction of a project shall be such amount as the Secretary  
23 determines to be appropriate after obtaining advice of the  
24 Council, except that (1) no grant for any project may exceed  
25 80 per centum of the necessary costs of construction, as

1 determined by the Secretary of such project, and (2) any  
2 grant for a construction project for teaching facilities for  
3 the training of physicians located in a State which has no  
4 such facilities shall cover 80 per centum of its construction  
5 costs unless the Secretary determines a grant for such por-  
6 tion of such costs is not needed.”.

7 (2) The amendment made by paragraph (1) shall take  
8 effect with respect to grants made under part B of title VII  
9 of the Public Health Service Act from appropriations under  
10 section 720 of such Act for fiscal years beginning after  
11 June 30, 1975.

12 (b) Subsection (d) of section 722 is amended by strik-  
13 ing out “(within the meaning of part A of this title)”.

14 (c) Subsection (e) of section 721 is amended by adding  
15 at the end the following new sentence: “In considering  
16 applications submitted for a grant under this part for the  
17 cost of construction of teaching facilities for the training of  
18 physicians, the Secretary shall give special consideration to  
19 projects in States which have no such facilities.”.

20 LOAN GUARANTEES AND INTEREST SUBSIDIES

21 SEC. 303. (a) Subsections (a) and (b) of section 729  
22 are each amended by striking out “June 30, 1975” and  
23 inserting in lieu thereof “September 30, 1978”.

24 (b) The second sentence of section 729 (e) is amended

1 by striking out "and" after "June 30, 1973," and by  
2 striking out the period at the end thereof and inserting  
3 in lieu thereof a comma and the following: "\$2,000,000  
4 in fiscal year 1976, \$3,000,000 in fiscal year 1977, and  
5 \$3,000,000 in fiscal year 1978."—and the fourth sentence  
6 of such section is amended by inserting a period after  
7 "~~Treasury~~" the second time it appears in that sentence and  
8 by striking the remainder of that sentence.

9 (c) (1) The third sentence of section 729 (a) is  
10 amended to read as follows: "No such loan guarantee may,  
11 except under special circumstances and under such condi-  
12 tions as are prescribed by regulations, apply to any amount  
13 which, when added to any grant under this part or any other  
14 law of the United States, exceeds 90 per centum of the cost  
15 of the construction of the project."

16 (2) The amendment made by paragraph (1) shall  
17 apply with respect to loans guaranteed under section 729 (a)  
18 of the Public Health Service Act (redesignated section  
19 727 (b) by section 304 (o) of this Act) after June 30, 1975.

20 (d) Subsections (a) and (b) of section 729 are each  
21 amended by inserting "or the Federal Financing Bank"  
22 after "non-Federal lender".

23 TECHNICAL AND CONFORMING AMENDMENTS

24 SEC 30' (a) Section 721 (c) is amended—

1 (1) by striking out "section 770 (f) of this Act"  
2 in paragraph (2) and inserting in lieu thereof "section  
3 771";

4 (2) by striking out the sentence at the end of  
5 paragraph (2);

6 (3) by striking out paragraph (5) and redesignat-  
7 ing paragraphs (6) and (7) as paragraphs (5) and  
8 (6), respectively;

9 (4) by striking out "and" at the end of paragraph  
10 (5) (as so redesignated), by striking out the period at  
11 the end of paragraph (6) (as so redesignated) and  
12 inserting in lieu thereof "; and", and by inserting after  
13 paragraph (6) the following:

14 " (7) the application contains or is supported by  
15 adequate assurance that any laborer or mechanic em-  
16 ployed by a contractor or subcontractors in the per-  
17 formance of work on the construction of the facility  
18 will be paid wages at rates not less than those prevail-  
19 ing on similar construction in the locality as determined  
20 by the Secretary of Labor in accordance with the Act  
21 of March 3, 1931 (40 U.S.C. 276a-276a-5, known as  
22 the Davis-Bacon Act).

23 The Secretary of Labor shall have with respect to the labor  
24 standards specified in paragraph (7) the authority and func-  
25 tions set forth in Reorganization Plan Numbered 14 of 1950

1 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the  
2 Act of June 13, 1934 (40 U.S.C. 276c)."; and

3 (5) by striking out "725" in the last sentence and  
4 inserting in lieu thereof "702".

5 (b) Sections 726, 727, 728, and 729 are redesignated  
6 as sections 724, 725, 726, and 727, respectively.

7 **TITLE IV.—STUDENT ASSISTANCE; NATIONAL**

8 **HEALTH SERVICE CORPS**

9 **STUDENT LOAN AGREEMENTS**

10 **SEC. 401.** (a) Subsection (b) of section 740 is amended

11 (A) by striking out "and" at the end of paragraph (4),

12 (B) by redesignating paragraph (5) as paragraph (6),

13 and (C) by inserting after paragraph (4) the following new  
14 paragraph:

15 " (5) provide that the school shall advise, in writing,  
16 each applicant for a loan from the student loan fund of  
17 the provisions of section 741 under which outstanding  
18 loans from the student loan fund may be paid (in whole  
19 or in part) by the Secretary; and".

20 **LOAN PROVISIONS**

21 **SEC. 402.** (a) Subsection (a) of section 741 is amended  
22 to read as follows:

23 " (a) Loans from a student loan fund established under  
24 an agreement under section 740 may not exceed for any stu-  
25 dent for any academic year (or its equivalent) the sum of—



1           “(1) the cost of tuition for each year at the school  
2           for which such fund was established, and

3           “(2) \$2,500.”

4           (b) Subsection (e) of section 741 is amended by  
5           striking out “3 per centum” and inserting in lieu thereof  
6           “7 per centum”.

7           (c) The amendment made by subsections (a) and (b)  
8           shall apply with respect to loans made after June 30, 1975,  
9           from the student loan funds established under section 740  
10          of the Public Health Service Act.

11          (d) In the case of any individual who, on or after  
12          November 18, 1971, and before the date of the enactment of  
13          this Act, met the requirements of subparagraphs (A) and  
14          (B) of section 741 (f) (1) of the Public Health Service Act  
15          and who practiced his profession in an area described in sub-  
16          paragraph (C) of such section (as in effect before the date of  
17          the enactment of this Act) while a member of the National  
18          Health Service Corps or as an officer of the Regular or  
19          Reserve Corps of the Public Health Service or as a civilian  
20          employee of the Public Health Service, the individual shall,  
21          for purposes of section 741 (f) of such Act, be deemed to  
22          have entered into the agreement required by such subpara-  
23          graph (C) with respect to that practice.

24                                    AUTHORIZATION OF APPROPRIATIONS

25           SEC. 403. Effective with respect to appropriations under

1 section 742 of the Public Health Service Act for fiscal years  
2 beginning after June 30, 1975, subsection (a) of section  
3 742 is amended to read as follows:

4 " (a) For the purpose of making Federal capital con-  
5 tributions into the student loan funds of schools which have  
6 established such funds under an agreement under section 740,  
7 there are authorized to be appropriated \$30,000,000 for  
8 fiscal year 1976, \$30,000,000 for fiscal year 1977, and  
9 \$30,000,000 for fiscal year 1978. For fiscal year 1979  
10 and each of the two succeeding fiscal years there are author-  
11 ized to be appropriated such sums as may be necessary to  
12 enable students who have received a loan under this part for  
13 any academic year ending before September 30, 1978, to  
14 continue or complete their education."

#### 15 DISTRIBUTION OF ASSETS

16 SEC. 404. Section 743 is amended by striking out "June  
17 30, 1977" and "September 30, 1977" each place they occur  
18 and inserting in lieu thereof "September 30, 1981" and  
19 "December 31, 1981", respectively.

#### 20 LOANS TO SCHOOLS

21 SEC. 405. (a) Section 744 is repealed.

22 ~~(c)~~ (b) The health professions education fund created  
23 within the Treasury by section 744(d) (1) of the Public  
24 Health Service Act shall remain available to the Secretary of  
25 Health, Education, and Welfare for the purpose of meeting

1 his responsibilities respecting participations in obligations  
2 acquired under section 744 of such Act. The Secretary shall  
3 continue to deposit in such fund all amounts received by him  
4 as interest payments or repayments of principal on loans  
5 under such section 744. If at any time the Secretary deter-  
6 mines the moneys in the fund exceed the present and any  
7 reasonable prospective future requirements of such fund, such  
8 excess may be transferred to the general fund of the  
9 Treasury.

10 (c) There are authorized to be appropriated without  
11 fiscal year limitation such sums as may be necessary to  
12 enable the Secretary to make payments under agreements  
13 entered into under section 744 (b) of the Public Health  
14 Service Act before June 30, 1975.

15 (d) Section 742 (b) is amended (1) by striking out  
16 “, and for loans pursuant to section 744” in paragraph  
17 (1); and (2) by striking out “whether as Federal capital  
18 contributions or as loans to schools under section 744)”  
19 in paragraph (3).

20 (e) Section 743 (b) is amended by striking out “(other  
21 than so much of such fund as relates to payments from the  
22 revolving fund established by section 744 (d) )”.

23 **TECHNICAL AND CONFORMING AMENDMENTS**

24 **SEC. 406. (a)** Section 746 is repealed.

25 (b) Section 740 is amended (A) by striking out “of

1 Health, Education, and Welfare" in subsection (a); and  
 2 (B) by striking out ", except as provided in section 746,"  
 3 in paragraphs (2) and (3) of subsection (b).

4 (c) Section 745 is redesignated as section 744.

5 (d) (1) The heading for part C of title VII is amended  
 6 to read as follows:

7 ~~"Subpart I—Student Loans"~~.

8 ~~(2) The heading for subpart I of part C of title VII~~  
 9 ~~is amended to read as follows:~~

10 ~~"SUBPART I—STUDENT LOANS"~~.

11 ~~"PART C—STUDENT ASSISTANCE"~~.

12 (2) The heading for subpart I of part C of title VIII  
 13 is amended to read as follows:

14 ~~"SUBPART I—STUDENT LOANS"~~.

15 PUBLIC HEALTH TRAINEESHIPS

16 SEC. 407. Part C of title VII is amended by adding at  
 17 the end of the following new subpart:

18 "Subpart III—Traineeships for Students in Schools of

19 Public Health

20 "TRAINEESHIPS

21 "SEC. 751. (a) The Secretary may make grants to  
 22 schools of public health for traineeships to train students  
 23 enrolled in such schools.

24 "(b) (1) No grant for traineeships may be made under  
 25 subsection (a) unless an application therefor has been sub-

1 mitted to, and approved by, the Secretary. Such application  
2 shall be in such form, be submitted in such manner, and  
3 contain such information, as the Secretary by regulation may  
4 prescribe. Traineeships under such a grant shall be awarded  
5 in accordance with such regulations as the Secretary shall  
6 prescribe. The amount of any such grant shall be determined  
7 by the Secretary and payments under such a grant may be  
8 made in advance or by way of reimbursement and at such  
9 intervals and on such conditions as the Secretary finds  
10 necessary.

11 “(2) Traineeships awarded under grants made under  
12 subsection (a) shall provide for such stipends and allowances  
13 (including travel and subsistence expenses and dependency  
14 allowances) for the trainees as the Secretary may deem  
15 necessary.

16 “(c) For payments under grants under subsection (a)  
17 there are authorized to be appropriated \$6,000,000 for fiscal  
18 year 1976, \$6,000,000 for fiscal year 1977, and \$6,000,000  
19 for fiscal year 1978.”

20 SCHOLARSHIPS

21 SEC. 408. (a) Subparts I, II, and III of part F of title  
22 VII are repealed.

23 (b) The Secretary of Health, Education, and Welfare  
24 during the period beginning July 1, 1975, and ending Sep-  
25 tember 30, 1978, may (1) make grants under section 780

1 of the Public Health Service Act (as in effect before the  
2 date of the enactment of this Act) to public and nonprofit  
3 private schools of medicine, osteopathy, dentistry, veterinary  
4 medicine, optometry, podiatry, and pharmacy to enable such  
5 schools to continue making payments under scholarship  
6 awards to students who initially received such awards out of  
7 grants made to the schools under such section 780 for fiscal  
8 years ending before July 1, 1975, and (2) make scholar-  
9 ship grants under section 784 of such Act (as in effect before  
10 the date of the enactment of this Act) to individuals who  
11 initially received such grants before July 1, 1975.

12 (c) (1) Section 747 is repealed, section 225 is trans-  
13 ferred to subpart II of part C of title VII, is redesignated  
14 section 747, and is amended to read as follows:

15 "PUBLIC HEALTH AND NATIONAL HEALTH SERVICE  
16 CORPS SCHOLARSHIP TRAINING PROGRAM

17 "SEC. 747. (a) The Secretary shall establish the Public  
18 Health and National Health Service Corps Scholarship  
19 Training Program (hereinafter in this section referred to as  
20 the 'Program') to obtain trained physicians, dentists, and  
21 nurses and, if needed by the National Health Service Corps  
22 or other unit of the Service, graduates of schools of veter-  
23 inary medicine, podiatrists, optometrists, pharmacists, grad-  
24 uates of schools of public health, graduates of programs in  
25 health administration, graduates of programs for the train-

1 ing of physician assistants, expanded function dental aux-  
2 iliaries, and nurse practitioners, and other health-related  
3 specialists.

4 “(b) To be eligible for acceptance in the Program, an  
5 applicant for the Program must—

6 “(1) be accepted for enrollment, or be enrolled, as  
7 a full-time student (A) in an accredited (as determined  
8 by the Secretary) educational institution in a State and  
9 (B) in (i) a course of study offered by such institution  
10 and approved by the Secretary which leads to a degree  
11 in medicine, osteopathy, dentistry, nursing, or other  
12 health-related specialty as determined by the Secretary  
13 or (ii) a program offered by such institution for the  
14 training of physician assistants, expanded function den-  
15 tal auxiliaries, or nurse practitioners;

16 “(2) be eligible for, or hold, an appointment as a  
17 commissioned officer in the Regular or Reserve Corps  
18 of the Service or be eligible for selection for noncom-  
19 missioned service in the Service; and

20 “(3) agree in writing to serve, as prescribed by  
21 subsection (d) of this section, in the National Health  
22 Service Corps, the Indian Health Service or other parts  
23 of the Public Health Service or the Department of  
24 Health, Education, and Welfare, or other medical enti-  
25 ties designated by the Secretary.

1 To remain as a participant in the Program an individual  
2 must pursue at such an institution such an approved course  
3 of study or such a program of training and maintain an ac-  
4 ceptable (as determined by the institution under regulations  
5 of the Secretary) level of academic standing in it.

6 “(c) (1) (A) Each participant in the Program shall  
7 while pursuing such a course of study or such a program of  
8 training receive a scholarship for each academic year of the  
9 course or program of training, not to exceed four years. A  
10 participant’s scholarship shall consist of (i) an amount equal  
11 to the basic pay and allowances of a commissioned officer  
12 of the Service on active duty in pay grade O-1 with less  
13 than two years of service, and (ii) payment of the tuition  
14 expenses of the participant and all other reasonable educa-  
15 tional expenses incurred by the participant, including fees,  
16 books, and laboratory expenses.

17 “(B) The Secretary may contract with any institution  
18 in which participants in the Program are enrolled for the  
19 payment to the institution (rather than to the participants)  
20 of the tuition and other educational expenses of such par-  
21 ticipants. Payment to such institutions may be made without  
22 regard to section 3648 of the Revised Statutes (31 U.S.C.  
23 529).

24 “(2) If the Secretary determines that an institution  
25 has increased its total enrollment for the sole purpose of



1 accepting participants in the Program, he may provide for  
2 additional payments to the institution to cover the portion  
3 of the increased costs of the additional enrollment which are  
4 not covered by the institution's regular tuition and fees.

5 “(d) (1) Each participant in the Program shall provide  
6 service as prescribed by paragraph (2) for a period of time  
7 (hereinafter in this section referred to as a ‘period of obli-  
8 gated service’) equal to—

9 “(A) one year of such service for each academic  
10 year of training for which a scholarship was received  
11 under the Program, or

12 “(B) two years,  
13 whichever is greater. For a participant in the Program  
14 receiving a degree from a school of medicine, osteopathy,  
15 or dentistry, the period of obligated service applicable to  
16 such participant shall begin upon completion of the training  
17 required for such degree, except that the Secretary shall,  
18 at the request of the participant, defer the beginning of such  
19 service for the period of time required for the participant to  
20 complete internship, residency, or other advanced clinical  
21 training. For participants receiving degrees in other health  
22 professions the obligated service period shall commence upon  
23 completion of their academic training. Periods of internship,  
24 residency, or other advanced clinical training shall not be

1 creditable in satisfying a service obligation under this sub-  
2 section.

3 “(2) (A) Except as provided in subparagraphs (B),  
4 (C), and (D), an individual obligated to provide service on  
5 account of participation in the Program shall provide such  
6 service for the applicable period of obligated service as a  
7 member of the National Health Service Corps or the Indian  
8 Health Service in the clinical practice of such individual's  
9 profession.

10 “(B) If at the time an individual is required by the  
11 Secretary to begin such individual's period of obligated  
12 service neither the National Health Service Corps nor the  
13 Indian Health Service has a position available for a mem-  
14 ber of the profession for which such individual was trained,  
15 such individual shall serve as a member of the Public Health  
16 Service in the clinical practice of such individual's profession  
17 in connection with the delivery of health services under the  
18 authority of section 321 (relating to hospitals), 322 (re-  
19 lating to care and treatment of seamen and others), 323  
20 (relating to care and treatment of Federal prisoners), 324  
21 (relating to examination and treatment of certain Federal  
22 employees), 325 (relating to examination of aliens), or 326  
23 (relating to services to certain Federal employees) or part D

1 of title III (relating to services for persons with Hansen's  
2 disease).

3 “(C) If at the time an individual is required by the  
4 Secretary to begin such individual's period of obligated  
5 service—

6 “(i) the Corps and the Indian Health Service have  
7 no positions available for a member of the profession for  
8 which such individual was trained, and

9 “(ii) the Public Health Service has no need for  
10 such individual in connection with the delivery of health  
11 services under the authorities referred to in subparagraph

12 (B),

13 such individual shall serve in the clinical practice of such  
14 individual's profession for such period in a medical facility of  
15 a State correctional facility, State mental hospital, commu-  
16 nity mental health center, migrant health center, community  
17 health center, or other medical entity designated by the Sec-  
18 retary as having a priority need for health personnel.

19 “(D) If at the time an individual is required by the  
20 Secretary to begin his period of obligated service—

21 “(i) the Corps and the Indian Health Service have  
22 no positions available for a member of the profession for  
23 which such individual was trained,

24 “(ii) the Public Health Service has no need for such  
25 individual in connection with the delivery of health serv-

ices under the authorities referred to in subparagraph  
(B), and

“(iii) no entity designated under subparagraph (C)  
has positions available for a member of the profession for  
which such individual was trained,

such individual shall serve for such period as a member of the  
Public Health Service in such unit of the Department as the  
Secretary may prescribe.

“(c) If, for any reason, an individual fails to either begin  
such individual's service obligation under this section in  
accordance with subsection (d) or to complete such service  
obligation, the United States shall be entitled to recover  
from such individual an amount determined in accordance  
with the formula

$$A = 2\phi \left( \frac{t-s}{t} \right)$$

in which 'A' is the amount the United States is entitled to  
recover, 'φ' is the sum of the amount paid under this section  
to or on behalf of such person and the interest on such  
amount which would be payable if at the time it was paid  
it was a loan bearing interest at the maximum legal prevail-  
ing rate; 't' is the total number of months in such person's  
service obligation; and 's' is the number of months of such  
obligation served by him in accordance with subsection (d).  
Any amount which the United States is entitled to recover  
under this subsection shall, within the three-year period be-

1 ginning on the date the United States becomes entitled to  
2 recover such amount, be paid to the United States.

3 “(f) (1) (A) The Secretary shall release any partici-  
4 pant in the Program from such participant’s service obliga-  
5 tion under subsection (d) if such participant enters into a  
6 written agreement with the Secretary to engage on a full-  
7 time basis in the private practice of such participant’s  
8 profession—

9 “(i) in an area in a State in which is located a  
10 medically underserved population designated under sec-  
11 tion 330; and

12 “(ii) for a period of—

13 “(I) one year for each academic year of train-  
14 ing for which the Program participant received a  
15 scholarship under the Program, or

16 “(II) two years,

17 whichever is greater.

18 “(B) An agreement described in subparagraph (A)  
19 shall—

20 “(i) provide that during the period of private prac-  
21 tice by a participant pursuant to the agreement—

22 “(I) any individual who receives health serv-  
23 ices provided by the participant in connection with  
24 such private practice will be charged for such serv-  
25 ices at the usual and customary rate prevailing

1 in the area in which such services are provided,  
2 except that if such individual is unable to pay such  
3 charge such individual shall be charged at a reduced  
4 rate or not charged any fee; and

5 “(II) the participant in providing health serv-  
6 ices in connection with such private practice shall  
7 not discriminate against any individual on the basis  
8 of such individual’s ability to pay for such services  
9 or because payment for the health services provided  
10 to such individual will be made under the insurance  
11 program established under part A or B of title  
12 XVIII of the Social Security Act or under a State  
13 plan for medical assistance approved under title  
14 XIX of such Act; and

15 “(ii) contain such additional provisions as the  
16 Secretary may require to carry out the purposes of this  
17 subsection.

18 For purposes of clause (i) (I), the Secretary shall by regu-  
19 lation prescribe the method for determining an individual’s  
20 ability to pay a charge for health services and the method  
21 for determining the amount of the fee (if any) to be charged  
22 such individual based on such ability.

23 “(2) (A) The Secretary may make one grant to any  
24 individual—

1           “(i) who has entered into an agreement under  
2           paragraph (1), and

3           “(ii) who has agreed to extend the period of prac-  
4           tice under such agreement by a period of not less than  
5           one year,

6 to assist such individual in meeting the costs of beginning  
7 the practice of his profession in accordance with such agree-  
8 ment, including the costs of acquiring equipment and reno-  
9 vating facilities for use in providing health services, and  
10 of hiring nurses and other personnel to assist in providing  
11 health services. No such grant may be used for the purchase  
12 or construction of any building.

13           “(B) The amount of the grant to any individual under  
14 subparagraph (A) shall be—

15           “(i) \$12,500, if such individual agrees to extend  
16           the period of practice under the agreement under para-  
17           graph (1) for a period of at least one year but less than  
18           two years; or

19           “(ii) \$25,000, if such individual agrees to extend  
20           the period of practice under the agreement under para-  
21           graph (1) for a period of at least two years.

22           “(3) The Secretary may not enter into any agreement  
23 under paragraph (1) or make any grant under paragraph  
24 (2) unless an application therefor has been submitted to,  
25 and approved by, the Secretary.

1       “(4) (A) In the case of any individual who entered  
2 into an agreement under paragraph (1), the Secretary shall  
3 pay to such individual, as soon as practicable after the close  
4 of each calendar quarter in which such individual practiced  
5 his profession in accordance with such agreement, an amount  
6 which is equal to the excess (if any) of—

7           “(i) the amount of basic pay and allowances which  
8 such individual would have received for the period of  
9 such practice during such calendar quarter and the  
10 preceding calendar quarters in the same calendar year  
11 if during that same period of practice such individual  
12 was a commissioned officer of the Public Health Service  
13 serving in the National Health Service Corps during a  
14 period of obligated service under subsection (d), over

15           “(ii) the sum of the net income (as determined  
16 under regulations prescribed by the Secretary) derived  
17 by such individual during that period of practice (from  
18 the private practice of his profession in accordance with  
19 such agreement) and the amount (if any) paid to such  
20 individual under this paragraph with respect to the  
21 portion of that period of practice which occurred in such  
22 preceding calendar quarters.

23       “(B) If after the close of any calendar year—

24           “(i) the amount described in subparagraph (A)  
25           (ii) which was received by the individual for the period



1 in such year in which he practiced his profession in  
2 accordance with an agreement under paragraph (1),  
3 exceeds

4 “(ii) the amount of basic pay and allowances  
5 which the individual would have received for such  
6 period if during such period he was a commissioned  
7 officer of the Public Health Service serving in the Na-  
8 tional Health Service Corps during a period of obligated  
9 service under subsection (d),

10 the Secretary shall be entitled to recover from the such  
11 individual an amount equal to the lesser of the amount of  
12 such excess or the amount paid to the such individual under  
13 subparagraph (A) for the period in such year in which he  
14 practiced his profession in accordance with an agreement  
15 under paragraph (1).

16 “(C) The Secretary may not make any payment to any  
17 individual under subparagraph (A) unless—

18 “(i) an application therefor has been submitted to  
19 the Secretary in such manner and containing such  
20 information as he shall by regulation prescribe; and

21 “(ii) such individual keeps such records as the  
22 Secretary may prescribe and makes such records avail-  
23 able to the Secretary for any examination he may  
24 require.

1       “(g) (1) The Secretary may make one grant to any  
2 individual (other than an individual who entered into an  
3 agreement under subsection (f) (1).) —

4               “(A) who has completed his period of obligated  
5 service under the Program, and

6               “(B) who has agreed in writing to engage on a full-  
7 time basis in the private practice of his profession in  
8 accordance with subsection (f) (1) for a period of not  
9 less than one year,

10 to assist such individual in meeting the costs of beginning the  
11 practice of such individual’s profession in accordance with  
12 such agreement, including the costs of acquiring equipment  
13 and renovating facilities for use in providing health services,  
14 and of hiring nurses and other personnel to assist in providing  
15 health services. Such grant may not be used for the purchase  
16 or construction of any building.

17       “(2) The amount of the grant under paragraph (1) to  
18 any individual shall be—

19               “(A) \$12,500, if such individual agrees to practice  
20 his profession in accordance with subsection (f) (1) for  
21 a period of at least one year but less than two years; or

22               “(B) \$25,000, if such individual agrees to practice  
23 his profession in accordance with subsection (f) (1) for  
24 a period of at least two years.

1       “(3) The Secretary may not make a grant under para-  
2 graph (1) unless an application therefor has been submitted  
3 to, and approved by, the Secretary.

4       “(h) If the Secretary determines that an individual  
5 has violated an agreement under subsection (f) (1) or (g)  
6 (1) (B), he shall, as soon as practicable after making such  
7 determination notify the individual of such determination.  
8 If within one hundred and twenty days after the date of  
9 giving such notice, such individual is not practicing his pro-  
10 fession in accordance with the agreement under subsection  
11 (f) (1) or (g) (1) (B), as the case may be, and has not  
12 provided assurances satisfactory to the Secretary that he  
13 will not knowingly violate such agreement again, the United  
14 States shall be entitled to recover from such individual an  
15 amount determined under subsection (c), except that in  
16 applying the formula contained in such subsection—

17       “(1) in the case of an agreement under subsection  
18 (f) (1), ‘ $\phi$ ’ shall be the sum of the amount paid under  
19 this section (other than any amount paid under subsec-  
20 tion (f) (4)) to or on behalf of such person and the  
21 interest on such amount which would be payable if at  
22 the time it was paid it was a loan bearing interest at  
23 the maximum legal prevailing rate, ‘t’ shall be the num-  
24 ber of months that such individual agreed to practice  
25 his profession under such agreement, including the num-

1       ber of months that the period of practice under such  
2       agreement was extended under subsection (f) (2) (A),  
3       and 's' shall be the number of months that such indi-  
4       vidual practiced his profession in accordance with such  
5       agreement; and

6           “(2) in the case of an agreement under subsection  
7       (g) (1) (B), 'φ' shall be the sum of the amount of the  
8       grant made under subsection (g) to such person and  
9       the interest on such amount which would be payable  
10      if at the time it was paid it was a loan bearing interest  
11      at the maximum legal prevailing rate, 't' shall be the  
12      number of months that such individual agreed to prac-  
13      tice his profession under such agreement, and 's' shall  
14      be the number of months that such individual practiced  
15      his profession in accordance with such agreement.

16      “(i) (1) When a person undergoing training in the Pro-  
17      gram is dismissed for failure to meet academic standing re-  
18      quirements or for disciplinary reasons or voluntarily termi-  
19      nates academic training, he shall be liable for repayment  
20      to the Government for an amount equal to the scholarship  
21      which he received under the Program.

22      “(2) (A) Any obligation of any individual under para-  
23      graph (1) or under subsection (e) or (h) shall be canceled  
24      upon the death of such individual.

25      “(B) The Secretary shall by regulation provide for the

1 waiver or suspension of any obligation under paragraph (1)  
2 or under subsection (e) or (h) applicable to any individ-  
3 ual whenever compliance by such individual is impossible or  
4 would involve extreme hardship to such individual and if  
5 enforcement of such obligation with respect to any individual  
6 would be against equity and good conscience.

7 “(j) Notwithstanding any other provision of law, per-  
8 sons undergoing academic training under the Program shall  
9 not be counted against any employment ceiling affecting the  
10 Department of Health, Education, and Welfare.

11 “(k) The Secretary shall issue regulations for the im-  
12 plementation of this section.

13 “(l) To carry out the Program, there are authorized to  
14 be appropriated \$40,000,000 for fiscal year 1976, \$80,-  
15 000,000 for fiscal year 1977, and \$120,000,000 for fiscal  
16 year 1978. Sums appropriated under this subsection for any  
17 fiscal year shall remain available for obligation in the suc-  
18 ceeding fiscal year.”.

19 (2) Effective July 1, 1975, the heading for subpart II  
20 of part C of title VII is amended to read as follows:

21 “Subpart II—Student Scholarships”.

22 (3) (A) Except as provided in subparagraph (B), the  
23 amendment made by paragraph (1) of this subsection shall  
24 apply with respect to scholarships awarded under the Public  
25 Health and National Health Service Corps Scholarship Pro-

1 gram from appropriations for such Program for fiscal years  
2 beginning after June 30, 1975.

3 (B) The provisions of section 225 (f) (1) of the Public  
4 Health Service Act (as in effect on June 30, 1975) prescrib-  
5 ing the financial obligation of a participant in the Public  
6 Health and National Health Service Corps Scholarship Train-  
7 ing Program who fails to complete an active duty service  
8 obligation incurred under that Program shall apply to any  
9 individual who received a scholarship under such Program  
10 for any academic year beginning before June 30, 1975, ir-  
11 respective of whether such individual received such a scholar-  
12 ship after that date, unless such individual agrees to meet  
13 his active duty service obligation (or the remaining part  
14 thereof) through the private practice of his profession under  
15 an agreement entered into under section 747 (f) of the Pub-  
16 lic Health Service Act (as amended by this section), in  
17 which case the provisions of section 747 (h) of such Act (as  
18 ~~amended~~ added by this section) shall apply to such individual  
19 if he violates such agreement.

20 (C) Periods of internship or residency served before  
21 June 30, 1976, in a facility of the National Health Service  
22 Corps or other facility of the Public Health Service in  
23 accordance with an agreement entered into under section  
24 225 (b) of the Public Health Service Act (as in effect  
25 before that date) shall be creditable in satisfying a service

1 obligation incurred under the Public Health and National  
2 Health Service Corps Scholarship Training Program as  
3 revised by paragraph (1) of this subsection.

4 REVISION OF NATIONAL HEALTH SERVICE CORPS PROGRAM

5 SEC. 409. (a) (1) Part C of title III is amended by  
6 inserting immediately below the heading for such part the  
7 following:

8 "Subpart I—General Provisions".

9 (2) Sections 331 and 332 of part D of such title are  
10 redesignated as sections 338 and 339, respectively.

11 (b) Part C of title III is amended by striking out sec-  
12 tion 329 and inserting in lieu thereof the following:

13 "Subpart II—National Health Service Corps Program .

14 "NATIONAL HEALTH SERVICE CORPS

15 "SEC. 329. (a) There is established, within the Service,  
16 the National Health Service Corps (hereinafter in this sub-  
17 part referred to as the 'Corps') which (1) shall consist of  
18 those officers of the Regular and Reserve Corps of the Service  
19 and such other personnel as the Secretary may designate, and  
20 (2) shall be utilized by the Secretary under this subpart to  
21 improve the delivery of health services to medically under-  
22 served populations.

23 "(b) (1) The Secretary shall conduct at medical and  
24 nursing schools and other schools of the health professions  
25 and at entities which train allied health personnel, recruiting

1 programs for the Corps. Such programs shall include the  
2 wide dissemination of written information on the Corps and  
3 visits to such schools and entities by personnel of the Corps.

4 “(2) The Secretary may reimburse applicants for posi-  
5 tions in the Corps for actual expenses incurred in traveling  
6 to and from their places of residence to an area in which  
7 they would be assigned for the purpose of evaluating such  
8 area with regard to being assigned in such area. The Secre-  
9 tary shall not reimburse an applicant for more than one  
10 such trip.

11 “(3) Commissioned officers and other personnel of the  
12 Corps assigned under section 331 to provide health services  
13 for medically underserved populations shall not be counted  
14 against any employment ceiling affecting the Department of  
15 Health, Education, and Welfare.

16 “(c) (1) The Secretary may, under regulations pre-  
17 scribed by him, adjust the monthly pay of each physician  
18 and dentist member of the Corps who is directly engaged in  
19 the delivery of health services to a medically underserved  
20 population as follows:

21 “(A) During the first thirty-six months in which  
22 such a member is so engaged in the delivery of health  
23 services, his monthly pay shall be increased by an  
24 amount (~~no~~ not to exceed \$1,000) which when added to  
25 the member's monthly pay and allowance will provide a



1 monthly income competitive with the average monthly  
2 income from a practice of an individual who is a member  
3 of the profession of the Corps member, who has equiva-  
4 lent training, and who has been in practice for a period  
5 equivalent to the period during which the Corps member  
6 has been in practice.

7 “(B) During the period beginning upon the expi-  
8 ration of the thirty-six months referred to in subpara-  
9 graph (A) and ending with the month in which the  
10 member's monthly pay and allowances is equal to or  
11 exceeds the monthly income he received for the last  
12 of such thirty-six months, the member shall receive in  
13 addition to his monthly pay and allowances an amount  
14 which when added to such monthly pay and allowances  
15 equals the monthly income he received for such last  
16 month.

17 For purposes of subparagraphs (A) and (B), the term  
18 'monthly pay' includes special pay received under chapter  
19 5 of title 37 of the United States Code.

20 “(2) In the case of a member of the Corps who is di-  
21 rectly engaged in the provision of health services to a medi-  
22 cally underserved population in accordance with a service  
23 obligation incurred under the Public Health Service and  
24 National Health Service Corps Scholarship Training Pro-  
25 gram, the adjustment in pay authorized by paragraph (1)

1 may be made for such a member only upon satisfactory com-  
 2 pletion of such service obligation and the first thirty-six  
 3 months of his being so engaged in the delivery of health care  
 4 shall, for purposes of paragraph (1) (A), be deemed to  
 5 begin upon such satisfactory completion.

6 "DESIGNATION OF MEDICALLY UNDERSERVED POPULATIONS

7 "SEC. 330. (a) For purposes of this subpart—

8 " (1) the term 'medically underserved population'  
 9 means (A) the population of an urban or rural area  
 10 (which need not conform to the geographical boundaries  
 11 of a political subdivision and which should be a rational  
 12 area for the delivery of health services) which the Sec-  
 13 retary determines has a critical health manpower short-  
 14 age, or (B) a population group determined by the Sec-  
 15 retary to have such a shortage; and

16 " (2) the term 'State' includes Guam, American Sa-  
 17 moa, and the Trust Territory of the Pacific Islands.

18 " (b) (1) The Secretary shall designate the medically  
 19 underserved populations in the States. In determining  
 20 whether to designate a population as a medically under-  
 21 served population, the Secretary shall take into account the  
 22 following:

23 " (A) The recommendations of each health systems  
 24 agency designated under section 1515 for a health serv-  
 25 ice area which includes all or any part of the area in

1       which the population under consideration for designation  
2       resides.

3           “(B) If such area is within a health service area  
4       (or areas) for which no health systems agency has  
5       been designated, the recommendations of the State  
6       health planning and development agency designated  
7       under section 1521 for the State (or States) in which  
8       such area is located.

9           “(C) Ratios of available health manpower to the  
10       population under consideration for designation.

11          “(D) Indicators of the population’s access to  
12       health services.

13          “(E) Indicators of the health status of the popula-  
14       tion.

15          “(F) Indicators of such population’s need and  
16       demand for health services.

17          “(2) Any person may apply to the Secretary (in such  
18       manner as he may prescribe) for the designation (in accord-  
19       ance with the second sentence of paragraph (1)) of a  
20       population as a medically underserved population.

21           “ASSIGNMENT OF CORPS PERSONNEL

22          “SEC. 331. (a) (1) The Secretary may assign per-  
23       sonnel of the Corps to provide, under regulations prescribed  
24       by the Secretary, health services for a medically under-  
25       served population only if—

1           “(A) the State health agency of each State in which  
2 such population is located or the local public health  
3 agency or any other public or nonprofit private health  
4 entity serving such population makes application to the  
5 Secretary for such assignment, and

6           “(B) (i) the local government of the area in which  
7 such population resides certifies to the Secretary that  
8 such assignment of Corps personnel is needed for such  
9 population, and

10          “(ii) any State and district medical, osteopathic, or  
11 dental society for such area, or any other appropriate  
12 health society (as the case may be) for such area, makes  
13 such a certification to the Secretary.

14          “(2) The Secretary may not approve an application  
15 under paragraph (1) (A) for an assignment unless the  
16 applicant agrees to enter into an arrangement with the Sec-  
17 retary in accordance with subsection (b) and has afforded--

18           “(A) each health systems agency designated under  
19 section 1515 for a health service area which includes  
20 all or any part of the area in which the population for  
21 which the application is submitted resides, and

22           “(B) if there is a part of such area within a health  
23 service area for which no health systems agency has  
24 been designated, the State health planning and develop-

1       ment agency of the State (designated under section  
2       1521) in which such part is located,  
3       an opportunity to review the application and submit its com-  
4       ments to the Secretary respecting the need for and proposed  
5       use of the Corps personnel requested in the application. In  
6       considering such an application, the Secretary shall take into  
7       consideration the need of the population for which the appli-  
8       cation was submitted for the health services which may be  
9       provided under this subpart; the willingness of the population  
10      and the appropriate governmental agencies or health entities  
11      serving it to assist and cooperate with the Corps in providing  
12      effective health services to the population; and recommenda-  
13      tions from medical, osteopathic, dental, or other health  
14      societies or from medical personnel serving the population.

15      “(3) If with respect to any proposed assignment of  
16      Corps personnel for a medically underserved population the  
17      requirements of subparagraphs (A) and (B) of paragraph  
18      (1) are met except for the certification required by sub-  
19      paragraph (B) (ii) of such paragraph and if the Secretary  
20      finds from all the facts presented that such certification has  
21      clearly been arbitrarily and capriciously withheld, the Sec-  
22      retary may, after consultation with appropriate medical,  
23      osteopathic, dental, or other health societies, waive the  
24      application of the certification requirement to such proposed  
25      assignment.

1       “(b) (1) The Secretary shall require as a condition to  
2 the approval of an application under subsection (a) that the  
3 entity which submitted the application enter into an appro-  
4 priate arrangement with the Secretary under which—

5               “(A) the entity shall be responsible for charging in  
6 accordance with paragraph (3) for health services pro-  
7 vided by the Corps personnel to be assigned;

8               “(B) the entity shall take such action as may be  
9 reasonable for the collection of payments for such health  
10 services, including if a Federal agency, an agency of a  
11 State or local government, or other third party would be  
12 responsible for all or part of the cost of such health serv-  
13 ices if it had not been provided by Corps personnel under  
14 this subpart, the collection, on a fee-for-service or other  
15 basis, from such agency or third party the portion of such  
16 cost for which it would be so responsible (and in deter-  
17 mining the amount of such cost which such agency or  
18 third party would be responsible, the health services pro-  
19 vided by Corps personnel shall be considered as being  
20 provided by private practitioners); and

21               “(C) the entity shall pay to the United States as  
22 prescribed by the Secretary for each calendar quarter  
23 (or other period as may be specified in the arrangement)  
24 during which any Corps personnel are assigned to such  
25 entity the sum of—

1           “(i) the pay (including amounts paid in ac-  
2           cordance with 329(c)) and allowances of such  
3           Corps personnel for the portion of such quarter  
4           (or other period) during which assigned to the  
5           entity;

6           “(ii) if such entity received a grant under sec-  
7           tion 332 for the assistance period (as defined in sub-  
8           section (c)) for which such personnel are assigned,  
9           an amount which bears the same ratio to the amount  
10          of such grant as the number of days in such quarter  
11          (or other period) during which any Corps person-  
12          nel were assigned to the entity bears to the number  
13          of days in the assistance period after such entity  
14          received such grant; and

15          “(iii) if during such quarter (or other period)  
16          any member of the Corps assigned to such entity is  
17          providing obligated service pursuant to an agree-  
18          ment under the Public Health and National Health  
19          Service Corps Scholarship Training Program, for  
20          each such member an amount which bears the same  
21          ratio to the amount paid under such Program to or  
22          on the behalf of such member as the number of days  
23          of obligated service provided by such member during  
24          such quarter (or other period) bears to the number

1 of days in his period of obligated service under such  
2 Program.

3 The Secretary may waive in whole or in part the application  
4 of the requirement of subparagraph (C) to an entity if he  
5 determines that the entity is financially unable to meet such  
6 requirement or if he determines that compliance with such  
7 requirement would unduly limit the ability of the entity to  
8 maintain the quality of the services it provides.

9 “(2) The excess (if any) of the amount collected by an  
10 entity in accordance with paragraph (1) (B) over the  
11 amount paid to the United States in accordance with para-  
12 graph (1) (C) shall be used by the entity to expand or  
13 improve the provision of health services to the population for  
14 which the entity submitted an application under subsection  
15 (a) or to recruit and retain health manpower to provide  
16 health services for such population.

17 “(3) Any person who receives health services provided  
18 by Corps personnel under this subpart shall be charged for  
19 such services on a fee-for-service or other basis at a rate  
20 approved by the Secretary, pursuant to regulations, to re-  
21 cover the value of such services; except that if such person  
22 is determined under regulations of the Secretary to be unable  
23 to pay such charge, the Secretary shall provide for the fur-  
24 nishing of such services at a reduced rate or without charge.

25 “(4) Funds received by the Secretary under an arrange-



1 ment entered into under paragraph (1) shall be deposited  
2 in the Treasury as miscellaneous receipts and shall be dis-  
3 regarded in determining the amounts of appropriations to be  
4 requested under section 335 and the amounts to be made  
5 available from appropriations made under such section to  
6 carry out this subpart.

7 “(c) The Secretary may assign Corps personnel to  
8 provide health services for a medically underserved popu-  
9 lation only during a period (hereinafter in this subpart  
10 referred to as the ‘assistance period’) not exceeding four  
11 years from the date of the first assignment of Corps person-  
12 nel for such population after the date of the approval of  
13 the application for such assignment.

14 “(d) Upon expiration of an approved assistance period  
15 for a medically underserved population, no new assignment  
16 of Corps personnel may be made for such population unless  
17 an application is submitted in accordance with subsection  
18 (a) for such new assignment. The Secretary may not ap-  
19 prove such an application unless—

20 “(1) the application and certification requirements  
21 of subsection (a) are met;

22 “(2) the Secretary has conducted an evaluation  
23 of the continued need for health manpower of the popu-  
24 lation for which the application is submitted, of the  
25 utilization of the manpower by such population, of the

1 growth of the health care practice of the Corps personnel  
2 assigned for such population, and of community support  
3 for the assignment; and

4 “(3) the Secretary has determined that such popu-  
5 lation has made continued efforts to secure its own health  
6 manpower, that there has been sound fiscal management  
7 of the health care practice of the Corps personnel as-  
8 signed for such population, including efficient collection  
9 of fee-for-service, third-party, and other funds available  
10 to such population, and that there has been appropriate  
11 and efficient utilization of such Corps personnel.

12 “(e) Corps personnel shall be assigned to provide health  
13 services for a medically underserved population on the basis  
14 of the extent of the population’s need for health services and  
15 without regard to the ability of the members of the popula-  
16 tion to pay for health services.

17 “(f) In making an assignment of Corps personnel the  
18 Secretary shall seek to match characteristics of the assignee  
19 (and the assignee’s spouse (if any)) and of the population  
20 to which such assignee may be assigned in order to increase  
21 the likelihood of the assignee remaining to serve the popula-  
22 tion upon completion of his assignment period. The Secretary  
23 shall, before the ~~expiration~~ *beginning* of the last nine months  
24 of the assignment period of a member of the Corps, review  
25 such member’s assignment and the situation in the area to

1 which he was assigned for the purpose of determining the  
2 advisability of extending the period of such member's assign-  
3 ment.

4 “(g) (1) The Secretary shall (A) provide assistance to  
5 persons seeking assignment of Corps personnel under this  
6 section, and (B) conduct such information programs in areas  
7 in which such populations reside as may be necessary to  
8 inform the public and private health entities serving those  
9 areas of the assistance available to such populations by virtue  
10 of their designation under section 330 as medically under-  
11 served.

12 “(2) The Secretary shall provide technical assistance  
13 to all medically underserved populations, to which Corps  
14 personnel are not assigned, to assist in the recruitment of  
15 health manpower for such populations. The Secretary shall  
16 also give such populations current information respecting  
17 public and private programs under which they may receive  
18 assistance in securing health manpower for them.

19 “PROVISION OF HEALTH SERVICES BY CORPS PERSONNEL

20 “SEC. 332. (a) In providing health services for a medi-  
21 cally underserved population under this subpart, Corps  
22 personnel shall utilize the techniques, facilities, and organiza-  
23 tional forms most appropriate for the area in which the  
24 population resides and shall, to the maximum extent feasible,  
25 provide such services (1) to all members of the population

1 regardless of their ability to pay for the services, and (2)  
2 in connection with (A) direct health services programs  
3 carried out by the Service; (B) any other direct health  
4 services program carried out in whole or in part with Federal  
5 financial assistance; or (C) any other health services ac-  
6 tivity which is in furtherance of the purposes of this subpart.

7       “(b) (1) Notwithstanding any other provision of law,  
8 the Secretary (A) may, to the extent feasible, make such  
9 arrangements as he determines necessary to enable Corps  
10 personnel in providing health services for a medically under-  
11 served population to utilize the health facilities of the area  
12 in which the population resides and if there are no health  
13 facilities in or serving such area, the Secretary may arrange  
14 to have Corps personnel provide health services in the near-  
15 est health facilities of the Service or the Secretary may lease  
16 or otherwise provide facilities in such area for the provision  
17 of health services, (B) may make such arrangements as he  
18 determines are necessary for the use of equipment and  
19 supplies of the Service and for the lease or acquisition of  
20 other equipment and supplies, and (C) may secure the  
21 temporary services of physicians, nurses, and allied health  
22 professionals.

23       “(2) If such an area is being served (as determined  
24 under regulations of the Secretary) by a hospital or other  
25 health care delivery facility of the Service, the Secretary

1 shall, in addition to such other arrangements as the Secre-  
2 tary may make under paragraph (1), arrange for the utiliza-  
3 tion of such hospital or facility by Corps personnel in  
4 providing health services for the population, but only to the  
5 extent that such utilization will not impair the delivery of  
6 health services and treatment through such hospital or fa-  
7 cility to persons who are entitled to health services and  
8 treatment through such hospital or facility.

9       “(c) The Secretary may make one grant to any appli-  
10 cant with an approved application under section 331 to  
11 assist it in meeting the costs of establishing medical practice  
12 management systems for Corps personnel, acquiring equip-  
13 ment for their use in providing health services, and estab-  
14 lishing appropriate continuing education programs and  
15 opportunities for them. No grant may be made under this  
16 subsection unless an application therefor is submitted to,  
17 and approved by, the Secretary. The amount of any grant  
18 shall be determined by the Secretary, except that no grant  
19 may exceed \$25,000.

20       “(d) Upon the expiration of the assignment of Corps  
21 personnel to provide health services for a medically under-  
22 served population, the Secretary may (notwithstanding any  
23 other provision of law) sell to the entity which submitted  
24 the last application approved under section 331 for the

1 assignment of Corps personnel for such population equipment  
2 of the United States utilized by such personnel in providing  
3 health services. Sales made under this subsection shall be  
4 made for the fair market value of the equipment sold (as  
5 determined by the Secretary).

6 "REPORTS

7 "SEC. 333. The Secretary shall report to Congress no  
8 later than May 15 of each year—

9 " (1) the number and identity of all medically un-  
10 derserved populations in each of the States in the calen-  
11 dar year preceding the year in which the report is  
12 made and the number of medically underserved popu-  
13 lations which the Secretary estimates will be designated  
14 under section 330 in the calendar year in which the  
15 report is made;

16 " (2) the number of applications filed under section  
17 331 in such preceding calendar year for assignment of  
18 Corps personnel and the action taken on each such  
19 application;

20 " (3) the number and types of Corps personnel  
21 assigned in such preceding year to provide health serv-  
22 ices for medically underserved populations, the number  
23 and types of additional Corps personnel which the Secre-  
24 tary estimates will be assigned to provide such services

1 in the calendar year in which the report is submitted,  
2 and the need (if any) for additional personnel for the  
3 Corps;

4 “(4) the recruitment efforts engaged in for the  
5 Corps in such preceding year, including the programs  
6 carried out under section 329 (b) (1), and the number of  
7 qualified persons who applied for service in the Corps  
8 in each professional category;

9 “(5) the total number of patients seen and patient  
10 visits recorded during such preceding year in each area  
11 where Corps personnel were assigned;

12 “(6) the number of health personnel electing to  
13 remain, after termination of their service in the Corps, to  
14 provide health services to medically underserved popula-  
15 tions, the number of such personnel who do not make  
16 such election, and their reasons for not making such  
17 election;

18 “(7) the results of evaluations made under section  
19 331 (d) (2), and determinations made under section  
20 331 (d) (3), during such preceding year; and

21 “(8) the total amount (A) charged during such  
22 preceding year for health services by Corps personnel,  
23 (B) collected in such year by entities in accordance with  
24 arrangements under section 331 (b), and (C) paid to  
25 the Secretary in such year under such arrangements.

## 1 "NATIONAL ADVISORY COUNCIL

2 "SEC. 334. (a) There is established a council to be  
3 known as the National Advisory Council on the National  
4 Health Service Corps (hereinafter in this section referred to  
5 as the 'Council'). The Council shall be composed of fifteen  
6 members appointed by the Secretary as follows:

7 " (1) Four members shall be appointed from the  
8 general public to represent the consumers of health care,  
9 at least two of whom shall be members of a medically  
10 underserved population for which Corps personnel are  
11 providing health services under this subpart.

12 " (2) Three members shall be appointed from the  
13 medical, dental, and other health professions and health  
14 teaching professions.

15 " (3) One member shall be appointed from a State  
16 health planning and development agency designated  
17 under section 1521, one member shall be appointed from  
18 a Statewide Health Coordinating Council under section  
19 1524, and one member shall be appointed from a health  
20 systems agency designated under section 1515.

21 " (4) Three members shall be appointed from the  
22 Service, at least two of whom shall be members of the  
23 Corps directly engaged in the provision of health services  
24 for a medically underserved population.

25 " (5) Two members shall be appointed from the



1 National Council on Health Planning and Development  
2 (established under section 1503).

3 The Council shall consult with, advise, and make recom-  
4 mendations to, the Secretary with respect to his responsi-  
5 bilities in carrying out this subpart, and shall review and  
6 comment upon regulations promulgated by the Secretary  
7 under this section subpart.

8 “(b) (1) Members of the Council shall be appointed  
9 for a term of three years, except that any member appointed  
10 to fill a vacancy occurring prior to the expiration of the  
11 term for which the member's predecessor was appointed shall  
12 be appointed for the remainder of such term, and shall not  
13 be removed, except for cause. Members may be reappointed  
14 to the Council.

15 “(2) Members of the Council (other than members  
16 who are officers or employees of the United States, while  
17 attending meetings or conferences thereof or otherwise serv-  
18 ing on the business of the Council, shall be entitled to receive  
19 for each day (including traveltime) in which they are so  
20 serving the daily equivalent of the annual rate of basic pay  
21 in effect for grade GS-18 of the General Schedule; and  
22 while so serving away from their homes or regular places of  
23 business all members may be allowed travel expenses, includ-  
24 ing per diem in lieu of subsistence, as authorized by section  
25 5703 (b) of title 5 of the United States Code for persons in  
26 the Government Service employed intermittently.

## 1 "AUTHORIZATION OF APPROPRIATION

2 "SEC. 335. To carry out the purposes of this subpart,  
3 there are authorized to be appropriated \$30,000,000 for  
4 fiscal year 1976; \$36,000,000 for fiscal year 1977; and  
5 \$45,000,000 for fiscal year 1978.

6 "(2) An appropriation under an authorization under  
7 paragraph (1) of this subsection for any fiscal year may be  
8 made at any time before that fiscal year and may be in-  
9 cluded in an Act making an appropriation under an au-  
10 thorization under paragraph (1) for another fiscal year; but  
11 no funds may be made available from any appropriation  
12 under such authorization for obligation under this subpart  
13 before the fiscal year for which such appropriation is  
14 authorized."

15 (c) (1) The amendments made by subsections (a) and  
16 (b) of this section shall take effect July 1, 1975.

17 (2) (A) Any area for which a designation under section  
18 329 (b) of the Public Health Service Act (as in effect on  
19 June 30, 1975) was in effect on such date and in which Na-  
20 tional Health Service Corps personnel were, on such date,  
21 providing, under an assignment made under such section (as  
22 so in effect), health care and services for persons residing  
23 in such area shall, effective July 1, 1975, be deemed under  
24 subpart II of part C of title III of such Act (as added by  
25 subsection (b) of this section) to (i) be an area in which

1 is located a medically underserved population (as defined  
2 by section 330 of such Act (as so added)), and (ii) be  
3 qualified under section 331 of such Act (as so added) for  
4 the assignment of Corps personnel unless, as determined  
5 under subparagraph (B) of this paragraph, the assistance  
6 period applicable to such areas *area* (within the meaning of  
7 such section 331) has expired.

8 (B) The assistance period (within the meaning of such  
9 section 331) applicable to an area described in subparagraph  
10 (A) of this paragraph shall be deemed to have begun on the  
11 date Corps personnel were first assigned to such area under  
12 section 329 of such Act (as in effect on June 30, 1975).

13 (C) In the case of any physician or dentist member of  
14 the Corps who was providing health care and services on  
15 June 30, 1975, under an assignment made under section  
16 329 (b) of such Act (as in effect on June 30, 1975), the  
17 number of the months during which such member provided  
18 such care and services before July 1, 1975, shall be counted  
19 in determining the application of the additional pay provi-  
20 sions of section 329 (c) of such Act (as added by subsection  
21 (b) of this section) to such member.

22 (3) The amendment made by subsection (b) which  
23 changed the name of the Advisory Council established under  
24 section 329 of the Public Health Service Act (and placed the  
25 authority for the Advisory Council in section 334 of such

1 Act) shall not be construed as requiring the establishment  
2 of a new Advisory Council under such section 334; and the  
3 amendment made by such subsection with respect to the com-  
4 position of such Advisory Council shall apply with respect to  
5 appointments made to the Advisory Council after July 1,  
6 1975, and the Secretary of Health, Education, and Welfare  
7 shall make appointments to the Advisory Council after such  
8 date in a manner which will bring about, at the earliest  
9 feasible time, the Advisory Council composition prescribed  
10 by the amendment.

11 (d) (1) The Secretary of Health, Education, and  
12 Welfare shall report to Congress (A) not later than Oc-  
13 tober 1, 1975, the criteria used by him in designating medi-  
14 cally underserved populations under section 380 of the Pub-  
15 lic Health Service Act, and (B) not later than January 1,  
16 1976, the identity and number of medically underserved  
17 populations in each State meeting such criteria.

18 (2) The Secretary of Health, Education, and Welfare  
19 shall conduct or contract for studies of methods of assigning  
20 under section 331 of the Public Health Service Act (as added  
21 by subsection (b) of this section) National Health Service  
22 Corps personnel to medically underserved populations and  
23 of providing health care to such populations. Such studies  
24 shall be for the purpose of identifying (A) the characteristics  
25 of health manpower personnel who are more likely to remain

1 in practice in areas in which medically underserved popula-  
2 tions are located, (B) the characteristics of areas which have  
3 been able to retain health manpower personnel, and (C) the  
4 appropriate conditions for assignment of nurse practitioners,  
5 physician's assistants, and expanded function dental auxili-  
6 aries in areas in which medically underserved populations  
7 are located.

8 (e) (1) Section 741 (f) (1) (C) is amended by striking  
9 out all that follows after "in a State" and inserting in lieu  
10 thereof "in which is located a medically underserved popu-  
11 lation designated under section 330;"

12 (2) The amendment made by paragraph (1) shall  
13 apply with respect to agreements entered into under section  
14 741 (f) of the Public Health Service Act after June 30,  
15 1975.

16 TITLE V—GRANTS FOR HEALTH PROFESSIONS  
17 SCHOOLS

18 GRANT AMOUNTS; AUTHORIZATIONS

19 SEC. 501. (a) Subsection (a) of section 770 is amended  
20 to read as follows:

21 "(a) GRANT COMPUTATION.—The Secretary shall  
22 make annual grants to schools of medicine, osteopathy,  
23 dentistry, public health, veterinary medicine, optometry,  
24 pharmacy, and podiatry for the support of the education  
25 programs of such schools. The amount of the annual grant to

1 each such school with an approved application shall be com-  
2 puted for each fiscal year as follows:

3 “(1) Each school of medicine and osteopathy shall  
4 receive—

5 “(A) for ~~fiscal year 1976~~, *fiscal years 1976*  
6 *and 1977*, \$2,100 for each full-time student enrolled  
7 in such school in such year; and

8 “(B) for each succeeding fiscal year \$2,000  
9 for each full-time student enrolled in such school in  
10 such year.

11 “(2) Each school of dentistry shall receive—

12 “(A) for ~~fiscal year 1976~~, *fiscal years 1976*  
13 *and 1977*, \$2,100 for each full-time student enrolled  
14 in such school in such year; and

15 “(B) for each succeeding fiscal year ~~\$2,200~~  
16 *\$2,000* for each full-time student enrolled in such  
17 school in such year.

18 “(3) (A) Each school of public health shall receive  
19 an amount equal to the product of—

20 “(i) \$1,500, and

21 “(ii) the sum of (I) the number of full-time  
22 students enrolled in such school in such year, and  
23 (II) the number of full-time equivalents of part-  
24 time students, determined pursuant to subparagraph  
25 (B), for such school for such year.

1           “(B) For purposes of subparagraph (A) the num-  
2 ber of full-time equivalents of part-time students for a  
3 school of public health for any year is a number equal  
4 to—

5           “(i) the total number of credit hours of instruc-  
6 tion in such year for which part-time students of such  
7 school, who are pursuing a course of study leading  
8 to a graduate degree in public health or an equivalent  
9 degree, have enrolled, divided by

10           “(ii) the greater of (I) the number of credit  
11 hours of instruction which a full-time student of such  
12 school was required to take in such year, or (II) 9,  
13 rounded to the next highest whole number.

14           “(4) Each school of veterinary medicine shall re-  
15 ceive \$1,500 for each full-time student enrolled in such  
16 school in such year.

17           “(5) Each school of optometry shall receive \$700  
18 for each full-time student enrolled in such school in such  
19 year.

20           “(6) Each school of pharmacy (other than a school  
21 of pharmacy with a course of study of more than four  
22 years) shall receive \$700 for each full-time student en-  
23 rolled in such school in such year. Each school of phar-  
24 macy with a course of study of more than four years  
25 shall receive \$700 for each full-time student enrolled in

1 the last four years of such school. For purposes of sec-  
2 tions 771, 772, and 782, a student enrolled in the first  
3 year of the last four years of such school shall be con-  
4 sidered a first-year student.

5 “(7) Each school of podiatry shall receive \$1,100  
6 for each full-time student enrolled in such school in such  
7 year.”.

8 (b) Subsection (c) of section 770 is amended to read as  
9 follows:

10 “(c) APPORTIONMENT OF APPROPRIATIONS.—Not-  
11 withstanding subsections (a) and (b), if the aggregate of  
12 the amounts of the grants to be made in accordance with such  
13 subsections for any fiscal year to schools of medicine, oste-  
14 opathy, dentistry, public health, veterinary medicine, optom-  
15 etry, pharmacy, or podiatry with approved applications  
16 exceeds the total of the amounts appropriated under sub-  
17 section (f) for such grants, the amount of a school’s grant  
18 with respect to which such excess exists shall for such fiscal  
19 year be an amount which bears the same ratio to the  
20 amount determined for the school under such subsections  
21 as the total of the amounts appropriated for that year under  
22 subsection (f) for grants to schools of the same category  
23 as such school bears the amount required to make grants in  
24 accordance with such subsections to the schools of that  
25 category with approved applications.”



1 (c) (1) Subsections (d), (e), (f), and (g) of section  
2 770 are repealed.

3 (2) Subsection (h) of section 770 is (A) redesignated  
4 as subsection (d), and (B) is amended to read as follows:

5 “(d) ENROLLMENT DETERMINATIONS.—

6 “(1) For purposes of this section and sections 771  
7 and 772, regulations of the Secretary shall include pro-  
8 visions relating to the determination of the number of  
9 students enrolled in a school or in a particular year-class  
10 in a school on the basis of estimates, on the basis of the  
11 number of students who in an earlier year were enrolled  
12 in a school or in a particular year-class, or on such other  
13 basis as he deems appropriate for making such determi-  
14 nation, and shall include methods of making such deter-  
15 mination when a school or a year-class was not in  
16 existence in an earlier year at a school.

17 “(2) For purposes of this section and sections 771,  
18 772, and 782 the term ‘full-time students’ (whether such  
19 term is used by itself or in connection with a particular  
20 year-class) means students pursuing a full-time course  
21 of study leading to a degree of doctor of medicine, doctor  
22 of dentistry or an equivalent degree, doctor of osteop-  
23 athy, bachelor of science in pharmacy or an equivalent  
24 degree, doctor of optometry or an equivalent degree,  
25 doctor of veterinary medicine or an equivalent degree,

1 or doctor of podiatry or an equivalent degree or to a  
2 graduate degree in public health or equivalent degree.  
3 In the case of a training program of a school designed to  
4 permit the students enrolled in such program to com-  
5 plete, within six years after completing secondary school,  
6 the requirements for degree of doctor of medicine, doctor  
7 of dentistry or an equivalent degree, or doctor of osteop-  
8 athy, the term 'full-time students' shall only include  
9 students enrolled on a full-time basis in the last four  
10 years of such program and for purposes of sections 771,  
11 772, and 782, students enrolled in the first of the last four  
12 years of such program shall be considered as first-year  
13 students."

14 (3) Subsection (i) of section 770 is (1) amended by  
15 inserting ", public health" after "osteopathy", and (2) re-  
16 designated as subsection (c).

17 (4) Subsection (j) of section 770 is redesignated as  
18 subsection (f) and is amended to read as follows:

19 "(f) AUTHORIZATIONS OF APPROPRIATIONS.—

20 "(1) There are authorized to be appropriated  
21 \$165,000,000 for fiscal year 1976, \$170,000,000 for  
22 fiscal year 1977, and \$167,000,000 for fiscal year 1978,  
23 for payments under grants under this section to schools  
24 of medicine, osteopathy, and dentistry based on the  
25 number of full-time students enrolled in such schools.

1           “(2) There are authorized to be appropriated \$10,-  
2           500,000 for fiscal year 1976, \$10,750,000 for fiscal year  
3           1977, and \$11,000,000 for fiscal year 1978, for pay-  
4           ments under grants under this section to schools of public  
5           health.

6           “(3) There are authorized to be appropriated  
7           \$9,250,000 for fiscal year 1976, \$9,750,000 for fiscal  
8           year 1977, and \$10,500,000 for fiscal year 1978, for  
9           payments under grants under this section to schools of  
10          veterinary medicine.

11          “(4) There are authorized to be appropriated  
12          \$21,700,000 for fiscal year 1976, \$22,600,000 for fiscal  
13          year 1977, and \$23,500,000 for fiscal year 1978, for  
14          payments under grants under this section to schools of  
15          optometry and pharmacy.

16          “(5) There are authorized to be appropriated  
17          \$2,000,000 for fiscal year 1976, \$2,100,000 for fiscal  
18          year 1977, and \$2,100,000 for fiscal year 1978, for  
19          payments under grants under this section to schools of  
20          podiatry.

21          “(6) No funds appropriated under any provision  
22          of this Act (other than this subsection) may be used to  
23          make grants under this section.”.

24          (d) For fiscal year 1976, and for each of the next two  
25          fiscal years, there are authorized to be appropriated such

1 sums as may be necessary to continue to make annual grants  
2 to schools of medicine, osteopathy, dentistry, veterinary  
3 medicine, optometry, pharmacy, and podiatry under section  
4 770 (a) of the Public Health Service Act (as in effect on  
5 June 31, 1975) based on the number of enrollment bonus  
6 students (determined in accordance with subsections (d)  
7 and (e) of section 770 of such Act (as so in effect)) en-  
8 rolled in such schools who were first-year students in such  
9 schools for school years beginning before June 30, 1975,  
10 except that the amount of any grant made to such a school  
11 from sums appropriated under this subsection may not ex-  
12 ceed the amount of the grant the school received in the fiscal  
13 year ending June 30, 1975, based on the number of such  
14 students enrolled in it.

15 (e) The heading for part E of title VII is amended to  
16 read as follows:

17 "PART E—GRANTS TO IMPROVE THE QUALITY OF  
18 SCHOOLS OF MEDICINE, OSTEOPATHY, DENTISTRY,  
19 PUBLIC HEALTH, VETERINARY MEDICINE, OPTOM-  
20 ETRY, PHARMACY, AND PODIATRY".

21 (f) The amendments made by subsections (a), (b),  
22 and (c) shall apply with respect to appropriations under  
23 section 770 of the Public Health Service Act, and grants  
24 under that section, for fiscal years ending after June 30,  
25 1975.

1

## GRANT REQUIREMENTS

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SEC. 502. Part E of title VII is amended (1) by re-designating section 771 as section 772, and (2) by adding after section 770 the following new section:

5

## "ELIGIBILITY FOR CAPITATION GRANTS

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"SEC. 771. (a) IN GENERAL.—The Secretary shall not make a grant under section 770 to any school in a fiscal year beginning after June 30, 1975, unless the application for the grant meets the following requirements:

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"(1) The application shall contain or be supported by assurances satisfactory to the Secretary that the first-year enrollment of full-time students in the school in the school year beginning after the fiscal year in which the grant applied for is to be made will not be less than the first-year enrollment of such students in the school in the preceding school year.

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"(2) The application shall contain or be supported by assurances satisfactory to the Secretary that the applicant will expend in carrying out its functions as a school of medicine, osteopathy, dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry, as the case may be, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the

1 amount of funds expended by such applicant for such  
2 purpose (excluding expenditures of a nonrecurring  
3 nature) in the fiscal year preceding the fiscal year for  
4 which such grant is sought.

5 “(3)(A) The application shall contain or be sup-  
6 ported by assurances satisfactory to the Secretary that  
7 the school (i) will enter into a legally enforceable agree-  
8 ment with each student enrolled in the school in a school  
9 year beginning after June 30, 1976, under which the  
10 student agrees to pay, in equal annual installments in  
11 accordance with subparagraph (B), to the United  
12 States an amount equal to the total amount which the  
13 school received under section 770 because of the enroll-  
14 ment of the student in the school in school years begin-  
15 ning after such date, and (ii) will make annual reports  
16 to the Secretary respecting the amount owed under such  
17 agreements.

18 “(B)(i) The number of annual installments which  
19 a student, subject to an agreement entered into with a  
20 school pursuant to subparagraph (A), shall pay to the  
21 United States shall be equal to the number of fiscal years  
22 (beginning after June 30, 1976) in which the school  
23 received a grant under section 770 on account of the  
24 enrollment of the student in school years beginning after  
25 such date.

1           “(ii) The first annual installment to be paid under  
2           an agreement under subparagraph (A) with a school  
3           shall be paid in the first calendar year which begins more  
4           than eleven months after the month in which the student  
5           subject to the agreement completed or terminated his  
6           course of study at the school, except that—

7                   “(I) if the course of study was terminated in  
8                   connection with a transfer to another school to pur-  
9                   sue the same course of study and the transfer was  
10                  made within twelve months of the termination date,  
11                  the first annual installment shall be paid in the first  
12                  calendar year which begins more than eleven months  
13                  after the date the student completes his course of  
14                  study at the school to which he transferred; or

15                  “(II) if the student begins an internship, resi-  
16                  dency, or other advanced clinical training within  
17                  six months after the month in which he completed  
18                  his course of study, the first annual installment shall  
19                  be paid in the first calendar year which begins more  
20                  than eleven months after the month in which such  
21                  internship, residency, or other advanced clinical  
22                  training ends.

23           No installment shall be required to be paid in a calendar  
24           year in which more than six months is spent in an intern-  
25           ship or in residency training.

1           “(C) For each year that an individual subject to  
2 such an agreement—

3           “(i) provides service during a period of obli-  
4 gated service in accordance with section 747(d) or  
5 practices his profession in accordance with an agree-  
6 ment entered into under section 747(f) or 747(g);  
7 or

8           “(ii) practices his profession, in accordance  
9 with an agreement entered into with the Secretary,  
10 in an area in which is located a medically under-  
11 served population designated under section 330,  
12 the individual shall be relieved of his liability to pay one  
13 annual installment.

14           “(D) The obligation of an individual under an  
15 agreement shall be canceled upon his death. The Secre-  
16 tary shall by regulation provide for the waiver or sus-  
17 pension of such an obligation whenever compliance by  
18 the individual subject to it is impossible or would involve  
19 extreme hardship to such individual and if enforcement  
20 of such obligation with respect to him would be against  
21 equity and good conscience.

22           “(b) SCHOOLS OF MEDICINE, OSTEOPATHY, AND  
23 DENTISTRY.—The Secretary shall not make a grant under  
24 section 770 to any school of medicine, osteopathy, or dentis-  
25 try in a fiscal year beginning after June 30, 1975, unless the



1 requirement of paragraph ~~(1)~~ and the requirement of para-  
2 graph ~~(2)~~ or ~~(3)~~ are met:

3       ~~“(1)(A)~~ The application shall contain or be sup-  
4 port ed by assurances satisfactory to the Secretary that  
5 the school ~~(i)~~ will enter into a legally enforceable agree-  
6 ment with each student enrolled in the school in a school  
7 year beginning after June 30, 1976, under which the  
8 student agrees to pay, in equal annual installments in  
9 accordance with subparagraph ~~(B)~~, to the United  
10 States an amount equal to the total amount which the  
11 school received under section 770 because of the enroll-  
12 ment of the student in the school in school years begin-  
13 ning after such date, and ~~(ii)~~ will make annual reports  
14 to the Secretary respecting the amount owed under such  
15 agreements.

16       ~~“(B)(i)~~ The number of annual installments which  
17 a student, subject to an agreement entered into with a  
18 school pursuant to subparagraph ~~(A)~~, shall pay to the  
19 United States shall be equal to the number of fiscal  
20 years ~~(beginning after June 30, 1976)~~ in which the  
21 school received a grant under section 770 on account  
22 of the enrollment of the student in school years begin-  
23 ning after such date.

24       ~~“(ii)~~ The first annual installment to be paid under  
25 an agreement under subparagraph ~~(A)~~ with a school

1 shall be paid in the first calendar year which begins more  
 2 than eleven months after the month in which the student  
 3 subject to the agreement completed or terminated his  
 4 course of study at the school; except that—

5 “(I) if the course of study was terminated in  
 6 connection with a transfer to another school to pur-  
 7 sue the same course of study and the transfer was  
 8 made within twelve months of the termination date,  
 9 the first annual installment shall be paid in the first  
 10 calendar year which begins more than eleven months  
 11 after the date the student completes his course of  
 12 study at the school to which he transferred; or

13 “(II) if the student begins an internship, resi-  
 14 dency, or other advanced clinical training within  
 15 six months after the month in which he completed  
 16 his course of study; the first annual installment shall  
 17 be paid in the first calendar year which begins more  
 18 than eleven months after the month in which such  
 19 internship or residency training ends.

20 No installment shall be required to be paid in a calendar  
 21 year in which more than six months is spent in intern-  
 22 ship or residency training.

23 “(C) For each year that an individual subject to  
 24 such an agreement—

25 “(i) provides service during a period of obli-

1 gated service in accordance with section 747(d) or  
2 practices his profession in accordance with an agree-  
3 ment entered into under section 747(f) or 747(g);  
4 or

5 “(ii) practices his profession, in accordance with  
6 an agreement entered into with the Secretary, in an  
7 area in which is located a medically underserved  
8 population designated under section 330,  
9 the individual shall be relieved of his liability to pay  
10 one annual installment.

11 “(D) The obligation of an individual under an  
12 agreement shall be canceled upon his death. The Secre-  
13 tary shall by regulation provide for the waiver or sus-  
14 pension of such an obligation whenever compliance by  
15 the individual subject to it is impossible or would involve  
16 extreme hardship to such individual and if enforcement  
17 of such obligation with respect to him would be against  
18 equity and good conscience.

19 *The Secretary shall not make a grant under section 770 to*  
20 *any school of medicine, osteopathy, or dentistry in a fiscal*  
21 *year beginning after June 30, 1975, unless the requirement*  
22 *of paragraph (1) or (2) is met:*

23 “(2) (1) The application for such grant shall con-  
24 tain or be supported by assurances satisfactory to the  
25 Secretary that—

1           “(A) for the second school year beginning after  
2           the close of the fiscal year in which such grant is to  
3           be made and for each school year thereafter begin-  
4           ning in a fiscal year in which such a grant is made  
5           the first-year enrollment of full-time students in such  
6           school will exceed the number of such students  
7           enrolled in the school year beginning during the  
8           fiscal year ending June 30, 1975—

9                   “(i) by 10 per centum of such number  
10                   if such number was not more than 100, or

11                   “(ii) by 5 per centum of such number,  
12                   or 10 students, whichever is greater, if such  
13                   number was more than 100; or

14           “(B) in the case of a four-year school of medi-  
15           cine, osteopathy, or dentistry, for the second school  
16           year beginning after the close of the fiscal year in  
17           which such grant is to be made and in each school  
18           year thereafter beginning in a fiscal year in which  
19           such a grant is made the third-year enrollment of  
20           full-time students in such school will exceed the  
21           number of such students enrolled in the school year  
22           beginning during the fiscal year ending June 30,  
23           1974 (or if the enrollment of such students in the  
24           next school year was greater, then the number  
25           enrolled in that school year)—

1           “(i) by 10 per centum of such number if  
2           such number was not more than 100, or

3           “(ii) by 5 per centum of such number, or  
4           10 students, whichever is greater, if such num-  
5           ber was more than 100.

6           “~~(2)~~ (2) (A) In the case of an application for a  
7           grant to be made in a fiscal year beginning after June 30,  
8           1975, the applicant shall submit to the Secretary and  
9           have approved by him before the grant applied for is  
10          made, a plan to train full-time students in ambulatory  
11          care settings in the school year beginning after the close  
12          of the fiscal year in which the grant is made and in each  
13          school year thereafter beginning in a fiscal year in which  
14          such a grant is made and in areas geographically remote  
15          from the main site of the teaching facilities of the appli-  
16          cant (or any other school of medicine, osteopathy, or  
17          dentistry which has joined with the applicant in the sub-  
18          mission of the plan).

19          “(B) More than one applicant may join in the sub-  
20          mission of a plan described in subparagraph (A). No  
21          plan may be approved by the Secretary unless—

22          “(i) the application for a grant under sec-  
23          tion 770 of each school which has joined in the  
24          submission of the plan contains or is supported  
25          by assurances satisfactory to the Secretary that at

1 least one-half of the full-time students who will  
2 graduate from such school will upon graduation  
3 have received, in an area geographically remote  
4 from the main site of the training facilities of such  
5 school, at least six weeks (in the aggregate) of  
6 clinical training;

7 “(ii) the plan contains a list of the areas  
8 where the training under such plan is to be con-  
9 ducted, a detailed description of the type and  
10 amount of training to be given in such areas,  
11 and provision for periodic review by experts in  
12 medical, osteopathic, or dental education (as  
13 may be appropriate) of the desirability of pro-  
14 viding training in such areas and of the quality  
15 of training rendered in such areas;

16 “(iii) the plan contains a specific program  
17 for the hiring, as members of the faculty of the  
18 school or schools submitting the plan, of practicing  
19 physicians or dentists (as appropriate) to serve  
20 as instructors in the training program in areas  
21 geographically remote from the main site of the  
22 teaching facilities of such school or schools; and

23 “(iv) the plan contains a plan for frequent  
24 counseling and consultation between the faculty  
25 of the school or schools at the main site of their

1 training facilities and the instructors in the train-  
2 ing program in the areas geographically remote  
3 from such site.

4 “(c) SCHOOLS OF PUBLIC HEALTH.—

5 “(1) The Secretary shall not make a grant under  
6 section 770 to any school of public health in a fiscal  
7 year beginning after June 30, 1975, unless the appli-  
8 cation for such grant contains or is supported by assur-  
9 ances satisfactory to the Secretary that for the second  
10 school year beginning after the close of the fiscal year in  
11 which such grant is made and for each school year there-  
12 after beginning in a fiscal year in which such a grant is  
13 made the first-year enrollment of full-time students in  
14 such school will exceed the number of such students  
15 enrolled in the school year beginning during the fiscal  
16 year ending June 30, 1975—

17 “(A) by 10 per centum of such number if  
18 such number was not more than 100, or

19 “(B) by 5 per centum of such number, or 10  
20 students, whichever is greater, if such number was  
21 more than 100.

22 “(2) The Secretary may waive (in whole or in  
23 part) the requirements of paragraph (1) with respect  
24 to any school if he determines, after consultation with  
25 the National Advisory Council on Health Professions

1 Education, that such school, because of limitations of  
2 physical facilities available to the school for training or  
3 because of other relevant factors, cannot increase its  
4 first year enrollment in accordance with such paragraph  
5 without lowering the quality of education provided in  
6 such school.

7 “(d) SCHOOLS OF VETERINARY MEDICINE, OPTOME-  
8 TRY, PHARMACY, AND PODIATRY.—

9 “(1) SCHOOLS OF VETERINARY MEDICINE.—The  
10 Secretary shall not make a grant under section 770 to  
11 any school of veterinary medicine in a fiscal year  
12 beginning after June 30, 1975, unless the application  
13 for such grant contains or is supported by assurances  
14 satisfactory to the Secretary that—

15 “(A) for the second school year beginning  
16 after the close of the fiscal year in which such grant  
17 is to be made and for each school year thereafter  
18 beginning in a fiscal year in which such a grant is  
19 made the first year enrollment of full-time students  
20 in such school will exceed the number of such  
21 students enrolled in the school year beginning during  
22 the fiscal year ending June 30, 1975—

23 “(i) by 10 per centum of such number if  
24 such number was not more than 100, or

25 “(ii) by 5 per centum of such number, or  
26



1           10 students, whichever is greater, if such num-  
2           ber was more than 100; or

3           “(B) at least 20 per centum of the first year  
4           enrollment of full-time students in such school will,  
5           for the second school year beginning after the close  
6           of the fiscal year in which the grant applied for is  
7           to be made and in each school year thereafter be-  
8           ginning in a fiscal year in which such a grant is  
9           made, be comprised of students who are residents of  
10          States in which there are no accredited schools of  
11          veterinary medicine.

12          “(2) SCHOOLS OF OPTOMETRY.—The Secretary  
13          shall not make a grant under section 770 to any school  
14          of optometry in a fiscal year beginning after June 30,  
15          1975, unless the application for such grant contains or  
16          is supported by assurances satisfactory to the Secretary  
17          that—

18                 “(A) for the second school year beginning  
19                 after the close of the fiscal year in which such grant  
20                 is to be made and for each school year thereafter  
21                 beginning in a fiscal year in which such a grant is  
22                 made the first year enrollment of full-time students  
23                 in such school will exceed the number of such stu-  
24                 dents enrolled in the school year beginning during  
25                 the fiscal year ending June 30, 1975—

1           “(i) by 10 per centum of such number  
2           if such number was not more than 100, or

3           “(ii) by 5 per centum of such number,  
4           or 10 students, whichever is greater, if such  
5           number was more than 100; or

6           “(B) at least 25 per centum (or 50 per centum  
7           if the applicant is a nonprofit private school of op-  
8           tometry) of the first-year enrollment of full-time  
9           students in such school will, for the second school  
10          year beginning after the close of the fiscal year in  
11          which the grant applied for is to be made and in  
12          each school year thereafter beginning in a fiscal year  
13          in which such a grant is made, be comprised of stu-  
14          dents who are residents of States in which there  
15          are no accredited schools of optometry.

16          “(3) SCHOOLS OF PHARMACY.—The Secretary  
17          shall not make a grant under section 770 to any school  
18          of pharmacy in a fiscal year beginning after June 30,  
19          1975—

20          “(A) unless the application for such grant con-  
21          tains or is supported by assurances satisfactory to  
22          the Secretary that for the second school year begin-  
23          ning after the close of the fiscal year in which such  
24          grant is to be made and for each school year there-  
25          after beginning in a fiscal year in which such a

1 grant is made the first year enrollment of full-time  
2 students in such school will exceed the number of  
3 such students enrolled in the school year beginning  
4 during the fiscal year ending June 30, 1975—

5 “(i) by 10 per centum of such number if  
6 such number was not more than 100, or

7 “(ii) by 5 per centum of such number, or  
8 10 students, whichever is greater, if such num-  
9 ber was more than 100; or

10 “(B) unless such school has submitted to and  
11 had approved by the Secretary a plan for the estab-  
12 lishment, expansion, improvement, or operation, in  
13 the second school year beginning after the fiscal year  
14 in which the grant applied for is to be made and in  
15 each school year thereafter beginning in a fiscal  
16 year in which such a grant is made, of at least two  
17 of the following programs: (i) A program to teach  
18 pharmacy in a hospital, extended care facility, or  
19 other clinical setting, (ii) a program of training in  
20 clinical pharmacology, or (iii) a program to train  
21 pharmacists to assist physicians and counsel patients  
22 on the appropriate use and reactions to drugs.

23 “(4) SCHOOLS OF PODIATRY.—The Secretary shall  
24 not make a grant under section 770 to any school of

1        podiatry in a fiscal year beginning after June 30,  
2        1975 unless the application for such grant contains or is  
3        supported by assurances satisfactory to the Secretary  
4        that—

5                “(A) for the second school year beginning after  
6        the close of the fiscal year in which such grant is  
7        to be made and for each school year thereafter be-  
8        ginning in a fiscal year in which such a grant is  
9        made the first year enrollment of full-time students  
10       in the school making the application will exceed  
11       the number of such students enrolled in the school  
12       year beginning during the fiscal year ending  
13       June 30, 1975—

14                “(i) by 10 per centum of such number if  
15       such number was not more than 100, or

16                “(ii) by 5 per centum of such number, or  
17       10 students, whichever is greater, if such num-  
18       ber was more than 100; or

19                “(B) at least 40 per centum of the first year  
20       enrollment of full-time students in such school will  
21       for the second school year beginning after the close  
22       of the fiscal year in which the grant applied for is to  
23       be made and in each school year thereafter begin-  
24       ning in a fiscal year in which such a grant is made

1 will be comprised of students who are residents of  
2 States in which there are no accredited schools of  
3 podiatry.”.

#### 4 START-UP GRANTS

5 SEC. 503. (a) Section 772 (a) (1) (as so redesignated)  
6 is amended by striking out “or dentistry” and inserting in  
7 lieu thereof: “, dentistry, public health, veterinary medicine,  
8 optometry, pharmacy, or podiatry”.

9 (b) Section 772 (a) (4) (as so redesignated) is  
10 amended by striking out “or dentistry” and inserting in lieu  
11 thereof “dentistry, public health, veterinary medicine, op-  
12 tometry, pharmacy, or podiatry”.

13 (c) Section 772 (a) (6) (as so redesignated) is  
14 amended to read as follows:

15 “(6) There are authorized to be appropriated \$10,-  
16 000,000 for fiscal year 1976, \$10,000,000 for fiscal year  
17 1977, and \$10,000,000, for fiscal year 1978, for payments  
18 under grants under this subsection. Sums appropriated under  
19 this paragraph shall remain available until expended.”.

20 (d) Sections 772 (b) (2) (as so redesignated) is  
21 amended (1) by striking out “July 1, 1975” and inserting  
22 in lieu thereof “October 1, 1978”, and (2) by striking  
23 out “June 30, 1976” and inserting in lieu thereof “Septem-  
24 ber 30, 1979”.

25 (e) Section 772 (as so redesignated) is amended by

1 adding at the end thereof the following new ~~subsection~~ sub-  
2 ~~sections~~:

3 “(c) (1) The Secretary may make grants to any school  
4 of medicine to meet the planning costs for projects for  
5 the training of students, enrolled in the last two years  
6 of such school, in facilities—

7 “(A) which are other than the principal teaching  
8 facilities of the school receiving the grant and which  
9 are existing Federal health care facilities or are other  
10 public or private health care facilities; and

11 “(B) which are located in an area in which a  
12 medically underserved population resides.

13 No grant may be made under this paragraph with respect  
14 to any project unless before the fiscal year for which the  
15 grant is to be made the project has received at least \$100,000  
16 from non-Federal sources and has been approved by the  
17 legislature of the State in which it is located.

18 “(2) For payments under grants under paragraph (1),  
19 there are authorized to be appropriated \$400,000 for fiscal  
20 year 1976.<sup>2</sup>

21 “(d) (1) *The Secretary may make grants to public and*  
22 *nonprofit private institutions of higher education and hos-*  
23 *pitals and other health care delivery facilities which are*  
24 *engaged in the development of new schools of medicine to*  
25 *assist such institutions and facilities in meeting the costs of*

1 *employing faculty, acquiring equipment, and taking such*  
2 *other action related to the initial operation of a school of*  
3 *medicine as may be necessary for the proposed schools to meet*  
4 *the eligibility requirements for a grant under subsection (a)*  
5 *of this section.*

6 *“(2) No application for a grant under paragraph (1)*  
7 *may be approved by the Secretary unless the application con-*  
8 *tains or is supported by assurances satisfactory to the Secre-*  
9 *tary that—*

10 *“(A) with the assistance provided under the grant*  
11 *applied for the applicant will be able to accelerate the*  
12 *date on which the school of medicine being developed by*  
13 *the applicant will be able to begin its teaching program,*

14 *“(B) there is a reasonable indication of non-Federal*  
15 *financial resources for development and operation of*  
16 *such school, and*

17 *“(C) the school of medicine will emphasize training*  
18 *programs in family medicine and will, through clinical*  
19 *training programs of the type described in section 771*  
20 *(b)(2), improve access to health care for residents of*  
21 *the geographical regions in which such training pro-*  
22 *grams are located.*

23 *The Secretary may not approve or disapprove an applica-*  
24 *tion unless he has consulted with the body recognized by the*

1 *Commissioner of Education as the accrediting body for*  
2 *schools of medicine respecting approval of the application.*

3       “(3) *No institution or facility may receive more than*  
4 *one grant under this subsection. For payment under grants*  
5 *under this subsection, there is authorized to be appropriated*  
6 *\$1,500,000 for fiscal year 1976 and \$1,500,000 for fiscal*  
7 *year 1977.*

8       “(4) *Upon graduation of the second class from each*  
9 *school of medicine for which a grant was made under this*  
10 *subsection, the Secretary shall report to the Congress on the*  
11 *ability of the school of medicine to improve access to health*  
12 *care for residents of the geographical regions in which the*  
13 *clinical training programs of the school are located.”.*

14       (f) The amendments made by this section shall apply  
15 with respect to appropriations under section 772 of the  
16 Public Health Service Act (as so redesignated), and grants  
17 from such appropriations, for fiscal years ending after June  
18 30, 1975.

19                                   FINANCIAL DISTRESS GRANTS

20       SEC. 504. (a) Subsection (a) of section 773 is amended  
21 to read as follows:

22       “(a) There are authorized to be appropriated \$5,000,-  
23 000 for fiscal year ~~1975~~ 1976, and \$5,00,000 for fiscal year



1 1976 1977, and \$5,000,000 for fiscal year 1977 1978, for  
2 payments under grants under this section.”.

3 (b) Section 773 is amended by inserting “public  
4 health,” after “dentistry,” in subsections (b) and (d).

5 (c) The amendments made by this section shall apply  
6 with respect to appropriations under section 773 of the  
7 Public Health Service Act, and grants from such appropria-  
8 tions, for fiscal years ending after June 30, 1975.

9 TECHNICAL AND CONFORMING AMENDMENTS

10 SEC. 505. (a) Section 775 is redesignated section 774  
11 and is amended—

12 (1) by striking out “770, 771, 772, or 773” each  
13 place it occurs and inserting in lieu thereof “770, 772,  
14 or 773”;

15 (2) by inserting “, public health” after “dentistry”  
16 in subsection (b);

17 (3) by striking out “this part” in subsection (c)  
18 and inserting in lieu thereof “sections section 770, 772,  
19 or 773”;

20 (4) by striking out “770, 771, or 773” in subsec-  
21 tion (d) (1) and inserting in lieu thereof “770, 771,  
22 772, or 773” and

23 (5) by amending subsection (d) (3) to read as  
24 follows:

25 “(3) provides for such fiscal control and account-

1 ing procedures and reports, including the use of such  
2 standard procedures for the recording and reporting of  
3 financial information as the Secretary may prescribe,  
4 and access to the records of the applicant, as the Secre-  
5 tary may require to enable him to determine the costs  
6 to the applicant of its program for the education or  
7 training of students."

8 (b) The section heading of section 774 (as so redesign-  
9 nated) is amended by striking out "SPECIAL PROJECT,".

10 (c) Sections 312 and 313 are repealed.

11 (d) The amendments (and repeals) made by this sec-  
12 tion shall apply with respect to appropriations, and grants  
13 therefrom, for fiscal years ending after June 30, 1975.

## 14 TITLE VI—SPECIAL PROJECT GRANTS AND 15 CONTRACTS

### 16 FAMILY MEDICINE AND GENERAL PRACTICE OF DENTISTRY

17 SEC. 601. (a) Section 767 (entitled "Grants for Train-  
18 ing, Traineeships, and Fellowships in Family Medicine")  
19 is transferred to part F of title VII, inserted after the head-  
20 ing for such part, and redesignated as section 781.

21 (b) Section 781 (as so redesignated) is amended as  
22 follows:

23 (1) Such section is amended by striking out "and" after  
24 "1973," and by inserting after "1975," the following: "\$40,-

1 000,000 for fiscal year 1976, \$40,000,000 for fiscal year  
2 1977, and \$40,000,000 for fiscal year 1978.”

3 (2) Section 781 (as so redesignated) is amended by  
4 striking out “interns” in paragraphs (1) and (2) and in-  
5 serting in lieu thereof “interns (including interns in intern-  
6 ships in osteopathic medicine)”.

7 (3) Such section is amended by inserting “(a)” before  
8 “There are” and by inserting at the end thereof the  
9 following:

10 “(b) Sums appropriated under subsection (a) may be  
11 used by the Secretary to make grants to any public or non-  
12 profit private school of dentistry or accredited postgraduate  
13 dental training institution—

14 “(1) to plan, develop, and operate an approved  
15 residency program in the general practice of dentistry;  
16 and

17 “(2) to provide financial assistance (in the form of  
18 traineeships and fellowships) to residents in such a pro-  
19 gram who are in need of financial assistance and who  
20 plan to specialize in the practice of general dentistry.”.

21 (4) The title of such section is amended by inserting  
22 after “FAMILY MEDICINE” the following: “AND IN THE  
23 GENERAL PRACTICE OF DENTISTRY”.

24 FAMILY MEDICINE TRAINING PROJECT GRANTS

25 SEC. 602. Part F of title VII is amended by adding

1 after section 781 (as so redesignated) the following new  
2 section:

3 "PROJECT GRANTS FOR INSTRUCTION IN FAMILY

4 MEDICINE

5 "SEC. 782. (a) The Secretary may make grants to  
6 schools of medicine and osteopathy to meet the costs of  
7 projects to establish and maintain academic administrative  
8 units (which may be departments, divisions, or other units)  
9 to provide clinical instruction in family medicine.

10 " (b) The Secretary may not approve an application for  
11 a grant under subsection (a) unless such application con-  
12 tains—

13 " (1) assurances satisfactory to the Secretary that  
14 the academic administrative unit with respect to which  
15 the application is made will (A) be comparable to aca-  
16 demic administrative units for other major clinical spe-  
17 cialties offered by the applicant, (B) be responsible for  
18 directing an amount of the curriculum for each member  
19 of the student body engaged in an education program  
20 leading to the awarding of the degree of doctor of medi-  
21 cine or doctor of osteopathy which amount is deter-  
22 mined by the Secretary to be comparable to the amount  
23 of curriculum required for other major clinical special-  
24 ties in the school, (C) have a number of full-time faculty  
25 which is determined by the Secretary to be sufficient

1 to conduct the instruction required by clause (B) and  
2 to be comparable to the number of faculty assigned to  
3 other major clinical specialties in the school, and (D)  
4 have control over a three-year approved or provisionally  
5 approved residency training program in family prac-  
6 tice or its equivalent as determined by the Secretary  
7 which shall have the capacity to enroll a total of no less  
8 than twelve interns or residents per year; and

9 “(2) such other information as the Secretary shall  
10 by regulation prescribe.

11 “(c) There are authorized to be appropriated \$10,000,-  
12 000 for fiscal year 1976, \$15,000,000 for fiscal year 1977,  
13 and \$20,000,000 for fiscal year 1978, for payments under  
14 grants under subsection (a).”

15 ASSISTANCE TO DISADVANTAGED STUDENTS

16 SEC. 603. Section 772 (as in effect before the date of the  
17 enactment of this Act) is transferred to part F of title VII,  
18 is inserted after section 782, is redesignated section 783, and  
19 is amended to read as follows:

20 “ASSISTANCE TO INDIVIDUALS FROM DISADVANTAGED

21 BACKGROUNDS

22 “SEC. 783. (a) (1) For the purpose of assisting individ-  
23 uals from disadvantaged backgrounds, as determined in ac-  
24 cordance with criteria prescribed by the Secretary, to under-  
25 take education to enter a health profession, the Secretary

1 may make grants to and enter into contracts with schools of  
2 medicine, osteopathy, public health, dentistry, veterinary  
3 medicine, optometry, pharmacy, and podiatry and other pub-  
4 lic or private nonprofit health or educational entities to assist  
5 in meeting the costs described in paragraph (2).

6 “(2) A grant or contract under paragraph (1) may be  
7 used by the health or educational entity to meet the costs of—

8 “(A) identifying, recruiting, and selecting individ-  
9 uals from disadvantaged backgrounds, as so determined,  
10 for the education provided by a health professional  
11 school,

12 “(B) facilitating the entry of those individuals into  
13 such a school,

14 “(C) providing counseling or other services de-  
15 signed to assist those individuals to complete successfully  
16 their education at such a school,

17 “(D) providing, for a period prior to the entry of  
18 those individuals into the regular course of education of  
19 such a school, preliminary education designed to assist  
20 them to complete successfully such regular course of  
21 education at such a school, or referring such individuals  
22 to institutions providing such preliminary education, and

23 “(E) publicizing existing sources of financial aid  
24 available to persons enrolled in the education program

1 of such a school or who are undertaking training neces-  
 2 sary to qualify them to enroll in such a program.

3 “(b) There are authorized to be appropriated \$20,-  
 4 000,000 for fiscal year 1976, \$20,000,000 for fiscal year  
 5 1977, and ~~\$20,000~~ \$20,000,000, for fiscal year 1978, for  
 6 payments under grants and contracts under subsection (a).”.

7 AREA HEALTH EDUCATION CENTERS

8 SEC. 604. (a) Section 774 (as in effect before the date  
 9 of the enactment of this section) is transferred to part F of  
 10 title VIII, is inserted after section 783 (as so redesignated),  
 11 is redesignated section 784, and is amended to read as  
 12 follows:

13 “AREA HEALTH EDUCATION CENTERS

14 “SEC. 784. (a) For the purpose of improving the dis-  
 15 tribution, supply, quality, utilization, and efficiency of health  
 16 personnel in the health services delivery system and for the  
 17 purpose of encouraging the regionalization of educational  
 18 responsibilities of the health professions schools, the Secre-  
 19 tary may make grants and enter into contracts for projects  
 20 for area health education centers—

21 “(1) to conduct programs to alleviate shortages of  
 22 health personnel in rural areas with sparse populations  
 23 or urban areas with unusually dense populations through  
 24 training or retraining of health personnel in community  
 25 hospitals and other facilities located in such areas (includ-

1 ing training of students enrolled in residency programs  
2 in family medicine, general internal medicine, general  
3 pediatrics, psychiatry, and obstetrics and gynecology)  
4 or to otherwise improve the distribution in such areas  
5 of health personnel by area or by specialty group;

6 “(2) to provide training programs in such areas  
7 (A) leading to more efficient utilization in such areas of  
8 health personnel, emphasizing multidisciplinary and  
9 interdisciplinary patterns of undergraduate, graduate,  
10 and continuing education of health personnel, and (B)  
11 to encourage new or more effective approaches to the  
12 organization and delivery of health services in such areas  
13 through the training of individuals in the use of the team  
14 approach to the delivery of health services; and

15 “(3) to provide education programs for the general  
16 populations of such areas regarding the appropriate use  
17 of health services, the availability of health services in  
18 such areas (including services provided under federally  
19 funded programs), and the contribution each individual  
20 can make to the maintenance of his own health.

21 “(b) (1) The costs for which a grant or contract under  
22 this section may be made may include such stipends and  
23 allowances (including travel and subsistence expenses and  
24 dependency allowances) for the students (and other health  
25 personnel undergoing training) in such programs as the



1 Secretary may deem necessary and costs of construction  
2 of new primary care facilities and of medical school facili-  
3 ties necessary for the administration of the training program  
4 for which the grant or contract is made.

5 “(2) No application for a grant or contract under  
6 this section may be approved unless the application—

7 “(A) is made by a public or nonprofit private  
8 educational entity which has, or which is affiliated  
9 with, at least three degree or diploma granting health  
10 professions education programs of which at least one  
11 shall be a program offered by a school of medicine or  
12 osteopathy;

13 “(B) contains assurances satisfactory to the Sec-  
14 retary that, to the maximum extent feasible, the project  
15 of the applicant will be conducted in conjunction with  
16 (including the sharing of faculty and facilities with)  
17 the projects (if any) of any schools of medicine or  
18 osteopathy participating in the project of the applicant  
19 for the remote site training of undergraduate students  
20 of medicine or osteopathy conducted pursuant to plans  
21 approved under section 771 (b) (1) (B) ;

22 “(C) contains a designation of the geographic  
23 boundaries of the areas to be served by area health edu-  
24 cation centers established under the project;

1           “(D) contains a list of the health manpower needs  
2 of the areas to be served by area health education cen-  
3 ters established under the project, the relative order in  
4 which those needs should be addressed, a detailed de-  
5 scription of the types of programs to be carried out by the  
6 area health education centers, and provision for periodic  
7 review and evaluation of such programs by experts in  
8 medical or osteopathic or other health professions edu-  
9 cation (as may be appropriate) ;

10           “(E) contains assurances that each medical and  
11 osteopathic school participating in the project will pro-  
12 vide not less than six weeks of training per year in area  
13 health education centers for at least 50 per centum of the  
14 students enrolled in such schools in residency programs  
15 in family medicine, general internal medicine, general  
16 pediatrics, psychiatry, and obstetrics and gynecology ;

17           “(F) contains assurances satisfactory to the Sec-  
18 retary that each participant in the project will con-  
19 tribute a significant portion of its faculty to serve as in-  
20 structors in medical residency training and continuing  
21 education programs in areas served by the area health  
22 education centers ;

23           “(G) contains a specific program for multidisci-  
24 plinary and interdisciplinary training programs both at

1 the main site of the training or clinical facilities of the  
2 applicant and in area health education centers estab-  
3 lished under the project;

4 “(H) contains a plan for frequent counseling and  
5 consultation between the faculty of the applicant at the  
6 main site of its training or clinical facilities and instruc-  
7 tors and other appropriate participants in the applicant’s  
8 programs in the areas served by the area health educa-  
9 tion centers;

10 “(I) contains a detailed plan for frequent consulta-  
11 tion and coordination of the applicant’s project with  
12 appropriate local, regional, State, and Federal agencies  
13 in order to exchange information, and avoid unnecessary  
14 duplication of programs; and

15 “(J) contains assurances that the applicant will  
16 designate a local advisory board for each area health  
17 education center which (i) shall be comprised of con-  
18 sumers of health services residing in the area served by  
19 the center, (ii) shall, as a group, represent the residents  
20 of that area taking into consideration employment, age,  
21 sex, race, place of residence, and other demographic  
22 characteristics, and (iii) shall meet on a regular basis  
23 (not less than twice a year) for purposes of determining  
24 the center’s responsiveness to the health manpower needs  
25 of the area and making recommendations to the center

1 with respect to the provisions of health manpower in the  
2 area.

3 “(3) The amount of any grant or contract under this  
4 section shall be determined by the Secretary, except that no  
5 grant or contract for any project may exceed 75 per centum  
6 of the costs, as determined by the Secretary, of such project.

7 “(c) There are authorized to be appropriated \$15,000,-  
8 000 for fiscal year 1976, \$20,000,000 for fiscal year 1977,  
9 and \$25,000,000 for fiscal year 1978, for payments under  
10 grants and contracts under this section.”

11 (b) For the fiscal year ending June 30, 1976, and for  
12 each of the next two fiscal years there are authorized to be  
13 appropriated such sums as may be necessary to continue pay-  
14 ments to entities under contracts entered into under section  
15 774 of the Public Health Service Act (as in effect on  
16 June 30, 1975) for projects for area health education  
17 centers, except that no payment shall be made to an entity  
18 under such a contract unless the entity provides assurances  
19 satisfactory to the Secretary that not later than June 1,  
20 1977, the project for which the payment is to be made will  
21 be a project described in subsection (a) of section 783 of  
22 such Act (as so redesignated) and the entity and its appli-  
23 cation will meet the requirements of subsection (b) (2) of  
24 such section. Such payments may only be made from such

1 sums for the periods and the amounts specified in such  
2 contracts.

3 (c) After June 1, 1977, the Secretary of Health, Edu-  
4 cation, and Welfare shall assess the program of grants under  
5 section 783 of the Public Health Service Act (as so redesign-  
6 nated) to determine the effect of the projects funded under  
7 such grants on the distribution of health manpower and on  
8 the access to and quality of health care in the areas in which  
9 such projects are located. Not later than July 1, 1977,  
10 the Secretary shall submit to the Congress a report on the  
11 assessment conducted under this subsection.

12 PROJECT GRANTS AND CONTRACTS FOR SCHOOLS  
13 OF OPTOMETRY, PHARMACY, AND PODIATRY

14 SEC. 605. Part F of title VII is amended by adding  
15 after section 784 (as so redesignated) the following new  
16 section:

17 "PROJECT GRANTS AND CONTRACTS FOR SCHOOLS  
18 OF OPTOMETRY, PHARMACY, AND PODIATRY

19 "SEC. 785. (a) SCHOOLS OF OPTOMETRY.—The Secre-  
20 tary may make grants to and enter into contracts with schools  
21 of optometry to meet the costs of projects to assist in—

22 "(1) the affiliation between optometric training  
23 programs and medical, osteopathic, and other health pro-  
24 fessions training programs and academic institutions,

25 "(2) establishing cooperative arrangements be-

1       tween optometric training programs and medical, osteo-  
2       pathic, and other health professions training programs  
3       and academic institutions,

4           “(3) planning, developing, and operating resi-  
5       dency training programs in special optometric services  
6       or in meeting the optometric needs of special popula-  
7       tions, or

8           “(4) planning, developing, and operating educa-  
9       tional programs which provide training in the early  
10      detection and diagnosis of health problems which are  
11      accompanied by visual or ocular symptoms.

12      “(b) SCHOOLS OF PHARMACY.—

13           “(1) The Secretary may make grants and enter  
14      into contracts with schools of pharmacy to meet the  
15      costs of projects to assist in—

16           “(A) the affiliation between clinical pharmacy  
17      training programs and medical, osteopathic, and  
18      other health professions training programs and aca-  
19      demic institutions, or

20           “(B) establishing cooperative arrangements  
21      between clinical pharmacy training programs and  
22      medical, osteopathic, and other health professions  
23      training programs and academic institutions.

24           “(2) The Secretary may make grants to and enter

1 into contracts with schools of pharmacy to meet the  
2 costs of projects to establish, expand, or improve—

3 “(A) programs for the teaching of pharmacy  
4 in hospitals, extended care facilities, and other  
5 clinical settings,

6 “(B) clinical pharmacology training, and

7 “(C) programs to train pharmacists to assist  
8 physicians and counsel patients on the appropriate  
9 use and effects of and reactions to drugs.

10 “(c) SCHOOLS OF PODIATRY.—The Secretary may  
11 make grants to and enter into contracts with schools of  
12 podiatry to meet the costs of projects to assist in—

13 “(1) the affiliation between podiatric training pro-  
14 grams and medical, osteopathic, and other health profes-  
15 sions training programs and academic institutions, or

16 “(2) establishing cooperative arrangements be-  
17 tween podiatric training programs and medical, osteo-  
18 pathic, and other health professions training programs  
19 and academic institutions.

20 “(d) TECHNICAL ASSISTANCE.—If the Secretary does  
21 not approve an application for a grant or contract under  
22 this section, he shall advise the applicant of the reasons for  
23 disapproval of the application and provide the applicant  
24 such technical and other nonfinancial assistance as may be

1 appropriate to enable the applicant to submit an approvable  
2 application.

3 “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
4 are authorized to be appropriated \$5,000,000 for fiscal year  
5 1976, \$5,000,000 for fiscal year 1977, and \$5,000,000 for  
6 fiscal year 1978, for payments under grants and contracts  
7 under this section.”

#### 8 COMPUTER TECHNOLOGY

9 SEC. 606. (a) Section 769A (entitled “GRANTS FOR  
10 COMPUTER TECHNOLOGY HEALTH CARE DEMONSTRATION  
11 PROGRAMS”) is transferred to part F of title VII, inserted  
12 after section 785, and redesignated as section 786.

13 (b) Section 786 (as so redesignated) is amended (1)  
14 by striking out “and” after “1973,” and (2) by inserting  
15 after “1975,” the following: “\$3,000,000 for fiscal year  
16 1976, \$3,000,000 for fiscal year 1977, and \$3,000,000 for  
17 fiscal year 1978.”

#### 18 EMERGENCY MEDICAL SERVICES TRAINING

19 SEC. 607. (a) Section ~~766~~ 776 (entitled “TRAINING IN  
20 EMERGENCY MEDICAL SERVICES”) is transferred to part F  
21 of title VII, inserted after section 786 (as so redesignated),  
22 and redesignated as section 787.

23 “(b) Subsection (a) of section 787 (as so redesign-  
24 nated) is amended (1) by inserting “hospitals and” before



1 "schools of medicine", and (2) by inserting before the  
2 period at the end a comma and the following: "and to assist  
3 in meeting the cost of program development and training  
4 of physicians in emergency medicine".

5 (c) Section 787 (as so redesignated) is amended by  
6 striking out subsections (b), (c), (d), and (e) and insert-  
7 ing in lieu thereof the following:

8 "(b) No grant or contract may be made or entered into  
9 under this section unless the applicant therefor is a public or  
10 nonprofit private entity. Grantees and contractees under this  
11 section shall make such reports at such intervals, and con-  
12 taining such information, as the Secretary may prescribe.

13 "(c) Of the funds appropriated under subsection (d) for  
14 any fiscal year, the Secretary shall obligate not less than one-  
15 third of such funds for grants and contracts in that fiscal year  
16 to assist in meeting the cost of program development and  
17 training of physicians in emergency medicine.

18 "(d) For the purpose of making payments pursuant to  
19 grants and contracts under this section, there are authorized  
20 to be appropriated \$10,000,000 for fiscal year 1976, \$10,-  
21 000,000 for fiscal year 1977, and \$10,000,000 for fiscal year  
22 1978."

23 (d) The amendments made by this section shall apply  
24 with respect to appropriations under section 787 of the Pub-  
25 lic Health Service Act (as so redesignated), and grants from

1 such appropriations, for fiscal years ending after June 30,  
2 1975.

3 EDUCATION OF UNITED STATES STUDENTS RETURNING  
4 FROM FOREIGN MEDICAL SCHOOLS

5 SEC. 608. Part F of title VII is amended by adding  
6 after section 787 (as so redesignated) the following new  
7 section:

8 "EDUCATION OF RETURNING UNITED STATES STUDENTS  
9 FROM FOREIGN MEDICAL SCHOOLS

10 "SEC. 788. (a) The Secretary may make grants to  
11 schools of medicine and osteopathy in the United States to  
12 plan, develop, and operate programs—

13 "(1) to train United States citizens who have been  
14 enrolled in medical schools in foreign countries before  
15 July 1, 1975, to enable them to meet the requirements  
16 for enrolling in schools of medicine or osteopathy in the  
17 United States as full-time students with advanced stand-  
18 ing; or

19 "(2) to train United States citizens who have trans-  
20 ferred from medical schools in foreign countries in which  
21 they were enrolled before July 1, 1975, and who have  
22 enrolled in schools of medicine or osteopathy in the  
23 United States as full-time students with advanced  
24 standing.

25 The costs for which a grant under this subsection ~~shall~~ be

1 made may include the costs of identifying deficiencies in the  
2 medical school education of the United States citizens who  
3 have been enrolled in foreign medical schools, the develop-  
4 ment of materials and methodology for correcting such de-  
5 ficiencies, and specialized training designed to prepare such  
6 United States citizens for enrollment in schools of medicine  
7 or osteopathy in the United States as full-time students with  
8 advanced standing.

9 “(b) More than one school of medicine or osteopathy  
10 may join in the submission of an application for a grant  
11 under subsection (a).

12 “(c) The Secretary may not approve an application for  
13 a grant under subsection (a) (1) unless such application  
14 contains assurances satisfactory to the Secretary that, to the  
15 maximum extent feasible, every individual who—

16 “(1) satisfactorily completes the training program  
17 for which such grant is to be made, and

18 “(2) is qualified to be accepted for enrollment as  
19 a full-time student with advanced standing in the school  
20 or schools which submitted such application,

21 will be accepted for enrollment as a full-time student with  
22 advanced standing in the school, or in one of the schools,  
23 which submitted such application.

24 “(d) Any school of medicine or osteopathy which re-  
25 ceives a grant under subsection (a) for the fiscal year 1976

1 shall submit to the Secretary before January 1, 1977, a  
 2 report on the deficiencies (if any) identified by the school in  
 3 the foreign medical education of the students trained by such  
 4 school under the program for which such grant was made.  
 5 The Secretary shall compile the reports submitted under the  
 6 preceding sentence, and before July 1, 1977, submit to the  
 7 Congress his analysis and evaluation of the information con-  
 8 tained in such reports.

9 “(e) There are authorized to be appropriated \$2,000,-  
 10 000 for fiscal year 1976, \$3,000,000 for fiscal year 1977,  
 11 and \$4,000,000 for fiscal year 1978, for payments under  
 12 grants under subsection (a).”.

13 PHYSICIANS ASSISTANTS AND EXPANDED FUNCTION

14 DENTAL AUXILIARIES

15 SEC. 609. Part F of title VII is amended by adding  
 16 after section 788 the following new section:

17 “PROGRAMS FOR PHYSICIAN ASSISTANTS AND EXPANDED  
 18 FUNCTION DENTAL AUXILIARIES

19 “SEC. 789. (a) (1) The Secretary may make grants  
 20 to and enter into contracts with public or nonprofit private  
 21 schools of medicine, osteopathy, and public health and other  
 22 public or nonprofit private entities to meet the costs of  
 23 projects to—

24 (A) plan, develop, and operate, or

1           “(B) maintain existing,  
2 programs for the training of physician assistants.

3           “(2) The Secretary may make grants to and enter into  
4 contracts with public or nonprofit private schools of dentistry  
5 to meet the costs of projects to—

6           “(A) plan, develop, and operate, or

7           “(B) maintain existing,  
8 programs for the training of expanded function dental aux-  
9 iliaries.

10          “(b) (1) No grant or contract may be made under  
11 subsection (a) unless the application therefor contains or  
12 is supported by assurances satisfactory to the Secretary  
13 that—

14           “(A) the school making the grant has appropriate  
15 mechanisms for placing graduates of the training pro-  
16 gram, with respect to which the application is sub-  
17 mitted, in positions for which they have been trained,  
18 and

19           “(B) there is an identified need for the services  
20 of the graduates of such program.

21          “(2) No grant may be made or contract entered into  
22 for a project to plan, develop, and operate a program for  
23 the training of physician assistants or expanded function  
24 dental auxiliaries unless the application for the grant or  
25 contract contains assurances satisfactory to the Secretary

1 that the program will upon its development meet the guide-  
2 lines which are in effect under section 701 (7) or 701 (9),  
3 as the case may be; and no grant may be made or contract  
4 entered into for a project to maintain such a program unless  
5 the application for the grant or contract contains assurances  
6 satisfactory to the Secretary that the program meets the  
7 guidelines which are in effect under such section.

8 “(c) The costs for which a grant or contract under  
9 subsection (a) may be made may include costs of prepara-  
10 tion of faculty members in order to conform to the guide-  
11 lines established under sections 701 (7) and 701 (9) re-  
12 specting programs for the training of physician assistants  
13 and expanded function dental auxiliaries.

14 “(d) For payments under grants and contracts under  
15 subsection (a), there is authorized to be appropriated \$25,-  
16 000,000 for fiscal year 1976, \$30,000,000 for fiscal year  
17 1977, and \$35,000,000 for fiscal year 1978.”.

18 GENERAL PROVISIONS

19 SEC. 610. (a) Section 769B (entitled “GENERAL PRO-  
20 VISIONS”) is transferred to part F of title VII, inserted  
21 after section 789, and redesignated as section 790.

22 (b) Section 790 (as so redesignated) is amended—  
23 (1) by striking out “grant may be made under  
24 sections 767, 769, and 769 (A)” in subsection (a) and

1 inserting in lieu thereof "grant may be made or contract  
2 entered into under this part";

3 (2) by adding at the end of subsection (a) the fol-  
4 lowing: "The Secretary may not approve or disapprove  
5 any application for a grant or contract under this part  
6 except after consultation with the National Advisory  
7 Council on Health Professions Education.";

8 (3) by striking out "grants under sections 767 and  
9 769 (A)" in subsection (b) and inserting in lieu thereof  
10 "grants or contracts under this part"; and

11 (4) by striking out subsection (c) and inserting  
12 in lieu thereof the following:

13 "(c) The amount of any grant or contract under this  
14 part shall be determined by the Secretary. Payments under  
15 such grants may be made in advance or by way of reimburse-  
16 ment, at such intervals and on such conditions, as the Secre-  
17 tary finds necessary. Contracts may be entered into under  
18 this part without regard to sections 3648 and 3709 of the  
19 Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).".

20 REPEALS AND TECHNICAL AMENDMENT

21 SEC. 611. (a) Section 768 (entitled "GRANTS FOR SUP-  
22 PORT OF POSTGRADUATE TRAINING PROGRAMS FOR PHYSI-  
23 CIANS AND DENTISTS") and section 769 (entitled "GRANTS  
24 FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS FOR

1 HEALTH PROFESSIONS TEACHING PERSONNEL") are re-  
2 pealed.

3 (b) The heading for part F of title VII is amended to  
4 read as follows:

5 "PART F—SPECIAL PROJECT GRANTS AND CONTRACTS"  
6 TITLE VII—PUBLIC AND ALLIED HEALTH  
7 PERSONNEL

8 PUBLIC AND ALLIED HEALTH PERSONNEL

9 SEC. 701. (a) Part G of title VII is amended to read  
10 as follows:

11 "PART G—TRAINING PROGRAMS FOR PUBLIC AND  
12 COMMUNITY HEALTH PERSONNEL

13 "DEFINITION

14 "SEC. 791. For purposes of this part, the term 'public  
15 and community health personnel' means individuals who are  
16 engaged in—

17 "(1) the planning, development, monitoring, or  
18 management of health care or health care institutions,  
19 organizations, or systems,

20 "(2) research on health care development and the  
21 collection and analysis of health statistics, data on the  
22 health of population groups, and any other health data,

23 "(3) the development and improvement of individ-  
24 ual and community knowledge of health (including en-



1 vironmental health and preventive medicine) and the  
2 health care system, or

3 “(4) the planning and development of a healthful  
4 environment and control of environmental health hazards.

5 “INSTITUTIONAL GRANTS FOR GRADUATE PROGRAMS IN

6 HEALTH

7 “SEC. 792. (a) From funds appropriated under subsec-  
8 tion (d), the Secretary shall make annual grants to public or  
9 nonprofit private educational entities (except schools of pub-  
10 lic health) to support the graduate educational programs of  
11 such entities in health administration, hospital administration,  
12 health planning, environmental health, and preventive  
13 medicine.

14 “(b) The amount of the grant for any fiscal year under  
15 subsection (a) to an educational entity with an application  
16 approved under subsection (c) shall be equal to the amount  
17 appropriated under subsection (d) for such fiscal year  
18 divided by the number of educational entities which have  
19 applications for grants for such fiscal year approved under  
20 subsection (c).

21 “(c) (1) No grant may be made under subsection (a)  
22 unless an application therefor has been submitted to the  
23 Secretary before such time as he shall by regulation pre-  
24 scribe and has been approved by the Secretary. Such appli-

1 cation shall be in such form, and submitted in such manner,  
2 as the Secretary shall by regulation prescribe.

3 “(2) The Secretary may not approve an application  
4 submitted under paragraph (1) unless—

5 “(A) such application—

6 “(i) contains assurances satisfactory to the Sec-  
7 retary that in each academic year (as defined in reg-  
8 ulations of the Secretary) for which the applicant  
9 receives a grant under subsection (a) —

10 “(I) at least twenty-five individuals will  
11 complete the graduate educational program of  
12 the entity for which such application is submit-  
13 ted; and

14 “(II) such entity will expend or obligate  
15 at least \$100,000 in funds from non-Federal  
16 sources to conduct such programs;

17 “(ii) contains such assurances as the Secretary  
18 shall by regulation prescribe respecting one or more  
19 of the following: Increases in overall enrollment in  
20 the program for which such application is submitted  
21 and increases in enrollment in ~~program~~ *programs* for  
22 the training of needed types of public and com-  
23 munity health personnel (as determined by the  
24 Secretary); and



1 prescribe. Traineeships under such a grant shall be awarded  
2 in accordance with such regulations as the Secretary shall  
3 prescribe. The amount of any such grant shall be determined  
4 by the Secretary and payments under such grant may be  
5 made in advance or by way of reimbursement, and at such  
6 intervals and on such conditions, as the Secretary finds  
7 necessary.

8 “(2) Traineeships awarded under grants made under  
9 subsection (a) shall provide for such stipends and allow-  
10 ances (including travel and subsistence expenses and depend-  
11 ency allowances) for the trainees as the Secretary may deem  
12 necessary.

13 “(c) For the purposes of making payments under grants  
14 under subsection (a), there are authorized to be appropri-  
15 ated \$2,500,000 for fiscal year 1976, \$2,500,000 for fiscal  
16 year 1977, and \$2,500,000 for fiscal year 1978.

17 “STATISTICS AND ANNUAL REPORT

18 “SEC. 794. (a) The Secretary shall, in coordination  
19 with the National Center for Health Statistics (established  
20 under section 306), continuously develop, publish, and dis-  
21 seminate on a nationwide basis statistics and other infor-  
22 mation respecting public and community health personnel,  
23 including—

24 “(1) detailed descriptions of the various types of

1 activities in which public and community health per-  
2 sonnel are engaged,

3 “(2) the current and anticipated needs for the vari-  
4 ous types of public and community health personnel, and

5 “(3) the number, employment, geographic loca-  
6 tions, salaries, and surpluses and shortages of public  
7 and community health personnel, the educational and  
8 licensure requirements for the various types of such per-  
9 sonnel, and the cost of training such personnel.

10 “(b) The Secretary shall submit annually to the Com-  
11 mittee on Interstate and Foreign Commerce of the House of  
12 Representatives and to the Committee on Labor and Public  
13 Welfare of the Senate a report on—

14 “(1) the statistics and other information developed  
15 pursuant to subsection (a) ; and

16 “(2) the activities conducted under this part, includ-  
17 ing an evaluation of such activities.

18 Such report shall contain such recommendations for legis-  
19 lation as the Secretary determines is needed to improve the  
20 programs authorized under this part. The Office of Man-  
21 agement and Budget may review such report before its  
22 submission to Congress, but the Office may not revise the  
23 report or delay its submission beyond the date prescribed  
24 for its submission and may submit to Congress its comments

1 respecting such report. The first report under this subsection  
2 shall be submitted not later than September 1, 1976."

3 (b) Title VII is amended by adding at the end the  
4 following new part:

5 "PART H—TRAINING PROGRAMS FOR ALLIED HEALTH  
6 PERSONNEL

7 "DEFINITION

8 "SEC. 795. For purposes of this part, the term 'allied  
9 health personnel' means individuals with training and respon-  
10 sibilities for (1) supporting, complementing, or supplement-  
11 ing the professional functions of physicians, dentists, and  
12 other health professionals in the delivery of health care to  
13 patients, or (2) assisting environmental engineers and other  
14 personnel in environmental health control and preventive  
15 medicine activities.

16 "PROJECT GRANTS AND CONTRACTS

17 "SEC. 796. (a) The Secretary may make grants to  
18 public and nonprofit private entities and enter into contracts  
19 with individuals and public and private entities to assist in  
20 meeting the costs of planning, study, development, demon-  
21 stration, and evaluation projects undertaken with respect to  
22 one or more of the following:

23 "(1) Methods of coordination, management, and  
24 articulation of education and training at various levels

1 for allied health personnel within and among educational  
2 institutions and their clinical affiliates.

3 “(2) Methods and techniques for State and regional  
4 coordination and monitoring of education and training  
5 for allied health personnel.

6 “(3) Educational programs (including programs in  
7 a junior college) which lead to—

8 “(A) a baccalaureate degree, an associate de-  
9 gree, or the equivalent of either degree, or

10 “(B) a higher degree,

11 in medical technology, preventive medicine technology,  
12 environmental health technology, ophthalmic dispensing,  
13 optometric technicianery, dental hygiene, or such other  
14 of the curricula for the training of allied health personnel  
15 as the Secretary may by regulation specify, and other  
16 methods and curricula (including model curricula) for  
17 training various types of allied health personnel.

18 “(4) Programs, or means of adapting existing  
19 programs, for training as allied health personnel special  
20 groups such as returning veterans, the economically or  
21 culturally deprived, and persons reentering any of the  
22 allied health fields.

23 “(5) New roles and functions for allied health per-  
24 sonnel and methods for increasing the efficiency of health

1 manpower through more effective utilization of allied  
2 health personnel in various practice settings.

3 “(6) New methods of credentialing allied health  
4 personnel, including techniques for appropriate recog-  
5 nition (through equivalency and proficiency testing or  
6 otherwise) of previously acquired training or experi-  
7 ence, developed in coordination with the Secretary’s pro-  
8 gram under section 1123 of the Social Security Act.

9 “(7) Methods of recruitment and ~~retaining~~ *retrain-*  
10 *ing* of allied health personnel.

11 “(8) Meaningful career ladders and programs of  
12 advancement for practicing allied health personnel.

13 “(9) Continuing education programs for practicing  
14 allied health personnel.

15 “(10) Expansion of existing, or establishment of,  
16 new educational programs in allied health professions  
17 for which the Secretary determines there is a critical  
18 or unusual national need.

19 “(b) (1) No grant may be made or contract entered  
20 into under subsection (a) unless an application therefor has  
21 been submitted to, and approved by, the Secretary. Such  
22 application shall be in such form, submitted in such manner,  
23 and contain such information, as the Secretary shall by reg-  
24 ulation prescribe.





1       “(2) Payments under such grants (A) shall be limited  
2 to such amounts as the Secretary finds necessary to cover  
3 the cost of tuition and fees of, and stipends and allowances  
4 (including travel and subsistence expenses and dependency  
5 allowances) for, the trainees; and (B) may be made in  
6 advance or by way of reimbursement and at such intervals  
7 and on such conditions as the Secretary finds necessary.

8       “(c) For the purposes of making payments under  
9 grants under subsection (a), there are authorized to be  
10 appropriated \$6,000,000 for fiscal year 1976, \$6,000,000  
11 for fiscal year 1977, and \$6,000,000 for fiscal year 1978.

12       “GRANTS AND CONTRACTS TO ENCOURAGE FULL UTILIZA-  
13       TION OF EDUCATIONAL TALENT FOR ALLIED HEALTH  
14       PERSONNEL TRAINING

15       “SEC. 798. (a) The Secretary may make grants to and  
16 enter into contracts with State and local educational agencies  
17 and other public or nonprofit private entities—

18       “(1) to (A) identify individuals of financial, edu-  
19 cational, or cultural need who have a potential to be-  
20 come allied health personnel, including individuals who  
21 are veterans of the Armed Forces with military training  
22 or experience similar to that of allied health personnel,  
23 and (B) encourage and assist, whenever appropriate,  
24 the individuals described in clause (A) to (i) complete  
25 secondary school, (ii) undertake such postsecondary

1 training as may be required to qualify them to undertake  
2 allied health personnel training, and (iii) undertake  
3 postsecondary allied health personnel training; and

4 “(2) to publicize existing sources of financial aid  
5 available to individuals undertaking allied health person-  
6 nel training.

7 “(b) (1) No grant may be made or contract entered into  
8 under subsection (a) unless an application therefor has been  
9 submitted to, and approved by, the Secretary. Such applica-  
10 tion shall be in such form, submitted in such manner, and  
11 contain such information, as the Secretary shall by regulation  
12 prescribe.

13 “(2) Contracts may be entered into under subsection  
14 (a) without regard to section 3648 and 3709 of the Revised  
15 Statutes (31 U.S.C. 529; 41 U.S.C. 5).

16 “(3) The amount of any grant under subsection (a)  
17 shall be determined by the Secretary. Payments under such  
18 grants may be made in advance or by way of reimbursement,  
19 and at such intervals and on such conditions, as the Secretary  
20 finds necessary.

21 “(c) For payments under grants and contracts under  
22 subsection (a) there are authorized to be appropriated  
23 \$1,000,000 for fiscal year 1976, \$1,000,000 for fiscal year  
24 1977, and \$1,000,000 for fiscal year 1978.

## 1 "STATISTICS AND ANNUAL REPORT

2 "SEC. 799. (a) The Secretary shall, in coordination  
3 with the National Center for Health Statistics (established  
4 under section 306), continuously develop, publish, and dis-  
5 seminate on a nationwide basis statistics and other informa-  
6 tion respecting allied health personnel, including—

7 "(1) detailed descriptions of the various types of  
8 such personnel and the activities in which such personnel  
9 are engaged,

10 "(2) the current and anticipated needs for the vari-  
11 ous types of such health personnel, and

12 "(3) the number, employment, geographic loca-  
13 tions, salaries, and surpluses and shortages of such per-  
14 sonnel, the educational and licensure and certification  
15 requirements for the various types of such personnel,  
16 and the cost of training such personnel.

17 "(b) The Secretary shall submit annually to the Com-  
18 mittee on Interstate and Foreign Commerce of the House of  
19 Representatives and to the Committee on Labor and Public  
20 Welfare of the Senate a report on—

21 "(1) the statistics and other information developed  
22 pursuant to subsection (a); and

23 "(2) the activities conducted under this part, in-  
24 cluding an evaluation of such activities.

1 Such report shall contain such recommendation for legisla-  
2 tion as the Secretary determines is needed to improve the  
3 programs authorized under this part. The Office of Man-  
4 agement and Budget may review such report before its sub-  
5 mission to Congress, but the Office may not revise the report  
6 or delay its submission beyond the date prescribed for its sub-  
7 mission and may submit to Congress its comments respecting  
8 such report. The first report under this subsection shall be  
9 submitted not later than September 1, 1976.”

10 TITLE VIII—MEDICAL RESIDENCY TRAINING  
11 PROGRAMS

12 MEDICAL RESIDENCY TRAINING PROGRAMS

13 SEC. 801. The Public Health Service Act is amended by  
14 adding at the end the following new title :

15 “FIRST-YEAR POSITIONS IN MEDICAL RESIDENCY  
16 TRAINING PROGRAMS

17 “SEC. 1701. (a) The number of first-year positions  
18 in any accredited medical residency training program in  
19 the United States which may be made available in a calendar  
20 year beginning after calendar year 1977 may not exceed  
21 such number as may be designated for such calendar year  
22 for such program under section 1703; and, except as pro-  
23 vided in subsection (f) (3), the aggregate number of first-  
24 year positions in all accredited medical residency training  
25 programs in the United States which may be made available—

1           “(1) in calendar year 1978 may not exceed 155  
2 per centum of the estimated number of graduates from  
3 accredited schools of medicine in calendar year 1977,

4           “(2) in calendar year 1979 may not exceed 140 per  
5 centum of the estimated number of graduates from ac-  
6 credited schools of medicine in calendar year 1978, and

7           “(3) in a calendar year beginning after calendar  
8 year 1979 may not exceed 125 per centum of the  
9 estimated number of graduates from accredited schools  
10 of medicine in the calendar year preceding the calendar  
11 year to which the limit on the number of positions  
12 applies.

13           “(b) (1) (A) The compensation of a doctor of medicine  
14 or a doctor of osteopathy receiving training in a medical  
15 residency training program may not be included in deter-  
16 mining Federal payments under title V, XVIII, or XIX of  
17 the Social Security Act if—

18           “(i) the program is not an accredited medical resi-  
19 dency training program, or

20           “(ii) the number of first-year positions in the pro-  
21 gram is in excess of the number of such positions desig-  
22 nated for such program under section 1703.

23           “(B) With respect to any entity—

24           “(i) which is reimbursed on a per capita, fixed fee,

1 or negotiated rate basis for the provision of health care,  
2 and

3 “(ii) in which is located a medical residency train-  
4 ing program described in clause (i) or (ii) of sub-  
5 paragraph (A),

6 in determining Federal payments under title V, XVIII, or  
7 XIX of the Social Security Act, the Secretary shall exclude  
8 an amount which in his judgment is a reasonable equivalent  
9 to the amount which would otherwise be excluded under this  
10 paragraph if payment were to be made on other than such  
11 per capita, fixed fee, or negotiated rate basis.

12 “(2) If the Secretary determines that an entity is  
13 operating a medical residency training program—

14 “(A) which is not an accredited medical residency  
15 training program, or

16 “(B) with a number of first-year positions which  
17 exceeds the number designated for that program under  
18 section 1703,

19 the Secretary shall notify the entity of his determination,  
20 shall publish the determination in the Federal Register, and  
21 shall not make any grant or to enter into any contract with  
22 such entity under this Act for the fiscal year beginning after  
23 the date the Secretary publishes such determination in the  
24 Federal Register.

25 “(3) Paragraphs (1) and (2) of this subsection shall

1 apply with respect to medical residency training programs  
2 which in a calendar year beginning after calendar year  
3 1977, are not accredited medical residency training programs  
4 or have a number of first-year positions in excess of the num-  
5 ber designated under section 1703.

6 “(c) For purposes of this title:

7 “(1) The term ‘medical residency training pro-  
8 gram’ means a program which trains graduates of schools  
9 of medicine and schools of osteopathy in a medical spe-  
10 cialty recognized by the Liaison Committee for Specialty  
11 Boards established jointly by the American Board of  
12 Medical Specialties and the Council on Medical Educa-  
13 tion of the American Medical Association and which  
14 provides the graduate education required by the specialty  
15 board (recognized by such Liaison Committee) for certi-  
16 fication in such specialty. Such term does not include a  
17 residency training program in an osteopathic hospital.

18 “(2) The term ‘accredited medical residency train-  
19 ing program’ means a program for which an accredita-  
20 tion under section 1702 is in effect.

21 “(3) The term ‘accredited schools of medicine’  
22 means schools of medicine accredited by a recognized  
23 body or bodies approved for such purpose by the Com-  
24 missioner of Education.

25 “(4) Any reference to the Liaison Committee for



1 Specialty Boards, the American Board of Medical Spe-  
2 cialties, the Council on Medical Education of the Ameri-  
3 can Medical Association, the Liaison Committee on  
4 Graduate Medical Education of the Coordinating Coun-  
5 cil on Medical Education, or the Coordinating Council  
6 on Medical Education shall be considered a reference to  
7 any successor to the committee, board, or council.

8 "MEDICAL RESIDENCY TRAINING PROGRAM ACCREDITING  
9 AGENCY

10 "SEC. 1702. (a) (1) For the purpose of accrediting the  
11 medical residency training programs for which first-year  
12 positions may be designated under section 1703, the Sec-  
13 retary shall in accordance with subsection (b) designate or  
14 establish a medical residency training program accrediting  
15 agency (hereinafter in this section referred to as the 'ac-  
16 crediting agency').

17 "(2) The accrediting agency shall review, in accord-  
18 ance with criteria and procedures established and published  
19 by the agency and made available to the public, each medical  
20 residency training program in the United States and shall  
21 either accredit or disapprove such program. Each such pro-  
22 gram shall be reviewed at least every three years and an  
23 accreditation of a program shall be in effect for three years  
24 unless the accrediting agency terminates the accreditation be-  
25 fore the expiration of three years. For the period prior to

1 January 1, 1980, the accrediting agency may accredit such  
2 a program on the basis of an accreditation granted such  
3 program by an entity generally recognized by the medical  
4 profession for purposes of accrediting such a program.

5 “(3) Not later than April 1, 1976, and April 1 of each  
6 succeeding year, the accrediting agency shall submit to—

7 “(A) the agency designated under section 1703, or

8 “(B) the Secretary and the advisory council estab-  
9 lished under such section,

10 as may be appropriate, a list of the medical residency training  
11 programs accredited for the *second* calendar year following  
12 the calendar year in which the list is submitted. The accred-  
13 iting agency shall keep current each list it submits pursuant  
14 to this paragraph.

15 “(b) (1) (A) The Secretary is authorized to receive not  
16 later than August 31, 1975, an application from the Liaison  
17 Committee on Graduate Medical Education of the Coordinat-  
18 ing Council on Medical Education (hereafter in this section  
19 referred to as the ‘Liaison Committee’) for designation as the  
20 accrediting agency.

21 “(B) The Secretary shall by October 1, 1975, either  
22 approve or disapprove an application of the Liaison Com-  
23 mittee submitted under subparagraph (A). If the application  
24 contains or is supported by assurances satisfactory to the  
25 Secretary that the Liaison Committee will carry out the

1 functions and duties of an accrediting agency in accordance  
2 with the requirements of this section, the Secretary shall ap-  
3 prove the application. If the Secretary disapproves such an  
4 application, he shall provide the Liaison Committee with  
5 such technical and other nonfinancial assistance as may be ap-  
6 propriate to enable the Liaison Committee to provide the  
7 Secretary with such assurances. If by November 1, 1975, the  
8 Liaison Committee provides such assurances, he shall approve  
9 its application and designate it as the accrediting agency.

10       “(2) If the Liaison Committee has not submitted an  
11 application under paragraph (1) (A) or if the Secretary has  
12 not approved an application submitted by the Liaison Com-  
13 mittee, the Secretary, not later than November 15, 1975,  
14 shall solicit the submission by other entities of applications  
15 for designation as the accrediting agency and shall prescribe  
16 and publish in the Federal Register requirements which must  
17 be met by any such entity before it may be designated as the  
18 accrediting agency for purposes of this title. Such require-  
19 ments shall provide that such an entity—

20               “(A) have a governing body which is comprised  
21 of representatives of the medical profession, medical spe-  
22 cialty boards, medical specialty societies, hospitals,  
23 schools of medicine, and the general public; and

24               “(B) meet the criteria established by the Secretary

1 for recognition of nationally recognized accrediting  
2 agencies and associations.

3 Applications from such other entities may be received by the  
4 Secretary through December 31, 1975. The Secretary shall,  
5 if he determines that an entity under such an application  
6 meets the requirements prescribed under this paragraph and  
7 is otherwise qualified to accredit medical residency training  
8 programs, designate, not later than February 1, 1976, such  
9 entity as the accrediting agency.

10 “(3) (A) A designation of an accrediting agency shall  
11 be in effect for three years unless the Secretary terminates  
12 such designation before the expiration of three years upon  
13 a determination by the Secretary (after notice and reason-  
14 able opportunity for a public hearing) that the agency no  
15 longer meets the requirements of paragraph ~~(1)~~(2) or is not  
16 qualified to accredit medical residency training programs.  
17 A designation may, upon application, be renewed for a  
18 period of three years.

19 “(B) If the Secretary terminates a designation or deter-  
20 mines a designated accrediting agency is not qualified to have  
21 its designation renewed, the Secretary shall publish notice of  
22 such termination or determination and solicit applications  
23 from other entities for designation as the accrediting agency.

24 “(4) (A) If—

1           “(i) by February 1, 1976, the Secretary determines  
2           that no entity which has applied for designation under  
3           paragraph (2) meets the requirements prescribed under  
4           such paragraph or is otherwise qualified to accredit  
5           medical residency training programs or if by Decem-  
6           ber 31, 1975, no entity has applied under such para-  
7           graph for designation, or

8           “(ii) upon the expiration of a designation under  
9           this section, the Secretary determines that the designated  
10          agency is not qualified to have its designation renewed  
11          and that there are no qualified applicants for designa-  
12          tion, or upon the termination of such a designation  
13          the Secretary determines that there are no qualified ap-  
14          plicants for designation,

15          the Secretary shall, within ~~three months~~ *one month* of the  
16          determination (or if no application has been submitted by  
17          December 31, 1975, not later than ~~March~~ *February* 1,  
18          1976), establish an accrediting agency for purposes of this  
19          title.

20          “(B) An accrediting agency established by the Secre-  
21          tary under subparagraph (A) shall meet the criteria  
22          established by the Secretary for recognition of nationally  
23          recognized accrediting agencies and associations and be com-  
24          posed of members who are fairly representative of the medi-  
25          cal profession, medical specialty boards, medical specialty

1 societies, hospitals, schools of medicine, and the general  
2 public. While away from their homes or regular places of  
3 business in the performance of services for the agency estab-  
4 lished under subparagraph (A), members of the agency  
5 shall be allowed travel expenses, including per diem  
6 in lieu of subsistence, in the same manner as persons em-  
7 ployed intermittently in the Government service are allowed  
8 expenses under section 5703 (b) of title 5 of the United  
9 States Code. The agency may appoint and pay, without re-  
10 gard to the provisions of title 5, United States Code, respect-  
11 ing appointments in the competitive service and rates of pay,  
12 such personnel as it deems necessary for the agency to carry  
13 out its functions.

14 “(C) The establishment of an accrediting agency un-  
15 der subparagraph (A) shall be for such period (but not more  
16 than three years) as the Secretary prescribes. If an ac-  
17 crediting agency has been established by the Secretary an  
18 entity may apply for designation as such agency upon the  
19 termination of the period for which the accrediting agency  
20 was established. If no entity submits an approvable appli-  
21 cation for designation before the date of such termination,  
22 the Secretary shall renew the authority of the established  
23 accrediting agency for a period not to exceed three years.

24 “(5) The Secretary may, upon application of an agency  
25 designated under this section as the accrediting agency, agree

1 to assist the agency in meeting its costs in carrying out its  
2 functions and duties under this section.

3 "DESIGNATION OF POSITIONS

4 "SEC. 1703. (a) The number of first-year positions in  
5 each accredited medical residency training program in the  
6 United States which may be made available in any calendar  
7 year beginning after calendar year 1977 shall be designated  
8 in accordance with this section and section 1701 (a).

9 "(b) (1) (A) The Secretary is authorized to receive  
10 not later than August 31, 1975, an application from the Co-  
11 ordinating Council ~~for~~ on Medical Education (which upon  
12 its establishment had a governing body comprised of the  
13 Secretary (or his delegate), representatives of the American  
14 Medical Association, the American Board of Medical Spe-  
15 cialties, the Council of Medical Specialty Societies, the  
16 American Hospital Association, and the Association of  
17 American Medical Colleges, and representatives of the gen-  
18 eral public) for designation as the agency to designate the  
19 number of first-year positions which may be made available  
20 in each calendar year (beginning with calendar year 1978)  
21 by accredited medical residency training programs.

22 "(B) The Secretary shall by October 1, 1975, either  
23 approve or disapprove an application submitted under sub-  
24 paragraph (A). The Secretary may not disapprove such an  
25 application unless he determines that the Coordinating Coun-

1 cil on Medical Education (hereinafter in this section referred  
2 to as the 'Council') fails to meet such requirements as the  
3 Secretary shall prescribe respecting qualifications to make the  
4 designations prescribed by this section. If the Secretary  
5 disapproves such an application, he shall provide the Council  
6 with such technical and other nonfinancial assistance as may  
7 be appropriate to enable the Council to meet such require-  
8 ments. If by November 1, 1975, the Council meets such re-  
9 quirements, he shall approve its application and designate it  
10 as the agency to make the medical residency training pro-  
11 gram designations prescribed by this section.

12 “(C) If by August 31, 1975, the Council has not sub-  
13 mitted an application under subparagraph (A) or if by  
14 November 1, 1975, the Secretary has not approved an appli-  
15 cation submitted by the Council, the Secretary shall establish  
16 the advisory council prescribed by subsection (c).

17 “(2) (A) A designation of the Council under paragraph  
18 (1) shall be in effect for three years unless the Secretary  
19 terminates such designation before the expiration of three  
20 years upon a determination by the Secretary (after notice  
21 and reasonable opportunity for a public hearing) that the  
22 Council is not qualified to designate in accordance with this  
23 subsection the number of first-year positions in accredited  
24 medical residency training programs. A designation of the



1 Council may, upon its application, be renewed for a period of  
2 three years.

3 “(B) If the Secretary terminates a designation of the  
4 Council, the Secretary shall publish in the Federal Register  
5 notice of such termination and shall, within three months  
6 of such termination, establish the advisory council prescribed  
7 by subsection (c), or if the Council does not apply for  
8 renewal of its designation, the Secretary shall, not later than  
9 the expiration of the Council’s designation, establish the  
10 advisory council prescribed by subsection (c).

11 “(3) If the Council is designated under paragraph (1),  
12 it shall for the calendar years ~~within~~ *beginning in* the effec-  
13 tive period of its designation designate as follows the number  
14 of first-year positions which may be made available in each  
15 such calendar year by accredited medical residency programs:

16 “(A) The designation of such positions for the cal-  
17 endar year 1978 shall be made and published in the  
18 Federal Register not later than April 1, 1977. The  
19 designation of such positions for any succeeding calendar  
20 year shall be made and published in the Federal Regis-  
21 ter not later than April 1 of the calendar year preceding  
22 the calendar year for which the designation is made.  
23 Each entity which conducts an accredited medical resi-  
24 dency training program shall be given written notice

1 by the Council of the number of first-year positions  
2 which may be made available in such program.

3 “(B) Designations by the Council shall be made  
4 in accordance with the requirements of section 1701 and  
5 shall be based on a continuing assessment by the Council  
6 of (i) the needs for physicians’ services in health care  
7 entities in which accredited medical residency training  
8 programs are located and in the geographical regions  
9 served by such entities, and (ii) the effect of a reduc-  
10 tion of the number of positions in such a program on the  
11 accessibility to, and quality of care provided by, the  
12 entity in which the program is located.

13 “(C) In designating the number of first-year posi-  
14 tions, the Council shall—

15 “(i) take into consideration appropriate studies  
16 made with respect to medical services and man-  
17 power, including the report made with respect to  
18 the study conducted under section 15 (c) of the Act  
19 of December 31, 1973 (Public Law 93-233), and  
20 the report made with respect to the study conducted  
21 under section 901 of the Health Manpower Act of  
22 1975;

23 “(ii) insure that first-year positions in medical  
24 residency training programs are distributed equitably

1 throughout various geographical areas of the United  
2 States;

3 “(iii) afford special consideration to first-year  
4 positions in medical residency training programs  
5 maintained in conjunction with area health educa-  
6 tion centers under section ~~783~~ 784 of this Act; and

7 “(iv) afford particular attention to the need for  
8 medical residency training programs in the pri-  
9 mary care specialties of family medicine, general  
10 internal medicine, general pediatrics, and obstetrics  
11 and gynecology.

12 “(4) If the Council is designated under paragraph (1)  
13 of this subsection the Secretary may upon application agree  
14 to assist the Council in meeting the costs of carrying out the  
15 function and duties of making the designations required by  
16 paragraph (3).

17 “(c) (1) As prescribed by subsection (b), the Secre-  
18 tary shall establish (not later than January 1, 1976, or within  
19 such other time as may be prescribed by subsection (b) (2)  
20 (B)) an advisory council to perform the functions pre-  
21 scribed by subsection (d). The advisory council shall con-  
22 sist of twenty-one members as follows:

23 “(A) The Assistant Secretary of Health, Educa-  
24 tion, and Welfare for Health, the Administrator of the  
25 Health Resources Administration of the Department of

1 Health, Education, and Welfare, the Chief Medical Di-  
2 rector of the Veterans' Administration, and the Dean  
3 of the Uniformed Services University of the Health  
4 Sciences (established under chapter 104 of title 10 of  
5 the United States Code) shall each serve as nonvoting  
6 ex officio members of the advisory council.

7 " (B) Seventeen members appointed by the Secre-  
8 tary as follows:

9 " (i) Two members shall be appointed from  
10 at least four individuals nominated by the American  
11 Medical Association.

12 " (ii) Two members shall be appointed from  
13 at least four individuals nominated by the American  
14 Hospital Association.

15 " (iii) Two members shall be appointed from  
16 at least four individuals nominated by the Associa-  
17 tion of American Medical Colleges.

18 " (iv) Two members shall be appointed from  
19 at least four individuals nominated by the American  
20 Board of Medical Specialties.

21 " (v) Two members shall be appointed from  
22 at least four individuals nominated by the Council  
23 of Medical Specialty Societies.

24 " (vi) Six members shall be appointed from  
25 persons who are representative of the interests of

1 consumers of health care and who are not pro-  
2 viders of health care (as defined in section 1531  
3 (3)).

4 “(vii) One member shall be appointed from  
5 persons who are receiving training under a medical  
6 residency training program.

7 If by the date the Secretary is required to establish the  
8 advisory council an entity referred to in clause (i), (ii),  
9 (iii), (iv), or (v) of subparagraph (B) has not nominated  
10 for appointment to the advisory council at least four indi-  
11 viduals, the Secretary shall, from individuals whom the Sec-  
12 retary determines are representative of the interests of such  
13 entity, appoint the number of advisory council members  
14 prescribed by that clause.

15 “(2) The term of office of an appointed member of the  
16 advisory council shall be three years; except that (A) of the  
17 members first appointed to the advisory council—

18 “(i) five shall serve for terms of one year,

19 “(ii) six shall serve for terms of two years, and

20 “(iii) six shall serve for terms of three years,

21 as designated by the Secretary at the time of appointment,  
22 and (B) a member appointed to fill a vacancy occurring  
23 prior to the expiration of the term for which his predecessor  
24 was appointed, shall be appointed only for the remainder of

1 such term. A member may serve after the expiration of his  
2 term until his successor has taken office.

3 “(3) Members of the advisory council (other than  
4 officers or employees of the United States), while attending  
5 conferences or meetings of the council or otherwise serving  
6 at the request of the Secretary, shall be entitled to receive  
7 compensation at rates to be fixed by the Secretary, which  
8 rates may not exceed the daily equivalent for grade GS-18  
9 of the General Schedule for each day (including traveltime)  
10 they are so engaged; and while so serving away from their  
11 homes or regular places of business each member may be  
12 allowed travel expenses, including per diem in lieu of sub-  
13 sistence, as authorized by section 5703 of title 5 of the  
14 United States Code for persons in the Government service  
15 employed intermittently.

16 “(d) The advisory council established under subsection  
17 (c) shall carry out the following functions:

18 “(1) The advisory council shall make a continuing  
19 assessment of (A) the needs for physicians’ services  
20 in health care entities in which accredited medical  
21 residency training programs are located and in the  
22 geographical regions served by such entities, and (B)  
23 the effect of a reduction of the number of positions  
24 in such a program on the accessibility to, and quality

1 of care provided by, the entity in which the program is  
2 located.

3 “(2) (A) Based on the assessment made under  
4 paragraph (1) and subject to subparagraph (B), the  
5 advisory council shall ~~annually~~, *with respect to the calen-*  
6 *dar year for which the advisory council is authorized to*  
7 *make recommendations*, prepare and submit to the Sec-  
8 retary recommendations with respect to—

9 “(i) the total number of first-year positions  
10 which should be offered in ~~each calendar year~~ (~~be-~~  
11 ~~ginning with calendar year 1978~~) *such calendar*  
12 *year* by accredited medical residency training pro-  
13 grams in each of the medical specialties recognized  
14 by the Liaison Committee for Specialty Boards, and

15 “(ii) the number of first-year positions which  
16 should be offered in ~~each calendar year~~ (~~beginning~~  
17 ~~with calendar year 1978~~) *such calendar year* by  
18 each entity conducting an accredited medical resi-  
19 dency training program.

20 The recommendations of the advisory council with re-  
21 spect to first-year positions in medical residency train-  
22 ing programs in any calendar year shall be submitted to  
23 the Secretary not later than January 1 of the preceding  
24 calendar year.

25 “(B) Before making recommendations under sub-

1 paragraph (A), the advisory council shall consult with  
2 appropriate medical specialty and health care organiza-  
3 tions and—

4 “(i) take into consideration appropriate studies  
5 made with respect to medical services and man-  
6 power, including the report made with respect to  
7 the study conducted under section 15 (c) of the Act  
8 of December 31, 1973 (Public Law 93-233), and  
9 the report made with respect to the study conducted  
10 under section 901 of the Health Manpower Act of  
11 1975;

12 “(ii) insure that first-year positions in medical  
13 residency training programs are distributed equitably  
14 throughout various geographical areas of the United  
15 States;

16 “(iii) afford special consideration to first-year  
17 positions in medical residency training programs  
18 maintained in conjunction with area health educa-  
19 tion centers under section 783 784 of this Act; and

20 “(iv) afford particular attention to the need for  
21 medical residency training programs in the primary  
22 care specialties of general internal medicine, general  
23 pediatrics, family medicine, and obstetrics and gynecology.  
24

25 “(e) (1) The Secretary shall publish in the Federal



1 Register, not later than January 15 of each year, the recom-  
2 mendations submitted under subsection (d) (2) (A) by the  
3 advisory council. The Secretary shall give interested persons  
4 an opportunity to submit written data, views, or arguments,  
5 respecting the recommendations. If, after considering com-  
6 ments submitted with respect to such recommendations, the  
7 Secretary finds that the recommendations—

8 “(A) are in accordance with the requirements of  
9 section 1701 (a),

10 “(B) meet the specifications of clauses (ii), (iii),  
11 and (iv) of subsection (d) (2) (B), and

12 “(C) are otherwise in the public interest,

13 he shall, in accordance with such recommendations, by regu-  
14 lation designate the first-year positions to be made available  
15 in medical residency training programs in the calendar year  
16 with respect to which such recommendations were made. If  
17 the Secretary is unable to make the findings described in the  
18 preceding sentence with respect to any recommendations  
19 submitted by the advisory council, he shall by regulation  
20 designate, in accordance with section 1701 (a), the specifi-  
21 cations of such clauses (ii), (iii), and (iv), and such other  
22 criteria respecting the public interest as he determines appro-  
23 priate, the number of first-year positions to be made avail-  
24 able by accredited medical residency training programs in

1 the calendar year with respect to which the recommendations  
2 were submitted.

3     “(2) The designations made by the Secretary under  
4 paragraph (1) for any calendar year shall be made by, and  
5 published in the Federal Register not later than, April 1  
6 of the preceding calendar year, and each entity which con-  
7 ducts an accredited medical residency training program shall  
8 be given written notice of the number of first-year positions  
9 which may be made available in such program.

10     “(f) (1) If the number of first-year positions desig-  
11 nated under this section for a medical residency training pro-  
12 gram for calendar year 1978 is less than the number made  
13 available in such program in the preceding calendar year  
14 or if the number of such positions designated for calendar  
15 year 1979 or 1980 is less than the number designated under  
16 this section for the preceding calendar year, then, within  
17 thirty days of the date the entity in which such program is  
18 located is notified pursuant to subsection (b) (3) (A) or  
19 (e) (2) of such lesser number of first-year positions which  
20 it may make available in the training program, such entity  
21 may apply to the Coordinating Council or the Secretary, as  
22 appropriate, to have such number raised to a number not  
23 more than the number of such first-year positions (A) made  
24 available in the preceding calendar year if such year was

1 calendar year 1977, or (B) designated for the preceding  
 2 calendar year if such year was calendar year 1978 or 1979.

3 “(2) The Secretary or the Coordinating Council, as the  
 4 case may be, shall within sixty days of the date an applica-  
 5 tion is submitted under paragraph (1) either approve or dis-  
 6 approve such application. The Secretary or the Coordinating  
 7 Council may not approve such an application unless---

8 “(A) the Secretary or the Coordinating Council,  
 9 as the case may be, determines that without the increase  
 10 requested in the application the applicant will be unable  
 11 to deliver needed patient-care services, and

12 “(B) (i) the applicant establishes the impact of a  
 13 disapproval of the application upon needed patient-care  
 14 services, and

15 “(ii) the applicant demonstrates the efforts made  
 16 by the applicant to provide such services through health  
 17 professionals who are not receiving training in a medical  
 18 residency training program of the applicant,

19 If such an application is approved, a reference in this title  
 20 to the number of first-year positions designated for the medi-  
 21 cal residency training program with respect to which the  
 22 application was submitted is a reference to the number of  
 23 such positions as increased under the approved application,

24 “(3) An application under paragraph (1) may be ap-  
 25 proved even though approval of the application will cause

1 the aggregate number of first-year positions authorized under  
2 this section to be made available in all accredited medical  
3 residency training programs in the calendar year with re-  
4 spect to which the application is submitted to exceed the  
5 limit prescribed by section 1701 (a) for such calendar year.

6 “(g) The Secretary shall provide technical assistance  
7 to health care entities which because of the requirements  
8 of section 1701 experience a decline in the number of phy-  
9 sicians providing health services through such entities to  
10 assist such entities in securing other health personnel (in-  
11 cluding physician’s assistants and nurse practitioners).

#### 12 “REPORTS

13 “SEC. 1704. The Secretary shall submit annually to the  
14 Congress a report on the operation of this title and the  
15 effect of this title on the accessibility to, and quality of care  
16 provided by, health care entities which because of the re-  
17 quirements of section 1701 experience a decline in the num-  
18 ber of physicians providing services through such entities.”

#### 19 TITLE IX—MISCELLANEOUS

##### 20 STUDY OF DISTRIBUTION OF PHYSICIANS

21 SEC. 901. (a) The Secretary of Health, Education, and  
22 Welfare shall, within ninety days after the date of the  
23 enactment of this Act, contract for the conduct of a study  
24 for the following purposes:

1           (1) To analyze the current distribution of physi-  
2 cians by specialty. In making such analysis—

3           (A) the geographical distribution of medical  
4 and osteopathic physicians by specialty and sub-  
5 specialty and by geographic area shall be deter-  
6 mined, and in connection with such determination  
7 physician specialties and subspecialties shall be  
8 defined in a manner consistent with recognized cate-  
9 gories and geographical areas shall be defined as  
10 reasonable medical trade areas for each specialty or  
11 subspecialty; and

12           (B) special attention shall be given to de-  
13 termining (i) the percentage of time physicians in  
14 each specialty and subspecialty spend in primary  
15 care activities and in other activities unrelated to  
16 their specialty training, and (ii) the percentage of  
17 time primary care physicians spend in specialty  
18 care.

19           (2) To project the expected distribution of physi-  
20 cians by specialty and subspecialty by geographic area  
21 in the years 1980, 1985, and 1990. Such projection shall  
22 be based on current trends in physician specialty train-  
23 ing and choice of practice sites, the activities of various  
24 specialty boards and other organizations, and the retire-

1 ment-death rate of physicians by specialty and sub-  
2 specialty.

3 (3) To examine and evaluate the various method-  
4 ologies for estimating the optimal distribution of physi-  
5 cians by specialty and subspecialty by geographic area  
6 controlling the supply of specialists and subspecialists.  
7 Methodologies examined and evaluated shall include  
8 (A) methodologies utilized by foreign countries, and  
9 (B) consideration of the use of nonphysicians to per-  
10 form functions normally performed by physicians.

11 (4) To develop a reliable and appropriate method-  
12 ology to establish the optimal distribution of physicians  
13 by specialty and subspecialty by geographic area. Utiliz-  
14 ing such methodology, projections shall be made for the  
15 optimal number of physicians by specialty and subspe-  
16 cialty by geographic area for the years 1980, 1985,  
17 and 1990.

18 (b) The organization selected by the Secretary to con-  
19 duct the study required by subsection (a) shall—

20 (1) have a national reputation for objectivity in  
21 the conduct of studies for the Federal Government;

22 (2) have the capacity to readily marshal the widest  
23 possible range of expertise and advice relevant to the  
24 conduct of such study;

1           (3) have a membership and competent staff which  
2           have backgrounds in government, the health sciences,  
3           and the social sciences;

4           (4) have a history of interest and activity in health  
5           policy issues related to such study; and

6           (5) have extensive existing contracts with inter-  
7           ested public and private agencies and organizations.

8           (c) An interim report providing a plan for the study  
9           required by subsection (a) shall be submitted by the orga-  
10          nization conducting the study to the Committee on Inter-  
11          state and Foreign Commerce of the House of Representa-  
12          tives and the Committee on Labor and Public Welfare of  
13          the Senate by October 31, 1975; and a final report giving  
14          the results of the study shall be submitted by such organiza-  
15          tion to the Committee on Interstate and Foreign Commerce  
16          of the House of Representatives and the Committee on Labor  
17          and Public Welfare of the Senate by October 31, 1976.

18          (d) The Secretary shall make an annual report to the  
19          Congress describing and evaluating the impact of the pro-  
20          grams of assistance authorized by title VII of the Public  
21          Health Service Act on the number and distribution of, and  
22          quality of care provided by, health professionals in areas not  
23          within Standard Metropolitan Statistical Areas.

24           QUALITY ASSURANCES RESPECTING EDUCATION AND  
25           TRAINING OF ALLIED HEALTH PERSONNEL

26           SEC. 902. The Secretary of Health, Education, and

1 Welfare shall within one year of the date of the enactment  
2 of this Act (1) submit to the Congress a report which  
3 identifies and describes each of the programs which he ad-  
4 ministers under which the costs of programs of education and  
5 training for allied health personnel (as defined in section  
6 795 of the Public Health Service Act) are directly or indi-  
7 rectly paid (in whole or in part) ; and (2) take such action  
8 as may be necessary to require that such assistance is pro-  
9 vided only those programs which meet such quality stand-  
10 ards as the Secretary may by regulation prescribe.

11 **ALLIED HEALTH PERSONNEL STUDY**

12 **SEC. 903.** (a) (1) The Secretary of Health, Education,  
13 and Welfare shall, in accordance with paragraph (2) ar-  
14 range for the conduct of studies—

15 (A) to identify the various types of allied health  
16 personnel and the activities in which such personnel are  
17 engaged and the various training programs currently  
18 offered for allied health personnel;

19 (B) to establish classifications of allied health per-  
20 sonnel on the basis of their activities, responsibilities, and  
21 training;

22 (C) using appropriate methodologies, to determine  
23 the cost of educating and training allied health personnel  
24 in each classification; and

25 (D) to identify the classifications in which there are  
26 a critical shortage of such personnel and the training



1 programs which should be assisted to meet that shortage.

2 (2) (A) The Secretary shall request the National  
3 Academy of Sciences to conduct such studies under an ar-  
4 rangement under which the actual expenses incurred by such  
5 Academy in conducting such studies will be paid by the  
6 Secretary. If the National Academy of Sciences is willing to  
7 do so, the Secretary shall enter into such an arrangement  
8 with such Academy for the conduct of such studies.

9 (B) If the National Academy of Sciences is unwilling  
10 to conduct one or more such studies under such an arrange-  
11 ment, then the Secretary shall enter into a similar arrange-  
12 ment with other appropriate nonprofit private groups or  
13 associations under which such groups or associations will  
14 conduct such studies and prepare and submit the reports  
15 thereon as provided in subsection (b).

16 (b) The studies required by subsection (a) shall be com-  
17 pleted within the two-year period beginning on the date of  
18 the enactment of this Act; and a report on the results of  
19 such study shall be submitted by the Secretary to the Com-  
20 mittee on Interstate and Foreign Commerce of the House  
21 of Representatives and the Committee on Labor and Public  
22 Welfare of the Senate before the expiration of such period.

23 (c) Within six months after the date prescribed for the  
24 completion of the studies under subsection (a), the Secretary  
25 of Health, Education, and Welfare shall transmit to Congress

1 such recommendations for legislation as he determines is  
2 necessary to provide appropriate support for the training  
3 programs referred to in subsection (a) (1) (D).

4       STUDY OF FUNDING ALTERNATIVES FOR HEALTH

5                       PROFESSIONS EDUCATION

6       SEC. 904. The Secretary shall arrange for the conduct of  
7 a study or studies to (1) determine the factors affecting the  
8 costs of schools of medicine, osteopathy, dentistry, veterinary  
9 medicine, optometry, podiatry, and pharmacy in conducting  
10 their respective educational programs, (2) identify and eval-  
11 uate the current sources of revenue (including grants under  
12 the Public Health Service Act and other sources of Federal  
13 and State financial assistance) available to such schools to  
14 meet such costs, and (3) identify and evaluate alternative  
15 sources of revenue which may be developed to meet such  
16 costs. The Secretary shall provide that the entity or entities  
17 conducting such study or studies shall solicit and consider the  
18 views of appropriate professional organizations representative  
19 of the interests of such schools. The Secretary shall report the  
20 results of the study, together with recommendations for such  
21 legislation as he may deem appropriate, to the Committee on  
22 Interstate and Foreign Commerce of the House of Repre-  
23 sentatives and the Committee on Labor and Public Welfare  
24 of the Senate not later than June 30, 1976.

## 1 RECOVERY

2 SEC. 905. Title V is amended by adding at the end  
3 thereof the following new section:

## 4 "RECOVERY

5 "SEC. 514. If, within twenty years (or ten years in the  
6 case of a facility constructed under funds paid under part A  
7 of title VII (as in effect before the date of the enactment  
8 of the Health Manpower Act of 1975)) after completion of  
9 the construction of any facility for which funds have been  
10 paid under such part A (as so in effect) or under part D  
11 of such title VII (as in effect before July 1, 1967)—

12 "(1) the applicant for such funds or other owner of  
13 such facility shall cease to be a public or nonprofit  
14 private entity, or

15 "(2) such facility shall cease to be used for the  
16 purposes for which such funds for its construction were  
17 provided, unless the Secretary determines, in accordance  
18 with regulations, that there is good cause for releasing  
19 the applicant or other owner from the obligation to do so,  
20 the United States shall be entitled to recover from the  
21 applicant or other owner of the facility the amount bearing  
22 the same ratio to the then value (as determined by agree-  
23 ment of the parties or by action brought in the United  
24 States district court for the district in which such facility

1 is situated) of the facility, as the amount of the Federal par-  
2 ticipation bore to the cost of construction of such facility.”.

3

*DEFINITION OF STATE*

4 *SEC. 906. (a) Section 2(f) is amended to read as*  
5 *follows:*

6 *“(f) Except as provided in sections 314(g)(4)(B),*  
7 *317(h)(2), 318(c)(1), 330(a)(2), 355(5), 361(d),*  
8 *1002(c), 1201(2), 1410(13), 1531(1), and 1633(1), the*  
9 *term ‘State’ includes, in addition to the several States, only*  
10 *the District of Columbia, Guam, the Commonwealth of*  
11 *Puerto Rico, and the Virgin Islands.”*

12 *(b)(1) Section 361(d) is amended by adding at the*  
13 *end thereof the following: “For purposes of this subsection,*  
14 *the term ‘State’ includes, in addition to the several States,*  
15 *only the District of Columbia.”.*

16 *(2) Section 1410 is amended by adding after paragraph*  
17 *(12) the following new paragraph:*

18 *“(13) The term ‘State’ includes, in addition to the*  
19 *several States, only the District of Columbia, Guam, the*  
20 *Commonwealth of Puerto Rico, the Virgin Islands,*  
21 *American Samoa, and the Trust Territory of the Pacific*  
22 *Islands.”.*

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**A BILL**

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To amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes.

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By Mr. ROGERS, Mr. PREYER, Mr. SYMINGTON,  
Mr. CARNEX, Mr. SCHUBER, Mr. WAXMAN,  
Mr. HEFFNER, Mr. PLOMO, Mr. WERTH, Mr.  
CARTER, Mr. BROVHILL, Mr. HASPINGS, and  
Mr. HEINZ

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MARCH 26, 1975  
Referred to the Committee on Interstate and Foreign  
Commerce

JUNE 7, 1975  
Reported with amendments, committed to the Com-  
mittee of the Whole House on the State of the  
Union, and ordered to be printed