

Union Calendar No. 568

110TH CONGRESS
2^D SESSION

H. R. 2583

[Report No. 110-872]

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

IN THE HOUSE OF REPRESENTATIVES

JUNE 6, 2007

Mr. BURGESS (for himself and Mr. MATHESON) introduced the following bill; which was referred to the Committee on Energy and Commerce

SEPTEMBER 23, 2008

Additional sponsors: Ms. GRANGER, Mr. SMITH of Texas, Mr. LATOURETTE, Mrs. EMERSON, Mr. GILCHREST, Mr. PLATTS, Mr. CASTLE, Mr. GINGREY, Mr. BOREN, Mr. KIND, Ms. JACKSON-LEE of Texas, Mr. PEARCE, Mr. AKIN, Mr. GORDON of Tennessee, Mr. GOHMERT, Mr. POE, Ms. HIRONO, Mr. SNYDER, Mr. GONZALEZ, Mr. BRALEY of Iowa, Mr. MCCOTTER, and Mr. HOLDEN

SEPTEMBER 23, 2008

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on June 6, 2007]

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Physician Workforce*
5 *Enhancement Act of 2008”.*

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

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

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

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

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

25 *“(c) ELIGIBILITY; PREFERENCE FOR RURAL AREAS.—*

1 “(1) *ELIGIBLE HOSPITAL DEFINED.*—For pur-
2 poses of this section, an ‘eligible hospital’ means, with
3 respect to a loan under this section, a public or non-
4 profit hospital that, as of the date of the submission
5 of an application under subsection (b), meets, to the
6 satisfaction of the Administrator of the Health Re-
7 sources and Services Administration, each of the fol-
8 lowing criteria:

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

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

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

24 “(i) *Family medicine.*

25 “(ii) *Internal medicine.*

1 “(iii) *Obstetrics or gynecology.*

2 “(iv) *Behavioral or Mental health.*

3 “(v) *Pediatrics.*

4 “(D) *The hospital enters into an agreement*
5 *with the Administrator that certifies the hospital*
6 *will provide for the repayment of the loan in ac-*
7 *cordance with subsection (e).*

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

14 “(d) *PERMISSIBLE USES OF LOAN FUNDS.—A loan*
15 *provided under this section shall be used, with respect to*
16 *a residency training program, only for costs directly attrib-*
17 *utable to the residency training program, except as other-*
18 *wise provided by the Administrator of the Health Resources*
19 *and Services Administration.*

20 “(e) *REPAYMENT OF LOANS.—*

21 “(1) *REPAYMENT PLANS.—For purposes of sub-*
22 *section (c)(1)(D), a repayment plan for an eligible*
23 *hospital is in accordance with this subsection if it*
24 *provides for the repayment of the loan amount in in-*
25 *stallments, in accordance with a schedule that is*

1 *agreed to by the Administrator of the Health Re-*
2 *sources and Services Administration and the hospital*
3 *and that is in accordance with paragraphs (2), (3),*
4 *and (4).*

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

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

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

23 “(f) *NO INTEREST CHARGED.*—*The Administrator of*
24 *the Health Resources and Services Administration may not*

1 *charge or collect interest on any loan made under this sec-*
2 *tion.*

3 “(g) *LIMITATION ON TOTAL AMOUNT OF LOAN.—The*
4 *cumulative annual dollar amount of a loan made to an eli-*
5 *gible hospital under this section may not exceed \$250,000.*

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

19 “(i) *REPORTS.—Not later than January 1, 2012, and*
20 *annually thereafter (before January 2, 2014), the Adminis-*
21 *trator of the Health Resources and Services Administration*
22 *shall submit to Congress a report on the efficacy of the pro-*
23 *gram under this section in increasing the number of resi-*
24 *dents practicing in each medical specialty described in sub-*
25 *section (c)(1)(C) during such year and the extent to which*

1 *the program resulted in an increase in the number of avail-*
2 *able practitioners in each of such medical specialties that*
3 *serve medically underserved populations.*

4 “(j) *FUNDING.—*

5 “(1) *AUTHORIZATION OF APPROPRIATIONS.—For*
6 *the purpose of providing amounts for loans under this*
7 *section, there are authorized to be appropriated such*
8 *sums as may be necessary to provide—*

9 “(A) *\$8,000,000 in loans for fiscal year*
10 *2010;*

11 “(B) *\$8,400,000 in loans for fiscal year*
12 *2011;*

13 “(C) *\$8,820,000 in loans for fiscal year*
14 *2012;*

15 “(D) *\$9,261,000 in loans for fiscal year*
16 *2013; and*

17 “(E) *\$9,724,050 in loans for fiscal year*
18 *2014.*

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

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

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