

107TH CONGRESS
1ST SESSION

S. 1585

To establish grant and scholarship programs to enable hospitals to retain
and further educate their nursing staffs.

IN THE SENATE OF THE UNITED STATES

OCTOBER 30, 2001

Mr. LIEBERMAN (for himself and Mr. ENSIGN) introduced the following bill;
which was read twice and referred to the Committee on Health, Edu-
cation, Labor, and Pensions

A BILL

To establish grant and scholarship programs to enable
hospitals to retain and further educate their nursing staffs.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Hospital-Based Nurs-
5 ing Initiative Act of 2001”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) a Department of Health and Human Serv-
9 ices study found a correlation between the number

1 of registered nurses on the staff of a facility and pa-
2 tient health outcomes;

3 (2) studies have shown that hospitals that pro-
4 mote greater autonomy for nurses, greater nurse
5 control and input into the decisionmaking process in
6 the hospital setting, better communication between
7 nurses and physicians, and input from nurses at the
8 executive level in the hospital lead to increased re-
9 tention of and satisfaction for nurses;

10 (3) the job dissatisfaction rate among nurses in
11 the United States, 41 percent, is higher than in
12 most other countries;

13 (4) $\frac{1}{3}$ of nurses under the age of 30 are plan-
14 ning to leave the nursing profession within the next
15 year;

16 (5) hospitals employ nearly 60 percent of the
17 entire nursing workforce;

18 (6) while the number of inpatient hospitaliza-
19 tions is expected to continue to decrease, the acuity
20 of those patients requiring hospital stays is expected
21 to increase;

22 (7) the projected supply of registered nurses is
23 anticipated to grow at a rate of less than 1.5 percent
24 per year through the next 8 years, while the demand

1 rate (growth) is projected to be over 21 percent per
 2 year;

3 (8) there must be incentives for hospitals to re-
 4 vise management principles to improve the quality of
 5 the work environment in hospitals, initiate aggres-
 6 sive retention programs for the nurses currently em-
 7 ployed in hospital settings, and employ aggressive
 8 recruiting tactics to attract nurses back to hospital
 9 settings; and

10 (9) while numerous hospitals have begun to
 11 take the necessary steps to address these issues,
 12 Congress recognizes the need for intervention and
 13 stimulus.

14 **SEC. 3. NURSE GRANT AND SCHOLARSHIP PROGRAMS.**

15 Title VIII of the Public Health Service Act (42
 16 U.S.C. 296 et seq.) is amended by adding at the end the
 17 following:

18 **“PART H—NURSE GRANT AND SCHOLARSHIP**
 19 **PROGRAM**

20 **“SEC. 851. DEFINITIONS.**

21 “In this part:

22 “(1) DIVISION.—The term ‘Division’ means the
 23 Nursing Division of the Bureau of Health Profes-
 24 sions of the Health Resources and Services Adminis-
 25 tration.

1 “(2) NURSE LEADERSHIP.—The term ‘nurse
2 leadership’ includes—

3 “(A) nurse executives;

4 “(B) nurse administrators; and

5 “(C) nurse managers.

6 “(3) PROFESSIONAL NURSE.—The term ‘profes-
7 sional nurse’ means a registered nurse who holds a
8 valid and unrestricted license to practice nursing in
9 a State.

10 **“SEC. 852. QUALITY OF WORK ENVIRONMENT AND RETEN-**
11 **TION GRANT PROGRAM.**

12 “(a) AUTHORIZATION OF GRANTS.—The Secretary
13 may award grants to hospitals—

14 “(1) to improve the quality of the work environ-
15 ment in hospitals;

16 “(2) to initiate aggressive retention programs
17 for nurses employed in hospitals; and

18 “(3) to employ aggressive recruiting tactics to
19 attract nurses back to hospitals.

20 “(b) APPLICATION.—

21 “(1) DEVELOPMENT OF APPLICATION FORM.—
22 Not later than October 1, 2002, the Secretary shall
23 develop an application form that a hospital shall use
24 in applying for a grant under this section.

1 “(2) SUBMISSION.—Each hospital desiring a
2 grant under subsection (a) shall submit an applica-
3 tion to the Division at such time, in such manner,
4 and accompanied by such information as the Sec-
5 retary may reasonably require.

6 “(3) DUTIES OF THE DIVISION.—The Division
7 shall—

8 “(A) review each application submitted
9 under paragraph (2); and

10 “(B) not later than 30 business days after
11 receipt of an application submitted under para-
12 graph (2), forward the application to the Sec-
13 retary with a recommendation as to whether the
14 Secretary should award a grant to the appli-
15 cant.

16 “(4) DUTIES OF THE SECRETARY.—Not later
17 than 30 business days after receipt of an application
18 from the Division under paragraph (3), the Sec-
19 retary shall determine whether to award a grant to
20 the applicant.

21 “(c) GRANT APPROVAL CRITERIA.—

22 “(1) PRIORITY CRITERIA.—The Secretary shall
23 give priority in awarding grants under this section
24 to hospitals that have not previously received a grant
25 under this section.

1 “(2) REQUIREMENTS.—Before awarding a
2 grant under subsection (a), the Secretary shall as-
3 sure that the hospital meets the following criteria:

4 “(A) MULTIPLE GRANTS.—The hospital
5 has not received a grant under this section dur-
6 ing the previous 2 year period.

7 “(B) SYSTEM OF PATIENT OUTCOMES
8 MEASUREMENT.—

9 “(i) IN GENERAL.—The nurse leader-
10 ship and professional nurses of the hospital
11 have developed a system of patient out-
12 comes measurement.

13 “(ii) DELIVERY OF CARE.—The sys-
14 tem of patient outcomes measurement
15 under clause (i) evaluates the specific care
16 needs of the patients served by the hospital
17 and the educational needs of the nursing
18 staff of the hospital to ensure that the care
19 the hospital is providing is meeting the
20 needs of the patients.

21 “(iii) FUNDING.—The hospital allo-
22 cates sufficient funds to carry out the sys-
23 tem of patient outcomes measurement
24 under clause (i).

25 “(C) DECISIONMAKING.—

1 “(i) MULTIDISCIPLINARY AP-
 2 PROACH.—The hospital uses a multidisci-
 3 plinary decisionmaking process that incor-
 4 porates the input of the nursing staff of
 5 the hospital when refinements, resulting
 6 from the evaluation under subparagraph
 7 (B)(ii), are developed.

8 “(ii) PARTICIPATION IN DECISION-
 9 MAKING.—The nurse leadership of the hos-
 10 pital has developed and implemented poli-
 11 cies and practices that—

12 “(I) ensure participation of the
 13 nursing staff of the hospital in the de-
 14 cisionmaking processes of the hospital;
 15 and

16 “(II) foster the nursing staff’s
 17 ability to maintain autonomy in the
 18 delivery of care.

19 “(D) NURSE EXECUTIVE PARTICIPA-
 20 TION.—The nurse executive in the hospital par-
 21 ticipates and provides input in all facets of sen-
 22 ior level management as a member of the execu-
 23 tive team of the hospital.

1 “(E) NURSE RETENTION COMMITTEE.—

2 The nurse leadership of the hospital has orga-
3 nized a Nurse Retention Committee that—

4 “(i) includes nursing staff representa-
5 tives from the various nursing specialties
6 practicing in the hospital;

7 “(ii) meets on a regular basis and for-
8 wards recommendations for initiatives to
9 increase nurse retention to the nurse lead-
10 ership; and

11 “(iii) works with the nurse leadership
12 of the hospital to address and forward the
13 recommendations under clause (ii) to the
14 executive team of the hospital.

15 “(F) NURSE RESIDENCY TRAINING PRO-
16 GRAM.—

17 “(i) IN GENERAL.—The hospital has
18 developed a Nurse Residency Training
19 Program (referred to in this section as the
20 ‘NRTP’) for—

21 “(I) new graduate nurses enter-
22 ing the workforce on a full-time basis
23 in a hospital setting; and

24 “(II) nurses returning to a hos-
25 pital staff on a full-time basis after an

1 absence of not less than 3 years with-
 2 out working in the nursing field.

3 “(ii) RETURNING NURSES.—The
 4 nurse leadership of the hospital evaluates
 5 the skills and competencies of each nurse
 6 described in clause (i)(II) to determine—

7 (I) whether that nurse needs to
 8 participate in the NRTP; and

9 (II) for how long that nurse
 10 should participate in the NRTP if it
 11 is determined under subclause (I) that
 12 the nurse needs to participate in the
 13 NRTP.

14 “(iii) TRAINING.—The—

15 “(I) hospital coordinates, to the
 16 greatest extent possible, the NRTP
 17 with an accredited school of nursing;
 18 or

19 “(II) NRTP is not less than 3
 20 months and not more than 1 year in
 21 duration and accommodates sufficient
 22 training opportunities as determined
 23 by the nurse leadership in the facility.

24 “(G) CONTINUING EDUCATION.—The hos-
 25 pital promotes and, to the greatest extent pos-

1 sible, provides continuing education for the
2 nursing staff—

3 “(i) to obtain nursing-related certifi-
4 cation;

5 “(ii) to maintain continuing education
6 units as required for nursing-licensure; and

7 “(iii) to further clinical skills through
8 advanced training opportunities.

9 “(H) RECOGNITION AND REWARD PRO-
10 GRAM.—The hospital has developed a recogni-
11 tion and reward program in conjunction with
12 subparagraph (G) for a nurse who obtains a
13 nursing-related certification from an accredited
14 or professionally recognized organization that
15 provides—

16 “(i) financial recognition and rewards;
17 or

18 “(ii) non-financial recognition and re-
19 wards that are determined by the Nurse
20 Retention Committee of the hospital to be
21 appropriate.

22 “(d) ALLOCATION.—

23 “(1) IN GENERAL.—The Secretary shall deter-
24 mine the amount of a grant awarded to a hospital

1 under this section on a case by case basis subject to
2 paragraph (2).

3 “(2) MAXIMUM AMOUNTS.—The Secretary shall
4 not award a grant exceeding—

5 “(A) \$200,000 for a hospital with less
6 than 100 staffed beds;

7 “(B) \$400,000 for a hospital with less
8 than 400 staffed beds; and

9 “(C) \$600,000 for a hospital with 400 or
10 more staffed beds.

11 “(e) RECEIPT OF FUNDS.—Not later than 60 days
12 after awarding a grant to a hospital under subsection (a),
13 the Secretary shall distribute the grant funds to the hos-
14 pital.

15 “(f) USES OF FUNDS.—A grant awarded to a hos-
16 pital under subsection (a) shall be used for 1 or more of
17 the following:

18 “(1) Improvements to the work environment of
19 the hospital for the nursing staff that improves the
20 nursing staff’s job satisfaction or safety, or both.

21 “(2) To provide continuing education programs
22 for the nursing staff.

23 “(3) To continue the Nurse Residency Training
24 Program.

1 “(4) To carry out initiatives recommended by
 2 the Nursing Retention Committee of the hospital to
 3 increase retention of the nursing staff.

4 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
 5 is authorized to be appropriated to carry out this section
 6 \$30,000,000 for each of fiscal years 2003 through 2005
 7 and such sums as are necessary for each of fiscal years
 8 2006 and 2007.

9 **“SEC. 853. BRIDGE SCHOLARSHIP PROGRAM.**

10 “(a) PROGRAM AUTHORIZED.—The Secretary shall
 11 establish a Bridge Scholarship Program (referred to in
 12 this section as the ‘program’) to provide scholarships to
 13 hospital-based professional nurses to enable such nurses
 14 to complete a Bachelor of Science in Nursing degree (re-
 15 ferred to in this section as the ‘degree’) in exchange for
 16 service from such nurses in sponsoring hospitals upon
 17 completion of such degree.

18 “(b) ELIGIBILITY.—To be eligible to participate in
 19 the program an individual shall—

20 “(1) be employed by a hospital;

21 “(2) be accepted for enrollment, or be enrolled,
 22 in an accredited school of nursing;

23 “(3) submit the required materials in accord-
 24 ance with subsection (c)(2); and

1 “(4) be able to complete the degree not later
2 than 3 years after enrolling in the accredited school
3 of nursing.

4 “(c) APPLICATION PROCESS.—

5 “(1) DEVELOPMENT OF APPLICATION FORM.—

6 The Secretary shall develop an application form that
7 an individual shall use to apply for a scholarship
8 under the program.

9 “(2) SUBMISSION.—Each individual desiring a
10 scholarship under the program shall submit to the
11 hospital where the individual is employed—

12 “(A) an official letter from each State li-
13 censing agency where the individual is licensed
14 to practice nursing that the individual—

15 “(i) has an unrestricted license to
16 practice nursing; and

17 “(ii) is in good standing;

18 “(B) an application for participation in the
19 program;

20 “(C) proof of acceptance for enrollment, or
21 enrollment in, an accredited school of nursing;
22 and

23 “(D) a written contract accepting payment
24 of a scholarship in exchange for providing the

1 required service in the hospital where the indi-
2 vidual is employed.

3 “(3) DUTY OF THE HOSPITAL.—A hospital that
4 receives the materials described in paragraph (2)
5 shall—

6 “(A) make a determination as to whether
7 to enter into the contract under paragraph
8 (2)(D) with the individual; and

9 “(B) if the hospital elects to enter into the
10 contract with the individual, not later than May
11 31 of each calendar year, forward the materials
12 it receives under paragraph (2) to the Division.

13 “(4) DUTIES OF THE DIVISION.—The Division
14 shall—

15 “(A) review the materials forwarded under
16 paragraph (3); and

17 “(B) not later than 30 days after receipt
18 of the materials forwarded under paragraph
19 (3), forward the materials to the Secretary with
20 a recommendation as to whether the Secretary
21 should award a scholarship to the applicant.

22 “(5) DUTIES OF THE SECRETARY.—Not later
23 than 30 days after—

24 “(A) receipt of the materials forwarded
25 under paragraph (4), the Secretary shall ap-

1 prove or disapprove the application submitted
2 under paragraph (2); and

3 “(B) the Secretary approves or disapproves
4 an application under subparagraph (A), the
5 Secretary shall notify the applicant in writing of
6 the approval or disapproval.

7 “(d) CONTRACT.—

8 “(1) IN GENERAL.—The Secretary shall develop
9 a written contract for participation in the program.

10 “(2) CONTENT.—The contract described in
11 paragraph (1) shall be an agreement between the
12 Secretary, the individual, and the sponsoring hos-
13 pital that states that, subject to paragraph (3)—

14 “(A) the Secretary agrees to—

15 “(i) provide the individual with a
16 scholarship in each school year, not to ex-
17 ceed 3 years, in which the individual is
18 pursuing the degree; and

19 “(ii) accept the individual into the
20 program;

21 “(B) the individual agrees to—

22 “(i) accept any provision of such a
23 scholarship;

1 “(ii) maintain enrollment in the ac-
2 credited school of nursing until the indi-
3 vidual completes the degree;

4 “(iii) while enrolled in the accredited
5 school of nursing, maintain an acceptable
6 level of academic standing; and

7 “(iv) work as a nurse at the spon-
8 soring hospital upon completion of the de-
9 gree for a period of 1 month for each
10 month the individual was provided a schol-
11 arship under the program; and

12 “(C) the sponsoring hospital agrees to—

13 “(i) provide the option for the indi-
14 vidual to work as a nurse while the indi-
15 vidual is enrolled in the accredited school
16 of nursing for any employment-shifts on
17 which the individual and sponsoring hos-
18 pital jointly agree (such work will not
19 count towards the requirements of the in-
20 dividual to work at the sponsoring hospital
21 under subparagraph (B)(iv)); and

22 “(ii) if the sponsoring hospital termi-
23 nates the employment of the individual
24 while the individual is working at the spon-
25 soring hospital pursuant to subparagraph

1 (B)(iv), submit to the Secretary a written
2 explanation as to why the individual was
3 terminated.

4 “(3) LIMITATION.—The contract described in
5 paragraph (1) shall contain a provision that any fi-
6 nancial obligation of the United States arising out of
7 a contract entered into under this section and any
8 obligation of the individual and the sponsoring hos-
9 pital which is conditioned thereon, is contingent
10 upon funds being appropriated for scholarships
11 under this section.

12 “(e) PAYMENT.—

13 “(1) IN GENERAL.—A scholarship provided to
14 an individual under the program shall consist of
15 payment to, or (in accordance with paragraph (2))
16 on behalf of, the individual of the amount of the tui-
17 tion of the individual in such school year.

18 “(2) CONTRACT.—The Secretary may contract
19 with an accredited school of nursing, in which an in-
20 dividual in the program is enrolled, for the payment
21 to the accredited school of nursing of the amount of
22 tuition described in paragraph (1).

23 “(f) BREACH OF AGREEMENT.—

24 “(1) INDIVIDUAL.—Subject to paragraph (3), if
25 an individual participates in the program under this

1 section and agrees to work as a nurse at the spon-
 2 soring hospital for a period of time in consideration
 3 for receipt of a scholarship to pursue a degree, the
 4 individual is liable to the Federal Government for
 5 the amount of such scholarship, and for interest on
 6 such amount at the maximum legal prevailing rate,
 7 if the individual—

8 “(A) fails to work as a nurse in accordance
 9 with subsection (d)(2)(B)(iv);

10 “(B) fails to maintain an acceptable level
 11 of academic standing in the degree program (as
 12 indicated by the accredited school of nursing in
 13 accordance with requirements established by the
 14 Secretary);

15 “(C) is dismissed from the degree program
 16 for disciplinary reasons; or

17 “(D) voluntarily terminates the degree pro-
 18 gram.

19 “(2) SPONSORING HOSPITAL.—If the spon-
 20 soring hospital fails to comply with subsection
 21 (d)(2)(C)(ii), the sponsoring hospital is liable to the
 22 Federal Government for the amount of the scholar-
 23 ship, and for interest on such amount at the max-
 24 imum legal prevailing rate, of the individual whose
 25 employment was terminated.

1 “(3) WAIVER OR SUSPENSION OF LIABILITY.—

2 The Secretary shall waive liability—

3 “(A) under paragraph (1) if compliance by
4 the individual with the agreement involved is
5 impossible due to a catastrophic life event of
6 the individual; or

7 “(B) under paragraph (1)(A) if the spon-
8 soring hospital terminates the employment of
9 the individual.

10 “(g) REPORT.—

11 “(1) IN GENERAL.—Not later than 18 months
12 after the first scholarship is awarded under this sec-
13 tion, the Division shall submit to Congress a report
14 evaluating the success of the program.

15 “(2) INFORMATION.—In order to prepare the
16 report under paragraph (1), the Division shall main-
17 tain information about the scholarship recipients
18 under this section, including—

19 “(A) grade reports from the accredited
20 schools of nursing;

21 “(B) the degree graduation rate; and

22 “(C) the default rate on the contracts
23 under the program.

24 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
25 is authorized to be appropriated to carry out this section

- 1 \$20,000,000 for each of fiscal years 2003 through 2005
- 2 and such sums as are necessary for each of fiscal years
- 3 2006 and 2007.”.

