

103^D CONGRESS
1ST SESSION

H. R. 1770

To provide incentives for physicians to practice in rural areas and in rural medically underserved areas.

IN THE HOUSE OF REPRESENTATIVES

APRIL 21, 1993

Mr. ROWLAND (for himself, Mr. HALL of Texas, Mrs. VUCANOVICH, Mr. THOMAS of Wyoming, Mr. EMERSON, Mr. LANCASTER, Mr. ROBERTS, Mr. BEREUTER, Mr. SLATTERY, Mr. STENHOLM, Mr. GUNDERSON, Ms. SNOWE, and Mr. DURBIN) introduced the following bill; which was referred jointly to the Committees on Ways and Means, Energy and Commerce, and Education and Labor

A BILL

To provide incentives for physicians to practice in rural areas and in rural medically underserved areas.

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 “Rural Physicians’
5 Incentives Act of 1993”.

1 **SEC. 2. DEDUCTION FOR MEDICAL SCHOOL EDUCATION**
2 **LOAN INTEREST INCURRED BY DOCTORS**
3 **SERVING IN MEDICALLY UNDERSERVED**
4 **RURAL AREAS.**

5 (a) IN GENERAL.—Paragraph (1) of section 163(h)
6 of the Internal Revenue Code of 1986 (relating to dis-
7 allowance of deduction for personal interest) is amended
8 by striking “and” at the end of subparagraph (D), by re-
9 designating subparagraph (E) as subparagraph (F), and
10 by inserting after subparagraph (D) the following new
11 subparagraph:

12 “(E) any qualified medical education loan
13 interest (within the meaning of paragraph (5)),
14 and”.

15 (b) QUALIFIED MEDICAL EDUCATION LOAN INTER-
16 EST DEFINED.—Subsection (h) of section 163 of such
17 Code is amended by redesignating paragraph (5) as para-
18 graph (6) and by inserting after paragraph (4) the follow-
19 ing new paragraph:

20 “(5) QUALIFIED MEDICAL EDUCATION LOAN IN-
21 TEREST.—

22 “(A) IN GENERAL.—The term ‘qualified
23 medical education loan interest’ means inter-
24 est—

25 “(i) which is on a medical education
26 loan of a physician,

1 “(ii) which is paid or accrued by such
2 physician, and

3 “(iii) which accrues during the pe-
4 riod—

5 “(I) such physician is providing
6 primary care (including internal medi-
7 cine, pediatrics, obstetrics/gynecology,
8 family medicine, and osteopathy) to
9 residents of a medically underserved
10 rural area, and

11 “(II) such physician’s principal
12 place of abode is in such area.

13 “(B) MEDICAL EDUCATION LOAN.—The
14 term ‘medical education loan’ means indebted-
15 ness incurred to pay the individual’s—

16 “(i) qualified tuition and related ex-
17 penses (as defined in section 117(b)) in-
18 curred for the medical education of such
19 individual, or

20 “(ii) reasonable living expenses while
21 away from home in order to attend an edu-
22 cational institution described in section
23 170(b)(1)(A)(ii) for the medical education
24 of such individual.

1 (b) EFFECTIVE DATE.—The amendments made by
2 subsection (a) shall apply to services furnished after 1993.

3 **SEC. 4. EXTENSION OF DEFERMENTS.**

4 (a) STAFFORD LOANS.—

5 (1) GSL LOANS.—Section 428(b)(1)(M) of the
6 Higher Education Act of 1965 (20 U.S.C.
7 1078(b)(1)(M)) is amended—

8 (A) by striking “or” at the end of clause
9 (ii);

10 (B) by inserting “or” after the semicolon
11 at the end of clause (iii); and

12 (C) by adding at the end thereof the fol-
13 lowing new clause:

14 “(iv) during which the borrower is
15 serving in an internship or residency pro-
16 gram in preparation for practice in an area
17 of primary care (including internal medi-
18 cine, pediatrics, obstetrics/gynecology, fam-
19 ily medicine, and osteopathy);”.

20 (2) FISL LOANS.—Section 427(a)(2)(C) of
21 such Act (20 U.S.C. 1077(a)(2)(C)) is amended—

22 (A) by striking “or” at the end of clause
23 (ii);

24 (B) by inserting “or” after the semicolon
25 at the end of clause (iii); and

1 (C) by adding at the end thereof the fol-
2 lowing new clause:

3 “(iv) during which the borrower is
4 serving in an internship or residency pro-
5 gram in preparation for practice in an area
6 of primary care (including internal medi-
7 cine, pediatrics, obstetrics/gynecology, fam-
8 ily medicine, and osteopathy);”.

9 (b) PERKINS LOANS.—Section 464(c)(2)(A) of such
10 Act (20 U.S.C. 1087dd(c)(2)(A)) is amended—

11 (1) by striking “or” at the end of clause (iii);

12 (2) by inserting “or” after the semicolon at the
13 end of clause (iv); and

14 (3) by adding at the end thereof the following
15 new clause:

16 “(v) during which the borrower is
17 serving in an internship or residency pro-
18 gram in preparation for practice in an area
19 of primary care (including internal medi-
20 cine, pediatrics, obstetrics/gynecology, fam-
21 ily medicine, and osteopathy);”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to on and after the date of the
24 enactment of this Act with respect to loans made under

1 the Higher Education Act of 1965 before, on, or after that
2 date.

3 **SEC. 5. CLARIFICATION OF PERMISSIBLE SUBSTITUTE**
4 **BILLING ARRANGEMENTS FOR PHYSICIANS'**
5 **SERVICES UNDER THE MEDICARE AND MED-**
6 **ICAID PROGRAMS.**

7 (a) MEDICARE PROGRAM.—

8 (1) IN GENERAL.—Clause (D) of section
9 1842(b)(6) of the Social Security Act (42 U.S.C.
10 1395u(b)(6)) is amended to read as follows: “(D)(i)
11 payment may be made to a physician for physicians’
12 services (and services incident to such services) to be
13 provided by a second physician on a reciprocal basis
14 to individuals who are patients of the first physician
15 if (I) the first physician is unavailable to provide the
16 services, (II) the services are not provided by the
17 second physician over a continuous period of longer
18 than 60 days, and (III) the claim form submitted to
19 the carrier includes the second physician’s unique
20 identifier (provided under the system established
21 under subsection (r)) and indicates that the claim
22 meets the requirements of this clause for payment to
23 the first physician; and (ii) payment may be made
24 to a physician for physicians’ services (and services
25 incident to such services) which that physician pays

1 a second physician on a per diem or other fee-for-
2 time basis to provide to individuals who are patients
3 of the first physician if (I) the first physician is un-
4 available to provide the services, (II) the services are
5 not provided by the second physician over a continu-
6 ous period of longer than 90 days (or such longer
7 period as the Secretary may provide), and (III) the
8 claim form submitted to the carrier includes the sec-
9 ond physician's unique identifier (provided under the
10 system established under subsection (r)) and indi-
11 cates that the claim meets the requirements of this
12 clause for payment to the first physician”.

13 (2) EFFECTIVE DATE.—The amendment made
14 by paragraph (1) shall apply to services furnished on
15 or after the first day of the first month beginning
16 more than 60 days after the date of the enactment
17 of this Act.

18 (b) MEDICAID PROGRAM.—

19 (1) IN GENERAL.—Section 1902(a)(32)(C) of
20 the Social Security Act (42 U.S.C. 1396a(a)(32)(C))
21 is amended to read as follows:

22 “(C) payment may be made to a physician
23 for services furnished by a substitute physician
24 under the circumstances described in subpara-
25 graph (D) of section 1842(b)(6), except that,

1 for purposes of this subparagraph, any ref-
2 erence in such subparagraph to ‘a carrier’ or
3 ‘the system established under subsection (r)’ is
4 deemed a reference to the State (or other fiscal
5 agent under the State plan) and to the system
6 established under subsection (x) of this section,
7 respectively.’’.

8 (2) EFFECTIVE DATE.—(A) The amendment
9 made by paragraph (1) shall apply to services fur-
10 nished on or after the date of the enactment of this
11 Act.

12 (B) Until the first day of the first calendar
13 quarter beginning more than 60 days after the date
14 the Secretary of Health and Human Services estab-
15 lishes the physician identifier system under section
16 1902(x) of the Social Security Act, the requirement
17 under section 1902(a)(32)(C) of such Act that a
18 claim form submitted must include the second physi-
19 cian’s unique identifier is deemed to be satisfied if
20 the claim form identifies (in a manner specified by
21 the Secretary of Health and Human Services) the
22 second physician.

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