Public Law 94-484
94th Congress

An Act

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.

Oct. 12, 1976
[H.R. 5546]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Health Professions Educational Assistance Act of 1976.
42 USC 201 note.

SHORT TITLE: REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Health Professions Educational Assistance Act of 1976".

(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

FINDINGS AND DECLARATION OF POLICY

42 USC 292 note.

SEC. 2. (a) The Congress finds and declares that—

(1) the availability of high quality health care to all Americans is a national goal;

(2) the availability of high quality health care is, to a substantial extent, dependent upon—

(A) the availability of qualified health professions personnel; and

(B) the availability of adequate numbers of physicians engaged in the delivery of primary care, including family practice, general internal medicine, and general pediatrics, and in the various specialties, but numbers which do not exceed the need for physicians in such specialties;

(3) there are many areas in the United States which are unable to attract adequate numbers of health professions personnel to meet their health care needs; and

(4) physician specialization has resulted in inadequate numbers of physicians engaged in the delivery of primary care.

(b) The Congress further finds and declares that—

(1) health professions personnel are a national health resource and the Federal Government shares the responsibility of assuring that such qualified personnel are available to meet the health care needs of the American people;

(2) it is therefore appropriate to provide support for the education and training of such personnel; and

(3) at the same time it is appropriate to provide such support in a manner which will assure the availability of health professions personnel to all of the American people.

(c) The Congress further finds and declares that there is no longer an insufficient number of physicians and surgeons in the United States such that there is no further need for affording preference to alien physicians and surgeons in admission to the United States under the Immigration and Nationality Act.

8 USC 1101 note.

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TITLE I—EXTENSION OF CURRENT AUTHORITIES THROUGH FISCAL YEAR 1977

EXTENSION

42 USC 244-1.

SEC. 101. (a)(1) Section 312(a) (relating to traineeships for professional public health personnel) is amended (A) by striking out "and" after "1973,", and (B) by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, and $9,900,000 for the fiscal year ending September 30, 1977".

42 USC 245a.

(2) Section 313(a) (relating to project grants for graduate training in public health) is amended (A) by striking out "and" after "1973,", and (B) by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, and $6,000,000 for the fiscal year ending September 1977".

(3) Section 313(c) is amended (A) by striking out "and" after "1973,", and (B) by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, and $6,400,000 for the fiscal year ending September 30, 1977".

42 USC 254b.

(b) Section 329(h) (relating to the National Health Service Corps) is amended (1) by striking out "and" after "1975;", and (2) by striking out "1976" and inserting in lieu thereof "1976; and $34,000,000 for the fiscal year ending September 30, 1977".

42 USC 293.

(c) Section 720 (relating to grants for construction of teaching facilities) is amended (1) by striking out "and" after "1973," and (2) by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, and $103,000,000 for the fiscal year ending September 30, 1977".

42 USC 293i.

(d) Section 729 (relating to loan guarantees and interest subsidies) is amended—

(1) by striking "June 30, 1974" in subsections (a) and (b) and inserting in lieu thereof "September 30, 1977"; and

(2) by inserting after "1974" in subsection (e) the following: ", or in any of the next three fiscal years".

42 USC 294b, 294o.

(e) Section 742 (relating to health professions student loans) is amended (1) by striking out "and" after "1975," the first time it occurs, and (2) by inserting after "1976" the following: ", and $39,100,000 for the fiscal year ending September 30, 1977".

42 USC 294g.

(f) Section 747(d) (relating to loans for students in foreign medical schools) is amended by striking out "two" and inserting in lieu thereof "four".

42 USC 295e-1.

(g) The section 767 entitled "GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS IN FAMILY MEDICINE" is amended (1) by striking out "and" after "1973,", and (2) by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, and $39,000,000 for the fiscal year ending September 30, 1977".

42 USC 295e-2.

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

(1) by striking out "for the fiscal year ending June 30, 1974" in subsection (a) and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976"; and

(2) by inserting "or in the next two fiscal years" after "1974," in subsection (b)(3)(B).

(i) Section 769(a) (relating to grants for training for health professions teaching personnel) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976". 42 USC 295e-3.

(j) Section 769A (relating to grants for computer technology) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, June 30, 1975, June 30, 1976, and September 30, 1977". 42 USC 295e-4.

(k)(1) Paragraph (1) of section 770(j) (relating to capitation grants) is amended (A) by striking out "and" after "1973", and (B) by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, and $133,700,000 for the fiscal year ending September 30, 1977". 42 USC 295f.

(2) Paragraph (2) of such section is amended (A) by striking out "and" after "1973,", and (B) by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, and $29,300,000 for the fiscal year ending September 30, 1977".

(l) Section 771 (relating to start-up assistance) is amended (1) by striking out "two fiscal years" in subsection (a)(6) and inserting in lieu thereof "four fiscal years, and not to exceed $5,100,000 for the fiscal year ending September 30, 1977", (2) by striking out "July 1, 1974" in subsection (b)(2) and inserting in lieu thereof "October 1, 1977", and (3) by striking out "June 30, 1975" in such subsection and inserting in lieu thereof "September 30, 1978". 42 USC 295f-1.

(m) Section 772(d) (relating to special project grants and contracts) is amended (1) by striking out "and" after "1973,", and (2) by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, and $40,852,000 for the fiscal year ending September 30, 1977". 42 USC 295f-2.

(n) Section 773(a) (relating to financial distress grants) is amended (1) by striking out "and" after "1973,", and (2) by striking out "for the fiscal year ending June 30, 1974" the first time it appears and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, and $5,400,000 for the fiscal year ending September 30, 1977". 42 USC 295f-3.

(o) Section 774(e) (relating to education initiative awards) is amended (1) by striking out "and" after "1973,", and (2) by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, and $41,170,000 for the fiscal year ending September 30, 1977". 42 USC 295f-4.

(p) Section 780 (relating to scholarship grants) is amended (1) by striking out "the next fiscal year" in subsection (b) and inserting in lieu thereof "the next three fiscal years", (2) by striking out "1974" in such subsection and subsection (c)(1)(B) and inserting in lieu thereof "1976", (3) by striking out in subsections (b) and (c)(1)(B) "June 30, 1975" and inserting in lieu thereof "September 30, 1977" and (4) by striking out "two" in subsection (c)(1)(A) and inserting in lieu thereof "four". 42 USC 295g.

(q) The section 785 entitled "SCHOLARSHIP GRANTS FOR STUDY ABROAD" is amended (1) by striking "two" in subsection (e)(1) and inserting in lieu thereof "four", (2) by striking out "June 30, 1975" in subsection (e)(2) and inserting in lieu thereof "September 30, 1977", and (3) by striking out in such subsection "1974" and inserting in lieu thereof "1976". 42 USC 295g-11.

42 USC 295g-23.

(r) Section 786 (relating to physician shortage area scholarships) is amended (1) by striking out "June 30, 1975" in the second sentence and inserting in lieu thereof "September 30, 1977", and (2) by striking out "1974" in that sentence and inserting in lieu thereof "1976".

42 USC 295h-1.

(s) (1) Section 792(b) (relating to special improvement grants) is amended (A) by striking out "and" after "1973,", and (B) by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, and $11,400,000 for the fiscal year ending September 30, 1977".

(2) Section 792(c)(1) (relating to special projects) is amended (A) by striking out "and" after "1973,", and (B) by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, and $15,400,000 for the fiscal year ending September 30, 1977".

42 USC 295h-2.

(3) Section 793(a) (relating to traineeships for advanced training) is amended (A) by striking out "and" after "1973;", and (B) by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, and $3,900,000 for the fiscal year ending September 30, 1977".

42 USC 295h-3a.

(4) Section 794A(b) (relating to assistance for recruitment) is amended (A) by striking out "and" after "1973;", and (B) by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976, and $109,000 for the fiscal year ending September 30, 1977".

42 USC 234.

(t) Section 225(i) (relating to Public Health and National Health Service Corps scholarships) is amended (1) by striking out "and" after "1974,", and (2) by striking out "for the fiscal year ending June 30, 1975" and inserting in lieu thereof "each for the fiscal years ending June 30, 1975, and June 30, 1976, and $40,000,000 for the fiscal year ending September 30, 1977".

TITLE II—GENERAL PROVISIONS

NEW GENERAL PROVISIONS

Repeal.
42 USC 292-292j.

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

(b) The following section is inserted in part A of title VII:

"LIMITATION ON USE OF APPROPRIATIONS

42 USC 292.

"SEC. 700. (a) Notwithstanding any other provisions of law, with respect to any fiscal year beginning after September 30, 1977, no funds appropriated for such fiscal year may be made available for obligation or expenditure for the purpose of carrying out any provision of this title if the sum of the amounts appropriated for such fiscal year for scholarships under subpart IV of part C (relating to National Health Service Corps scholarships) and for the purpose of making grants under section 758 (relating to scholarships for first-year students of exceptional financial need) is less than the lesser of—

Post, p. 2281.

Post, p. 2289.

"(1) the sum of the amounts authorized to be appropriated for such fiscal year under such subpart and section, or

"(2) 50 percent of the sum of the amounts appropriated for such fiscal year under this title.

"(b) Subsection (a) shall not apply with respect to a fiscal year if less than 75 percent of the sum of the amounts authorized to be appropriated for such fiscal year under paragraphs (1), (2), and (3) of section 770(e) (relating to capitation grants for medical, osteopathic, and dental schools) is appropriated for such fiscal year under such paragraphs.".

(c) Sections 724, 725, 799, and 799A are transferred to part A, inserted after section 700 (added by subsection (b)), and redesignated as sections 701, 702, 703, and 704, respectively. 42 USC 293d, 293e, 295h-8, 295h-9.

(d)(1) The heading for part A of title VII is amended to read as follows: 42 USC 292a-292d.

"PART A—GENERAL PROVISIONS".

(2) The heading for part H of title VII is repealed. Repeal.

(e) Section 701 (as so redesignated) is amended— 42 USC 292a.

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

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

(3) by adding at the end the following new paragraphs: Definitions.

"(7)(A) The term 'program for the training of physician assistants' means an educational program which (i) has as its objective the education of individuals who will, upon completion of their studies in the program, be qualified to effectively provide health care under the supervision of a physician and (ii) meets regulations prescribed by the Secretary in accordance with subparagraph (B).

"(B) After consultation with appropriate professional organizations, the Secretary shall (within 180 days after the date of enactment of this paragraph) prescribe regulations for programs for the training of physician assistants. Such regulations shall, as a minimum, require that such a program— Consultation; regulations.

"(i) extend for at least one academic year and consist of (I) supervised clinical practice, and (II) at least four months (in the aggregate) of classroom instruction, directed toward preparing students to deliver health care; and

"(ii) have an enrollment of not less than eight students.

"(8)(A) The term 'program for the training of expanded function dental auxiliaries' means an educational program which (i) has as its objective the education of individuals who will, upon completion of their studies in the program, be qualified to assist in the provision of dental care under the supervision of a dentist and (ii) meets regulations prescribed by the Secretary in accordance with subparagraph (B).

"(B) After consultation with appropriate professional organizations, the Secretary shall (within 180 days after the date of enactment of this paragraph) prescribe regulations for programs for the training of expanded function dental auxiliaries. Such regulations shall, as a minimum, require that such a program— Consultation; regulations.

"(i) extend for at least one academic year and consist of

"(I) supervised clinical practice, and

"(II) at least four months (in the aggregate) of classroom instruction,

directed toward preparing students to deliver dental care; and

"(ii) have an enrollment of not less than eight students.

"(9) The term 'State' includes, in addition to the several States, only the District of Columbia, the Commonwealth of Puerto Rico.

the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(10) The term 'Department' means the Department of Health, Education, and Welfare.".

ADVISORY COUNCIL

42 USC 292b.

SEC. 202. (a)(1) The second sentence of subsection (a) of section 702 (as so redesignated) is amended to read as follows: "Of the appointed members of the Council (1) twelve shall be representatives of the health professions schools assisted under programs authorized by this title, including at least six persons experienced in university administration and at least four representatives of schools of veterinary medicine, optometry, pharmacy, podiatry, and public health, and entities which may receive a grant under section 791, (2) two shall be full-time students enrolled in health professions schools, and (3) six shall be members of the general public.".

Post, p. 2303.

(2) Section 702 (as so redesignated) is amended by adding at the end thereof the following new subsection:

5 USC app. I.

"(d) Section 14 of the Federal Advisory Committee Act shall not apply with respect to the Council.".

42 USC 292b note.

(3) The amendment made by paragraph (1) with respect to the composition of the National Advisory Council on Health Professions Education shall apply with respect to appointments made to the Council after October 1, 1976, and the Secretary of Health, Education, and Welfare shall make appointments to the Council after such date in a manner which will bring about, at the earliest feasible time, the Council composition prescribed by the amendment.

42 USC 292b.

(b)(1) Section 702 (as so redesignated) is amended by striking out "E, and F" in subsection (a) and inserting in lieu thereof "E, F, and G".

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

ADVANCE FUNDING AUTHORITY

42 USC 292c.

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

"ADVANCE FUNDING

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

"(b) Subsection (a) shall not apply with respect to grants under section 770 (relating to capitation).".

Post, p. 2290.

RECORDS AND AUDITS, CONTRACTS

SEC. 204. Part A of title VII is amended by adding after section 704 (as so redesignated) the following new sections:

"RECORDS AND AUDITS

"SEC. 705. (a) Each entity which receives a grant, loan, loan guarantee, or interest subsidy or which enters into a contract with the Secretary under this title, shall establish and maintain such records as the Secretary shall by regulation or order require. Such records shall include, among other things, records which completely disclose the amount and disposition of the total amount of funds received by such entity, the total cost of any project or undertaking for which funds were received, and the total amount of that portion of the total cost of any project or undertaking received by or allocated to such entity from other sources, and such other records as will facilitate an audit conducted in accordance with generally accepted auditing standards. 42 USC 292e.

"(b) Each entity which received a grant or entered into a contract under this title shall have an annual financial audit of any books, accounts, financial records, files, and other papers and property which relate to the disposition or use of any funds received under such grant or contract and such other funds received by or allocated to any project or undertaking for which any funds received under this Act were used, and any other funds received under this Act. Each such entity shall be responsible for providing and paying for such audit. For purposes of assuring accurate, current, and complete disclosure of the disposition or use of the funds received, each such audit shall be conducted by and certified to be accurate by an independent certified public accountant utilizing generally accepted auditing standards. A report of each such audit shall be filed with the Secretary at such time and in such manner as he may require.

"(c) The Secretary may specify, by regulation, the form and manner in which such records, required by subsection (a), shall be established and maintained. Regulation.

"(d) A student recipient of a scholarship, traineeship, loan, or loan guarantee under this title shall not be required to establish or maintain the records required under subsection (a) or provide for an audit required under subsection (b).

"(e)(1) Each entity which is required to establish and maintain records or to provide for an audit under this section shall make such books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of such entity upon a reasonable request therefor.

"(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have the authority to carry out the purposes of this subsection.

"CONTRACTS

"SEC. 706. Contracts authorized by this title may be entered into without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529, 41 U.S.C. 5).". 42 USC 292f.

DELEGATION OF AUTHORITY

SEC. 205. Part A of title VII is amended by adding after section 706 (added by section 204) the following new section:

"DELEGATION

42 USC 292g.

"SEC. 707. The Secretary may delegate the authority to administer any program authorized by this title to the administrator of a central or regional office or offices of the Department, except that the authority—

"(1) to review, and prepare comments on the merit of, any application for a grant or contract under any such program for purposes of presenting such application to the National Advisory Council on Health Professions Education, and

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

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

HEALTH PROFESSIONS DATA

SEC. 206. Part A of title VII is amended by adding after section 707 (added by section 205) the following new section:

"HEALTH PROFESSIONS DATA

42 USC 292h.

"SEC. 708. (a) The Secretary shall establish a program, including a uniform health professions data reporting system, to collect, compile, and analyze data on health professions personnel which shall initially include data respecting all physicians and dentists in the United States and its territories and possessions. The Secretary is authorized to expand the program to include, whenever he determines it necessary, the collection, compilation, and analysis of data respecting pharmacists, optometrists, podiatrists, veterinarians, public health personnel, audiologists, speech pathologists, health care administration personnel, nurses, allied health personnel, medical technologists, and any other health personnel in States designated by the Secretary to be included in the program. Such data shall include data respecting the training, licensure status (including permanent, temporary, partial, limited, or institutional), place or places of practice, professional specialty, practice characteristics, place and date of birth, sex, and socio-economic background of health professions personnel and such other demographic information regarding health professions personnel as the Secretary may require.

"(b)(1) In carrying out subsection (a), the Secretary shall collect available information from appropriate local, State, and Federal agencies and other appropriate sources.

Studies.

"(2) The Secretary shall conduct or enter into contracts for the conduct of analytic and descriptive studies of the health professions, including evaluations and projections of the supply of, and requirements for, the health professions by specialty and geographic location.

Grants and contracts.

"(3) The Secretary is authorized to make grants and to enter into contracts with States (or an appropriate nonprofit private entity in any State) for the purpose of participating in the program established under subsection (a). The Secretary shall determine the amount and scope of any such grant or contract. To be eligible for a grant or contract under this paragraph a State or entity shall submit an application in such form and manner and containing such information as the Secretary shall require. Such application shall include reasonable assurances, satisfactory to the Secretary, that—

Application.

"(A) such State (or nonprofit entity within a State) will establish a program of mandatory annual registration of the health professions personnel described in subsection (a) who reside or

practice in such State and of health institutions licensed by such State, which registration shall include such information as the Secretary shall determine to be appropriate;

"(B) such State or entity shall collect such information and report it to the Secretary in such form and manner as the Secretary shall prescribe; and

"(C) such State or entity shall comply with the requirements of subsection (e).

"(c) For purposes of providing the Secretary with information under this section, each school which receives financial support under section 770 shall annually report to the Secretary information, determined to be appropriate by the Secretary, respecting the students who attend such school. The Secretary may collect such additional data respecting students of the health professions as he determines to be appropriate.

Report to Secretary of HEW.
42 USC 295f.

"(d) The Secretary shall assemble and submit to the President and Congress not later than September 1 of each year a report on the status of health professions personnel in the United States, which report shall include a description and analysis of the data collected pursuant to this section. Such report may be included as part of the report made under section 308(a)(2)(C).

Report to President and Congress.

"(e)(1) The Secretary and each program entity shall in securing and maintaining any record of individually identifiable personal data (hereinafter in this subsection referred to as 'personal data') for purposes of this section—

"(A) inform any individual who is asked to supply personal data whether he is legally required, or may refuse, to supply such data and inform him of any specific consequences, known to the Secretary or program entity, as the case may be, of providing or not providing such data;

"(B) upon request, inform any individual if he is the subject of personal data secured or maintained by the Secretary or program entity, as the case may be, and make the data available to him in a form comprehensible to him;

"(C) assure that no use is made of personal data which is not within the purposes of this section unless an informed consent has been obtained from the individual who is the subject of such data; and

"(D) upon request, inform any individual of the use being made of personal data respecting such individual and of the identity of the individuals and entities which will use the data and their relationship to the programs under this section.

"(2) Any entity which maintains a record of personal data and which receives a request from the Secretary or a program entity for such data for purposes of this section shall not transfer any such data to the Secretary or to a program entity unless the individual whose personal data is to be so transferred gives an informed consent for such transfer.

"(3)(A) Notwithstanding any other provision of law, personal data collected by the Secretary or any program entity under this section may not be made available or disclosed by the Secretary or any program entity to any person other than the individual who is the subject of such data unless (i) such person requires such data for purposes of this section, or (ii) in response to a demand for such data made by means of compulsory legal process. Any individual who is the subject of personal data made available or disclosed under clause (ii) shall be notified of the demand for such data.

"(B) Subject to all applicable laws regarding confidentiality, only the data collected by the Secretary under this section which is not personal data shall be made available to bona fide researchers and policy analysts (including the Congress) for the purposes of assisting in the conduct of studies respecting health professions personnel.

"Program entity."

"(4) For purposes of this subsection, the term 'program entity' means any public or private entity which collects, compiles, or analyzes health professions data under a grant, contract, or other arrangement with the Secretary under this section.

"(f) In carrying out his responsibilities under this section, the Secretary shall not be subject to the provisions of chapter 35 of title 44, United States Code.

44 USC 3501.

Technical assistance.

"(g) The Secretary shall provide technical assistance to the States and political subdivisions thereof in the development of systems (including model laws) concerning confidentiality and comparability of data collected pursuant to this section.".

SHARED SCHEDULE RESIDENCIES

SEC. 207. Part A of title VII is amended by adding after section 708 (added by section 206) the following new section:

"SHARED SCHEDULE RESIDENCY TRAINING POSITIONS

42 USC 292i.

"SEC. 709. (a) Any entity which—

"(1) maintains a medical residency training program in family practice, general internal medicine, general pediatrics, or general obstetrics and gynecology, and

"(2) receives any Federal assistance,

shall establish or restructure and maintain, to the maximum extent feasible, a reasonable number of physician training positions in such program as shared schedule positions.

Report to Congress.

"(b) The Secretary shall report to Congress not later than January 1, 1979, on entities' compliance with subsection (a) and shall include in such report recommendations for legislation to ensure compliance with such subsection.

"Shared scheduled position."

"(c) For purposes of subsection (a), the term 'shared schedule position' means a physician training position in a medical residency training program which is shared by two individuals and in which each individual—

"(1) engages in at least two-thirds but not more than three-fourths of the total training prescribed for such position,

"(2) receives for each year in such position an amount of credit for certification in the medical specialty for which the position provides training which is equal to the amount of training engaged in in such year,

"(3) receives at least one-half of the salary for such position, and

"(4) receives all applicable employee benefits.".

PAYMENT UNDER GRANTS

SEC. 208. Part A of title VII is amended by adding after section 709 (added by section 207) the following new section:

"PAYMENT UNDER GRANTS

42 USC 292j.

Post, p. 2290.

"SEC. 710. Grants made under this title may be paid (1) except for grants under section 770, in advance or by way of reimbursement,

(2) at such intervals and on such conditions as the Secretary may find necessary, and (3) with appropriate adjustments on account of overpayments or underpayments previously made.".

PAYMENT FOR TUITION AND OTHER EDUCATIONAL EXPENSES

SEC. 209. Part A of title VII is amended by adding after section 710 (added by section 208) the following new section:

"PAYMENT FOR TUITION AND OTHER EDUCATIONAL COSTS

"SEC. 711. The Secretary shall by regulation establish criteria for determining allowable increases in tuition and other educational costs for which he shall be responsible for payment under any provision of this title after the date of enactment of the Health Professions Educational Assistance Act of 1976.". Regulation. 42 USC 292k. *Ante*, p. 2243.

TITLE III—ASSISTANCE FOR CONSTRUCTION OF TEACHING FACILITIES

REGIONAL HEALTH PROFESSIONS PROGRAMS

SEC. 301. Section 721 is amended by adding after subsection (e) the following new subsection: 42 USC 293a.

"(f)(1) An application for a grant under subsection (a) for the fiscal year ending September 30, 1977, for an affiliated clinical facility for the establishment or expansion of a regional health professions program may be filed by any public or other nonprofit agency if the application is approved by the school of veterinary medicine, optometry, podiatry, or pharmacy with which the facility is affiliated. Only that portion of the project to construct such a facility which the Secretary determines to be reasonably attributable to the need of the regional health professions program for the facility for teaching purposes shall be regarded as the project with respect to which payments may be made under section 722. Application. *Post*, p. 2255.

"(2) In considering applications for grants under subsection (a) for the fiscal year ending September 30, 1977, the Secretary shall give special consideration to applications for facilities for the establishment or expansion of regional health professions programs.

"(3) For the purposes of this subsection, the term 'regional health professions program' refers to an interstate program (A) in which a State with an existing degree-granting school of veterinary medicine, optometry, podiatry, or pharmacy sets up a cooperative program with another State (or other States) which does not have such a school, and (B) which provides for (i) a shared curriculum between two or more schools, or (ii) a single campus which is cooperatively financed and controlled by two or more States.". "Regional health professions program."

GRANT AUTHORITY; AUTHORIZATIONS

SEC. 302. Section 720 is amended to read as follows: 42 USC 293.

"GRANT AUTHORITY; AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 720. (a)(1) The Secretary may make grants to assist in the construction of teaching facilities for the training of physicians, dentists, pharmacists, optometrists, podiatrists, veterinarians, and professional public health personnel.

"(2)(A) The Secretary may make grants to public and nonprofit private entities to assist in the construction of ambulatory, primary care teaching facilities for the training of physicians and dentists.

"Ambulatory, primary care teaching facilities."

"(B) For purposes of this section, the term 'ambulatory, primary care teaching facilities' means areas dedicated for the training of students in the diagnosis and treatment of ambulatory patients and primarily in the specialties of family practice, general pediatrics, general internal medicine, general dentistry, and pedodontics. Such areas may include examination rooms, clinical laboratories, libraries, classrooms, offices, and other areas for clinical or research purposes necessary for, and appropriate to, the conduct of comprehensive ambulatory, primary care training of physicians and dentists in such specialties.

Appropriation authorization.

"(b) For payments under grants under this part there is authorized to be appropriated $40,000,000 for the fiscal year ending September 30, 1978, $40,000,000 for the fiscal year ending September 30, 1979, and $40,000,000 for the fiscal year ending September 30, 1980. Of the sums appropriated under this subsection for any fiscal year 50 percent of such sums shall be obligated for grants under subsection (a)(1) and 50 percent of such sums shall be obligated for grants under subsection (a)(2).".

APPLICATIONS

42 USC 293a.

SEC. 303. (a)(1) Section 721(b)(1) is amended by inserting "under section 720(a)(1)" after "for a grant".

(2) Section 721(b)(2) is amended by inserting "for a grant under section 720(a)(1)" after "an application" the first time it appears.

(3) Sections 721(b)(3) and 721(c) are each amended by striking out "grant under this part" and inserting in lieu thereof "grant under section 720(a)(1)".

(4) Section 721(d) is amended by inserting "under section 720(a)(1)" after "for grants".

(5) Section 721(e) is amended by inserting "for a grant under section 720(a)(1)" after "of applications".

(b) Section 721 is amended by adding after subsection (f) (added by section 301) the following new subsection:

Supra.

"(g)(1) A grant under section 720(a)(2) may be made only if the application therefor is approved by the Secretary upon his determination that—

"(A) the application contains or is supported by reasonable assurances that (i) the facility is intended to be used for purposes for which the application has been made, (ii) sufficient funds will be available to meet the non-Federal share of the cost of constructing the facility, and (iii) sufficient funds will be available, when construction is completed, for effective use of the facility for the training for which it is being constructed;

"(B) the plans and specifications are in accordance with regulations relating to minimum standards of construction and equipment; and

"(C) the application contains or is supported by adequate assurance that any laborer or mechanic employed by a contractor or subcontractors in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act).

The Secretary of Labor shall have with respect to the labor standards specified in subparagraph (C) the authority and functions set forth

in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

"(2) In making grants to entities under section 720(a)(2) the Secretary shall give special consideration to entities which have been awarded grants or received contracts under section 781, 784, or 786 (relating to area health education centers, general internal medicine and general pediatrics, and family medicine and the general practice of dentistry).". *Ante*, p. 2253. *Post*, pp. 2312, 2315, 2316.

(c) Subsection (e) of section 721 is amended by adding at the end the following new sentence: "In considering applications submitted for a grant under section 720(a)(1) for the cost of construction of teaching facilities for the training of physicians, the Secretary shall give special consideration to projects in States which have no such facilities.". 42 USC 293a.

GRANT AMOUNTS

SEC. 304. (a) Subsection (a) of section 722 is amended to read as follows: 42 USC 293b.

"(a)(1) The amount of any grant under section 720(a)(1) for construction of a project shall be such amount as the Secretary determines to be appropriate after obtaining advice from the Council, except that no grant for any project may exceed 80 percent of the necessary costs of construction, as determined by the Secretary, of such project.

"(2) The amount of any grant under section 720(a)(2) for construction of a facility shall be such amount as the Secretary determines to be appropriate, except that no grant for any facility may exceed the lesser of—

"(A) 50 percent of the total cost of such facility, or

"(B) $1,000,000.".

(b)(1) Subsection (d) of section 722 is amended by striking out "under this part" and inserting in lieu thereof "under section 720(a)(1)".

(2) Subsection (d) of section 722 is amended by striking out "(within the meaning of part A of this title)".

RECAPTURE

SEC. 305. Section 723 is amended— 42 USC 293c.

(1) by striking out "paid under this part" and inserting in lieu thereof "under a grant under section 720(a)(1)",

(2) by inserting "(a)" before "If",

(3) by redesignating paragraphs (a), (b), and (c) as paragraphs (1), (2), and (3), respectively, and

(4) by adding at the end the following:

"(b) If, within 20 years after completion of any construction for which funds have been paid under a grant under section 720(a)(2)—

"(1) the applicant or other owner of the facility shall cease to be a public or nonprofit entity;

"(2) the facility shall cease to be used for the training purposes for which such funds were provided, unless the Secretary determines, in accordance with regulations which he shall promulgate, that there is a significant public purpose and good cause for releasing the applicant or other owner from the obligation to do so; or Regulations.

"(3) the facility is used for sectarian instruction or as a place for religious worship,

the United States shall be entitled to recover from the applicant or

other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.".

LOAN GUARANTEES AND INTEREST SUBSIDIES

42 USC 293i.

SEC. 306. (a) Subsections (a) and (b) of section 729 are each amended by striking out "September 30, 1977" and inserting in lieu thereof "September 30, 1980".

(b) The second sentence of section 729(e) is amended by striking out "and" after "June 30, 1973," and by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "$2,000,000 in the fiscal year ending September 30, 1978, $3,000,000 in the fiscal year ending September 30, 1979, and $3,000,000 in the fiscal year ending September 30, 1980.".

(c) The third sentence of section 729(a) is amended to read as follows: "No such loan guarantee may, except under special circumstances and under such conditions as are prescribed by regulations, apply to any amount which, when added to any grant under this part or any other law of the United States, exceeds 90 percent of the cost of the construction of the project.".

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

EFFECTIVE DATE

42 USC 293 note.

SEC. 307. (a) The amendments made by sections 302 through 305 shall apply with respect to grants made under part B of title VII of the Public Health Service Act from appropriations under section 720 of such Act for fiscal years beginning after September 30, 1977.

Ante, p. 2253.

42 USC 293i note.

(b) The amendment made by section 306(c) shall apply with respect to loans guaranteed under section 729(a) of the Public Health Service Act (redesignated section 726(a) by section 308(d) of this Act) after September 30, 1977.

TECHNICAL AND CONFORMING AMENDMENTS

42 USC 293a.

SEC. 308. (a) Section 721(c) is amended—

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

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

(3) by striking out paragraph (5) and redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively;

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

"(7) the application contains or is supported by adequate assurance that any laborer or mechanic employed by a contractor or subcontractors in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act). The Secretary of Labor shall have, with respect to the labor standards

specified in paragraph (7), the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).”; and

(5) by striking out “725” in the last sentence and inserting in lieu thereof “702”.

(b) Section 726 is repealed. Repeal.

(c) Section 727(a) is amended by striking out “institutions” each time it appears and inserting in lieu thereof “entities”. 42 USC 293f. 42 USC 293g.

(d) Sections 727, 728, and 729 are redesignated as sections 724, 725, and 726, respectively. 42 USC 293g–293i.

TITLE IV—STUDENT ASSISTANCE; NATIONAL HEALTH SERVICE CORPS

INSURED LOANS TO STUDENTS

SEC. 401. (a) Effective October 1, 1976, subpart II of part C of title VII is repealed. Repeal. 42 USC 294g, 294g note.

(b) Effective October 1, 1977, part C of title VII is amended by—

(1) amending the heading for part C to read as follows:

“PART C—STUDENT ASSISTANCE”;

(2) redesignating subpart I of such part as subpart II, and by amending the heading for such subpart to read as follows:

“Subpart II—Student Loans”; and

(3) inserting immediately below the heading to such part the following new subpart:

“Subpart I—Federal Program of Insured Loans to Graduate Students in Health Professions Schools

“STATEMENT OF PURPOSE AND APPROPRIATIONS AUTHORIZED

“SEC. 727. (a) The purpose of this subpart is to enable the Secretary to provide a Federal program of student loan insurance for students in eligible institutions. 42 USC 294.

“(b) For the purpose of carrying out this subpart there are authorized to be appropriated (1) for the fiscal year ending September 30, 1978, to the student loan insurance fund (established by section 734) the sum of $1,500,000 and of such further sums, if any, as may become necessary for the adequacy of student loan insurance fund and for the purpose of administering this subpart; and (2) for fiscal years thereafter such sums as may be necessary for the purpose of administering this subpart. Sums appropriated under this subsection shall remain available until expended.

“SCOPE AND DURATION OF FEDERAL LOAN INSURANCE PROGRAM

“SEC. 728. (a) The total principal amount of new loans made and installments paid pursuant to lines of credit (as defined in section 737) to students covered by Federal loan insurance under this subpart shall not exceed $500,000,000 for the fiscal year ending September 30, 1978; $510,000,000 for the fiscal year ending September 30, 1979; and $520,000,000 for the fiscal year ending September 30, 1980. Thereafter, Federal loan insurance pursuant to this subpart may be granted only 42 USC 294a.

for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this subpart, to continue or complete their educational program; but no insurance may be granted for any loan made or installment paid after September 30, 1982.

"(b) The Secretary may, if necessary to assure an equitable distribution of the benefits of this subpart, assign, within the maximum amounts specified in subsection (a), Federal loan insurance quotas applicable to eligible lenders, or to States or areas, and may from time to time reassign unused portions of these quotas.

"(c) The Student Loan Marketing Association, established under part B of title IV of the Higher Education Act of 1965, is authorized to make advances on the security of, purchase, service, sell, or otherwise deal in, student loans which are insured by the Secretary under this subpart.

20 USC 1071.

"LIMITATIONS ON INDIVIDUAL FEDERALLY INSURED LOANS AND ON FEDERAL LOAN INSURANCE

42 USC 294b.

"SEC. 729. (a) The total of the loans made to a student in any academic year or its equivalent (as determined by the Secretary) which may be covered by Federal loan insurance under this subpart may not exceed $10,000 in the case of a student enrolled in a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, or public health, and $7,500 in the case of a student enrolled in a school of pharmacy. The aggregate insured unpaid principal amount for all such insured loans made to any student shall not at any time exceed $50,000 in the case of a student enrolled in a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, or public health, and $37,500 in the case of a student enrolled in a school of pharmacy. The annual insurable limit per student shall not be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any year in excess of the annual limit.

"(b) The insurance liability on any loan insured by the Secretary under this subpart shall be 100 percent of the unpaid balance of the principal amount of the loan plus interest. The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under the provisions of section 733 or 738.

"SOURCES OF FUNDS

42 USC 294c.

"SEC. 730. Loans made by eligible lenders in accordance with this subpart shall be insurable by the Secretary whether made from funds fully owned by the lender or from funds held by the lender in a trust or similar capacity and available for such loans.

"ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF FEDERALLY INSURED STUDENT LOANS

42 USC 294d.

"SEC. 731. (a) A loan by an eligible lender shall be insurable by the Secretary under the provisions of this subpart only if—

"(1) made to a student who—

"(A) has been accepted for enrollment at an eligible institution;

"(B) is in good standing at an eligible institution as determined by the institution;

"(C) is pursuing a full-time course of study at an eligible institution;

"(D) in the case of a student in a school of medicine, osteopathy, or dentistry, has been authorized by the institution in accordance with section 739(b)(2) to receive a loan under this subpart;

"(E) has agreed that all funds received under such loan shall be used solely for tuition and other reasonable educational expenses, including fees, books, and laboratory expenses, incurred by such student;

"(F) for the school year for which such loan is made, receives no funds from a loan insured under a Federal, State, or nonprofit program provided or assisted under part B of title IV of the Higher Education Act of 1965; and 20 USC 1071.

"(G) in the case of a pharmacy student, has satisfactorily completed three years of training; and

"(2) evidenced by a note or other written agreement which—

"(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, an endorsement may be required;

"(B) provides for repayment of the principal amount of the loan in installments over a period of not less than 10 years (unless sooner repaid) nor more than 15 years beginning not earlier than 9 months after the date on which the student completes his internship or residency training, and not later than the earlier of 12 months after such date or of 3 years after the date he ceases to carry, at an eligible institution, the normal full-time academic workload as determined by the institution, except (i) as provided in clause (C) below, (ii) that the period of the loan may not exceed 23 years from the date of execution of the note or written agreement evidencing it, and (iii) that the note or other written instrument may contain such provisions relating to repayment in the event of default in the payment of interest or in the payment of the cost of insurance premiums, or other default by the borrower, as may be authorized by regulations of the Secretary in effect at the time the loan is made;

"(C) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period (i) during which the borrower is pursuing a full-time course of study at an eligible institution, (ii) not in excess of three years during which the borrower is a participant in an accredited internship or residency program, (iii) not in excess of three years, during which the borrower is a member of the Armed Forces of the United States, (iv) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act, (v) not in excess of 22 USC 2501 note. three years during which the borrower is a member of the National Health Service Corps, or (vi) not in excess of three years during which the borrower is in service as a full-time volunteer under title I of the Domestic Volunteer Service Act of 1973, and any such period shall not be included in 42 USC 4951. determining the 15-year period or the 23-year period provided in clause (B) above;

"(D) provides for interest on the unpaid principal balance Interest rate. of the loan at a yearly rate, not exceeding the applicable maxi-

mum rate prescribed and defined by the Secretary (within the limits set forth in subsection (b)) on a national, regional, or other appropriate basis, which interest shall be compounded semiannually and payable in installments over the period of the loan;

"(E) entitles the student borrower to accelerate without penalty repayment of the whole or any part of the loan; and

"(F) contains such other terms and conditions consistent with the provisions of this subpart and with the regulations issued by the Secretary pursuant to this subpart, as may be agreed upon by the parties to such loan, including, if agreed upon, a provision requiring the borrower to pay to the lender, in addition to principal and interest, amounts equal to the insurance premiums payable by the lender to the Secretary with respect to such loan.

"(b) No maximum rate of interest prescribed and defined by the Secretary for the purpose of paragraph (2) (D) of subsection (a) may exceed 10 percent per annum on the unpaid principal balance of the loan.

"(c) The total of the payments by a borrower during any year of any repayment period with respect to the aggregate amount of all loans to that borrower which are insured under this subpart shall not be less than the annual interest on the outstanding principal.

"CERTIFICATE OF FEDERAL LOAN INSURANCE—EFFECTIVE DATE OF INSURANCE

42 USC 294e.

"SEC. 732. (a) (1) If, upon application by an eligible lender, made upon such form, containing such information, and supported by such evidence as the Secretary may require, and otherwise in conformity with this section, the Secretary finds that the applicant has made a loan to an eligible student which is insurable under the provisions of this subpart, he may issue to the applicant a certificate of insurance covering the loan and setting forth the amount and terms of the insurance.

"(2) Insurance evidenced by a certificate of insurance pursuant to subsection (a) (1) shall become effective upon the date of issuance of the certificate, except that the Secretary is authorized, in accordance with regulations, to issue commitments with respect to proposed loans, or with respect to lines (or proposed lines) of credit, submitted by eligible lenders, and in that event, upon compliance with subsection (a) (1) by the lender, the certificate of insurance may be issued effective as of the date when any loan, or any payment by the lender pursuant to a line of credit, to be covered by such insurance was made. Such insurance shall cease to be effective upon 60 days' default by the lender in the payment of any installment of the premiums payable pursuant to subsection (c).

Application.

"(3) An application submitted pursuant to subsection (a) (1) shall contain (A) an agreement by the applicant to pay, in accordance with regulations, the premiums fixed by the Secretary pursuant to subsection (c), and (B) an agreement by the applicant that if the loan is covered by insurance the applicant will submit such supplementary reports and statements during the effective period of the loan agreement, upon such forms, at such times, and containing such information as the Secretary may prescribe by or pursuant to regulation.

"(b) (1) In lieu of requiring a separate insurance application and issuing a separate certificate of insurance for each student loan made by an eligible lender as provided in subsection (a), the Secretary

may, in accordance with regulations consistent with section 728, issue to any eligible lender applying therefor a certificate of comprehensive insurance coverage which shall, without further action by the Secretary, insure all insurable loans made by that lender, on or after the date of the certificate and before a specified cutoff date, within the limits of an aggregate maximum amount stated in the certificate. Such regulations may provide for conditioning such insurance, with respect to any loan, upon compliance by the lender with such requirements (to be stated or incorporated by reference in the certificate) as in the Secretary's judgment will best achieve the purpose of this subsection while protecting the financial interest of the United States and promoting the objectives of this subpart, including (but not limited to) provisions as to the reporting of such loans and information relevant thereto to the Secretary and as to the payment of initial and other premiums and the effect of default therein, and including provision for confirmation by the Secretary from time to time (through endorsement of the certificate) of the coverage of specific new loans by such certificate, which confirmation shall be incontestable by the Secretary in the absence of fraud or misrepresentation of fact or patent error.

"(2) If the holder of a certificate of comprehensive insurance coverage issued under this subsection grants to a student a line of credit extending beyond the cutoff date specified in that certificate, loans or payments thereon made by the holder after that date pursuant to the line of credit shall not be deemed to be included in the coverage of that certificate except as may be specifically provided therein; but, subject to the limitations of section 728, the Secretary may, in accordance with regulations, make commitments to insure such future loans or payments, and such commitments may be honored either as provided in subsection (a) or by inclusion of such insurance in comprehensive coverage under this subsection for the period or periods in which such future loans or payments are made.

Regulations.

"(c) The Secretary shall, pursuant to regulations, charge for insurance on each loan under this subpart a premium in an amount not to exceed 2 percent per year of the unpaid principal amount of such loan (excluding interest added to principal), payable in advance, at such times and in such manner as may be prescribed by the Secretary. Such regulations may provide that such premium shall not be payable, or if paid shall be refundable, with respect to any period after default in the payment of principal or interest or after the borrower has died or become totally and permanently disabled, if (1) notice of such default or other event has been duly given, and (2) requests for payment of the loss insured against has been made or the Secretary has made such payment on his own motion pursuant to section 733(a).

Assignment of rights.

"(d) The rights of an eligible lender arising under insurance evidenced by a certificate of insurance issued to it under this section may be assigned as security by such lender only to another eligible lender, and subject to regulation by the Secretary.

Loan consolidation.

"(e) The consolidation of the obligations of two or more federally insured loans obtained by a student borrower in any fiscal year into a single obligation evidenced by a single instrument of indebtedness shall not affect the insurance by the United States. If the loans thus consolidated are covered by separate certificates of insurance issued under subsection (a), the Secretary may upon surrender of the original certificates issue a new certificate of insurance in accordance with that subsection upon the consolidated obligation. If the loans thus consolidated are covered by a single comprehensive certificate issued under subsection (b), the Secretary may amend that certificate accordingly.

"DEFAULT OF STUDENT UNDER FEDERAL LOAN INSURANCE PROGRAM

42 USC 294f.

"SEC. 733. (a) Upon default by the student borrower on any loan covered by Federal loan insurance pursuant to this subpart, and after a substantial collection effort (including, if appropriate, commencement of a suit) as determined under regulations of the Secretary, the insurance beneficiary shall promptly notify the Secretary and the Secretary shall, if requested (at that time or after further collection efforts) by the beneficiary, or may on his own motion, if the insurance is still in effect, pay to the beneficiary the amount of the loss sustained by the insured upon that loan as soon as that amount has been determined.

"(b) Upon payment by the Secretary of the amount of the loss pursuant to subsection (a), the United States shall be subrogated for all of the rights of the holder of the obligation upon the insured loan and shall be entitled to an assignment of the note or other evidence of the insured loan by the insurance beneficiary. If the net recovery made by the Secretary on a loan after deduction of the cost of that recovery (including reasonable administrative costs) exceeds the amount of the loss, the excess shall be paid over to the insured.

"(c) Nothing in this section or in this subpart shall be construed to preclude any forbearance for the benefit of the student borrower which may be agreed upon by the parties to the insured loan and approved by the Secretary or to preclude forbearance by the Secretary in the enforcement of the insured obligation after payment on that insurance.

"(d) Nothing in this section or in this subpart shall be construed to excuse the holder of a federally insured loan from exercising reasonable care and diligence in the making of loans under the provisions of this subpart and from exercising a substantial effort in the collection of loans under the provisions of this subpart. If the Secretary, after reasonable notice and opportunity for hearing to an eligible lender, finds that the lender has failed to exercise such care and diligence, to exercise such substantial efforts, to make the reports and statements required under section 732(a)(3), or to pay the required Federal loan insurance premiums, he shall disqualify that lender from obtaining further Federal insurance on loans granted pursuant to this subpart until he is satisfied that its failure has ceased and finds that there is reasonable assurance that the lender will in the future exercise necessary care and diligence, exercise substantial effort, or comply with such requirements, as the case may be.

Definitions.

"(e) As used in this section—

"(1) the term 'insurance beneficiary' means the insured or its authorized assignee in accordance with section 732(d);

"(2) the term 'amount of the loss' means, with respect to a loan, the unpaid balance of the principal amount and interest on such loan; and

"(3) the term 'default' includes only such defaults as have existed for (A) 120 days in the case of a loan which is repayable in monthly installments, or (B) 180 days in the case of a loan which is repayable in less frequent installments.

Notice and hearing.

"(f) The Secretary may, after notice and opportunity for a hearing, cause to be reduced Federal reimbursements or payments for health services under any Federal law to borrowers who are practicing their professions and have defaulted on their loans insured under this subpart in amounts up to the remaining balance of such loans.

"(g) A debt which is a loan insured under the authority of this subpart may be released by a discharge in bankruptcy under title 11 of

the United States Code only if such discharge is granted after the expiration of the five-year period beginning on the first date, as specified in section 731(a)(2)(B), when repayment of such loan is required. 11 USC 1 *et seq.*

"STUDENT LOAN INSURANCE FUND

"SEC. 734. (a) There is hereby established a student loan insurance fund (hereinafter in this section referred to as the 'fund') which shall be available without fiscal year limitation to the Secretary for making payments in connection with the default of loans insured by him under this subpart. All amounts received by the Secretary as premium charges for insurance and as receipts, earnings, or proceeds derived from any claim or other assets acquired by the Secretary in connection with his operations under this subpart, and any other moneys, property, or assets derived by the Secretary from his operations in connection with this section, shall be deposited in the fund. All payments in connection with the default of loans insured by the Secretary under this subpart shall be paid from the fund. Moneys in the fund not needed for current operations under this section may be invested in bonds or other obligations guaranteed as to principal and interest by the United States. Establishment. 42 USC 294g.

"(b) If at any time the moneys in the fund are insufficient to make payments in connection with the default of any loan insured by the Secretary under this subpart, the Secretary is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury, but only in such amounts as may be specified from time to time in appropriation Acts. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from such fund. 31 USC 774.

"POWERS AND RESPONSIBILITIES

"SEC. 735. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this subpart, the Secretary may— 42 USC 294h.

"(1) prescribe such regulations as may be necessary to carry out the purposes of this subpart; Regulations.

"(2) sue and be sued in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this subpart without regard to the amount in con- Civil actions. Jurisdiction.

troversy, and any action instituted under this subsection by or against the Secretary shall survive notwithstanding any change in the person occupying the office of Secretary or any vacancy in that office. No attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Secretary or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this subpart from the application of sections 517 and 547 of title 28 of the United States Code;

"(3) include in any contract for Federal loan insurance such terms, conditions, and convenants relating to repayment of principal and payment of interest, relating to his obligations and rights and to those of eligible lenders, and borrowers in case of default, and relating to such other matters as the Secretary determines to be necessary to assure that the purposes of this subpart will be achieved; and any term, condition, and covenant made pursuant to this clause or any other provisions of this subpart may be modified by the Secretary if he determines that modification is necessary to protect the financial interest of the United States;

"(4) subject to the specific limitations in the subpart, consent to the modification, with respect to rate of interest, time of payment of any installment of principal and interest or any portion thereof, or any other provision of any note or other instrument evidencing a loan which has been insured by him under this subpart; and

"(5) enforce, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or any right or redemption.

"(b) The Secretary shall, with respect to the financial operations arising by reason of this subpart—

Budget program.

"(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act; and

31 USC 841 note.

"(2) maintain with respect to insurance under this subpart an integral set of accounts.

Contract.

"(c)(1) The Secretary may enter into a written contract with a borrower under which the Secretary agrees to assume the obligation of paying an amount, not to exceed $10,000 in any 12-month period, toward the principal and interest due on any loan made to the borrower and insured under this subpart and the borrower agrees to serve, either as a member of the National Health Service Corps or in private practice pursuant to section 753 (as determined by the Secretary), in a health manpower shortage area (designated under section 332) which is described in clauses (A) and (B) of section 753(a)(2) for a continuous period of (A) not less than 12 months for each 12-month period the Secretary assumes such obligation under the agreement, or (B) 24 months, whichever is greater.

Post, p. 2285.
Post, p. 2270.

"(2) Except as provided in paragraphs (3) and (4), if an individual, who has entered into a written contract under paragraph (1), for any reason breaches his contract obligations with respect to serving in a health manpower shortage area for the period specified in the agreement, the United States shall be entitled to recover damages from such individual in an amount equal to three times the amount paid by the Secretary under the agreement to or on behalf of such individual. Any amount of damages which the United States is entitled to recover under this paragraph shall be paid to the United States not later than one year after the date of the breach of such contract obligations.

"(3) The United States shall not be entitled to recover any damages from an individual under paragraph (2) upon the death of the individual. Recovery.

"(4) The Secretary shall by regulation provide for the waiver or suspension of payment of any or all of the damages to which the United States is entitled under paragraph (2) whenever the Secretary determines that compliance by an individual with the agreement which was breached is impossible or would involve extreme hardship to the individual and that recovery of such damages with respect to the individual would be unconscionable. Waiver. Regulation.

"PARTICIPATION BY FEDERAL CREDIT UNIONS IN FEDERAL, STATE, AND PRIVATE STUDENT LOAN INSURANCE PROGRAMS

"SEC. 736. Notwithstanding any other provision of law, Federal credit unions shall, pursuant to regulations of the Director of the Bureau of Federal Credit Unions, have power to make insured loans to eligible students in accordance with the provisions of this subpart relating to Federal insured loans. 42 USC 294i. Regulations.

"DEFINITIONS

"SEC. 737. As used in this subpart: 42 USC 294j.

"(1) The term 'eligible institution' means, with respect to a fiscal year, a school of medicine, osteopathy, dentistry, optometry, pharmacy, podiatry, veterinary medicine, and public health within the United States that is receiving, or the Secretary determines is eligible to receive, a grant under section 770 for such fiscal year. *Post*, p. 2290.

"(2) The term 'school of medicine, osteopathy, or dentistry, optometry, pharmacy, podiatry, veterinary medicine, and public health' means any school legally authorized within a State to train members of the professions indicated and accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education, except that a new school which (by reason of no, or an insufficient, period of operation) is not, at the time of application for insurance for a loan under this subpart, eligible for accreditation by such a recognized body or bodies, shall be deemed accredited for purposes of this part if the Commissioner of Education 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 the first entering class in such school.

"(3) The term 'eligible lender' means an eligible institution, an agency or instrumentality of a State, a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the United States or of any State, or a pension fund approved by the Secretary for this purpose.

"(4) The term 'line of credit' means an arrangement or agreement between the lender and the borrower whereby a loan is paid out by the lender to the borrower in annual installments, or whereby the lender agrees to make, in addition to the initial loan, additional loans in subsequent years.

"REPAYMENT BY THE SECRETARY OF LOANS OF DECEASED OR DISABLED BORROWERS

"SEC. 738. If a student borrower who has received a loan dies or becomes permanently and totally disabled (as determined in accord- 42 USC 294k.

ance with regulations of the Secretary), the Secretary shall discharge the borrower's liability on the loan by repaying the amount owed on the loan from the fund established under section 734.

"ELIGIBILITY OF INSTITUTIONS

Regulations.
42 USC 294l.

"SEC. 739. (a) Notwithstanding any other provision of this subpart, the Secretary is authorized to prescribe such regulations as may be necessary to provide for—

"(1) a fiscal audit of an eligible institution with regard to any funds obtained from a student who has received a loan insured under this subpart;

"(2) the establishment of reasonable standards of financial responsibility and appropriate institutional capability for the administration by an eligible institution of a program of student financial aid with respect to funds obtained from a student who has received a loan insured under this subpart; and

"(3) the limitation, suspension, or termination of the eligibility under this subpart of any otherwise eligible institution, whenever the Secretary has determined, after notice and affording an opportunity for hearing, that such institution has violated or failed to carry out any regulation prescribed under this subpart.

"(b) The Secretary shall by regulation—

"(1) require an eligible institution to record, and make available to a lender and to the Secretary upon request, the name, address, postgraduate destination, and other reasonable identifying information for each student of such institution who has a loan insured under this subpart; and

"(2) in the case of an eligible institution which is a school of medicine, osteopathy, or dentistry, require such institution to establish procedures to insure that no more than 50 percent of the students in each class in the institution are authorized to have loans insured under this subpart.".

STUDENT LOAN AGREEMENTS

42 USC 294, 294m.

SEC. 402. Section 740 is amended—

(1) by striking out "of Health, Education, and Welfare" in subsection (a);

(2) by striking out ", except as provided in section 746," in paragraphs (2) and (3) of subsection (b);

(3) by striking out ", and that while the agreement remains in effect" and all that follows through "National Defense Education Act of 1958; and" in subsection (b)(4) and inserting in lieu thereof a semicolon; and

20 USC 401 note.

(4) by redesignating paragraph (5) of subsection (b) as paragraph (6), and inserting after paragraph (4) of such subsection the following new paragraph:

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

LOAN PROVISIONS

42 USC 294a, 294n.

SEC. 403. (a) Subsection (a) of section 741 is amended to read as follows:

"(a) Loans from a student loan fund (established under an agreement with a school under section 740) may not exceed for any student for each school year (or its equivalent) the sum of— *Ante*, p. 2266.

"(1) the cost of tuition for such year at such school, and

"(2) $2,500.".

(b) Subsection (e) of section 741 is amended by striking out "3 per centum" and inserting in lieu thereof "7 percent". 42 USC 294a, 294n.

(c) The amendments made by subsections (a) and (b) shall apply with respect to loans made after September 30, 1977, from student loan funds established under section 740 of the Public Health Service Act. 42 USC 294n note.

(d) Subsection (f)(1)(B) of section 741 is amended to read as follows:

"(B) who obtained one or more loans from a loan fund established under this subpart; and".

(e) In the case of any individual who, on or after November 18, 1971, and before the date of enactment of this Act, met the requirements of subparagraphs (A) and (B) of section 741(f)(1) of the Public Health Service Act and who practiced his profession in an area described in subparagraph (C) of such section (as in effect before the date of the enactment of this Act) as a member of the National Health Service Corps or as an officer of the Regular or Reserve Corps of the Public Health Service or as a civilian employee of the Public Health Service, the individual shall, for purposes of section 741(f) of such Act, be deemed to have entered into the agreement required by such subparagraph (C) with respect to that practice if such individual makes application to the Secretary, not later than January 1, 1977, for payment by the Secretary under section 741(f)(2) of such Act. 42 USC 294n note.

(f) A student in a school of medicine or osteopathy who will graduate from such school after June 30, 1979, shall be eligible to receive a loan under section 741 of the Public Health Service Act after October 1, 1977 only if such student is of exceptional financial need (as defined by regulations of the Secretary). 42 USC 294n note.

AUTHORIZATION OF APPROPRIATIONS

SEC. 404. Effective October 1, 1977, subsection (a) of section 742 is amended to read as follows: 42 USC 294b, 294o.

"(a) For the purpose of making Federal capital contributions into the student loan funds of schools which have established such funds under section 740, there are authorized to be appropriated $26,000,000 for the fiscal year ending September 30, 1978, $27,000,000 for the fiscal year ending September 30, 1979, and $28,000,000 for the fiscal year ending September 30, 1980. For the fiscal year ending September 30, 1981, and each of the two succeeding fiscal years, there are authorized to be appropriated to the Secretary such sums as may be necessary to enable students who have received a loan under this part for any academic year ending before October 1, 1980, to continue or complete their education.".

DISTRIBUTION OF ASSETS

SEC. 405. Section 743 is amended by striking out "June 30, 1977" and "September 30, 1977" each place they occur and inserting in lieu thereof "September 30, 1983" and "December 31, 1983", respectively. 42 USC 294c, 294p.

LOANS TO SCHOOLS AND TECHNICAL AND CONFORMING AMENDMENTS

Repeal.
42 USC 294d, 294f.
42 USC 294d, 294q.
42 USC 294q note.

SEC. 406. (a) (1) Sections 744 and 746 are repealed.

(2) Section 745 is redesignated as section 744.

(b) The health professions education fund created within the Treasury by section 744(d)(1) of the Public Health Service Act (as in effect before the date of enactment of this Act) shall remain available to the Secretary of Health, Education, and Welfare for the purpose of meeting his responsibilities respecting participations in obligations acquired under such section. The Secretary shall continue to deposit in such fund all amounts received by him as interest payments or repayments of principal on loans under such section 744. If at any time the Secretary determines the moneys in the fund exceed the present and any reasonable prospective future requirements of such fund, such excess may be transferred to the general fund of the Treasury.

Appropriation authorization.
42 USC 294q note.

(c) There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to enable the Secretary to make payments under agreements entered into under section 744(b) of the Public Health Service Act before September 30, 1977.

42 USC 294b, 294o.

(d) Section 742(b) is amended (1) by striking out ", and for loans pursuant to section 744" in paragraph (1), and (2) by striking out "whether as Federal capital contributions or as loans to schools under section 744" in paragraph (3).

42 USC 294c, 294p.

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

REVISION OF NATIONAL HEALTH SERVICE CORPS PROGRAM

SEC. 407. (a) Part C of title III is amended by inserting immediately below the heading for such part the following:

"Subpart I—General Provisions".

(b) Title III is amended—

42 USC 254b.

(1) by striking out section 329;

42 USC 255, 256.

(2) by redesignating sections 331 and 332 as sections 339 and 340, respectively; and

(3) by inserting immediately after section 330 the following new subpart:

"Subpart II—National Health Service Corps Program

"NATIONAL HEALTH SERVICE CORPS

Establishment.
42 USC 254d.

"SEC. 331. (a) There is established, within the Service, the National Health Service Corps (hereinafter in this subpart referred to as the 'Corps') which (1) shall consist of such officers of the Regular and Reserve Corps of the Service and such civilian personnel as the Secretary may designate (such officers and personnel hereinafter in this subpart referred to as 'Corps members') and (2) shall be utilized by the Secretary to improve the delivery of health services in health manpower shortage areas as defined in section 332(a).

"(b) The Secretary shall conduct at schools of medicine, osteopathy, dentistry, and, as appropriate, nursing and other schools of the health professions and at entities which train allied health personnel, recruiting programs for the Corps and the Scholarship Program.

"(c) The Secretary may reimburse applicants for positions in the Corps for actual and reasonable expenses incurred in traveling to and from their places of residence to a health manpower shortage area (designated under section 332) in which they may be assigned for the purpose of evaluating such area with regard to being assigned in such area. The Secretary shall not reimburse an applicant for more than one such trip.

"(d)(1) The Secretary may, under regulations promulgated by the Secretary, adjust the monthly pay of each member of the Corps who is directly engaged in the delivery of health services in a health manpower shortage area as follows:

"(A) During the first 36 months in which such a member is so engaged in the delivery of health services, his monthly pay shall be increased by an amount (not to exceed $1,000) which when added to the member's monthly pay and allowances will provide a monthly income competitive with the average monthly income from a practice of an individual who is a member of the profession of the Corps member, who has equivalent training, and who has been in practice for a period equivalent to the period during which the Corps member has been in practice.

"(B) During the period beginning upon the expiration of the 36 months referred to in subparagraph (A) and ending with the month in which the member's monthly pay and allowances are equal to or exceed the monthly income he received for the last of such 36 months, the member shall receive in addition to his monthly pay and allowances an amount which when added to such monthly pay and allowances equals the monthly income he received for such last month.

"(C) For each month in which a member is directly engaged in the delivery of health services in a health manpower shortage area in accordance with an agreement with the Secretary entered into under section 741(f)(1)(C), under which the Secretary is obligated to make payments in accordance with section 741(f)(2), the amount of any monthly increase under subparagraph (A) or (B) with respect to such member shall be decreased by an amount equal to one-twelfth of the amount which the Secretary is obligated to pay upon the completion of the year of practice in which such month occurs.

42 USC 294a.

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

"Monthly pay."

37 USC 301 *et seq.*

"(2) In the case of a member of the Corps who is directly engaged in the delivery of health services in a health manpower shortage area in accordance with a service obligation incurred under the Scholarship Program, the adjustment in pay authorized by paragraph (1) may be made for such a member only upon satisfactory completion of such service obligation, and the first 36 months of such member's being so engaged in the delivery of health services shall, for purposes of paragraph (1)(A), be deemed to begin upon such satisfactory completion.

"(e) Corps members assigned under section 333 to provide health services in health manpower shortage areas shall not be counted against any employment ceiling affecting the Department.

"(f) Sections 214 and 216 shall not apply to members of the National Health Service Corps during their period of obligated service under the Scholarship Program.

42 USC 215, 217.

"(g) The administrative unit which administers section 770—

Post, p. 2290.

"(1) shall participate in the development of regulations, guidelines, funding priorities, and application forms, and

"(2) shall be consulted by, and may make recommendations to, the Secretary in the review of applications and proposals for, and the awarding of, grants and contracts,

with respect to the Corps.

Definitions.

"(h) For the purposes of this subpart:

"(1) The term 'Department' means the Department of Health, Education, and Welfare.

"(2) The term 'Scholarship Program' means the National Health Service Corps Scholarship Program established under section 751.

"(3) The term 'State' includes, in addition to the several States, only the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"DESIGNATION OF HEALTH MANPOWER SHORTAGE AREAS

"Health manpower shortage area." 42 USC 254e.

"SEC. 332. (a) (1) For purposes of this subpart the term 'health manpower shortage area' means (A) an area in an urban or rural area (which need not conform to the geographic boundaries of a political subdivision and which is a rational area for the delivery of health services) which the Secretary determines has a health manpower shortage, (B) a population group which the Secretary determines has such a shortage, or (C) a public or nonprofit private medical facility or other public facility which the Secretary determines has such a shortage.

"Medical facility."

"(2) For purposes of this subsection, the term 'medical facility' means a facility for the delivery of health services and includes—

"(A) a hospital, State mental hospital, public health center, outpatient medical facility, rehabilitation facility, facility for long-term care, community mental health center, migrant health center, and community health center;

"(B) such a facility of a State correctional institution or of the Indian Health Service;

"(C) such a facility used in connection with the delivery of health services under sections 321 (relating to hospitals), 322 (relating to care and treatment of seamen and others), 323 (relating to care and treatment of Federal prisoners), 324 (relating to examination and treatment of certain Federal employees), 325 (relating to examination of aliens), or 326 (relating to services to certain Federal employees), or part D of title III (relating to services for persons with Hansen's disease); and

42 USC 248, 249.
42 USC 250.
42 USC 251.
42 USC 252.
42 USC 253.
42 USC 255.

"(D) a Federal medical facility.

Regulation.

"(b) The Secretary shall establish by regulation, promulgated not later than May 1, 1977, criteria for the designation of areas, population groups, medical facilities, and other public facilities, in the States, as health manpower shortage areas. In establishing such criteria, the Secretary shall take into consideration the following:

"(1) The ratio of available health manpower to the number of individuals in an area or population group, or served by a medical facility or other public facility under consideration for designation.

"(2) Indicators of a need, notwithstanding the supply of health manpower, for health services for the individuals in an area or population group or served by a medical facility or other

public facility under consideration for designation, with special consideration to indicators of—

"(A) infant mortality,

"(B) access to health services, and

"(C) health status.

"(3) The percentage of physicians serving an area, population group, medical facility, or other public facility under consideration for designation who are employed by hospitals and who are graduates of foreign medical schools.

"(c) In determining whether to make a designation, the Secretary shall take into consideration the following:

Recommendations.

"(1)(A) The recommendations of each health systems agency (designated under section 1515) for a health service area which includes all or any part of the area, population group, medical facility, or other public facility under consideration for designation.

42 USC 300*l*-4.

"(B) The recommendations of the State health planning and development agency (designated under section 1521) if such area, population group, medical facility, or other public facility is within a health service area for which no health systems agency has been designated.

42 USC 300m.

"(2) The recommendations of the Governor of each State in which the area, population group, medical facility, or other public facility under consideration for designation is in whole or part located.

"(d) In accordance with the criteria established under subsection (b) and the considerations listed in subsection (c), the Secretary shall designate, not later than November 1, 1977, health manpower shortage areas in the States, publish a descriptive list of the areas, population groups, medical facilities, and other public facilities so designated, and at least annually review and, as necessary, revise such designations.

List, publication.

"(e) Prior to the designation of a public facility, including a Federal medical facility, as a health manpower shortage area, the Secretary shall give written notice of such proposed designation to the chief administrative officer of such facility and request comments within 30 days with respect to such designation.

Notice.

"(f) The Secretary shall give written notice of the designation of a health manpower shortage area, not later than 60 days from the date of such designation, to—

Notice.

"(1) the Governor of each State in which the area, population group, medical facility, or other public facility so designated is in whole or part located;

"(2)(A) each health systems agency (designated under section 1515) for a health service area which includes all or any part of the area, population group, medical facility, or other public facility so designated; or

"(B) the State health planning and development agency of the State (designated under section 1521) if there is a part of such area, population group, medical facility, or other public facility within a health service area for which no health systems agency has been designated; and

"(3) appropriate public or nonprofit private entities which are located or which have a demonstrated interest in the area so designated.

"(g) Any person may recommend to the Secretary the designation of an area, population group, medical facility, or other public facility as a health manpower shortage area.

"(h) The Secretary shall conduct such information programs in areas, among population groups, and in medical facilities and other public facilities designated under this section as health manpower shortage areas as may be necessary to inform public and nonprofit private entities which are located or have a demonstrated interest in such areas of the assistance available under this title by virtue of the designation of such areas.

"ASSIGNMENT OF CORPS PERSONNEL

Regulations.
42 USC 254f.

"SEC. 333. (a)(1) The Secretary may assign members of the Corps to provide, under regulations promulgated by the Secretary, health services in or to a health manpower shortage area during the assignment period (specified in the agreement described in section 334) only if—

Application.

"(A) a public or nonprofit private entity, which is located or has a demonstrated interest in such area makes application to the Secretary for such assignment;

"(B) such application has been approved by the Secretary;

"(C) an agreement has been entered into between the entity which has applied and the Secretary, in accordance with section 334; and

"(D) in the case of an application made by an entity which has previously been assigned a Corps member for a health manpower shortage area under an agreement (entered into under section 334) or under section 329 as in effect before October 1, 1977) which has expired, the Secretary has (i) conducted an evaluation of the continued need for health manpower for the area, the use of Corps members previously assigned to the area, community support for the assignment of Corps members to the area, the area's efforts to secure health manpower for the area, and fiscal management by the entity with respect to Corps members previously assigned and (ii) on the basis of such evaluation has determined that—

"(I) there is a continued need for health manpower for the area;

"(II) there has been appropriate and efficient use of Corps members previously assigned to the entity for the area;

"(III) there is general community support for the assignment of Corps members to the entity;

"(IV) the area has made continued efforts to secure health manpower for the area; and

"(V) there has been sound fiscal management, including efficient collection of fee-for-service, third-party, and other appropriate funds, by the entity with respect to Corps members previously assigned to such entity.

"(2) Corps members may be assigned to a Federal health care facility, but only upon the request of the head of the department or agency of which such facility is a part.

"(b) The Secretary may not approve an application under this section for assignment of a Corps member to a health manpower shortage area unless the Secretary has afforded—

42 USC 300l-4.

"(1) each health systems agency (designated under section 1515) for a health service area which includes all or part of the area in which the area, population group, medical facility, or other public facility so designated is located, or

"(2) if there is a part of such area, population group, medical facility, or other public facility located within a health service

area for which no health systems agency has been designated, the State health planning and development agency (designated under section 1521) of the State in which such part is located, 42 USC 300m.

an opportunity to review the application and submit to the Secretary its comments respecting the need for, and proposed use of, the Corps member requested in the application.

"(c) In considering, and giving approval to, applications made under this section for the assignment of Corps members, the Secretary shall—

"(1) give priority to an application which provides for the assignment of Corps members to an area, population group, medical facility, or other public facility with the greatest health manpower shortage, as determined under criteria established under section 332(b);

"(2) give special consideration to an application which provides for the use of physician assistants, nurse practitioners, or expanded function dental auxiliaries;

"(3) take into consideration the willingness of individuals in the area or population group, or at the medical facility or other public facility, and of the appropriate governmental agencies or health entities, to assist and cooperate with the Corps in providing effective health services; and

"(4) take into consideration comments of medical, osteopathic, dental, or other health professional societies serving the area, population group, medical facility, or other public facility, or, if no such societies exist, comments of physicians, dentists, or other health professionals serving the area, population group, medical facility, or other public facility.

"(d) The Secretary shall assign Corps members to entities in health manpower shortage areas without regard to the ability of the individuals in such areas, population groups, medical facilities, or other public facilities to pay for such services.

"(e) In making the assignment of a Corps member to an entity in a health manpower shortage area which has had an application approved under this section, the Secretary shall seek to assign to an area a Corps member who has (and whose spouse, if any, has) those characteristics which are characteristics which increase the probability of the member's remaining to serve the area upon completion of his assignment period.

"(f)(1) The Secretary shall provide technical assistance to a public or nonprofit private entity which is located or has a demonstrated interest in a health manpower shortage area and which desires to make an application under this section for assignment of a Corps member to such area.

"(2) The Secretary shall provide, to public and nonprofit private entities which are located or have a demonstrated interest in a health manpower shortage area to which area a Corps member has been assigned, technical assistance to assist in the retention of such member in such area after the completion of such member's assignment to the area.

"(3) The Secretary shall provide, to health manpower shortage areas to which no Corps member has been assigned, (A) technical assistance to assist in the recruitment of health manpower for such areas, and (B) current information on public and private programs which provide assistance in the securing of health manpower.

"(g) The Secretary shall conduct, or enter into contracts for the conduct of, studies of the methods of assignments of Corps members Contracts; studies.

to health manpower shortage areas. Such studies shall include studies of—

"(1) the characteristics of physicians, dentists, and other health professionals who are more likely to remain in practice in health manpower shortage areas;

"(2) the characteristics, including utilization and reimbursement patterns, of areas which have been able to retain health manpower personnel; and

"(3) the appropriate conditions for the assignment and use of nurse practitioners, physician assistants, and expanded function dental auxiliaries in health manpower shortage areas.

"(h) Notwithstanding any other law, any member of the Corps licensed to practice medicine, osteopathy, or dentistry in any State shall, while serving in the Corps, be allowed to practice such profession in any State.

"COST SHARING

42 USC 254g.

"SEC. 334. (a) The Secretary shall require, as a condition to the approval of an application under section 333, that the entity which submitted the application enter into an agreement for a specific assignment period (not to exceed 4 years) with the Secretary under which—

"(1) the entity shall be responsible for charging, in accordance with subsection (d), for health services provided by Corps members assigned to the entity;

"(2) the entity shall take such action as may be reasonable for the collection of payments for such health services, including, if a Federal agency, an agency of a State or local government, or other third party would be responsible for all or part of the cost of such health services if it had not been provided by Corps members under this subpart, the collection, on a fee-for-service or other basis, from such agency or third party, the portion of such cost for which it would be so responsible (and in determining the amount of such cost which such agency or third party would be responsible, the health services provided by Corps members shall be considered as being provided by private practitioners);

"(3) the entity shall pay to the United States, as prescribed by the Secretary in each calendar quarter (or other period as may be specified in the agreement) during which any Corps member is assigned to such entity, the sum of—

"(A) the portion of the salary (including amounts paid in accordance with section 331(d)) and allowances of any Corps member received by such member during such calendar quarter (or other period) while such member was assigned to such entity;

"(B) for any Corps member assigned to such entity, an amount which bears the same ratio to the amount paid under the Scholarship Program to or on the behalf of such Corps member as the number of days of obligated service provided by such member during such quarter (or other period) bears to the number of days in his period of obligated service under such Program; and

"(C) if such entity received a loan under section 335(c), an amount which bears the same ratio to the amount of such loan as the number of days in such quarter (or other period) during which any Corps members were assigned to the entity bears to the number of days in the assignment period after such entity received such loan; and

"(4) the entity shall prepare and submit to the Secretary an annual report, in such form and manner, as the Secretary may require.

"(b)(1) The Secretary may waive in whole or in part the application of the requirement of subsection (a)(3) for an entity if he determines that the entity is financially unable to meet such requirement or if he determines that compliance with such requirement would unreasonably limit the ability of the entity to provide for the adequate support of the provision of health services by Corps members. Waiver.

"(2) The Secretary may waive in whole or in part the application of the requirement of subsection (a)(3) for any entity which is located in a health manpower shortage area in which a significant percentage of the individuals are elderly, living in poverty, or have other characteristics which indicate an inability to repay, in whole or in part, the amounts required in subsection (a)(3). Waiver.

"(3) In the event that the Secretary grants a waiver under paragraph (1) or (2), the entity shall be required to use the total amount of funds collected by such entity in accordance with subsection (a)(2) for the improvement of the capability of such entity to deliver health services to the individuals in, or served by, the health manpower shortage area.

"(c) The excess (if any) of the amount of funds collected by an entity in accordance with subsection (a)(2) over the amount paid to the United States in accordance with subsection (a)(3) shall be used by the entity to expand and improve the provision of health services to the individuals in the health manpower shortage area for which the entity submitted an application or to recruit and retain health manpower to provide health services for such individuals.

"(d) Any person who receives health services provided by a Corps member under this subpart shall be charged for such services on a fee-for-service or other basis, at a rate approved by the Secretary, pursuant to regulations. Such rate shall be computed in such a way as to permit the recovery of the value of such services, except that if such person is determined under regulations of the Secretary to be unable to pay such charge, the Secretary shall provide for the furnishing of such services at a reduced rate or without charge.

"(e) Funds received by the Secretary under an agreement entered into under this section shall be deposited in the Treasury as miscellaneous receipts and shall be disregarded in determining the amounts of appropriations to be requested and the amounts to be made available from appropriations made under section 338 to carry out this subpart.

"PROVISION OF HEALTH SERVICES BY CORPS MEMBERS

"SEC. 335. (a) In providing health services in a health manpower shortage area, Corps members shall utilize the techniques, facilities, and organizational forms most appropriate for the area, population group, medical facility, or other public facility, and shall, to the maximum extent feasible, provide such services (1) to all individuals in, or served by, such health manpower shortage area regardless of their ability to pay for the services, and (2) in connection with (A) direct health services programs carried out by the Service, (B) any other direct health services program carried out in whole or in part with Federal financial assistance, or (C) any other health services activity which is in furtherance of the purposes of this subpart. 42 USC 254h.

"(b)(1) Notwithstanding any other provision of law, the Secretary may (A) to the maximum extent feasible make such arrangements as he determines necessary to enable Corps members to utilize the health facilities in or serving the health manpower shortage area in providing health services; (B) make such arrangements as he determines are necessary for the use of equipment and supplies of the Service and for the lease or acquisition of other equipment and supplies; and (C) secure the permanent or temporary services of physicians, dentists, nurses, administrators, and other health personnel. If there are no health facilities in or serving such area, the Secretary may arrange to have Corps members provide health services in the nearest health facilities of the Service or may lease or otherwise provide facilities in or serving such area for the provision of health services.

"(2) If the individuals in or served by a health manpower shortage area are being served (as determined under regulations of the Secretary) by a hospital or other health care delivery facility of the Service, the Secretary may, in addition to such other arrangements as he may make under paragraph (1), arrange for the utilization of such hospital or facility by Corps members in providing health services, but only to the extent that such utilization will not impair the delivery of health services and treatment through such hospital or facility to individuals who are entitled to health services and treatment through such hospital or facility.

Loan.

"(c) The Secretary may make one loan to any entity with an approved application under section 333 to assist such entity in meeting the costs of (1) establishing medical, dental, or other health profession practices, including the development of medical practice management systems; (2) acquiring equipment for use in providing health services; (3) renovating buildings to establish health facilities; and (4) establishing appropriate continuing education programs. No loan may be made under this subsection unless an application therefor is submitted to, and approved by, the Secretary. The amount of any such loan shall be determined by the Secretary, except that no such loan may exceed $50,000.

Equipment sales.

"(d) Upon the expiration of the assignment of all Corps members to a health manpower shortage area, the Secretary may (notwithstanding any other provision of law) sell, to any appropriate local entity, equipment and other property of the United States utilized by such members in providing health services. Sales made under this subsection shall be made at the fair market value (as determined by the Secretary) of the equipment or such other property; except that the Secretary may make such sales for a lesser value to an appropriate local entity, if he determines that the entity is financially unable to pay the full market value.

Fair market value.

"(e)(1)(A) It shall be unlawful for any hospital to deny an authorized physician or dentist member of the Corps admitting privileges when such Corps member otherwise meets the professional qualifications established by the hospital for granting such privileges and agrees to abide by the published bylaws of the hospital and the published bylaws, rules, and regulations of its medical staff.

Notice and hearing.

"(B) Any hospital which is found by the Secretary, after notice and an opportunity for a hearing on the record, to have violated this subsection shall upon such finding cease, for a period to be determined by the Secretary, to receive and to be eligible to receive any Federal funds under this Act or under titles XVIII or XIX of the Social Security Act.

42 USC 1395, 1396.

"Hospital."

"(2) For purposes of this subsection, the term 'hospital' includes a State or local public hospital, a private profit hospital, a private non-

profit hospital, a general or special hospital, and any other type of hospital (excluding a hospital owned or operated by an agency of the Federal Government), and any related facilities.

"ANNUAL REPORTS

"SEC. 336. The Secretary shall submit an annual report to Congress on May 1 of each year, and shall include in such report with respect to the previous calendar year—

Report to Congress. 42 USC 254i.

"(1) the number, identity, and priority of all health manpower shortage areas designated in such year and the number of health manpower shortage areas which the Secretary estimates will be designated in the subsequent year;

"(2) the number of applications filed under section 333 in such year for assignment of Corps members and the action taken on each such application;

"(3) the number and types of Corps members assigned in such year to health manpower shortage areas, the number and types of additional Corps members which the Secretary estimates will be assigned to such areas in the subsequent year, and the need for additional members for the Corps;

"(4) the recruitment efforts engaged in for the Corps in such year and the number of qualified individuals who applied for service in the Corps in such year;

"(5) the number of patients seen and the number of patient visits recorded during such year with respect to each health manpower shortage area to which a Corps member was assigned during such year;

"(6) the number of Corps members who elected, and the number of Corps members who did not elect, to continue to provide health services in health manpower shortage areas after termination of their service in the Corps and the reasons (as reported to the Secretary) of members who did not elect for not making such election;

"(7) the results of evaluations and determinations made under section 333(a)(1)(D) during such year; and

"(8) the amount charged during such year for health services provided by Corps members, the amount which was collected in such year by entities in accordance with agreements under section 334, and the amount which was paid to the Secretary in such year under such agreements.

"NATIONAL ADVISORY COUNCIL

"SEC. 337. (a) There is established a council to be known as the National Advisory Council on the National Health Service Corps (hereinafter in this section referred to as the 'Council'). The Council shall be composed of fifteen members appointed by the Secretary as follows:

National Advisory Council on the National Health Service Corps. Establishment, members. 42 USC 254j.

"(1) Four members shall be appointed from the general public to represent the consumers of health care, at least two of whom shall be individuals who are residents of, members of, or served by Corps members assigned to, a health manpower shortage area.

"(2) Three members shall be appointed from medical, dental, and other health professions.

"(3) One member shall be appointed from a State health planning and development agency (designated under section 1521),

42 USC 300m.

one member shall be appointed from a Statewide Health Coordinating Council (designated under section 1524), and one member shall be appointed from a health systems agency (designated under section 1515).

42 USC 300m-3.

42 USC 300l-4.

"(4) Three members shall be appointed from the Service, at least two of whom shall be members of the Corps directly engaged in the provision of health services in a health manpower shortage area.

"(5) Two members shall be appointed from the National Council on Health Planning and Development (established under section 1503).

42 USC 300k-3.

No individual who is a provider of health care (as defined in section 1531(3)) may be appointed as a member of the Council under paragraph (1), (3), or (5). The Council shall consult with, advise, and make recommendations to, the Secretary with respect to his responsibilities in carrying out this subpart, and shall review and comment upon regulations promulgated by the Secretary under this subpart.

42 USC 300n.

Term.

"(b)(1) Members of the Council shall be appointed for a term of three years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall be appointed for the remainder of such term. No member shall be removed, except for cause. Members may be reappointed to the Council.

Travel expenses.

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

5 USC app. I.

"(c) Section 14 of the Federal Advisory Committee Act shall not apply with respect to the Council.

"AUTHORIZATION OF APPROPRIATION

42 USC 254k.

"SEC. 338. (a) To carry out the purposes of this subpart, there are authorized to be appropriated $47,000,000 for the fiscal year ending September 30, 1978; $57,000,000 for the fiscal year ending September 30, 1979; and $70,000,000 for the fiscal year ending September 30, 1980.

"(b) An appropriation under an authorization under subsection (a) for any fiscal year may be made at any time before that fiscal year and may be included in an Act making an appropriation under an authorization under subsection (a) for another fiscal year; but no funds may be made available from any appropriation under such authorization for obligation under this subpart before the fiscal year for which such appropriation is authorized.".

42 USC 254d note.

(c)(1) The amendment made by subsections (a) and (b) shall apply only with respect to fiscal years beginning after September 30, 1977, except that the Secretary of Health, Education, and Welfare shall carry out the activities described in section 332 of the Public Health Service Act (as added by such amendment) after the date of enactment of this Act.

(2)(A) Any area for which a designation under section 329(b) of the Public Health Service Act (as in effect on September 30, 1977) was in effect on such date and in which National Health Service Corps personnel were, on such date, providing, under an assignment made under such section (as so in effect), health care and services for persons residing in such area shall, effective October 1, 1977, be considered under subpart II of part C of title III of such Act (as added by subsection (b) of this section) to (i) be designated a health manpower shortage area (as defined by section 332 of such Act (as so added)), and (ii) have had an application approved under section 333 of such Act (as so added) for the assignment of Corps personnel unless, as determined under subparagraph (B) of this paragraph, the assignment period applicable to such area (within the meaning of section 334 (as so added)) has expired.

(B) The assignment period (within the meaning of such section 334) applicable to an area described in subparagraph (A) of this paragraph shall be considered to have begun on the date Corps personnel were first assigned to such area under section 329 of such Act (as in effect on September 30, 1977).

(C) In the case of any physician or dentist member of the Corps who was providing health care and services on September 30, 1977, under an assignment made under section 329(b) of such Act (as in effect on September 30, 1977), the number of the months during which such member provided such care and services before October 1, 1977, shall be counted in determining the application of the additional pay provisions of section 331(d) of such Act (as added by subsection (b) of this section) to such number.

(3) The amendment made by subsection (b) which established an Advisory Council previously established under section 329 of the Public Health Service Act shall not be construed as requiring the establishment of a new Advisory Council under such section 337; and the amendment made by such subsection with respect to the composition of such Advisory Council shall apply with respect to appointments made to the Advisory Council after October 1, 1977, and the Secretary of Health, Education, and Welfare shall make appointments to the Advisory Council after such date in a manner which will bring about, at the earliest feasible time, the Advisory Council composition prescribed by the amendment.

(d)(1) Section 741(f)(1)(C) is amended by striking out all that follows after "in a State" and inserting in lieu thereof "in a health manpower shortage area designated under section 332:". **42 USC 294a, 294n.**

(2) The amendment made by paragraph (1) shall apply with respect to agreements entered into under section 741(f) of the Public Health Service Act after September 30, 1977. **42 USC 294n note.**

SCHOLARSHIPS AND PUBLIC HEALTH TRAINEESHIPS

SEC. 408. (a) Effective October 1, 1977, part C of title VII is amended by adding at the end thereof the following new subpart: **Effective date.**

"Subpart III—Traineeships for Students in Schools of Public Health and Other Graduate Programs

"TRAINEESHIPS FOR STUDENTS IN SCHOOLS OF PUBLIC HEALTH

"SEC. 748. (a) The Secretary may make grants to accredited schools of public health for traineeships to train students enrolled in such schools. **Grants. 42 USC 294r.**

Application.

"(b)(1) No grant for traineeships may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain such information, as the Secretary by regulation may prescribe. Traineeships under such a grant shall be awarded in accordance with such regulations as the Secretary shall prescribe. The amount of any such grant shall be determined by the Secretary.

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

"(3) In awarding traineeships under this section, each applicant shall assure to the satisfaction of the Secretary that at least the percent specified in paragraph (4) of the funds received under this section shall go to individuals who—

"(A)(i) have previously received a postbaccalaureate degree, or

"(ii) have three years of work experience in health services; and

"(B) are pursuing a course of study in—

"(i) biostatistics or epidemiology,

"(ii) health administration, health planning, or health policy analysis and planning,

"(iii) environmental or occupational health, or

"(iv) dietetics or nutrition.

"(4) The percent referred to in paragraph (3) is—

"(A) 45 percent for grants made for the fiscal year ending September 30, 1978,

"(B) 55 percent for grants made for the fiscal year ending September 30, 1979, and

"(C) 65 percent for grants made for the fiscal year ending September 30, 1980, and in succeeding fiscal years.

Appropriation authorization.

"(c) For payments under grants under subsection (a), there are authorized to be appropriated $7,500,000 for the fiscal year ending September 30, 1978: $8,000,000 for the fiscal year ending September 30, 1979; and $9,000,000 for the fiscal year ending September 30, 1980.

"TRAINEESHIPS FOR STUDENTS IN OTHER GRADUATE PROGRAMS

Grants.
42 USC 294s.

"SEC. 749. (a) The Secretary may make grants to public or nonprofit private educational entities, including graduate schools of social work but excluding accredited schools of public health, which offer a program in health administration, hospital administration, or health policy analysis and planning, which program is accredited by a body or bodies approved for such purpose by the Commissioner of Education and which meets such other quality standards as the Secretary by regulation may prescribe, for traineeships to train students enrolled in such a program.

Application.

Regulation.

"(b)(1) No grant for traineeships may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain such information, as the Secretary by regulation may prescribe. Traineeships under such a grant shall be awarded in accordance with such regulations as the Secretary shall prescribe. The amount of any such grant shall be determined by the Secretary.

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

"(3) In awarding traineeships under this section, each applicant shall assure to the satisfaction of the Secretary that at least 80 percent of the funds received under this section shall go to individuals who (A) have previously received a postbaccalaureate degree, or (B) have three years of work experience in health services.

"(c) For payments under grants under subsection (a), there are authorized to be appropriated $2,500,000 for the fiscal year ending September 30, 1978; $2,500,000 for the fiscal year ending September 30, 1979; and $2,500,000 for the fiscal year ending September 30, 1980.". Appropriation authorization.

(b) (1) Effective October 1, 1977, section 225 is repealed and part C of title VII (as amended by subsection (a)) is amended by adding after subpart III the following new subpart: Repeal. 42 USC 234.

"Subpart IV—National Health Service Corps Scholarships

"NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP PROGRAM

"SEC. 751. (a) The Secretary shall establish the National Health Service Corps Scholarship Program (hereinafter in this subpart referred to as the 'Scholarship Program') to assure an adequate supply of trained physicians, dentists, and nurses for the National Health Service Corps (hereinafter in this subpart referred to as the 'Corps') and, if needed by the Corps, podiatrists, optometrists, pharmacists, graduates of schools of veterinary medicine, graduates of schools of public health, graduates of programs in health administration, graduates of programs for the training of physician assistants, expanded function dental auxiliaries, and nurse practitioners (as defined in section 822), and other health professionals. Establishment. 42 USC 294t.

"(b) To be eligible to participate in the Scholarship Program, an individual must— Eligibility.

"(1) be accepted for enrollment, or be enrolled, as a full-time student (A) in an accredited (as determined by the Secretary) educational institution in a State and (B) in a course of study or program, offered by such institution and approved by the Secretary, leading to a degree in medicine, osteopathy, dentistry, or other health profession;

"(2) be eligible for, or hold, an appointment as a commissioned officer in the Regular or Reserve Corps of the Service or be eligible for selection for civilian service in the Corps;

"(3) submit an application to participate in the Scholarship Program; and

"(4) sign and submit to the Secretary, at the time of submittal of such application, a written contract (described in subsection (f)) to accept payment of a scholarship and to serve (in accordance with this subpart) for the applicable period of obligated service in a health manpower shortage area.

"(c) In disseminating application forms and contract forms to individuals desiring to participate in the Scholarship Program, the Secretary shall include with such forms—

"(1) a fair summary of the rights and liabilities of an individual whose application is approved (and whose contract is accepted) by the Secretary, including in the summary a clear explanation of the damages to which the United States is entitled

under section 754 in the case of the individual's breach of the contract; and

"(2) such other information as may be necessary for the individual to understand the individual's prospective participation in the Scholarship Program and service in the Corps.

The application form, contract form, and all other information furnished by the Secretary under this subpart shall be written in a manner calculated to be understood by the average individual applying to participate in the Scholarship Program. The Secretary shall make such application forms, contract forms, and other information available to individuals desiring to participate in the Scholarship Program on a date sufficiently early to insure that such individuals have adequate time to carefully review and evaluate such forms and information.

Review and evaluation.

"(d) In determining which applications under the Scholarship Program to approve (and which contracts to accept), the Secretary shall give priority—

"(1) first, to applications made (and contracts submitted) by individuals who have previously received scholarships under the Scholarship Program or under section 758; and

"(2) second, to applications made (and contracts submitted)—

"(A) in the school year ending in the fiscal year beginning October 1, 1977, by individuals who are entering their first or second year of study in a course of study or program described in subsection (b)(1)(B) in such school year; and

"(B) in each school year thereafter, by individuals who are entering their first year of study in a course of study or program described in subsection (b)(1)(B) in such school year.

"(e)(1) An individual becomes a participant in the Scholarship Program only upon the Secretary's approval of the individual's application submitted under subsection (b)(3) and the Secretary's acceptance of the contract submitted by the individual under subsection (b)(4).

Notice.

"(2) The Secretary shall provide written notice to an individual promptly upon the Secretary's approving, under paragraph (1), of the individual's participation in the Scholarship Program.

Written contract.

"(f) The written contract (referred to in this subpart) between the Secretary and an individual shall contain—

"(1) an agreement that—

"(A) subject to paragraph (2), the Secretary agrees (i) to provide the individual with a scholarship (described in subsection (g)) in each such school year or years for a period of years (not to exceed four school years) determined by the individual, during which period the individual is pursuing a course of study described in subsection (b)(1)(B), and (ii) to accept (subject to the availability of appropriated funds for carrying out subpart II of part C of title III) the individual into the Corps (or for equivalent service as otherwise provided in this subpart); and

Ante, p. 2268.

"(B) subject to paragraph (2), the individual agrees—

"(i) to accept provision of such a scholarship to the individual;

"(ii) to maintain enrollment in a course of study described in subsection (b)(1)(B) until the individual completes the course of study;

"(iii) while enrolled in such course of study, to maintain an acceptable level of academic standing (as deter-

mined under regulations of the Secretary by the educational institution offering such course of study); and

"(iv) to serve for a time period (hereinafter in the subpart referred to as the 'period of obligated service') equal to—

"(I) one year for each school year for which the individual was provided a scholarship under the Scholarship Program, or

"(II) two years,

whichever is greater, in a health manpower shortage area (designated under section 332) to which he is assigned by the Secretary as a member of the Corps, or as otherwise provided in this subpart; *Ante*, p. 2270.

"(2) a provision that any financial obligation of the United States arising out of a contract entered into under this subpart and any obligation of the individual which is conditioned thereon, is contingent upon funds being appropriated for scholarships under this subpart and to carry out the purposes of subpart II of part C of title III; *Ante*, p. 2268.

"(3) a statement of the damages to which the United States is entitled, under section 754, for the individual's breach of the contract; and

"(4) such other statements of the rights and liabilities of the Secretary and of the individual, not inconsistent with the provisions of this subpart.

"(g)(1) A scholarship provided to a student for a school year under a written contract under the Scholarship Program or under section 758 (relating to scholarships for first-year students of exceptional financial need), shall consist of—

"(A) payment to, or (in accordance with paragraph (2)) on behalf of, the student of the amount (except as provided in section 711) of—

"(i) the tuition of the student in such school year; and

"(ii) all other reasonable educational expenses, including fees, books, and laboratory expenses, incurred by the student in such school year; and

"(B) payment to the student of a stipend of $400 per month (adjusted in accordance with paragraph (3)) for each of the 12 consecutive months beginning with the first month of such school year.

"(2) The Secretary may contract with an educational institution, in which a participant in the Scholarship Program is enrolled, for the payment to the educational institution of the amounts of tuition and other reasonable educational expenses described in paragraph (1)(A). Payment to such an educational institution may be made without regard to section 3648 of the Revised Statutes (31 U.S.C. 529). Contract.

"(3) The amount of the monthly stipend, specified in paragraph (1)(B) and as previously adjusted (if at all) in accordance with this paragraph, shall be increased by the Secretary for each school year ending in a fiscal year beginning after September 30, 1978, by an amount (rounded to the next highest multiple of $1) equal to the amount of such stipend multiplied by the overall percentage (as set forth in the report transmitted to the Congress under section 5303 of title 5, United States Code) of the adjustment (if such adjustment is an increase) in the rates of pay under the General Schedule made effective in the fiscal year in which such school year ends.

"(h) Notwithstanding any other provision of law, individuals who have entered into written contracts with the Secretary under this section, while undergoing academic training, shall not be counted against any employment ceiling affecting the Department.

Report to Congress.

"(i) The Secretary shall report to Congress on December 1 of each year—

"(1) the number, and type of health profession training, of students receiving scholarships under the Scholarship Program;

"(2) the educational institutions at which such students are receiving their training;

"(3) the number of applications filed under this section in the school year beginning in such year and in prior school years; and

"(4) the amount of tuition paid in the aggregate and at each educational institution for the school year beginning in such year and for prior school years.

"(j) The administrative unit which administers section 770 shall—

"(1) participate in the development of regulations, funding priorities, and application forms, and

"(2) be consulted by, and may make recommendations to, the Secretary in the review of applications for scholarships and grants,

with respect to the Scholarship Program.

"OBLIGATED SERVICE

42 USC 294u.

"SEC. 752. (a) Except as provided in section 753, each individual who has entered into a written contract with the Secretary under section 751 shall provide service in the full-time clinical practice of such individual's profession as a member of the Corps for the period of obligated service provided in such contract.

Notification.

"(b)(1) The Secretary shall notify each individual required to provide service under the Scholarship Program, not later than 60 days before the date described in paragraph (5), of the opportunity of such individual to serve in the full-time clinical practice of his profession either as a commissioned officer in the Regular or Reserve Corps of the Service or as a civilian member of the Corps. The Secretary shall include in such notice sufficient information regarding the advantages and disadvantages to each alternative to enable an individual to make a decision on an informed basis.

"(2) To be eligible to provide obligated service as a commissioned officer in the Service, an individual shall notify the Secretary, not later than 30 days before the date described in paragraph (5), of the individual's desire to provide such service as such an officer.

"(3) If an individual who has notified the Secretary under paragraph (2) qualifies for an appointment as such an officer, the Secretary shall, as soon as possible after the date described in paragraph (5), appoint the individual as a commissioned officer of the Regular or Reserve Corps and of the Service and shall designate the individual as a member of the Corps. If an individual who has notified the Secretary under paragraph (2) does not so qualify, the Secretary shall, as soon as possible after the date described in paragraph (5), appoint such individual in accordance with paragraph (4).

"(4) Except as provided in paragraph (3) and in section 753, the Secretary shall appoint each individual, as soon as possible after the date described in paragraph (5), to serve in the full-time clinical practice of his profession as a civilian member of the Corps.

"(5) (A) With respect to an individual receiving a degree from a school of medicine, osteopathy, or dentistry, the date referred to in paragraphs (1) through (4) shall be the date upon which the individual completes the training required for such degree, except that the Secretary shall, at the request of such individual, defer such date until the end of the period of time (not to exceed three years) required for the individual to complete an internship, residency, or other advanced clinical training. No such period of internship, residency, or other advanced clinical training shall be counted toward satisfying a period of obligated service under this subpart.

"(B) With respect to an individual receiving a degree from an institution other than a school of medicine, osteopathy, or dentistry, the date referred to in paragraphs (1) through (4) shall be the date upon which the individual completes his academic training leading to such degree.

"(c) An individual shall be considered to have begun serving a period of obligated service—

"(1) on the date such individual is appointed as an officer in a Regular or Reserve Corps of the Service or as a member of the Corps, or

"(2) in the case of an individual who has entered into an agreement with the Secretary under section 753, on the date specified in such agreement, *Infra.*

whichever is earlier.

"(d) The Secretary shall assign individuals performing obligated service in accordance with a written contract under the Scholarship Program to health manpower shortage areas in accordance with subpart II of part C of title III. If the Secretary determines that there *Ante,* p. 2268. is no need in a health manpower shortage area (designated under section 332) for a member of the profession in which an individual *Ante,* p. 2270. is obligated to provide service under a written contract, the Secretary may detail such individual to serve his period of obligated service as a full-time member of such profession in such unit of the Department as the Secretary may determine.

"(e) Notwithstanding any other provision of this title, if the Secretary determines that an individual who is or has been a participant in the Scholarship Program demonstrates exceptional promise for medical research, the Secretary may permit such individual to perform his service obligation under the National Research Service Award program established under section 472. 42 USC 289*l*-1.

"PRIVATE PRACTICE

"SEC. 753. (a) The Secretary shall release an individual from all or part of his service obligation under section 752 (a) if the individual applies for such a release under this section and enters into a written agreement with the Secretary under which the individual agrees to engage for a period equal to the remaining period of his service obligation in the full-time private clinical practice (including service as a salaried employee in an entity directly providing health services) of his health profession— Written agreement. 42 USC 294v.

"(1) in the case of an individual who is performing obligated service as a member of the Corps in a health manpower shortage area on the date of his application for such a release, in the health manpower shortage area in which such individual is serving on such date; or

"(2) in the case of any other individual, in a health manpower shortage area (designated under section 332) which (A) has a priority for the assignment of Corps members under section 333(c), and (B) has a sufficient financial base to sustain such private practice and to provide the individual with income of not less than the income of members of the Corps.

Ante, p. 2270.

Ante, p. 2272.

In the case of an individual described in paragraph (1), the Secretary shall release the individual from his service obligation under this subsection only if the Secretary determines that the area in which the individual is serving meets the requirement of clause (B) of paragraph (2).

"(b) The written agreement described in subsection (a) shall—

"(1) provide that during the period of private practice by an individual pursuant to the agreement—

"(A) any person who receives health services provided by the individual in connection with such practice will be charged for such services at the usual and customary rate prevailing in the area in which such services are provided, except that if such person is unable to pay such charge, such person shall be charged at a reduced rate or not charged any fee; and

"(B) the individual in providing health services in connection with such practice shall not discriminate against any person on the basis of such person's ability to pay for such services or because payment for the health services provided to such person will be made under the insurance program established under part A or B of title XVIII of the Social Security Act or under a State plan for medical assistance approved under title XIX of such Act; and

42 USC 1395c, 1395j.

42 USC 1396.

"(2) contain such additional provisions as the Secretary may require to carry out the purposes of this section.

Regulation.

For purposes of paragraph (1)(A), the Secretary shall by regulation prescribe the method for determining a person's ability to pay a charge for health services and the method of determining the amount (if any) to be charged such person based on such ability.

"BREACH OF SCHOLARSHIP CONTRACT

42 USC 294w.

"SEC. 754. (a) An individual (other than an individual described in subsection (b)) who has entered into a written contract with the Secretary under section 751 and who fails to accept payment, or instructs the educational institution in which he is enrolled not to accept payment, in whole or in part, of a scholarship under such contract, shall, in addition to any service or other obligation or liability under the contract, be liable to the United States for the amount of $1,500 as liquidated damages.

"(b) An individual who has entered into a written contract with the Secretary under section 751 and who—

"(1) fails to maintain an acceptable level of academic standing in the educational institution in which he is enrolled (such level determined by the educational institution under regulations of the Secretary),

"(2) is dismissed from such educational institution for disciplinary reasons, or

"(3) voluntarily terminates the training in such an educational institution for which he is provided a scholarship under such contract, before the completion of such training,

in lieu of any service obligation arising under such contract, shall be

liable to the United States for the amount which has been paid to him, or on his behalf, under the contract.

"(c) If an individual breaches his written contract by failing (for any reason) either to begin such individual's service obligation in accordance with section 752 or 753 or to complete such service obligation, the United States shall be entitled to recover from the individual an amount determined in accordance with the formula

$$A=3\phi\left(\frac{t-s}{t}\right)$$

in which 'A' is the amount the United States is entitled to recover, 'ø' is the sum of the amount paid under this subpart to or on behalf of the individual 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 prevailing rate, as determined by the Treasurer of the United States; 't' is the total number of months in the individual's period of obligated service; and 's' is the number of months of such period served by him in accordance with section 752 or a written agreement under section 753. Any amount of damages which the United States is entitled to recover under this subsection shall, within the one year period beginning on the date of the breach of the written contract, be paid to the United States.

"(d)(1) Any obligation of an individual under the Scholarship Program (or a contract thereunder) for service or payment of damages shall be canceled upon the death of the individual.

"(2) The Secretary shall by regulation provide for the waiver or suspension of any obligation of service or payment by an individual under the Scholarship Program (or a contract thereunder) whenever compliance by the individual is impossible or would involve extreme hardship to the individual and if enforcement of such obligation with respect to any individual would be unconscionable.

"(3) Any obligation of an individual under the Scholarship Program (or a contract thereunder) for payment of damages may be released by a discharge in bankruptcy under title 11 of the United States Code only if such discharge is granted after the expiration of the five-year period beginning on the first date that payment of such damages is required. 11 USC 1 *et seq.*

"SPECIAL GRANTS FOR FORMER CORPS MEMBERS TO ENTER PRIVATE PRACTICE

"SEC. 755. (a) The Secretary may make one grant to an individual (other than an individual who has entered into an agreement under section 753)— 42 USC 294x.

"(1) who has completed his period of obligated service in the Corps, and

"(2) who has agreed in writing— Agreement.

"(A) to engage in the private full-time clinical practice of his profession in a health manpower shortage area (designated under section 332 and described in paragraphs (1) and (2) of section 753(a)) for a period (beginning not later than one year after the date he completed his period of obligated service in the Corps) of not less than one year; *Ante*, p. 2270.

"(B) to conduct such practice in accordance with the provisions of section 753(b)(1); and

"(C) to such additional conditions as the Secretary may require to carry out the purposes of this section;

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

"(b) The amount of the grant under subsection (a) to an individual shall be—

"(1) $12,500, if the individual agrees to practice his profession in accordance with the agreement for a period of at least one year, but less than two years; or

"(2) $25,000 if the individual agrees to practice his profession in accordance with the agreement for a period of at least two years.

"(c) The Secretary may not make a grant under this section unless an application therefor has been submitted to, and approved by, the Secretary.

Breach of agreement, notification.

"(d) If the Secretary determines that an individual has breached a written agreement entered into under subsection (a), he shall, as soon as practicable after making such determination, notify the individual of such determination. If within 120 days after the date of giving such notice, such individual is not practicing his profession in accordance with the agreement under such subsection and has not provided assurances satisfactory to the Secretary that he will not knowingly violate such agreement again, the United States shall be entitled to recover from such individual an amount determined under section 754(c), except that in applying the formula contained in such section, 'ø' shall be the sum of the amount of the grant made under subsection (a) to such individual 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 prevailing rate, 't' shall be the number of months that such individual agreed to practice his profession under such agreement, and 's' shall be the number of months that such individual practices his profession in accordance with such agreement.

"AUTHORIZATION OF APPROPRIATIONS

42 USC 294y.

"SEC. 756. (a) There are authorized to be appropriated for scholarships under this subpart $75,000,000 for the fiscal year ending September 30, 1978, $140,000,000 for the fiscal year ending September 30, 1979, and $200,000,000 for the fiscal year ending September 30, 1980. For the fiscal year ending September 30, 1981, and for each of the two succeeding fiscal years, there are authorized to be appropriated such sums as may be necessary to continue to make scholarship awards to students who have entered into written contracts under the Scholarship Program before October 1, 1980.

"(b) Of the sums appropriated under this section (1) 90 percent shall be obligated for scholarships for medical, osteopathic, and dental students, and (2) 10 percent of such 90 percent shall be obligated for scholarships for dental students.".

42 USC 294t note.

(2)(A) Except as provided in subparagraph (B), the amendment made by paragraph (1) of this subsection shall apply with respect to scholarships awarded under the National Health Service Corps Scholarship Program from appropriations for such Program for fiscal years beginning after September 30, 1977.

Ante, p. 415.

(B) The provisions of section 225(f)(1) of the Public Health Service Act (as in effect on September 30, 1977) prescribing the

financial obligation of a participant in the Public Health and National Health Service Corps Scholarship Program who fails to complete an active duty service obligation incurred under that Program shall apply to any individual who received a scholarship under such Program for any school year ending before September 30, 1977, irrespective of whether such individual received such a scholarship after that date.

(C) Periods of internship or residency served before September 30, 1976, in a facility of the National Health Service Corps or other facility of the Public Health Service in accordance with an agreement entered into under section 225(b) of the Public Health Service Act (as in effect before that date) shall be creditable in satisfying a service obligation incurred under the Public Health and National Health Service Corps Scholarship Program as revised by this subsection.

42 USC 234.

(c) Effective October 1, 1977, part C of title VII (as amended by subsections (a) and (b)) is amended by adding after subpart IV the following new subpart:

42 USC 294z note.

"Subpart V—Other Scholarships

"SCHOLARSHIPS FOR FIRST-YEAR STUDENTS OF EXCEPTIONAL FINANCIAL NEED

"SEC. 758. (a) The Secretary shall make grants to a public or nonprofit school of medicine, osteopathy, dentistry, optometry, pharmacy, podiatry, or veterinary medicine which is accredited as provided in section 721(b)(1)(B), for scholarships to be awarded by the school to full-time students thereof who are of exceptional financial need and who are in their first year of study at such school in the school year ending in the fiscal year in which such grant is made.

Grants. 42 USC 294z.

"(b)(1) Scholarships may be awarded by a school from a grant under subsection (a) only to individuals who have been accepted by it for enrollment as full-time students in their first year of study at such school.

"(2) A scholarship awarded to a student for a school year under a grant made under subsection (a) shall be the scholarship described in section 751(g).

"(3) For purposes of this section, the term 'first year of study' means, with respect to a student of a school other than a school of pharmacy, the student's first year of postbaccalaureate study at such school.

"First year of study."

"(c) The Secretary shall distribute grants under this section among all schools of the health professions, but shall give priority in distributing such grants to schools of medicine, osteopathy, and dentistry.

"(d) For the purpose of making grants under this section, there is authorized to be appropriated $16,000,000 for the fiscal year ending September 30, 1978, $17,000,000 for the fiscal year ending September 30, 1979, and $18,000,000 for the fiscal year ending September 30, 1980.

Appropriation authorization.

"LISTER HILL SCHOLARSHIP PROGRAM

"SEC. 759. (a) The Secretary annually shall make grants to at least 10 individuals (to be known as Lister Hill scholars) for scholarships of up to $8,000 per year for up to four years of medical school if such individuals agree to enter into the family practice of medicine in a health manpower shortage area in accordance with this section. Grants made under this section shall be made only from funds appropriated under subsection (b).

Grants. 42 USC 294aa.

Appropriation authorization.

"(b) There are authorized to be appropriated to carry out the purposes of this section $80,000 for the fiscal year ending September 30, 1977, $160,000 for the fiscal year ending September 30, 1978, $240,000 for the fiscal year ending September 30, 1979, and $320,000 for the fiscal year ending September 30, 1980. For the fiscal year ending September 30, 1981 and for each succeeding fiscal year, there are authorized to be appropriated such sums as may be necessary to continue to make such grants to students who (prior to October 1, 1980) have received such a grant under this section during such succeeding fiscal year.".

SCHOLARSHIPS

Repeal.
42 USC 295g, 295g-1, 295g-11, 295g-21-295g-23.

SEC. 409. (a) Effective October 1, 1976, subparts I, II, and III of part F of title VII are repealed.

Grants.
42 USC 295g note.
42 USC 295g.

(b) The Secretary of Health, Education, and Welfare during the period beginning October 1, 1976, and ending September 30, 1979, may (1) make grants under section 780 of the Public Health Service Act (as in effect before October 1, 1976) to public and nonprofit private schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, and pharmacy to enable such schools to continue making payments under scholarship awards to individuals enrolled and in good standing as full-time students who initially received such awards out of grants made to the schools under such section 780 for fiscal years ending before October 1, 1976, and (2) make scholarship grants under section 784 of such Act (as in effect before October 1, 1976) to individuals enrolled and in good standing as medical students who initially received such grants before October 1, 1976.

42 USC 295g-21.

TITLE V—GRANTS FOR HEALTH PROFESSIONS SCHOOLS

GRANT AMOUNTS; AUTHORIZATIONS

42 USC 295f.

SEC. 501. (a) Section 770(a) is amended to read as follows:

"(a) GRANT COMPUTATION.—The Secretary shall make annual grants to schools of medicine, osteopathy, dentistry, public health, veterinary medicine, optometry, pharmacy, and podiatry for the support of the education programs of such schools. The amount of the annual grant to each such school with an approved application shall be computed for each fiscal year as follows:

"(1) Each school of medicine, osteopathy, and dentistry shall receive—

"(A) for the fiscal year ending September 30, 1978, $2,000 for each full-time student enrolled in such school in the school year beginning in such fiscal year,

"(B) for the fiscal year ending September 30, 1979, $2,050 for each full-time student enrolled in such school in the school year beginning in such fiscal year, and

"(C) for the fiscal year ending September 30, 1980, $2,100 for each full-time student enrolled in such school in the school year beginning in such fiscal year.

"(2) (A) Each school of public health shall receive for the fiscal year ending September 30, 1978, and for each of the next two fiscal years an amount equal to the product of—

"(i) $1,400, and

"(ii) the sum of (I) the number of full-time students enrolled in such school in the school year beginning in such

fiscal year, and (II) the number of full-time equivalents of part-time students, determined pursuant to subparagraph (B), for such school for such school year.

"(B) For purposes of subparagraph (A) the number of full-time equivalents of part-time students for a school of public health for any school year is a number equal to—

"(i) the total number of credit hours of instruction in such year for which part-time students of such school, who are pursuing a course of study leading to a graduate degree in public health or an equivalent degree, have enrolled, divided by

"(ii) the greater of (I) the number of credit hours of instruction which a full-time student of such school was required to take in such year, or (II) 9,

rounded to the next highest whole number.

"(3) For the fiscal year ending September 30, 1978, and for each of the next two fiscal years, each school of veterinary medicine shall receive $1,450 for each full-time student enrolled in such school in the school year beginning in such fiscal year.

"(4) For the fiscal year ending September 30, 1978, and for each of the next two fiscal years, each school of optometry shall receive $765 for each full-time student enrolled in such school in the school year beginning in such fiscal year.

"(5) For the fiscal year ending September 30, 1978, and for each of the next two fiscal years, each school of pharmacy (other than a school of pharmacy with a course of study of more than four years) shall receive $695 for each full-time student enrolled in such school in the school year beginning in such fiscal year. Each school of pharmacy with a course of study of more than four years shall receive $695 for each full-time student enrolled in the last four years of such school. For purposes of section 771, a student enrolled in the first year of the last four years of such school shall be considered a first-year student.

Post, p. 2293.

"(6) For the fiscal year ending September 30, 1978, and for each of the next two fiscal years, each school of podiatry shall receive $965 for each full-time student enrolled in such school in the school year beginning in such fiscal year.".

(b) Subsection (b) of section 770 is amended to read as follows: 42 USC 295f.

"(b) APPORTIONMENT OF APPROPRIATIONS.—Notwithstanding subsection (a), if the aggregate of the amounts of the grants to be made in accordance with such subsection for any fiscal year to schools of either medicine, osteopathy, dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry with approved applications exceeds the total of the amounts appropriated for such category of schools under the appropriate paragraph of subsection (e) for such grants, the amount of a school's grant with respect to which such excess exists shall for such fiscal year be an amount which bears the same ratio to the amount determined for the school under subsection (a) as the total of the amounts appropriated for that year under the appropriate paragraph of subsection (e) for grants to schools of the same category as such school bears to the amount required to make grants in accordance with subsection (a) to each of the schools of that category with approved applications.".

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

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

"(c) ENROLLMENT DETERMINATIONS.—

"(1) For purposes of this section, regulations of the Secretary shall include provisions relating to the determination of the number of students enrolled in a school or in a particular year-class in a school on the basis of estimates, on the basis of the number of students who in an earlier year were enrolled in a school or in a particular year-class, or on such other basis as he deems appropriate for making such determination, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school.

"Full time students."

"(2) For purposes of this section, 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, bachelor or master of science in pharmacy or an equivalent degree, doctor of optometry or an equivalent degree, doctor of veterinary medicine or an equivalent degree, or doctor of podiatry or an equivalent degree or to a graduate degree in public health or equivalent degree. In the case of a training program of a school designed to permit the students enrolled in such program to complete, within six years after completing secondary school, the requirements for degree of doctor of medicine, doctor of dentistry or an equivalent degree, or doctor of osteopathy, the term 'full-time students' shall only include students enrolled on a full-time basis in the last four years of such program and for purposes of section 771, students enrolled in the first of the last four years of such program shall be considered as first-year students.".

42 USC 295f.

(3) Subsection (i) of section 770 is amended (A) by inserting ", public health" after "dentistry", (B) by striking out "and (b)", and (C) by redesignating it as subsection (d).

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

"(e) AUTHORIZATIONS OF APPROPRIATIONS.—

"(1) There are authorized to be appropriated $124,182,000 for the fiscal year ending September 30, 1978, $131,683,800 for the fiscal year ending September 30, 1979, and $139,400,100 for the fiscal year ending September 30, 1980, for payments under grants under this section to schools of medicine.

"(2) There are authorized to be appropriated $8,680,000 for the fiscal year ending September 30, 1978, $9,337,750 for the fiscal year ending September 30, 1979, and $10,159,800 for the fiscal year ending September 30, 1980, for payments under grants under this section for schools of osteopathy.

"(3) There are authorized to be appropriated $43,798,000 for the fiscal year ending September 30, 1978, $45,409,550 for the fiscal year ending September 30, 1979, and $46,909,800 for the fiscal year ending September 30, 1980, for payments under grants under this section for schools of dentistry.

"(4) There are authorized to be appropriated $9,739,800 for the fiscal year ending September 30, 1978, $10,462,200 for the fiscal year ending September 30, 1979, and $11,060,000 for the fiscal year ending September 30, 1980, for payments under grants under this section to schools of public health.

"(5) There are authorized to be appropriated $10,219,600 for the fiscal year ending September 30, 1978, $10,548,750 for the fiscal year ending September 30, 1979, and $10,705,350 for the fiscal

year ending September 30, 1980, for payments under grants under this section to schools of veterinary medicine.

"(6) There are authorized to be appropriated $3,204,585 for the fiscal year ending September 30, 1978, $3,272,670 for the fiscal year ending September 30, 1979, and $3,366,000 for the fiscal year ending September 30, 1980, for payments under grants under this section to schools of optometry.

"(7) There are authorized to be appropriated $16,989,970 for the fiscal year ending September 30, 1978, $17,110,205 for the fiscal year ending September 30, 1979, and $17,368,050 for the fiscal year ending September 30, 1980, for payments under grants under this section to schools of pharmacy.

"(8) There are authorized to be appropriated $2,267,750 for the fiscal year ending September 30, 1978, $2,270,645 for the fiscal year ending September 30, 1979, and $2,285,120 for the fiscal year ending September 30, 1980, for payments under grants under this section to schools of podiatry.".

(d) For the fiscal year ending September 30, 1978, and for each of the next two fiscal years, there are authorized to be appropriated such sums as may be necessary to continue to make annual grants to schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, and podiatry under section 770(a) of the Public Health Service Act (as in effect on September 30, 1977) based on the number of enrollment bonus students (determined in accordance with subsections (d) and (e) of section 770 of such Act (as so in effect)) enrolled in such schools who were first-year students in such schools for school years ending before September 30, 1977, except that the amount of any grant made to such a school from sums appropriated under this subsection may not exceed the amount of the grant the school received in the fiscal year ending September 30, 1977, based on the number of such students enrolled in it.

42 USC 295f note.

42 USC 295f.

(e) Effective October 1, 1977, the heading for part E of title VII is amended to read as follows:

"PART E—GRANTS TO IMPROVE THE QUALITY OF SCHOOLS OF MEDICINE, OSTEOPATHY, DENTISTRY, PUBLIC HEALTH, VETERINARY MEDICINE, OPTOMETRY, PHARMACY, AND PODIATRY".

(f) The amendments made by subsections (a), (b), and (c) shall apply with respect to appropriations under section 770 of the Public Health Service Act, and grants under that section, for fiscal years beginning after September 30, 1977.

Effective date.

42 USC 295f note.

GRANT REQUIREMENTS

SEC. 502. Effective with respect to fiscal years beginning after September 30, 1977, part E of title VII is amended (1) by striking out sections 771, 772, 773, and 774, and (2) by adding after section 770 the following new section:

42 USC 295f-1-295f-4.

"ELIGIBILITY FOR CAPITATION GRANTS

"SEC. 771. (a) IN GENERAL.—The Secretary shall not make a grant under section 770 to any school in a fiscal year beginning after September 30, 1977, unless the application for the grant contains, or is supported by, assurances satisfactory to the Secretary that—

42 USC 295f-1.

"(1) the first-year enrollment of full-time students in the school in the school year beginning in 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 or in the school year beginning in the fiscal year ending September 30, 1976, whichever is greater; and

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

"(b)(1) MEDICAL SCHOOLS.—To be eligible for a grant under section 770 each school of medicine shall, in addition to the requirements of subsection (a), meet the applicable requirements of paragraphs (2) and (3).

Ante, p. 2290.

"(2)(A)(i) Unless, as determined under subparagraph (B), the number of filled first year positions on July 15, 1977, in direct or affiliated medical residency training programs in primary care is at least 35 percent of the number of filled first year positions on that date in all direct or affiliated medical residency training programs, to be eligible for a grant under section 770 for the fiscal year ending September 30, 1978, a school of medicine shall have on July 15, 1978, at least 35 percent of its filled first year positions, as determined under subparagraphs (C) and (D), in its direct or affiliated medical residency training programs in first year positions in such programs in primary care.

"(ii) Unless, as determined under subparagraph (B), the number of filled first year positions on July 15, 1978, in direct or affiliated medical residency training programs in primary care is at least 40 percent of the number of filled first year positions on that date in all direct or affiliated medical residency training programs, to be eligible for a grant under section 770 for the fiscal year ending September 30, 1979, a school of medicine shall have on July 15, 1979, at least 40 percent of its filled first year positions, as determined under subparagraphs (C) and (D), in its direct or affiliated medical residency training programs in first year positions in such programs in primary care.

"(iii) Unless, as determined under subparagraph (B), the number of filled first year positions on July 15 of any year (beginning with 1979) in direct or affiliated medical residency training programs in primary care is at least 50 percent of the number of filled first year positions on that date in all direct or affiliated medical residency training programs, to be eligible for a grant under section 770 for the fiscal year ending on September 30 of the following year, a school of medicine shall have on July 15 of such following year at least 50 percent of its filled first year positions, as determined under subparagraphs (C) and (D), in its direct or affiliated medical residency training programs in first year positions in such programs in primary care.

"(B) The Secretary shall determine what percent of all the positions filled, as of July 15, 1977, and July 15 of each subsequent year, in all direct or affiliated medical residency training programs are filled positions in such programs in primary care. In determining the number of such positions in primary care on July 15, 1977, or on July 15 of a subsequent year, the Secretary shall deduct from such number a number equal to the number of individuals who were in a first year

position in any direct or affiliated medical residency training program in primary care as of July 15 of the previous year and who on the date for which the determination is to be made were not in any direct or affiliated medical residency training program in primary care. Each determination under this subparagraph shall, not later than 45 days after the date for which the determination is made, be published in the Federal Register and reported in writing to each school of medicine in the States and to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate.

Publication in Federal Register; report to medical schools and congressional committees.

"(C) In determining if a school of medicine meets an applicable requirement of clause (i), (ii), or (iii) of subparagraph (A) for a fiscal year, the number of filled first year positions in direct or affiliated medical residency training programs of such school in primary care on July 15 in such fiscal year shall be reduced by the number of individuals who were in a first year position in a direct or affiliated medical residency training program of such school in primary care on July 15 in the previous fiscal year and who on July 15 in the fiscal year to which the requirement applies were not in a direct or affiliated medical residency training program of such school in primary care. Each determination, with respect to a school, under this subparagraph shall, not later than 45 days after the date on which the determination is made, be reported in writing to such school and to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate.

Determination; report to medical school and congressional committees.

"(D) The requirement under subparagraph (A) that a school of medicine have a particular percent of its filled first-year positions in its direct or affiliated medical residency training programs in primary care on a date in order to be eligible for a grant under section 770 shall be waived by the Secretary if he determines that (i) such school has made a good faith effort to comply with such requirement, and (ii) such school has at least 98 percent of such percent of such positions in primary care on such date.

Ante, p. 2290.

"(E) The Secretary shall not make any grant under section 770 to a school of medicine for any fiscal year if the Secretary, after providing notice and opportunity for a hearing, determines that in the fiscal year such school—

Notice and hearing.

"(i) terminated or failed to renew an affiliation with a medical residency training program for the purpose of meeting the requirements of this paragraph, and

"(ii) after such a termination or failure to renew, provided support for such medical residency training program (including any interchange of medical residents, students, or faculty between the school and such program, the offering of any faculty position at such school to any individual on the staff of such entity who has any responsibility for such program, or the provision or receipt by such school of any funds for such program).

"(F) For purposes of this paragraph:

Definitions.

"(i) The term 'direct or affiliated medical residency training program' means a medical residency training program with which a school of medicine is affiliated or has a similar arrangement (including any arrangement which provides for any interchange of medical residents, students, or faculty between the school and such program, the offering of any faculty position at such school to any individual on the staff of such entity who has any responsibility for such program, or the provision or receipt by such school of any funds for such program), as determined under regulations of the Secretary, or which is primarily conducted in facilities owned by a school of medicine.

"(ii) The term 'primary care' means general internal medicine, family medicine, or general pediatrics.

"(iii) The term 'medical residency training program' means a program which trains graduates of schools of medicine and schools of osteopathy in a medical specialty and which provides the graduate education required by the appropriate specialty board for certification in such specialty. Such term does not include a residency training program in an osteopathic hospital.

Ante, p. 2290.

"(3)(A) To be eligible for a grant under section 770 a school of medicine shall, in its application for such grant, give assurances satisfactory to the Secretary that, except as provided in subparagraphs (C) and (D), the school will reserve positions, in the school year beginning immediately before the fiscal year for which such grant is applied for, for students described in subparagraph (B).

"(B) No later than August 15, 1977, and August 15 of each of the next two years, the Secretary shall identify the citizens of the United States who, before the date of enactment of the Health Professions Educational Assistance Act of 1976, were students in a school of medicine not in a State and who by the date of the identification made under this subparagraph—

Ante, p. 2243.

"(i) successfully completed at least two years in such school of medicine, and

"(ii) successfully completed part I of the National Board of Medical Examiners' examination (or any successor to such examination).

The Secretary shall equitably apportion a number of positions adequate to fill the needs of students described in subparagraph (B) among the schools of medicine in the States.

"(C) A school of medicine shall not be required to enroll a student described in subparagraph (B) if—

"(i) the individual does not meet, as determined under guidelines established by the Secretary by regulation, the entrance requirements of the school (other than requirements related to academic qualifications or to place of residence), or

"(ii) enrollment of such individual will, as determined by the Secretary after consultation with the appropriate accreditation body, result in the school's not meeting the accreditation standards of such body.

Waiver.

"(D) The Secretary may waive the requirements of this paragraph upon a finding that, because of the inadequate size of the population served by the hospital or clinical facility in which such school conducts its clinical training, compliance by such school with such assurances will prevent such school from providing high quality clinical training for the students added by the application of this paragraph to such school.

"(c) SCHOOLS OF OSTEOPATHY.—(1) To be eligible for a grant under section 770 for a fiscal year beginning after September 30, 1977, a school of osteopathy shall, in addition to the requirements of subsection (a), submit to the Secretary and have approved by him before the grant applied for is made, a plan to train full-time students in ambulatory care settings, in the school year beginning in the fiscal year for which the grant is made and in each school year thereafter beginning in a fiscal year for which such a grant is made, either in areas geographically remote from the main site of the teaching facilities of the applicant (or any other school of osteopathy which has joined with the applicant in the submission of the plan) or in areas in which medically underserved populations reside.

"(2) More than one applicant may join in the submission of a plan described in paragraph (1). No plan may be approved by the Secretary unless—

"(A) the application for a grant under section 770 of each school which has joined in the submission of the plan contains or is supported by assurances satisfactory to the Secretary that all of the full-time students who will graduate from such school will upon graduation have received at least 6 weeks (at least 3 of which shall be consecutive) of clinical training in an area which is geographically remote from the main site of the training facilities of such school or in which medically underserved populations reside; *Ante*, p. 2290.

"(B) the plan contains a list of the areas where the training under such plan is to be conducted, a detailed description of the type and amount of training to be given in such areas, and provision for periodic review by experts in osteopathic education of the desirability of providing training in such areas and of the quality of training rendered in such areas;

"(C) the plan contains a specific program for the appointing, as members of the faculty of the school or schools submitting the plan, of practicing physicians to serve as instructors in the training program in such areas; and

"(D) the plan contains a plan for frequent counseling and consultation between the faculty of the school or schools at the main site of their training facilities and the instructors in the training program in such areas.

"(d) SCHOOLS OF DENTISTRY.—(1) To be eligible for a grant under section 770 for a fiscal year beginning after September 30, 1977, a school of dentistry shall, in addition to the requirements of subsection (a), meet the requirements of paragraph (2) and of paragraph (3) or (4).

"(2) In the school year beginning in the fiscal year ending September 30, 1978, and in each school year thereafter beginning in a fiscal year for which a grant under section 770 is applied for, at least 70 percent of a school of dentistry's filled positions in dental specialty programs which are in excess of the number of filled positions in its programs in the school year beginning in the fiscal year ending September 30, 1977, shall be positions in dental specialty programs in general dentistry or pedodontics.

"(3) A school of dentistry shall maintain an enrollment of full-time first-year students, for the school year beginning in the fiscal year ending September 30, 1978, and for each school year thereafter beginning in a fiscal year for which a grant under section 770 is applied for, which exceeds the number of full-time, first-year students enrolled in such school in the school year beginning in the fiscal year ending September 30, 1976—

"(A) by 10 percent of such number if such number was not more than 100, or

"(B) by 5 percent of such number, or 10 students, whichever is greater, if such number was more than 100.

"(4)(A) A school of dentistry shall submit to the Secretary and have approved by him before the grant applied for is made, a plan to train full-time students in ambulatory care settings, in the school year beginning in the fiscal year for which the grant is made and in each school year thereafter beginning in a fiscal year for which such a grant is made, either in areas geographically remote from the main site of the teaching facilities of the applicant (or any other school of

dentistry which has joined with the applicant in the submission of the plan) or in areas in which medically underserved populations reside.

"(B) More than one applicant may join in the submission of a plan described in subparagraph (A). No plan may be approved by the Secretary unless—

Ante, p. 2290.

"(i) the application for a grant under section 770 of each school which has joined in the submission of the plan contains or is supported by assurances satisfactory to the Secretary that all of the full-time students who will graduate from such school will upon graduation have received at least 6 weeks (in the aggregate) of clinical training in an area which is geographically remote from the main site of the training facilities of such school or in which medically underserved populations reside;

"(ii) the plan contains a list of the areas where the training under such plan is to be conducted, a detailed description of the type and amount of training to be given in such areas, and provision for periodic review by experts in dental education of the desirability of providing training in such areas and of the quality of training rendered in such areas;

"(iii) the plan contains a specific program for the appointing, as members of the faculty of the school or schools submitting the plan, of practicing dentists to serve as instructors in the training program in such areas; and

"(iv) the plan contains a plan for frequent counseling and consultation between the faculty of the school or schools at the main site of their training facilities and the instructors in the training program in such areas.

"(e) SCHOOLS OF PUBLIC HEALTH.—(1) To be eligible for a grant under section 770 for a fiscal year beginning after September 30, 1977, a school of public health shall, in addition to the requirements of subsection (a), maintain an enrollment of full-time, first-year students, for the school year beginning in the fiscal year ending September 30, 1978, and for each school year thereafter beginning in a fiscal year for which a grant under section 770 is applied for, which exceeds the number of full-time, first-year students enrolled in such school in the school year beginning in the fiscal year ending September 30, 1976—

"(A) by 5 percent of such number if such number was not more than 100, or

"(B) by 2.5 percent of such number, or 5 students, whichever is greater, if such number was more than 100.

"(2) The Secretary may waive (in whole or in part) application to a school of public health of the requirement of paragraph (1) if the Secretary determines, after receiving the written recommendation of the appropriate accreditation body or bodies (approved for such purpose by the Commissioner of Education) that compliance by such school with such requirement will prevent it from maintaining its accreditation.

"(f) SCHOOLS OF VETERINARY MEDICINE.—(1) To be eligible for a grant under section 770 for a fiscal year beginning after September 30, 1977, a school of veterinary medicine shall, in addition to the requirements of subsection (a), meet the requirements of paragraph (2) and paragraph (3) or (4).

"(2) An application of a school of veterinary medicine for a grant under section 770 shall contain or be supported by assurances satisfactory to the Secretary that the clinical training of the school shall emphasize predominantly care to food-producing animals or to fibre-producing animals, or to both types of animals.

"(3) A school of veterinary medicine shall maintain an enrollment of full-time, first-year students, for the school year beginning in the fiscal year ending September 30, 1978, and for each school year thereafter beginning in a fiscal year for which a grant under section 770 is applied for, which exceeds the number of full-time, first-year students enrolled in such school in the school year beginning in the fiscal year ending September 30, 1976— *Ante*, p. 2290.

"(A) by 5 percent of such number if such number was not more than 100, or

"(B) by 2.5 percent of such number, or 5 students, whichever is greater, if such number was more than 100.

"(4) An application of a school of veterinary medicine shall contain or be supported by assurances satisfactory to the Secretary that for the school year beginning in the fiscal year for which a grant is made under section 770 at least 30 percent of the enrollment of full-time, first-year students in such school will be comprised of students who are residents of States in which there are no accredited schools of veterinary medicine.

"(g) SCHOOLS OF OPTOMETRY.—(1) To be eligible for a grant under section 770 for a fiscal year beginning after September 30, 1977, a school of optometry shall, in addition to the requirements of subsection (a), meet the requirement of paragraph (2) or (3).

"(2) A school of optometry shall maintain an enrollment of full-time, first-year students, for the school year beginning in the fiscal year ending September 30, 1978, and for each school year thereafter beginning in a fiscal year for which a grant under section 770 is applied for, which exceeds the number of full-time, first-year students enrolled in such school in the school year beginning in the fiscal year ending September 30, 1976—

"(A) by 5 percent of such number if such number was not more than 100, or

"(B) by 2.5 percent of such number, or 5 students, whichever is greater, if such number was more than 100.

"(3) An application of a school of optometry shall contain or be supported by assurances satisfactory to the Secretary that for the school year beginning in the fiscal year for which a grant is made under section 770 at least 25 percent (or 50 percent if the applicant is a nonprofit private school of optometry) of the first-year enrollment of full-time students in such school will be comprised of students who are residents of States in which there are no accredited schools of optometry.

"(h) SCHOOLS OF PODIATRY.—(1) To be eligible for a grant under section 770 for a fiscal year beginning after September 30, 1977, a school of podiatry shall, in addition to the requirements of subsection (a), meet the requirements of paragraph (2) or (3).

"(2) A school of podiatry shall maintain an enrollment of full-time, first-year students, for the school year beginning in the fiscal year ending September 30, 1978, and for each school year thereafter beginning in a fiscal year for which a grant under section 770 is applied for, which exceeds the number of full-time, first-year students enrolled in such school in the school year beginning in the fiscal year ending September 30, 1976—

"(A) by 5 percent of such number if such number was not more than 100, or

"(B) by 2.5 percent of such number, or 5 students, whichever is greater, if such number was more than 100.

"(3) An application of a school of podiatry shall contain or be-supported by assurances satisfactory to the Secretary that, for the school year beginning in the fiscal year for which a grant is made under section 770, at least 40 percent of the enrollment of full-time, first-year students in such school will be comprised of students who are residents of States in which there are no accredited schools of podiatry.

Ante, p. 2290.

"(i) SCHOOLS OF PHARMACY.—To be eligible for a grant under section 770 for a fiscal year beginning after September 30, 1977, a school of pharmacy's application for such a grant shall, in addition to the assurances required by subsection (a), contain or be supported by assurances that each student who is enrolled in the school will before graduation undergo a training program in clinical pharmacy, which shall include (1) an inpatient and outpatient clerkship experience in a hospital, extended care facility, or other clinical setting; (2) interaction with physicians and other health professionals; (3) training in the counseling of patients with regard to the appropriate use of and reactions to drugs; and (4) training in drug information retrieval and analysis in the context of actual patient problems.".

TECHNICAL AND CONFORMING AMENDMENTS

42 USC 295f-5, 295f-2.

SEC. 503. (a) Section 775 is redesignated section 772 and is amended—

(1) by striking out "section 770, 771, 772, or 773" each place it occurs and inserting in lieu thereof "section 770" in subsections (a) and (d) and "section 770 or subsection (a) or (b) of section 778" in subsection (b),

(2) by inserting ", public health" after "dentistry" in subsection (b),

(3) by striking out "this part" in subsection (c) and inserting in lieu thereof "section 770",

(4) by striking out "section 770, 771, or 773" in subsection (d) (1) and inserting in lieu thereof "section 771", and

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

"(3) provides for such fiscal control and accounting procedures and reports, including the use of such standard procedures for the recording and reporting of financial information, as the Secretary may prescribe, and access to the records of the applicant, as the Secretary may require to enable him to determine the costs to the applicant of its program for the education or training of students.".

Repeal. 42 USC 244-1, 245a.

(b) Sections 312 and 313 are repealed.

Effective date. 42 USC 295f-2 note.

(c) The amendments made by this section shall take effect October 1, 1977.

TITLE VI—FOREIGN MEDICAL GRADUATES

LIMITATION ON IMMIGRATION OF FOREIGN MEDICAL GRADUATES

SEC. 601. (a) Section 212(a) of the Immigration and Nationality Act (8 U.S.C. 1182(a)) is amended by (1) striking out the period at the end thereof and inserting a semicolon in lieu thereof, and (2) by adding at the end thereof the following new paragraph:

"(32) Aliens who are graduates of a medical school and are coming to the United States principally to perform services as members of the medical profession, except such aliens who have passed parts I and

II of the National Board of Medical Examiners Examination (or an equivalent examination as determined by the Secretary of Health, Education, and Welfare) and who are competent in oral and written English. The exclusion of aliens under this paragraph shall apply to special immigrants defined in section 101(a)(27)(A) (other than the parents, spouses, or children of United States citizens or of aliens lawfully admitted for permanent residence), to nonpreference immigrant aliens described in section 203(a)(8), and to preference immigrant aliens described in section 203(a) (3) and (6).".

8 USC 1101.

8 USC 1153.

(b) Section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a) (15)) is amended as follows:

(1) Subparagraph (H)(i) is amended by inserting before the semicolon ", and who, in the case of a graduate of a medical school coming to the United States to perform services as a member of the medical profession, is coming pursuant to an invitation from a public or nonprofit private educational or research institution or agency in the United States to teach or conduct research, or both, at or for such institution or agency".

(2) Subparagraph (H)(ii) is amended by inserting before the semicolon ", but this clause shall not apply to graduates of medical schools coming to the United States to perform services as members of the medical profession".

(3) Subparagraph (H)(iii) is amended by inserting before the semicolon ", other than to receive graduate medical education or training".

(4) Subparagraph (J) is amended by inserting "and who, if he is coming to the United States to participate in a program under which he will receive graduate medical education or training, also meets the requirements of section 212(j)" before ", and the alien spouse".

(c) Section 212(e) of such Act (8 U.S.C. 1182(e)) is amended—

(1) by striking out "whose (i)" and inserting in lieu thereof "(i) whose";

(2) by striking out "or" immediately before "(ii)";

(3) by inserting immediately before "shall be eligible" in the first sentence the following: "or (iii) who came to the United States or acquired such status in order to receive graduate medical education or training,"; and

(4) by inserting ", except in the case of an alien described in clause (iii)," immediately after "*Provided further*, That".

(d) Section 212 of such Act (8 U.S.C. 1182) is amended by inserting at the end thereof the following new subsection:

"(j)(1) The additional requirements referred to in section 101(a)(15)(J) for an alien who is coming to the United States under a program under which he will receive graduate medical education or training are:

Supra.

"(A) A school of medicine or of one of the other health professions, which is accredited by a body or bodies approved for the purpose by the Commissioner of Education, has agreed in writing to provide the graduate medical education or training under the program for which the alien is coming to the United States or to assume responsibility for arranging for the provision thereof by an appropriate public or nonprofit private institution or agency, except that, in the case of such an agreement by a school of medicine, any one or more of its affiliated hospitals which are to participate in the provision of the graduate medical education or training must join in the agreement;

"(B) Before making such agreement, the accredited school has been satisfied that the alien has passed parts I and II of the National Board of Medical Examiners Examination (or an equivalent examination as determined by the Secretary of Health, Education, and Welfare), has competency in oral and written English, will be able to adapt to the educational and cultural environment in which he will be receiving his education or training, and has adequate prior education and training to participate satisfactorily in the program for which he is coming to the United States;

"(C) The alien has made a commitment to return to the country of his nationality or last residence upon completion of the education or training for which he is coming to the United States (including any extension of the duration thereof under subparagraph (D)), and the government of the country of his nationality or last residence has provided a written assurance, satisfactory to the Secretary of Health, Education, and Welfare, that upon such completion and return, he will be appointed to a position in which he will fully utilize the skills acquired in such education or training in the government of that country or in an educational or other appropriate institution or agency in that country; and

"(D) The duration of the alien's participation in the program for which he is coming to the United States is limited to not more than 2 years, except that such duration may be extended for one year at the request of the government of his nationality or last residence, if (i) such government provides a written assurance, satisfactory to the Secretary of Health, Education, and Welfare, that the alien will, at the end of such extension, be appointed to a position in which he will fully utilize the skills acquired in such education or training in the government of that country or in an educational or other appropriate institution or agency in that country, (ii) the accredited school providing or arranging for the provision of his education or training agrees in writing to such extension, and (iii) such extension is for the purpose of continuing the alien's education or training under the program for which he came to the United States.

"(2)(A) Except as provided in subparagraph (B), the requirements of subparagraphs (A) through (D) of paragraph (1) shall not apply between the effective date of this subsection and December 31, 1980, to any alien who seeks to come to the United States to participate in an accredited program of graduate medical education or training if there would be a substantial disruption in the health services provided in such program because such alien was not permitted, because of his failure to meet such requirements, to enter the United States to participate in such program.

"(B) In the administration of this subsection, the Attorney General shall take such action as may be necessary to ensure that the total number of aliens participating (at any time) in programs described in subparagraph (A) does not, because of the exemption provided by such subparagraph, exceed the total number of aliens participating in such programs on the effective date of this subsection.".

(e) Section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)) is amended by adding the following at the end thereof:

"Graduates of medical school."

"(41) The term 'graduates of medical school' means aliens who have graduated from a medical school or who have qualified to practice medicine in a foreign state.".

(f) The amendments made by this section shall take effect ninety days after the date of enactment of this section. Effective date. 8 USC 1182 note.

TITLE VII—PUBLIC AND ALLIED HEALTH PERSONNEL

PUBLIC AND ALLIED HEALTH PERSONNEL

SEC. 701. (a) Effective October 1, 1977, part G of title VII is amended to read as follows:

"PART G—PROGRAMS FOR PERSONNEL IN HEALTH ADMINISTRATION AND IN ALLIED HEALTH

"SUBPART I—PUBLIC HEALTH PERSONNEL

"GRANTS FOR GRADUATE PROGRAMS IN HEALTH ADMINISTRATION

"SEC. 791. (a) From funds appropriated under subsection (d), the Secretary shall make annual grants to public or nonprofit private educational entities (including schools of social work and excluding accredited schools of public health) to support the graduate educational programs of such entities in health administration, hospital administration, and health planning. 42 USC 295h.

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

"(c)(1) No grant may be made under subsection (a) unless an application therefor has been submitted to the Secretary before such time as he shall by regulation prescribe and has been approved by the Secretary. Such application shall be in such form, and submitted in such manner, as the Secretary shall by regulation, prescribe. Application.

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

"(A) such application—

"(i) contains assurances satisfactory to the Secretary that in the school year (as defined in regulations of the Secretary) beginning in the fiscal year for which the applicant receives a grant under subsection (a) that—

"(I) at least 25 individuals will complete the graduate educational programs of the entity for which such application is submitted; and

"(II) such entity shall expend or obligate at least $100,000 in funds from non-Federal sources to conduct such programs;

"(ii) contains assurances satisfactory to the Secretary that such entity shall maintain a first-year enrollment of full-time students in the programs, for the school year beginning in the fiscal year ending September 30, 1978, and for each school year thereafter beginning in a fiscal year for which a grant under this section is applied for, which exceeds the number of full-time, first-year students enrolled in such programs in the school year beginning in the fiscal year ending September 30, 1976—

"(I) by 5 percent of such number if such number was not more than 100, or

"(II) by 2.5 percent of such number, or 5 students, whichever is greater, if such number was more than 100; and

"(iii) contains such other information as the Secretary may by regulation prescribe; and

"(B) the program for which such application was submitted has been accredited for the training of individuals for health administration, hospital administration, or health planning by a recognized body or bodies approved for such purpose by the Commissioner of Education and meets such other quality standards as the Secretary shall by regulation prescribe.

Waiver.

"(3) The Secretary may waive (in whole or in part) the requirements of clause (ii) of paragraph (2) (A) with respect to any school upon written notification by the appropriate accreditation body or bodies that compliance with the assurances required by such paragraph will prevent such school from meeting the accreditation standards of such body or bodies.

"(4) The Secretary may not approve or disapprove an application submitted under paragraph (1) except after consultation with the National Advisory Council on Health Professions Education.

Appropriation authorization.

"(d) There are authorized to be appropriated for payments under grants under this section $3,250,000 for the fiscal year ending September 30, 1978, $3,500,000 for the fiscal year ending September 30, 1979, and $3,750,000 for the fiscal year ending September 30, 1980.

"SPECIAL PROJECTS FOR ACCREDITED SCHOOLS OF PUBLIC HEALTH AND GRADUATE PROGRAMS IN HEALTH ADMINISTRATION

Grants.
42 USC 295h-1.

"SEC. 792. (a) The Secretary may make grants to assist accredited schools of public health in meeting the costs of special projects to develop new programs or to expand existing programs in—

"(1) biostatistics or epidemiology,

"(2) health administration, health planning, or health policy analysis and planning,

"(3) environmental or occupational health, or

"(4) dietetics and nutrition.

"(b)(1) The Secretary may make grants to assist those public or non-profit educational entities (including graduate schools of social work) which have accredited programs described in paragraph (2) in meeting the costs of special projects to develop new programs or to expand existing programs in—

"(A) biostatistics or epidemiology,

"(B) health administration, health planning or health policy analysis and planning,

"(C) environmental or occupational health, or

"(D) dietetics and nutrition.

Accredited program.

"(2) For purposes of this subsection, an accredited program is a graduate program which is accredited for the training of individuals in health administration, health planning, or health policy analysis and planning by a recognized body or bodies approved by the Commissioner of Education and which meets such other quality standards as the Secretary may by regulation prescribe.

Appropriation authorization.

"(c) There are authorized for the purpose of making payments under grants under this section $5,000,000 for the fiscal year ending September 30, 1978; $5,500,000 for the fiscal year ending September 30, 1979; and $6,000,000 for the fiscal year ending September 30, 1980.

"STATISTICS AND ANNUAL REPORT

"SEC. 793. (a) The Secretary shall, in coordination with the National Center for Health Statistics (established under section 306), continuously develop, publish, and disseminate on a nationwide basis statistics and other information respecting public and community health personnel, including— 42 USC 295h-2.

"(1) detailed descriptions of the various types of activities in which public and community health personnel are engaged,

"(2) the current and anticipated needs for the various types of public and community health personnel, and

"(3) the number, employment, geographic locations, salaries, and surpluses and shortages of public and community health personnel, the educational and licensure requirements for the various types of such personnel, and the cost of training such personnel.

"(b)(1) The Secretary and each program entity shall in securing and maintaining any record of individually identifiable personal data (hereinafter in this subsection referred to as 'personal data') for purposes of this section— Personal data.

"(A) inform any individual who is asked to supply personal data whether he is legally required, or may refuse, to supply such data and inform him of any specific consequences, known to the Secretary or program entity as the case may be, of providing or not providing such data;

"(B) upon request, inform any individual if he is the subject of personal data secured or maintained by the Secretary or program entity, as the case may be, and make the data available to him in a form comprehensible to him;

"(C) assure that no use is made of personal data which is not within the purposes of this section unless an informed consent has been obtained from the individual who is the subject of such data; and

"(D) upon request, inform any individual of the use being made of personal data respecting such individual and of the identity of the individuals and entities which will use the data and their relationship to the activities conducted under this section.

"(2) Any entity which maintains a record of personal data and which receives a request from the Secretary or a program entity to use such data for purposes of this section shall not transfer any such data to the Secretary or to a program entity unless the individual whose personal data is to be so transferred gives an informed consent for such transfer. Consent for transfer of data.

"(3)(A) Notwithstanding any other provision of law, personal data collected by the Secretary or any program entity for purposes of this section may not be made available or disclosed by the Secretary or any program entity to any person other than the individual who is the subject of such data unless (i) such person requires such data for purposes of this section, or (ii) in response to a demand for such data made by means of compulsory legal process. Any individual who is the subject of personal data made available or disclosed under clause (ii) shall be notified of the demand for such data. Disclosure.

"(B) Subject to all applicable laws regarding confidentiality, only the data collected by the Secretary under this section which is not personal data shall be made available to bona fide researchers and policy analysts (including the Congress) for the purposes of assisting in the conduct of studies respecting health professions personnel.

"(4) For purposes of this subsection, the term 'program entity' "Program entity."

means any public or private entity which collects, compiles, or analyzes health professions data under an arrangement with the Secretary for purposes of this section.

Report to congressional committees.

"(c) The Secretary shall submit annually to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a report on—

"(1) the statistics and other information developed pursuant to subsection (a), and

"(2) the activities conducted under this subpart, including an evaluation of such activities.

Legislative recommendations.

Such report shall contain such recommendations for legislation as the Secretary determines are needed to improve the programs authorized under this subpart. The Office of Management and Budget may review such report before its submission to such Committees, but the Office may not revise the report or delay its submission beyond the date prescribed for its submission and may submit to such Committees its comments respecting such report. The first report under this subsection shall be submitted not later than December 1, 1978.

"Public and community health personnel."

"(d) For purposes of this section, the term 'public and community health personnel' means individuals who are engaged in—

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

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

"(3) the development and improvement of individual and community knowledge of health (including environmental health and preventive medicine) and the health care system, or

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

"SUBPART II—ALLIED HEALTH PERSONNEL

"DEFINITIONS

42 USC 295h-4.

"SEC. 795. For purposes of this subpart:

"(1) The term 'allied health personnel' means individuals with training and responsibilities for (A) supporting, complementing, or supplementing the professional functions of physicians, dentists, and other health professionals in the delivery of health care to patients, or (B) assisting environmental engineers and other personnel in environmental health control and preventive medicine activities.

"(2) The term 'training center for allied health professions' means a junior college, college, or university—

"(A) which provides, or can provide, programs of education leading to a baccalaureate or associate degree (or to the equivalent of either) or to a higher degree in medical technology, optometric technology, dental hygiene, or in any of such other of the allied health professions curricula as are specified by regulation, or which, if in a junior college, provides a program (i) leading to an associate or an equivalent degree, (ii) of education in optometric technology, dental hygiene, or such other curricula as are specified by regulation, and (iii) acceptable for full credit toward a baccalaureate or equivalent degree in the allied health professions or designed

to prepare the student to work as a technician in a health occupation specified by regulations of the Secretary,

"(B) which provides training for not less than a total of twenty persons in such curricula,

"(C) which, if in a college or university which does not include a teaching hospital or in a junior college, is affiliated (to the extent and in the manner determined in accordance with regulations) with such a hospital, and

"(D) which is (or is in a college or university which is) accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education, or which is in a junior college which is accredited by the regional accrediting agency for the region in which it is located or there is satisfactory assurance afforded by such accrediting agency to the Secretary that resasonable progress is being made toward accreditation by such junior college,

except that an applicant for a grant under this subpart which does not at the time of application meet the requirement of subparagraph (B) shall be deemed to meet such requirement if the Secretary finds there is reasonable assurance that the unit will meet the requirement of subparagraph (B) prior to the beginning of the academic year following the normal graduation date of the first entering class in such unit.

"(3) The term 'nonprofit' as applied to any training center for allied health professions means such a training center which is an entity, or is owned and operated by an entity, no part of the net earnings of which inures or may lawfully inure, to the benefit of any private shareholder or individual; and as applied to any entity means an entity no part of the net earnings of which inures or may lawfully inure to the benefit of any private shareholder or individual.

"PROJECT GRANTS AND CONTRACTS

"SEC. 796. (a) The Secretary shall make grants to and enter into contracts with eligible entities to assist them in meeting the costs of planning, developing, demonstrating, operating, and evaluating projects relating to: 42 USC 295h-5.

"(1) Establishment of regional or State systems for the coordination and management of education and training at various levels for allied health personnel and nurses within and among educational institutions and their clinical affiliates for the purpose of assuring that the needs of such region or State for allied health personnel and nurses are substantially met.

"(2) Establishment of new roles and functions for allied health personnel and methods for increasing the efficiency of health manpower through more effective utilization of allied health personnel in various practice settings.

"(3) Establishment of new or improved methods of credentialing allied health personnel, including techniques for appropriate recognition (through equivalency and proficiency testing or otherwise) of previously acquired training or experience, developed in coordination with the Secretary's program under section 1123 of the Social Security Act. 42 USC 1320a-2.

"(4) Establishment of methods of recruitment, training, and retraining of allied health personnel.

"(5) Establishment of meaningful career ladders and programs of advancement for practicing allied health personnel.

"(6) Establishment of continuing education programs for practicing allied health personnel.

Application.

"(b)(1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) The amount of any grant under subsection (a) shall be determined by the Secretary.

"Eligible entities."

"(c) For purposes of subsection (a), the term 'eligible entities' means entities which are—

"(1) schools, universities, or other educational entities which provide for allied health personnel education and training and which meet such standards as the Secretary may by regulation prescribe;

"(2) States, political subdivisions of States, or regional and other public bodies representing States or political subdivisions of States or both; or

"(3) entities which have a working arrangement (meeting such requirements as the Secretary may by regulation prescribe) with an entity described in paragraph (1).

Appropriation authorization.

"(d)(1) For the purpose of making payments under grants and contracts under subsection (a), there are authorized to be appropriated $22,000,000 for the fiscal year ending September 30, 1978; $24,000,000 for the fiscal year ending September 30, 1979; and $26,000,000 for the fiscal year ending September 30, 1980.

"(2) In each fiscal year for which funds are authorized to be appropriated under this subsection, not less than 50 percent of the funds appropriated shall be reserved for award to training centers for allied health professions.

"TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL

Grants.
42 USC 295h-6.

"SEC. 797. (a) The Secretary may make grants to public and nonprofit private entities for traineeships provided by such entities for the advanced training of allied health personnel to teach in training programs for such personnel or to serve in administrative or supervisory positions.

Application.

"(b)(1) No grant may be made under subsection (a) unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe.

"(2) Payments under such grants shall be limited to such amounts as the Secretary finds necessary to cover the cost of tuition and fees of, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for, the trainees.

Appropriation authorization.

"(c) For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated $4,500,000 for the fiscal year ending September 30, 1978; $5,000,000 for the fiscal year ending September 30, 1979; and $5,500,000 for the fiscal year ending September 30, 1980.

"EDUCATIONAL ASSISTANCE TO DISADVANTAGED INDIVIDUALS IN ALLIED HEALTH TRAINING

Grants.
42 USC 295h-7.

"SEC. 798. (a) (1) For the purpose of assisting individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged (including individuals who are veterans of the Armed Forces with military training or experience in the health field) to undertake education to enter the allied health professions, the Secretary may make grants to and enter into contracts with schools of allied health, State and local educational agencies, and other public or private nonprofit entities to assist in meeting the costs described in paragraph (2).

"(2) A grant or contract under paragraph (1) may be used by the school, agency, or entity to meet the costs of—

"(A) identifying, recruiting, and selecting such disadvantaged individuals who have a potential for education or training in the allied health professions;

"(B) facilitating the entry of such individuals into such a school, agency, or entity;

"(C) providing counseling or other services designed to assist such individuals to complete successfully their education at such school, agency, or entity;

"(D) providing, for a period prior to the entry of such individuals into the regular course of education of such a school, agency, or entity, preliminary education designed to assist them to complete successfully such regular course of education at such a school, agency, or entity, or referring such individuals to institutions providing such preliminary education; and

"(E) publicizing existing sources of financial aid available to persons enrolled in the education program of such a school, agency, or entity or who are undertaking training necessary to qualify them to enroll in such a program.

Application.

"(b) (1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) The amount of any grant under subsection (a) shall be determined by the Secretary.

Appropriation authorization.

"(c) For payments under grants and contracts under subsection (a) there are authorized to be appropriated $1,000,000 for fiscal year ending September 30, 1978, $1,000,000 for fiscal year ending September 30, 1979, and $1,000,000 for fiscal year ending September 30, 1980.".

STUDIES AND STATISTICAL REPORT ON ALLIED HEALTH PERSONNEL

42 USC 295h-4 note.

SEC. 702. (a) The Secretary of Health, Education, and Welfare shall conduct and complete, not later than two years after the date of enactment of this Act, studies—

(1) to identify the various types of allied health personnel and the activities in which such personnel are engaged and the various training programs currently offered for allied health personnel;

(2) to establish classifications of allied health personnel on the basis of their activities, responsibilities, and training;

(3) using appropriate methodologies, to determine the cost of educating and training allied health personnel in each such classification; and

(4) to identify the classifications in which there are a critical shortage of such personnel and the training programs which should be assisted to meet that shortage.

Report.

(b) In addition, the Secretary shall, in coordination with the National Center for Health Statistics (established under section 306 of the Public Health Service Act), develop, publish, and disseminate on a nationwide basis a report containing statistics and other information respecting allied health personnel, including—

42 USC 242k.

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

(2) the current and anticipated needs for the various types of such health personnel, and

(3) the number, employment, geographic locations, salaries, and surpluses and shortages of such personnel.

Personal data.

(c)(1) The Secretary and each program entity shall in securing and maintaining any record of individually identifiable personal data (hereinafter in this subsection referred to as 'personal data') for purposes of this section—

(A) inform any individual who is asked to supply personal data whether he is legally required, or may refuse, to supply such data and inform him of any specific consequences known to the Secretary or program entity, as the case may be, of providing or not providing such data;

(B) upon request, inform any individual if he is the subject of personal data secured or maintained by the Secretary or program entity, as the case may be, and make the data available to him in a form comprehensible to him;

(C) assure that no use is made of personal data which is not within the purposes of this section unless an informed consent has been obtained from the individual who is the subject of such data; and

(D) upon request, inform any individual of the use being made of personal data respecting such individual and of the identity of the individuals and entities which will use the data and their relationship to the studies made or information collected under this section.

Consent for transfer of data.

(2) Any entity which maintains a record of personal data and which receives a request from the Secretary or a program entity for data for purposes of this section shall not transfer any such data to the Secretary or to a program entity unless the individual whose personal data is to be so transferred gives an informed consent for such transfer.

Disclosure.

(3)(A) Notwithstanding any other provision of law, personal data collected by the Secretary or any program entity for purposes of this section may not be made available or disclosed by the Secretary or any program entity to any person other than the individual who is the subject of such data unless (i) such person requires such data for purposes of this section, or (ii) in response to a demand for such data made by means of compulsory legal process. Any individual who is the subject of personal data made available or disclosed under clause (ii) shall be notified of the demand for such data.

(B) Subject to all applicable laws regarding confidentiality, only the data collected by the Secretary under this section which is not personal data shall be made available to bona fide researchers and policy analysts (including the Congress) for the purposes of assisting in the conduct of studies respecting health professions personnel.

"Program entity."

(4) For purposes of this subsection, the term "program entity" means any public or private entity which collects, compiles, or analyzes health

professions data under an arrangement with the Secretary for purposes of this section.

(d) The Secretary shall submit, not later than two years after the date of enactment of this Act, to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate— Reports to congressional committees.

(1) a report on the results of the studies conducted under subsection (a);

(2) the report developed under subsection (b); and

(3) a report on, including an evaluation of, activities conducted under subpart II of part G of title VII of the Public Health Service Act (relating to allied health personnel). *Ante*, p. 2306.

The report described in paragraph (3) shall contain such recommendations for legislation as the Secretary determines are needed to improve the programs authorized under such subpart. The Office of Management and Budget may review such report before its submission to such Committees, but the Office may not revise the report or delay its submission beyond the date prescribed for its submission and may submit to such Committees its comments respecting such report. Legislative recommendations.

(e) For the purposes of this section, the term "allied health personnel" means individuals with training and responsibilities for (1) supporting, complementing, or supplementing the professional functions of physicians, dentists, and other health professionals in the delivery of health care to patients, or (2) assisting environmental engineers and other personnel in environmental health control and preventive medicine activities. "Allied health personnel."

TITLE VIII—SPECIAL PROJECTS

GRANTS AND CONTRACTS

SEC. 801. (a) Effective October 1, 1976, part F of title VII is amended to read as follows:

"PART F—GRANTS AND CONTRACTS FOR PROGRAMS AND PROJECTS

"PROJECT GRANTS FOR ESTABLISHMENT OF DEPARTMENTS OF FAMILY MEDICINE

"SEC. 780. (a) The Secretary may make grants to schools of medicine and osteopathy to meet the costs of projects to establish and maintain academic administrative units (which may be departments, divisions, or other units) to provide clinical instruction in family medicine. 42 USC 295g.

"(b) The Secretary may not approve an application for a grant under subsection (a) unless such application contains— Application.

"(1) assurance satisfactory to the Secretary that the academic administrative unit with respect to which the application is made will (A) be comparable to academic administrative units for other major clinical specialties offered by the applicant, (B) be responsible for directing an amount of the curriculum for each member of the student body engaged in an education program leading to the awarding of the degree of doctor of medicine or doctor of osteopathy which amount is determined by the Secretary to be comparable to the amount of curriculum required for other major clinical specialties in the school, (C) have a number

of full-time faculty which is determined by the Secretary to be sufficient to conduct the instruction required by clause (B) and to be comparable to the number of faculty assigned to other major clinical specialties in the school, and (D) have control over a three-year approved or provisionally approved residency training program in family practice or its equivalent as determined by the Secretary which shall have the capacity to enroll a total of no less than twelve interns or residents per year; and

"(2) such other information as the Secretary shall by regulation prescribe.

Appropriation authorization.

"(c) There are authorized to be appropriated $10,000,000 for the fiscal year ending September 30, 1978, $15,000,000 for the fiscal year ending September 30, 1979, and $20,000,000 for the fiscal year ending September 30, 1980, for payments under grants under subsection (a).

"AREA HEALTH EDUCATION CENTERS

Contracts.
42 USC 295g-1.

"SEC. 781. (a) For the purpose of improving the distribution, supply, quality, utilization, and efficiency of health personnel in the health services delivery system and for the purpose of encouraging the regionalization of educational responsibilities of health professions schools, the Secretary may enter into contracts for projects to assist in the planning, development, and operation of area health education center programs.

"(b) An area health education center program shall be a cooperative program of one or more medical or osteopathic schools and one or more nonprofit private or public area health education centers.

"(c) Each medical or osteopathic school participating in an area health education center program shall—

"(1) provide for the active participation in such program by individuals who are associated with the administration of the school and each of the departments (or specialties if the school has no such departments) of internal medicine, pediatrics, obstetrics and gynecology, surgery, psychiatry, and family medicine;

"(2) provide that no less than 10 percent of all undergraduate medical or osteopathic clinical education of the school will be conducted in an area health education center and at locations under the sponsorship of such center;

Ante, p. 2247.
42 USC 296m.

"(3) be responsible for, or conduct, a program for the training of physician assistants (as defined in section 701(7)) or nurse practitioners (as defined in section 822) which gives special consideration to the enrollment of individuals from, or intending to practice in, the area served by the area health education center of the program; and

"(4) provide for the active participation of at least 2 schools or programs of other health professions (including a school of dentistry if there is one affiliated with the university with which the school of medicine or osteopathy is affiliated) in the educational program conducted in the area served by the area health education center.

"(d)(1) Each area health education center shall specifically designate a geographic area in which it will serve, or shall specifically designate a medically underserved population it will serve (such area or population with respect to such center in this section referred to as 'the area served by the center'), which area or population is in a location remote from the main site of the teaching facilities of the school or schools which participate in the program with such center.

"(2) Each area health education center shall—

"(A) provide for or conduct training in health education services, including education in nutrition evaluation and counseling, in the area served by the center;

"(B) assess the health manpower needs of the area served by the center and assist in the planning and development of training programs to meet such needs;

"(C) provide for or conduct a medical residency training program in family medicine or general internal medicine in which no fewer than six individuals are enrolled in first-year positions in such program;

"(D) provide opportunities for continuing medical education (including education in disease prevention) to all physicians and other health professionals (including allied health personnel) practicing within the area served by the center;

"(E) provide continuing medical education and other support services to the National Health Service Corps members serving within the area served by the center;

"(F) encourage the utilization of nurse practitioners and physician assistants within the area served by the center and the recruitment of individuals for training in such professions at the participating medical or osteopathic schools;

"(G) arrange and support educational opportunities for medical and other students at health facilities, ambulatory care centers, and health agencies throughout the area served by the center; and

"(H) have an advisory board of which at least 75 percent of the members shall be individuals, including both health service providers and consumers, from the area served by the center.

Any area health education center which is participating in an area health education center program in which another center has a medical residency training program described in subparagraph (C) need not provide for or conduct such a medical residency training program.

Contracts.

"(e) The Secretary is authorized to enter into contracts with medical and osteopathic schools, which have cooperative arrangements with area health education centers, for the planning, development, and operation of area health education center programs. In entering into contracts under this section the Secretary shall assure that—

"(1) at least 75 percent of the total funds provided to any school shall be expended by an area health education center program in the area health education centers;

"(2) not more than 75 percent of the total operating funds of a program in any year shall be provided by the Secretary; and

"(3) no contract shall provide funds solely for the planning or development of such a program for a period of longer than two years.

"Area health education center program."

"(f) For the purpose of this section the term 'area health education center program' means a program which is organized and operated in a manner described in subsection (b) and which is capable, as determined by the Secretary, of performing each of the functions described in subsection (d)(2). The Secretary shall, by regulation, establish standards and criteria for the requirements of this section.

Appropriation authorization.

"(g) There are authorized to be appropriated to carry out the provisions of this section $20,000,000 for the fiscal year ending September 30, 1978, $30,000,000 for the fiscal year ending September 30, 1979, and $40,000,000 for the fiscal year ending September 30, 1980.

"EDUCATION OF RETURNING UNITED STATES STUDENTS FROM FOREIGN MEDICAL SCHOOLS

Grants.
42 USC 295g-2.

"SEC. 782. (a) The Secretary may make grants to schools of medicine and osteopathy in the States to plan, develop, and operate programs—

"(1) to train United States citizens who were students in medical schools in foreign countries before the date of enactment of the Health Professions Educational Assistance Act of 1976 to enable them to meet the requirements for enrolling in schools of medicine or osteopathy in the States as full-time students with advanced standing; or

Ante, p. 2243.

"(2) to train United States citizens who have transferred from medical schools in foreign countries in which they were enrolled before the date of enactment of the Health Professions Educational Assistance Act of 1976, and who have enrolled in schools of medicine or osteopathy in the States as full-time students with advanced standing.

The costs for which a grant under this subsection may be made may include the costs of identifying deficiencies in the medical school education of the United States citizens who were students in foreign medical schools, the development of materials and methodology for correcting such deficiencies, and specialized training designed to prepare such United States citizens for enrollment in schools of medicine or osteopathy in the States as full-time students with advanced standing.

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

Report.

"(c) Any school of medicine or osteopathy which receives a grant under this subsection in the fiscal year ending September 30, 1978, shall submit to the Secretary before June 30, 1979, a report on the deficiencies (if any) identified by the school in the foreign medical education of the students trained by such school under the program for which such grant was made. The Secretary shall compile the reports submitted under the preceding sentence, and before September 30, 1979 submit to the Congress his analysis and evaluation of the information contained in such reports.

Appropriation authorization.

"(d) There are authorized to be appropriated for the purposes of this section $2,000,000 for the fiscal year ending September 30, 1977, $2,000,000 for the fiscal year ending September 30, 1978, $3,000,000 for the fiscal year ending September 30, 1979, and $4,000,000 for the fiscal year ending September 30, 1980.

"PROGRAMS FOR PHYSICIAN ASSISTANTS, EXPANDED FUNCTION DENTAL AUXILIARIES AND DENTAL TEAM PRACTICE

Grants.
42 USC 295g-3.

"SEC. 783. (a) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of medicine, osteopathy, and dentistry and other public or nonprofit private entities to meet the costs of projects to—

"(1) plan, develop, and operate or maintain programs for the training of physician assistants (as defined in section 701(7));

Ante, p. 2247.

"(2) plan, develop, and operate or maintain programs for the training of expanded function dental auxiliaries (as defined in section 701(8)); and

"(3) plan, develop, and operate or maintain a program to train dental students in the organization and management of multiple

auxiliary dental team practice in accordance with regulations of the Secretary.

"(b) No grant or contract may be made under subsection (a) unless the application therefor contains or is supported by assurances satisfactory to the Secretary that the school or entity receiving the grant or contract has appropriate mechanisms for placing graduates of the training program with respect to which the application is submitted, in positions for which they have been trained. Application.

"(c) The Secretary shall ensure that the making of grants and entering into contracts under this section shall be integrated with the making of grants and entering into contracts under section 830. 42 USC 297.

"(d) The costs for which a grant or contract under this section may be made include costs of preparing faculty members to teach in programs for the training of physician assistants and expanded function dental auxiliaries.

"(e) For payments under grants and contracts under this section, there is authorized to be appropriated $25,000,000 for the fiscal year ending September 30, 1978, $30,000,000 for the fiscal year ending September 30, 1979, and $35,000,000 for the fiscal year ending September 30, 1980. Appropriation authorization.

"GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS IN GENERAL INTERNAL MEDICINE AND GENERAL PEDIATRICS

"SEC. 784. (a) The Secretary may make grants to and enter into contracts with schools of medicine and osteopathy to meet the costs of projects— 42 USC 295g-4.

"(1) to plan, develop, and operate approved residency training programs in internal medicine or pediatrics, which emphasize the training of residents for the practice of general internal medicine or general pediatrics (as defined by the Secretary in regulations); and

"(2) which provide financial assistance (in the form of traineeships and fellowships) to residents who are participants in any such program, and who plan to specialize or work in the practice of general internal medicine or general pediatrics.

"(b) There are authorized to be appropriated to carry out the provisions of this section $10,000,000 for the fiscal year ending September 30, 1977, $15,000,000 for the fiscal year ending September 30, 1978, $20,000,000 for the fiscal year ending September 30, 1979, and $25,000,000 for the fiscal year ending September 30, 1980. Appropriation authorization.

"OCCUPATIONAL HEALTH TRAINING AND EDUCATION CENTERS

"SEC. 785. (a)(1) The Secretary shall, by grants, assist public or private nonprofit colleges or universities to establish, operate, and administer occupational health training and education centers through cooperative arrangements between schools of medicine and schools of public health (or other qualified departments or schools within such colleges or universities which are qualified to participate in carrying out activities set forth in this section). Grants. 42 USC 295g-5.

"(2) To be eligible for a grant under this section, the applicant must demonstrate to the Secretary that it has or will have available full-time faculty members with training and experience in the field of occupational health and support from other faculty members

trained in the occupational health sciences and other relevant disciplines and medical and public health specialties and that it will substantially carry out occupational health training and education activities including, but not limited to—

"(A) the establishment and operation of a new graduate training program or, where appropriate, the substantial expansion of an existing graduate training program in the field of occupational health;

"(B) the development of curricula and operation of continuing education for physicians, nurses, industrial hygienists, and other professionals who practice full- or part-time in the field of occupational health in order to upgrade their proficiency in delivering such services;

"(C) the establishment and operation of projects designed to increase admissions to and enrollment in occupational health programs of individuals who by virtue of their background and interests are likely to engage in the delivery of occupational health services;

"(D) the establishment of traineeships for industrial hygiene students;

"(E) the establishment and operation of medical residencies in the field of occupational health at a level of financial support comparable to that provided to individuals undergoing training in medical residencies in other medical specialties;

"(F) the establishment and operation of traineeships in the field of occupational health for medical students, residents, nursing students, nurses, physicians, sanitarians, and students and professionals in related fields;

"(G) the establishment and operation of short-term traineeships for continuing education in the field of occupational health for health professionals dealing with problems of occupational health; and

"(H) the appointment of full-time staff for the center, who have training, experience and demonstrated capacity for leadership in the field of occupational health.

"(b) To the extent feasible, the Secretary shall approve, at least 10 such centers and at least one of which shall be located in each region of the Department.

Appropriation authorization.

"(c) For the purpose of making grants to carry out this section, there are authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1977, $5,000,000 for the fiscal year ending September 30, 1978, $8,000,000 for the fiscal year ending September 30, 1979, and $10,000,000 for the fiscal year ending September 30, 1980.

"FAMILY MEDICINE AND GENERAL PRACTICE OF DENTISTRY

Grants.
42 USC 295g-6.

"SEC. 786. (a) The Secretary may make grants to, or enter into contracts with, any public or nonprofit private hospital, school of medicine or osteopathy, or to or with a public or private nonprofit entity (which the Secretary has determined is capable of carrying out such grant or contract)—

"(1) to plan, develop, and operate, or participate in, an approved professional training program (including a continuing education program or an approved residency or internship program) in the field of family medicine for medical and osteopathic students, interns (including interns in internships in osteopathic medicine), residents, or practicing physicians;

"(2) to provide financial assistance (in the form of traineeships and fellowships) to medical and osteopathic students, interns (including interns in internships in osteopathic medicine), residents, practicing physicians, or other medical personnel, who are in need thereof, who are participants in any such program, and who plan to specialize or work in the practice of family medicine;

"(3) to plan, develop, and operate a program for the training of physicians who plan to teach in family medicine training programs; and

"(4) to provide financial assistance (in the form of traineeships and fellowships) to physicians who are participants in any such program and who plan to teach in a family medicine training program.

"(b) The Secretary may make grants to any public or nonprofit private school of dentistry or accredited postgraduate dental training institution— Grants.

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

"(2) to provide financial assistance (in the form of traineeships and fellowships) to residents in such a program who are in need of financial assistance and who plan to specialize in the practice of general dentistry.

"(c) Not less than 10 percent of the amount appropriated in each fiscal year to make grants under this section shall be made available for grants under subsection (b).

"(d) There are authorized to be appropriated to make grants under this section $45,000,000 for the fiscal year ending September 30, 1978, $45,000,000 for the fiscal year ending September 30, 1979, and $50,000,000 for the fiscal year ending September 30, 1980. Appropriation authorization.

"EDUCATIONAL ASSISTANCE TO INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS

"SEC. 787. (a)(1) For the purpose of assisting individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, to undertake education to enter a health profession, the Secretary may make grants to and enter into contracts with schools of medicine, osteopathy, public health, dentistry, veterinary medicine, optometry, pharmacy, and podiatry and other public or private nonprofit health or educational entities to assist in meeting the costs described in paragraph (2). Grants and contracts. 42 USC 295g-7.

"(2) A grant or contract under paragraph (1) may be used by the health or educational entity to meet the cost of—

"(A) identifying, recruiting, and selecting individuals from disadvantaged backgrounds, as so determined, for education and training in a health profession,

"(B) facilitating the entry of such individuals into such a school,

"(C) providing counseling or other services designed to assist such individuals to complete successfully their education at such a school,

"(D) providing, for a period prior to the entry of such individuals into the regular course of education of such a school, preliminary education designed to assist them to complete successfully such regular course of education at such a school, or referring such individuals to institutions providing such preliminary education, and

"(E) publicizing existing sources of financial aid available to students in the education program of such a school or who are undertaking training necessary to qualify them to enroll in such a program.

Appropriation authorization.

"(b) There are authorized to be appropriated $20,000,000 for the fiscal year ending September 30, 1978, $20,000,000 for the fiscal year ending September 30, 1979, and $20,000,000 for the fiscal year ending September 30, 1980, for payments under grants and contracts under subsection (a).

"PROJECT GRANT AUTHORITY FOR START-UP ASSISTANCE, FINANCIAL DISTRESS INTERDISCIPLINARY TRAINING, AND CURRICULUM DEVELOPMENT

42 USC 295g-8.

"SEC. 788. (a)(1) In the case of any new school of medicine, osteopathy, dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry which begins instruction after July 1, 1974, the Secretary may, after taking into account—

"(A) the ability of such school to use a grant under this subsection to (i) accelerate the date it will begin instruction, or (ii) increase the number of students in its entering class, and

"(B) the other resources available to such school,

make a grant to such school for each year such school is a new school (as determined under paragraph (5)). No school may receive a grant under this subsection unless the Secretary estimates that the number of full-time students enrolled in its first school year of operation will exceed twenty-three.

"(2) The Secretary shall determine the amount of any grant under this subsection; but no such grant to any school may exceed—

"(A) in the case of the year preceding the first year in which such school has students enrolled, an amount equal to the product of $10,000 and the number of full-time students which the Secretary estimates will enroll in such school in such first year;

"(B) in the case of the first year in which such school has students enrolled, an amount equal to the product of $7,500 and the number of full-time students enrolled in such school in such year;

"(C) in the case of the second year in which such school has students enrolled, an amount equal to the product of $5,000 and the number of full-time students enrolled in such school in such year; and

"(D) in the case of the third year in which such school has students enrolled, an amount equal to the product of $2,500 and the number of full-time students enrolled in such school in such year.

Estimates by the Secretary under this subsection of the number of full-time students enrolled in a school may be made on the basis of assurances provided by the school.

Application.

"(3) A grant may not be made under this subsection unless an application for such grant is submitted to, and approved by, the Secretary. The Secretary shall give priority to applications which provide for projects which—

"(A) assist in the planning, development, or initial operation of a new school of medicine, osteopathy, or dentistry (i) which will conduct exceptionally innovative programs for training students in ambulatory primary care in cooperation with accredited psychiatric practitioners or programs, as appropriate, or (ii) which will have as a major objective the provision of training opportunities for individuals from disadvantaged backgrounds;

"(B) assist in the planning, development, expansion, or initial operation of a regional health profession school granting a degree in one or more of the following professions: medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, or public health; or

"(C) the Secretary determines will meet a national or regional need for members of the profession to be trained in the new school for which the application is submitted.

"(4) The Secretary shall give special consideration to each application of a school for a grant under this subsection—

"(A) which application contains or is reasonably supported by assurances that, because of the use that the school will make of existing facilities (including Federal medical or dental facilities), such school will be able to accelerate the date on which it will begin its teaching program;

"(B) which school will be located in a health manpower shortage area (designated under section 332); or

Ante, p. 2270.

"(C) which school is a school of medicine or osteopathy which will be located in a State which has no other such school.

"(5) For purposes of this subsection, any school of medicine, osteopathy, dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry shall be considered a new school for any year if such year is the year preceding the first year in which such school has students enrolled, such first year, and the next two years.

Grants and contracts.

"(b)(1) The Secretary may make grants to, and enter into contracts with, schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, or public health for the purposes of assisting in—

"(A)(i) meeting the costs of operation of any school of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health if they are in serious financial distress, or

"(ii) meeting accreditation requirements, if they have a special need to be assisted in meeting such requirements, and

"(B) carrying out appropriate operational, managerial, and financial reforms on the basis of information obtained in a comprehensive cost analysis study or on the basis of other relevant information.

"(2) Any grant under this subsection may be made upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the school agree—

"(A) to disclose any financial information or data deemed by the Secretary to be necessary to determine the sources or causes of that school's financial distress,

"(B) to conduct a comprehensive cost analysis study in cooperation with the Secretary, and

"(C) to carry out appropriate operational, managerial, and financial reforms (as the Secretary may require), including the securing of increased financial support from State or local governmental units or the increasing of tuition on the basis of information obtained in the course of a comprehensive cost analysis study or on the basis of other relevant information.

Application.

"(3) An application for a grant under this subsection must contain or be supported by assurances satisfactory to the Secretary that the applicant will expend in carrying out its function as a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, or public health, 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 average amount of funds expended by such applicant for such training in the preceding two years.

"(4) In the case of a school which has received a grant under this subsection in the immediately preceding fiscal year, the amount granted to that school under this subsection in any fiscal year may not exceed 75 percent of the amount granted to that school under this subsection in that immediately preceding fiscal year.

"(5) The Secretary may provide to any school eligible for a grant under this subsection technical assistance to enable the school to conduct a comprehensive cost analysis study of its operations, to identify operational inefficiencies, and to develop or carry out appropriate operational, managerial, and financial reforms.

Report.

"(6) The Secretary shall prepare and submit on or before September 30, 1978, a report on the administration of this subsection. Such report shall give special emphasis to a description of the results of any comprehensive cost analysis study carried out under paragraph (2)(B) and any operational, managerial, and financial reforms instituted under paragraph (2)(C).

Grants.

"(c) The Secretary may make grants to any health profession, allied health profession, or nurse training institution, or to any other public or nonprofit private entity for the development of programs for cooperative interdisciplinary training among schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, nursing, public health, and allied health, which emphasize—

"(1) the use of the team approach to the delivery of health services,

"(2) the training of physician assistants and nurse practitioners with physicians and expanded function dental auxiliaries with dentists, and

"(3) the training of physicians, dentists, nurses, and other health professionals in the organization, management, and effective utilization of such assistants, practitioners, and auxiliaries.

Grants and contracts.

"(d) The Secretary may make grants to and enter into contracts with any health profession, allied health profession, or nurse training institution, or any other public or nonprofit private entity for health manpower projects and programs such as—

"(1) speech pathology, audiology, bioanalysis, and medical technology;

"(2) establishing humanism in health care centers;

"(3) biomedical combined educational programs;

"(4) cooperative human behavior and psychiatry in medical and dental education and practice;

"(5) bilingual health clinical training centers;

"(6) curriculum development in schools of optometry, pharmacy and podiatry;

"(7) social work in health care;

"(8) health manpower development;

"(9) environmental health education and preventive medicine;

"(10) the special medical problems related to women;

"(11) the development or expansion of regional health professions schools;

"(12) training of citizens of the United States from foreign health professions schools to enable them to enroll in residency programs in the States;

"(13) psychology training programs;

"(14) ethical implications of biomedical research;

"(15) establishment of dietetic residencies;

"(16) regional systems of continuing education;

"(17) computer technology;

"(18) training of professional standards review organization staff;

"(19) training of health professionals in human nutrition and its application to health;

"(20) health manpower development for the Trust Territories and incorporated Trust Territories of the United States; and

"(21) training in the diagnosis, treatment, and prevention of the diseases and related medical and behavioral problems of the aged.

"(e)(1) There are authorized to be appropriated to carry out the provisions of this section (other than the provisions of subsections (f) and (g)) $25,000,000 for the fiscal year ending September 30, 1978, $25,000,000 for the fiscal year ending September 30, 1979, and $25,000,000 for the fiscal year ending September 30, 1980. **Appropriation authorization.**

"(2) From the sums authorized to be appropriated under paragraph (1) not more than—

"(A) $5,000,000 may be obligated or expended for the purposes of subsection (a), and

"(B) $5,000,000 may be obligated or expended for the purposes of subsection (b).

"(f)(1) The Secretary may make grants to any school of medicine to meet the planning costs for projects for the training of students, enrolled in the last two years of such school, in facilities— **Grants.**

"(A) which are other than the principal teaching facilities of such school and which are existing Federal health care facilities or are other public or private health care facilities; and

"(B) which are located in a health manpower shortage area (designated under section 332). *Ante*, p. 2270.

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

"(2) For payments under grants under paragraph (1), there are authorized to be appropriated $400,000 for the fiscal year ending September 30, 1977.

"(g)(1) The Secretary may make grants to public and nonprofit private institutions of higher education and hospitals and other health care delivery facilities which are engaged in the development of new schools of medicine to assist such institutions and facilities in meeting the costs of employing faculty, acquiring equipment, and taking such other action related to the initial operation of a school of medicine as may be necessary for the proposed schools to meet the eligibility requirements for a grant under subsection (a) of this section. **Grants.**

"(2) No application for a grant under paragraph (1) may be approved by the Secretary unless the application contains or is supported by assurances satisfactory to the Secretary that— **Application.**

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

"(B) there is a reasonable indication of non-Federal financial resources for development and operation of such school, and

"(C) the school of medicine will emphasize training programs in family medicine and will improve access to health care for residents of the geographical regions in which such training programs are located.

The Secretary may not approve or disapprove an application submitted under this subsection unless he has consulted with the body recognized by the Commissioner of Education as the accrediting body for schools of medicine respecting approval of the application.

Appropriation authorization.

"(3) No institution or facility may receive more than one grant under this subsection. For payment under grants under this subsection, there is authorized to be appropriated $1,500,000 for the fiscal year ending September 30, 1977 and $1,500,000 for the fiscal year ending September 30, 1978.

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

42 USC 295f-6, 295g-9.

(b) Effective November 1, 1976, section 776 of the Public Health Service Act is redesignated as section 789 of such Act, and all references to such section in title XII of such Act are redesignated accordingly.

(c) Effective October 1, 1976, part F of title VII is amended by adding after section 789 (redesignated by subsection (b)) the following new section:

"GENERAL PROVISIONS

42 USC 295g-10.

"SEC. 790. Except as otherwise provided in this part:

"(1) No grant may be made or contract entered into under this part unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe. The Secretary may not approve or disapprove any application for a grant or contract under this part except after consultation with the National Advisory Council on Health Professions Education.

"(2) Payments by recipients of grants or contracts under this part for (A) traineeships shall be limited to such amounts as the Secretary finds necessary to cover the cost of tuition and fees of, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees; and (B) fellowships shall be limited to such amounts as the Secretary finds necessary to cover the cost of advanced study by, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for, the fellows.

"(3) The amount of any grant or contract under this part shall be determined by the Secretary. Contracts may be entered into under this part without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).".

TRANSITIONAL PROVISIONS AND REPORT ON AREA HEALTH EDUCATION CENTERS

42 USC 295g-1 note.

SEC. 802. (a) For the fiscal year ending September 30, 1978, and for the next fiscal year there are authorized to be appropriated such sums as may be necessary to continue payments to entities under contracts entered into under section 774 of the Public Health Service

Act (as in effect on September 30, 1977) for projects for area health education centers, except that no payment shall be made to an entity under such a contract in the fiscal year ending September 30, 1979, unless the entity provides assurances satisfactory to the Secretary that not later than September 30, 1979, the project for which the payment is to be made will be a project described in subsection (a) of section 781 of such Act (as added by this Act) and the entity and its application will meet the requirements of subsections (b), (c), and (d) of such section. Such payments may only be made from such sums for the periods and amounts specified in such contracts.

42 USC 295f-4.

Ante, p. 2312.

(b) After October 1, 1978, the Secretary of Health, Education, and Welfare shall assess the program of contracts under section 781 of the Public Health Service Act (as so added) to determine the effect of the projects funded under such contracts on the distribution of health manpower and on the access to and the quality of health care in the areas in which such projects are located. Not later than September 30, 1979, the Secretary shall submit to the Congress a report on the assessment conducted under this subsection.

Report to Congress.

TITLE IX—MISCELLANEOUS

NURSE TRAINEESHIPS

Sec. 901. Section 830 is amended—

42 USC 297.

(1) by striking out in subsection (a) "There are authorized" and all that follows through "1978," and inserting in lieu thereof "(1) The Secretary may make grants to public or private nonprofit institutions";

(2) by redesignating paragraphs (1), (2), (3), and (4) of subsection (a) as subparagraphs (A), (B), (C), and (D);

(3) by striking out subsection (b) and inserting in lieu thereof the following:

"(2) In making grants for traineeships under this subsection, the Secretary shall give special consideration to applications for traineeship programs (A) for the training of nurse practitioners who will practice in health manpower shortage areas (designated under section 332), and (B) for traineeship programs which conform to guidelines established by the Secretary under section 822(a)(2)(B).";

Ante, p. 2270.
42 USC 296m.

(4) by striking out "section" in subsection (c) and inserting in lieu thereof "subsection";

(5) by redesignating subsection (c) as paragraph (3); and

(6) by adding at the end thereof the following:

"(b)(1) The Secretary may make grants to and enter into contracts with schools of nursing, medicine, and public health, public or nonprofit private hospitals, and other nonprofit entities to establish and operate traineeship programs to train nurse practitioners who are residents of a health manpower shortage area (designated under section 332).

Grants and contracts.

"(2) Traineeships funded under this subsection shall include 100 percent of the costs of tuition, reasonable living and moving expenses (including stipends), books, fees, and necessary transportation.

"(3) A traineeship funded under this subsection shall not be awarded unless the recipient enters into a commitment with the Secretary to practice as a nurse practitioner in a health manpower shortage area (designated under section 332).

"(c) There are authorized to be appropriated for the purposes of this section $15,000,000 for the fiscal year ending June 30, 1976, $20,000,000 for the fiscal year ending September 30, 1977, and $25,000,000 for the fiscal year ending September 30, 1978.".

Appropriation authorization.

HEALTH PLANNING

42 USC 300*l*-1.

SEC. 902. (a) Section 1512(b)(3)(c)(ii)(I) is amended by inserting "optometrists," after "nurses,".

42 USC 300n.

(b) Section 1531(3)(A) is amended by inserting "optometrist," after "podiatrist,".

Effective date.
42 USC 300*l*-1 note.

(c) The amendments made by subsections (a) and (b) shall take effect on the date of enactment of this Act.

STUDY RELATING TO CHIROPRACTIC HEALTH PROFESSIONS

42 USC 292h note.

SEC. 903. (a)(1) The Secretary of Health, Education, and Welfare shall arrange for the conduct of a study to determine the national average annual per student educational cost of providing education programs which lead to a degree of doctor of chiropractics.

Report to Secretary and congressional committees.

(2) Such study shall be completed and an interim report thereon submitted not later than March 30, 1978, and a final report not later than January 1, 1979, to the Secretary, the Committee on Labor and Public Welfare of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives.

(3) Such study shall develop methodologies for ascertaining the average annual cost of chiropractic education, and the factors that affect any variation among schools with respect to their average annual per student educational costs. The study shall employ the most recent data available from the chiropractic schools in the United States at the time of the study.

(4) The study shall also determine the current demand for chiropractic services throughout the United States and shall develop methodologies for determining if current supply of chiropractors is sufficient to meet this demand.

(5) The study shall include an analysis of the current costs of chiropractic services by type of service and shall include an analysis of such costs over the past five years.

(b) The Secretary shall enter into an agreement with an appropriate nonprofit group or association to conduct such a study under an arrangement in which the Secretary reimburses such group or association for actual expenses incurred by such group or association in conducting such a study.

Effective date.

(c) The provisions of this section shall take effect on the date of enactment of this Act.

STUDIES OF TRAINING IN BILINGUAL AND BICULTURAL AWARENESS AND OF ADMISSIONS EXAMINATIONS OF PERSONS FROM POPULATION GROUPS OF LIMITED ENGLISH-SPEAKING ABILITY

42 USC 292h note.

SEC. 904. (a) The Secretary of Health, Education, and Welfare shall conduct, or arrange for the conduct of, a study of the adequacy of the efforts of health professions schools which provide training in clinical facilities which serve populations of limited English-speaking ability (1) in recruiting and training individuals who are competent in the predominant language (other than English) spoken by such populations, and (2) in conducting programs to increase the awareness of such individuals of the cultural sensitivities of such populations.

(b) The Secretary of Health, Education, and Welfare shall conduct, or arrange for the conduct of, a study or studies to determine the effectiveness of health training institution admissions examinations in

evaluating accurately the potential and ability of the student applicant from a population group of limited English-speaking ability to participate in and successfully complete the educational program. Such study or studies shall particularly consider the extent of any cultural bias in admissions examinations utilized by such institutions.

(c) Within one year of the date of enactment of this Act the Secretary shall report to the Congress the findings made in the studies conducted pursuant to subsections (a) and (b), recommendations for administrative action and legislation, and the steps taken to carry out such action.

Report to Congress; legislative recommendations.

DEFINITION OF STATE

SEC. 905. (a) Section 2(f) is amended to read as follows:

42 USC 201.

"(f) Except as provided in sections 314(g)(4)(B), 318(c)(1), 331(h)(3), 355(5), 361(d), 701(9), 1002(c), 1201(2), 1401(13), 1531(1), and 1633(1), the term 'State' includes, in addition to the several States, only the District of Columbia, Guam, the Commonwealth of Puerto Rico, the Northern Mariana Islands, and the Virgin Islands."

(b)(1) Sections 314(g)(4)(B), 355(5), 1002(c), 1201(2), 1401(13), and 1633(1) are amended by inserting "the Northern Mariana Islands," immediately after "Puerto Rico," in each such section.

42 USC 246, 263c, 300a, 300d, 300f, 300s-3.

(2) Section 318(c)(1) is amended by inserting "the Northern Mariana Islands," immediately after "American Samoa,".

42 USC 247c.

LABOR CERTIFICATION

SEC. 906. (a) The Secretary of Health, Education, and Welfare shall (not later than one year after the date of the enactment of this Act) develop sufficient data to enable the Secretary of Labor to make equitable determinations with regard to applications for labor certification by graduates of foreign medical schools.

8 USC 1182 note.

(b) The data required under subsection (a) shall include the number of physicians (by specialty and by percent of population) in a geographic area necessary to provide adequate medical care, including such care in hospitals, nursing homes, and other health care institutions, in such area.

(c) The Secretary of Health, Education, and Welfare shall develop such data after consultation with such medical or other associations as may be necessary.

Approved October 12, 1976.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 94-266 (Comm. on Interstate and Foreign Commerce) and No. 94-1612 (Comm. of Conference).

SENATE REPORTS: No. 94-886 (Comm. on Labor and Public Welfare) and No. 94-887 accompanying S. 3239 (Comm. on Labor and Public Welfare).

CONGRESSIONAL RECORD:

Vol. 121 (1975): July 11, considered and passed House.

Vol. 122 (1976): July 1, considered and passed Senate, amended.

Sept. 20, Senate agreed to conference report.

Sept. 27, House receded and concurred in Senate amendment with amendment.

Sept. 30, Senate agreed to House amendment.