

110TH CONGRESS  
2D SESSION

# H. R. 2583

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 25 (legislative day, SEPTEMBER 17), 2008

Received

OCTOBER 2 (legislative day, SEPTEMBER 17), 2008

Read twice and referred to the Committee on Health, Education, Labor, and  
Pensions

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## AN ACT

To amend title VII of the Public Health Service Act to establish a loan program for eligible hospitals to establish residency training programs.

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 “Physician Workforce  
3 Enhancement Act of 2008”.

**4 SEC. 2. HOSPITAL RESIDENCY LOAN PROGRAM.**

5 Subpart 2 of part E of title VII of the Public Health  
6 Service Act is amended by adding at the end the following  
7 new section:

**8 “SEC. 771. HOSPITAL RESIDENCY LOAN PROGRAM.**

9 “(a) ESTABLISHMENT.—Not later than October 1,  
10 2010, the Secretary, acting through the Administrator of  
11 the Health Resources and Services Administration, shall  
12 establish a hospital residency loan program that provides  
13 loans to eligible hospitals to establish a residency training  
14 program.

15 “(b) APPLICATION.—No loan may be provided under  
16 this section to an eligible hospital except pursuant to an  
17 application that is submitted and approved in a time, man-  
18 ner, and form specified by the Administrator of the Health  
19 Resources and Services Administration. A loan under this  
20 section shall be on such terms and conditions and meet  
21 such requirements as the Administrator determines appro-  
22 priate, in accordance with the provisions of this section.

23 “(c) ELIGIBILITY; PREFERENCE FOR RURAL  
24 AREAS.—

25 “(1) ELIGIBLE HOSPITAL DEFINED.—For pur-  
26 poses of this section, an ‘eligible hospital’ means,

1 with respect to a loan under this section, a public or  
2 non-profit hospital that, as of the date of the sub-  
3 mission of an application under subsection (b),  
4 meets, to the satisfaction of the Administrator of the  
5 Health Resources and Services Administration, each  
6 of the following criteria:

7                 “(A) The hospital does not operate a resi-  
8 dency training program and has not previously  
9 operated such a program.

10                 “(B) The hospital has secured initial ac-  
11 creditation by the American Council for Grad-  
12 uate Medical Education or the American Osteo-  
13 pathic Association.

14                 “(C) The hospital provides assurances to  
15 the satisfaction of the Administrator of the  
16 Health Resources and Services Administration  
17 that such loan shall be used, consistent with  
18 subsection (d), only for the purposes of estab-  
19 lishing and conducting an allopathic or osteo-  
20 pathic physician residency training program in  
21 at least one of the following, or a combination  
22 of the following:

23                     “(i) Family medicine.

24                     “(ii) Internal medicine.

25                     “(iii) Obstetrics or gynecology.

1                             “(iv) Behavioral or Mental health.

2                             “(v) Pediatrics.

3                             “(D) The hospital enters into an agree-  
4                             ment with the Administrator that certifies the  
5                             hospital will provide for the repayment of the  
6                             loan in accordance with subsection (e).

7                             “(2) PREFERENCE FOR RURAL AREAS.—In  
8                             making loans under this section, the Administrator  
9                             of the Health Resources and Services Administration  
10                            shall create guidelines that give preference to rural  
11                            areas (as such term is defined in section  
12                            1886(d)(2)(D) of the Social Security Act).

13                             “(d) PERMISSIBLE USES OF LOAN FUNDS.—A loan  
14                             provided under this section shall be used, with respect to  
15                             a residency training program, only for costs directly at-  
16                             tributable to the residency training program, except as  
17                             otherwise provided by the Administrator of the Health Re-  
18                             sources and Services Administration.

19                             “(e) REPAYMENT OF LOANS.—

20                             “(1) REPAYMENT PLANS.—For purposes of  
21                             subsection (c)(1)(D), a repayment plan for an eligi-  
22                             ble hospital is in accordance with this subsection if  
23                             it provides for the repayment of the loan amount in  
24                             installments, in accordance with a schedule that is  
25                             agreed to by the Administrator of the Health Re-

1       sources and Services Administration and the hospital  
2       and that is in accordance with paragraphs (2), (3),  
3       and (4).

4       “(2) COMMENCEMENT OF REPAYMENT.—Re-  
5       payment by an eligible hospital of a loan under this  
6       section shall commence not later than the date that  
7       is 18 months after the date on which the loan  
8       amount is disbursed to such hospital.

9       “(3) REPAYMENT PERIOD.—A loan made under  
10      this section shall be fully repaid not later than the  
11      date that is 24 months after the date on which the  
12      repayment is required to commence.

13      “(4) LOAN PAYABLE IN FULL IF RESIDENCY  
14      TRAINING PROGRAM CANCELED.—In the case that  
15      an eligible hospital borrows a loan under this sec-  
16      tion, with respect to a residency training program,  
17      and terminates such program before the date on  
18      which such loan has been fully repaid in accordance  
19      with a plan under paragraph (1), such loan shall be  
20      payable by the hospital not later than 45 days after  
21      the date of such termination.

22      “(f) NO INTEREST CHARGED.—The Administrator of  
23      the Health Resources and Services Administration may  
24      not charge or collect interest on any loan made under this  
25      section.

1        “(g) LIMITATION ON TOTAL AMOUNT OF LOAN.—

2    The cumulative annual dollar amount of a loan made to  
3    an eligible hospital under this section may not exceed  
4    \$250,000.

5        “(h) PENALTIES.—The Administrator of the Health

6    Resources and Services Administration shall establish pen-  
7    alties to which an eligible hospital receiving a loan under  
8    this section would be subject if such hospital is in violation  
9    of any of the criteria described in subsection (c)(1). Such  
10    penalties shall include the charge or collection of interest,  
11    at a rate to be determined by the Administrator of the  
12    Health Resources and Services Administration. Except as  
13    otherwise provided, penalties collected under this sub-  
14    section shall be paid to the Administrator of the Health  
15    Resources and Services Administration and shall, subject  
16    to appropriation Acts, be available until expended for the  
17    purpose of enforcing the provisions of this section.

18       “(i) REPORTS.—Not later than January 1, 2012, and

19    annually thereafter (before January 2, 2014), the Admin-  
20    istrator of the Health Resources and Services Administra-  
21    tion shall submit to Congress a report on the efficacy of  
22    the program under this section in increasing the number  
23    of residents practicing in each medical specialty described  
24    in subsection (c)(1)(C) during such year and the extent  
25    to which the program resulted in an increase in the num-

1 ber of available practitioners in each of such medical spe-  
2 cialties that serve medically underserved populations.

3 “(j) FUNDING.—

4 “(1) AUTHORIZATION OF APPROPRIATIONS.—

5 For the purpose of providing amounts for loans  
6 under this section, there are authorized to be appro-  
7 priated such sums as may be necessary to provide—

8 “(A) \$8,000,000 in loans for fiscal year  
9 2010;

10 “(B) \$8,400,000 in loans for fiscal year  
11 2011;

12 “(C) \$8,820,000 in loans for fiscal year  
13 2012;

14 “(D) \$9,261,000 in loans for fiscal year  
15 2013; and

16 “(E) \$9,724,050 in loans for fiscal year  
17 2014.

18 “(2) AVAILABILITY.—Amounts appropriated  
19 under paragraph (1) shall remain available until ex-  
20 pended.

1       “(k) TERMINATION OF PROGRAM.—No loan may be  
2 made under this section after December 31, 2013.”.

Passed the House of Representatives September 23,  
2008.

Attest:                           LORRAINE C. MILLER,  
*Clerk.*