

108TH CONGRESS  
1ST SESSION

# H. R. 3591

To amend the Public Health Service Act with respect to health professions programs regarding the practice of pharmacy.

---

## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 21, 2003

Mrs. CUBIN (for herself, Mr. JOHN, Mr. PICKERING, Mr. SIMPSON, Mr. ROGERS of Michigan, and Mr. MCGOVERN) introduced the following bill; which was referred to the Committee on Energy and Commerce

---

## A BILL

To amend the Public Health Service Act with respect to health professions programs regarding the practice of pharmacy.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Pharmacy Education  
3 Aid Act of 2003”.

4 **SEC. 2. FINDINGS.**

5 Congress makes the following findings:

6 (1) Pharmacists are an important link in our  
7 Nation’s health care system. A critical shortage of  
8 pharmacists is threatening the ability of pharmacies  
9 to continue to provide important prescription related  
10 services.

11 (2) In the landmark report entitled “To Err is  
12 Human: Building a Safer Health System”, the Insti-  
13 tute of Medicine reported that medication errors can  
14 be partially attributed to factors that are indicative  
15 of a shortage of pharmacists (such as too many cus-  
16 tomers, numerous distractions, and staff shortages).

17 (3) Congress acknowledged in the Healthcare  
18 Research and Quality Act of 1999 (Public Law 106–  
19 129) a growing demand for pharmacists by requiring  
20 the Secretary of Health and Human Services to con-  
21 duct a study to determine whether there is a short-  
22 age of pharmacists in the United States and, if so,  
23 to what extent.

24 (4) As a result of Congress’ concern about how  
25 a shortage of pharmacists would impact the public  
26 health, the Secretary of Health and Human Services

1 published a report entitled “The Pharmacist Work-  
2 force: A Study in Supply and Demand for Phar-  
3 macists” in December of 2000.

4 (5) “The Pharmacist Workforce: A Study in  
5 Supply and Demand for Pharmacists” found that  
6 “While the overall supply of pharmacists has in-  
7 creased in the past decade, there has been an un-  
8 precedented demand for pharmacists and for phar-  
9 maceutical care services, which has not been met by  
10 the currently available supply” and that the “evi-  
11 dence clearly indicates the emergence of a shortage  
12 of pharmacists over the past two years”.

13 (6) The same study also found that “The most  
14 striking evidence of a pharmacist shortage stems  
15 from demonstrably increased vacancy rates, difficul-  
16 ties in hiring, and unprecedented increases in the  
17 volume and range of activities demanded of today’s  
18 pharmacist.”

19 (7) The study found that “The factors causing  
20 the current shortage are of a nature not likely to  
21 abate in the near future without fundamental  
22 changes in pharmacy practice and education.” The  
23 study projects that the number of prescriptions filled  
24 by community pharmacists will increase by 20 per-  
25 cent by 2004. In contrast, the number of community

1 pharmacists is expected to increase by only 6 per-  
2 cent by 2005.

3 (8) Regarding access to pharmacy services in  
4 rural areas, the study found that “Remoteness, iso-  
5 lation from other professionals, lower economic re-  
6 turns, reduced opportunities for advancement, and  
7 other rural practice characteristics remain obstacles”  
8 to attracting pharmacists.

9 (9) In June 2002, the American Hospital Asso-  
10 ciation’s Commission on Workforce for Hospitals  
11 and Health Systems released a report entitled “In  
12 Our Hands: How Hospital Leaders Can Build A  
13 Thriving Workforce”. The report included a finding  
14 that 46 percent of our Nation’s hospitals are experi-  
15 encing a shortage of pharmacists, with hospitals  
16 averaging a vacancy rate for pharmacists of 12.7  
17 percent.

18 (10) The demand for pharmacists will increase  
19 as prescription drug use continues to grow.

20 **SEC. 3. HEALTH PROFESSIONS PROGRAMS RELATED TO**  
21 **THE PRACTICE OF PHARMACY.**

22 Part E of title VII of the Public Health Service Act  
23 (42 U.S.C. 294n et seq.) is amended by adding at the end  
24 the following:

1       **“Subpart 3—Pharmacy Workforce Development**

2       **“SEC. 781. LOAN REPAYMENT PROGRAM FOR PHARMACISTS**

3                   **SERVING IN CRITICAL SHORTAGE FACILI-**

4                   **TIES.**

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

6               “(1) who has received a baccalaureate degree in  
7       pharmacy or a Doctor of Pharmacy degree from an  
8       accredited program;

9               “(2) who obtained an educational loan for phar-  
10       macy education costs; and

11              “(3) who is licensed without restrictions in the  
12       State in which the designated health care facility is  
13       located;

14       the Secretary may enter into an agreement with such indi-  
15       vidual who agrees to serve as a full-time pharmacist for  
16       a period of not less than 2 years at a designated health  
17       care facility, to make payments in accordance with sub-  
18       section (b), for and on behalf of that individual, on the  
19       principal of and interest on any loan of that individual  
20       described in paragraph (2) which is outstanding on the  
21       date the individual begins such service.

22       “(b) MANNER OF PAYMENTS.—

23              “(1) IN GENERAL.—The payments described in  
24       subsection (a) may consist of payment, in accord-  
25       ance with paragraph (2), on behalf of the individual  
26       of the principal, interest, and related expenses on

1 government and commercial loans received by the in-  
2 dividual regarding the undergraduate or graduate  
3 education of the individual (or both), which loans  
4 were made for—

5 “(A) tuition expenses;

6 “(B) all other reasonable educational ex-  
7 penses, including fees, books, and laboratory ex-  
8 penses, incurred by the individual; or

9 “(C) reasonable living expenses as deter-  
10 mined by the Secretary.

11 “(2) PAYMENTS FOR YEARS SERVED.—

12 “(A) IN GENERAL.—For each year of obli-  
13 gated service that an individual contracts to  
14 serve under subsection (a) the Secretary may  
15 pay up to \$35,000 on behalf of the individual  
16 for loans described in paragraph (1). In making  
17 a determination of the amount to pay for a year  
18 of such service by an individual, the Secretary  
19 shall consider the extent to which each such de-  
20 termination—

21 “(i) affects the ability of the Secretary  
22 to maximize the number of agreements  
23 that may be provided under this section  
24 from the amounts appropriated for such  
25 agreements;

1           “(ii) provides an incentive to serve in  
2           areas with the greatest shortages of phar-  
3           macists; and

4           “(iii) provides an incentive with re-  
5           spect to the pharmacist involved remaining  
6           in the area and continuing to provide phar-  
7           macy services after the completion of the  
8           period of obligated service under agree-  
9           ment.

10          “(B) REPAYMENT SCHEDULE.—Any ar-  
11          rangement made by the Secretary for the mak-  
12          ing of loan repayments in accordance with this  
13          subsection shall provide that any repayments  
14          for a year of obligated service shall be made not  
15          later than the end of the fiscal year in which  
16          the individual completes such year of service.

17          “(3) TAX LIABILITY.—For the purpose of pro-  
18          viding reimbursements for tax liability resulting  
19          from payments under paragraph (2) on behalf of an  
20          individual—

21                 “(A) the Secretary shall, in addition to  
22                 such payments, make payments to the indi-  
23                 vidual in an amount equal to 39 percent of the  
24                 total amount of loan repayments made for the  
25                 taxable year involved; and

1           “(B) may make such additional payments  
2           as the Secretary determines to be appropriate  
3           with respect to such purpose.

4           “(4) PAYMENT SCHEDULE.—The Secretary  
5           may enter into an agreement with the holder of any  
6           loan for which payments are made under this section  
7           to establish a schedule for the making of such pay-  
8           ments.

9           “(c) PREFERENCES.—In entering into agreements  
10          under subsection (a), the Secretary shall give preference  
11          to qualified applicants with the greatest financial need.

12          “(d) REPORTS.—

13                 “(1) ANNUAL REPORT.—Not later than 18  
14                 months after the date of enactment of the Pharmacy  
15                 Education Aid Act of 2003, and annually thereafter,  
16                 the Secretary shall prepare and submit to Congress  
17                 a report describing the program carried out under  
18                 this section, including statements regarding—

19                         “(A) the number of applicants and con-  
20                         tract recipients;

21                         “(B) the amount of loan repayments made;

22                         “(C) which educational institution the re-  
23                         cipients attended;

1           “(D) the number and practice locations of  
2           the loan repayment recipients at health care fa-  
3           cilities with a critical shortage of pharmacists;

4           “(E) the default rate and actions required;

5           “(F) the amount of outstanding default  
6           funds of the loan repayment program;

7           “(G) to the extent that it can be deter-  
8           mined, the reason for the default;

9           “(H) the demographics of the individuals  
10          participating in the loan repayment program;  
11          and

12          “(I) an evaluation of the overall costs and  
13          benefits of the program.

14          “(2) 5-YEAR REPORT.—Not later than 5 years  
15          after the date of enactment of the Pharmacy Edu-  
16          cation Aid Act of 2003, the Secretary shall prepare  
17          and submit to Congress a report on how the pro-  
18          gram carried out under this section interacts with  
19          other Federal loan repayment programs for phar-  
20          macists and determining the relative effectiveness of  
21          such programs in increasing pharmacists practicing  
22          in underserved areas.

23          “(e) APPLICATION OF CERTAIN PROVISIONS.—

24                  “(1) IN GENERAL.—The provisions of section  
25                  338C, 338G, and 338I shall apply to the program

1 established under this section in the same manner  
2 and to the same extent as such provisions apply to  
3 the National Health Service Corps Loan Repayment  
4 Program under subpart III of part D of title III, in-  
5 cluding the applicability of provisions regarding re-  
6 imbursements for increased tax liability and bank-  
7 ruptcy.

8 “(2) BREACH OF AGREEMENT.—An individual  
9 who enters into an agreement under subsection (a)  
10 shall be liable to the Federal Government for the  
11 amount of the award under such agreement (includ-  
12 ing amounts provided for expenses related to such  
13 attendance), and for interest on such amount at the  
14 maximum legal prevailing rate, if the individual fails  
15 to provide health services in accordance with the  
16 program under this section for the period of time  
17 applicable under the program.

18 “(3) WAIVER OR SUSPENSION OF LIABILITY.—  
19 In the case of an individual or health facility making  
20 an agreement for purposes of subsection (a), the  
21 Secretary shall provide for the waiver or suspension  
22 of liability under paragraph (2) if compliance by the  
23 individual or the health facility, as the case may be,  
24 with the agreement involved is impossible, or would  
25 involve extreme hardship to the individual or facility,

1 and if enforcement of the agreements with respect  
2 to the individual or facility would be unconscionable.

3 “(4) DATE CERTAIN FOR RECOVERY.—Subject  
4 to paragraph (3), any amount that the Federal Gov-  
5 ernment is entitled to recover under paragraph (2)  
6 shall be paid to the United States not later than the  
7 expiration of the 3-year period beginning on the date  
8 the United States becomes so entitled.

9 “(5) AVAILABILITY.—Amounts recovered under  
10 paragraph (2) with respect to a program under this  
11 section shall be available for the purposes of such  
12 program, and shall remain available for such pur-  
13 poses until expended.

14 “(f) DEFINITION.—In this section, the term ‘health  
15 care facility’ means a facility with a critical shortage of  
16 pharmacists as determined by the Secretary.

17 “(g) AUTHORIZATION OF APPROPRIATIONS.—For the  
18 purpose of payments under agreements entered into under  
19 subsection (a), there are authorized to be appropriated  
20 such sums as may be necessary for each of fiscal years  
21 2004 through 2008.

22 **“SEC. 782. PHARMACY FACULTY LOAN REPAYMENT PRO-**  
23 **GRAM.**

24 “(a) ESTABLISHMENT OF PROGRAM.—The Secretary  
25 shall establish a program under which the Secretary will

1 enter into contracts with individuals described in sub-  
2 section (b) and such individuals will agree to serve as fac-  
3 ulty members of schools of pharmacy in consideration of  
4 the Federal Government agreeing to pay, for each year  
5 of such service, not more than \$35,000 of the principal  
6 and interest of the educational loans of such individuals.

7 “(b) ELIGIBLE INDIVIDUALS.—An individual is de-  
8 scribed in this subsection if such individual—

9 “(1) has a baccalaureate degree in pharmacy or  
10 a Doctor of Pharmacy degree from an accredited  
11 program; or

12 “(2) is enrolled as a full-time student—

13 “(A) in an accredited pharmacy program;  
14 and

15 “(B) in the final year of a course of a  
16 study or program, offered by such institution  
17 and approved by the Secretary, leading to a  
18 baccalaureate degree in pharmacy or a Doctor  
19 of Pharmacy degree from such a school.

20 “(c) REQUIREMENTS REGARDING FACULTY POSI-  
21 TIONS.—The Secretary may not enter into a contract  
22 under subsection (a) unless—

23 “(1) the individual involved has entered into a  
24 contract with a school of pharmacy to serve as a

1 member of the faculty of the school for not less than  
2 2 years; and

3 “(2) the contract referred to in paragraph (1)  
4 provides that—

5 “(A) the school will, for each year for  
6 which the individual will serve as a member of  
7 the faculty under contract with the school,  
8 make payments of the principal and interest  
9 due on the educational loans of the individual  
10 for such year in an amount equal to the amount  
11 of such payments made by the Secretary for the  
12 year;

13 “(B) the payments made by the school  
14 pursuant to subparagraph (A) on behalf of the  
15 individual will be in addition to the compensa-  
16 tion that the individual would otherwise receive  
17 for serving as a member of such faculty; and

18 “(C) the school, in making a determination  
19 of the amount of compensation to be provided  
20 by the school to the individual for serving as a  
21 member of the faculty, will make the determina-  
22 tion without regard to the amount of payments  
23 made (or to be made) to the individual by the  
24 Federal Government under subsection (a).

1       “(d) APPLICABILITY OF CERTAIN PROVISIONS.—The  
2 provisions of sections 338C, 338G, and 338I shall apply  
3 to the program established in subsection (a) to the same  
4 extent and in the same manner as such provisions apply  
5 to the National Health Service Corps Loan Repayment  
6 Program established in subpart III of part D of title III,  
7 including the applicability of provisions regarding reim-  
8 bursements for increased tax liability and regarding bank-  
9 ruptcy.

10       “(e) AUTHORIZATION OF APPROPRIATIONS.—For the  
11 purpose of carrying out this section, there are authorized  
12 to be appropriated such sums as may be necessary for  
13 each of fiscal years 2004 through 2008.

14       **“SEC. 783. DEFINITIONS.**

15       “In this subpart:

16               “(1) SCHOOL OF PHARMACY.—The term ‘school  
17 of pharmacy’ means a college or school of pharmacy  
18 (as defined in section 799B) that, in providing clin-  
19 ical experience for students, requires that the stu-  
20 dents serve in a clinical rotation in which pharmacist  
21 services are provided at or for—

22                       “(A) a medical facility that serves a sub-  
23 stantial number of individuals who reside in or  
24 are members of a medically underserved com-  
25 munity (as so defined);

1           “(B) an entity described in any of sub-  
2 paragraphs (A) through (L) of section  
3 340B(a)(4) (relating to the definition of covered  
4 entity);

5           “(C) a health care facility of the Depart-  
6 ment of Veterans Affairs or of any of the  
7 Armed Forces of the United States;

8           “(D) a health care facility of the Bureau  
9 of Prisons;

10           “(E) a health care facility operated by, or  
11 with funds received from, the Indian Health  
12 Service; or

13           “(F) a disproportionate share hospital  
14 under section 1923 of the Social Security Act.

15           “(2) PHARMACIST SERVICES.—The term ‘phar-  
16 macist services’ includes drug therapy management  
17 services furnished by a pharmacist, individually or  
18 on behalf of a pharmacy provider, and such services  
19 and supplies furnished incident to the pharmacist’s  
20 drug therapy management services, that the phar-  
21 macist is legally authorized to perform (in the State  
22 in which the individual performs such services) in  
23 accordance with State law (or the State regulatory  
24 mechanism provided for by State law).”.

○