

107TH CONGRESS
1ST SESSION

S. 1864

AN ACT

To amend the Public Health Service Act to establish a Nurse Corps and recruitment and retention strategies to address the nursing shortage, 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 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Nurse Reinvestment
5 Act”.

1 **SEC. 2. AMENDMENT TO THE PUBLIC HEALTH SERVICE**
2 **ACT.**

3 Title VIII of the Public Health Service Act (42
4 U.S.C. 296 et seq.) is amended—

5 (1) in section 846(a)(3), by inserting “in a
6 nursing home, in a hospice, in a home health agency,
7 in a nurse-managed health center, in a public health
8 department,” after “in a public hospital,”;

9 (2) in section 801, by adding at the end the fol-
10 lowing:

11 “(9) **HEALTH CARE FACILITY.**—The term
12 ‘health care facility’ means an Indian Health service
13 health center, a Native Hawaiian health center, a
14 hospital, a migrant health center, a community
15 health center, a Federally qualified health center, a
16 nurse-managed health center, a rural health clinic, a
17 nursing home, a home health care agency, a hospice,
18 a public health clinic, a long-term care facility, a
19 skilled nursing facility, or any other public, non-
20 profit, or private facility designated by the Sec-
21 retary.”; and

22 (3) by adding at the end the following:

1 **“PART H—NATIONAL NURSE SERVICE CORPS**
2 **SCHOLARSHIP PROGRAM**
3 **“SEC. 851. NATIONAL NURSE SERVICE CORPS SCHOLAR-**
4 **SHIP PROGRAM.**

5 “(a) PROGRAM AUTHORIZED.—The Secretary shall
6 establish a National Nurse Service Corps Scholarship pro-
7 gram (referred to in this section as the ‘program’) that
8 provides scholarships to individuals seeking nursing edu-
9 cation in exchange for service by such individuals in crit-
10 ical nursing shortage areas or facilities.

11 “(b) PREFERENCE.—In awarding scholarships under
12 this section, the Secretary shall give preference to appli-
13 cants with the greatest financial need, applicants who
14 agree to serve in health care facilities experiencing nursing
15 shortages in medically underserved areas, applicants cur-
16 rently working in a health care facility who agree to serve
17 the period of obligated service at such facility, minority
18 nurse applicants, and applicants with an interest in a
19 practice area of nursing that has unmet needs.

20 “(c) REQUIREMENTS.—To be eligible to participate
21 in the program, an individual must—

22 “(1) be accepted for enrollment, or be enrolled,
23 in an accredited school of nursing, on a full- or part-
24 time basis, to take courses leading to a collegiate or
25 associate degree in nursing, or a diploma in nursing;

1 “(2) submit an application to participate in the
2 program; and

3 “(3) enter into an agreement with the Sec-
4 retary, at the time of submittal of such application,
5 to—

6 “(A) accept the conditions of the scholar-
7 ship and remain enrolled in a school of nursing;

8 “(B) maintain an acceptable level of aca-
9 demic standing;

10 “(C) maintain enrollment in a course of
11 study until the individual completes the course
12 of study; and

13 “(D) serve as a nurse for a period of not
14 less than 2 years in a critical nursing shortage
15 area or facility, or the individual may complete
16 such required period of service on a part-time
17 basis subject to—

18 “(i) an agreement entered into by the
19 facility and the individual which is ap-
20 proved by the Secretary; and

21 “(ii) the individual agrees in writing
22 that the period of obligated service will be
23 extended so that the aggregate amount of
24 less than full-time service performed will

1 equal the amount of service that would be
2 performed through full-time service.

3 “(d) RULE OF CONSTRUCTION.—In selecting individ-
4 uals to participate in the program, the Secretary shall give
5 preference to individuals serving at public or nonprofit pri-
6 vate facilities, unless only a private facility is present in
7 the geographic area that the Secretary determines is expe-
8 riencing a nursing shortage. While giving priority to indi-
9 viduals who propose to provide service in public or non-
10 profit private facilities, the Secretary must not disregard
11 the needs of areas that individuals seek to provide services
12 in which no public or nonprofit private facility is oper-
13 ating, including rural areas.

14 “(e) APPLICATIONS.—

15 “(1) IN GENERAL.—The application forms for
16 the programs shall include—

17 “(A) a fair summary of the rights and li-
18 abilities of an individual whose application is
19 approved by the Secretary; and

20 “(B) information respecting meeting a
21 service obligation and such other information as
22 may be necessary for the individual to under-
23 stand the program.

24 “(2) ACCESSIBILITY.—The application form
25 and all other information furnished by the Secretary

1 shall be written so that it may be understood by the
 2 average individual applying to participate in the pro-
 3 gram. The Secretary shall make such application
 4 forms, and other information available to individuals
 5 desiring to participate in the program, on a date
 6 sufficiently early to ensure that such individuals
 7 have adequate time to carefully review and evaluate
 8 such forms and information.

9 “(3) DISTRIBUTION.—The Secretary shall dis-
 10 tribute to junior and senior high schools, community
 11 colleges, universities, and schools of nursing mate-
 12 rials providing information on the program and shall
 13 encourage the schools to disseminate the materials
 14 to students of the schools.

15 “(f) SCHOLARSHIP.—

16 “(1) IN GENERAL.—A scholarship provided to a
 17 student for a school year under a written contract
 18 under the program shall consist of—

19 “(A) payment to, or (in accordance with
 20 paragraph (2)) on behalf of the student of—

21 “(i) the tuition of the student in such
 22 school year; and

23 “(ii) all other reasonable educational
 24 expenses and support services, including
 25 fees, books, and laboratory expenses in-

1 curred by the student in such school year;
2 and

3 “(B) payment to the student of a stipend
4 of \$400 per month (adjusted in accordance with
5 paragraph (3)) for each month that the student
6 is enrolled.

7 “(2) CONTRACTS.—

8 “(A) WITH A SCHOOL OF NURSING.—The
9 Secretary may contract with a school of nurs-
10 ing, in which a participant in the program is
11 enrolled, for the payment to the school of nurs-
12 ing of the amounts of tuition and other reason-
13 able educational expenses described in para-
14 graph (1)(A).

15 “(B) WITH AN INDIVIDUAL.—The Sec-
16 retary shall prepare a written contract for the
17 program that shall be provided to any indi-
18 vidual who is enrolled or accepted for enroll-
19 ment at a school of nursing and who desires to
20 participate in the program at the time that an
21 application is provided to such individual. The
22 contract described in this paragraph shall con-
23 tain a provision that any financial obligation of
24 the United States arising out of a contract en-
25 tered into under this section and any obligation

1 of the individual which is conditioned thereon,
 2 is contingent upon funds being appropriated for
 3 scholarships under this section.

4 “(3) MONTHLY STIPEND.—The amount of the
 5 monthly stipend for each month that a student is
 6 enrolled, specified in paragraph (1)(B) and as pre-
 7 viously adjusted (if at all) in accordance with this
 8 paragraph, shall be increased by the Secretary as
 9 the Secretary determines to be reasonable.

10 “(g) BREACH OF AGREEMENT.—In the case of an in-
 11 dividual who enters into an agreement under this section
 12 to provide service as a nurse in consideration for receiving
 13 a scholarship, such individual is liable to the Federal Gov-
 14 ernment in accordance with sections 338E and 338F as
 15 amended in the future. If the individual begins providing
 16 less than full-time service but fails to begin or complete
 17 the period of obligated service, the methods stated in sec-
 18 tion 338E(c) for determining the damages for breach of
 19 the individual’s written contract will be used after con-
 20 verting periods of obligated service or of service performed
 21 into their full-time equivalence.

22 “(h) FUND REGARDING USE OF AMOUNTS RECOV-
 23 ERED FOR CONTRACT BREACH.—There is established in
 24 the Treasury of the United States a fund to be known

1 as the National Nurse Service Corps Replacement Fund.

2 Such fund shall be governed under section 338F.

3 “(i) SERVICE INFORMATION.—The Secretary shall
4 provide to an individual who has participated in the pro-
5 gram and is nearing the conclusion of his or her service
6 obligation, information regarding other opportunities for
7 nursing in critical nursing shortage areas or facilities.

8 “(j) REPORT.—Not later than 18 months after the
9 first loan cycle, and annually thereafter, the Secretary
10 shall prepare and submit to Congress a report describing
11 the program, including statements regarding—

12 “(1) the number of enrollees, scholarships, and
13 grant recipients by year of study;

14 “(2) the number of graduates;

15 “(3) the amount of scholarship payments made
16 for each of tuition, stipends, and other expenses;

17 “(4) which educational institution the scholar
18 attended;

19 “(5) the number and placement location of the
20 scholars;

21 “(6) the default rate and actions required;

22 “(7) the amount of outstanding default funds;

23 “(8) to the extent that it can be determined,
24 the reason for the default;

1 “(9) the demographics of the individuals par-
2 ticipating in the scholarship program; and

3 “(10) recommendations for future modifications
4 of the scholarship program.

5 “(k) DEFINITIONS.—In this section:

6 “(1) COMMUNITY HEALTH CENTER.—The term
7 ‘community health center’ has the meaning given
8 such term in section 330(a).

9 “(2) CRITICAL NURSING SHORTAGE AREA OR
10 FACILITY.—

11 “(A) IN GENERAL.—The term ‘critical
12 nursing shortage area or facility’ means—

13 “(i) an urban or rural area that the
14 Secretary determines is experiencing a
15 nursing shortage;

16 “(ii) a population that the Secretary
17 determines has such a shortage; or

18 “(iii) a health care facility or other
19 public, nonprofit, or private facility that
20 the Secretary determines has a shortage.

21 “(B) FACTORS TO CONSIDER.—In making
22 a determination regarding a critical nursing
23 shortage area or facility, the Secretary shall use
24 the criteria in section 846 for not more than 12
25 months, and after such period—

1 “(i) the ratio of available nurses to
 2 the number of individuals in the area or
 3 population group;

4 “(ii) the demonstrated need of a
 5 health care facility or other public, non-
 6 profit, or private facility in the area; or

7 “(iii) the presence of innovative reten-
 8 tion strategies utilized by eligible facilities.

9 “(3) RURAL HEALTH CLINIC.—The term ‘rural
 10 health clinic’ has the meaning given such term in
 11 section 1861(aa)(2) of the Social Security Act.

12 “(l) AUTHORIZATION OF APPROPRIATIONS.—For the
 13 purpose of payments under agreements entered into under
 14 subsection (a), there are authorized to be appropriated
 15 \$40,000,000 for fiscal year 2003 and such sums as may
 16 be necessary for fiscal years 2004 through 2007.

17 **“PART I—INITIATIVES TO RECRUIT NURSES AND**
 18 **COMBAT THE NURSING SHORTAGE**

19 **“SEC. 855. NURSE RECRUITMENT GRANT PROGRAM.**

20 “(a) PROGRAM AUTHORIZED.—The Secretary shall
 21 award grants to eligible entities to increase nursing edu-
 22 cation opportunities.

23 “(b) ELIGIBLE ENTITY.—In this section, the term
 24 ‘eligible entity’ means a school of nursing, or a health care
 25 facility, or a partnership of such school and facility.

1 “(c) USE OF FUNDS.—An eligible entity that receives
2 a grant under subsection (a) shall use funds received from
3 such grant to—

4 “(1) support outreach programs at primary,
5 junior, and secondary schools that inform guidance
6 counselors and students of education opportunities
7 regarding nursing;

8 “(2) carry out special projects to increase nurs-
9 ing education opportunities for individuals who are
10 from disadvantaged backgrounds (including economi-
11 cally disadvantaged backgrounds and racial and eth-
12 nic minorities underrepresented among registered
13 nurses) by providing student scholarships or sti-
14 pends, pre-entry preparation, or retention activities;

15 “(3) support education programs for nursing
16 students who require assistance with math, science,
17 English, and medical terminology;

18 “(4) meet the costs of dependent care and
19 transportation for individuals who are taking part in
20 a nursing education program at any level; or

21 “(5) support community-based partnerships
22 seeking to recruit nurses in rural communities and
23 medically underserved urban communities, and other
24 communities experiencing a nursing shortage.

1 “(d) APPLICATION.—An eligible entity desiring a
 2 grant under subsection (a) shall submit an application to
 3 the Secretary at such time, in such manner, and con-
 4 taining such information as the Secretary may reasonably
 5 require.

6 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
 7 is authorized to be appropriated to carry out this section
 8 \$10,000,000 for fiscal year 2003 and such sums as may
 9 be necessary for fiscal years 2004 through 2007.

10 **“SEC. 856. PUBLIC AWARENESS AND EDUCATION CAM-**
 11 **PAIGN.**

12 “(a) NATIONAL CAMPAIGN.—

13 “(1) IN GENERAL.—The Secretary shall develop
 14 and administer a comprehensive national multi-
 15 media public education campaign to enhance the
 16 image of the nursing profession, promote diversity in
 17 the workforce, encourage individuals to enter the
 18 nursing profession, and encourage career develop-
 19 ment for individuals in the nursing profession.

20 “(2) AUTHORIZATION OF APPROPRIATIONS.—
 21 There is authorized to be appropriated to carry out
 22 this subsection \$4,000,000 for fiscal year 2003 and
 23 such sums as may be necessary for fiscal years 2004
 24 through 2007.

25 “(b) STATE CAMPAIGNS.—

1 “(1) IN GENERAL.—The Secretary shall award
2 grants to eligible entities to establish the multi-
3 media campaigns described in subsection (a) at a
4 State level.

5 “(2) DEFINITIONS.—

6 “(A) ELIGIBLE ENTITY.—The term ‘eligi-
7 ble entity’ means a professional State nursing
8 association, State health care provider associa-
9 tion, school of nursing, and any other entity
10 that provides similar services or serves a like
11 function.

12 “(B) STATE HEALTH CARE PROVIDER AS-
13 SOCIATION.—The term ‘State health care pro-
14 vider association’ means a professional associa-
15 tion of hospitals, nursing homes, home health
16 care agencies, hospices, consortia of said asso-
17 ciations, or other such entities deemed eligible
18 by the Secretary.

19 “(3) LIMITATION.—An eligible entity that re-
20 ceives a grant under this subsection shall not use
21 funds received through such grant to advertise par-
22 ticular employment opportunities or recruit members
23 or affiliates of such entity.

24 “(4) APPLICATION.—Each eligible entity that
25 desires a grant under this subsection shall submit an

1 application to the Secretary at such time, in such
2 manner, and containing such information as the Sec-
3 retary may reasonably require.

4 “(5) **EQUITABLE BROADCASTING.**—The cam-
5 paigns described in paragraph (1) shall be broadcast
6 in such a manner as to inform diverse populations
7 throughout the State of nursing opportunities, in-
8 cluding rural populations.

9 “(c) **AUTHORIZATION OF APPROPRIATIONS.**—There
10 is authorized to be appropriated to carry out this section
11 \$4,000,000 for fiscal year 2003 and such sums as may
12 be necessary for fiscal years 2004 through 2007.

13 **“PART J—INITIATIVES TO STRENGTHEN THE**
14 **NURSE WORKFORCE**

15 **“SEC. 857. GRANTS FOR CAREER LADDER PROGRAMS.**

16 “(a) **PROGRAM AUTHORIZED.**—The Secretary shall
17 award grants to eligible entities to assist individuals and
18 develop programs to assist individuals in obtaining edu-
19 cation and training required to enter the nursing profes-
20 sion and advance within such profession.

21 “(b) **DEFINITION.**—The term ‘eligible entity’ means
22 a school of nursing or a health care facility, or a partner-
23 ship of such school and facility.

1 “(c) USE OF FUNDS.—An eligible entity that receives
2 a grant under subsection (a) shall use such funds received
3 through such grant to—

4 “(1) establish student scholarships or stipends
5 for nurse professionals, licensed practical nurses,
6 certified nurse assistants, and home health aides
7 who enroll in entry level nursing programs, advanced
8 practice nursing degree programs, RN/Master nurs-
9 ing degree programs, doctoral nursing programs,
10 nurse administrator programs, and training pro-
11 grams focused on specific technology use or disease
12 management;

13 “(2) provide career counseling to individuals
14 seeking to advance within the nursing profession;

15 “(3) provide employees of the facility advanced
16 training and education at the school of nursing or
17 health care facility;

18 “(4) establish or expand nursing practice ar-
19 rangements in noninstitutional settings to dem-
20 onstrate methods to improve access to primary
21 health care in medically underserved communities;
22 and

23 “(5) develop programs, including distance
24 learning programs in coordination with the Office
25 for the Advancement of Telehealth, to facilitate edu-

1 cational advancement for individuals with existing
2 degrees or health care training.

3 “(d) APPLICATION.—An eligible entity seeking a
4 grant under subsection (a) shall submit an application to
5 the Secretary at such time, in such a manner, and con-
6 taining such information as the Secretary may reasonably
7 require.

8 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
9 is authorized to be appropriated to carry out this section
10 \$20,000,000 for fiscal year 2003 and such sums as may
11 be necessary for fiscal years 2004 through 2007.

12 **“SEC. 858. AREA HEALTH EDUCATION CENTERS PROGRAM.**

13 “(a) PROGRAM AUTHORIZED.—The Secretary shall
14 award grants to area health education centers to contract
15 with schools of nursing to expand the operation of area
16 health education centers under section 751 to work in
17 communities to develop models of excellence for school
18 nurses, public health nurses, perinatal outreach nurses,
19 and other community-based nurses, or to expand any jun-
20 ior and senior high school mentoring programs to include
21 a nurse mentoring program.

22 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
23 is authorized to be appropriated to carry out this section
24 \$5,000,000 for fiscal year 2003 and such sums as may
25 be necessary for fiscal years 2004 through 2007.

1 **“SEC. 859. GRANTS FOR NURSE TRAINING IN LONG-TERM**
2 **CARE FOR THE ELDERLY.**

3 “(a) PROGRAM AUTHORIZED.—The Secretary shall
4 award grants to eligible entities to develop and incorporate
5 gerontology curriculum and competencies and to encour-
6 age individuals to enter the nursing profession with a
7 focus on providing long-term care for the elderly.

8 “(b) ELIGIBLE ENTITY.—The term ‘eligible entity’
9 means a—

10 “(1) school of nursing;

11 “(2) health care facility; or

12 “(3) partnership of paragraphs (1) and (2).

13 “(c) USE OF FUNDS.—An eligible entity that receives
14 a grant under subsection (a) shall use funds under such
15 grant to—

16 “(1) provide training to individuals who will
17 provide long-term care for the elderly;

18 “(2) develop stand alone courses in geronto-
19 logical nursing to support concentrations, minors,
20 and majors in the discipline;

21 “(3) train faculty members in gerontological
22 nursing; or

23 “(4) provide continuing education in geronto-
24 logical nursing.

25 “(d) APPLICATION.—An eligible entity desiring a
26 grant under subsection (a) shall submit an application to

1 the Secretary at such time, in such manner, and con-
 2 taining such information as the Secretary may reasonably
 3 require.

4 “(e) DEFINITIONS.—For the purposes of this section,
 5 the term ‘health care facility’ means a hospital, nursing
 6 home, home health care agency, hospice, skilled nursing
 7 facility, long-term care facility, or any other facility des-
 8 ignated by the Secretary.

9 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
 10 is authorized to be appropriated to carry out this section
 11 \$12,000,000 for fiscal year 2003 and such sums as may
 12 be necessary for fiscal years 2004 through 2007.

13 **“SEC. 860. GRANTS FOR INTERNSHIP AND RESIDENCY PRO-**
 14 **GRAMS.**

15 “(a) PROGRAM AUTHORIZED.—The Secretary shall
 16 award grants to an eligible entity to develop internship
 17 and residency programs that encourage mentoring and the
 18 development of specialties.

19 “(b) DEFINITION.—The term ‘eligible entity’ means
 20 a partnership of a school of nursing and health care facil-
 21 ity.

22 “(c) USE OF FUNDS.—An eligible entity that receives
 23 a grant under subsection (a) shall use such funds received
 24 through such grant to—

1 “(1) develop internship and residency programs
2 and curriculum and training programs for graduates
3 of a nursing program;

4 “(2) provide support for faculty and mentors;
5 and

6 “(3) provide support for nurses participating in
7 internship and residency programs on both a full-
8 time and part-time basis.

9 “(d) APPLICATION.—An eligible entity seeking a
10 grant under subsection (a) shall submit an application to
11 the Secretary at such time, in such a manner, and con-
12 taining such information as the Secretary may reasonably
13 require.

14 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
15 is authorized to be appropriated to carry out this section
16 \$10,000,000 for fiscal year 2003 and such sums as may
17 be necessary for fiscal years 2004 through 2007.

18 **“SEC. 861. DEVELOPING RETENTION STRATEGIES AND**
19 **BEST PRACTICES IN NURSING STAFF MAN-**
20 **AGEMENT.**

21 “(a) PROGRAM AUTHORIZED.—The Secretary shall
22 award grants to eligible entities to carry out and evaluate
23 demonstrations of models and best practices in nursing
24 care and develop innovative strategies or approaches for
25 retention of professional nurses.

1 “(b) DEFINITIONS.—In this section:

2 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
3 tity’ means—

4 “(A) a partnership or coalition containing
5 a health care facility and a school of nursing;

6 “(B) a partnership or coalition containing
7 a health care facility and another organization
8 with expertise in outcome and cost-effectiveness
9 measurement; or

10 “(C) containing a health care facility dem-
11 onstrating proficiency in outcomes and cost-ef-
12 fectiveness measurement, and receipt of accredi-
13 tation by an accepted organization shall con-
14 stitute evidence of such proficiency.

15 “(2) NURSE LEADERSHIP.—The term ‘nurse
16 leadership’ includes nurse executives, nurse adminis-
17 trators, and nurse managers.

18 “(3) PROFESSIONAL NURSE.—The term ‘profes-
19 sional nurse’ means a registered nurse who holds a
20 valid and unrestricted license to practice nursing in
21 a State.

22 “(c) DISTRIBUTION OF GRANTS.—Grants awarded
23 under this section shall be distributed among a variety of
24 geographic regions and among a range of different types
25 and sizes of health care facilities.

1 “(d) DURATION OF GRANTS.—Grants awarded under
2 this section shall be awarded for a period not greater than
3 2 years (and may be renewable only once).

4 “(e) ALLOCATION.—The Secretary shall determine
5 the amount of a grant awarded under this section to the
6 nursing services of the health care facility based on the
7 number of staffed beds as follows, and if the Secretary
8 deems appropriate these amounts may be adjusted:

9 “(1) A maximum of \$200,000 for a facility with
10 less than 100 staffed beds.

11 “(2) A maximum of \$400,000 for a facility with
12 less than 400 staffed beds.

13 “(3) A maximum of \$600,000 for a facility with
14 400 or more staffed beds.

15 “(f) PRIORITY CRITERIA.—The Secretary shall give
16 priority in awarding grants under this section to health
17 care facilities that have not previously received a grant
18 under this section, and in the case of a grant renewal,
19 the Secretary shall give priority to grant recipients who
20 have demonstrated outcome improvements or have been
21 designated as a magnet hospital by the American Nurses
22 Credentialing Center.

23 “(g) USE OF FUNDS.—An eligible entity that receives
24 a grant under subsection (a) shall use such grant funds
25 to do one or more of the following:

1 “(1) Improve the quality of the health care fa-
2 cility work environment, including improving com-
3 munication and collaboration among health care pro-
4 fessionals.

5 “(2) Initiate or maintain aggressive nurse re-
6 tention programs, including other initiatives as
7 deemed appropriate by the nurse retention com-
8 mittee at the health care facility.

9 “(3) Reduce workplace injuries.

10 “(4) Reduce rates of nursing sensitive patient
11 outcomes.

12 “(5) Provide high quality evaluations of the
13 cost-effectiveness and patient-outcomes of best prac-
14 tices, to assist health care facility decision-makers in
15 determining appropriate nurse retention strategies.

16 “(6) Promote continuing nursing education and
17 career development.

18 “(h) APPLICATION.—

19 “(1) IN GENERAL.—An eligible entity desiring a
20 grant under subsection (a) shall submit an applica-
21 tion to the Secretary at such time, and in such man-
22 ner, and containing such information as the Sec-
23 retary may reasonably require.

24 “(2) CONTENTS.—The application submitted
25 under paragraph (1) shall include a description of—

1 “(A) the project or projects proposed to be
2 carried out with grant funds;

3 “(B) the means by which to evaluate the
4 project with respect to its cost-effectiveness and
5 outcomes as they relate to staff turnover, work-
6 place injuries, and patient care outcomes that
7 are sensitive to nursing care; and

8 “(C) the system of patient outcomes meas-
9 urement, which shall be described by the nurse
10 leadership and professional nurses of the health
11 care facility and shall be sensitive to nursing
12 care and shall evaluate the specific needs of the
13 patients served by the health care facility and
14 the educational needs of the nursing staff at
15 such facility to meet the needs of the patients,
16 and the health care facility must allocate suffi-
17 cient funds to carry out the system;

18 “(D) the health care facility’s organiza-
19 tional and clinical decision-making processes
20 that incorporate the input of the nursing staff,
21 including the development of a nurse retention
22 committee, the inclusion of nurse executive par-
23 ticipation in senior level management of the
24 health care facility, and a nurse residency train-
25 ing program for new graduate nurses entering

1 the workforce on a full-time basis, or nurses re-
 2 turning to work at a health care facility on a
 3 full-time basis after an absence of not less than
 4 3 years without working in the nursing field.

5 “(i) AUTHORIZATION OF APPROPRIATIONS.—There is
 6 to be authorized to be appropriated to carry out this sec-
 7 tion \$10,000,000 for fiscal year 2003 and such sums as
 8 may be necessary for fiscal years 2004 through 2007.

9 **“SEC. 862. FAST-TRACK FACULTY LOAN PROGRAM.**

10 “(a) IN GENERAL.—In the case of any individual—

11 “(1) who has received a collegiate or associate
 12 degree in nursing (or an equivalent degree), a di-
 13 ploma in nursing, or a graduate degree in nursing;

14 “(2) who obtained 1 or more loans related to
 15 nursing training costs for a masters or a doctoral
 16 degree;

17 “(3) who is capable, in the opinion of the public
 18 or nonprofit private school of nursing in which the
 19 student is accepted for enrollment or enrolled, of
 20 maintaining good standing in such course of study;
 21 and

22 “(4) who enters into a written agreement with
 23 the Secretary to teach at an accredited school of
 24 nursing for each year of assistance after the masters
 25 or doctoral degree has been obtained or two years

1 (whichever is greater), or may complete such re-
 2 quired period of service on a part-time basis subject
 3 to—

4 “(A) an agreement entered into by the ac-
 5 credited school of nursing and individual which
 6 is approved by the Secretary; and

7 “(B) the individual agrees in writing that
 8 the required period of service will be extended
 9 so that the aggregate amount of less than full-
 10 time service performed will equal the amount of
 11 service that would be performed through full-
 12 time service,

13 the Secretary shall make payments in accordance with
 14 subsection (c) of this section, for and on behalf of that
 15 individual, on the principal of and interest on any loan
 16 of that individual provided under this section which is out-
 17 standing on the date the individual begins the service spec-
 18 ified in the agreement described in paragraph (4) of this
 19 subsection. Assistance provided under this section for a
 20 part-time masters degree program shall be provided for
 21 not more than 6 years and for a part-time doctoral degree
 22 program for not more than 7 years.

23 “(b) TERMS OF AGREEMENT.—The agreement de-
 24 scribed in paragraph (4) of subsection (a) shall also pro-
 25 vide that the total of the loans for any academic year made

1 pursuant to an agreement under subsection (a) may not
2 exceed \$35,000 (indexed for inflation) in the case of any
3 student.

4 “(c) MANNER OF PAYMENTS.—For each year of serv-
5 ice, the Secretary shall in equal installments pay 85 per-
6 cent of the principal of, and interest on the loans for an
7 individual pursuant to an agreement under subsection
8 (a)(4).

9 “(d) PAYMENT BY DUE DATE.— Notwithstanding
10 the requirement of completion of service specified in sub-
11 section (c) of this section, the Secretary shall, on or before
12 the due date thereof, pay any loan or loan installment
13 which may fall due within the period of service for which
14 the borrower may receive payments under this subsection,
15 upon the declaration of such borrower, at such times and
16 in such manner as the Secretary may prescribe (and sup-
17 ported by such other evidence as the Secretary may rea-
18 sonably require), that the borrower is then serving as de-
19 scribed by subsection (a)(4) of this section, and that the
20 borrower will continue to so serve for the period required
21 (in the absence of this subsection) to entitle the borrower
22 to have made the payments provided by this subsection
23 for such period, except that not more than 85 percent of
24 the principal of any such loan shall be paid pursuant to
25 this subsection.

1 “(e) BREACH OF AGREEMENT.—The Secretary may
 2 make payments under subsection (a) of this section on be-
 3 half of an individual only if the agreement under such sub-
 4 section provides that section 860(c) of this title is applica-
 5 ble to the individual. The Secretary may declare an indi-
 6 vidual in breach of the agreement if an individual fails
 7 to complete the year of service for which the payment was
 8 made.

9 “(f) PREFERENCES REGARDING PARTICIPANTS.—In
 10 entering into agreements under subsection (a) of this sec-
 11 tion, the Secretary shall give preference to qualified appli-
 12 cants with the greatest financial need.

13 “(g) BREACH OF AGREEMENT.—

14 “(1) IN GENERAL.—In the case of any program
 15 under this section under which an individual makes
 16 an agreement to teach at an accredited school of
 17 nursing for a period of time in accordance with such
 18 program in consideration of receiving an award of
 19 Federal funds regarding education as a nurse (in-
 20 cluding an award for the repayment of loans), the
 21 following applies if the agreement provides that this
 22 subsection is applicable: the individual is liable to
 23 the Federal Government for the amount of such
 24 award (including amounts provided for expenses re-
 25 lated to such attendance), and for interest on such

1 amount at the maximum legal prevailing rate, if the
2 individual fails to teach at an accredited school of
3 nursing in accordance with the program under this
4 section for the period of time applicable under the
5 program.

6 “(2) WAIVER OR SUSPENSION OF LIABILITY.—
7 In the case of an individual making an agreement
8 for purposes of paragraph (1), the Secretary shall
9 provide for the waiver or suspension of liability
10 under such subsection if compliance by the indi-
11 vidual with the agreements involved is impossible, or
12 would involve extreme hardship to the individual and
13 if enforcement of the agreements with respect to the
14 individual would be unconscionable.

15 “(3) DATE CERTAIN FOR RECOVERY.—Subject
16 to paragraph (2), any amount that the Federal Gov-
17 ernment is entitled to recover under paragraph (1)
18 shall be paid to the United States not later than the
19 expiration of the 3-year period beginning on the date
20 the United States becomes so entitled.

21 “(4) AVAILABILITY.—Amounts recovered under
22 paragraph (1) with respect to a program under this
23 section shall be available for the purposes of such
24 program, and shall remain available for such pur-
25 poses until expended.

1 “(h) AUTHORIZATION OF APPROPRIATIONS.—For the
 2 purpose of payments under agreements entered into under
 3 subsection (a) of this section, there are authorized to be
 4 appropriated \$10,000,000 for fiscal year 2003, and such
 5 sums as may be necessary for fiscal years 2004 through
 6 2007.

7 **“SEC. 863. STIPEND AND SCHOLARSHIP PROGRAM.**

8 “(a) PROGRAM AUTHORIZED.—

9 “(1) IN GENERAL.—The Secretary shall estab-
 10 lish a scholarship and stipend program to encourage
 11 individuals to seek a masters degree or a doctoral
 12 degree at a school of nursing.

13 “(2) LIMITATION.—Assistance provided under
 14 paragraph (1) for a part-time masters degree pro-
 15 gram shall be provided for not more than 6 years
 16 and for a part-time doctoral degree program not
 17 more than 7 years.

18 “(b) ELIGIBILITY.—To be eligible to receive a schol-
 19 arship or stipend under this section, an individual shall—

20 “(1) submit an application to the Secretary at
 21 such time, in such manner, and containing such in-
 22 formation as the Secretary may reasonably require;

23 “(2) be accepted for enrollment, or be enrolled,
 24 in an accredited school of nursing, on a full- or part-

1 time basis to take courses leading to a masters de-
2 gree or doctoral degree;

3 “(3) enter into an agreement with the Sec-
4 retary, at the time of submittal of such application,
5 to—

6 “(A) accept the conditions of the scholar-
7 ship and remain enrolled in a school of nursing;

8 “(B) maintain an acceptable level of aca-
9 demic standing; and

10 “(C) maintain enrollment in a course of
11 study until the individual completes the course
12 of study; and

13 “(4) teach at an accredited school of nursing
14 for 1 year for each year of assistance with a course
15 load determined by the school of nursing where the
16 teaching will take place, and the individual may
17 complete such required period of service on a part-
18 time basis subject to—

19 “(A) an agreement entered into by the fa-
20 cility and the individual which is approved by
21 the Secretary; and

22 “(B) the individual agrees in writing that
23 the period of obligated service will be extended
24 so that the aggregate amount of less than full-
25 time service will equal the amount of service

1 that would be performed through full-time serv-
2 ice.

3 “(c) APPLICATION.—The Secretary shall disseminate
4 application forms to individuals and in such forms,
5 include—

6 “(1) a summary of the rights and liabilities of
7 an individual whose application is approved by the
8 Secretary; and

9 “(2) information respecting meeting the service
10 obligation described in subsection (b)(4).

11 “(d) SCHOLARSHIP.—

12 “(1) IN GENERAL.—A scholarship provided to a
13 student for a school year under a written contract
14 under the program shall consist of—

15 “(A) payment to, or (in accordance with
16 paragraph (2)) on behalf of the student of—

17 “(i) the tuition of the student in such
18 school year; and

19 “(ii) all other reasonable educational
20 expenses and support services, including
21 fees, books, and laboratory expenses in-
22 curred by the student in such school year;
23 and

24 “(B) payment to the student of a stipend
25 of \$400 per month (adjusted in accordance with

1 paragraph (3)) for each month that the student
2 is enrolled.

3 “(2) CONTRACTS.—

4 “(A) WITH A SCHOOL OF NURSING.—The
5 Secretary may contract with a school of nurs-
6 ing, in which a participant in the program is
7 enrolled, for the payment to the school of nurs-
8 ing of the amounts of tuition and other reason-
9 able educational expenses described in para-
10 graph (1)(A).

11 “(B) WITH AN INDIVIDUAL.—The Sec-
12 retary shall prepare a written contract for the
13 program that shall be provided to any indi-
14 vidual who is enrolled or accepted for enroll-
15 ment at a school of nursing and who desires to
16 participate in the program at the time that an
17 application is provided to such individual. The
18 contract described in this paragraph shall con-
19 tain a provision that any financial obligation of
20 the United States arising out of a contract en-
21 tered into under this section and any obligation
22 of the individual which is conditioned thereon,
23 is contingent upon funds being appropriated for
24 scholarships under this section.

1 “(3) MONTHLY STIPEND.—The amount of the
2 monthly stipend for each month that a student is
3 enrolled, specified in paragraph (1)(B) and as pre-
4 viously adjusted (if at all) in accordance with this
5 paragraph, shall be increased by the Secretary as
6 the Secretary determines to be reasonable.

7 “(e) BREACH OF AGREEMENT.—In the case of an in-
8 dividual who enters into an agreement under this section
9 to provide service as a nurse in consideration for receiving
10 a scholarship, such individual is liable to the Federal Gov-
11 ernment in accordance with sections 338E and 338F as
12 amended in the future. If the individual begins providing
13 less than full-time service but fails to begin or complete
14 the period of obligated service, the methods stated in sec-
15 tion 338E(c) for determining the damages for breach of
16 the individual’s written contract will be used after con-
17 verting periods of obligated service or of service performed
18 into their full-time equivalence.

19 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
20 are authorized to be appropriated to carry out this section
21 \$10,000,000 for fiscal year 2003 and such sums as may
22 be necessary for fiscal years 2004 through 2007.

1 **“PART K—NATIONAL COMMISSION**

2 **“SEC. 865. NATIONAL COMMISSION.**

3 “(a) IN GENERAL.—There is established a commis-
4 sion known as the National Commission on the Recruit-
5 ment and Retention of Nurses (referred to in this section
6 as the ‘Commission’).

7 “(b) DUTIES.—The Commission shall meet at least
8 4 times and study and make innovative and creative rec-
9 ommendations in the following areas, and shall widely dis-
10 seminate its findings, including to the appropriate commit-
11 tees of Congress regarding—

12 “(1) strategies necessary to address the nursing
13 shortage in the long term;

14 “(2) best practices in the recruitment and re-
15 tention of nurses and the impact on patients and
16 staff of employing participatory, collaborative, and
17 patient-centered models of nursing care, which shall
18 include the examination of—

19 “(A) reasons behind low nurse vacancy
20 rates and turnover in the workplace;

21 “(B) practices that are not effective in re-
22 cruiting and retaining nurses and why;

23 “(C) how successful recruitment and reten-
24 tion practices work, why they are successful and
25 how health care facilities with lower than aver-
26 age retention rates can improve their working

1 conditions to improve their retention rates, in-
2 cluding an examination of hospitals and other
3 health care facilities with higher than average
4 retention rates, and the role of different stake-
5 holders in the workplace, such as nurses, doc-
6 tors, other health professionals and employees,
7 and management at all levels;

8 “(D) factors that influence career satisfac-
9 tion for nurses;

10 “(E) to what extent successful recruitment
11 and retention practices are unique to a par-
12 ticular situation or applicable across the field;
13 and

14 “(F) the effectiveness of best practices for
15 recruitment and retention for different popu-
16 lations of nurses, such as nurses who choose
17 nursing as a second career, nurses from various
18 racial and ethnic groups, male and female
19 nurses, and nurses with varying ages and expe-
20 rience levels;

21 “(3) the facilitation of career advancement
22 within the nursing profession;

23 “(4) attracting middle and high school students
24 into nursing careers; and

1 “(5) attracting individuals who may pursue
2 nursing careers after they have pursued other ca-
3 reers.

4 “(c) CONSULTATION.—In carrying out the duties de-
5 scribed in subsection (b), the Commission shall consult
6 with the Health Resources and Services Administration’s
7 Bureau of Health Professions, the American Nurses
8 Credentialing Center’s Magnet Nursing Services Recogni-
9 tion Program, the National Advisory Council on Nurse
10 Education and Practice, the National Institute of Nursing
11 Research, and other appropriate resources that may pro-
12 vide information or other assistance.

13 “(d) MEMBERSHIP.—Not later than 12 months after
14 the date of enactment of this section, the Comptroller
15 General shall appoint 21 members of the Commission
16 (taking into account rural and urban areas, geographic di-
17 versity, racial and ethnic diversity, and relevant experi-
18 ence) of whom—

19 “(1) 8 shall be nurses with different levels of
20 education, and a significant portion of whom shall
21 be currently practicing nurses;

22 “(2) 6 shall be representatives (with various
23 management experiences) of employers such as hos-
24 pitals, long term care facilities, and home health
25 agencies;

1 “(3) 1 shall be a representative of schools of
2 nursing;

3 “(4) 1 shall be a representative of primary and
4 secondary schools;

5 “(5) 1 shall be a representative from the De-
6 partments of Health and Human Services, Edu-
7 cation, Labor, and Veterans Affairs; and

8 “(6) 1 shall be a physician.

9 “(e) CHAIRS.—The Secretary of the Department of
10 Health and Human Services and the Secretary of Labor
11 shall jointly chair the Commission.

12 “(f) SUBCOMMITTEES.—The Chairs shall have the
13 authority to create subcommittees as they determine is
14 necessary.

15 “(g) STAFF.—The Chairs shall provide any staff that
16 the Commission shall require.

17 “(h) QUORUM.—Eleven members of the Commission
18 shall constitute a quorum.

19 “(i) VACANCIES.—Any vacancy in the Commission
20 shall not affect the powers of the Commission, but shall
21 be filled in the same manner as the original appointment
22 and shall be made not later than 30 days after the date
23 on which the Commission is given notice of such vacancy.

24 “(j) COMPENSATION.—Members of the Commission
25 shall receive no additional compensation by reason of their

1 service to the Commission. Each member shall be allowed
2 travel expenses, including per diem in lieu of subsistence,
3 at rates authorized for employees of agencies under sub-
4 chapter I of chapter 57 of title 5, United States Code,
5 while away from their homes or regular places of business
6 in the performance of services for the Commission.

7 “(k) REPORT.—Not later than 24 months after the
8 date of enactment of this section, the Commission shall
9 prepare and submit to Congress and widely disseminate
10 in the health care field, a report that makes the rec-
11 ommendations described in subsection (b).

12 “(l) SUNSET.—This section shall be effective for 24
13 months from the date of enactment of this section.

14 “(m) AUTHORIZATION OF APPROPRIATIONS.—There
15 are authorized to be appropriated to carry out this section
16 \$750,000 for fiscal year 2002 for use in fiscal years 2002
17 and 2003.”.

Passed the Senate December 20 (legislative day, De-
cember 18), 2001.

Attest:

Secretary.

107TH CONGRESS
1ST SESSION

S. 1864

AN ACT

To amend the Public Health Service Act to establish a Nurse Corps and recruitment and retention strategies to address the nursing shortage, and for other purposes.