

107TH CONGRESS
1ST SESSION

S. 1387

To conduct a demonstration program to show that physician shortage, recruitment, and retention problems may be ameliorated in rural States by developing a comprehensive program that will result in statewide physician population growth, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 3, 2001

Mr. BINGAMAN (for himself, Mr. DOMENICI, and Mr. ROCKEFELLER) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To conduct a demonstration program to show that physician shortage, recruitment, and retention problems may be ameliorated in rural States by developing a comprehensive program that will result in statewide physician population growth, and for other purposes.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Rural States Physician Recruitment and Retention Dem-
6 onstration Act of 2001”.

1 (b) TABLE OF CONTENTS.—The table of contents of
 2 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.
- Sec. 3. Rural States Physician Recruitment and Retention Demonstration Program.
- Sec. 4. Establishment of the Health Professions Database.
- Sec. 5. Evaluation and reports.
- Sec. 6. Contracting flexibility.

3 **SEC. 2. DEFINITIONS.**

4 In this Act:

5 (1) COGME.—The term “COGME” means the
 6 Council on Graduate Medical Education established
 7 under section 762 of the Public Health Service Act
 8 (42 U.S.C. 294o).

9 (2) DEMONSTRATION PROGRAM.—The term
 10 “demonstration program” means the Rural States
 11 Physician Recruitment and Retention Demonstration
 12 Program established by the Secretary under section
 13 3(a).

14 (3) DEMONSTRATION STATES.—The term
 15 “demonstration States” means each State identified
 16 by the Secretary, based upon data from the most re-
 17 cent year for which data are available—

18 (A) that has an uninsured population
 19 above 16 percent (as determined by the Bureau
 20 of the Census);

21 (B) for which the sum of the number of in-
 22 dividuals who are entitled to benefits under the

1 medicare program and the number of individ-
2 uals who are eligible for medical assistance
3 under the medicaid program under title XIX of
4 the Social Security Act (42 U.S.C. 1396 et
5 seq.) equals or exceeds 20 percent of the total
6 population of the State (as determined by the
7 Centers for Medicare & Medicaid Services); and

8 (C) that has an estimated number of indi-
9 viduals in the State without access to a primary
10 care provider of at least 17 percent (as pub-
11 lished in “HRSA’s Bureau of Primary Health
12 Care: BPHC State Profiles”).

13 (4) ELIGIBLE RESIDENCY OR FELLOWSHIP
14 GRADUATE.—The term “eligible residency or fellow-
15 ship graduate” means a graduate of an approved
16 medical residency training program (as defined in
17 section 1886(h)(5)(A) of the Social Security Act (42
18 U.S.C. 1395ww(h)(5)(A))) in a shortage physician
19 specialty.

20 (5) HEALTH PROFESSIONS DATABASE.—The
21 term “Health Professions Database” means the
22 database established under section 4(a).

23 (6) MEDICARE PROGRAM.—The term “medicare
24 program” means the health benefits program under

1 title XVIII of the Social Security Act (42 U.S.C.
2 1395 et seq.).

3 (7) MEDPAC.—The term “MedPAC” means
4 the Medicare Payment Advisory Commission estab-
5 lished under section 1805 of the Social Security Act
6 (42 U.S.C. 1395b–6).

7 (8) SECRETARY.—The term “Secretary” means
8 the Secretary of Health and Human Services.

9 (9) SHORTAGE PHYSICIAN SPECIALTY.—The
10 term “shortage physician specialty” means a medical
11 or surgical specialty identified in a demonstration
12 State by the Secretary based on—

13 (A) an analysis and comparison of national
14 data and demonstration State data; and

15 (B) recommendations from appropriate
16 Federal, State, and private commissions, cen-
17 ters, councils, medical and surgical physician
18 specialty boards, and medical societies or asso-
19 ciations involved in physician workforce, edu-
20 cation and training, and payment issues.

21 **SEC. 3. RURAL STATES PHYSICIAN RECRUITMENT AND RE-**
22 **TENTION DEMONSTRATION PROGRAM.**

23 (a) ESTABLISHMENT.—

24 (1) IN GENERAL.—The Secretary shall establish
25 a Rural States Physician Recruitment and Retention

1 Demonstration Program for the purpose of amelio-
2 rating physician shortage, recruitment, and retention
3 problems in rural States in accordance with the re-
4 quirements of this section.

5 (2) CONSULTATION.—For purposes of estab-
6 lishing the demonstration program, the Secretary
7 shall consult with—

8 (A) COGME;

9 (B) MedPAC;

10 (C) a representative of each demonstration
11 State medical society or association;

12 (D) the health workforce planning and
13 physician training authority of each demonstra-
14 tion State; and

15 (E) any other entity described in section
16 2(9)(B).

17 (b) DURATION.—The Secretary shall conduct the
18 demonstration program for a period of 10 years.

19 (c) CONDUCT OF PROGRAM.—

20 (1) FUNDING OF ADDITIONAL RESIDENCY AND
21 FELLOWSHIP POSITIONS.—

22 (A) IN GENERAL.—As part of the dem-
23 onstration program, the Secretary (acting
24 through the Administrator of the Centers for
25 Medicare & Medicaid Services) shall—

1 (i) notwithstanding section
2 1886(h)(4)(F) of the Social Security Act
3 (42 U.S.C. 1395ww(h)(4)(F)) increase, by
4 up to 50 percent of the total number of
5 residency and fellowship positions approved
6 at each medical residency training program
7 in each demonstration State, the number
8 of residency and fellowship positions in
9 each shortage physician specialty; and

10 (ii) subject to subparagraph (C), pro-
11 vide funding under subsections (d)(5)(B)
12 and (h) of section 1886 of the Social Secu-
13 rity Act (42 U.S.C. 1395ww) for each posi-
14 tion added under clause (i).

15 (B) ESTABLISHMENT OF ADDITIONAL PO-
16 SITIONS.—

17 (i) IDENTIFICATION.—The Secretary
18 shall identify each additional residency and
19 fellowship position created as a result of
20 the application of subparagraph (A).

21 (ii) NEGOTIATION AND CONSULTA-
22 TION.—The Secretary shall negotiate and
23 consult with representatives of each ap-
24 proved medical residency training program
25 in a demonstration State at which a posi-

1 tion identified under clause (i) is created
2 for purposes of supporting such position.

3 (C) CONTRACTS WITH SPONSORING INSTI-
4 TUTIONS.—

5 (i) IN GENERAL.—The Secretary shall
6 condition the availability of funding for
7 each residency and fellowship position
8 identified under subparagraph (B)(i) on
9 the execution of a contract containing such
10 provisions as the Secretary determines are
11 appropriate, including the provision de-
12 scribed in clause (ii) by each sponsoring in-
13 stitution.

14 (ii) PROVISION DESCRIBED.—

15 (I) IN GENERAL.—Except as pro-
16 vided in subclause (II), the provision
17 described in this clause is a provision
18 that provides that, during the resi-
19 dency or fellowship, the resident or
20 fellow shall spend not less than 10
21 percent of the training time providing
22 specialty services to underserved and
23 rural community populations other
24 than an underserved population of the
25 sponsoring institution.

1 (II) EXCEPTIONS.—The Sec-
2 retary, in consultation with COGME,
3 shall identify shortage physician spe-
4 cialties and subspecialties for which
5 the application of the provision de-
6 scribed in subclause (I) would be in-
7 appropriate and the Secretary may
8 waive the requirement under clause (i)
9 that such provision be included in the
10 contract of a resident or fellow with
11 such a specialty or subspecialty.

12 (D) LIMITATIONS.—

13 (i) PERIOD OF PAYMENT.—The Sec-
14 retary may not fund any residency or fel-
15 lowship position identified under subpara-
16 graph (B)(i) for a period of more than 5
17 years.

18 (ii) REASSESSMENT OF NEED.—The
19 Secretary shall reassess the status of the
20 shortage physician specialty in the dem-
21 onstration State prior to entering into any
22 contract under subparagraph (C) after the
23 date that is 5 years after the date on
24 which the Secretary establishes the dem-
25 onstration program.

1 (2) LOAN REPAYMENT AND FORGIVENESS PRO-
2 GRAM.—

3 (A) IN GENERAL.—As part of the dem-
4 onstration program, the Secretary (acting
5 through the Administrator of the Health Re-
6 sources and Services Administration) shall es-
7 tablish a loan repayment and forgiveness pro-
8 gram, through the holder of the loan, under
9 which the Secretary assumes the obligation to
10 repay a qualified loan amount for an edu-
11 cational loan of an eligible residency or fellow-
12 ship graduate—

13 (i) for whom the Secretary has ap-
14 proved an application submitted under
15 subparagraph (D); and

16 (ii) with whom the Secretary has en-
17 tered into a contract under subparagraph
18 (C).

19 (B) QUALIFIED LOAN AMOUNT.—

20 (i) IN GENERAL.—Subject to clause
21 (ii), the Secretary shall repay the lesser
22 of—

23 (I) 25 percent of the loan obliga-
24 tion of a graduate on a loan that is
25 outstanding during the period that the

1 eligible residency or fellowship grad-
2 uate practices in the area designated
3 by the contract entered into under
4 subparagraph (C); or

5 (II) \$25,000 per graduate per
6 year of such obligation during such
7 period.

8 (ii) LIMITATION.—The aggregate
9 amount under this subparagraph may not
10 exceed \$125,000 for any graduate and the
11 Secretary may not repay or forgive more
12 than 30 loans per year in each demonstra-
13 tion State under this paragraph.

14 (C) CONTRACTS WITH RESIDENTS AND
15 FELLOWS.—

16 (i) IN GENERAL.—Each eligible resi-
17 dency or fellowship graduate desiring re-
18 payment of a loan under this paragraph
19 shall execute a contract containing the pro-
20 visions described in clause (ii).

21 (ii) PROVISIONS.—The provisions de-
22 scribed in this clause are provisions that
23 require the eligible residency or fellowship
24 graduate—

1 (I) to practice in a health profes-
2 sional shortage area of a demonstra-
3 tion State during the period in which
4 a loan is being repaid or forgiven
5 under this section; and

6 (II) to provide health services re-
7 lating to the shortage physician spe-
8 cialty of the graduate that was funded
9 with the loan being repaid or forgiven
10 under this section during such period.

11 (D) APPLICATION.—

12 (i) IN GENERAL.—Each eligible resi-
13 dency or fellowship graduate desiring re-
14 payment of a loan under this paragraph
15 shall submit an application to the Sec-
16 retary at such time, in such manner, and
17 accompanied by such information as the
18 Secretary may reasonably require.

19 (ii) REASSESSMENT OF NEED.—The
20 Secretary shall reassess the shortage physi-
21 cian specialty in the demonstration State
22 prior to accepting an application for repay-
23 ment of any loan under this paragraph
24 after the date that is 5 years after the date

1 on which the demonstration program is es-
2 tablished.

3 (E) CONSTRUCTION.—Nothing in the sec-
4 tion shall be construed to authorize any refund-
5 ing of any repayment of a loan.

6 (F) PREVENTION OF DOUBLE BENE-
7 FITS.—No borrower may, for the same service,
8 receive a benefit under both this paragraph and
9 any loan repayment or forgiveness program
10 under title VII of the Public Health Service Act
11 (42 U.S.C. 292 et seq.).

12 (d) WAIVER OF MEDICARE REQUIREMENTS.—The
13 Secretary is authorized to waive any requirement of the
14 medicare program, or approve equivalent or alternative
15 ways of meeting such a requirement, if such waiver is nec-
16 essary to carry out the demonstration program, including
17 the waiver of any limitation on the amount of payment
18 or number of residents under section 1886 of the Social
19 Security Act (42 U.S.C. 1395ww).

20 (e) APPROPRIATIONS.—

21 (1) FUNDING OF ADDITIONAL RESIDENCY AND
22 FELLOWSHIP POSITIONS.—Any expenditures result-
23 ing from the establishment of the funding of addi-
24 tional residency and fellowship positions under sub-
25 section (c)(1) shall be made from the Federal Hos-

1 pital Insurance Trust Fund under section 1817 of
2 the Social Security Act (42 U.S.C. 1395i).

3 (2) LOAN REPAYMENT AND FORGIVENESS PRO-
4 GRAM.—There are authorized to be appropriated
5 such sums as may be necessary to carry out the loan
6 repayment and forgiveness program established
7 under subsection (c)(2).

8 **SEC. 4. ESTABLISHMENT OF THE HEALTH PROFESSIONS**
9 **DATABASE.**

10 (a) ESTABLISHMENT OF THE HEALTH PROFESSIONS
11 DATABASE.—

12 (1) IN GENERAL.—Not later than 7 months
13 after the date of enactment of this Act, the Sec-
14 retary (acting through the Administrator of the
15 Health Resources and Services Administration) shall
16 establish a State-specific health professions database
17 to track health professionals in each demonstration
18 State with respect to specialty certifications, practice
19 characteristics, professional licensure, practice types,
20 locations, education, and training, as well as obliga-
21 tions under the demonstration program as a result
22 of the execution of a contract under paragraph
23 (1)(C) or (2)(C) of section 3(c).

24 (2) DATA SOURCES.—In establishing the
25 Health Professions Database, the Secretary shall use

1 the latest available data from existing health work-
2 force files, including the AMA Master File, State
3 databases, specialty medical society data sources and
4 information, and such other data points as may be
5 recommended by COGME, MedPAC, the National
6 Center for Workforce Information and Analysis, or
7 the medical society of the respective demonstration
8 State.

9 (b) AVAILABILITY.—

10 (1) DURING THE PROGRAM.—During the dem-
11 onstration program, data from the Health Profes-
12 sions Database shall be made available to the Sec-
13 retary, each demonstration State, and the public for
14 the purposes of—

15 (A) developing a baseline with respect to a
16 State's health professions workforce and to
17 track changes in a demonstration State's health
18 professions workforce;

19 (B) tracking direct and indirect graduate
20 medical education payments to hospitals;

21 (C) tracking the forgiveness and repay-
22 ment of loans for educating physicians; and

23 (D) tracking commitments by physicians
24 under the demonstration program.

1 (2) FOLLOWING THE PROGRAM.—Following the
2 termination of the demonstration program, a dem-
3 onstration State may elect to maintain the Health
4 Professions Database for such State at its expense.

5 (c) AUTHORIZATION OF APPROPRIATIONS.—There
6 are authorized to be appropriated such sums as may be
7 necessary for the purpose of carrying out this section.

8 **SEC. 5. EVALUATION AND REPORTS.**

9 (a) EVALUATION.—

10 (1) IN GENERAL.—COGME and MedPAC shall
11 jointly conduct a comprehensive evaluation of the
12 demonstration program.

13 (2) MATTERS EVALUATED.—The evaluation
14 conducted under paragraph (1) shall include an
15 analysis of the effectiveness of the funding of addi-
16 tional residency and fellowship positions and the
17 loan repayment and forgiveness program on physi-
18 cian recruitment, retention, and specialty mix in
19 each demonstration State.

20 (b) PROGRESS REPORTS.—

21 (1) COGME.—Not later than 1 year after the
22 date on which the Secretary establishes the dem-
23 onstration program, 5 years after such date, and 10
24 years after such date, COGME shall submit a report

1 on the progress of the demonstration program to the
2 Secretary and Congress.

3 (2) MEDPAC.—MedPAC shall submit biennial
4 reports on the progress of the demonstration pro-
5 gram to the Secretary and Congress.

6 (c) FINAL REPORT.—Not later than 1 year after the
7 date on which the demonstration program terminates,
8 COGME and MedPAC shall submit a final report to the
9 President, Congress, and the Secretary which shall contain
10 a detailed statement of the findings and conclusions of
11 COGME and MedPAC, together with such recommenda-
12 tions for legislation and administrative actions as COGME
13 and MedPAC consider appropriate.

14 (d) AUTHORIZATION OF APPROPRIATIONS.—There
15 are authorized to be appropriated to COGME such sums
16 as may be necessary for the purpose of carrying out this
17 section.

18 **SEC. 6. CONTRACTING FLEXIBILITY.**

19 For purposes of conducting the demonstration pro-
20 gram and establishing and administering the Health Pro-
21 fessions Database, the Secretary may procure temporary
22 and intermittent services under section 3109(b) of title 5,
23 United States Code.

○