Public Law 89-290

October 22, 1965
[H. R. 3141]

AN ACT

To amend the Public Health Service Act to improve the educational quality of schools of medicine, dentistry, and osteopathy, to authorize grants under that Act to such schools for the awarding of scholarships to needy students, and to extend expiring provisions of that Act for student loans and for aid in construction of teaching facilities for students in such schools and schools for other health professions, and for other purposes.

Health Professions Educational Assistance Amendments of 1965.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Health Professions Educational Assistance Amendments of 1965".

EDUCATIONAL IMPROVEMENT GRANTS AND SCHOLARSHIP GRANTS TO SCHOOLS OF MEDICINE, DENTISTRY, OSTEOPATHY, OPTOMETRY, AND PODIATRY

70 Stat. 717; 77 Stat. 164, 282.
42 USC 292 *et seq.*

SEC. 2. (a) Title VII of the Public Health Service Act is amended by adding at the end thereof the following new parts:

"PART E—GRANTS TO IMPROVE THE QUALITY OF SCHOOLS OF MEDICINE, DENTISTRY, OSTEOPATHY, OPTOMETRY, AND PODIATRY

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 770. There are authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1966, $40,000,000 for the fiscal year ending June 30, 1967, $60,000,000 for the fiscal year ending June 30, 1968, and $80,000,000 for the fiscal year ending June 30, 1969, for grants under this part to assist schools of medicine, dentistry, osteopathy, optometry, and podiatry to improve the quality of their educational programs.

"BASIC IMPROVEMENT GRANTS

"SEC. 771. (a) Subject to the provisions of subsection (b), the Surgeon General may make basic improvement grants as follows:

"(1) For the fiscal year ending June 30, 1966, each school of medicine, dentistry, osteopathy, optometry, or podiatry whose application for a basic improvement grant for such year has been approved by the Surgeon General shall be paid the sum of $12,500 plus the product obtained by multiplying $250 by the number of full-time students in such school.

"(2) For each fiscal year in the period beginning July 1, 1966, and ending June 30, 1969, each such school whose application has been approved for such a grant for such year shall be paid the sum of $25,000 plus the product obtained by multiplying $500 by the number of full-time students in such school.

Enrollment increase requirement.

"(b) The Surgeon General shall not make a grant under this section to any school unless the application for such grant contains or is supported by reasonable assurances that for the first school year beginning after the fiscal year for which such grant is made and each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the highest first-year enrollment of such students in such school for any of the five school years during the period July 1, 1960, through July 1, 1965, by at least 2½ per centum of such highest first-year enrollment, or by five students, whichever is greater. The requirements of this subsection shall be in addition to the requirements of section 721(c)(2)(D) of this Act, where applicable. The Surgeon General is authorized to waive (in whole or in part) the provisions of this subsection

42 USC 293a.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

if he determines, after consultation with the National Advisory Council on Medical, Dental, and Optometric, and Podiatric Education, that the required increase in first-year enrollment of full-time students in a school cannot, because of limitations of physical facilities available to the school for training, be accomplished without lowering the quality of training for such students.

"(c) For purposes of this part and part F, regulations of the Surgeon General shall include provisions relating to determination of the number of students enrolled in a school, or in a particular year-class in a school, as the case may be, on the basis of estimates, or on the basis of the number of students enrolled in a school, or in a particular year-class in a school, in an earlier year, as the case may be, or on such basis as he deems appropriate for making such determination, and shall include methods of making such determinations when a school or a year-class was not in existence in an earlier year at a school.

"(d) For purposes of this part and part F, the term 'full-time students' (whether such term is used by itself or in connection with a particular year-class) means students pursuing a full-time course of study leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, doctor of osteopathy, doctor of optometry or an equivalent degree, or doctor of podiatry or an equivalent degree. "Full-time students."

"SPECIAL IMPROVEMENT GRANTS

"SEC. 772. (a) From the sums appropriated under section 770 for any fiscal year and not required for making grants under section 771, the Surgeon General may make an additional grant for such year to any school of medicine, dentistry, osteopathy, optometry, or podiatry which has an approved application therefor and for which an application has been approved under section 771, if he determines that the requirements of subsection (b) are satisfied in the case of such applicant.

"(b) No special improvement grant shall be made under this section unless such grant is recommended by the National Advisory Council on Medical, Dental, Optometric, and Podiatric Education and the Surgeon General determines that such grant will be utilized by the recipient school (1) to contribute toward the maintenance of, or to provide for, accreditation, or (2) to contribute toward the maintenance of, or to provide for, specialized functions which the school serves.

"(c) No grant to any school under this section may exceed $100,000 for the fiscal year ending June 30, 1966; $200,000 for the fiscal year ending June 30, 1967; $300,000 for the fiscal year ending June 30, 1968; or $400,000 for the fiscal year ending June 30, 1969. Limitation.

"APPLICATIONS FOR GRANTS

"SEC. 773. (a) The Surgeon General may from time to time set dates (not earlier than in the fiscal year preceding the year for which a grant is sought) by which applications for basic or special grants under section 771 or 772 for any fiscal year must be filed.

"(b) To be eligible for a grant under this part, the applicant must (1) be a public or other nonprofit school of medicine, dentistry, osteopathy, optometry, or podiatry, and (2) be accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education, except that the requirement of this clause (2) shall be deemed to be satisfied if, (A) in the case of a school which by reason of no, or an insufficient, period of operation is not, at the time of application for a grant under this part, eligible for such accreditation, the

Commissioner finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the school will meet the accreditation standards of such body or bodies prior to the beginning of the academic year following the normal graduation date of students who are in their first year of instruction at such school during the fiscal year in which the Surgeon General makes a final determination as to approval of the application, or (B) in the case of any other school, the Commissioner finds after such consultation and after consultation with the Surgeon General that there is reasonable ground to expect that, with the aid of a grant or grants under this part, having regard for the purposes of the grant sought, such school will meet such accreditation standards within a reasonable time.

"(c) The Surgeon General shall not approve or disapprove any application for a grant under this part except after consultation with the National Advisory Council on Medical, Dental, Optometric, and Podiatric Education (established by section 774).

"(d) A grant under this part may be made only if the application therefor—

"(1) is approved by the Surgeon General upon his determination that the applicant meets the eligibility conditions set forth in subsection (b) of this section;

"(2) contains or is supported by assurances satisfactory to the Surgeon General that the applicant will expend in carrying out its functions as a school of medicine, dentistry, osteopathy, optometry, 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 Surgeon General) from non-Federal sources which are at least as great as the average amount of funds expended by such applicant for such purpose in the three fiscal years immediately preceding the fiscal year for which such grant is sought;

"(3) contains such additional information as the Surgeon General may require to make the determinations required of him under this part and such assurances as he may find necessary to carry out the purposes of this part; and

"(4) provides for such fiscal-control and accounting procedures and reports, and access to the records of the applicant, as the Surgeon General may require to assure proper disbursement of and accounting for Federal funds paid to the applicant under this part.

"(e) In considering applications for grants under section 772, the Surgeon General shall take into consideration the relative financial need of the applicant for such a grant and the relative effectiveness of the applicant's plan in carrying out the purposes set forth in clauses (1) or (2) of subsection (b) of section 772 and in contributing to an equitable geographical distribution of schools offering high-quality training of physicians, dentists, optometrists, and podiatrists.

"NATIONAL ADVISORY COUNCIL ON MEDICAL, DENTAL, OPTOMETRIC, AND PODIATRIC EDUCATION

Membership.

"SEC. 774. (a) There is hereby established in the Public Health Service a National Advisory Council on Medical, Dental, Optometric, and Podiatric Education consisting of the Surgeon General, who shall be Chairman, and twelve members appointed without regard to the civil service laws by the Surgeon General with the approval of the Secretary of Health, Education, and Welfare, and such appointments may be made for specified staggered terms. The appointed members

of the Council shall be selected from among leading authorities in the fields of medical, dental, optometric, and podiatric education, respectively, except that not less than three of such members shall be selected from the general public.

"(b) The Council shall advise the Surgeon General in the preparation of general regulations and with respect to policy matters arising in the administration of this part and part F, and in the review of applications under this part.

"(c) The Surgeon General is authorized to use the services of any member or members of the Council in connection with matters related to the administration of this part or part F, for such periods, in addition to conference periods, as he may determine.

"(d) Appointed members of the Council, while attending conferences or meetings of the Council or while otherwise serving at the request of the Surgeon General, shall be entitled to receive compensation at rates to be fixed by the Secretary but not exceeding $100 per day, including travel time; and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

Compensation; travel expenses.

60 Stat. 808; 75 Stat. 339, 340.

"PART F—SCHOLARSHIP GRANTS TO SCHOOLS OF MEDICINE, OSTEOPATHY, DENTRISTRY, OPTOMETRY, PODIATRY, OR PHARMACY

"SCHOLARSHIP GRANTS

"SEC. 780. (a) The Surgeon General shall make grants as provided in this part to each public or other nonprofit school of medicine, osteopathy, dentistry, optometry, podiatry, or pharmacy, which is accredited as provided in section 721(b)(1)(B) or section 773(b)(2), for scholarships to be awarded annually by such school to students thereof.

Post, p. 1058.
Ante, p. 1053.

"(b) The amount of the grant under subsection (a) to each such school shall be equal to $2,000 multiplied (1) for the fiscal year ending June 30, 1966, by one-tenth of the number of full-time first-year students of such school; (2) for the fiscal year ending June 30, 1967, by one-tenth of the number of full-time first-year students and second-year students of such school; (3) for the fiscal year ending June 30, 1968, by one-tenth of the number of full-time first-year students, second-year students, and third-year students of such school; and (4) for the fiscal year ending June 30, 1969, by one-tenth of the number of full-time students of such school. For the fiscal year ending June 30, 1970, and for each of the two succeeding fiscal years, the grant under subsection (a) shall be such amount as may be necessary to enable such school to continue making payments under scholarship awards to students who initially received such awards out of grants made to the school for fiscal years ending prior to July 1, 1969.

"(c)(1) Scholarships may be awarded by schools from grants under subsection (a)—

Recipients, eligibility.

"(A) only to individuals who have been accepted by them for enrollment as full-time first-year students, in the case of awards from such grants for the fiscal year ending June 30, 1966;

"(B) only to individuals who have been so accepted, and individuals enrolled and in good standing as full-time second-year students, in the case of awards from such grants for the fiscal year ending June 30, 1967;

"(C) only to individuals who have been so accepted, and individuals enrolled and in good standing as full-time second-year or

third-year students, in the case of awards from such grants for the fiscal year ending June 30, 1968;

"(D) only to individuals who have been so accepted, and individuals enrolled and in good standing as full-time students, in the case of awards from such grants for the fiscal year ending June 30, 1969; and

"(E) only to individuals enrolled and in good standing as full-time students who initially received scholarship awards out of such grants for a fiscal year ending prior to July 1, 1969, in the case of awards from such grants for the fiscal year ending June 30, 1970, or the two succeeding fiscal years.

"(2) Scholarships from grants under subsection (a) for any school year shall be awarded only to students from low-income families who, without such financial assistance could not pursue a course of study at the school for such year. Any such scholarship awarded for a school year shall cover such portion of the student's tuition, fees, books, equipment, and living expenses at the school making the award, but not to exceed $2,500 for any year, as such school may determine the student needs for such year on the basis of his requirements and financial resources.

"(d) Grants under subsection (a) shall be made in accordance with regulations prescribed by the Surgeon General after consultation with the National Advisory Council on Medical, Dental, Optometric, and Podiatric Education.

"(e) Grants under subsection (a) may be paid in advance or by way of reimbursement, and at such intervals as the Surgeon General may find necessary; and with appropriate adjustments on account of overpayments or underpayments previously made."

77 Stat. 169.
42 USC 293d.

(b) Section 724 of such Act (containing definitions) is amended by striking out "As used in this part" and inserting in lieu thereof "As used in this part and parts C, E, and F"; and section 740(a) of such Act is amended by striking out "(as defined in section 724)".

42 USC 294.

EXTENSION OF CONSTRUCTION PROGRAM FOR MEDICAL, DENTAL, AND OTHER HEALTH PROFESSION SCHOOLS

42 USC 293.

SEC. 3. (a) Effective with respect to appropriations for fiscal years beginning after June 30, 1966, section 720 of such Act is amended to read as follows:

Appropriation.

"SEC. 720. There are hereby authorized to be appropriated $480,000,000 for the three fiscal years in the period beginning July 1, 1966, and ending June 30, 1969, of which not more than $160,000,000 may be available for grants before July 1, 1967, and not more than $320,000,000 may be available for grants before July 1, 1968, for—

"(1) grants to assist in the construction of new teaching facilities for the training of physicians, pharmacists, optometrists, podiatrists, or professional public health personnel;

"(2) grants to assist in the construction of new teaching facilities for the training of dentists; and

"(3) grants to assist in the replacement or rehabilitation of existing teaching facilities for the training of physicians, pharmacists, optometrists, podiatrists, professional public health personnel, or dentists.

Sums so appropriated shall remain available until expended."

42 USC 293a.

(b) Subsection (a) of section 721 of such Act is amended to read as follows:

"(a) The Surgeon General may from time to time set dates (not earlier than in the fiscal year preceding the year for which a grant is sought) by which applications for grants under this part for any fiscal year must be filed."

(c) Section 721(c)(2)(D) of such Act is amended by inserting immediately before the semicolon at the end thereof the following: ", and the requirements of this clause (D) shall be in addition to the requirements of section 771(b) of this Act, where applicable". 77 Stat. 166. 42 USC 293a. *Ante*, p. 1052.

EXTENSION OF, AND IMPROVEMENTS IN, PROGRAM FOR STUDENT LOANS

SEC. 4. (a) Subsection (b)(4) of section 740 of such Act is amended by striking out "July 1, 1966" and inserting in lieu thereof "July 1, 1969". 42 USC 294.

(b)(1) Subsection (a) of section 741 of such Act is amended by striking out "may not exceed $2,000" and inserting in lieu thereof "may not exceed $2,500". 42 USC 294a.

(2) Section 741 of such Act is further amended (A) by redesignating subsections "(f)", "(g)", and "(h)" thereof as subsections "(g)", "(h)", and "(i)", respectively, and (B) by adding immediately after subsection (e) thereof the following new subsection:

"(f)" Where any person who obtained one or more loans from a loan fund established under this part—

"(1) engages in the practice of medicine, dentistry, optometry, or osteopathy in an area in a State determined by the appropriate State health authority, in accordance with regulations provided by the Secretary, to have a shortage of and need for physicians, optometrists or dentists; and

"(2) the appropriate State health authority certifies to the Secretary of Health, Education, and Welfare in such form and at such times as the Secretary may prescribe that such practice helps to meet the shortage of and need for physicians, optometrists or dentists in the area where the practice occurs; then 10 per centum of the total of such loans, plus accrued interest on such amount, which are unpaid as of the date that such practice begins, shall be canceled thereafter for each year of such practice, up to a total of 50 per centum of such total, plus accrued interest thereon."

(c) Subsection (a) of section 742 of such Act is amended (1) by inserting "(other than section 744)" after "to carry out this part", and (2) by striking out that part of the first sentence that follows "June 30, 1966," and inserting in lieu thereof the following: "and $25,000,000 each for the fiscal year ending June 30, 1967, and the two succeeding fiscal years. There are further authorized to be appropriated to the Secretary such sums for the fiscal year ending June 30, 1970, and each of the two succeeding fiscal years as may be necessary to enable students who have received a loan under this part for any academic year ending before July 1, 1969, to continue or complete their education." 42 USC 294b.

(d) Section 743 of such Act is amended by striking out "1969" wherever it appears therein and inserting in lieu thereof "1972". 42 USC 294c.

(e) Section 744 of such Act is amended by adding at the end thereof the following new sentences: "There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section, but not to exceed a total of $1,500,000. Loans made by the Surgeon General under this section shall mature within such 42 USC 294d.

period as may be determined by the Surgeon General to be appropriate in each case, but not exceeding fifteen years."

77 Stat. 170.
42 USC 294.

(f)(1) Subsection (a) of section 740 of such Act is amended by inserting "pharmacy, podiatry," immediately after "dentistry,".

(2) Subsection (b)(4) of section 740 of such Act is amended by inserting immediately after "doctor of osteopathy," the following: "bachelor of science in pharmacy or doctor of pharmacy, doctor of podiatry or doctor of surgical chiropody,".

42 USC 294a.

(3) Subsection (b) of section 741 of such Act is amended by inserting immediately after "doctor of osteopathy," the following: "bachelor of science in pharmacy or doctor of pharmacy, doctor of podiatry or doctor of surgical chiropody,".

(4) Subsection (c) of such section 741 is amended by inserting "pharmacy, podiatry," immediately after "dentistry,".

Effective date.

(5) The amendments made by paragraphs (1), (2), (3), and (4) of this subsection shall only be effective with respect to periods beginning on or after July 1, 1966.

Interest rate.

(g)(1) Subsection (e) of section 741 of such Act is amended by adding at the end thereof the following sentence: "Notwithstanding the foregoing provisions of this subsection, the rate of interest determined in accordance with such provisions for the first loan obtained by a student from a loan fund established under this part shall also apply to any subsequent loan to such student from such fund during his course of study."

78 Stat. 914.
42 USC 297b.

(2) Paragraph (5) of section 823(b) of such Act is amended by inserting immediately before the semicolon at the end thereof a colon and the following: "*Provided*, That notwithstanding the foregoing provisions of this paragraph, the rate of interest determined in accordance with such provisions for the first loan obtained by a student from a loan fund established under this part shall also apply to any subsequent loan to such student from such fund during his course of study".

TECHNICAL AMENDMENTS

77 Stat. 165.
42 USC 293a.

SEC. 5. (a) Clause (B) of section 721(b)(1) of such Act (relating to the accreditation of new schools of medicine, etc.) is amended by (1) striking out ", upon completion of such facility," and (2) inserting the following after "meet the accreditation standards of such body or bodies": "(i) prior to the beginning of the academic year following the normal graduation date of the first entering class in such school or (ii) if later, upon completion of the project for which assistance is requested and other projects (if any) under construction or planned and to be commenced within a reasonable time."

78 Stat. 918.
42 USC 298b.

(b) Section 843(f) of such Act (relating to accreditation of new schools of nursing), is amended (1) by striking out "any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education" and inserting in lieu thereof the following: "any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education, or a program accredited for the purpose of this Act by the Commissioner of Education", and (2) by striking out "new school" and the remainder of such clause and inserting in lieu thereof the following: "new school (which shall include a school that has not had a sufficient period of operation to be eligible for accreditation), (A) upon completion of such project and other construction projects (if any) then under construction or planned and to be commenced within a reasonable time, or (B) if later, then prior to the beginning of the first academic year following the normal graduation date of the first entering class in such school;".

Approved October 22, 1965.