Public Law 101-597
101st Congress

An Act

To amend the Public Health Service Act to revise and extend the program for the National Health Service Corps, and to establish certain programs of grants to the States for improving health services in the States.

Nov. 16, 1990
[H.R. 4487]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

National Health Service Corps Revitalization Amendments of 1990.
42 USC 201 note.

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Health Service Corps Revitalization Amendments of 1990".

TITLE I—REVISIONS IN GENERAL PROGRAM FOR NATIONAL HEALTH SERVICE CORPS

SEC. 101. NATIONAL HEALTH SERVICE CORPS.

(a) PROVISION OF PRIMARY HEALTH SERVICES.—Section 331(a) of the Public Health Service Act (42 U.S.C. 254d(a)) is amended—

(1) in the matter preceding subparagraph (A) of paragraph (1)—

(A) by inserting "(1)" after the subsection designation; and

(B) by striking "There is" and all that follows and inserting the following: "For the purpose of eliminating health manpower shortages in health manpower shortage areas, there is established, within the Service, the National Health Service Corps, which shall consist of—";

(2) by striking "States," at the end of paragraph (1)(C) and all that follows and inserting "States."; and

(3) by adding at the end the following new paragraphs:

"(2) The Corps shall be utilized by the Secretary to provide primary health services in health manpower shortage areas.

"(3) For purposes of this subpart and subpart III:

"(A) The term 'Corps' means the National Health Service Corps.

"(B) The term 'Corps member' means each of the officers, employees, and individuals of which the Corps consists pursuant to paragraph (1).

"(C) The term 'health manpower shortage area' has the meaning given such term in section 332(a).

"(D) The term 'primary health services' means health services regarding family medicine, internal medicine, pediatrics, obstetrics and gynecology, dentistry, or mental health, that are provided by physicians or other health professionals.".

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

(b) RECRUITMENT AND RETENTION OF CORP MEMBERS, INCLUDING VOLUNTEERS.—Section 331(b) of the Public Health Service Act (42 U.S.C. 254d(b)) is amended—

(1) by inserting "(1)" after the subsection designation;

(2) in paragraph (1) (as so designated), by adding at the end the following new sentence: "Such recruiting programs shall include efforts to recruit individuals who will serve in the Corps other than pursuant to obligated service under the Scholarship or Loan Repayment Program."; and

(3) by adding at the end the following new paragraph:

"(2) In the case of physicians, dentists, certified nurse midwives, certified nurse practitioners, and physician assistants who have an interest and a commitment to providing primary health care, the Secretary may establish fellowship programs to enable such health professionals to gain exposure to and expertise in the delivery of primary health services in health manpower shortage areas. To the maximum extent practicable, the Secretary shall ensure that any such programs are established in conjunction with accredited residency programs, and other training programs, regarding such health professions.".

(c) REMOVAL OF LIMITATION REGARDING SUPPLEMENTAL PAY DURING INITIAL YEARS OF SERVICE.—Section 331(d)(1)(A) of the Public Health Service Act (42 U.S.C. 254d) is amended by striking striking "(not to exceed $1,000)".

(d) ADEQUATE STAFF FOR CORPS PROGRAM.—Section 331 of the Public Health Service Act (42 (U.S.C. 254d) is amended by striking subsection (h) and inserting the following new subsection:

"(h) The Secretary shall ensure that adequate staff is provided to the Service with respect to effectively administering the program for the Corps.".

(e) TECHNICAL AMENDMENT REGARDING DEFINITIONS.—Section 331(i) of the Public Health Service Act (42 U.S.C. 254d(i)) is amended in the matter preceding paragraph (1) by inserting "and subpart III" before the colon.

SEC. 102. DESIGNATION OF HEALTH MANPOWER SHORTAGE AREAS.

(a) PUBLICATION OF DESIGNATIONS AND REVISIONS.—Section 332(d) of the Public Health Service Act (42 U.S.C. 254e(d)) is amended by inserting "(1)" after the subsection designation and by adding at the end the following new paragraph:

Federal Register, publication.

"(2) For purposes of paragraph (1), a complete descriptive list shall be published in the Federal Register not later than July 1 of 1991 and each subsequent year.".

(b) DEFINITION OF MEDICAL FACILITY.—Section 332(a)(2) of the Public Health Service Act (42 U.S.C. 254e(a)(2)) is amended—

(1) in subparagraph (A), by inserting before "and community health center" the following: "facility operated by a city or county health department,";

(2) in subparagraph (B), by inserting before the semicolon the following: ", and a health program or facility operated by a tribe or tribal organization under the Indian Self-Determination Act"; and

(3) in subparagraph (C)—

(A) by striking "sections 321" and inserting "section 321", by striking "or" before "326", and by striking "or section 320" and inserting "320"; and

(B) by inserting before the semicolon at the end the following: ", or 340 (relating to the provision of health services to homeless individuals)".

(c) REMOVAL OF SUPERFLUOUS REFERENCES.—Section 332 of the Public Health Service Act (42 U.S.C. 254e) is amended—

(1) in subsection (b), in the first sentence of the matter preceding paragraph (1), by striking ", promulgated not later than May 1, 1977,";

(2) in subsection (c), by striking paragraph (1) and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(3) in subsection (d)(1) (as designated by subsection (a) of this section), by striking ", not later than November 1, 1977,"; and

(4) in subsection (f), by inserting "and" after the semicolon at the end of paragraph (1), and by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

SEC. 103. ASSIGNMENT OF CORPS PERSONNEL.

(a) REQUIREMENT OF APPROPRIATE AND EFFICIENT USE OF CURRENT PERSONNEL AS CONDITION OF RECEIVING FURTHER PERSONNEL.—Section 333(a)(1)(D)(ii)(II) of the Public Health Service Act (42 U.S.C. 254f(a)(1)(D)(ii)(II)) is amended—

(1) by striking "will be" and inserting "has been"; and

(2) by inserting "any" before "Corps".

(b) TECHNICAL AND CONFORMING AMENDMENTS REGARDING ADDITIONAL PROVISIONS ON PRIORITY AND ON EFFECTIVE SERVICE OF PERSONNEL.—Section 333 of the Public Health Service Act (42 U.S.C. 254f) is amended—

(1) by striking subsections (b), (c), (f), (h), (j), and (k); and

(2) by redesignating subsections (d), (e), (g), and (i) as subsections (b), (c), (d), and (e), respectively.

SEC. 104. PRIORITIES IN ASSIGNMENT OF CORPS PERSONNEL.

Subpart II of part D of title III of the Public Health Service Act (42 U.S.C. 254d et seq.) is amended by inserting after section 333 the following new section:

"SEC. 333A. PRIORITIES IN ASSIGNMENT OF CORPS PERSONNEL. 42 USC 554f-1.

"(a) IN GENERAL.—In approving applications made under section 333 for the assignment of Corps members, the Secretary shall—

"(1) give priority to any such application that—

"(A) is made regarding the provision of primary health services to a health manpower shortage area with the greatest such shortage, as determined in accordance with subsection (b); and

"(B) is made by an entity that—

"(i) serves a health manpower shortage area described in subparagraph (A);

"(ii) coordinates the delivery of primary health services with related health and social services;

"(iii) has a documented record of sound fiscal management; and

"(iv) will experience a negative impact on its capacity to provide primary health services if a Corps member is not assigned to the entity;

"(2) with respect to the geographic area in which the health manpower shortage area is located, take into consideration the willingness of individuals in the geographic area, and of the

appropriate governmental agencies or health entities in the area, to assist and cooperate with the Corps in providing effective primary health services; and

"(3) take into consideration comments of medical, osteopathic, dental, or other health professional societies whose members deliver services to the health manpower shortage area, or if no such societies exist, comments of physicians, dentists, or other health professionals delivering services to the area.

"(b) EXCLUSIVE FACTORS FOR DETERMINING GREATEST SHORTAGES.—In making a determination under subsection (a)(1)(A) of the health manpower shortage areas with the greatest such shortages, the Secretary may consider only the following factors:

"(1) The ratio of available health manpower to the number of individuals in the area or population group involved, or served by the medical facility or other public facility involved.

"(2) Indicators of need as follows:

"(A) The rate of low birthweight births.

"(B) The rate of infant mortality.

"(C) The rate of poverty.

"(D) Access to primary health services, taking into account the distance to such services.

"(c) ESTABLISHMENT OF CRITERIA FOR DETERMINING PRIORITIES.—

"(1) IN GENERAL.—The Secretary shall establish criteria specifying the manner in which the Secretary makes a determination under subsection (a)(1)(A) of the health manpower shortage areas with the greatest such shortages. Such criteria shall specify the manner in which the factors described in subsection (b) are implemented regarding such a determination.

Federal Register, publication.

"(2) PUBLICATION OF CRITERIA.—The criteria required in paragraph (1) shall be published in the Federal Register not later than July 1, 1991. Any revisions made in the criteria by the Secretary shall be effective upon publication in the Federal Register.

"(d) NOTIFICATIONS REGARDING PRIORITIES.—

"(1) PREPARATION OF LIST FOR APPLICABLE PERIOD.—For the purpose of carrying out paragraph (2), the Secretary shall prepare a list of health manpower shortage areas that are receiving priority under subsection (a)(1) in the assignment of Corps members for the period applicable under subsection (f). Such list—

"(A) shall include a specification, for each such health manpower shortage area, of the entities for which the Secretary has provided an authorization to receive assignments of Corps members in the event that Corps members are available for the assignments; and

"(B) shall, of the entities for which an authorization described in subparagraph (A) has been provided, specify—

"(i) the entities provided such an authorization for the assignment of Corps members who are participating in the Scholarship Program;

"(ii) the entities provided such an authorization for the assignment of Corps members who are participating in the Loan Repayment Program; and

"(iii) the entities provided such an authorization for the assignment of Corps members who have become Corps members other than pursuant to contractual

obligations under the Scholarship or Loan Repayment Programs.

The Secretary may set forth such specifications by medical specialty.

"(2) NOTIFICATION OF AFFECTED PARTIES.—

"(A) Not later than 30 days after the preparation of each list under paragraph (1), the Secretary shall notify entities specified for purposes of subparagraph (A) of such paragraph of the fact that the entities have been provided an authorization to receive assignments of Corps members in the event that Corps members are available for the assignments.

"(B) In the case of individuals with respect to whom a period of obligated service under the Scholarship Program will begin during the period under subsection (f) for which a list under paragraph (1) is prepared, the Secretary shall, not later than 30 days after the preparation of each such list, provide to such individuals the names of each of the entities specified for purposes of paragraph (1)(B)(i) that is appropriate to the medical specialty of the individuals.

"(3) REVISIONS IN LIST.—If the Secretary makes a revision in a list under paragraph (1) during the period under subsection (f) to which the list is applicable, and the revision alters the status of an entity with respect to the list, the Secretary shall notify the entity of the effect on the entity of the revision. Such notification shall be provided not later than 30 days after the date on which the revision is made.

"(e) LIMITATION ON NUMBER OF ENTITIES OFFERED AS ASSIGNMENT CHOICES IN SCHOLARSHIP PROGRAM.—

"(1) DETERMINATION OF AVAILABLE CORPS MEMBERS.—The Secretary shall determine the number of participants in the Scholarship Program who are available for assignments under section 333 for the period applicable under subsection (f).

"(2) AVAILABILITY OF 500 OR FEWER MEMBERS.—If the number of participants for purposes of paragraph (1) is less than 500, the Secretary shall limit the number of entities specified under subsection (d)(1)(B)(i) to the lesser of—

"(A) 500 such entities; and

"(B) a number of such entities constituting 300 percent of the number of such participants available for assignment under section 333.

"(3) AVAILABILITY OF MORE THAN 500 MEMBERS.—If the number of participants for purposes of paragraph (1) is equal to or greater than 500, the Secretary shall determine the number of entities to be specified under subsection (d)(1)(B)(i), subject to ensuring that assignments of such participants are made to 500 entities that serve health manpower shortage areas that have chronic difficulty in recruiting and retaining health professionals to provide primary health services.

"(4) ADJUSTMENT IN BASE NUMBER.—The number 500, as used for purposes of paragraphs (2) and (3), may by regulation be adjusted by the Secretary to a greater or a lesser number.

"(f) APPLICABLE PERIOD REGARDING PRIORITIES.—

"(1) IN GENERAL.—With respect to determinations under subsection (a)(1) of the applications that are to be given priority regarding the assignment of Corps members, the Secretary shall

make such a determination not less than once each fiscal year. The first determination shall be made not later than July 1 of the year preceding the year in which the period of obligated service begins. If the Secretary revises the determination before July 1 of the following year, the revised determination shall be applicable with respect to assignments of Corps members made during the period beginning on the date of the issuance of the revised determination and ending on July 1 of such year.

"(2) DATE CERTAIN FOR PREPARATION OF NOTIFICATION LIST.—A list under subsection (d)(1) shall be prepared for each of the periods decribed in paragraph (1). Each such list shall be prepared not later than the date on which a determination of priorities under such paragraph is required to be made for the period involved.".

SEC. 105. COST SHARING.

Section 334(f)(2) of the Public Health Service Act (42 U.S.C. 254g(f)(2)) is amended by adding at the end the following new subparagraph:

"(C)(i) A determination under subparagraph (B) regarding the revenues and costs of an entity in an annual period shall be made by the Secretary utilizing criteria specific to the entity and shall be made without regard to whether the entity is making progress toward collecting sufficient revenues to provide an adequate level of primary health services without the assignment of Corps members.

"(ii) In making a determination referred to in clause (i)—

"(I) the Secretary may consider whether the proposed budget submitted under subparagraph (A) provides a reasonable estimate regarding the revenues and costs of the entity; and

"(II) may not consider the reasonableness of the amount of revenues collected, or the amount of costs incurred by the entity, except to the extent necessary to ensure that the entity is operating in good faith and is operating efficiently with respect to fiscal matters within the control of the entity.

"(iii) A determination of whether an entity is eligible for a waiver under paragraph (3) shall be made by the Secretary without regard to the revenues and costs determined by the Secretary under subparagraph (B).

"(iv) A determination of whether an entity is a small health center shall be made by the Secretary without regard to the revenues and costs determined by the Secretary under subparagraph (B).".

SEC. 106. ADMITTING PRIVILEGES OF HEALTH CARE PROFESSIONALS.

Section 335(e)(1)(A) of the Public Health Service Act (42 U.S.C. 254h(e)(1)(A)) is amended by striking "authorized physician" and all that follows through "admitting" and inserting "authorized Corps member admitting".

SEC. 107. PROVISIONS REGARDING EFFECTIVE PROVISION OF SERVICES.

Section 336 of the Public Health Service Act (42 U.S.C. 254h-1) is amended to read as follows:

"SEC. 336. FACILITATION OF EFFECTIVE PROVISION OF CORPS SERVICES.

"(a) CONSIDERATION OF INDIVIDUAL CHARACTERISTICS OF MEMBERS IN MAKING ASSIGNMENTS.—In making an assignment of a Corps member to an entity that has had an application approved under

section 333, the Secretary shall, subject to making the assignment in accordance with section 333A, seek to assign to the entity a Corps member who has (and whose spouse, if any, has) characteristics that increase the probability that the member will remain in the health manpower shortage area involved after the completion of the period of service in the Corps.

"(b) COUNSELING ON SERVICE IN CORPS.—

"(1) IN GENERAL.—The Secretary shall, subject to paragraph (3), offer appropriate counseling on service in the Corps to individuals during the period of membership in the Corps, particularly during the initial period of each assignment.

"(2) CAREER ADVISOR REGARDING OBLIGATED SERVICE.—

"(A) In the case of individuals who have entered into contracts for obligated service under the Scholarship or Loan Repayment Program, counseling under paragraph (1) shall include appropriate counseling on matters particular to such obligated service. The Secretary shall ensure that career advisors for providing such counseling are available to such individuals throughout the period of participation in the Scholarship or Loan Repayment Program.

"(B) With respect to the Scholarship Program, counseling under paragraph (1) shall include counseling individuals during the period in which the individuals are pursuing an educational degree in the health profession involved, including counseling to prepare the individual for service in the Corps.

"(3) EXTENT OF COUNSELING SERVICES.—With respect to individuals who have entered into contracts for obligated service under the Scholarship or Loan Repayment Program, this subsection shall be carried out regarding such individuals throughout the period of obligated service (and, additionally, throughout the period specified in paragraph (2)(B), in the case of the Scholarship Program). With respect to Corps members generally, this subsection shall be carried out to the extent practicable.

"(c) GRANTS REGARDING PREPARATION OF STUDENTS FOR PRACTICE.—With respect to individuals who have entered into contracts for obligated service under the Scholarship or Loan Repayment Program, the Secretary may make grants to, and enter into contracts with, public and nonprofit private entities (including health professions schools) for the conduct of programs designed to prepare such individuals for the effective provision of primary health services in the health manpower shortage areas to which the individuals are assigned.

"(d) ASSISTANCE IN ESTABLISHING LOCAL PROFESSIONAL RELATIONSHIPS.—The Secretary shall assist Corps members in establishing appropriate professional relationships between the Corps member involved and the health professions community of the geographic area with respect to which the member is assigned, including such relationships with hospitals, with health professions schools, with area health education centers under section 781, with health education and training centers under such section, and with border health education and training centers under such section. Such assistance shall include assistance in obtaining faculty appointments at health professions schools.

"(e) TEMPORARY RELIEF FROM CORPS DUTIES.—

"(1) IN GENERAL.—The Secretary shall, subject to paragraph (4), provide assistance to Corps members in establishing arrangements through which Corps members may, as appropriate, be provided temporary relief from duties in the Corps in order to pursue continuing education in the health professions, to participate in exchange programs with teaching centers, to attend professional conferences, or to pursue other interests, including vacations.

"(2) ASSUMPTION OF DUTIES OF MEMBER.—

"(A) Temporary relief under paragraph (1) may be provided only if the duties of the Corps member involved are assumed by another health professional. With respect to such temporary relief, the duties may be assumed by Corps members or by health professionals who are not Corps members, if the Secretary approves the professionals for such purpose. Any health professional so approved by the Secretary shall, during the period of providing such temporary relief, be deemed to be a Corps member for purposes of section 224 (including for purposes of the remedy described in such section), section 333(f), and section 335(e).

"(B) In carrying out paragraph (1), the Secretary shall provide for the formation and continued existence of a group of health professionals to provide temporary relief under such paragraph.

"(3) RECRUITMENT FROM GENERAL HEALTH PROFESSIONS COMMUNITY.—In carrying out paragraph (1), the Secretary shall—

"(A) encourage health professionals who are not Corps members to enter into arrangements under which the health professionals temporarily assume the duties of Corps members for purposes of paragraph (1); and

"(B) with respect to the entities to which Corps members have been assigned under section 333, encourage the entities to facilitate the development of arrangements described in subparagraph (A).

"(4) LIMITATION.—In carrying out paragraph (1), the Secretary may not, except as provided in paragraph (5), obligate any amounts (other than for incidental expenses) for the purpose of—

"(A) compensating a health professional who is not a Corps member for assuming the duties of a Corps member; or

"(B) paying the costs of a vacation, or other interests that a Corps member may pursue during the period of temporary relief under such paragraph.

"(5) SOLE PROVIDERS OF HEALTH SERVICES.—In the case of any Corps member who is the sole provider of health services in the geographic area involved, the Secretary may, from amounts appropriated under section 338, obligate on behalf of the member such sums as the Secretary determines to be necessary for purposes of providing temporary relief under paragraph (1).

"(f) DETERMINATIONS REGARDING EFFECTIVE SERVICE.—In carrying out subsection (a) and sections 338A(d) and 338B(d), the Secretary shall carry out activities to determine—

"(1) the characteristics of physicians, dentists, and other health professionals who are more likely to remain in practice in health manpower shortage areas after the completion of the period of service in the Corps;

"(2) the characteristics of health manpower shortage areas, and of entities seeking assignments of Corps members, that are more likely to retain Corps members after the members have completed the period of service in the Corps; and

"(3) the appropriate conditions for the assignment and utilization in health manpower shortage areas of certified nurse practitioners, certified nurse midwives, and physician assistants.".

SEC. 108. AUTHORIZATION OF APPROPRIATIONS.

Section 338(a) of the Public Health Service Act (42 U.S.C. 254k(a)) is amended—

(1) by inserting "(1)" after the subsection designation;

(2) in paragraph (1) (as so designated), by striking "To carry" and all that follows and inserting the following: "For the purpose of carrying out this subpart, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1991 through 2000."; and

(3) by inserting at the end the following new paragraph: "(2) In the case of individuals who serve in the Corps other than pursuant to obligated service under the Scholarship or Loan Repayment Program, the Secretary each fiscal year shall, to the extent practicable, make assignments under section 333 of such individuals who are certified nurse midwives, certified nurse practitioners, or physician assistants.".

TITLE II—SCHOLARSHIP AND LOAN REPAYMENT PROGRAMS OF NATIONAL HEALTH SERVICE CORPS

SEC. 201. SCHOLARSHIP PROGRAM.

(a) PROVISION OF PRIMARY HEALTH SERVICES.—

(1) IN GENERAL.—Section 338A(a) of the Public Health Service Act (42 U.S.C. 254l (a)) is amended by striking "Corps Scholarship" and all that follows and inserting the following: "Corps Scholarship Program to assure, with respect to the provision of primary health services pursuant to section 331(a)(2)—

"(1) an adequate supply of physicians, dentists, certified nurse midwives, certified nurse practitioners, and physician assistants; and

"(2) if needed by the Corps, an adequate supply of other health professionals.".

(2) SCHOLARSHIP CONTRACT.—Section 338A(f)(1)(B)(iv) of the Public Health Service Act (42 U.S.C. 254l(f)(1)(B)(iv)) is amended in the matter after and below subclause (II) by inserting "as a provider of primary health services" before "in a health manpower shortage area".

(b) RECRUITMENT AND RETENTION.—

(1) IN GENERAL.—Section 338A(c) of the Public Health Service Act (42 U.S.C. 254*l*(c)) is amended—

(A) by inserting "(1)" after the subsection designation;

(B) by striking "(1) a fair summary" and inserting "(A) a fair summary";

(C) by striking "(2) information respecting" and inserting "(B) information respecting";

(D) by striking "The application form, contract form," and inserting the following:

"(2) The application form, contract form,"; and

(E) by adding at the end the following new paragraph:

"(3)(A) The Secretary shall distribute to health professions schools materials providing information on the Scholarship Program and shall encourage the schools to disseminate the materials to the students of the schools.

"(B)(i) In the case of any health professional whose period of obligated service under the Scholarship Program is nearing completion, the Secretary shall encourage the individual to remain in a health manpower shortage area and to continue providing primary health services.

"(ii) During the period in which a health professional is planning and making the transition to private practice from obligated service under the Scholarship Program, the Secretary may provide assistance to the professional regarding such transition if the professional is remaining in a health manpower shortage area and is continuing to provide primary health services.

"(C) In the case of entities to which participants in the Scholarship Program are assigned under section 333, the Secretary shall encourage the entities to provide options with respect to assisting the participants in remaining in the health manpower shortage areas involved, and in continuing to provide primary health services, after the period of obligated service under the Scholarship Program is completed. The options with respect to which the Secretary provides such encouragement may include options regarding the sharing of a single employment position in the health professions by 2 or more health professionals, and options regarding the recruitment of couples where both of the individuals are health professionals.".

(2) PUBLICITY.—Section 338A(c) of the Public Health Service Act, as amended by paragraph (1) of this subsection, is amended in paragraph (1)(B) by inserting before the period the following: ", including a statement of all factors considered in approving applications for participation in the Program and in making assignments for participants in the Program".

Government contracts.

(c) PRIORITY IN AWARDING SCHOLARSHIPS.—Section 338A(d) of the Public Health Service Act (42 U.S.C. 254*l*(d)) is amended to read as follows:

"(d)(1) Subject to section 333A, in providing contracts under the Scholarship Program—

"(A) the Secretary shall consider the extent of the demonstrated interest of the applicants for the contracts in providing primary health services; and

"(B) may consider such other factors regarding the applicants as the Secretary determines to be relevant to selecting qualified individuals to participate in such Program.

"(2) In providing contracts under the Scholarship Program, the Secretary shall give priority—

"(A) first, to any application for such a contract submitted by an individual who has previously received a scholarship under this section or under section 758;

"(B) second, to any application for such a contract submitted by an individual who has characteristics that increase the probability that the individual will continue to serve in a health

manpower shortage area after the period of obligated service pursuant to subsection (f) is completed; and

"(C) third, subject to subparagraph (B), to any application for such a contract submitted by an individual who is from a disadvantaged background.".

(d) REPORTS TO CONGRESS.—Section 338A(i) of the Public Health Service Act (42 U.S.C. 254l(i)) is amended—

(1) by amending the matter preceding paragraph (1) to read as follows:

"(i) Not later than March 1 of each year, the Secretary shall submit to the Congress a report providing, with respect to the preceding fiscal year—"; and

(2)(A) in paragraph (3), by striking "and" after the semicolon at the end;

(B) by striking paragraph (4); and

(C) by adding at the end the following new paragraphs:

"(4) the amount of scholarship payments made for each of tuition, stipends, and other expenses, in the aggregate and at each educational institution for the school year beginning in such year and for prior school years;

"(5)(A) the number, and type of health professions training, of individuals who have breached the contract under subsection (f) through any of the actions specified in subsection (a) or (b) of section 338E; and

"(B) with respect to such individuals—

"(i) the educational institutions with respect to which payments have been made or were to be made under the contract;

"(ii) the amounts for which the individuals are liable to the United States under section 338E;

"(iii) the extent of payment by the individuals of such amounts; and

"(iv) if known, the basis for the decision of the individuals to breach the contract under subsection (f); and

"(6) the effectiveness of the Secretary in recruiting health professionals to participate in the Scholarship Program, and in encouraging and assisting such professionals with respect to providing primary health services to health manpower shortage areas after the completion of the period of obligated service under such Program.".

SEC. 202. LOAN REPAYMENT PROGRAM.

(a) PROVISION OF PRIMARY HEALTH SERVICES.—

(1) IN GENERAL.—Section 338B(a) of the Public Health Service Act (42 U.S.C. 254l-1(a)) is amended by striking "Corps Loan" and all that follows and inserting the following: "Corps Loan Repayment Program to assure, with respect to the provision of primary health services pursuant to section 331(a)(2)—

"(1) an adequate supply of physicians, dentists, certified nurse midwives, certified nurse practitioners, and physician assistants; and

"(2) if needed by the Corps, an adequate supply of other health professionals (including mental health professionals).".

(2) LOAN REPAYMENT CONTRACT.—Section 338B(f)(1)(B)(iv) of the Public Health Service Act (42 U.S.C. 254l(f)(1)(B)(iv)) is amended by inserting "as a provider of primary health services" before "in a health manpower shortage area". 42 USC 254*l*-1.

(b) ELIGIBILITY.—

(1) IN GENERAL.—

(A) Section 338B(b)(1) of the Public Health Service Act (42 U.S.C. 254l-1(b)(1)) is amended to read as follows:

"(1)(A) must have a degree in medicine, osteopathic medicine, dentistry, or other health profession, or be certified as a nurse midwife, nurse practioner, or physician assistant;

"(B) be enrolled in an approved graduate training program in medicine, osteopathic medicine, dentistry, or other health profession; or

"(C) be enrolled as a full-time student—

"(i) in an accredited (as determined by the Secretary) educational institution in a State; and

"(ii) in the final year of a course of a study or program, offered by such institution and approved by the Secretary, leading to a degree in medicine, osteopathic medicine, dentistry, or other health profession;".

(B) Section 338B(f)(1)(B) of the Public Health Service Act (42 U.S.C. 254l-1(f)(1)(B)) is amended in clauses (ii) and (iii) by striking "(b)(1)(A)" each place such term appears and inserting "(b)(1)(C)".

(2) TIME FOR SUBMISSION OF CONTRACT.—

(A) Section 338B(b) of the Public Health Service Act (42 U.S.C. 254l-1(b)) is amended—

(i) by adding "and" after the semicolon at the end of paragraph (2); and

(ii) by striking paragraphs (3) and (4), and by inserting after paragraph (2) the following:

"(3) submit to the Secretary an application for a contract described in subsection (f) (relating to the payment by the Secretary of the educational loans of the individual in consideration of the individual serving for a period of obligated service).".

(B) Section 338B(e) of the Public Health Service Act (42 U.S.C. 254l-1(e)) is amended by striking "only" and all that follows and inserting the following: "only upon the Secretary and the individual entering into a written contract described in subsection (f).".

(c) INCENTIVES FOR RECRUITMENT AND RETENTION.—Section 338B(c) of the Public Health Service Act (42 U.S.C. 254l-1(c)) is amended by adding at the end the following new paragraph:

"(4) RECRUITMENT AND RETENTION.—

"(A) The Secretary shall distribute to health professions schools materials providing information on the Loan Repayment Program and shall encourage the schools to disseminate the materials to the students of the schools.

"(B)(i) In the case of any health professional whose period of obligated service under the Loan Repayment Program is nearing completion, the Secretary shall encourage the individual to remain in a health manpower shortage area and to continue providing primary health services.

"(ii) During the period in which a health professional is planning and making the transition to private practice from obligated service under the Loan Repayment Program, the Secretary may provide assistance to the professional regarding such transition if the professional is

remaining in a health manpower shortage area and is continuing to provide primary health services.

"(C) In the case of entities to which participants in the Loan Repayment Program are assigned under section 333, the Secretary shall encourage the entities to provide options with respect to assisting the participants in remaining in the health manpower shortage areas involved, and in continuing to provide primary health services, after the period of obligated service under the Loan Repayment Program is completed. The options with respect to which the Secretary provides such encouragement may include options regarding the sharing of a single employment position in the health professions by 2 or more health professionals, and options regarding the recruitment of couples where both of the individuals are health professionals.".

(d) PRIORITY IN MAKING AWARDS.—Section 338B(d) of the Public Health Service Act (42 U.S.C. 254l-1(d)) is amended to read as follows:

"(d)(1) Subject to section 333A, in providing contracts under the Loan Repayment Program—

"(A) the Secretary shall consider the extent of the demonstrated interest of the applicants for the contracts in providing primary health services; and

"(B) may consider such other factors regarding the applicants as the Secretary determines to be relevant to selecting qualified individuals to participate in such Program.

"(2) In providing contracts under the Loan Repayment Program, the Secretary shall give priority—

"(A) to any application for such a contract submitted by an individual whose training is in a health profession or specialty determined by the Secretary to be needed by the Corps;

"(B) to any application for such a contract submitted by an individual who has (and whose spouse, if any, has) characteristics that increase the probability that the individual will continue to serve in a health manpower shortage area after the period of obligated service pursuant to subsection (f) is completed; and

"(C) subject to subparagraph (B), to any application for such a contract submitted by an individual who is from a disadvantaged background.".

(e) CONTENTS OF CONTRACT.—Section 338B(f)(2) of the Public Health Service Act (42 U.S.C. 254l-1(f)(2)) is amended by inserting before the semicolon the following: ", including extensions resulting in an aggregate period of obligated service in excess of 4 years".

(f) PAYMENTS.—

(1) CLARIFICATION REGARDING UNDERGRADUATE LOANS.—Section 338B(g)(1) of the Public Health Service Act (42 U.S.C. 254l-1(g)(1)) is amended in the matter preceding subparagraph (A) by striking "loans received by the individual for—" and inserting the following: "loans received by the individual regarding the undergraduate or graduate education of the individual (or both), which loans were made for—".

(2) ANNUAL AMOUNT OF REPAYMENTS.—Section 338B(g)(2) of the Public Health Service Act (42 U.S.C. 254l-1(g)(2)) is amended—

(A) in subparagraph (A)—

(i) by striking "Except" and all that follows through "for each" and inserting "For each";

(ii) by striking "$20,000" and inserting "$35,000"; and and

(iii) by adding at the end the following new sentence: "In making a determination of the amount to pay for a year of such service by an individual, the Secretary shall consider the extent to which each such determination—

"(i) affects the ability of the Secretary to maximize the number of contracts that can be provided under the Loan Repayment Program from the amounts appropriated for such contracts;

"(ii) provides an incentive to serve in health manpower shortage areas with the greatest such shortages; and

"(iii) provides an incentive with respect to the health professional involved remaining in a health manpower shortage area, and continuing to provide primary health services, after the completion of the period of obligated service under the Loan Repayment Program."; and

(B) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B).

(g) TAX LIABILITY.—

(1) IN GENERAL.—Section 338B(g)(3) of the Public Health Service Act (42 U.S.C. 2541-1(g)(3)) is amended to read as follows:

"(3) TAX LIABILITY.—For the purpose of providing reimbursements for tax liability resulting from payments under paragraph (2) on behalf of an individual—

"(A) the Secretary shall, in addition to such payments, make payments to the individual in an amount equal to 39 percent of the total amount of loan repayments made for the taxable year involved; and

"(B) may make such additional payments as the Secretary determines to be appropriate with respect to such purpose.".

42 USC 254*l*-1.

(2) APPLICABILITY OF AMENDMENT.—The amendment made by paragraph (1) shall apply only with respect to contracts under section 338B of the Public Health Service Act (relating to service in the National Health Service Corps) that are entered into on or after the effective date of this Act.

(h) REPORTS TO CONGRESS.—Section 338B(i) of the Public Health Service Act (42 U.S.C. 2541-1(i)) is amended to read as follows:

"(i) REPORTS.—Not later than March 1 of each year, the Secretary shall submit to the Congress a report providing, with respect to the preceding fiscal year—

"(1) the total amount of loan payments made under the Loan Repayment Program;

"(2) the number of applications filed under this section;

"(3) the number, and type of health profession training, of individuals receiving loan repayments under such Program;

"(4) the educational institution at which such individuals received their training;

"(5) the total amount of the indebtedness of such individuals for educational loans as of the date on which the individuals become participants in such Program;

"(6) the number of years of obligated service specified for such individuals in the initial contracts under subsection (f), and, in the case of individuals whose period of such service has been completed, the total number of years for which the individuals served in the Corps (including any extensions made for purposes of paragraph (2) of such subsection);

"(7)(A) the number, and type of health professions training, of such individuals who have breached the contract under subsection (f) through any of the actions specified in subsection (a) or (b) of section 338E; and

"(B) with respect to such individuals—

"(i) the educational institutions with respect to which payments have been made or were to be made under the contract;

"(ii) the amounts for which the individuals are liable to the United States under section 338E;

"(iii) the extent of payment by the individuals of such amounts; and

"(iv) if known, the basis for the decision of the individuals to breach the contract under subsection (f); and

"(8) the effectiveness of the Secretary in recruiting health professionals to participate in the Loan Repayment Program, and in encouraging and assisting such professionals with respect to providing primary health services to health manpower shortage areas after the completion of the period of obligated service under such Program.".

SEC. 203. APPLICABILITY OF BANKRUPTCY PROVISION TO REMAINING CONTRACTS UNDER FORMER PROGRAM.

(a) ESTABLISHMENT OF RULE SPECIFIC TO FORMER PROGRAM.—Section 338E(d)(3) of the Public Health Service Act (42 U.S.C. 254o(d)(3), is amended—

(1) by inserting "(A)" after the paragraph designation; and

(2) by adding at the end the following new subparagraph:

"(B)(i) Subparagraph (A) shall apply to any financial obligation of an individual under the provision of law specified in clause (ii) to the same extent and in the same manner as such subparagraph applies to any obligation of an individual under the Scholarship or Loan Repayment Program (or contract thereunder) for payment of damages.

"(ii) The provision of law referred to in clause (i) is subsection (f) of section 225 of this Act, as in effect prior to the repeal of such section by section 408(b)(1) of Public Law 94-484.".

(b) APPLICABILITY OF RULE.—With respect to any financial obligation of an individual under subsection (f) of section 225 of the Public Health Service Act, as in effect prior to the repeal of such section by section 408(b)(1) of Public Law 94-484, the amendment made by subsection (a) of this section applies to any backruptcy proceeding in which discharge of such an obligation has not been granted before the date that is 31 days after the date of the enactment of this Act. 42 USC 254o note.

SEC. 204. ESTABLISHMENT OF CORPS MEMBER REPLACEMENT FUND.

Subpart III of part D of title III of the Public Health Service Act (42 U.S.C. 254l et seq.) is amended by redesignating sections 338F through 338H as sections 338G through sections 338I, respectively, and by inserting after section 338E the following new section: 42 USC 254p, 254q, 254q-1.

42 USC 254o-1.

"SEC. 338F. FUND REGARDING USE OF AMOUNTS RECOVERED FOR CONTRACT BREACH TO REPLACE SERVICES LOST AS RESULT OF BREACH.

"(a) ESTABLISHMENT OF FUND.—There is established in the Treasury of the United States a fund to be known as the National Health Service Corps Member Replacement Fund (hereafter in this section referred to as the 'Fund'). The Fund shall consist of such amounts as may be appropriated under subsection (b) to the Fund. Amounts appropriated for the Fund shall remain available until expended.

"(b) AUTHORIZATION OF APPROPRIATIONS TO FUND.—For each fiscal year, there is authorized to be appropriated to the Fund an amount equal to the sum of—

"(1) the amount collected during the preceding fiscal year by the Federal Government pursuant to the liability of individuals under section 338E for the breach of contracts entered into under section 338A or 338B;

"(2) the amount by which grants under section 338I have, for such preceding fiscal year, been reduced under subsection (g)(2)(B) of such section; and

"(3) the aggregate of the amount of interest accruing during the preceding fiscal year on obligations held in the Fund pursuant to subsection (d) and the amount of proceeds from the sale or redemption of such obligations during such fiscal year.

"(c) USE OF FUND.—

"(1) PAYMENTS TO CERTAIN HEALTH FACILITIES.—Amounts in the Fund and available pursuant to appropriations Act may, subject to paragraph (2), be expended by the Secretary to make payments to any entity—

"(A) to which a Corps member has been assigned under section 333; and

"(B) that has a need for a health professional to provide primary health services as a result of the Corps member having breached the contract entered into under section 338A or 338B by the individual.

"(2) PURPOSE OF PAYMENTS.—An entity receiving payments pursuant to paragraph (1) may expend the payments to recruit and employ a health professional to provide primary health services to patients of the entity, or to enter into a contract with such a professional to provide the services to the patients.

"(d) INVESTMENT.—

"(1) IN GENERAL.—The Secretary of the Treasury shall invest such amounts of the Fund as such Secretary determines are not required to meet current withdrawals from the Fund. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired on original issue at the issue price, or by purchase of outstanding obligations at the market price.

"(2) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund may be sold by the Secretary of the Treasury at the market price.".

SEC. 205. REPORT AND AUTHORIZATION OF APPROPRIATIONS.

(a) REPORT.—

(1) DATE FOR REPORT.—Section 338H(a) of the Public Health Service Act, as redesignated by section 204 of this Act, is amended in the matter preceding paragraph (1) by striking "January 20" and inserting "March 1".

(2) INCREASE IN PERIOD FOR WHICH NEEDS PROJECTED.—Section 338H(a) of the Public Health Service Act, as redesignated by section 204 of this Act, is amended in paragraphs (1) and (2) by striking "3 fiscal years" each place such term appears and inserting "5 fiscal years".

(b) FUNDING.—Section 338H(b) of the Public Health Service Act, as redesignated by section 203 of this Act, is amended to read as follows:

"(b) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subpart, there are authorized to be appropriated $63,900,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 2000.

"(2) RESERVATION OF AMOUNTS.—

"(A) SCHOLARSHIPS FOR NEW PARTICIPANTS.—Of the amounts appropriated under paragraph (1) for a fiscal year, the Secretary shall obligate not less than 30 percent for the purpose of providing contracts for scholarships under this subpart to individuals who have not previously received such scholarships.

"(B) SCHOLARSHIPS FOR FIRST-YEAR STUDY IN CERTAIN FIELDS.—With respect to certification as a nurse practitioner, nurse midwife, or physician assistant, the Secretary shall, of the amounts appropriated under paragraph (1) for a fiscal year, obligate not less than 10 percent for the purpose of providing contracts for scholarships under this subpart to individuals who are entering the first year of study in a course of study or program described in subsection 338A(b)(1)(B) that leads to such a certification. Amounts obligated under this subparagraph shall be in addition to amounts obligated under subparagraph (A).".

TITLE III—GRANTS TO STATES FOR IMPROVEMENTS REGARDING HEALTH SERVICES

SEC. 301. ESTABLISHMENT OF PROGRAM FOR STATE LOAN REPAYMENTS REGARDING SERVICE IN HEALTH MANPOWER SHORTAGE AREAS.

Section 338I of the Public Health Service Act, as redesignated by section 204 of this Act, is amended to read as follows:

"SEC. 338I. GRANTS TO STATES FOR LOAN REPAYMENT PROGRAMS.

"(a) IN GENERAL.—

"(1) AUTHORITY FOR GRANTS.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, may make grants to States for the purpose of assisting the States in operating programs described in paragraph (2) in order to provide for the increased availability of primary health services in health manpower shortage areas.

"(2) LOAN REPAYMENT PROGRAMS.—The programs referred to in paragraph (1) are, subject to subsection (c), programs of entering into contracts under which the State involved agrees to pay all or part of the principal, interest, and related expenses of the educational loans of health professionals in consideration of

the professionals agreeing to provide primary health services in health manpower shortage areas.

"(3) DIRECT ADMINISTRATION BY STATE AGENCY.—The Secretary may not make a grant under paragraph (1) unless the State involved agrees that the program operated with the grant will be administered directly by a State agency.

"(b) REQUIREMENT OF MATCHING FUNDS.—

"(1) IN GENERAL.—The Secretary may not make a grant under subsection (a) unless the State agrees that, with respect to the costs of making payments on behalf of individuals under contracts made pursuant to paragraph (2) of such subsection, the State will make available (directly or through donations from public or private entities) non-Federal contributions in cash toward such costs in an amount equal to not less than $1 for each $1 of Federal funds provided in the grant.

"(2) DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION.—In determining the amount of non-Federal contributions in cash that a State has provided pursuant to paragraph (1), the Secretary may not include any amounts provided to the State by the Federal Government.

"(c) COORDINATION WITH FEDERAL PROGRAM.—

"(1) ASSIGNMENTS FOR HEALTH MANPOWER SHORTAGE AREAS UNDER FEDERAL PROGRAM.—The Secretary may not make a grant under subsection (a) unless the State involved agrees that, in carrying out the program operated with the grant, the State will assign health professionals participating in the program only to public and nonprofit private entities located in and providing health services in health manpower shortage areas.

"(2) REMEDIES FOR BREACH OF CONTRACTS.—The Secretary may not make a grant under subsection (a) unless the State involved agrees that the contracts provided by the State pursuant to paragraph (2) of such subsection will provide remedies for any breach of the contracts by the health professionals involved.

"(3) LIMITATION REGARDING CONTRACT INDUCEMENTS.—

"(A) Except as provided in subparagraph (B), the Secretary may not make a grant under subsection (a) unless the State involved agrees that the contracts provided by the State pursuant to paragraph (2) of such subsection will not be provided on terms that are more favorable to health professionals than the most favorable terms that the Secretary is authorized to provide for contracts under the Loan Repayment Program under section 338B, including terms regarding—

"(i) the annual amount of payments provided on behalf of the professionals regarding educational loans; and

"(ii) the availability of remedies for any breach of the contracts by the health professionals involved.

"(B) With respect to the limitation established in subparagraph (A) regarding the annual amount of payments that may be provided to a health professional under a contract provided by a State pursuant to subsection (a)(2), such limitation shall not apply with respect to a contract if—

"(i) the excess of such annual payments above the maximum amount authorized in section 338B(g)(2)(A) for annual payments regarding contracts is paid solely

from non-Federal contributions under subsection (b); and

"(ii) the contract provides that the health professional involved will satisfy the requirement of obligated service under the contract solely through the provision of primary health services in a health manpower shortage area that is receiving priority for purposes of section 333A(a)(1) and that is authorized to receive assignments under section 333 of individuals who are participating in the Scholarship Program under section 338A.

"(d) RESTRICTIONS ON USE OF FUNDS.—The Secretary may not make a grant under subsection (a) unless the State involved agrees that the grant will not be expended—

"(1) to conduct activities for which Federal funds are expended—

"(A) within the State to provide technical or other nonfinancial assistance under subsection (f) of section 330;

"(B) under a memorandum of agreement entered into with the State under subsection (h) of such section; or

"(C) under a grant under section 338J; or

"(2) for any purpose other than making payments on behalf of health professionals under contracts entered into pursuant to subsection (a)(2).

"(e) REPORTS.—The Secretary may not make a grant under subsection (a) unless the State involved agrees—

"(1) to submit to the Secretary reports providing the same types of information regarding the program operated pursuant to such subsection as reports submitted pursuant to subsection (i) of section 338B provide regarding the Loan Repayment Program under such section; and

"(2) to submit such a report not later than January 10 of each fiscal year immediately following any fiscal year for which the State has received such a grant.

"(f) REQUIREMENT OF APPLICATION.—The Secretary may not make a grant under subsection (a) unless an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out such subsection.

"(g) NONCOMPLIANCE.—

"(1) IN GENERAL.—The Secretary may not make payments under subsection (a) to a State for any fiscal year subsequent to the first fiscal year of such payments unless the Secretary determines that, for the immediately preceding fiscal year, the State has complied with each of the agreements made by the State under this section.

"(2) REDUCTION IN GRANT RELATIVE TO NUMBER OF BREACHED CONTRACTS.—

"(A) Before making a grant under subsection (a) to a State for a fiscal year, the Secretary shall determine the number of contracts provided by the State under paragraph (2) of such subsection with respect to which there has been an initial breach by the health professionals involved during the fiscal year preceding the fiscal year for which the State is applying to receive the grant.

"(B) Subject to paragraph (3), in the case of a State with 1 or more initial breaches for purposes of subparagraph (A), the Secretary shall reduce the amount of a grant under subsection (a) to the State for the fiscal year involved by an amount equal to the sum of the expenditures of Federal funds made regarding the contracts involved and an amount representing interest on the amount of such expenditures, determined with respect to each contract on the basis of the maximum legal rate prevailing for loans made during the time amounts were paid under the contract, as determined by the Treasurer of the United States.

"(3) WAIVER REGARDING REDUCTION IN GRANT.—The Secretary may waive the requirement established in paragraph (2)(B) with respect to the initial breach of a contract if the Secretary determines that such breach by the health professional involved was attributable solely to the professional having a serious illness.

"(h) DEFINITIONS.—For purposes of this section, the term 'State' means each of the several States.

"(i) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—For the purpose of making grants under subsection (a), there is authorized to be appropriated $10,000,000 for each of the fiscal years 1991 through 1995.

"(2) AVAILABILITY.—Amounts appropriated under paragraph (1) shall remain available until expended.".

SEC. 302. ESTABLISHMENT OF PROGRAM OF GRANTS TO STATES.

Subpart III of part D of title III of the Public Health Service Act, as amended by section 204 of this Act, is amended by redesignating section 338J as section 338K, and by inserting after section 338I the following new section:

42 USC 254s.

42 USC 254r.

"SEC. 338J. GRANTS TO STATES FOR OPERATION OF OFFICES OF RURAL HEALTH.

"(a) IN GENERAL.—The Secretary, acting through the Director of the Office of Rural Health Policy (established in section 711 of the Social Security Act), may make grants to States for the purpose of improving health care in rural areas through the operation of State offices of rural health.

"(b) REQUIREMENT OF MATCHING FUNDS.—

"(1) IN GENERAL.—The Secretary may not make a grant under subsection (a) unless the State involved agrees, with respect to the costs to be incurred by the State in carrying out the purpose described in such subsection, to provide non-Federal contributions in cash toward such costs in an amount equal to—

"(A) for the first fiscal year of payments under the grant, not less than $1 for each $3 of Federal funds provided in the grant;

"(B) for any second fiscal year of such payments, not less than $1 for each $1 of Federal funds provided in the grant; and

"(C) for any third fiscal year of such payments, not less than $3 for each $1 of Federal funds provided in the grant.

"(2) DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION.—

"(A) Subject to subparagraph (B), non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly

evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

"(B) The Secretary may not make a grant under subsection (a) unless the State involved agrees that—

"(i) for the first fiscal year of payments under the grant, 100 percent or less of the non-Federal contributions required in paragraph (1) will be provided in the form of in-kind contributions;

"(ii) for any second fiscal year of such payments, not more than 50 percent of such non-Federal contributions will be provided in the form of in-kind contributions; and

"(iii) for any third fiscal year of such payments, such non-Federal contributions will be provided solely in the form of cash.

"(c) CERTAIN REQUIRED ACTIVITIES.—The Secretary may not make a grant under subsection (a) unless the State involved agrees that activities carried out by an office operated pursuant to such subsection will include—

"(1) establishing and maintaining within the State a clearinghouse for collecting and disseminating information on—

"(A) rural health care issues;

"(B) research findings relating to rural health care; and

"(C) innovative approaches to the delivery of health care in rural areas;

"(2) coordinating the activities carried out in the State that relate to rural health care, including providing coordination for the purpose of avoiding redundancy in such activities; and

"(3) identifying Federal and State programs regarding rural health, and providing technical assistance to public and nonprofit private entities regarding participation in such programs.

"(d) REQUIREMENT REGARDING ANNUAL BUDGET FOR OFFICE.—The Secretary may not make a grant under subsection (a) unless the State involved agrees that, for any fiscal year for which the State receives such a grant, the office operated pursuant to subsection (a) will be provided with an annual budget of not less than $50,000.

"(e) CERTAIN USES OF FUNDS.—

"(1) RESTRICTIONS.—The Secretary may not make a grant under subsection (a) unless the State involved agrees that—

"(A) if research with respect to rural health is conducted pursuant to the grant, not more than 10 percent of the grant will be expended for such research; and

"(B) the grant will not be expended—

"(i) to provide health care (including providing cash payments regarding such care);

"(ii) to conduct activities for which Federal funds are expended—

"(I) within the State to provide technical and other nonfinancial assistance under subsection (f) of section 330;

"(II) under a memorandum of agreement entered into with the State under subsection (h) of such section; or

"(III) under a grant under section 338I;

"(iii) to purchase medical equipment, to purchase ambulances, aircraft, or other vehicles, or to purchase major communications equipment;

"(iv) to purchase or improve real property; or

"(v) to carry out any activity regarding a certificate of need.

"(2) AUTHORITIES.—Activities for which a State may expend a grant under subsection (a) include—

"(A) paying the costs of establishing an office of rural health for purposes of subsection (a);

"(B) subject to paragraph (1)(B)(ii)(III), paying the costs of any activity carried out with respect to recruiting and retaining health professionals to serve in rural areas of the State; and

"(C) providing grants and contracts to public and non-profit private entities to carry out activities authorized in this section.

"(f) REPORTS.—The Secretary may not make a grant under subsection (a) unless the State involved agrees—

"(1) to submit to the Secretary reports containing such information as the Secretary may require regarding activities carried out under this section by the State; and

"(2) to submit such a report not later than January 10 of each fiscal year immediately following any fiscal year for which the State has received such a grant.

"(g) REQUIREMENT OF APPLICATION.—The Secretary may not make a grant under subsection (a) unless an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out such subsection.

"(h) NONCOMPLIANCE.—The Secretary may not make payments under subsection (a) to a State for any fiscal year subsequent to the first fiscal year of such payments unless the Secretary determines that, for the immediately preceding fiscal year, the State has complied with each of the agreements made by the State under this section.

"(i) DEFINITIONS.—For purposes of this section, the term 'State' means each of the several States.

"(j) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—For the purpose of making grants under subsection (a), there are authorized to be appropriated $3,000,000 for fiscal year 1991, $4,000,000 for fiscal year 1992, and $3,000,000 for fiscal year 1993.

"(2) AVAILABILITY.—Amounts appropriated under paragraph (1) shall remain available until expended.

"(k) TERMINATION OF PROGRAM.—No grant may be made under this section after the aggregate amounts appropriated under subsection (j)(1) are equal to $10,000,000.".

TITLE IV—HEALTH PROFESSIONAL SHORTAGE AREAS

SEC. 401. MODIFICATION REGARDING TERM "HEALTH MANPOWER SHORTAGE AREA".

(b) PUBLIC HEALTH SERVICE ACT.—

(1) The Public Health Service Act, as amended by the preceding provisions of this Act, is amended in each of the provisions specified in paragraph (2)—

(A) by striking "health manpower shortage area" each place such term appears and inserting "health professional shortage area"; and

(B) in the case of each variation of the term "health manpower shortage area" that results from the capitalization of any of the letters of such term, from the use of the plural, from the use of the possessive, or from the use of different forms of typeface, or from any combination thereof, by striking each such variation each place the variation appears and inserting the analogous variation of the term "health professional shortage area".

(2) The provisions of the Public Health Service Act referred to in paragraph (1) are sections 303(d)(2)(B), 331, 332, 333, 333A, 334, 335, 336(a), 336A, 338A, 338B, 338C, 338D, 338G(a)(1), 338I, 735, 741(f)(1)(C), 759(a), 781(a)(2)(B)(iii), and 822.

42 USC 242a, 254d-254i, 254*l*-254n, 254p, 254q-1, 294h, 294n, 294aa, 295q-1, 296m.

(b) UNIFORMED SERVICES HEALTH PROFESSIONS REVITALIZATION ACT OF 1972.—Section 2123(e) of title 10, United States Code, is amended by striking out "an area of health manpower shortage" and inserting in lieu thereof "a health professional shortage area".

(c) SOCIAL SECURITY ACT.—The Social Security Act is amended—

(1) in section 1156(b)(5), by striking "health manpower shortage area (HMSA)" and inserting "health professional shortage area"; and

(2) in sections 1833(m), 1842(b)(4)(F), and 1861 (42 U.S.C. 1395l(m), 1395u(b)(4)(F), and 1395x), by striking "health manpower shortage area" each place such term appears and inserting "health professional shortage area".

(d) COMPREHENSIVE HEALTH MANPOWER TRAINING ACT OF 1971.—Section 202 of the Comprehensive Health Manpower Training Act of 1971 (42 U.S.C. 3505d) is amended—

(1) by striking out the section heading and inserting in lieu thereof the following:

"NATIONAL HEALTH PROFESSIONAL SHORTAGE CLEARINGHOUSE";

and

(2) in subsection (a), by striking out "Manpower" and inserting in lieu thereof "Professional".

(e) HEAD START ACT.—Section 645(a)(2)(B) of the Head Start Act (42 U.S.C. 9840(a)(2)(B)) is amended by striking "health manpower shortage area" and inserting "health professional shortage area".

TITLE V—GENERAL PROVISIONS

42 USC 242a note.

SEC. 501. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect October 1, 1990, or upon the date of the enactment of this Act, whichever occurs later.

Approved November 16, 1990.

LEGISLATIVE HISTORY—H.R. 4487 (S. 2617):

HOUSE REPORTS: No. 101-642 (Comm. on Energy and Commerce) and No. 101-945 (Comm. of Conference).
SENATE REPORTS: No. 101-370 accompanying S. 2617 (Comm. on Labor and Human Resources).
CONGRESSIONAL RECORD, Vol. 136 (1990):
July 30, considered and passed House.
Aug. 4, considered and passed Senate, amended, in lieu of S. 2617.
Oct. 26, House and Senate agreed to conference report.

O