

1       “(g) The Secretary shall report to Congress no later  
2 than May 15 of each year—

3               “(1) the number and identity of all medically  
4 underserved populations in each of the States in the  
5 calendar year preceding the year in which the report  
6 is made and the number of medically underserved popu-  
7 lations which the Secretary estimates will be designated  
8 under subsection (b) in the calendar year in which the  
9 report is made;

10              “(2) the number of applications filed in such pre-  
11 ceding calendar year for assignment of Corps personnel  
12 under this section and the action taken on each such  
13 application;

14              “(3) the number and types of Corps personnel  
15 assigned in such preceding year to provide health serv-  
16 ices for medically underserved populations, the number  
17 and types of additional Corps personnel which the Secre-  
18 tary estimates will be assigned to provide such services  
19 in the calendar year in which the report is submitted,  
20 and the need (if any) for additional personnel for the  
21 Corps;

22              “(4) the recruitment efforts engaged in for the  
23 Corps in such preceding year, including the programs  
24 carried out under subsection (f) (1) and the number

1 of qualified persons who applied for service in the Corps  
2 in each professional category;

3 “(5) the total number of patients seen and patient  
4 visits recorded during such preceding year in each area  
5 where Corps personnel were assigned;

6 “(6) the number of health personnel electing to  
7 remain after termination of their service in the Corps to  
8 provide health services to medically underserved popula-  
9 tions and the number of such personnel who do not make  
10 such election and the reasons for their departure;

11 “(7) the results of evaluations made under sub-  
12 section (c) (2) (B) (ii), and determinations made under  
13 subsection (c) (2) (B) (iii), during such preceding  
14 year; and

15 “(8) the amount (A) charged during such pre-  
16 ceding year for health services by Corps personnel,  
17 (B) collected in such year by entities in accordance with  
18 arrangements under subsection (e) (1), and (C) paid  
19 to the Secretary in such year under such arrangements.

20 “(h) (1) There is established a council to be known as  
21 the National Advisory Council on the National Health  
22 Service Corps (hereinafter in this section referred to as the  
23 ‘Council’). The Council shall be composed of fifteen members  
24 appointed by the Secretary as follows:

25 “(A) Four members shall be appointed from the

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Price, James G., M.D., president.
- American Association of Clinical Urologists:  
Carson, Russell, M.D., Fort Lauderdale, Fla., president.  
Lattimer, John K., chairman, Department of Urology, Columbia University College of Physicians and Surgeons.

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 Oliver, Robert W., executive director.
- American Association of Colleges of Nursing, Dr. June Rothberg, president.
- American Association of Colleges of Pharmacy:  
 Bliven, Charles W., executive secretary.  
 Skinner, William J., legislative and legal counsel.  
 Weaver, Warren E., Ph. D., chairman, executive committee.
- American Association of Colleges of Podiatric Medicine:  
 Baerg, Dr. Richard, dean and acting president, New York College of Podiatric Medicine.  
 Bailey, Dr. H. D., president.  
 Bates, Dr. James, president, Pennsylvania College of Podiatric Medicine.  
 Heil, Robert, executive director.  
 Rubin, Dr. Abe, president, Ohio College of Podiatric Medicine.
- American Association of Dental Auxiliaries, Charles A. Amenta, Jr., D.D.S., executive director.
- American Association of Dental Schools, Dr. Dale Redig, dean, University of the Pacific School of Dentistry.
- American Board of Medical Specialties, William D. Holden, M.D., member executive committee.
- American Dental Association:  
 Ginley, Dr. Tom, secretary, council on dental education.  
 Kunkel, Dr. Paul, chairman, council on legislation.  
 Redig, Dr. Dale, dean, University of the Pacific School of Dentistry.
- American Hospital Association:  
 Gehrig, Leo J., M.D., vice president.  
 Sauer, Larry, director, legislation division.  
 Thompson, David, M.D.
- American Medical Association:  
 Coleman, Francis C., M.D., chairman, council on health manpower.  
 Harrison, Bernard P., director, division of medical practice.  
 Pahl, Charles W., assistant director, legislative department.  
 Ruhe, C. H. William, M.D., director, division of medical education.  
 Sodeman, William A., M.D., past chairman, council on medical education.
- American Nurses' Association:  
 Blakeney, Hazle E., Ed. D., chairman, commission on nursing.  
 Holleran, Ms. Constance, deputy executive director.
- American Optometric Association:  
 Hopping, Richard L., O.D.  
 Yamamoto, Dennis, O.D., director, department of Federal educational affairs.
- American Veterinary Medical Association:  
 Besch, Dr. Everett D.  
 Decker, Dr. Winston, assistant executive vice president.  
 Hines, Dr. Martin.
- Association of American Medical Colleges:  
 Bowsher, Prentice, staff member.  
 Cooper, John A. D., M.D., president.  
 Tosteson, Daniel, M.D., chairman, executive council.
- Association of American Veterinary Medical Colleges, Dr. Everett D. Besch,  
 Association of Schools and Colleges of Optometry, Richard L. Hopping, O.D.
- Association of Schools of Public Health:  
 Breslow, Dr. Lester, president.  
 Cotton, Raymond.  
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- Association of University Programs in Health Administration:  
 Filerman, Dr. Gary L., executive director.  
 Griffith, Dr. John R., president.  
 Jaeger, Dr. Jon, chairman, Department of Health Administration, Duke University Medical School.  
 McCool, Dr. Barbara, assistant professor, program in hospital and health services administration, Northwestern University.
- CONSAD Research Corp., Pittsburgh, Pa., Donald M. McCartney.  
 Coordinating Council for Education in Health Sciences for San Diego and Imperial Counties, Calif., Mrs. Ann S. Bush, executive director.

## ORGANIZATIONS REPRESENTED AT THE HEARINGS—Continued

- Federation of Associations of Schools of the Health Professions, Robert W. Oliver' secretary-treasurer.
- Health, Education, and Welfare, Department of:
- Altman, Dr. Stuart H., Deputy Assistant Secretary (Health, Planning, and Analysis).
  - Buzzell, Harold O., Acting Director, Health Services Administration.
  - Cooper, Dr. Theodore, Deputy Assistant Secretary (Health).
  - Edwards, Dr. Charles C., Assistant Secretary for Health.
  - Endicott, Dr. Kenneth M., Administrator, Health Resources Administration.
  - Martin, Dr. Edward, Director, National Health Service Corps.
  - Samuel, Frank E., Jr., Deputy Assistant Secretary for Health Legislation.
- Institute of Medicine, National Academy of Sciences:
- Bulger, Roger, M.D., acting president.
  - Hanft, Mrs. Ruth S., senior research associate.
- National League for Nursing, Eloise R. Lewis, R.N., Ed. D., dean, School of Nursing, University of North Carolina at Greensboro.
- National Students Nurses' Association, Ms. Mary E. Foley, president.
- New Jersey, State of, Edward Cohen, assistant chancellor, health professions education, Department of Higher Education.
- North Carolina Area Health Education Centers program, John Payne, associate director.
- San Jose, Calif., Health Services Education Council, Stanley Parry, executive director.
- Student American Medical Association:
- Aaron, Phil R., speaker of the house.
  - Blatti, George, past president.
  - Kridel, Russell, immediate past president.
  - Lin, Sam, Ph. D.,
  - Norris, J. Ted, president.
- Student American Pharmaceutical Association:
- McGhan, Dr. William F., executive secretary.
  - Schondelmeyer, Stephen W., president.
- U.S. General Accounting Office:
- Dion, Joseph P., supervisory auditor, Los Angeles regional office.
  - Etze, Frank D., supervisory auditor, Manpower and Auditor Division.
  - Henig, Morton E., Associate Director, Manpower and Welfare Division.
  - Myers, Morton A., Assistant Director.
  - Williamson, Thomas, senior attorney.
- University of California, School of Medicine, Philip R. Lee, M.D., professor of social medicine and director, health policy program.
- University of North Carolina School of Medicine Area Health Education Centers program, Eugene S. Mayer, M.D., deputy director.
- University of Washington:
- Bennett, Roger, long-range planner, Health Science Center.
  - Citters, Robert L., Van, M.D., dean, School of Medicine.
  - Lein, John N., M.D., associate dean, School of Medicine.
  - Schwarz, M. Roy, M.D., associate dean, School of Medicine.

# HEALTH MANPOWER AND NURSE TRAINING—1974

MONDAY, MAY 20, 1974

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON PUBLIC HEALTH AND ENVIRONMENT,  
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,  
*Washington, D.C.*

The subcommittee met at 10 a.m. pursuant to notice, in room 2322, Rayburn House Office Building, Hon. Paul G. Rogers, chairman, presiding.

Mr. ROGERS. The subcommittee will come to order, please.

This morning the subcommittee begins 2 weeks of hearings on proposed revisions to the health manpower and nurse training authorities, whose funding provisions expire on June 30, 1974.

During this period we will hear testimony from representatives of the Department of Health, Education, and Welfare, panels of health experts who will discuss problems of physician supply, distribution, and the status of foreign medical graduates, as well as representatives of the various health professions affected by the bills before us.

Because we will not hear HEW witnesses until this afternoon, I will reserve my full statement until that time.

The Health Manpower Act of 1971 and the Nurse Training Act of 1971 for the first time used a "capitation" approach of providing assistance to health professions schools whereby schools were to receive institutional support based on student enrollment.

Because of a lack of data on the true costs of health education, the 1971 law requested the Institute of Medicine to provide estimates of the education costs per student in each of the health professions. The Institute of Medicine responded in January 1974 through publication of a thorough and extremely competent study entitled "Costs of Education in the Health Professions."

[The texts of H.R. 11539, H.R. 11587, H.R. 13174, H.R. 13469, H.R. 14196, H.R. 14357, H.R. 14721, H.R. 14722, H.R. 14930, H.R. 14931, H.R. 15051, H.R. 15112, H.R. 15128, H.R. 15177, H.R. 15211, H.R. 15225, and H.R. 15519, together with departmental reports thereon, follow:]

[H.R. 11539, 93d Cong., 1st sess., introduced by Mr. Staggers (for himself and Mr. Devine) on November 15, 1973, and H.R. 11587, 93d Cong., 1st sess., introduced by Mr. Hastings on November 27, 1973, are identical as follows:]

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## A BILL

To improve and extend the Public Health and National Health Service Corps scholarship training program.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Public Health and Na-  
4       tional Health Service Corps Scholarship Training Program  
5       Amendments of 1973".

6       SEC. 2. (a) Section 225 (a) of the Public Health Service  
7       Act is amended by striking out "other units of the Service"  
8       and inserting in lieu thereof "such other uniformed or civilian  
9       Federal health service as the Secretary may determine is  
10      appropriate".

1 (b) Section 225 (b) (3) of such Act is amended by  
2 striking out "be eligible for, or hold, an appointment as a  
3 commissioned officer in the Regular or Reserve Corps of the  
4 Service or" and inserting "or in such other uniformed or  
5 civilian Federal health service as the Secretary may deter-  
6 mine is appropriate" after the word "Corps".

7 (c) Section 225 (b) (4) of such Act is amended by  
8 striking out "in the Commissioned Corps of the Service or"  
9 and inserting "or in such other uniformed or civilian Federal  
10 health service as the Secretary may determine is appropriate"  
11 after the word "Corps".

12 (d) Section 225 (e) of such Act is amended (1) by  
13 amending the first clause of the first sentence to read "A  
14 person participating in the program shall be obligated fol-  
15 lowing completion of academic training to serve as a civilian  
16 member of the National Health Service Corps or in such  
17 other uniformed or civilian Federal health service as the  
18 Secretary may determine is appropriate,"; (2) by striking  
19 out the second sentence; and (3) by amending the last sen-  
20 tence by inserting "Federal health" before the word  
21 "facility", by placing a period after the word "facility", and  
22 by striking out "of the Service or other facility of the Na-  
23 tional Health Service Corps."

24 (e) Section 225 (i) is amended to read as follows:

1       “(i) There are authorized to be appropriated such sums  
2 as may be necessary to carry out the program.”

3       SEC. 3. This Act shall be effective with respect to appro-  
4 priations for fiscal years ending after June 30, 1973.



93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 13174

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 1974

Mr. ROGERS introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

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## A BILL

To amend the Public Health Service Act to extend to commissioned officers of the Service the benefits and immunities of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended.

1       *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That section 212 of the Public Health Service Act is  
4 amended by adding after subsection (d) the following new  
5 subsection:

6       “(e) Active service of commissioned officers of the  
7 Service shall be deemed to be active military service in the  
8 Armed Forces of the United States for the purposes of all  
9 rights, privileges, immunities, and benefits now or hereafter  
10 provided under the Soldiers' and Sailors' Civil Relief Act  
11 of 1940, as amended (50 App. U.S.C. 501 et seq.).”.

93<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

# H. R. 13469

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 13, 1974

MR. ROGERS (for himself, Mr. STAGGERS, Mr. KYROS, Mr. PREYER, Mr. SYMINGTON, Mr. ROY, Mr. NELSEN, Mr. CARTER, Mr. HASTINGS, Mr. HEINZ, and Mr. HUDNUT) introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

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## A BILL

To amend the Public Health Service Act to revise the National Health Service Corps program and the Public Health and National Health Service Corps Scholarship Training Program.

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. This Act may be cited as the "National  
4        Health Service Corps Amendment of 1974".

5        SEC. 2. (a) Section 329 of the Public Health Service  
6        Act is amended to read as follows:

7                "NATIONAL HEALTH SERVICE CORPS

8        "SEC. 329. (a) There is established, within the Service,  
9        the National Health Service Corps (hereinafter in this sec-

1 tion referred to as the 'Corps') which shall consist of those  
2 officers of the Regular and Reserve Corps of the Service and  
3 such other personnel as the Secretary may designate and  
4 which shall be utilized by the Secretary under this section  
5 to improve the delivery of health services to medically un-  
6 derserved populations.

7       “(b) (1) The Secretary shall designate the medically  
8 underserved populations in the States. For purposes of this  
9 section, a medically underserved population is the popula-  
10 tion of an urban or rural area (which does not have to con-  
11 form to the geographical boundaries of a political subdivision  
12 and which should be a rational area for the delivery of health  
13 services) which the Secretary determines has a critical  
14 health manpower shortage or a population group determined  
15 by the Secretary to have such a shortage; and the term  
16 'State' includes Guam, American Samoa, and the Trust Ter-  
17 ritory of the Pacific Islands. In designating medically under-  
18 served populations, the Secretary shall take into account  
19 (A) the recommendations of the entities responsible for the  
20 development of the plans referred to in section 314 (b)  
21 which cover all or any part of the areas in which populations  
22 under consideration for designation reside, and (B) in the case  
23 of any such area for which no such entity is responsible for  
24 developing such a plan, the recommendations of the agency  
25 of the State (or States) in which such area is located which

1 administers or supervises the administration of a State plan  
2 approved under section 314 (a) .

3 “(2) Any person may apply to the Secretary (in such  
4 manner as he may prescribe) for the designation of a popu-  
5 lation as a medically underserved population. In considering  
6 an application under this paragraph, the Secretary shall  
7 take into account the following in addition to criteria utilized  
8 by him in making a designation under paragraph (1) :

9 “(A) Ratios of available health manpower to the  
10 population for which the application is made.

11 “(B) Indicators of the population’s access to health  
12 services.

13 “(C) Indicators of health status of the population.

14 “(D) Indicators of such population’s need and de-  
15 mand for health services.

16 “(3) The Secretary shall (A) provide assistance to  
17 persons seeking assignment of Corps personnel to provide  
18 under this section health services for medically underserved  
19 populations, and (B) conduct such information programs  
20 in areas in which such populations reside as may be neces-  
21 sary to inform the public and private health entities serving  
22 those areas of the assistance available to such populations  
23 by virtue of their designation under this section as medically  
24 underserved.

25 “(c) (1) (A) The Secretary may assign personnel of the

1 Corps to provide, under regulations prescribed by the Secre-  
2 tary, health services for a medically underserved population  
3 if—

4 “(i) the State health agency of each State in  
5 which such population is located or the local public  
6 health agency or any other public or nonprofit private  
7 health entity serving such population makes application  
8 to the Secretary for such assignment, and

9 “(ii) the (I) local government of the area in  
10 which such population resides, and (II) any State and  
11 district medical or dental society for such area or any  
12 other appropriate health society (as the case may be),  
13 for such area certify to the Secretary that such assign-  
14 ment of Corps personnel is needed for such population.

15 “(B) The Secretary may not approve an application  
16 under paragraph (1) (A) (i) for an assignment unless the  
17 applicant agrees to enter into an arrangement with the  
18 Secretary in accordance with subsection (e) (1) and has  
19 afforded—

20 “(i) the entity responsible for the development of  
21 the plans referred to in section 314(b) which covers  
22 all or any part of the area in which the population  
23 for which the application is submitted resides, and

24 “(ii) if there is a part of such area for which no  
25 such entity is responsible for developing such plans, the  
26 agency of the State in which such part is located which

1        administers or supervises the administration of a State  
2        plan approved under section 314 (a),  
3        an opportunity to review the application and submit its  
4        comments to the Secretary respecting the need for and  
5        proposed use of manpower requested in the application.  
6        In considering such an application, the Secretary shall take  
7        into consideration the need of the population for which the  
8        application was submitted for the health services which  
9        may be provided under this section; the willingness of the  
10       population and the appropriate governmental agencies or  
11       health entities serving it to assist and cooperate with the  
12       Corps in providing effective health services to the population;  
13       and recommendations from medical, dental, or other health  
14       societies or from medical personnel serving the population.  
15       “(C) If with respect to any proposed assignment of  
16       Corps personnel for a medically underserved population the  
17       requirements of clauses (i) and (ii) of subparagraph (A)  
18       are met except for the certification by a State and district  
19       medical or dental society or by any other appropriate health  
20       society required by clause (ii) (II) and if the Secretary  
21       finds from all the facts presented that such certification has  
22       clearly been arbitrarily and capriciously withheld, the Sec-  
23       retary may, after consultation with appropriate medical,  
24       dental, or other health societies, waive the application of the  
25       certification requirement to such proposed assignment.

1       “(2) (A) In approving an application submitted under  
2 paragraph (1) for the assignment of Corps personnel to  
3 provide health services for a medically underserved popu-  
4 lation, the Secretary may approve the assignment of Corps  
5 personnel for such population during a period (referred to  
6 in this paragraph as the ‘assistance period’) which may not  
7 exceed four years from the date of the first assignment of  
8 Corps personnel for such population after the date of the  
9 approval of the application. No assignment of individual  
10 Corps personnel may be made for a period ending after the  
11 expiration of the applicable approved assistance period.

12       “(B) Upon expiration of an approved assistance period  
13 for a medically underserved population, no new assignment  
14 of Corps personnel may be made for such population unless  
15 an application is submitted in accordance with paragraph  
16 (1) for such assignment. The Secretary may not approve  
17 such an application unless—

18               “(i) the application and certification requirements  
19 of paragraph (1) are met;

20               “(ii) the Secretary has conducted an evaluation  
21 of the continued need for health manpower of the popu-  
22 lation for which the application is submitted, of the  
23 utilization of the manpower by such population, of the  
24 growth of the health care practice of the Corps personnel  
25 assigned for such population, and of community support  
26 for the assignment; and

1           “(iii) the Secretary has determined that such  
2           population has made continued efforts to secure its  
3           own health manpower, that there has been sound fiscal  
4           management of the health care practice of the Corps  
5           personnel assigned for such population, including efficient  
6           collection of fee-for-service, third-party, and other funds  
7           available to such population, and that there has been  
8           appropriate and efficient utilization of such Corps  
9           personnel.

10          “(3) Corps personnel shall be assigned to provide  
11          health services for a medically underserved population on the  
12          basis of the extent of the population’s need for health services  
13          and without regard to the ability of the members of the  
14          population to pay for health services.

15          “(4) In making an assignment of Corps personnel the  
16          Secretary shall seek to match characteristics of the assignee  
17          (and his spouse (if any)) and of the population to which  
18          such assignee may be assigned in order to increase the likeli-  
19          hood of the assignee remaining to serve the population upon  
20          completion of his assignment period. The Secretary shall be-  
21          fore the expiration of the last nine months of the assignment  
22          period of a member of the Corps, review such member’s  
23          assignment and the situation in the area to which he was  
24          assigned for the purpose of determining the advisability of  
25          extending the period of such member’s assignment.

26          “(5) The Secretary shall provide technical assistance



1 to all medically underserved populations to which are not  
2 assigned Corps personnel to assist in the recruitment of  
3 health manpower. The Secretary shall also give such popula-  
4 tions current information respecting public and private pro-  
5 grams which may assist in securing health manpower for  
6 them.

7 “(d) (1) In providing health services for a medically  
8 underserved population under this section, Corps personnel  
9 shall utilize the techniques, facilities, and organizational  
10 forms most appropriate for the area in which the population  
11 resides and shall, to the maximum extent feasible, provide  
12 such services (A) to all members of the population regard-  
13 less of their ability to pay for the services, and (B) in con-  
14 nection with (i) direct health services programs carried out  
15 by the Service; (ii) any direct health services program car-  
16 ried out in whole or in part with Federal financial assistance;  
17 or (iii) any other health services activity which is in further-  
18 ance of the purposes of this section.

19 “(2) (A) Notwithstanding any other provision of law,  
20 the Secretary (i) may, to the extent feasible, make such  
21 arrangements as he determines necessary to enable Corps  
22 personnel in providing health services for a medically  
23 underserved population to utilize the health facilities of the  
24 area in which the population resides, and (ii) may make  
25 such arrangements as he determines are necessary for the

1 use of equipment and supplies of the Service and for the  
2 lease or acquisition of other equipment and supplies, and  
3 may secure the temporary services of nurses and allied  
4 health professionals.

5 “(B) If such area is being served (as determined under  
6 regulations of the Secretary) by a hospital or other health  
7 care delivery facility of the Service, the Secretary shall,  
8 in addition to such other arrangements as the Secretary may  
9 make under subparagraph (A), arrange for the utilization  
10 of such hospital or facility by Corps personnel in providing  
11 health services for the population, but only to the extent  
12 that such utilization will not impair the delivery of health  
13 services and treatment through such hospital or facility to  
14 persons who are entitled to health services and treatment  
15 through such hospital or facility. If there are no health  
16 facilities in or serving such area, the Secretary may arrange  
17 to have Corps personnel provide health services in the  
18 nearest health facilities of the Service or the Secretary may  
19 lease or otherwise provide facilities in such area for the  
20 provision of health services.

21 “(3) The Secretary may make one grant to any appli-  
22 cant with an approved application under subsection (c) to  
23 assist it in meeting the costs of establishing medical practice  
24 management systems for Corps personnel, acquiring equip-  
25 ment for their use in providing health services, and estab-

1 lishing appropriate continuing education programs and  
2 opportunities for them. No grant may be made under this  
3 paragraph unless an application is submitted therefor and  
4 approved by the Secretary. The amount of any grant shall  
5 be determined by the Secretary, except that no grant may  
6 be made for more than \$25,000.

7       “(4) Upon the expiration of the assignment of Corps  
8 personnel to provide health services for a medically under-  
9 served population, the Secretary (notwithstanding any other  
10 provision of law) may sell to the entity which submitted  
11 the last application approved under subsection (c) for the  
12 assignment of Corps personnel for such population equipment  
13 of the United States utilized by such personnel in providing  
14 health services. Sales made under this paragraph shall be  
15 made for the fair market value of the equipment sold (as  
16 determined by the Secretary).

17       “(e) (1) The Secretary shall require as a condition to  
18 the approval of an application under subsection (c) that the  
19 entity which submitted the application enter into an appro-  
20 priate arrangement with the Secretary under which—

21               “(A) the entity shall be responsible for charging  
22 in accordance with paragraph (2) for health services by  
23 the Corps personnel to be assigned;

24               “(B) the entity shall take such action as may be  
25 reasonable for the collection of payments for such health

1 services, including if a Federal agency, an agency of a  
2 State or local government, or other third party would be  
3 responsible for all or part of the cost of such health  
4 services if it had not been provided by Corps personnel  
5 under this section, the collection, on a fee-for-service or  
6 other basis, from such agency or third party the portion  
7 of such cost for which it would be so responsible (and  
8 in determining the amount of such cost which such  
9 agency or third party would be responsible, the health  
10 services provided by Corps personnel shall be considered  
11 as being provided by private practitioners); and

12 “(C) the entity shall pay to the United States the  
13 lesser of—

14 “(i) the amount collected by the entity in  
15 accordance with subparagraph (B) in each calendar  
16 quarter (or other period as may be specified in  
17 the agreement), or

18 “(ii) the sum of (I) the pay (including the  
19 amounts paid in accordance with subsection (f))  
20 and allowances for the Corps personnel for such  
21 quarter (or other period), and (II) an amount  
22 which bears the same ratio to the amount of any  
23 grant made to the entity under subsection (d) (3)  
24 as the number of days in such quarter (or other

1           period) bears to the number of days in the assign-  
2           ment period for such personnel.

3 Any amount of the amount collected by an entity in accord-  
4 ance with subparagraph (B) which the entity is entitled to  
5 retain under subparagraph (C) shall be used by the entity  
6 to expand or improve the provision of health services to  
7 the population for which the entity submitted an application  
8 under subsection (c) or to recruit and retain health man-  
9 power to provide health services for such population. Funds  
10 received by the Secretary under such an arrangement shall  
11 be deposited in the Treasury as miscellaneous receipts and  
12 shall be disregarded in determining the amounts of appro-  
13 priations to be requested under subsection (i), and the  
14 amounts to be made available from appropriations made  
15 under such subsection to carry out this section.

16       “(2) Any person who receives health services provided  
17 by Corps personnel under this section shall be charged for  
18 such services on a fee-for-service or other basis at a rate  
19 approved by the Secretary, pursuant to regulations, to re-  
20 cover the value of such services; except that if such person  
21 is determined under regulations of the Secretary to be  
22 unable to pay such charge, the Secretary shall provide for  
23 the furnishing of such services at a reduced rate or without  
24 charge.

25       “(f) (1) The Secretary shall conduct at medical and

1 nursing schools and other schools of the health professions  
2 and training centers for the allied health professions, recruit-  
3 ing programs for the Corps. Such programs shall include the  
4 wide dissemination of written information on the Corps and  
5 visits to such schools by personnel of the Corps.

6       “(2) The Secretary may reimburse applicants for posi-  
7 tions in the Corps for actual expenses incurred in traveling  
8 to and from their place of residence to an area in which  
9 they would be assigned for the purpose of evaluating such  
10 area with regard to being assigned in such area. The Secre-  
11 tary shall not reimburse an applicant for more than one  
12 such trip.

13       “(3) Commissioned officers and other personnel of the  
14 Corps assigned to provide health services for medically  
15 underserved populations shall not be included in determin-  
16 ing whether any limitation on the number of personnel  
17 which may be employed by the Department of Health,  
18 Education, and Welfare has been exceeded.

19       “(4) The Secretary shall, under regulations prescribed  
20 by him, adjust the monthly rate of pay of each physician  
21 and dentist member of the Corps who is directly engaged in  
22 the delivery of health services to a medically underserved  
23 population as follows:

24               “(A) During the first thirty-six months in which  
25       such a member is so engaged in the delivery of health

1 services, his monthly rate of pay shall be increased by  
2 an amount (not to exceed \$1,000) which when added  
3 to the member's regular monthly rate of pay and allow-  
4 ances will provide a monthly income competitive with  
5 the average monthly income from an established practice  
6 of a member of such member's profession with equiva-  
7 lent training.

8 “(B) During the period beginning upon the expi-  
9 ration of the thirty-six months referred to in subpara-  
10 graph (A) and ending with the month in which the  
11 member's regular monthly rate of pay and allowances is  
12 equal to or exceeds the monthly income he received for  
13 the last of such thirty-six months, the member shall re-  
14 ceive in addition to his regular rate of pay and allowances  
15 an amount which when added to such regular rate equals  
16 the monthly income he received for such last month.

17 In the case of a member of the Corps who is directly  
18 engaged in the provision of health services to a medically  
19 underserved population in accordance with a service obli-  
20 gation incurred under section 225, the provisions of this  
21 paragraph shall apply to such member upon satisfactory  
22 completion of such service obligation and the first thirty-six  
23 months of his being so engaged in the delivery of health  
24 care shall, for purposes of this paragraph, be deemed to  
25 begin upon such satisfactory completion.

1 general public to represent the consumers of health care,  
2 at least two of whom shall be members of a medically  
3 underserved population for which Corps personnel are  
4 providing health services under this section.

5 “(B) Three members shall be appointed from the  
6 medical, dental, and other health professions and health  
7 teaching professions.

8 “(C) Three members shall be appointed from State  
9 health or health planning agencies.

10 “(D) Three members shall be appointed from the  
11 Service, at least two of whom shall be members of the  
12 Corps directly engaged in the provision of health serv-  
13 ices for a medically underserved population.

14 “(E) One member shall be appointed from the  
15 National Advisory Council on Comprehensive Health  
16 Planning.

17 “(F) One member shall be appointed from the  
18 National Advisory Council on Regional Medical Pro-  
19 grams.

20 The Council shall consult with, advise, and make recom-  
21 mendations to, the Secretary with respect to his responsi-  
22 bilities in carrying out this section, and shall review and  
23 approve regulations promulgated by the Secretary under  
24 this section and section 225.

25 “(2) Members of the Council shall be appointed for a



1 term of three years and shall not be removed, except for  
2 cause. Members may be reappointed to the Council.

3 “(3) Appointed members of the Council, while attend-  
4 ing meetings or conferences thereof or otherwise serving  
5 on the business of the Council, shall be entitled to receive  
6 for each day (including traveltime) in which they are so  
7 serving the daily equivalent of the annual rate of basic pay  
8 in effect for grade GS-18 of the General Schedule, and  
9 while so serving away from their homes or regular places of  
10 business they may be allowed travel expenses, including per  
11 diem in lieu of subsistence, as authorized by section 5703 (b)  
12 of title 5 of the United States Code for persons in the Gov-  
13 ernment service employed intermittently.

14 “(i) (1) To carry out the purposes of this section, there  
15 are authorized to be appropriated \$25,000,000 for the fiscal  
16 year ending June 30, 1974; \$30,000,000 for the fiscal year  
17 ending June 30, 1975; \$35,000,000 for the fiscal year end-  
18 ing June 30, 1976; and \$40,000,000 for the fiscal year end-  
19 ing 30, 1977.

20 “(2) An appropriation Act which appropriates funds  
21 under paragraph (1) of this subsection for the fiscal year  
22 ending June 30, 1975, may also appropriate for the next  
23 fiscal year the funds that are authorized to be appropriated  
24 under such paragraph for such next fiscal year; but no funds  
25 may be made available therefrom for obligation under this

1 section before the fiscal year for which such funds are author-  
2 ized to be appropriated.”.

3 (b) (1) The Secretary of Health, Education, and Wel-  
4 fare shall report to Congress (1) not later than September  
5 1, 1974, the criteria used by him in designating medically  
6 underserved populations for purposes of section 329 of the  
7 Public Health Service Act, and (2) not later than January  
8 1, 1975, the identity and number of medically underserved  
9 populations in each State meeting such criteria.

10 (2) The Secretary of Health, Education, and Welfare  
11 shall conduct or contract for studies of methods of assigning  
12 under section 329 of the Public Health Service Act National  
13 Health Service Corps personnel to medically underserved  
14 populations and of providing health care to such populations.  
15 Such studies shall be for the purpose of identifying (A) the  
16 characteristics of health manpower who are more likely to  
17 remain in practice in areas in which medically underserved  
18 populations are located, (B) the characteristics of areas  
19 which have been able to retain health manpower, (C) the  
20 appropriate conditions for assignment of independent nurse  
21 practitioners and physician's assistants in areas in which  
22 medically underserved populations are located, and (D) the  
23 effect that primary care residency training in such areas has  
24 on the health care provided in such areas and on the de-

1 cisions of physicians who received such training respecting  
2 the areas in which to locate their practice.

3 (c) (1) The amendment made by subsection (a) which  
4 changed the name of the advisory council established under  
5 section 329 of the Public Health Service Act shall not be  
6 construed as requiring the establishment of a new advisory  
7 council under that section; and the amendment made by  
8 such subsection with respect to the composition of such  
9 advisory council shall apply with respect to appointments  
10 made to the advisory council after the date of the enactment  
11 of this Act.

12 (2) Section 741 (f) (1) (C) of the Public Health Serv-  
13 ice Act is amended by inserting "in which is located a  
14 medically underserved population" after "in a State".

15 SEC. 2. Section 225 of the Public Health Service Act  
16 is amended to read as follows:

17 "PUBLIC HEALTH AND NATIONAL HEALTH SERVICE  
18 CORPS SCHOLARSHIP TRAINING PROGRAM

19 "SEC. 225. (a) The Secretary shall establish the Public  
20 Health and National Health Service Corps Scholarship  
21 Training Program (hereinafter in this section referred to as  
22 the 'program') to obtain trained physicians, dentists, nurses,  
23 or other health-related specialists for the National Health  
24 Service Corps or other units of the Service.

25 "(b) To be eligible for acceptance in the program, an  
26 applicant for the program must—

## 21

1           “(1) be accepted for enrollment, or be enrolled, as  
2 a full-time student in an accredited (as determined by  
3 the Secretary) educational institution in a State which  
4 provides a course of study approved by the Secretary  
5 leading to a degree in medicine, dentistry, nursing, or  
6 other health-related specialty as determined by the  
7 Secretary;

8           “(2) be eligible for, or hold, an appointment as a  
9 commissioned officer in the Regular or Reserve Corps  
10 of the Service or be eligible for selection for civilian  
11 service in the Service; and

12           “(3) agree in writing to serve, as prescribed by  
13 subsection (d) of this section, in the Commissioned  
14 Corps of the Service or as a civilian member of the  
15 Service.

16 To remain in the program an individual must pursue at such  
17 an institution such an approved course of study and main-  
18 tain an acceptable level of academic standing in it.

19           “(c) (1) (A) Each participant in the program shall  
20 receive a scholarship for each approved academic year of  
21 training, not to exceed four years. A participant's scholar-  
22 ship shall consist of (i) an amount equal to the basic pay  
23 and allowances of a commissioned officer on active duty in  
24 pay grade O-1 with less than two years of service, and (ii)  
25 payment of the tuition expenses of the participant and all

1 other educational expenses incurred by the participant,  
2 including fees, books, and laboratory expenses.

3       “(B) The Secretary may contract with an institution  
4 in which participants are enrolled for the payment to the  
5 institution of the tuition and other educational expenses of  
6 such participants. Payment to such institution may be made  
7 without regard to section 3648 of the Revised Statutes (31  
8 U.S.C. 529).

9       “(2) When the Secretary determines that an institu-  
10 tion has increased its total enrollment for the sole purpose  
11 of accepting members of the program, he may provide under  
12 a contract with such an institution for additional payments  
13 to cover the portion of the increased costs of the additional  
14 enrollment which are not covered by the institution's normal  
15 tuition and fees.

16       “(d) (1) Each participant in the program shall pro-  
17 vide service as prescribed by paragraph (2) for a period of  
18 time (hereinafter in this section referred to as a ‘period of  
19 obligated service’) prescribed by the Secretary which may  
20 not be less than one year of such service for each academic  
21 year of training received under the program. For persons  
22 receiving a degree from a school of medicine, osteopathy,  
23 or dentistry, the commencement of a period of obligated  
24 service may be deferred by the Secretary for the period  
25 of time required to complete internship and residency train-

1 ing if the National Health Service Corps approves such  
2 deferment. For persons receiving degrees in other health  
3 professions the obligated service period shall commence  
4 upon completion of their academic training. Periods of  
5 internship or residency shall not be creditable in satisfy-  
6 ing a service obligation under this subsection.

7 “(2) (A) Except as provided in subparagraphs (B)  
8 and (C), an individual obligated to provide service on ac-  
9 count of his participation in the program shall provide such  
10 service for the period of obligated service applicable to him  
11 as a member of the National Health Service Corps or the  
12 Indian Health Service.

13 “(B) If there are no positions available in the National  
14 Health Service Corps or the Indian Health Service at the  
15 time an individual is required by the Secretary to begin his  
16 period of obligated service, such individual shall serve in the  
17 clinical practice of his profession for such period as a mem-  
18 ber of the Federal Health Programs Service.

19 “(C) If there are no positions available in the Na-  
20 tional Health Service Corps, Indian Health Service, or the  
21 Federal Health Programs Service at the time an indi-  
22 vidual is required by the Secretary to begin his period of  
23 obligated service or the Corps and neither Service has a  
24 need at such time for a member of the profession for  
25 which such individual was trained, such individual shall

1 serve for such period as a member of the Public Health Serv-  
 2 ice in such units of the Department as the Secretary may  
 3 prescribe.

4 “(e) (1) If, for any reason, a person fails to either  
 5 begin his service obligation under this section in accordance  
 6 with subsection (d) or to complete such service obligation,  
 7 the United States shall be entitled to recover from such  
 8 individual an amount determined in accordance with the  
 9 formula

$$10 \quad A = 2\phi \left( \frac{t-s}{t} \right)$$

11 in which “A” is the amount the United States is entitled to  
 12 recover;  $\phi$  is the sum of the amount paid under this section  
 13 to or on behalf of such person and the interest on such  
 14 amount which would be payable if at the time it was paid  
 15 it was a loan bearing interest at the maximum legal prevail-  
 16 ing rate; “t” is the total number of months in such person’s  
 17 service obligation; and “s” is the number of months of such  
 18 obligation served by him in accordance with subsection (d).  
 19 Any amount which the United States is entitled to recover  
 20 under this paragraph shall, within the three-year period  
 21 beginning on the date the United States becomes entitled  
 22 to recover such amount, be paid to the United States.

23 “(2) When a person undergoing training in the pro-  
 24 gram is academically dismissed or voluntarily terminates  
 25 academic training, he shall be liable for repayment to the

1 Government for an amount equal to the scholarship which  
2 he received under the program.

3 “(3) The Secretary shall by regulation provide for the  
4 waiver or suspension of any obligation under paragraph (1)  
5 or (2) applicable to any individual whenever compliance  
6 by such individual is impossible or would involve extreme  
7 hardship to such individual and if enforcement of such  
8 obligation with respect to any individual would be against  
9 equity and good conscience.

10 “(g) Notwithstanding any other provision of law, per-  
11 sons undergoing academic training under the program shall  
12 not be counted against any employment ceiling affecting the  
13 Department of Health, Education, and Welfare.

14 “(h) The Secretary shall issue regulations for the im-  
15 plementation of this section.

16 “(i) To carry out the program, there is authorized to  
17 be appropriated \$3,000,000 for the fiscal year ending June  
18 30, 1974, \$20,000,000 for the fiscal year ending June 30,  
19 1975, \$25,000,000 for the fiscal year ending June 30, 1976,  
20 and \$30,000,000 for the fiscal year ending June 30, 1977.”



H. R. 14196, 93d Cong., 2d sess., introduced by Mr. Symington on April 10, 1974,  
and

H.R. 15519, 93d Cong., 2d sess., introduced by Mr. Symington (for himself, Mr. Adams, Mrs. Boggs, Mrs. Burke of California, Mr. Conyers, Mr. Davis of Georgia, Mr. Eilberg, Mr. Fraser, Mr. Frenzel, Mr. Gilman, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Luken, Mr. McCormack, Mr. Mazzoli, Mr. Mitchell of New York, Mr. Murphy of New York, Mr. Podell, Mr. Preyer, Mr. Roybal, Mr. Sarbanes, Mr. Thone, and Mr. Vander Veen) on June 20, 1974,

are identical as follows:

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## **A BILL**

To establish a Health Action Corps.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

3

SHORT TITLE

4        SECTION 1. This Act may be cited as the "National  
5        Health Action Corps Act of 1974".

6

FINDINGS AND PURPOSE

7        SEC. 2. (a) The Congress finds and declares that—

8                (1) opportunities for young Americans to receive  
9        training and practical work experience in the allied  
10       health field should be increased;

11               (2) the Carnegie Commission has found that there

1 is a serious shortage of trained professional personnel  
2 in the allied health field;

3 (3) it is estimated that the shortage of trained  
4 professional personnel in the allied health field will  
5 exceed four hundred and thirty-two thousand by 1980;  
6 and

7 (4) the current estimates of the future shortages of  
8 trained professional personnel in the allied health field  
9 do not reflect the potential impact of a national health  
10 insurance program.

11 (b) It is the purpose of this Act to increase the num-  
12 ber of trained professional personnel in the allied health  
13 field by providing young Americans training and practical  
14 work experience in the allied health field.

15 ESTABLISHMENT AND DUTY OF THE HEALTH ACTION CORPS

16 SEC. 3. (a) There is established an independent agency  
17 within the executive branch to be known as the "Health  
18 Action Corps" (hereinafter in this Act referred to as the  
19 "Corps").

20 (b) The Corps shall be headed by a Board of Directors  
21 (hereinafter in this Act referred to as the "Board") which  
22 shall consist of the Secretary of Health, Education, and Wel-  
23 fare, the Secretary of Housing and Urban Development,  
24 the Secretary of Labor, the Secretary of Commerce, and the  
25 Director of the Office of Management and Budget, or their  
26 respective designees.

## 3

1 (c) The Board shall appoint an Administrator who  
2 shall receive compensation at the rate authorized for level  
3 III of the Executive Schedule by section 5314 of title 5  
4 of the United States Code.

5 (d) It shall be the duty of the Corps to provide oppor-  
6 tunities for young Americans to participate in programs  
7 which provide training and practical work experience in  
8 the allied health field. Such programs shall include career  
9 counseling, exposure to various health-related occupations,  
10 and training and work experience in clinical settings.

11 TERMS OF SERVICE

12 SEC. 4. (a) Any person shall be eligible for enlistment  
13 in the Corps if—

14 (1) such person has submitted to the Administrator  
15 an application therefor which shall be in such form,  
16 and submitted in such manner, as the Administrator  
17 shall by regulation prescribe; and

18 (2) such person has received a high school diploma  
19 or its equivalent within three years before the date on  
20 which he submits an application under paragraph (1)  
21 of this subsection.

22 (b) The Corps shall be composed of volunteers selected  
23 by the Administrator, in accordance with policies and proce-  
24 dures established by the Board, from persons eligible for  
25 enlistment in the Corps under subsection (a) of this section.

1 Such selections shall be made without regard to social,  
2 economic, or racial classification or sex and with special  
3 consideration to veterans of the Armed Forces of the United  
4 States who have been honorably discharged.

5 (c) The Administrator, in accordance with policies and  
6 procedures established by the Board, shall pay to each  
7 volunteer an allowance which shall be uniform in amount,  
8 and may provide additional allowances for uniforms, books,  
9 or other supplies required in the volunteer's training program.

10 (d) Each volunteer shall enlist in the Corps for a period  
11 of one year plus such period as the Administrator shall  
12 prescribe as necessary for training in the occupational  
13 specialty selected by the volunteer. Each volunteer shall  
14 have the option of reenlisting for an additional year. A volun-  
15 teer may be released from his duties if the Administrator  
16 determines that continued service works a hardship on the  
17 volunteer's immediate family, threatens the health of the  
18 volunteer, or works to the disadvantage of the Corps.

19 (e) The Administrator shall arrange for transportation,  
20 lodging, subsistence, equipment, training, and other services  
21 which may be needed by the Corps volunteers in fulfilling  
22 their duties. Each Corps volunteer shall be assigned by the  
23 Administrator to a project as near as feasible to his perma-  
24 nent place of residence, so as to minimize transportation and  
25 lodging costs to the Government.

1 (f) (1) Except as provided in paragraphs (2) and (3)  
2 of this subsection, volunteers in the Corps shall not be deemed  
3 to be Federal employees and shall not be subject to the pro-  
4 visions of laws relating to Federal employment.

5 (2) For purposes of subchapter 1 of chapter 81 of title 5  
6 of the United States Code (relating to compensation to Fed-  
7 eral employees for work injuries), volunteers shall be  
8 deemed civil employees of the United States within the  
9 meaning of the term "employee" as defined in section 8101  
10 of such title, and the provisions of that subchapter shall  
11 apply except as follows:

12 (A) The term "performance of duty" shall not in-  
13 clude any act of a volunteer while absent from his or her  
14 assigned post of duty, except while participating in an  
15 activity (including an activity while on pass or during  
16 travel to or from such post of duty) authorized by or  
17 under the direction and supervision of the Corps.

18 (B) Compensation for disability shall not begin  
19 to accrue until the day following the date on which  
20 the injured volunteer is terminated.

21 (3) For purposes of the Federal tort claims provisions  
22 of chapter 171 of title 28, United States Code, volunteers  
23 shall be considered employees of the Government.

## 6

## INCENTIVE BONUS

1

2       SEC. 5. The Administrator, in accordance with policies  
3 and procedures prescribed by the Board, may provide to any  
4 volunteer who has completed his period of enlistment—

5           (1) a scholarship of \$3,000 if such volunteer is  
6 a full-time student at a junior college, college, or uni-  
7 versity; or

8           (2) a bonus of \$3,000, if such volunteer works for  
9 one year in an area which (as determined by the Ad-  
10 ministrator) has a critical shortage of trained pro-  
11 fessional personnel in the allied health field.

12

## TRAINING PROGRAMS

13       SEC. 6. (a) The Administrator, in accordance with  
14 policies and procedures prescribed by the Board, may enter  
15 into agreements with any public or nonprofit private entity  
16 under which—

17           (1) such entity will provide training and practical  
18 work experience in the allied health field to Corps  
19 volunteers; and

20           (2) the Administrator will make grants to such  
21 entity to assist it in providing such training and practical  
22 work experience.

23       (b) The Administrator may not enter into any agree-  
24 ment under subsection (a) of this section with any public  
25 or nonprofit private entity unless an application therefor has

1 been submitted to the Administrator. Such application shall  
2 be in such form, and submitted to the Administrator in such  
3 manner, as he shall by regulation prescribe, and shall con-  
4 tain—

5 (1) an outline of the training and practical work  
6 experience which will be provided to the Corps  
7 volunteers;

8 (2) a description of the equipment and facilities  
9 which will be available to provide training and practical  
10 work experience to Corps volunteers; and

11 (3) such other information as the Administrator  
12 shall by regulation prescribe.

13 **AUTHORITY OF ADMINISTRATOR**

14 **SEC. 7.** (a) The Administrator shall establish ten re-  
15 gional offices for the Corps corresponding to the regional  
16 offices established by the Secretary of Health, Education, and  
17 Welfare within the Department of Health, Education, and  
18 Welfare. The Administrator shall appoint a Director for  
19 each regional office.

20 (b) The Administrator, in accordance with policies  
21 and procedures established by the Board, may—

22 (1) appoint such personnel as may be necessary  
23 to carry out the functions of the Administrator under  
24 this Act;

25 (2) enter into contracts for the procurement, con-

1       struction, and management of such equipment and facil-  
2       ities as may be necessary to further the purposes of this  
3       Act; and

4               (3) establish such policies, standards, criteria, and  
5       procedures, and prescribe such rules and regulations as  
6       the Administrator may deem to be necessary or appro-  
7       priate to carry out the purposes of this Act.

8                               NATIONAL ADVISORY COMMITTEE

9       SEC. 8. (a) The Board shall establish a National Ad-  
10      visory Committee (hereinafter in this Act referred to as the  
11      "committee") to advise, consult with, and make recommen-  
12      dations to the Board on matters relating to the following:

13               (1) Policies for the recruitment of Corps volun-  
14      teers.

15               (2) Evaluation of the quality of the training pro-  
16      vided to the Corps volunteers.

17               (3) The projected future demand for trained pro-  
18      fessionals in the allied health field.

19               (4) Innovations in the utilization of trained pro-  
20      fessional personnel in the allied health field.

21               (b) The committee shall be composed of the Adminis-  
22      trator who shall be the chairman thereof and ten individuals  
23      appointed by the Board. The individuals appointed by the  
24      Board shall include individuals from the various regions of  
25      the country who are actively involved in the health-care  
26      field as practitioners.



1 (c) The members of the committee shall be allowed  
2 travel expenses, including per diem in lieu of subsistence,  
3 in the same manner as such expenses are authorized by  
4 section 5703 (b) of title 5 of the United States Code for  
5 persons in the Government service employed intermittently.

6

## REPORTS

7 SEC. 9. (a) The Board shall submit quarterly reports  
8 to the committee which shall include a detailed statement of  
9 the activities and accomplishments of the Corps during the  
10 preceding quarter.

11 (b) The Board shall submit annual reports to the Presi-  
12 dent and to Congress which shall include a detailed statement  
13 of the activities and accomplishments of the Corps, during  
14 the preceding year, together with such recommendations as  
15 the Board deems appropriate.

93<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 14357

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 24, 1974

Mr. Roy introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

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## A BILL

To amend the Public Health Service Act, to revise the programs of student assistance, to revise the National Health Service Corps program, to establish a system for the regulation of postgraduate training programs for physicians, to provide assistance for the development and expansion of training programs for nurse clinicians, pharmacist clinicians, community and public health personnel, and health administrators, to provide assistance for projects to improve the training provided by undergraduate schools of nursing, pharmacy, and allied health to provide assistance for the development and operation of area health education systems, to establish a loan guarantee and interest subsidy program for undergraduate students of nursing, pharmacy, and the allied health professions, 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,*

1 SECTION 1. This Act may be cited as the "National  
2 Health Services Manpower Act of 1974".

3 SEC. 2. Title VII of the Public Health Service Act  
4 is amended to read as follows:

5 "TITLE VII—NATIONAL HEALTH SERVICES  
6 MANPOWER

7 "PART A—NATIONAL HEALTH SERVICE CORPS  
8 SCHOLARSHIPS

9 "SEC. 701. (a) There is established the National Health  
10 Service Corps Scholarship Program (hereinafter in this sec-  
11 tion referred to as the 'program') for the purpose of obtaining  
12 physicians for the National Health Service Corps established  
13 within the Service by part B.

14 "(b) To be eligible for participation in the program, an  
15 individual must—

16 "(1) be accepted for enrollment, or be enrolled, as  
17 a full-time student in an educational institution in the  
18 United States, or its territories or possessions which:  
19 (A) is accredited (as determined by the Secretary);  
20 (B) is in full compliance (as determined by the Secre-  
21 tary) with title VI of the Civil Rights Act of 1964; and  
22 (C) does not charge any student in a degree program  
23 any tuition in excess of the amount established for such  
24 degree program under subsection (c) (2).

25 "(2) pursue an approved course of study, and

1 maintain an acceptable level of academic standing, lead-  
2 ing to a doctorate level degree in medicine, osteopathy,  
3 dentistry, optometry, podiatry, or veterinary medicine,  
4 or a master level degree in clinical nursing, clinical phar-  
5 macy, community or public health, or health administra-  
6 tion.

7 “(3) be eligible for, or hold, an appointment as a  
8 commissioned officer in the Regular or Reserve Corps of  
9 the Service or be selected for civilian service in the Na-  
10 tional Health Service Corps; and

11 “(4) agree in writing to serve, as prescribed by  
12 section 702, in the Commissioned Corps of the Service  
13 or as a civilian member of the National Health Service  
14 Corps.

15 “(c) (1) Except as provided in paragraph (3), each  
16 eligible individual shall be entitled to the payment by the  
17 Secretary of a scholarship for each approved academic year  
18 of training (not to exceed four years). The annual amount of  
19 such a scholarship shall be equal to—

20 “(A) the tuition cost (approved under paragraph  
21 (2)) for the degree program of the institution in which  
22 the participant is enrolled, plus

23 “(B) \$5,000 to cover living expenses, books, equip-  
24 ment, and other necessary educational expenses which  
25 are not otherwise paid as a part of the tuition payment.

1 If the average of the Consumer Price Index (published  
2 by the Bureau of Labor Statistics) for the months in any  
3 fiscal year exceeds the average of such index in the  
4 months of the preceding fiscal year, the Secretary shall  
5 increase the payments made under clause (B) for the  
6 fiscal year following such increase in proportion to the  
7 amount of such increase.

8 “(2) (A) The tuition amount approved by the Secre-  
9 tary for any institution shall not be more than the lesser of—

10 “(i) one-half of the net educational expenditures  
11 per student in such degree program at that institution as  
12 determined by regulations of the Secretary; or

13 “(ii) \$7,500.

14 “(B) In no case shall the tuition amount approved  
15 be less than an amount equal to the sum of (i) the greater  
16 of (I) the amount paid to such institution for each student  
17 in such degree program under either section 770 or 309 (c)  
18 in academic year 1973-1974 or (II) 20 per centum of the net  
19 educational expenditure for each student in such degree pro-  
20 gram at such institution (as determined by the Secretary)  
21 in academic year 1972-1973; and (ii) the average amount  
22 paid as tuition by each student in such degree program in  
23 academic year 1973-1974. In determining such net educa-  
24 tional expenditures, the Secretary shall utilize the essential  
25 elements of the methodology for determining such expendi-

1 tures developed by the Institute of Medicine of the National  
2 Academy of Sciences in carrying out the study required by  
3 section 205 of the Comprehensive Health Manpower Train-  
4 ing Act of 1971.

5 “(3) The Secretary may contract with an accredited  
6 educational institution for the direct payment to the institu-  
7 tion of the tuition and other educational expenses, otherwise  
8 covered under this section, for students participating in the  
9 program. Amounts paid under contracts shall be in lieu of  
10 scholarship payments under paragraph (1) (A) to the stu-  
11 dents for whom benefit the contracts were entered into.

12 “(4) Payments under this subsection shall be made from  
13 the National Health Service Corps Trust Fund established  
14 under section 704.

15 “SEC. 702. (a) (1) An individual participating in the  
16 program shall be obligated to serve on active duty as a com-  
17 missioned officer in the Service or as a civilian member of the  
18 National Health Service Corps following completion of aca-  
19 demic training. Such period of active duty shall be six months  
20 of service on active duty for each year of training received  
21 under the program with a minimum service time of twelve  
22 consecutive months. The period of service required under  
23 this subsection shall be spent providing health services—

24 “(A) to a population designated under section 712  
25 as a medically underserved population, or

## 6

1           “(B) if health manpower is not needed by such  
2     populations, in other areas or institutions (including  
3     Public Health Service and Veterans Administration hos-  
4     pitals and clinics, Indian Health Service hospitals, and  
5     clinics, Federal and State prisons, State mental hospitals,  
6     and neighborhood and family centers) designated by the  
7     Secretary as having a priority need for health personnel.

8           “(2) The beginning of a period of service for medical  
9     doctors or osteopaths shall be deferred for the period of  
10    time required to complete an internship and residency train-  
11    ing in family practice, internal medicine, pediatrics, obstetrics  
12    and gynecology, general surgery, or psychiatry. Periods of  
13    internship or residency shall not satisfy any active duty serv-  
14    ice obligation under this section. For persons receiving de-  
15    grees in other health professions the obligated service period  
16    shall commence upon completion of their academic training.

17          “(3) Any person participating in the program may be  
18    required to spend a period of eight weeks during each spon-  
19    sored year in an area designated by the Secretary under  
20    section 712 for educational purposes and for introduction to  
21    the type of practice to be engaged in during the period of  
22    obligation. Travel costs to and from such area shall be pro-  
23    vided by the Secretary.

24          “(b) (1) Except as provided in paragraph (2) or (3),  
25    if, for any reason, a person fails to either begin his service

1 obligation under this section in accordance with subsection  
2 (a) or to complete such service obligation, the United States  
3 shall be entitled to recover from such individual an amount  
4 determined in accordance with the formula

$$5 \qquad A=2\phi\left(\frac{t-s}{t}\right)$$

6 in which "A" is the amount the United States is entitled to  
7 recover;  $\phi$  is the sum of the amount paid under section 701  
8 to or on behalf of such person and the interest on such  
9 amount which would be payable if at the time it was paid  
10 it was a loan bearing interest at the maximum legal prevail-  
11 ing rate; "t" is the total number of months in such person's  
12 service obligation; and "s" is the number of months of such  
13 obligation served by him in accordance with subsection (a).  
14 Any amount which the United States is entitled to recover  
15 under this paragraph shall, within the two-year period begin-  
16 ning on the date the United States becomes entitled to  
17 recover such amount, be paid to the United States.

18 " (2) The Secretary shall by regulation provide for the  
19 waiver or suspension of any obligation under this section  
20 applicable to any individual whenever compliance by such  
21 individual is impossible or would involve extreme hardship  
22 to such individual and if enforcement of such obligation with  
23 respect to any individual would be against equity and good  
24 conscience.

25 " (3) When a person undergoing training in the pro-



1 gram is academically dismissed or voluntarily terminates  
2 academic training, he shall not be liable for repayment to  
3 the United States of amounts paid under this section on his  
4 behalf unless he, at some subsequent date, completes a doc-  
5 torate level degree in medicine, osteopathy, dentistry, op-  
6 tometry, podiatry, or veterinary medicine, or a master level  
7 degree in clinical nursing, clinical pharmacy, or public health  
8 or health administration.

9       “SEC. 703. (a) Notwithstanding any other provision of  
10 law, persons undergoing academic training under the pro-  
11 gram shall not be counted against any employment ceiling  
12 affecting the Department of Health, Education, and Welfare.

13       “(b) The Secretary shall issue regulations governing  
14 the implementation of this part within six months of the  
15 enactment of this Act.

16       “SEC. 704. (a) (1) There is established in the Treasury  
17 of the United States a trust fund to be known as the National  
18 Health Service Corps Trust Fund consisting of such amounts  
19 as may be appropriated to the trust fund as provided in this  
20 subsection.

21       “(2) For each of the fiscal years ending June 30, 1975,  
22 June 30, 1976, and June 30, 1977, there are authorized to  
23 be appropriated to the trust fund an amount equal to the  
24 total amount received in each such fiscal year by the Sec-  
25 retary under the provisions of section 716 (a) (3) (B) (ii)

1 for services rendered by members of the National Health  
2 Service Corps. The amounts appropriated by this paragraph  
3 shall be transferred at least quarterly from the general fund  
4 of the Treasury to the trust fund on the basis of estimates  
5 made by the Secretary of the amount to be received for the  
6 provision of such services. Proper adjustments shall be made  
7 in the amounts subsequently transferred to the extent prior  
8 estimates were in excess of or less than the amounts required  
9 to be transferred.

10 “(3) For each of the fiscal years ending June 30, 1975,  
11 June 30, 1976, and June 30, 1977, there are authorized to  
12 be appropriated to the trust fund such sums as may be neces-  
13 sary for the operation of the program.

14 “PART B—NATIONAL HEALTH SERVICE CORPS

15 “SEC. 711. There is established, within the Service,  
16 the National Health Service Corps (hereinafter in this sec-  
17 tion referred to as the ‘Corps’) which shall consist of those  
18 officers of the Regular and Reserve Corps of the Service and  
19 such other personnel as the Secretary may designate and  
20 which shall be utilized by the Secretary under this section  
21 to improve the delivery of health services to medically un-  
22 derserved populations.

23 “SEC. 712. (a) The Secretary shall designate the  
24 medically underserved populations in the States. For pur-

1 poses of this section, a medically underserved population is  
2 the population of an urban or rural area (which does not  
3 have to conform to the geographical boundaries of a political  
4 subdivision and which should be a rational area for the de-  
5 livery of health services) which the Secretary determines  
6 has a critical health manpower shortage or a population  
7 group determined by the Secretary to have such a shortage;  
8 and the term 'State' includes Guam, American Samoa, and  
9 the Trust Territory of the Pacific Islands. In designating  
10 medically underserved populations, the Secretary shall take  
11 into account (1) the recommendations of the entities re-  
12 sponsible for the development of the plans referred to in  
13 section 314 (b) which cover all or any part of the areas in  
14 which populations under consideration for designation reside,  
15 and (2) in the case of any such area for which no such  
16 entity is responsible for developing such a plan, the recom-  
17 mendations of the agency of the State (or States) in which  
18 such area is located which administers or supervises the  
19 administration of a State plan approved under section  
20 314 (a).

21 " (b) Any person may apply to the Secretary (in such  
22 manner as he may prescribe) for the designation of a popu-  
23 lation as a medically underserved population. In considering  
24 an application under this paragraph, the Secretary shall

1 take into account the following in addition to criteria utilized  
2 by him in making a designation under subsection (a) :

3           “(1) Ratios of available health manpower to the  
4 population for which the application is made.

5           “(2) Indicators of the population’s access to health  
6 services.

7           “(3) Indicators of health status of the population.

8           “(4) Indicators of such population’s need and de-  
9 mand for health services.

10       “SEC. 713. (a) The Secretary may assign personnel of  
11 the Corps to provide, under regulations prescribed by the Sec-  
12 retary, health services for a medically underserved popula-  
13 tion if—

14           “(1) the State health agency of each State in  
15 which such population is located or the local public  
16 health agency or any other public or nonprofit private  
17 health entity serving such population makes application  
18 to the Secretary for such assignment, and

19           “(2) the local government of the area in which  
20 such population resides certifies to the Secretary that  
21 such assignment of Corps personnel is needed for such  
22 population.

23       “(b) (1) The Secretary may not approve an applica-  
24 tion under subsection (a) for an assignment unless the ap-

1 plicant agrees to enter into an agreement with the Secretary  
2 in accordance with section 716 (a) and has afforded—

3 “(A) the entity responsible for the development of  
4 the plans referred to in section 314 (b) which covers  
5 all or any part of the area in which the population for  
6 which the application is submitted resides, and

7 “(B) if there is a part of such area for which no  
8 such entity is responsible for developing such plans, the  
9 agency of the State in which such part is located which  
10 administers or supervises the administration of a State  
11 plan approved under section 314 (a),

12 an opportunity to review the application and submit its  
13 comments to the Secretary respecting the need for and  
14 proposed use of manpower requested in the application.  
15 In considering such an application, the Secretary shall take  
16 into consideration the need of the population for which the  
17 application was submitted for the health services which  
18 may be provided under this section; and the willingness of  
19 the population and the appropriate governmental agencies  
20 or health entities serving it to assist and cooperate with the  
21 Corps in providing effective health services to the population.

22 “(2) (A) In approving an application submitted under  
23 subsection (a) for the assignment of Corps personnel to  
24 provide health services for a medically underserved popu-  
25 lation, the Secretary may approve the assignment of Corps

1 personnel for such population during a period (referred to  
2 in this paragraph as the 'assistance period') which may not  
3 exceed four years from the date of the first assignment of  
4 Corps personnel for such population after the date of the  
5 approval of the application. No assignment of individual  
6 Corps personnel may be made for a period ending after the  
7 expiration of the applicable approved assistance period.

8       “(B) Upon expiration of an approved assistance period  
9 for a medically underserved population, no new assignment  
10 of Corps personnel may be made for such population unless  
11 an application is submitted in accordance with subsection  
12 (a) for such assignment. The Secretary may not approve  
13 such an application unless—

14           “(i) the application and certification requirements  
15 of subsection (a) are met;

16           “(ii) the Secretary has conducted an evaluation  
17 of the continued need for health manpower of the popu-  
18 lation for which the application is submitted, of the  
19 utilization of the manpower by such population, of the  
20 growth of the health care practice of the Corps personnel  
21 assigned for such population, and of community support  
22 for the assignment; and

23           “(iii) the Secretary has determined that such  
24 population has made continued efforts to secure its  
25 own health manpower, that there has been sound fiscal

1 management of the health care practice of the Corps  
2 personnel assigned for such population, including efficient  
3 collection of fee-for-service, third-party, and other funds  
4 available to such population, and that there has been  
5 appropriate and efficient utilization of such Corps  
6 personnel.

7 “(c) Corps personnel shall be assigned to provide  
8 health services for a medically underserved population on  
9 the basis of the extent of the population’s need for health  
10 services and without regard to the ability of the members  
11 of the population to pay for health services.

12 “(d) In making an assignment of Corps personnel  
13 the Secretary shall seek to match characteristics of the  
14 assignee (and his spouse (if any)) and of the population  
15 to which such assignee may be assigned in order to increase  
16 the likelihood of the assignee remaining to serve the popula-  
17 tion upon completion of his assignment period. The Secre-  
18 tary shall, before the expiration of the last nine months of  
19 the assignment period of a member of the Corps, review  
20 such member’s assignment and the situation in the area to  
21 which he was assigned for the purpose of determining the  
22 advisability of extending the period of such member’s  
23 assignment.

24 “SEC. 714. (a) In providing health services for a medi-  
25 cally underserved population under this section, Corps per-

1 sonnel shall utilize the techniques, facilities, and organiza-  
2 tional forms most appropriate for the area in which the  
3 population resides and shall, to the maximum extent feasible,  
4 provide such services (1) to all members of the population  
5 regardless of their ability to pay for the services, and (2)  
6 in connection with (A) direct health services programs  
7 carried out by the Service; (B) any direct health services  
8 program carried out in whole or in part with Federal finan-  
9 cial assistance; or (C) any other health services activity  
10 which is in furtherance of the purposes of this section.

11 “(b) Notwithstanding any other provision of law, the  
12 Secretary (1) may, to the extent feasible, make such ar-  
13 rangements as he determines necessary to enable Corps per-  
14 sonnel in providing health services for a medically under-  
15 served population to utilize the health facilities of the area  
16 in which the population resides, and (2) may make such  
17 arrangements as he determines are necessary for the use of  
18 equipment and supplies of the Service and for the lease or  
19 acquisition of other equipment and supplies, and may secure  
20 the temporary services of nurses and allied health profes-  
21 sionals.

22 “(c) If such area is being served (as determined under  
23 regulations of the Secretary) by a hospital or other health  
24 care delivery facility of the Service, the Secretary shall,  
25 in addition to such other arrangements as the Secretary may



1 make under subsection (b), arrange for the utilization  
2 of such hospital or facility by Corps personnel in providing  
3 health services for the population, but only to the extent  
4 that such utilization will not impair the delivery of health  
5 services and treatment through such hospital or facility to  
6 persons who are entitled to health services and treatment  
7 through such hospital or facility. If there are no health  
8 facilities in or serving such area, the Secretary may arrange  
9 to have Corps personnel provide health services in the  
10 nearest health facilities of the Service or the Secretary may  
11 lease or otherwise provide facilities in such area for the  
12 provision of health services.

13 "SEC. 715. The Secretary may make one grant to  
14 any applicant with an approved application under section  
15 713 to assist it in meeting the costs of establishing medical  
16 practice management systems for Corps personnel, acquiring  
17 equipment for their use in providing health services, and  
18 establishing appropriate continuing education programs and  
19 opportunities for them. No grant may be made under this  
20 paragraph unless an application is submitted therefor and  
21 approved by the Secretary. The amount of any grant shall  
22 be determined by the Secretary, except that no grant may  
23 be made for more than \$25,000.

24 "SEC. 716. (a) The Secretary shall require as a con-  
25 dition to the approval of an application under section 713

1 that the entity which submitted the application enter into  
2 an appropriate arrangement with the Secretary under  
3 which—

4 “(1) the entity shall be responsible for charging  
5 in accordance with subsection (6) for health services by  
6 the Corps personnel to be assigned;

7 “(2) the entity shall take such action as may be  
8 reasonable for the collection of payments for such health  
9 services, including if a Federal agency, an agency of a  
10 State or local government, or other third party would be  
11 responsible for all or part of the cost of such health  
12 services if it had not been provided by Corps personnel  
13 under this section, the collection, on a fee-for-service or  
14 other basis, from such agency or third party the portion  
15 of such cost for which it would be so responsible (and  
16 in determining the amount of such cost which such  
17 agency or third party would be responsible, the health  
18 services provided by Corps personnel shall be considered  
19 as being provided by private practitioners); and

20 “(3) the entity shall pay to the United States the  
21 lesser of—

22 “(A) 75 per centum of the amount collected by  
23 the entity in accordance with subsection (a) in each  
24 calendar quarter (or other period as may be specified  
25 in the agreement), or

1           “(B) the sum of (i) the pay and allowances  
2           for the Corps personnel for such quarter (or other  
3           period), and (ii) an amount which bears the same  
4           ratio to the total amount of payments made to Corps  
5           personnel provided to the entity under section 701  
6           as the number of days in such quarter (or other  
7           period) bears to the number of days in the assign-  
8           ment period for such personnel.

9           Funds received by the Secretary under such an arrangement  
10          shall be deposited in the Treasury as miscellaneous receipts  
11          and shall be disregarded in determining the amounts of ap-  
12          propriations to be requested under section 722 and the  
13          amounts to be made available from appropriations made un-  
14          der such section to carry out this section.

15          “(b) Any person who receives health services provided  
16          by Corps personnel under this section shall be charged for  
17          such services on a fee-for-service or other basis at a rate  
18          approved by the Secretary, pursuant to regulations, to re-  
19          cover the value of such services; except that if such person  
20          is determined under regulations of the Secretary to be un-  
21          able to pay such charge, the Secretary shall provide for the  
22          furnishing of such services at a reduced rate or without  
23          charge.

24          “SEC. 717. The Secretary shall, under regulations  
25          prescribed by him, adjust the monthly rate of pay of each

1 physician and dentist member of the Corps who is directly  
2 engaged in the delivery of health services to a medically  
3 underserved population as follows:

4       “(1) During the first thirty-six months in which  
5 such a member is so engaged in the delivery of health  
6 services, his monthly rate of pay shall be increased by  
7 an amount (not to exceed \$1,000) which when added  
8 to the member's regular monthly rate of pay and allow-  
9 ances will provide a monthly income competitive with  
10 the average monthly income from an established practice  
11 of a member of such member's profession with equiva-  
12 lent training.

13       “(2) During the period beginning upon the expi-  
14 ration of the thirty-six months referred to in paragraph  
15 (1) and ending with the month in which the member's  
16 regular monthly rate of pay and allowances is equal to  
17 or exceeds the monthly income he received for the last of  
18 such thirty-six months, the member shall receive in  
19 addition to his regular rate of pay and allowances an  
20 amount which when added to such regular rate equals  
21 the monthly income he received for such last month:  
22 In the case of a member of the Corps who is directly engaged  
23 in the provision of health services to a medically underserved  
24 population in accordance with a service obligation incurred  
25 under section 702, the provisions of this paragraph shall

1 apply to such member upon satisfactory completion of such  
2 service obligation and the first thirty-six months of his being  
3 so engaged in the delivery of health care shall, for purposes  
4 of this paragraph, be deemed to begin upon such satisfactory  
5 completion.

6 "SEC. 718. (a) (1) The Secretary shall conduct at medi-  
7 cal and nursing schools and other schools of the health pro-  
8 fessions and training centers for the allied health professions,  
9 recruiting programs for the Corps. Such programs shall in-  
10 clude the wide dissemination of written information on the  
11 Corps and visits to such schools by personnel of the Corps.

12 "(2) The Secretary may reimburse applicants for posi-  
13 tions in the Corps for actual expenses incurred in traveling  
14 to and from their place of residence to an area in which  
15 they would be assigned for the purpose of evaluating such  
16 area with regard to being assigned in such area. The Secre-  
17 tary shall not reimburse an applicant for more than one  
18 such trip.

19 "(b) The Secretary shall (1) provide assistance to  
20 persons seeking assignment of Corps personnel to provide  
21 under this section health services for medically underserved  
22 populations, and (2) conduct such information programs in  
23 areas in which such populations reside as may be necessary  
24 to inform the public and private health entities serving those  
25 areas of the assistance available to such populations by

1 virtue of their designation under this section as medically  
2 underserved.

3 "SEC. 719. (a) The Secretary of Health, Education,  
4 and Welfare shall conduct or contract for studies of methods  
5 of assigning under this part, National Health Service Corps  
6 personnel to medically underserved populations and of pro-  
7 viding health care to such populations. Such studies shall be  
8 for the purpose of identifying (1) the characteristics of  
9 health manpower who are more likely to remain in practice  
10 in areas in which medically underserved populations are  
11 located, (2) the characteristics of areas which have been  
12 able to retain health manpower, (3) the appropriate condi-  
13 tions for assignment of independent nurse practitioners and  
14 physician's assistants in areas in which medically under-  
15 served populations are located, and (4) the effect that  
16 primary care residency training in such areas has on the  
17 health care provided in such areas and on the decisions of  
18 physicians who received such training respecting the areas  
19 in which to locate their practice.

20 "(b) Upon the expiration of the assignment of Corps  
21 personnel to provide health services for a medically under-  
22 served population, the Secretary (notwithstanding any other  
23 provision of law) may sell to the entity which submitted  
24 the last application approved under subsection (c) for the  
25 assignment of Corps personnel for such population equipment

1 of the United States utilized by such personnel in providing  
2 health services. Sales made under this paragraph shall be  
3 made for the fair market value of the equipment sold (as  
4 determined by the Secretary).

5 “(c) Commissioned officers and other personnel of the  
6 Corps assigned to provide health services for medically  
7 underserved populations shall not be included in determin-  
8 ing whether any limitation on the number of personnel  
9 which may be employed by the Department of Health,  
10 Education, and Welfare has been exceeded.

11 “SEC. 720. (a) The Secretary shall report to Congress  
12 no later than May 15 of each year—

13 “(1) the number, identity, population, and extent  
14 of underservice of all medically underserved populations  
15 in each of the States in the calendar year preceding the  
16 year in which the report is made and the number of  
17 medically underserved populations which the Secretary  
18 estimates will be designated under section 712 in the  
19 calendar year in which the report is made;

20 “(2) the number of applications filed in such pre-  
21 ceding calendar year for assignment of Corps personnel  
22 under this section and the action taken on each such  
23 application;

24 “(3) the number and types of Corps personnel  
25 assigned in such preceding year to provide health serv-

1 ices for medically underserved populations, the number  
2 and types of additional Corps personnel which the Secre-  
3 tary estimates will be assigned to provide such services  
4 in the calendar year in which the report is submitted,  
5 and the need (if any) for additional personnel for the  
6 Corps;

7 “(4) the recruitment efforts engaged in for the  
8 Corps in such preceding year, including the programs  
9 carried out under section 718 (a) (1) and the number  
10 of qualified persons who applied for service in the Corps  
11 in each professional category;

12 “(5) the total number of patients seen and patient  
13 visits recorded during such preceding years in each area  
14 where Corps personnel were assigned;

15 “(6) the number of health personnel electing to  
16 remain after termination of their service in the Corps to  
17 provide health services to medically underserved popula-  
18 tions and the number of such personnel who do not make  
19 such election and the reasons for their departure;

20 “(7) the results of evaluations made under section  
21 713 (b) (2) (B) (ii), and determinations made under  
22 section 713 (b) (2) (B) (iii), during such preceding  
23 year; and

24 “(8) the amount (A) charged during such pre-  
25 ceding year for health services by Corps personnel, (B)



1 collected in such year by entities in accordance with  
2 arrangements under section 716, and (C) paid to the  
3 Secretary in such year under such arrangements.

4 “(b) The Secretary of Health, Education, and Welfare  
5 shall report to Congress (1) not later than September 1,  
6 1974, the criteria used by him in designating medically  
7 undeserved populations for purposes of section 712 of the  
8 Public Health Service Act, and (2) not later than Janu-  
9 ary 1, 1975, the identity and number of medically under-  
10 served populations in each State meeting such criteria.

11 “SEC. 721. (a) (1) There is established a council to be  
12 known as the National Advisory Council on the National  
13 Health Service Corps (hereinafter in this section referred  
14 to as the ‘Council’). The Council shall be composed of  
15 fifteen members appointed by the Secretary as follows:

16 “(A) Four members shall be appointed from the  
17 general public to represent the consumers of health care,  
18 at least two of whom shall be members of a medically  
19 underserved population for which Corps personnel are  
20 providing health services under this section.

21 “(B) Three members shall be appointed from the  
22 medical, dental, and other health professions and health  
23 teaching professions.

24 “(C) Three members shall be appointed from State  
25 health or health planning agencies.

1           “(D) Three members shall be appointed from the  
2           Service, at least two of whom shall be members of the  
3           Corps directly engaged in the provision of health serv-  
4           ices for a medically underserved population.

5           “(E) One member shall be appointed from the  
6           National Advisory Council on Comprehensive Health  
7           Planning.

8           “(F) One member shall be appointed from the  
9           National Advisory Council on Regional Medical  
10          Programs.

11          The Council shall consult with, advise, and make recom-  
12          mendations to, the Secretary with respect to his responsi-  
13          bilities in carrying out this section, and shall review and  
14          approve regulations promulgated by the Secretary under  
15          this section and section 225.

16          “(2) Members of the Council shall be appointed for a  
17          term of three years and shall not be removed, except for  
18          cause. Members may be reappointed to the Council.

19          “(3) Appointed members of the Council, while attend-  
20          ing meetings or conferences thereof or otherwise serving  
21          on the business of the Council, shall be entitled to receive  
22          for each day (including traveltime) in which they are so  
23          serving the daily equivalent of the annual rate of basic pay  
24          in effect for grade GS-18 of the General Schedule, and  
25          while so serving away from their homes or regular places of

1 business they may be allowed travel expenses, including per  
2 diem in lieu of subsistence, as authorized by section 5703 (b)  
3 of title 5 of the United States Code for persons in the Gov-  
4 ernment service employed intermittently.

5       “(b) The amendment made by subsection (a) shall  
6 change the name of the advisory council previously estab-  
7 lished under section 329 of the Public Health Service Act  
8 shall not be construed as requiring the establishment of a  
9 new advisory council; and the amendment made by such  
10 subsection with respect to the composition of such advisory  
11 council shall apply with respect to appointments made to  
12 the advisory council after the date of the enactment of this  
13 Act.

14       “SEC. 722. To carry out the purposes of this part, there  
15 are authorized to be appropriated such sums as may be nec-  
16 essary for the fiscal years ending June 30, 1975, June 30,  
17 1976, and June 30, 1977.

18       “(2) An appropriation Act which appropriates funds  
19 under subsection (a) for any fiscal year, may also appro-  
20 priate for the next fiscal year the funds that are authorized  
21 to be appropriated under such paragraph for such next fiscal  
22 year; but no funds may be made available therefrom for  
23 obligation under this section before the fiscal year for which  
24 such funds are authorized to be appropriated.”.

1       “PART C—POSTGRADUATE PHYSICIAN TRAINING

2       “SEC. 731. (a) There is established in the Public  
3 Health Service the National Council on Postgraduate  
4 Physician Training (hereinafter in this title referred to as  
5 the ‘National Council’).

6       (b) The National Council shall consist of nineteen  
7 members appointed by the Secretary of Health, Education,  
8 and Welfare (hereinafter in this title referred to as the  
9 ‘Secretary’) without regard to the provisions of title 5 of  
10 the United States Code relating to appointments in the  
11 competitive service from persons who are not officers or  
12 employees of the United States Government as follows:

13       “(1) Eleven members shall be appointed from per-  
14 sons in the medical and osteopathic professions. Of the  
15 eleven:

16       “(A) six shall be practicing physicians associ-  
17 ated with specialty and subspecialty physician (in-  
18 cluding osteopathic) organizations, including one  
19 each from the specialties or subspecialties of family  
20 practice, internal medicine, pediatrics, obstetrics and  
21 gynecology, surgery, and psychiatry;

22       “(B) two shall be physicians associated with  
23 organizations associated with postgraduate physician  
24 training:

1           “(C) two shall be physicians associated with  
2           medical schools or university health science centers;  
3           and

4           “(D) one shall be a physician in postgraduate  
5           physician training.

6           “(2) Five members shall be appointed from persons  
7           who are nonphysician health professionals. Of the five:

8           “(A) two shall be individuals associated with  
9           hospitals which maintain postgraduate physician  
10          training programs;

11          “(B) one shall be a State or local health  
12          planner or public health administrator;

13          “(C) one shall be a medical student;

14          “(D) one shall be a nurse or other allied  
15          health professional.

16          “(3) Three members shall be appointed from the  
17          general public.

18          The members of the National Council shall select a chair-  
19          man from among their own number.

20          “(c) Each member of the National Council shall hold  
21          office for a term of four years, except that—

22                 “(1) any member appointed to fill a vacancy prior  
23                 to the expiration of the term for which his predecessor  
24                 was appointed shall hold office for the remainder of such  
25                 term, and

1           “(2) the terms of office of the members first taking  
2 office shall expire, as designated by the Secretary at the  
3 time of appointment, three at the end of the first year,  
4 three at the end of the second year, and three at the end  
5 of the third year, and two at the end of the fourth year,  
6 after the date of appointment.

7 No member shall be eligible to serve continuously for more  
8 than two terms.

9           “(d) Members of the National Council, while attending  
10 meetings or conferences thereof, or otherwise serving on  
11 business of the National Council, shall be entitled to receive  
12 compensation at rates fixed by the Secretary, but not exceed-  
13 ing for any day (including traveltime) the daily equivalent  
14 of the effective rate for grade GS-18 of the General Sched-  
15 ule, and while so serving away from their homes or regular  
16 places of business, they may be allowed travel expenses,  
17 including per diem in lieu of subsistence, as authorized by  
18 section 5703 (b) of title 5 of the United States Code for  
19 persons in the Government service employed intermittently.

20           “SEC. 732. (a) Upon appointment and prior to July 1,  
21 1976, the National Council shall conduct studies and other  
22 activities relevant to the various matters related to the post-  
23 graduate training of physicians specifically including the  
24 following:

25           “(1) The commissioning and supervision of the

1 investigation of physician specialty distribution in the  
2 United States and its possessions as prescribed by section  
3 740.

4 “(2) The development of collaborative working  
5 relationships with each physician specialty organization  
6 to determine and assist their individual activities with respect to the number and location of practitioners within  
7 each specialty.

8  
9 “(3) An assessment of the need for financial support for the postgraduate training of physicians, especially in primary care specialties.

10  
11  
12 “(4) An assessment of the service needs of hospitals and other health institutions, the role of postgraduate physician trainees in meeting such needs, and alternate means of meeting such needs.

13  
14  
15  
16 “(5) An assessment of the educational component of postgraduate training programs for physicians.

17  
18 “(6) The assessment of the impact of foreign medical graduates on the present and future health care in  
19 the United States and foreign nations.

20  
21 “(b) After July 1, 1976, the National Council shall  
22 administer the program established by section 735 and carry  
23 out such other activities as may be incidental to such  
24 administration.

25 “SEC. 733. (a) For each of the Department of Health,

1 Education, and Welfare regions there is established a Re-  
2 gional Council on Postgraduate Physician Training (herein-  
3 after referred to in this title as the 'Regional Council'). Each  
4 Regional Council shall consist of nineteen members appointed  
5 by the Secretary without regard to the provisions of title 5  
6 of the United States Code relating to the appointments and  
7 competitive service from persons who are not officers or  
8 employees of the United States Government as follows:

9 " (1) Eleven shall be appointed from persons in the  
10 medical and osteopathic professions. Of the eleven:

11 " (A) six shall be practicing physicians includ-  
12 ing one each from the specialties or subspecialties of  
13 family practice, internal medicine, pediatrics, obstet-  
14 rics and gynecology, surgery, and psychiatry;

15 " (B) two shall be physicians associated with  
16 hospitals which maintain postgraduate physician  
17 training programs;

18 " (C) two shall be physicians associated with  
19 medical schools or university health science centers;  
20 and

21 " (D) one shall be a physician in postgraduate  
22 physician training.

23 " (2) Five members shall be appointed from persons  
24 who are nonphysician health professionals. Of the five:

25 " (A) two shall be individuals associated with



1 hospitals which maintain postgraduate physician  
2 training programs;

3 “(B) one shall be a State or local health plan-  
4 ner or public health administrator;

5 “(C) one shall be a medical student; and

6 “(D) one shall be a nurse or other allied health  
7 professional.

8 “(3) Three members shall be appointed from the  
9 general public.

10 The members of each regional council shall select a chairman  
11 from among their own number.

12 “(b) Each member of a regional council shall hold of-  
13 fice for a term of four years, except that—

14 “(1) any member appointed to fill a vacancy prior  
15 to the expiration of the term for which his predecessor  
16 was appointed shall hold office for the remainder of such  
17 term, and

18 “(2) the terms of office of the members first taking  
19 office shall expire, as designated by the Secretary at the  
20 time of appointment, three at the end of the first year,  
21 three at the end of the second year, three at the end of the  
22 third year, and two at the end of the fourth year, after  
23 the date of appointment.

24 No member shall be eligible to serve continuously for more  
25 than two terms.

1       “(c) Members of a regional council, while attending  
2 meetings or conferences thereof, or otherwise serving on  
3 business of a regional council, shall be entitled to receive  
4 compensation at rates fixed by the Secretary, but not exceed-  
5 ing for any day (including traveltime) the daily equivalent  
6 of the effective rate for grade GS-18 of the General Schedule,  
7 and while so serving away from their homes or regular places  
8 of business, they may be allowed travel expenses, including  
9 per diem in lieu of subsistence, as authorized by section  
10 5703 (b) of title 5 of the United States Code for persons  
11 in the Government service employed intermittently.

12       “(d) All members of a regional council shall be resi-  
13 dents, and fully employed to the extent of their employment,  
14 within the region served by the regional council.

15       “SEC. 734. (a) Upon appointment, and prior to July 1,  
16 1976, each regional council shall conduct studies and other  
17 activities relevant to the various matters related to the post-  
18 graduate training of physicians within the region served by  
19 the regional council, specifically including the following:

20               “(1) A survey of the institutions providing post-  
21 graduate training of physicians within the region, includ-  
22 ing an analysis of the types of training currently pro-  
23 vided, as well as the types of training that might be  
24 provided by such institutions.

1           “(2) An assessment of the service needs of hospitals  
2           and other health institutions within the region, including  
3           an assessment of the role that postgraduate physician  
4           trainees play in meeting such needs and alternative  
5           means of meeting such needs.

6           “(3) An assessment of the educational component  
7           of the postgraduate training programs for physicians con-  
8           ducted within the region.

9           “(4) An assessment of the status of the financial  
10          support of the postgraduate training of physicians within  
11          the region, especially of primary care training programs.

12          “(5) Development of collaborative working rela-  
13          tionships with regional medical programs, comprehensive  
14          health planning programs, State departments of health,  
15          and area health education system programs operating  
16          within the region.

17          “(b) After July 1, 1976, each regional council shall  
18          administer the program established by section 736 and carry  
19          out such other activities as may be incidental to such  
20          administration.

21          “SEC. 735. (a) On July 1, 1976, and not later than  
22          July 1 of each year thereafter, the National Council shall  
23          conduct a certification program as follows:

24          “(1) Establish the total number of postgraduate physi-  
25          cian training positions to be certified for the year beginning

1 on the next following July 1. Such certified positions shall  
2 not exceed 110 per centum of the number of doctor of  
3 medicine and doctor of osteopathy degrees expected to be  
4 granted in the intervening year in the United States.

5 “(2) Assign the total number of certified positions so  
6 established, to the various categories of specialty and sub-  
7 specialty practice of medicine recognized within the United  
8 States. In assigning positions to the various category of  
9 specialty and subspecialty practice of medicine, the Na-  
10 tional Council shall take into consideration the findings of  
11 the study conducted pursuant to section 740.

12 “(3) Assign from the certified positions so established  
13 in each physician specialty and subspecialty certified positions  
14 to each of the ten regional councils.

15 “(b) The National Council shall on October 1, 1976,  
16 and October 1 of each subsequent year directly cer-  
17 tify positions in entities, and associations of such entities,  
18 which directly provide postgraduate training of physicians  
19 in those physician specialties and subspecialties in which suffi-  
20 cient numbers of physicians are not needed nationally to  
21 permit a proper distribution of such positions to the regional  
22 councils. Such positions shall not, in any year of the program,  
23 exceed 10 per centum of the total number of certified posi-  
24 tion for such year. On or before August 1, 1976, and Au-  
25 gust 1 of each subsequent year the National Council shall

1 inform the respective regional council of all positions pro-  
2 posed to be directly certified within such region. No posi-  
3 tion may be directly certified by the National Council, if the  
4 respective regional council disapproves such position within  
5 thirty days of notification by the National Council of such  
6 proposed certification.

7 "SEC. 736. (a) Each regional council shall, not later  
8 than October 1, 1976, and October 1 of each subsequent year,  
9 certify postgraduate training positions in entities, and asso-  
10 ciations of such entities, which directly provide such training  
11 within the region served by the regional council. In cer-  
12 tifying such positions, the regional council shall not certify  
13 any position—

14 " (1) in any physician specialty or subspecialty in  
15 excess of the number of certified positions in such  
16 medical specialty or subspecialty assigned to the  
17 regional council by the National Council under section  
18 735 (a) (3).

19 " (2) in any entity, or association of such entities,  
20 which has, or will have, in the aggregate, fewer than one  
21 hundred and fifty such certified positions;

22 " (3) in any entity which maintains any post-  
23 graduate physician training position, or any association  
24 of entities in which any participating entity maintains  
25 any such position, which is not certified by the regional

1 council as a graduate training position for physicians; or

2 “(4) which is not a part of, at a minimum, an inte-  
3 grated three-year postgraduate physician training  
4 program.

5 “(b) In certifying positions, each regional council  
6 shall—

7 “(1) to the extent feasible, insure that the certified  
8 positions are equitably distributed geographically within  
9 the region served by the regional council;

10 “(2) insure that the educational component of each  
11 training program meets acceptable standards; and

12 “(3) give special consideration to certifying posi-  
13 tions associated with, as an integrated part, an area  
14 health education system, as defined by regulations of the  
15 Secretary under section 751 of this Act.

16 “SEC. 737. In carrying out the provisions of sections 732  
17 (a) (5), 734 (a) (3) and 736 (b) (2) relating to the edu-  
18 cational component of postgraduate physician training, the  
19 National Council and each regional council shall coordinate  
20 its activities with the Liaison Committee on Graduate Medi-  
21 cal Education.

22 “SEC. 738. (a) The Secretary shall make grants to,  
23 and contract with, entities which directly provide, or associa-  
24 tions of such entities which directly provide, or have the  
25 capacity to provide directly, postgraduate training of physi-

1 cians and which are certified to the Secretary by the National  
2 Council and a regional council as likely to receive an in-  
3 creased number of certified postgraduate positions subse-  
4 quent to July 1, 1977, to allow such entities to develop new,  
5 and expand existing, postgraduate physician training pro-  
6 grams.

7 “(b) In the awarding of grants, the Secretary shall give  
8 special priority to (1) programs to train primary medical,  
9 especially family practice, physicians and (2) programs, es-  
10 pecially programs described in clause (1), in regions with a  
11 relative shortage of physicians.

12 “(c) No entity may receive—

13 “(1) a grant or contract for more than \$100,000 for  
14 the establishment, or the expansion of an existing pro-  
15 gram in the training of physicians in any particular  
16 specialty or subspecialty area, in any fiscal year.

17 “(2) a grant or contract for more than two consec-  
18 utive years for the establishment, or the expansion of  
19 an existing program, for the training of physicians in  
20 any particular specialty or subspecialty area.

21 “(d) For each of the fiscal years ending June 30, 1975,  
22 June 30, 1976, and June 30, 1977, there are authorized to  
23 be appropriated such sums as may be necessary to carry out  
24 the provisions of this section.

1       “SEC. 739. (a) The Secretary shall make grants to en-  
2 titles which—

3           “(1) directly provided postgraduate training of  
4 physicians on July 1, 1977; and

5           “(2) because of the operation of this part, are able  
6 to obtain a decreased number of postgraduate physician  
7 trainees following July 1, 1977; and

8           “(3) have a plan to utilize such funds to initiate  
9 the provision of services, previously provided by phy-  
10 sicians in postgraduate training, by other health profes-  
11 sionals and personnel, especially nurse clinicians.

12 The Secretary shall pay to such entities \$10,000 for each  
13 individual position decrease in the first year following such  
14 decrease and \$5,000 for each position decrease in the second  
15 year following such decrease.

16       “(b) For each of the fiscal years ending June 30, 1978,  
17 June 30, 1979, and June 30, 1980, there are authorized to  
18 be appropriated such sums as may be necessary to carry out  
19 the provisions of this section.

20       “SEC. 740. (a) The Secretary shall, within ninety days  
21 of the appointment of the National Council, contract, with  
22 the approval of the National Council as provided in sub-  
23 section (b), for the conduct of a study to:

24           “(1) Analyze the current distribution of physicians



1 by speciality. The geographical distribution of medical  
2 and osteopathic physicians by speciality and subspe-  
3 ciality and by geographic area shall be determined. Phy-  
4 sician specialities and subspecialities shall be defined in  
5 a manner consistent with recognized categories; geo-  
6 graphic areas shall be defined as a reasonable medical  
7 trade area for each speciality or subspeciality; special  
8 attention shall be given to determining the percent of  
9 time physicians in each speciality and subspeciality  
10 spend in primary care activities.

11 “(2) Project the expected distribution of phy-  
12 sicians by speciality and subspeciality by geographic  
13 area in the years 1980, 1985, and 1990. Such projec-  
14 tion shall be based on current trends in physician spe-  
15 cialty training and choice of practice sites, the activities  
16 of various specialty boards and other organizations, and  
17 the retirement-death rate of physicians by speciality and  
18 subspeciality.

19 “(3) Examine and critically evaluate the various  
20 methodologies for estimating the optimal distribution of  
21 physicians by speciality and subspeciality by geographic  
22 area. Methodologies examined and evaluated shall in-  
23 clude methodologies utilized by foreign countries.

24 “(4) Develop a reliable and appropriate method-  
25 ology to establish the optimal distribution of physicians

1 by speciality and subspeciality by geographic area. Utili-  
2 zing such methodology, projections shall be made for  
3 the optimal number of physicians by speciality and sub-  
4 specialty by geographic area for the years 1980, 1985,  
5 and 1990.

6 “(b) The National Council shall approve the organiza-  
7 tion selected by the Secretary to conduct the study required  
8 by subsection (a). Such organization shall—

9 “(1) have a national reputation for objectivity in the  
10 conduct of studies for the Federal Government;

11 “(2) have the capacity to readily marshal the  
12 widest possible range of expertise and advice relevant to  
13 the conduct of such studies;

14 “(3) have a membership and competent staff which  
15 have backgrounds in government, the health sciences,  
16 and the social sciences;

17 “(4) have a history of interest and activity in health  
18 policy issues related to such studies; and

19 “(5) have extensive existing contracts with inter-  
20 ested public and private agencies and organizations.

21 “(c) An interim report providing a plan for the study  
22 required by subsection (a) shall be submitted by the organi-  
23 zation conducting the study to the Committee on Interstate  
24 and Foreign Commerce of the House of Representatives and  
25 the Committee on Labor and Public Welfare of the Senate

1 by January 31, 1975; and a final report giving the results of  
2 the study shall be submitted by such organization to the  
3 Committee on Interstate and Foreign Commerce of the  
4 House of Representatives and the Committee on Labor and  
5 Public Welfare of the Senate by January 31, 1976.

6 “(d) There is authorized to be appropriated \$10,000,-  
7 000, which shall be available without fiscal year limitations,  
8 for the conduct of the study required by subsection (a).

9 “SEC. 740A. No entity which is engaged in business in  
10 interstate commerce as a health insurer and which receives  
11 an annual gross income from the provision of health insur-  
12 ance of not less than \$1,000,000 may reimburse or other-  
13 wise pay an individual or institution an amount resulting  
14 from expenses associated with the postgraduate training of  
15 physicians after July 1, 1977, unless such training has been  
16 certified by the National Council and, except for positions  
17 certified under section 735 (b), the appropriate regional  
18 council. Any entity which makes a reimbursement or other  
19 payment prohibited by this section shall for each such  
20 reimbursement or other payment be subject to a civil penalty  
21 of not more than \$5,000. Such penalty shall be assessed  
22 by the Secretary and may be collected in a civil action  
23 brought by the United States in a United States district  
24 court under section 1355 of title 28, United States Code.  
25 No State may establish or enforce any law which would

1 require as a condition of doing business in such State that  
2 an entity described in this section make reimbursements  
3 or other payments prohibited by this section.

4 "PART D—SPECIAL PROJECT GRANTS

5 "SEC. 741. (a) The Secretary may make grants to pub-  
6 lic and other nonprofit private schools of podiatry and other  
7 public or nonprofit private agencies, organizations, and insti-  
8 tutions to meet the costs of projects to assist in—

9 " (1) mergers between podiatric training programs  
10 and medical, osteopathic, and other health professions  
11 training programs and academic institutions, or

12 " (2) other cooperative arrangements among podi-  
13 atric training programs and medical, osteopathic, and  
14 other health professions training programs and academic  
15 institutions.

16 " (b) There are authorized to be appropriated such sums  
17 as may be necessary to carry out the provisions of this section  
18 for the fiscal years ending June 30, 1975, June 30, 1976,  
19 and June 30, 1977.

20 "SEC. 742. (a) The Secretary may make grants to pub-  
21 lic and other nonprofit private schools of nursing, pharmacy,  
22 public health, and health administration and other public or  
23 nonprofit private agencies, organizations, and institutions to  
24 meet the costs of projects to develop and expand graduate  
25 degree level training programs for—

1           “(1) clinical nursing personnel, including programs  
2           for the training of pediatric nurse practitioners, nurse  
3           midwives, and other types of nurse practitioners;

4           “(2) clinical pharmacy personnel; and

5           “(3) community and public health personnel and  
6           health administrators.

7           “(b) There are authorized to be appropriated such sums  
8           as may be necessary to carry out the provisions of this section  
9           for the fiscal years ending June 30, 1975, June 30, 1976,  
10          and June 30, 1977.

11          “SEC. 743. (a) The Secretary may make grants to pub-  
12          lic and other nonprofit private undergraduate (including bac-  
13          calaureate, diploma, and associate degree granting) schools  
14          of nursing, pharmacy, and allied health and other public or  
15          nonprofit private agencies, organizations and institutions to  
16          meet the costs of projects to—

17               “(1) Assist in increasing the supply, or improve  
18               the distribution of, adequately trained health personnel;

19               “(2) Effect significant improvements in the curric-  
20               ulum of such schools;

21               “(3) Plan, develop or establish new programs or  
22               modifications of existing programs of health personnel  
23               education;

24               “(4) Increase educational opportunity for dis-  
25               advantaged students; and



1           “(2) Provides directly, and coordinates the provi-  
2 sion by other entities, of health education services to  
3 the residents of the health education area including, at  
4 a minimum:

5                   “(A) The training of nurses and other allied  
6 health personnel;

7                   “(B) The postgraduate training of physicians  
8 in, at the minimum, primary care specialties;

9                   “(C) Continuing education for practicing phy-  
10 sicians and continuing education and inservice train-  
11 ing for nurses and other health professions;

12                   “(D) Counseling with respect to careers in  
13 medicine, nursing, and other health professions at  
14 secondary schools and community colleges; and

15                   “(E) The provision to the general population  
16 of education about:

17                           “(i) the appropriate use of health services;  
18 and

19                           “(ii) the contribution each individual can  
20 make to the maintenance of his own health.

21           “(3) Has contracts or other formal working ar-  
22 rangements, with, at the minimum:

23                   “(A) A university health education center;

24                   “(B) State colleges, community colleges, and  
25 private universities and colleges, which provide

1 education in the health professions, nursing, and  
2 the allied professions:

3 " (C) Hospitals and other health delivery en-  
4 tities which provide health services and which oper-  
5 ate health education training programs:

6 " (D) State and community public health agen-  
7 cies which provide health education to the general  
8 population:

9 " (E) Voluntary health agencies and organiza-  
10 tions which provide health education to the general  
11 population:

12 " (F) State and local health services plan-  
13 ning agencies, including agencies established pur-  
14 suant to section 314 (b) and title IX of this Act;  
15 and

16 " (G) Professional standards review organiza-  
17 tions established pursuant to section 1152 of the  
18 Social Security Act.

19 " (4) Has a governing board, the members of  
20 which shall include residents of the health education  
21 area who are:

22 " (A) Individuals who are associated with in-  
23 stitutions and organizations from the educational  
24 field;

25 " (B) Individuals who are associated with in-



1           stitutions, organizations, or are themselves involved  
2           with the provision of health care services;

3           “(C) Individuals who are associated with  
4           appropriate State and local health services planning  
5           agencies, including agencies established pursuant to  
6           section 314 (b) and title IX of this Act;

7           “(D) Individuals who are associated with  
8           county and municipal governments; and

9           “(E) Individuals who are not providers of  
10          health care services and who are broadly rep-  
11          resentative of the various economic, socio, racial,  
12          and geographic population groups of such health  
13          education area.

14          “(b) The term ‘health education area’ means a geo-  
15          graphic area designated by the Secretary. Such area shall:

16                 “(1) Be a rational area for the planning and co-  
17                 ordination of health education;

18                 “(2) To the extent practical, include at least one  
19                 university health science center; and

20                 “(3) Follow the boundaries of one or more areas  
21                 established pursuant to section 314 (b) of this Act.

22          “Sec. 752. (a) The Secretary may make grants, subject  
23          to the provisions of section 751, to public or private nonprofit  
24          entities, to assist in projects for planning, developing, and  
25          operating area health education systems. No project may

1 receive more than \$500,000 in grants in any fiscal year under  
2 this section.

3 “(b) The Secretary shall make grants under this sec-  
4 tion only to entities whose application for such grant has  
5 been approved by each agency established pursuant to  
6 section 314 (b) and title IX operating in such area.

7 “(c) There are authorized to be appropriated such sums  
8 as may be necessary to carry out the provisions of section 751  
9 in the fiscal years ending June 30, 1975, June 30, 1976, and  
10 June 30, 1977.

11 “PART F—LOAN GUARANTEES AND INTEREST SUBSIDIES

12 “SEC. 761. (a) In order to assist students in accredited  
13 (as determined by regulations of the Secretary) schools to  
14 pursue an approved course of study leading to a baccalau-  
15 reate, associate, diploma or other undergraduate degree in  
16 nursing, pharmacy, or the allied health professions (as de-  
17 termined by regulations of the Secretary) to meet the cost  
18 of tuition and living expenses, books, equipment and other  
19 necessary education expenses, the Secretary, during the  
20 period beginning July 1, 1974, and ending with the close  
21 of June 30, 1977, may, in accordance with the provisions  
22 of this section, and subject to the general provisions of this  
23 Act—

24 “(1) guarantee to non-Federal lenders making  
25 loans to such individuals for such purposes, payment of .

1 principal of and interest on such loans which are ap-  
2 proved under this section, and

3 “(2) pay to the holder of such loans (and for and  
4 on behalf of the organization which received such loan)  
5 amounts sufficient to reduce, but not to exceed, 3 per  
6 centum per annum the net effective interest rate other-  
7 wise payable on such loan. No loan guarantee or  
8 interest subsidy under this section may, except under  
9 such special circumstances and under such conditions  
10 as are prescribed by regulations, apply to or be made  
11 for an amount which, when added to any grant or  
12 other loan under this or any other law of the United  
13 States, is in excess of \$5,000 for any student in any  
14 academic year.

15 “(b) The Secretary may not approve the application  
16 of a student unless—

17 “(1) he determines, in the case of a loan for which  
18 a guarantee or an interest subsidy payment is sought, that  
19 the terms, conditions, maturity, security (if any), and  
20 schedule and amounts of repayments with respect to  
21 the loan are sufficient to protect the financial interests  
22 of the United States and are otherwise reasonable and  
23 in accord with regulations, including a determination  
24 that the rate of interest does not exceed such per  
25 centum per annum on the principal obligation out-

1 standing as the Secretary determines to be reasonable,  
2 taking into account the range of interest rates pre-  
3 vailing in the private market for similar loans and  
4 the risks assumed by the United States;

5 “(2) the term of a loan for which a guarantee and  
6 interest subsidy is sought does not exceed five years, or  
7 such shorter period as the Secretary prescribes; and

8 “(3) he obtains assurances that the applicant will  
9 keep such records, and afford such access thereto, and  
10 make such reports, in such form and containing such  
11 information, as the Secretary may reasonably require.

12 “(c) Guarantees of loans and interest subsidy payments  
13 under this section shall be subject to such further terms  
14 and conditions as the Secretary determines to be necessary  
15 to assure that the purposes of this section will be achieved,  
16 and, to the extent permitted by subsection (e), any of  
17 such terms and conditions may be modified by the Secretary  
18 to the extent he determines it to be consistent with the  
19 financial interests of the United States.

20 “(d) In the case of any loan guaranteed under this  
21 section, the United States shall be entitled to recover from  
22 the applicant the amount of any payments made pursuant to  
23 such guarantee unless the Secretary, for good cause, waives  
24 his right of recovery, and, upon making any such payment,  
25 the United States shall be subrogated to all of the rights

1 of the recipient of the payments with respect to which the  
2 guarantee was made.

3 “(e) Any guarantee of a loan under this section shall  
4 be incontestable in the hands of an applicant on whose  
5 behalf such guarantee is made, and as to any person who  
6 makes or contracts to make a loan to such applicant in  
7 reliance thereon, except for fraud or misrepresentation on  
8 the part of such applicant or such other person.

9 “(f) The cumulative total of the principal of the loans  
10 outstanding at any time with respect to which guarantees  
11 have been issued, or which have been directly made, under  
12 this section may not exceed such limitations as may be  
13 specified in appropriation Acts.

14 “(g) (1) There is established in the Treasury a health  
15 service manpower loan guarantee fund (hereafter in this  
16 section referred to as the “fund”) which shall be available  
17 to the Secretary without fiscal year in such amounts as may  
18 be specified from time to time in appropriation Acts.

19 “(A) to enable him to discharge his responsibilities  
20 under guarantees issued by him under this section, and

21 “(B) to make interest subsidy payments on such  
22 loan.

23 There are authorized to be appropriated to the fund from  
24 time to time such amounts as may be required for the fund.

25 To the extent authorized from time to time in appropriation

1 Acts there shall be deposited in the fund amounts received  
2 by the Secretary as interest payments or repayments of prin-  
3 cipal on loans and any other moneys, property, or assets  
4 derived by him from his operations under this section, in-  
5 cluding any moneys derived from the sale of assets.

6 “(2) If at any time the moneys in the fund are  
7 insufficient to enable the Secretary to discharge his re-  
8 sponsibilities under this section to meet the obligations under  
9 guarantees of loans under subsection (a) or to make interest  
10 subsidy payments on such loans, he is authorized to issue to  
11 the Secretary of the Treasury notes or other obligations in  
12 such forms and denominations, bearing such maturities, and  
13 subject to such terms and conditions, as may be prescribed by  
14 the Secretary with the approval of the Secretary of the Treas-  
15 ury. Such notes or other obligations shall bear interest  
16 at a rate determined by the Secretary of the Treasury,  
17 taking into consideration the current average market  
18 yield on outstanding marketable obligations of the United  
19 States of comparable maturities during the month preceding  
20 the issuance of the notes or other obligations. The Secretary  
21 of the Treasury is authorized and directed to purchase any  
22 notes and other obligations issued hereunder and for that pur-  
23 pose he is authorized to use as a public debt transaction the  
24 proceeds from the sale of any securities issued under the  
25 Second Liberty Bond Act and the purposes for which securi-

1 ties may be issued under that Act are extended to include any  
2 purchase of such notes and obligations. The Secretary of the  
3 Treasury may at any time sell any of the notes or other obli-  
4 gations acquired by him under this subsection. All redemp-  
5 tions, purchases, and sales by the Secretary of the Treasury of  
6 such notes or other obligations shall be treated as public debt  
7 transactions of the United States. Sums borrowed under this  
8 subsection shall be deposited in the fund and redemption of  
9 such notes and obligations shall be made by the Secretary  
10 from such fund.”

11           **TITLE II—MISCELLANEOUS REPEALS**

12       **SEC. 3.** Sections 225, 306, 309, and 329 and titles  
13 VII and VIII of the Public Health Service Act are repealed  
14 effective July 1, 1974.





1 made to a section or other provision of the Public Health  
2 Service Act.

3 TITLE I—GENERAL PROVISIONS

4 SEC. 101. (a) Sections 701 through 711 are repealed.

5 (b) Sections 724, 725, 799, and 799A are transferred  
6 to part A of title VII and are redesignated as sections 701,  
7 702, 703, and 704, respectively.

8 (c) Section 701 (as so redesignated) is amended—

9 (1) by striking out “As used in this part and  
10 parts C, E, and F—” and inserting in lieu thereof  
11 “For purposes of this title:”; and

12 (2) by inserting “or an equivalent degree” after  
13 “degree in public health” in paragraph (4).

14 (d) Section 702 (as so redesignated) is amended by  
15 striking out “parts A and G” in subsections (b) and (c)  
16 and inserting in lieu thereof “part G”.

17 (e) Section 703 (as so redesignated) is amended to  
18 read as follows:

19 “ADVANCE FUNDING

20 “SEC. 703. An appropriation under an authorization  
21 of appropriations for grants or contracts under this title  
22 for any fiscal year may be made at any time before that  
23 fiscal year and may be included in an Act making an appro-

1 priation under such authorization for another fiscal year; but  
2 no funds may be made available from any appropriation  
3 under such authorization for obligation for such grants or  
4 contracts before the fiscal year for which such appropriation  
5 is authorized.”.

6 (f) Section 704 (as so redesignated) is amended by  
7 adding at the end thereof the following: “In the case of a  
8 school of medicine which—

9 “(1) on the date of the enactment of this sentence  
10 is in the process of changing its status as an institu-  
11 tion which admits only female students to that of an in-  
12 stitution which admits students without regard to their  
13 sex, and

14 “(2) change is being carried out in accordance  
15 with a plan approved by the Secretary,  
16 the provisions of the preceding sentences of this section shall  
17 apply only with respect to a grant, contract, loan guarantee,  
18 or interest subsidy to, or for the benefit of such a school for  
19 a fiscal year beginning after June 30, 1979.”.

20 (1) The heading for part A of title VII is amended  
21 to read as follows:

22 “PART A—GENERAL PROVISIONS”.

23 (2) The heading for part H of title VII is repealed.

1 TITLE II—ASSISTANCE FOR CONSTRUCTION OF  
2 TEACHING FACILITIES

3 SEC. 201. Section 720 is amended to read as follows:

4 "GRANT AUTHORITY; AUTHORIZATIONS OF  
5 APPROPRIATIONS

6 "SEC. 720. (a) The Secretary may make grants to assist  
7 in the construction of teaching facilities for the training of  
8 physicians, dentists, pharmacists, optometrists, podiatrists,  
9 veterinarians, and professional public health personnel.

10 "(b) There are authorized to be appropriated \$100,-  
11 000,000 for the fiscal year ending June 30, 1975, \$125,-  
12 000,000 for the fiscal year ending June 30, 1976, and  
13 \$150,000,000 for the fiscal year ending June 30, 1977, for  
14 grants under this part."

15 SEC. 202. (a) (1) Subsection (a) of section 722 is  
16 amended to read as follows:

17 "(a) The amount of any grant under this part for con-  
18 struction of a project shall be such amount as the Secretary  
19 determines to be appropriate after obtaining advice of the  
20 Council, except that no grant for any project may exceed 80  
21 per centum of the necessary costs of construction, as deter-  
22 mined by the Secretary, of such project."

23 (2) The amendment made by paragraph (1) shall take  
24 effect with respect to grants made under part B of title VII  
25 of the Public Health Service Act from appropriations under

1 section 720 of such Act for fiscal years beginning after  
2 June 30, 1974.

3 (b) Subsection (d) of section 722 is amended by strik-  
4 ing out “(within the meaning of part A of this title)”.

5 SEC. 203. (a) Subsections (a) and (b) of section  
6 729 are each amended by striking out “1974” and inserting  
7 in lieu thereof “1977”.

8 (b) The second sentence of section 729 (e) is amended  
9 by striking out the period at the end thereof and inserting  
10 in lieu thereof a comma and the following: “\$2,000,000  
11 for the fiscal year ending June 30, 1975, \$2,500,000 for  
12 the fiscal year ending June 30, 1976, and \$3,000,000 for  
13 the fiscal year ending June 30, 1977.”.

14 SEC. 204. (a) Section 721 (c) is amended—

15 (1) by striking out “section 770 (f) of this Act”  
16 in paragraph (2) and inserting in lieu thereof “sec-  
17 tion 771”;

18 (2) by striking out the sentence at the end of  
19 paragraph (2);

20 (3) by striking out paragraph (5) and redesign-  
21 ating paragraphs (6) and (7) as paragraphs (5) and  
22 (6), respectively; and

23 (4) by striking out “and” at the end of paragraph  
24 (5) (as so redesignated), by striking out the period at  
25 the end of paragraph (6) (as so redesignated) and in-

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1       serting in lieu thereof “; and”, and by inserting after  
2       paragraph (6) the following:

3           “(7) the application contains or is supported by  
4       adequate assurance that any laborer or mechanic em-  
5       ployed by a contractor or subcontractors in the per-  
6       formance of work on the construction of the facility  
7       will be paid wages at rates not less than those prevail-  
8       ing on similar construction in the locality as determined  
9       by the Secretary of Labor in accordance with the Act  
10      of March 3, 1931 (40 U.S.C. 276a—276a-5, known as  
11      the Davis-Bacon Act).

12   The Secretary of Labor shall have with respect to the labor  
13   standards specified in paragraph (7) the authority and func-  
14   tions set forth in Reorganization Plan Numbered 14 of 1950  
15   (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the  
16   Act of June 13, 1934 (40 U.S.C. 276c).”

17       (b) Sections 726, 727, 728, and 729 are redesignated  
18   as sections 724, 725, 726, and 727, respectively.

19   **TITLE III—STUDENT ASSISTANCE; NATIONAL**  
20                   **HEALTH SERVICE CORPS**

21       **SEC. 301.** (a) Section 740 is amended (1) by striking  
22   out “and” at the end of paragraph (4), (2) by redesignat-  
23   ing paragraph (5) as paragraph (6), and (3) by inserting  
24   after paragraph (4) the following new paragraph:

25           “(5) provide that the school shall advise, in writ-

1       ing, each applicant for a loan from the student loan fund  
2       of the provisions of section 741 under which outstanding  
3       loans from the student loan fund may be paid (in whole  
4       or in part) by the Secretary; and”.

5       (b) Subsection (a) of section 741 is amended to read  
6 as follows:

7       “(a) Loans from a student loan fund established under  
8 an agreement under section 740 may not exceed for any stu-  
9 dent for any academic year (or its equivalent) the sum—

10           “(1) the cost of tuition for such year at the school  
11 for which such fund was established. and

12           “(2) \$2,500.”

13       (c) Section 741 is amended—

14           (1) by redesignating subsections (g), (h), (i),  
15 (k), and (l) as subsections (h), (i), (k), (l), and  
16 (m) respectively, and

17           (2) by inserting after subsection (f) the follow-  
18 ing new subsection:

19       “(g) (1) In the case of any individual—

20           “(A) who has received a degree of doctor of  
21 medicine, doctor of osteopathy, or doctor of dentistry  
22 (or an equivalent degree);

23           “(B) who obtained—

24           “(i) one or more loans from a student loan

1 fund established under an agreement under section  
2 740, or

3 “(ii) any other educational loan for his costs  
4 at a school of medicine, osteopathy, or dentistry;  
5 and

6 “(C) who enters into an agreement with the Secre-  
7 tary to practice his profession in a primary care spe-  
8 ciality for at least five years:

9 the Secretary shall make payment in accordance with para-  
10 graph (2), for and on behalf of that individual, on the prin-  
11 cipal of any loan of his described in subparagraph (B) of  
12 this paragraph which is outstanding on the date he begins  
13 the practice specified in the agreement described in sub-  
14 paragraph (C) of this paragraph.

15 “(2) The payments described in paragraph (1) shall  
16 be made by the Secretary as follows:

17 “(A) Upon completion by the individual for whom  
18 the payments are to be made of the first year of prac-  
19 tice specified in the agreement he entered into with the  
20 Secretary in paragraph (1), the Secretary shall pay 20  
21 per centum of the principal of and the interest on each  
22 loan of such individual described in paragraph (1) (B)  
23 which is outstanding on the date he began such practice.

24 “(B) Upon completion by that individual of the  
25 second year of practice, the Secretary shall pay another

1       20 per centum of the principal of and the interest on  
2       each such loan.

3           “(C) Upon completion by that individual of the  
4       third year of such practice, the Secretary shall pay an-  
5       other 20 per centum of the principal of and interest on  
6       each such loan.

7           “(D) Upon completion by that individual of the  
8       fourth year of such practice, the Secretary shall pay  
9       10 per centum of the principal of and the interest on  
10       each such loan.

11          “(E) Upon completion by that individual of the  
12       fifth year of such practice, the Secretary shall pay  
13       another 10 per centum of the principal of and the  
14       interest on each such loan.

15          “(3) Notwithstanding the requirement of completion of  
16       practice specified in paragraph (2), the Secretary shall,  
17       on or before the due date thereof, pay any loan or loan in-  
18       stallment which may fall due within the period of practice  
19       for which the borrower may receive payments under this  
20       subsection, upon the declaration of such borrower, at such  
21       times and in such manner as the Secretary may prescribe  
22       (and supported by such other evidence as the Secretary may  
23       reasonably require), that the borrower is engaged in the  
24       practice of his profession in a primary care specialty and



1 that he will continue to be so engaged for the period re-  
2 quired to entitle him (in the absence of this paragraph) to  
3 have made the payments provided by this subsection for  
4 such period.

5 “(4) A borrower who fails to fulfill an agreement with  
6 the Secretary entered into under paragraph (1) shall be  
7 liable to reimburse the Secretary for any payments made  
8 pursuant to paragraph (2) or paragraph (3) in considera-  
9 tion of such agreement.

10 “(5) If the Secretary makes any payment under this  
11 subsection with respect to a loan from a student loan fund or  
12 to another educational loan on behalf of the individual who  
13 received such loan, the Secretary may not make payments  
14 under subsection (f) with respect to such loan on behalf of  
15 such individual.

16 “(6) For purposes of this subsection, the term ‘primary  
17 care specialty’ includes family medicine, general internal  
18 medicine, and general pediatrics.”

19 (d) Subsection (a) of section 742 is amended to read  
20 as follows:

21 “(a) For the purpose of making Federal capital con-  
22 tributions into the student loan funds of schools which have  
23 established such funds under an agreement under section 740,  
24 there are authorized to be appropriated \$200,000,000 for  
25 the fiscal year ending June 30, 1975, \$225,000,000 for the

1 fiscal year ending June 30, 1976, and \$250,000,000 for the  
2 fiscal year ending June 30, 1977. For the fiscal year ending  
3 June 30, 1978, and each of the two succeeding fiscal years  
4 there are authorized to be appropriated such sums as may be  
5 necessary to enable students who have received a loan under  
6 this part for any academic year ending before July 1, 1977,  
7 to continue or complete their education.”

8 (e) Section 743 is amended by striking out “1977”  
9 each place it occurs and inserting in lieu thereof “1980”.

10 (f) (1) Section 744 is repealed.

11 (2) The health professions education fund created with-  
12 in the Treasury by section 744 (d) (1) of the Public Health  
13 Service Act shall remain available to the Secretary of  
14 Health, Education, and Welfare for the purpose of meeting  
15 his responsibilities respecting participations in obligations  
16 acquired under section 744 of such Act. The Secretary shall  
17 continue to deposit in such fund all amounts received by him  
18 as interest payments or repayments of principal on loans  
19 under such section 744. If at any time the Secretary deter-  
20 mines the moneys in the fund exceed the present and any rea-  
21 sonable prospective future requirements of such fund, such  
22 excess may be transferred to the general fund of the Treasury.

23 (3) Section 742 (b) is amended (1) by striking out  
24 “, and for loans pursuant to section 744” in paragraph (1);  
25 and (2) by striking out “(whether as Federal capital contri-

1 butions or as loans to schools under section 744) in para-  
2 graph (3)".

3 (g) (1) Section 76 is repealed.

4 (2) Section 740 is amended (A) by striking out "of  
5 Health, Education, and Welfare" in subsection (a); and  
6 (B) by striking out ", except as provided in section 746,"  
7 in paragraphs (2) and (3) of subsection (b).

8 (h) (1) Subpart II of part C is repealed.

9 (2) Part C is amended by striking out "Subpart I—  
10 Loans to Students Studying in the United States".

11 (3) Sections 740, 741, and 745 are each amended by  
12 striking out "this subpart" each place it occurs and insert-  
13 ing in lieu thereof "this part".

14 SEC. 302. (a) Subparts I, II, and III of part F of title  
15 VII are repealed.

16 (b) The Secretary of Health, Education, and Welfare  
17 may, during the period beginning July 1, 1974, and ending  
18 June 30, 1977, make grants to public and nonprofit private  
19 schools of medicine, osteopathy, dentistry, optometry, podi-  
20 atry, pharmacy, and veterinary medicine to enable such  
21 schools to continue making payments under scholarship  
22 awards to students who initially received such awards out of  
23 grants made to the schools under part F of title VII of the  
24 Public Health Service Act for fiscal years ending before  
25 July 1, 1974.

1       SEC. 303. (a) Section 329 is amended to read as  
2 follows:

3                   “NATIONAL HEALTH SERVICE CORPS

4       “SEC. 329. (a) There is established, within the Service,  
5 the National Health Service Corps (hereinafter in this sec-  
6 tion referred to as the ‘Corps’) which shall consist of those  
7 officers of the Regular and Reserve Corps of the Service and  
8 such other personnel as the Secretary may designate and  
9 which shall be utilized by the Secretary under this section  
10 to improve the delivery of health services to medically un-  
11 derserved populations.

12       “(b) (1) The Secretary shall designate the medically  
13 underserved populations in the States. For purposes of this  
14 section, a medically underserved population is the popula-  
15 tion of an urban or rural area (which does not have to con-  
16 form to the geographical boundaries of a political subdivision  
17 and which should be a rational area for the delivery of health  
18 services) which the Secretary determines has a critical  
19 health manpower shortage or a population group determined  
20 by the Secretary to have such a shortage; and the term  
21 ‘State’ includes Guam, American Samoa, and the Trust Ter-  
22 ritory of the Pacific Islands. In designating medically under-  
23 served populations, the Secretary shall take into account  
24 (A) the recommendations of the entities responsible for the  
25 development of the plans referred to in section 314 (b)

1 which cover all or any part of the areas in which populations  
2 under consideration for designation reside, and (B) in the case  
3 of any such area for which no such entity is responsible for  
4 developing such a plan, the recommendations of the agency  
5 of the State (or States) in which such area is located which  
6 administers or supervises the administration of a State plan  
7 approved under section 314 (a) .

8 “(2) Any person may apply to the Secretary (in such  
9 manner as he may prescribe) for the designation of a popu-  
10 lation as a medically underserved population. In considering  
11 an application under this paragraph, the Secretary shall  
12 take into account the following in addition to criteria utilized  
13 by him in making a designation under paragraph (1) :

14 “(A) Ratios of available health manpower to the  
15 population for which the application is made.

16 “(B) Indicators of the population’s access to health  
17 services.

18 “(C) Indicators of health status of the population.

19 “(D) Indicators of such population’s need and de-  
20 mand for health services.

21 “(3) The Secretary shall (A) provide assistance to  
22 persons seeking assignment of Corps personnel to provide  
23 under this section health services for medically underserved  
24 populations, and (B) conduct such information programs  
25 in areas in which such populations reside as may be neces-

1 sary to inform the public and private health entities serving  
2 those areas of the assistance available to such populations  
3 by virtue of their designation under this section as medically  
4 underserved.

5 “(e) (1) (A) The Secretary may assign personnel of the  
6 Corps to provide, under regulations prescribed by the Sec-  
7 retary, health services for a medically underserved population  
8 if—

9 “(i) the State health agency of each State in  
10 which such population is located or the local public  
11 health agency or any other public or nonprofit private  
12 health entity serving such population makes application  
13 to the Secretary for such assignment, and

14 “(ii) the (I) local government of the area in  
15 which such population resides, and (II) any State and  
16 district medical or dental society for such area or any  
17 other appropriate health society (as the case may be),  
18 for such area certify to the Secretary that such assign-  
19 ment of Corps personnel is needed for such population.

20 “(B) The Secretary may not approve an application  
21 under paragraph (1) (A) (i) for an assignment unless the  
22 applicant agrees to enter into an arrangement with the  
23 Secretary in accordance with subsection (e) (1) and has  
24 afforded—

25 “(i) the entity responsible for the development of

1 the plans referred to in section 314 (b) which covers  
2 all or any part of the area in which the population  
3 for which the application is submitted resides, and

4 “(ii) if there is a part of such area for which no  
5 such entity is responsible for developing such plans, the  
6 agency of the State in which such part is located which  
7 administers or supervises the administration of a State  
8 plan approved under section 314 (a),

9 an opportunity to review the application and submit its  
10 comments to the Secretary respecting the need for and  
11 proposed use of manpower requested in the application.  
12 In considering such an application, the Secretary shall take  
13 into consideration the need of the population for which the  
14 application was submitted for the health services which  
15 may be provided under this section; the willingness of the  
16 population and the appropriate governmental agencies or  
17 health entities serving it to assist and cooperate with the  
18 Corps in providing effective health services to the popula-  
19 tion; and recommendations from medical, dental, or other  
20 health societies or from medical personnel serving the  
21 population.

22 “(C) If with respect to any proposed assignment of  
23 Corps personnel for a medically underserved population the  
24 requirements of clauses (i) and (ii) of subparagraph (A)  
25 are met except for the certification by a State and district

1 medical or dental society or by any other appropriate health  
2 society required by clause (ii) (II) and if the Secretary  
3 finds from all the facts presented that such certification has  
4 clearly been arbitrarily and capriciously withheld, the Sec-  
5 retary may, after consultation with appropriate medical,  
6 dental, or other health societies, waive the application of the  
7 certification requirement to such proposed assignment.

8       “(2) (A) In approving an application submitted under  
9 paragraph (1) for the assignment of Corps personnel to  
10 provide health services for a medically underserved popu-  
11 lation, the Secretary may approve the assignment of Corps  
12 personnel for such population during a period (referred to  
13 in this paragraph as the ‘assistance period’) which may not  
14 exceed four years from the date of the first assignment of  
15 Corps personnel for such population after the date of the  
16 approval of the application. No assignment of individual  
17 Corps personnel may be made for a period ending after the  
18 expiration of the applicable approved assistance period.

19       “(B) Upon expiration of an approved assistance period  
20 for a medically underserved population, no new assignment  
21 of Corps personnel may be made for such population unless  
22 an application is submitted in accordance with paragraph  
23 (1) for such assignment. The Secretary may not approve  
24 such an application unless—



1           “(i) the application and certification requirements  
2 of paragraph (1) are met;

3           “(ii) the Secretary has conducted an evaluation  
4 of the continued need for health manpower of the popu-  
5 lation for which the application is submitted, of the  
6 utilization of the manpower by such population, of the  
7 growth of the health care practice of the Corps personnel  
8 assigned for such population, and of community support  
9 for the assignment; and

10          “(iii) the Secretary has determined that such popu-  
11 lation has made continued efforts to secure its own  
12 health manpower, that there has been sound fiscal  
13 management of the health care practice of the Corps  
14 personnel assigned for such population, including effi-  
15 cient collection of fee-for-service, third-party, and other  
16 funds available to such population, and that there has  
17 been appropriate and efficient utilization of such Corps  
18 personnel.

19          “(3) Corps personnel shall be assigned to provide  
20 health services for a medically underserved population on the  
21 basis of the extent of the population’s need for health services  
22 and without regard to the ability of the members of the  
23 population to pay for health services.

24          “(4) In making an assignment of Corps personnel the  
25 Secretary shall seek to match characteristics of the assignee

1 (and his spouse (if any)) and of the population to which  
2 such assignee may be assigned in order to increase the likeli-  
3 hood of the assignee remaining to serve the population upon  
4 completion of his assignment period. The Secretary shall be-  
5 fore the expiration of the last nine months of the assignment  
6 period of a member of the Corps, review such member's  
7 assignment and the situation in the area to which he was  
8 assigned for the purpose of determining the advisability of  
9 extending the period of such member's assignment.

10 “(5) The Secretary shall provide technical assistance  
11 to all medically underserved populations to which are not  
12 assigned Corps personnel to assist in the recruitment of  
13 health manpower. The Secretary shall also give such popula-  
14 tions current information respecting public and private pro-  
15 grams which may assist in securing health manpower for  
16 them.

17 “(d) (1) In providing health services for a medically  
18 underserved population under this section, Corps personnel  
19 shall utilize the techniques, facilities, and organizational  
20 forms most appropriate for the area in which the population  
21 resides and shall, to the maximum extent feasible, provide  
22 such services (A) to all members of the population regard-  
23 less of their ability to pay for the services, and (B) in con-  
24 nection with (i) direct health services programs carried out  
25 by the Service; (ii) any direct health services program car-

1 ried out in whole or in part with Federal financial assistance;  
2 or (iii) any other health services activity which is in further-  
3 ance of the purposes of this section.

4 “(2) (A) Notwithstanding any other provision of law,  
5 the Secretary (i) may, to the extent feasible, make such  
6 arrangements as he determines necessary to enable Corps  
7 personnel in providing health services for a medically  
8 underserved population to utilize the health facilities of the  
9 area in which the population resides, and (ii) may make  
10 such arrangements as he determines are necessary for the  
11 use of equipment and supplies of the Service and for the  
12 lease or acquisition of other equipment and supplies, and  
13 may secure the temporary services of nurses and allied  
14 health professionals.

15 “(B) If such area is being served (as determined under  
16 regulations of the Secretary) by a hospital or other health  
17 care delivery facility of the Service, the Secretary shall,  
18 in addition to such other arrangements as the Secretary may  
19 make under subparagraph (A), arrange for the utilization  
20 of such hospital or facility by Corps personnel in providing  
21 health services for the population, but only to the extent  
22 that such utilization will not impair the delivery of health  
23 services and treatment through such hospital or facility to  
24 persons who are entitled to health services and treatment  
25 through such hospital or facility. If there are no health

1 facilities in or serving such area, the Secretary may arrange  
2 to have Corps personnel provide health services in the  
3 nearest health facilities of the Service or the Secretary may  
4 lease or otherwise provide facilities in such area for the  
5 provision of health services.

6 “(3) The Secretary may make one grant to any appli-  
7 cant with an approved application under subsection (c) to  
8 assist it in meeting the costs of establishing medical practice  
9 management systems for Corps personnel, acquiring equip-  
10 ment for their use in providing health services, and estab-  
11 lishing appropriate continuing education programs and  
12 opportunities for them. No grant may be made under this  
13 paragraph unless an application is submitted therefor and  
14 approved by the Secretary. The amount of any grant shall  
15 be determined by the Secretary, except that no grant may  
16 be made for more than \$25,000.

17 • “(4) Upon the expiration of the assignment of Corps  
18 personnel to provide health services for a medically under-  
19 served population, the Secretary (notwithstanding any other  
20 provision of law) may sell to the entity which submitted  
21 the last application approved under subsection (c) for the  
22 assignment of Corps personnel for such population equipment  
23 of the United States utilized by such personnel in providing  
24 health services. Sales made under this paragraph shall be

1 made for the fair market value of the equipment sold (as  
2 determined by the Secretary).

3 “(e) (1) The Secretary shall require as a condition to  
4 the approval of an application under subsection (c) that the  
5 entity which submitted the application enter into an appro-  
6 priate arrangement with the Secretary under which—

7 “(A) the entity shall be responsible for charging  
8 in accordance with paragraph (2) for health services by  
9 the Corps personnel to be assigned;

10 “(B) the entity shall take such action as may be  
11 reasonable for the collection of payments for such health  
12 services, including if a Federal agency, an agency of a  
13 State or local government, or other third party would be  
14 responsible for all or part of the cost of such health  
15 services if it had not been provided by Corps personnel  
16 under this section, the collection, on a fee-for-service or  
17 other basis, from such agency or third party the portion  
18 of such cost for which it would be so responsible (and  
19 in determining the amount of such cost which such  
20 agency or third party would be responsible, the health  
21 services provided by Corps personnel shall be considered  
22 as being provided by private practitioners); and

23 “(C) the entity shall pay to the United States the  
24 lesser of—

25 “(i) the amount collected by the entity in

1           accordance with subparagraph (B) in each calendar  
2           quarter (or other period as may be specified in  
3           the agreement), or

4           “ (ii) the sum of (I) the pay (including the  
5           amounts paid in accordance with subsection (f) )  
6           and allowances for the Corps personnel for such  
7           quarter (or other period), and (II) an amount  
8           which bears the same ratio to the amount of any  
9           grant made to the entity under subsection (d) (3)  
10          as the number of days in such quarter (or other  
11          period) bears to the number of days in the assign-  
12          ment period for such personnel.

13       Any amount of the amount collected by an entity in accord-  
14       ance with subparagraph (B) which the entity is entitled to  
15       retain under subparagraph (C) shall be used by the entity  
16       to expand or improve the provision of health services to  
17       the population for which the entity submitted an application  
18       under subsection (c) or to recruit and retain health man-  
19       power to provide health services for such population. Funds  
20       received by the Secretary under such an arrangement shall  
21       be deposited in the Treasury as miscellaneous receipts and  
22       shall be disregarded in determining the amounts of appro-  
23       priations to be requested under subsection (i), and the  
24       amounts to be made available from appropriations made  
25       under such subsection to carry out this section.

1           “(2) Any person who receives health services provided  
2 by Corps personnel under this section shall be charged for  
3 such services on a fee-for-service or other basis at a rate  
4 approved by the Secretary, pursuant to regulations, to re-  
5 cover the value of such services; except that if such person  
6 is determined under regulations of the Secretary to be  
7 unable to pay such charge, the Secretary shall provide for  
8 the furnishing of such services at a reduced rate or without  
9 charge.

10          “(f) (1) The Secretary shall conduct at medical and  
11 nursing schools and other schools of the health professions  
12 and training centers for the allied health professions, recruit-  
13 ing programs for the Corps. Such programs shall include the  
14 wide dissemination of written information on the Corps and  
15 visits to such schools by personnel of the Corps.

16          “(2) The Secretary may reimburse applicants for posi-  
17 tions in the Corps for actual expenses incurred in traveling  
18 to and from their place of residence to an area in which  
19 they would be assigned for the purpose of evaluating such  
20 area with regard to being assigned in such area. The Secre-  
21 tary shall not reimburse an applicant for more than one  
22 such trip.

23          “(3) Commissioned officers and other personnel of the  
24 Corps assigned to provide health services for medically  
25 underserved populations shall not be included in determin-

1 ing whether any limitation on the number of personnel  
2 which may be employed by the Department of Health,  
3 Education, and Welfare has been exceeded.

4 “(4) The Secretary shall, under regulations prescribed  
5 by him, adjust the monthly rate of pay of each physician  
6 and dentist member of the Corps who is directly engaged in  
7 the delivery of health services to a medically underserved  
8 population as follows:

9 “(A) During the first thirty-six months in which  
10 such a member is so engaged in the delivery of health  
11 services, his monthly rate of pay shall be increased by  
12 an amount (not to exceed \$1,000) which when added  
13 to the member's regular monthly rate of pay and allow-  
14 ances will provide a monthly income competitive with  
15 the average monthly income from an established practice  
16 of a member of such member's profession with equiva-  
17 lent training.

18 “(B) During the period beginning upon the expi-  
19 ration of the thirty-six months referred to in subpara-  
20 graph (A) and ending with the month in which the  
21 member's regular monthly rate of pay and allowances is  
22 equal to or exceeds the monthly income he received for  
23 the last of such thirty-six months, the member shall re-  
24 ceive in addition to his regular rate of pay and allow-  
25 ances an amount which when added to such regular rate



1 equals the monthly income he received for such last  
2 month.

3 In the case of a member of the Corps who is directly  
4 engaged in the provision of health services to a medically  
5 underserved population in accordance with a service obli-  
6 gation incurred under section 225, the provisions of this  
7 paragraph shall apply to such member upon satisfactory  
8 completion of such service obligation and the first thirty-six  
9 months of his being so engaged in the delivery of health  
10 care shall, for purposes of this paragraph, be deemed to  
11 begin upon such satisfactory completion.

12 “(g) The Secretary shall report to Congress no later  
13 than May 15 of each year—

14 “(1) the number and identity of all medically  
15 underserved populations in each of the States in the  
16 calendar year preceding the year in which the report  
17 is made and the number of medically underserved popu-  
18 lations which the Secretary estimates will be designated  
19 under subsection (b) in the calendar year in which the  
20 report is made;

21 “(2) the number of applications filed in such pre-  
22 ceding calendar year for assignment of Corps personnel  
23 under this section and the action taken on each such  
24 application;

25 “(3) the number and types of Corps personnel

1 assigned in such preceding year to provide health serv-  
2 ices for medically underserved populations, the number  
3 and types of additional Corps personnel which the Secre-  
4 tary estimates will be assigned to provide such services  
5 in the calendar year in which the report is submitted,  
6 and the need (if any) for additional personnel for the  
7 Corps;

8 “(4) the recruitment efforts engaged in for the  
9 Corps in such preceding year, including the programs  
10 carried out under subsection (f) (1) and the number  
11 of qualified persons who applied for service in the Corps  
12 in each professional category;

13 “(5) the total number of patients seen and patient  
14 visits recorded during such preceding year in each area  
15 where Corps personnel were assigned;

16 “(6) the number of health personnel electing to  
17 remain after termination of their service in the Corps to  
18 provide health services to medically underserved popula-  
19 tions and the number of such personnel who do not make  
20 such election and the reasons for their departure;

21 “(7) the results of evaluations made under sub-  
22 section (c) (2) (B) (ii), and determinations made under  
23 subsection (c) (2) (B) (iii), during such preceding  
24 year; and

1           “(8) the amount (A) charged during such pre-  
2       ceding year for health services by Corps personnel,  
3       (B) collected in such year by entities in accordance with  
4       arrangements under subsection (e) (1), and (C) paid  
5       to the Secretary in such year under such arrangements.

6           “(h) (1) There is established a council to be known as  
7       the National Advisory Council on the National Health  
8       Service Corps (hereinafter in this section referred to as the  
9       ‘Council’). The Council shall be composed of fifteen members  
10      appointed by the Secretary as follows:

11           “(A) Four members shall be appointed from the  
12      general public to represent the consumers of health care,  
13      at least two of whom shall be members of a medically  
14      underserved population for which Corps personnel are  
15      providing health services under this section.

16           “(B) Three members shall be appointed from the  
17      medical, dental, and other health professions and health  
18      teaching professions.

19           “(C) Three members shall be appointed from State  
20      health or health planning agencies.

21           “(D) Three members shall be appointed from the  
22      Service, at least two of whom shall be members of the  
23      Corps directly engaged in the provision of health serv-  
24      ices for a medically underserved population.

25           “(E) One member shall be appointed from the

1 National Advisory Council on Comprehensive Health  
2 Planning.

3 “(F) One member shall be appointed from the  
4 National Advisory Council on Regional Medical Pro-  
5 grams.

6 The Council shall consult with, advise, and make recom-  
7 mendations to, the Secretary with respect to his responsi-  
8 bilities in carrying out this section, and shall review and  
9 approve regulations promulgated by the Secretary under  
10 this section and section 225.

11 “(2) Members of the Council shall be appointed for a  
12 term of three years and shall not be removed, except for  
13 cause. Members may be reappointed to the Council.

14 “(3) Appointed members of the Council, while attend-  
15 ing meetings or conferences thereof or otherwise serving  
16 on the business of the Council, shall be entitled to receive  
17 for each day (including traveltime) in which they are so  
18 serving the daily equivalent of the annual rate of basic pay  
19 in effect for grade GS-18 of the General Schedule, and  
20 while so serving away from their homes or regular places of  
21 business they may be allowed travel expenses, including per  
22 diem in lieu of subsistence, as authorized by section 5703 (b)  
23 of title 5 of the United States Code for persons in the Gov-  
24 ernment service employed intermittently.

25 “(i) (1) To carry out the purposes of this section, there

1 are authorized to be appropriated \$25,000,000 for the fiscal  
2 year ending June 30, 1974; \$30,000,000 for the fiscal year  
3 ending June 30, 1975; \$35,000,000 for the fiscal year end-  
4 ing June 30, 1976; and \$40,000,000 for the fiscal year end-  
5 ing June 30, 1977.

6 “(2) An appropriation Act which appropriates funds  
7 under paragraph (1) of this subsection for the fiscal year  
8 ending June 30, 1975, may also appropriate for the next  
9 fiscal year the funds that are authorized to be appropriated  
10 under such paragraph for such next fiscal year; but no funds  
11 may be made available therefrom for obligation under this  
12 section before the fiscal year for which such funds are author-  
13 ized to be appropriated.”

14 (b) (1) The Secretary of Health, Education, and Wel-  
15 fare shall report to Congress (1) not later than September  
16 1, 1974, the criteria used by him in designating medically  
17 underserved populations for purposes of section 329 of the  
18 Public Health Service Act, and (2) not later than January  
19 1, 1975, the identity and number of medically underserved  
20 populations in each State meeting such criteria.

21 (2) The Secretary of Health, Education, and Welfare  
22 shall conduct or contract for studies of methods of assigning  
23 under section 329 of the Public Health Service Act National  
24 Health Service Corps personnel to medically underserved  
25 populations and of providing health care to such populations.

1 Such studies shall be for the purpose of identifying (A) the  
2 characteristics of health manpower who are more likely to  
3 remain in practice in areas in which medically underserved  
4 populations are located, (B) the characteristics of areas  
5 which have been able to retain health manpower, (C) the  
6 appropriate conditions for assignment of independent nurse  
7 practitioners and physician's assistants in areas in which  
8 medically underserved populations are located, and (D) the  
9 effect that primary care residency training in such areas has  
10 on the health care provided in such areas and on the de-  
11 cisions of physicians who received such training respecting  
12 the areas in which to locate their practice.

13 (c) (1) The amendment made by subsection (a) which  
14 changed the name of the advisory council established under  
15 section 329 of the Public Health Service Act shall not be  
16 construed as requiring the establishment of a new advisory  
17 council under that section; and the amendment made by  
18 such subsection with respect to the composition of such  
19 advisory council shall apply with respect to appointments  
20 made to the advisory council after the date of the enactment  
21 of this Act.

22 (2) Section 741 (f) (1) (C) is amended by inserting  
23 "in which is located a medically underserved population"  
24 after "in a State".

25 SEC. 304. Section 225 is amended to read as follows:

## 32

1 "PUBLIC HEALTH AND NATIONAL HEALTH SERVICE  
2 CORPS SCHOLARSHIP TRAINING PROGRAM

3 "SEC. 225. (a) The Secretary shall establish the Public  
4 Health and National Health Service Corps Scholarship  
5 Training Program (hereinafter in this section referred to as  
6 the 'program') to obtain trained physicians, dentists, nurses,  
7 or other health-related specialists for the National Health  
8 Service Corps or other units of the Service.

9 "(b) To be eligible for acceptance in the program, an  
10 applicant for the program must—

11 "(1) be accepted for enrollment, or be enrolled, as  
12 a full-time student in an accredited (as determined by  
13 the Secretary) educational institution in a State which  
14 provides a course of study approved by the Secretary  
15 leading to a degree in medicine, dentistry, nursing, or  
16 other health-related specialty as determined by the  
17 Secretary;

18 "(2) be eligible for, or hold, an appointment as a  
19 commissioned officer in the Regular or Reserve Corps  
20 of the Service or be eligible for selection for civilian  
21 service in the Service; and

22 "(3) agree in writing to serve, as prescribed by  
23 subsection (d) of this section, in the Commissioned  
24 Corps of the Service or as a civilian member of the  
25 Service.

1 To remain in the program an individual must pursue at such  
2 an institution such an approved course of study and main-  
3 tain an acceptable level of academic standing in it.

4 “(c) (1) (A) Each participant in the program shall  
5 receive a scholarship for each approved academic year of  
6 training, not to exceed four years. A participant’s scholar-  
7 ship shall consist of (i) an amount equal to the basic pay  
8 and allowances of a commissioned officer on active duty in  
9 pay grade O-1 with less than two years of service, and (ii)  
10 payment of the tuition expenses of the participant and all  
11 other educational expenses incurred by the participant,  
12 including fees, books, and laboratory expenses.

13 “(B) The Secretary may contract with an institution  
14 in which participants are enrolled for the payment to the  
15 institution of the tuition and other educational expenses of  
16 such participants. Payment to such institution may be made  
17 without regard to section 3648 of the Revised Statutes (31  
18 U.S.C. 529).

19 “(2) When the Secretary determines that an institu-  
20 tion has increased its total enrollment for the sole purpose  
21 of accepting members of the program, he may provide under  
22 a contract with such an institution for additional payments  
23 to cover the portion of the increased costs of the additional  
24 enrollment which are not covered by the institution’s normal  
25 tuition and fees.



1       “(d) (1) Each participant in the program shall pro-  
2 vide service as prescribed by paragraph (2) for a period of  
3 time (hereinafter in this section referred to as a ‘period of  
4 obligated service’) prescribed by the Secretary which may  
5 not be less than one year of such service for each academic  
6 year of training received under the program. For persons  
7 receiving a degree from a school of medicine, osteopathy,  
8 or dentistry, the commencement of a period of obligated  
9 service may be deferred by the Secretary for the period  
10 of time required to complete internship and residency train-  
11 ing if the National Health Service Corps approves such  
12 deferment. For persons receiving degrees in other health  
13 professions the obligated service period shall commence  
14 upon completion of their academic training. Periods of  
15 internship or residency shall not be creditable in satisfy-  
16 ing a service obligation under this subsection.

17       “(2) (A) Except as provided in subparagraphs (B)  
18 and (C), an individual obligated to provide service on ac-  
19 count of his participation in the program shall provide such  
20 service for the period of obligated service applicable to him  
21 as a member of the National Health Service Corps or the  
22 Indian Health Service.

23       “(B) If there are no positions available in the National  
24 Health Service Corps or the Indian Health Service at the  
25 time an individual is required by the Secretary to begin his

1 period of obligated service, such individual shall serve in the  
 2 clinical practice of his profession for such period as a mem-  
 3 ber of the Federal Health Programs Service.

4 “(C) If there are no positions available in the Na-  
 5 tional Health Service Corps, Indian Health Service, or the  
 6 Federal Health Programs Service at the time an indi-  
 7 vidual is required by the Secretary to begin his period of  
 8 obligated service or the Corps and neither Service has a  
 9 need at such time for a member of the profession for  
 10 which such individual was trained, such individual shall  
 11 serve for such period as a member of the Public Health Serv-  
 12 ice in such units of the Department as the Secretary may  
 13 prescribe.

14 “(e) (1) If, for any reason, a person fails to either  
 15 begin his service obligation under this section in accordance  
 16 with subsection (d) or to complete such service obligation,  
 17 the United States shall be entitled to recover from such  
 18 individual an amount determined in accordance with the  
 19 formula

$$20 \quad A = 2\Phi \left( \frac{t-s}{t} \right)$$

21 in which ‘A’ is the amount the United States is entitled to  
 22 recover; ‘Φ’ is the sum of the amount paid under this section  
 23 to or on behalf of such person and the interest on such  
 24 amount which would be payable if at the time it was paid  
 25 it was a loan bearing interest at the maximum legal prevail-

1 ing rate; 't' is the total number of months in such person's  
2 service obligation; and 's' is the number of months of such  
3 obligation served by him in accordance with subsection (d).  
4 Any amount which the United States is entitled to recover  
5 under this paragraph shall, within the three-year period  
6 beginning on the date the United States becomes entitled  
7 to recover such amount, be paid to the United States.

8       “(2) When a person undergoing training in the pro-  
9 gram is academically dismissed or voluntarily terminates  
10 academic training, he shall be liable for repayment to the  
11 Government for an amount equal to the scholarship which  
12 he received under the program.

13       “(3) The Secretary shall by regulation provide for the  
14 waiver or suspension of any obligation under paragraph (1)  
15 or (2) applicable to any individual whenever compliance  
16 by such individual is impossible or would involve extreme  
17 hardship to such individual and if enforcement of such  
18 obligation with respect to any individual would be against  
19 equity and good conscience.

20       “(g) Notwithstanding any other provision of law, per-  
21 sons undergoing academic training under the program shall  
22 not be counted against any employment ceiling affecting the  
23 Department of Health, Education, and Welfare.

24       “(h) The Secretary shall issue regulations for the im-  
25 plementation of this section.

1       “(i) To carry out the program, there is authorized to  
2 be appropriated \$3,000,000 for the fiscal year ending June  
3 30, 1974, \$20,000,000 for the fiscal year ending June 30,  
4 1975, \$25,000,000 for the fiscal year ending June 30, 1976,  
5 and \$30,000,000 for the fiscal year ending June 30, 1977.”.

6                   TITLE IV—GRANTS FOR HEALTH

7                               PROFESSIONS SCHOOLS

8       SEC. 401. (a) Subsection (a) of section 770 is amended  
9 to read as follows:

10       “(a) GRANT COMPUTATION.—The Secretary shall  
11 make annual grants to schools of medicine, osteopathy, pub-  
12 lic health, dentistry, veterinary medicine, optometry, phar-  
13 macy, and podiatry for the support of the education pro-  
14 grams of such schools. The amount of the annual grant to  
15 each such school with an approved application shall be com-  
16 puted for each fiscal year as follows:

- 17               “(1) Each school of medicine shall receive—
- 18                   “(A) \$3,250 for each full-time student enrolled  
19                   in such school in such year; and
- 20                   “(B) \$1,000 for each student who is enrolled  
21                   in such year on a full-time basis in a program of  
22                   such school for the training of physician extenders  
23                   (as defined by regulations of the Secretary).
- 24       “(2) Each school of dentistry shall receive—

1           “(A) \$2,475 for each full-time student enrolled  
2           in such school in such year; and

3           “(B) \$1,000 for each student who is enrolled  
4           in such year on a full-time basis in a program of  
5           such school for the training of expanded duty dental  
6           auxiliaries (as defined by regulations of the Sec-  
7           retary).

8           “(3) Each school of osteopathy shall receive—

9           “(A) \$2,350 for each full-time student en-  
10          rolled in such school in such year; and

11          “(B) \$1,000 for each student who is enrolled  
12          in such year on a full-time basis in a program of  
13          such school for the training of physician extenders.

14          “(4) Each school of public health shall receive  
15          \$2,000 for each full-time student enrolled in such school  
16          in such year.

17          “(5) Each school of veterinary medicine shall  
18          receive \$1,850 for each full-time student enrolled in  
19          such school in such year.

20          “(6) Each school of optometry shall receive \$1,050  
21          for each full-time student enrolled in such school in  
22          such year.

23          “(7) Each school of pharmacy (other than a  
24          school of pharmacy with a course of study of more than  
25          four years) shall receive \$1,025 for each full-time

1 student enrolled in such school in such year. Each school  
2 of pharmacy with a course of study of more than four  
3 years shall receive \$1,025 for each full-time student  
4 enrolled in the last four years of such school. For pur-  
5 poses of section 771, a student enrolled in the first year  
6 of the last four years of such school shall be considered  
7 a first-year student.

8 “(8) Each school of podiatry shall receive \$1,650  
9 for each full-time student enrolled in such school in such  
10 year.”.

11 (b) Subsection (c) of section 770 is amended to read  
12 as follows:

13 “(c) APPORTIONMENT OF APPROPRIATIONS.—If the  
14 total of the grants to be made in accordance with subsections  
15 (a) and (b) for any fiscal year to schools of medicine, oste-  
16 opathy, public health, dentistry, veterinary medicine, optom-  
17 etry, pharmacy, or podiatry with approved applications  
18 exceeds the amounts appropriated under subsection (f) for  
19 such grants, the amount of the grant for that fiscal year to  
20 a school which may not because of such excess receive for  
21 that fiscal year the amount determined for it under such  
22 subsections shall be an amount which bears the same ratio  
23 to the amount so determined for it as the total of the amounts  
24 appropriated for that year under subsection (f) for grants to  
25 such schools bears to the amount required to make grants in

1 accordance with subsections (a) and (b) to such schools.”.

2 (c) (1) Subsections (d), (e), (f), and (g) of section  
3 770 are repealed.

4 (2) Subsection (h) of section 770 is (A) redesignated  
5 as subsection (d), and (B) is amended to read as follows:

6 “(d) ENROLLMENT AND GRADUATION DETERMINA-  
7 TIONS.—

8 “(1) For purposes of this section and sections 771  
9 and 772, regulations of the Secretary shall include pro-  
10 visions relating to determining the number of students  
11 enrolled in a school or in a particular year-class in a  
12 school, or the number of graduates, on the basis of  
13 estimates, on the basis of the number of students who  
14 in an earlier year were enrolled in a school or in a  
15 particular year-class or who were graduates, or on such  
16 other basis as he deems appropriate for making such  
17 determination, and shall include methods of making such  
18 determination when a school or a year-class was not in  
19 existence in an earlier year at a school.

20 “(2) For purposes of this section and sections 771  
21 and 772, the term ‘full-time students’ (whether such  
22 term is used by itself or in connection with a particular  
23 year-class) means students pursuing a full-time course  
24 of study leading to a degree of doctor of medicine, doctor  
25 of dentistry, or an equivalent degree, doctor of osteop-

1 athy, bachelor of science in pharmacy or an equivalent  
2 degree, doctor of optometry or an equivalent degree,  
3 doctor of veterinary medicine or an equivalent degree,  
4 or doctor of podiatry or an equivalent degree or to a  
5 graduate degree in public health or equivalent degree.”.

6 (3) Subsection (i) of section 770 is (1) amended by  
7 inserting “, public health” after “osteopathy”, and (2) re-  
8 designated as subsection (e).

9 (4) Subsection (j) of section 770 is redesignated as  
10 subsection (f) and is amended to read as follows:

11 “(f) AUTHORIZATIONS OF APPROPRIATIONS.—

12 “(1) There are authorized to be appropriated  
13 \$176,000,000 for the fiscal year ending June 30, 1975,  
14 \$182,000,000 for the fiscal year ending June 30, 1976,  
15 and \$188,000,000 for the fiscal year ending June 30,  
16 1977 for payments under grants under this section to  
17 schools of medicine based on the number of full-time  
18 students enrolled in such schools.

19 “(2) There are authorized to be appropriated  
20 \$7,559,000 for the fiscal year ending June 30, 1975,  
21 \$8,531,000 for the fiscal year ending June 30, 1976,  
22 and \$9,483,000 for the fiscal year ending June 30,  
23 1977, for payments under grants under this section to  
24 schools of osteopathy based on the number of full-time  
25 students enrolled in such schools.



1           “(3) There are authorized to be appropriated  
2           \$2,000,000 for the fiscal year ending June 30, 1975,  
3           \$3,000,000 for the fiscal year ending June 30, 1976,  
4           and \$4,000,000 for the fiscal year ending June 30, 1977,  
5           for payments under grants under this section to schools  
6           of medicine and osteopathy based on the number of  
7           students enrolled in programs of such schools for the  
8           training of physician extenders.

9           “(4) (A) There are authorized to be appropriated  
10          \$2,000,000 for the fiscal year ending June 30, 1975,  
11          \$3,000,000 for the fiscal year ending June 30, 1976,  
12          and \$4,000,000 for the fiscal year ending June 30, 1977,  
13          for payments under grants under this section to schools  
14          of dentistry based on the number of students enrolled  
15          in programs of such schools for the training of expanded  
16          duty dental auxiliaries.

17          “(B) There are authorized to be appropriated  
18          \$49,500,000 for the fiscal year ending June 30, 1975,  
19          \$50,800,000 for the fiscal year ending June 30, 1976,  
20          and \$52,000,000 for the fiscal year ending June 30, 1977,  
21          for payments under grants under this section to schools  
22          of dentistry based on the number of full-time students  
23          enrolled in such school.

24          “(5) There are authorized to be appropriated  
25          \$11,000,000 for the fiscal year ending June 30, 1975,

1       \$12,000,000 for the fiscal year ending June 30, 1976,  
2       and \$13,000,000 for the fiscal year ending June 30,  
3       1977, for payments under grants under this section to  
4       schools of public health.

5       “(6) There are authorized to be appropriated  
6       \$11,729,000 for the fiscal year ending June 30, 1975,  
7       \$12,395,000 for the fiscal year ending June 30, 1976,  
8       and \$12,950,000 for the fiscal year ending June 30,  
9       1977, for payments under grants under this section to  
10       schools of veterinary medicine.

11       “(7) There are authorized to be appropriated  
12       \$3,832,500 for the fiscal year ending June 30, 1975,  
13       \$3,958,500 for the fiscal year ending June 30, 1976,  
14       and \$4,207,850 for the fiscal year ending June 30,  
15       1977, for payments under grants under this section to  
16       schools of optometry.

17       “(8) There are authorized to be appropriated \$25,-  
18       625,000 for the fiscal year ending June 30, 1975,  
19       \$25,625,000 for the fiscal year ending June 30, 1976,  
20       and \$25,625,000 for the fiscal year ending June 30,  
21       1977 for payments under grants under this section to  
22       schools of pharmacy.

23       “(9) There are authorized to be appropriated \$3,-  
24       027,750 for the fiscal year ending June 30, 1975, \$3,-  
25       316,500 for the fiscal year ending June 30, 1976, and

1       \$3,481,500 for the fiscal year ending June 30, 1977  
2       for payments under grants under this section to schools  
3       of podiatry.

4             “(10) No funds appropriated under any provision  
5       of this Act (other than this subsection) may be used to  
6       make grants under this section.”

7       (d) The heading for part E of title VII is amended  
8       to read as follows:

9       “PART E—GRANTS AND CONTRACTS TO IMPROVE THE  
10       QUALITY OF SCHOOLS OF MEDICINE, OSTEOPATHY,  
11       PUBLIC HEALTH, DENTISTRY, VETERINARY MED-  
12       ICINE, OPTOMETRY, PHARMACY, AND PODIATRY”.

13       SEC. 402. Part E of title VII is amended (1) by re-  
14       designating sections 771, 772, and 773 as sections 772, 773,  
15       and 774, respectively, (2) by redesignating section 774 (as  
16       in effect before the date of the enactment of this Act) as  
17       section 776 and placing it after section 775, and (3) by  
18       adding after section 770 the following new section:

19             “ELIGIBILITY FOR CAPITATION GRANTS

20       “SEC. 771. (a) IN GENERAL.—The Secretary shall  
21       not make a grant under section 770 to any school in a fiscal  
22       year beginning after June 30, 1974, unless the application  
23       for such grant contains or is supported by reasonable assur-  
24       ances satisfactory to the Secretary that—

## 45

1           “(1) the enrollment of full-time students in such  
2 school and—

3           “(A) in the case of a school of medicine or  
4 osteopathy, the enrollment of students on a full-time  
5 basis in a program of such school for the training  
6 of physician extenders, and

7           “(B) in the case of a school of dentistry, the  
8 enrollment of students on a full-time basis in a pro-  
9 gram of such school for the training of expanded duty  
10 dental auxiliaries,

11 in the school year beginning after the beginning of the  
12 fiscal year in which such grant is made will not be less  
13 than the enrollment of such students in such school in  
14 the preceding school year; and

15           “(2) the applicant will expend in carrying out  
16 its functions as a school of medicine, osteopathy,  
17 public health, dentistry, veterinary medicine, optometry,  
18 pharmacy, or podiatry, as the case may be, during  
19 the fiscal year for which such grant is sought, an amount  
20 of funds (other than funds for construction as deter-  
21 mined by the Secretary) from non-Federal sources  
22 which is at least as great as the average amount of  
23 funds expended by such applicant for such purpose  
24 (excluding expenditures of a nonrecurring nature) in

1 the three years immediately preceding the fiscal year  
2 for which such grant is sought.

3 “(b) SCHOOLS OF MEDICINE AND OSTEOPATHY.—The  
4 Secretary shall not make a grant under section 770 to any  
5 school of medicine or osteopathy in a fiscal year beginning  
6 after June 30, 1974, unless the application for such grant  
7 contains or is supported by reasonable assurances satisfactory  
8 to the Secretary that—

9 “(1) for the first school year beginning after the  
10 close of the fiscal year in which such grant is made and  
11 for each school year thereafter during which such a  
12 grant is made the first-year enrollment of full-time stu-  
13 dents in such school will exceed the number of such  
14 students enrolled in the school year beginning during the  
15 fiscal year ending June 30, 1974—

16 “(A) by 10 per centum of such number if such  
17 number was not more than one hundred, or

18 “(B) by 5 per centum of such number, or ten  
19 students, whichever is greater, if such number was  
20 more than one hundred;

21 “(2) for the first school year beginning after the  
22 close of the fiscal year in which such grant is made  
23 and in each school year thereafter in which such grant  
24 is made the number of students enrolled on a full-time  
25 basis in a program of such school for the training of

1 physician extenders will not be less than twenty-five and  
2 for the second school year beginning after the close of  
3 the fiscal year in which such a grant is first made  
4 the number of students enrolled on a full-time basis  
5 in a program of such school for the training of physician  
6 extenders will exceed the number of such students so en-  
7 rolled in the preceding school year by 25 per centum;

8 “(3) in the case of a four-year school of medicine,  
9 for the first school year beginning after the close of  
10 the fiscal year in which such grant is made and for each  
11 school year thereafter during which such a grant is  
12 made, at least 10 per centum of the third and fourth  
13 year classes will be comprised of full-time students who  
14 are United States citizens who previously attended  
15 medical schools in foreign countries; or

16 “(4) the school has submitted to the Secretary an  
17 application for a grant or contract for such fiscal year for  
18 a special project under section 773 (a) or (b) and the  
19 Secretary has approved such application.

20 “(c) SCHOOLS OF DENTISTRY.—The Secretary shall not  
21 make a grant under section 770 to any school of dentistry  
22 in a fiscal year beginning after June 30, 1974, unless the  
23 application for such grant contains or is supported by rea-  
24 sonable assurances satisfactory to the Secretary that—

25 “(1) for the first school year beginning after the

1 close of the fiscal year in which such grant is made and  
2 for each school year thereafter during which such a grant  
3 is made the first-year enrollment of full-time students  
4 in such school will exceed the number of such students  
5 enrolled in the school year beginning during the fiscal  
6 year ending June 30, 1974—

7 “(A) by 10 per centum of such number if such  
8 number was not more than one hundred, or

9 “(B) by 5 per centum of such number, or ten  
10 students, whichever is greater, if such number was  
11 more than one hundred;

12 •“(2) for the first school year beginning after the  
13 close of the fiscal year in which such grant is made and  
14 in each school year thereafter in which such a grant is  
15 made the number of students enrolled on a full-time ba-  
16 sis in a program of such school for the training of ex-  
17 panded duty dental auxiliaries will be not less than  
18 twenty-five and for the second school year beginning  
19 after the close of the fiscal year in which such a grant  
20 is first made the number of students enrolled on a full-  
21 time basis in a program of such school for the training of  
22 expanded duty dental auxiliaries will exceed the num-  
23 ber of such students so enrolled in the preceding school  
24 year by 25 per centum; or

25 “(3) the school has submitted to the Secretary an

1 application for a grant or contract for such fiscal year  
2 for a special project under section 773 (a) or (c) and  
3 the Secretary has approved such application.

4 “(d) SCHOOLS OF PUBLIC HEALTH.—The Secretary  
5 shall not make a grant under section 770 to any school of  
6 public health in a fiscal year beginning after June 30, 1974,  
7 unless the application for such grant contains or is supported  
8 by reasonable assurances satisfactory to the Secretary that—

9 “(1) for the first school year beginning after the  
10 close of the fiscal year in which such grant is made and  
11 for each school year thereafter during which such a  
12 grant is made the first-year enrollment of full-time stu-  
13 dents in such school will exceed the number of such stu-  
14 dents enrolled in the school year beginning during the  
15 fiscal year ending June 30, 1974—

16 “(A) by 10 per centum of such number if such  
17 number was not more than one hundred, or

18 “(B) by 5 per centum of such number, or ten  
19 students, whichever is greater, if such number was  
20 more than one hundred; or

21 “(2) the school has submitted to the Secretary an  
22 application for a grant or contract for such fiscal year for  
23 a special project under section 773 and the Secretary  
24 has approved such application.



1       “(e) SCHOOLS OF VETERINARY MEDICINE, OPTOME-  
2 TRY, PHARMACY, AND PODIATRY.—The Secretary shall not  
3 make a grant under section 770 to any school of veterinary  
4 medicine, optometry, pharmacy, or podiatry in a fiscal year  
5 beginning after June 30, 1974, unless the application for  
6 such grant contains or is supported by reasonable assurances  
7 satisfactory to the Secretary that—

8               “(1) for the first school year beginning after the  
9 close of the fiscal year in which such grant is made and  
10 for each school year thereafter during which such a grant  
11 is made the first-year enrollment of full-time students  
12 in such school will exceed the number of such students  
13 enrolled in the school year beginning during the fiscal  
14 year ending June 30, 1974—

15               “(A) by 10 per centum of such number if such  
16 number was not more than one hundred, or

17               “(B) by 5 per centum of such number, or  
18 ten students, whichever is greater, if such number  
19 was more than one hundred; or

20               “(2) the school has submitted to the Secretary an  
21 application for a grant or contract for such fiscal year  
22 for a special project under an applicable provision of  
23 section 773 and the Secretary has approved such ap-  
24 plication.”.

1       SEC. 403. Section 773 (as so redesignated) is amended  
2 to read as follows:

3           “SPECIAL PROJECT GRANTS AND CONTRACTS

4       “SEC. 773. (a) (1) ALL SCHOOLS.—For the purpose  
5 of assisting individuals from disadvantaged backgrounds, as  
6 determined in accordance with criteria prescribed by the  
7 Secretary, to undertake education to enter a health profes-  
8 sion, the Secretary may make grants to and enter into con-  
9 tracts with schools of medicine, osteopathy, public health,  
10 dentistry, veterinary medicine, optometry, pharmacy, and  
11 podiatry to assist in meeting the cost described in paragraph  
12 (2).

13       “(2) A grant or contract under paragraph (1) may be  
14 used by the school receiving such grant to meet the cost of—

15           “(A) selecting individuals from disadvantaged  
16 backgrounds, as so determined, for the education pro-  
17 vided by the school,

18           “(B) facilitating the entry of those individuals  
19 into the school,

20           “(C) providing counseling or other services de-  
21 signed to assist those individuals to complete success-  
22 fully their education at the school,

23           “(D) providing, for a period prior to the entry of

1 those individuals into the regular course of education of  
2 the school, preliminary education designed to assist them  
3 to complete successfully such regular course of education  
4 at the school,

5 “(E) paying such stipends (including allowances  
6 for travel and for dependents) as the Secretary may  
7 determine for those individuals for any period of edu-  
8 cation at the school, and

9 “(F) administrative expenses of the school in  
10 connection with the activities described in the pre-  
11 ceding subparagraphs.

12 “(3) No grant may be made or contract entered into  
13 under paragraph (1) to a school unless its application  
14 for such grant or contract contains or is supported by as-  
15 surances satisfactory to the Secretary that in the school year  
16 beginning after the close of the fiscal year for which such  
17 grant is made or contract entered into, such school will enroll  
18 in its first-year class a number of full-time students from  
19 disadvantaged backgrounds, as determined in accordance  
20 with criteria prescribed by the Secretary, which is at least  
21 equal to the lesser of—

22 “(A) 5 per centum of the number of full-time  
23 first-year students enrolled in the school in the pre-  
24 ceding school year, or

25 “(B) ten.

1       “(b) SCHOOLS OF MEDICINE AND OSTEOPATHY.—

2               “(1) (A) The Secretary may make grants to and  
3 enter into contracts with schools of medicine and osteo-  
4       pathy to meet the costs of projects to—

5               “(i) plan, develop, and operate,

6               “(ii) significantly expand, or

7               “(iii) maintain existing,

8       programs to train, in medically underserved areas geo-  
9       graphically remote from the main site of the teaching  
10       facilities of such schools, full-time students and students  
11       enrolled in programs of such schools for the training of  
12       physician extenders.

13               “(B) The Secretary may make grants to and enter  
14 into contracts with schools of medicine and osteopathy  
15 to meet the costs of projects to—

16               “(i) plan, develop, and operate,

17               “(ii) significantly expand, or

18               “(iii) maintain existing,

19       programs to provide residency training in medically  
20       underserved areas geographically remote from the main  
21       site of the training facility of such schools in family medi-  
22       cine, general internal medicine, and general pediatrics.  
23       The costs for which a grant or contract under this sub-  
24       paragraph may be made may include costs of construc-  
25       tion of new primary care facilities and costs of remodel-

1       ing existing ambulatory care facilities, physicians' offices,  
2       and medical school facilities necessary for the adminis-  
3       tration of the training program for which the grant or  
4       contract is made.

5       “(C) No application of a school for a grant or  
6       contract under subparagraph (A) or (B) may be  
7       approved unless the application—

8               “(i) contains or is supported by reasonable  
9               assurances satisfactory to the Secretary that the  
10              training program for which the grant or contract  
11              is to be made will have at least twenty-five indi-  
12              viduals enrolled in it on a full-time basis;

13              “(ii) contains or is supported by reasonable  
14              assurances satisfactory to the Secretary that the  
15              school has sufficient resources to insure that all  
16              individuals receiving training under the program  
17              to be assisted by such grant or contract will receive  
18              (I) a majority of their training at the main site  
19              of the training facilities of the school, and (II) at  
20              least four weeks (in the aggregate) of training  
21              under such program in a medically underserved area  
22              geographically remote from such site;

23              “(iii) contains a list of the medically under-  
24              served areas where the training under such pro-  
25              gram is to be conducted and provision for periodic

1 review by experts in medical or osteopathic edu-  
2 cation (as may be appropriate) of the desirability  
3 of providing such training in such areas;

4 " (iv) contains a specific program for the  
5 hiring, as members of the faculty of the school, of  
6 practicing physicians to serve as instructors in the  
7 training program in medically underserved areas;

8 " (v) contains a detailed description of the  
9 type and amount of training to be given in medi-  
10 cally underserved areas and provision for periodic  
11 review and evaluation of such training; and

12 " (vi) contains a plan for frequent counseling  
13 and consultation between the faculty of the school  
14 at the main site of its training facilities and the  
15 instructors in the school's training program in medi-  
16 cally underserved areas.

17 "(2) The Secretary may make grants to and enter  
18 into contracts with schools of medicine and osteopathy  
19 to meet the costs of projects to establish and operate new  
20 programs at such schools for the training of physician  
21 extenders. No application of a school for a grant or con-  
22 tract under this paragraph may be approved unless the  
23 application contains or is supported by reasonable assur-  
24 ances satisfactory to the Secretary that the training pro-  
25 gram for which the grant is to be made will have at

1 least twenty-five students enrolled in it on a full-  
2 time basis.

3 “(c) SCHOOLS OF DENTISTRY.—

4 “(1) (A) The Secretary may make grants to and  
5 enter into contracts with schools of dentistry to meet the  
6 costs of projects to—

7 “(i) plan, develop, and operate, or

8 “(ii) significantly expand,

9 programs to train, in medically underserved areas  
10 geographically remote from the main site of the teach-  
11 ing facilities of such schools, full-time students and  
12 students enrolled in programs of such schools for the  
13 training of expanded duty dental auxiliaries.

14 “(B) No application of a school for a grant or con-  
15 tract under subparagraph (A) may be approved unless  
16 the application—

17 “(i) contains or is supported by reasonable as-  
18 surances satisfactory to the Secretary that the train-  
19 ing program for which the grant or contract is to be  
20 made will have at least twenty-five students enrolled  
21 in it on a full-time basis;

22 “(ii) contains or is supported by reasonable  
23 assurances satisfactory to the Secretary that the  
24 school has sufficient resources to insure that all  
25 students receiving training under the program to

1 be assisted by such grant or contract will receive  
2 (I) a majority of their training at the main site of  
3 the training facilities of the school, and (II) at least  
4 four weeks (in the aggregate) of training under the  
5 program in medically underserved areas geographi-  
6 cally remote from such site;

7 " (iii) contains a list of the medically under-  
8 served areas where the training under such program  
9 is to be conducted and provision for periodic review  
10 by experts in dental education of the desirability  
11 of providing training under the program in such  
12 areas;

13 " (iv) contains a specific program for the hir-  
14 ing, as members of the faculty of the school, of prac-  
15 ticing dentists to serve as instructors in the training  
16 program in medically underserved areas;

17 " (v) contains a detailed description of the  
18 type and amount of training to be given students in  
19 medically underserved areas and provision for peri-  
20 odic review and evaluation of such training; and

21 " (vi) contains a plan for frequent counseling  
22 and consultation between the faculty of the school  
23 at the main site of its training facilities and the  
24 instructors in the school's training program in med-  
25 ically underserved areas.



1           “(2) The Secretary may make grants to and enter  
2 into contracts with schools of dentistry to meet the costs  
3 of projects to establish and operate new programs at  
4 such schools for the training of expanded duty dental  
5 auxiliaries. No application of a school for a grant or con-  
6 tract under this paragraph may be approved unless the  
7 application contains or is supported by reasonable assur-  
8 ances satisfactory to the Secretary that the training pro-  
9 gram for which the grant or contract is to be made will  
10 have at least twenty-five students enrolled in it on a  
11 full-time basis.

12           “(d) SCHOOLS OF OPTOMETRY.—The Secretary may  
13 make grants to and enter into contracts with schools of op-  
14 tometry to meet the costs of projects to assist in—

15           “(1) the affiliation between optometric training  
16 programs and medical, osteopathic, and other health  
17 professions training programs and academic institutions,  
18 or

19           “(2) establishing cooperative arrangements be-  
20 tween optometric training programs and medical, osteo-  
21 pathic, and other health professions training programs  
22 and academic institutions.

23           “(e) SCHOOLS OF PHARMACY.—

24           “(1) The Secretary may make grants and enter

1 into contracts with schools of pharmacy to meet the costs  
2 of projects to assist in—

3 “(A) the affiliation between clinical pharmacy  
4 training programs and medical, osteopathic, and  
5 other health professions training programs and aca-  
6 demic institutions, or

7 “(B) establishing cooperative arrangements be-  
8 tween clinical pharmacy training programs and med-  
9 ical, osteopathic, and other health professions train-  
10 ing programs and academic institutions.

11 “(2) The Secretary may make grants to and enter  
12 into contracts with schools of pharmacy to meet the  
13 costs of projects to establish, expand, or improve—

14 “(A) programs for the teaching of pharmacy  
15 in hospitals, extended care facilities, and other  
16 clinical settings,

17 “(B) clinical pharmacology training, and

18 “(C) programs to train pharmacists to assist  
19 physicians and counsel patients on the appropriate  
20 use and effects of and reactions to drugs.

21 “(f) SCHOOLS OF PODIATRY.—The Secretary may  
22 make grants to and enter into contracts with schools of  
23 podiatry to meet the costs of projects to assist in—

24 “(1) the affiliation between podiatric training pro-

1       grams and medical, osteopathic, and other health pro-  
2       fessions training programs and academic institutions, or

3               “(2) establishing cooperative arrangements be-  
4       tween podiatric training programs and medical, osteo-  
5       pathic, and other health professions training programs  
6       and academic institutions.

7       “(g) SCHOOLS OF PUBLIC HEALTH.—

8               “(1) (A) The Secretary may make grants to and  
9       enter into contracts with schools of public health to meet  
10       the costs of projects to—

11               “(i) plan, develop, and operate,

12               “(ii) significantly expand, or

13               “(iii) maintain existing,

14       programs to train full-time students in State, county,  
15       and local health departments, in migrant and Indian  
16       health programs, and in hospitals and other health facil-  
17       ities which are in medically underserved areas geograph-  
18       ically remote from the main site of the teaching facili-  
19       ties of such schools.

20               “(B) No application of a school for a grant or con-  
21       tract under subparagraph (A) may be approved unless  
22       the application—

23               “(i) contains or is supported by reasonable  
24       assurances satisfactory to the Secretary that at least  
25       25 per centum of the full-time students of such

1 school will be enrolled in the training program for  
2 which the grant or contract is to be made;

3 “(ii) contains or is supported by reasonable  
4 assurances satisfactory to the Secretary that the  
5 school has sufficient resources to insure that all  
6 students receiving training under the program to be  
7 assisted by such grant or contract will receive (I)  
8 a majority of their training at the main site of the  
9 training facilities of the school, and (II) at least  
10 four weeks (in the aggregate) of training under  
11 such program in a health department, facility, or  
12 program referred to in subparagraph (A) ;

13 “(iii) contains a list of the health departments,  
14 facilities, or programs in which the training under  
15 such program is to be conducted and provision for  
16 periodic review by experts in public health educa-  
17 tion of the desirability of providing such training in  
18 such health departments, facilities, or programs;

19 “(iv) contains a specific program for the hir-  
20 ing, as members of the faculty of the school, of pub-  
21 lic health practitioners to serve in such health de-  
22 partments, facilities, and programs as instructors in  
23 the training of students;

24 “(v) contains a detailed description of the type  
25 and amount of training to be given students and

1 provision for periodic review and evaluation of such  
2 training; and

3 “(vi) contains a plan for frequent counseling  
4 and consultation between the faculty of the school  
5 at the main site of its training facilities and the in-  
6 structors in the school’s training program in a health  
7 department, facility, or program referred to in sub-  
8 paragraph (A).

9 “(h) **MEDICALLY UNDERSERVED AREA.**—For pur-  
10 poses of this section, the term ‘medically underserved area’  
11 means an urban or rural area designated by the Secretary as  
12 having a shortage of personal health services.

13 (i) **GENERAL PROVISIONS.**—The amount of any grant  
14 or contract under this section shall be determined by the Sec-  
15 retary. Payments under such grants or contracts may be  
16 made in advance or by way of reimbursement, at such in-  
17 tervals and on such conditions, as the Secretary finds neces-  
18 sary. If the Secretary does not approve an application sub-  
19 mitted under this section, he shall advise the applicant of the  
20 reasons for disapproval of the application and provide the  
21 applicant such technical and other nonfinancial assistance  
22 as may be appropriate to enable the applicant to submit an  
23 approvable application. Contracts may be entered into under  
24 this section without regard to sections 3648 and 3709 of the  
25 Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

1 “(j) AUTHORIZATIONS OF APPROPRIATIONS.—

2 “(1) (A) There are authorized to be appropriated  
3 \$25,000,000 for the fiscal year ending June 30, 1975,  
4 \$25,000,000 for the fiscal year ending June 30, 1976,  
5 and \$25,000,000 for the fiscal year ending June 30,  
6 1977, for payments under grants and contracts under  
7 subsection (a).

8 “(B) Of the sums appropriated under subpara-  
9 graph (A) for any fiscal year, 37 per centum of such  
10 sums shall be made available for grants and contracts  
11 under subsection (a) to schools of medicine, 3 per cen-  
12 tum of such sums shall be made available for such  
13 grants and contracts to schools of osteopathy, 18 per  
14 centum of such sums shall be made available for such  
15 grants and contracts to schools of dentistry, 6 per centum  
16 of such sums shall be made available for such grants and  
17 contracts to schools of public health, 4 per centum of  
18 such sums shall be made available for such grants and  
19 contracts to schools of optometry, 24 per centum of  
20 such sums shall be made available for such grants and  
21 contracts to schools of pharmacy, 2 per centum of such  
22 sums shall be made available for such grants and con-  
23 tracts to schools of podiatry, and 6 per centum of such  
24 sums shall be made available for such grants and con-  
25 tracts to schools of veterinary medicine.

1           “(2) There are authorized to be appropriated  
2           \$30,000,000 for the fiscal year ending June 30, 1975,  
3           \$100,000,000 for the fiscal year ending June 30, 1976,  
4           and \$150,000,000 for the fiscal year ending June 30,  
5           1977, for payments under grants and contracts under  
6           subsection (b) (1) (A).

7           “(3) There are authorized to be appropriated \$15,-  
8           000,000 for the fiscal year ending June 30, 1975,  
9           \$25,000,000 for the fiscal year ending June 30, 1976,  
10          and \$40,000,000 for the fiscal year ending June 30,  
11          1977, for payments under grants and contracts under  
12          subsection (b) (1) (B).

13          “(4) There are authorized to be appropriated  
14          \$10,000,000 for the fiscal year ending June 30, 1975,  
15          \$20,000,000 for the fiscal year ending June 30, 1976,  
16          and \$30,000,000 for the fiscal year ending June 30,  
17          1977, for payments under grants and contracts under  
18          subsection (b) (2).

19          “(5) There are authorized to be appropriated  
20          \$15,000,000 for the fiscal year ending June 30, 1975,  
21          \$30,000,000 for the fiscal year ending June 30, 1976,  
22          and \$45,000,000 for the fiscal year ending June 30,  
23          1977, for payments under grants and contracts under  
24          subsection (c) (1).

25          “(6) There are authorized to be appropriated

1       \$5,000,000 for the fiscal year ending June 30, 1975,  
2       \$10,000,000 for the fiscal year ending June 30, 1976,  
3       and \$15,000,000 for the fiscal year ending June 30,  
4       1977, for payments under grants and contracts under  
5       subsection (c) (2).

6           “(7) (A) There are authorized to be appropriated  
7       \$10,000,000 for the fiscal year ending June 30, 1975,  
8       \$10,000,000 for the fiscal year ending June 30, 1976,  
9       and \$10,000,000 for the fiscal year ending June 30,  
10       1977, for payments under grants and contracts under  
11       subsections (d), (e) (1), and (f).

12           “(B) Of the sums appropriated under subparagraph  
13       (A) for any fiscal year, 15 per centum of such sums  
14       shall be made available for grants and contracts under  
15       subsection (d), 75 per centum of such sums shall be  
16       made available for grants under subsection (e) (1), and  
17       10 per centum of such sums shall be made available for  
18       grants and contracts under subsection (f).

19           “(8) There are authorized to be appropriated  
20       \$5,000,000 for the fiscal year ending June 30, 1975,  
21       \$5,000,000 for the fiscal year ending June 30, 1976,  
22       and \$5,000,000 for the fiscal year ending June 30,  
23       1977, for payments under grants and contracts under  
24       subsection (e) (2).

25           “(9) There are authorized to be appropriated



1       \$2,000,000 for the fiscal year ending June 30, 1975,  
2       \$2,000,000 for the fiscal year ending June 30, 1976, and  
3       \$2,000,000 for the fiscal year ending June 30, 1977, for  
4       payments under grants and contracts under subsection  
5       (g).”

6       SEC. 404. (a) Section 772(a) (1) (as so redesign-  
7       nated) is amended by striking out “or dentistry” and insert-  
8       ing in lieu thereof “, dentistry, or optometry”.

9       (G) Section 772(a) (6) (as so redesignated) is  
10       amended to read as follows:

11       “(6) There are authorized to be appropriated \$11,-  
12       000,000 for the fiscal year ending June 30, 1975, \$11,-  
13       000,000 for the fiscal year ending June 30, 1976, and  
14       \$11,000,000 for the fiscal year ending June 30, 1977, for  
15       payments under grants under this subsection. Sums appro-  
16       priated under this paragraph shall remain available until  
17       expended.”

18       (c) Section 772(b) (2) (as so redesignated) is  
19       amended (1) by striking out “1974” and inserting in lieu  
20       thereof “1977”, and (2) by striking out “1975” and insert-  
21       ing in lieu thereof “1978”.

22       SEC. 405. (a) Subsection (a) of section 774 (as so re-  
23       designated) is amended to read as follow:

24       “(a) There are authorized to be appropriated \$15,000,-  
25       000 for the fiscal year ending June 30, 1974, \$15,000,000

1 for the fiscal year ending June 30, 1975, \$15,000,000 for  
2 the fiscal year ending June 30, 1976, and \$15,000,000 for  
3 the fiscal year ending June 30, 1977 for payments under  
4 grants under this section.”

5 (b) Section 774 is amended by inserting “public  
6 health,” after “dentistry” in subsections (b) and (d).

7 SEC. 406. (a) Section 776 (as so redesignated) is  
8 amended to read as follows:

9 “AREA HEALTH EDUCATION CENTERS

10 “SEC. 776. (a) For the purpose of improving the dis-  
11 tribution, supply, quality, utilization, and efficiency of health  
12 personnel and the health services delivery system, and en-  
13 couraging the regionalization of educational responsibilities,  
14 the Secretary may make grants to public or nonprofit private  
15 educational entities, and may enter into contracts with pub-  
16 lic or private educational entities, for new projects—

17 “(1) to encourage the establishment or mainte-  
18 nance of programs to alleviate shortages of health per-  
19 sonnel in areas, which are designated by the Secretary  
20 and which are either rural areas with sparse popula-  
21 tions or urban areas with dense populations, through  
22 training or retraining of health personnel in community  
23 hospitals and other facilities located in such areas or to  
24 otherwise improve the distribution of health personnel  
25 by area or by specialty group;

1           “(2) to provide training programs leading to more  
2 efficient utilization of health personnel;

3           “(3) to initiate new types and patterns or improve  
4 existing patterns of training, retraining, continuing edu-  
5 cation, and advanced training of health personnel, in-  
6 cluding practitioners of family medicine, general internal  
7 medicine, and general pediatrics, teachers, administra-  
8 tors, specialists, and paraprofessionals (particularly  
9 physician extenders, expanded duty dental auxiliaries,  
10 and nurse practitioners); and

11           “(4) to encourage new or more effective ap-  
12 proaches to the organization and delivery of health  
13 services, reflecting the needs of all disciplines, through  
14 training individuals in the use of the team approach to  
15 delivery of health services.

16           “(b) (1) No grant may be made or contract en-  
17 tered into under this section unless an application therefor  
18 has been submitted to, and approved by, the Secretary. Such  
19 application shall be in such form, submitted in such manner,  
20 and contain such information as the Secretary shall by regu-  
21 lation prescribe. The Secretary shall not approve or disap-  
22 prove any application for a grant or contract under this  
23 section except after consultation with the National Advisory  
24 Council on Health Professions Education (established by  
25 section 702).

1       “(2) The amount of any grant under this section shall  
2 be determined by the Secretary. Payments under grants  
3 under this section may be made in advance or by way of  
4 reimbursement, and at such intervals and on such conditions,  
5 as the Secretary finds necessary.

6       “(3) Contracts may be entered into under this section  
7 without regard to sections 3648 and 3709 of the Revised  
8 Statutes (31 U.S.C. 529; 41 U.S.C. 5).

9       “(c) There are authorized to be appropriated \$30,000,-  
10 000 for the fiscal year ending June 30, 1975, \$40,000,000  
11 for the fiscal year ending June 30, 1976, and \$50,000,000  
12 for the fiscal year ending June 30, 1977, for payments  
13 under grants and contracts under this section.”

14       (b) For the fiscal year ending June 30, 1975, and for  
15 each of the next three fiscal years there are authorized to be  
16 appropriated such sums as may be necessary to continue  
17 payments under contracts entered into under section 774  
18 of the Public Health Service Act (as in effect before the  
19 date of the enactment of this Act) for area health educa-  
20 tion centers. Such payments may only be made from such  
21 sums for the periods and the amounts specified in such  
22 contracts.

23       SEC. 407. Section 775 is amended—

24               (1) by striking out “770, 771, 772, or 773” each

1 place it occurs and inserting in lieu thereof "770, 772,  
2 773, or 774";

3 (2) by inserting ", public health" after "dentistry"  
4 in subsection (b) ;

5 (3) by striking out "this part" in subsection (c)  
6 and inserting in lieu thereof "section 770, 772, 773,  
7 or 774";

8 (4) by striking out "770, 771, or 773" in subsec-  
9 tion (d) (1) and inserting in lieu thereof "770, 771,  
10 772, 773, or 774"; and

11 (5) by amending subsection (d) (3) to read as  
12 follows:

13 " (3) provides for such fiscal control and account-  
14 ing procedures and reports, including the use of such  
15 standard procedures for the recording and reporting of  
16 financial information as the Secretary may prescribe,  
17 and access to the records of the applicant, as the Secre-  
18 tary may require to assure proper disbursement of and  
19 accounting for Federal funds paid to the applicant under  
20 the grant and to enable the Secretary to determine the  
21 costs to the applicant of its program for the education  
22 or training of students."

23 SEC. 408. Sections 306 and 309 are repealed.

24 SEC. 409. On and after January 1, 1976, the Secretary  
25 of Health, Education, and Welfare shall assess the program

1 of grants under section 776 of the Public Health Service Act  
2 to determine the effect of the projects funded under such  
3 grants on the distribution of health manpower and on the  
4 access to and quality of health care in the areas in which such  
5 projects are located. Not later than January 1, 1977, the  
6 Secretary shall submit to the Congress a report on the assess-  
7 ment conducted under this section.

8 TITLE V—ASSISTANCE FOR SPECIALIZED  
9 TRAINING

10 SEC. 501. (a) Section 767 (entitled "Grants for Train-  
11 ing, Traineeships, and Fellowships in Family Medicine")  
12 is transferred to part F of title VII and redesignated as  
13 section 781.

14 (b) Section 781 (as so redesignated) is amended (1)  
15 by striking out "and" after "1973,", and (2) by inserting  
16 after "1974," the following: "\$20,000,000 for the fiscal year  
17 ending June 30, 1975, \$30,000,000 for the fiscal year end-  
18 ing June 30, 1976, and \$40,000,000 for the fiscal year end-  
19 ing June 30, 1977,".

20 SEC. 502. (a) Section 769A (entitled "Grants for  
21 Computer Technology Health Care Demonstration Pro-  
22 grams") is transferred to part F of title VII, inserted after  
23 section 781, and redesignated section 782.

24 (b) Section 782 (as so redesignated) is amended (1)  
25 by striking out "and" after "1973,", and (2) by inserting

1 after "1974," the following: "\$5,000,000 for the fiscal year  
2 ending June 30, 1975, \$7,500,000 for the fiscal year end-  
3 ing June 30, 1976, and \$10,000,000 for the fiscal year end-  
4 ing June 30, 1977,".

5 SEC. 503. Part F of title VII is amended by adding after  
6 section 782 the following new section:

7 "EDUCATION OF RETURNING UNITED STATES STUDENTS  
8 FROM FOREIGN MEDICAL SCHOOLS

9 "SEC. 783. (a) The Secretary may make grants to  
10 schools of medicine and osteopathy to—

11 "(1) plan, develop, and initially operate new pro-  
12 grams, or

13 "(2) substantially expand existing programs,  
14 to train United States citizens who have transferred from  
15 medical schools in foreign countries and who have enrolled  
16 in such schools as full-time students with advanced standing.  
17 The costs for which a grant under this subsection may be  
18 made may include the costs of identifying deficiencies in the  
19 foreign medical school education of such students, the devel-  
20 opment of materials and methodology for correcting such de-  
21 ficiencies, and specialized training designed to prepare such  
22 students for successful completion of licensure examinations.  
23 A grant under this subsection may only be made for costs  
24 of such programs for one school year. No school may receive  
25 more than three grants under this subsection.

1       “(b) Any school of medicine or osteopathy which  
2 receives a grant under subsection (a) for the fiscal year  
3 ending June 30, 1975, shall submit to the Secretary before  
4 January 1, 1976, a report on the deficiencies (if any)  
5 identified by the school in the foreign medical school edu-  
6 cation of the students trained by such school under the  
7 program for which such grant was made. The Secretary  
8 shall compile the reports submitted under the preceding  
9 sentence, and before July 1, 1976, submit to the Congress  
10 his analysis and evaluation of the information contained in  
11 such reports.

12       “(c) There are authorized to be appropriated  
13 \$5,000,000 for the fiscal year ending June 30, 1975,  
14 \$10,000,000 for the fiscal year ending June 30, 1976,  
15 and \$15,000,000 for the fiscal year ending June 30, 1977,  
16 for payments under grants under subsection (a).”

17       SEC. 504. (a) Section 776 is transferred to part F of  
18 title VII, inserted after section 783, and redesignated as  
19 section 784.

20       (b) Subsection (e) of section 784 (as so redesignated)  
21 is amended by inserting before the period at the end a comma  
22 and the following: “\$10,000,000 for the fiscal year ending  
23 June 30, 1975, \$12,500,000 for the fiscal year ending  
24 June 30, 1976, and \$15,000,000 for the fiscal year ending  
25 June 30, 1977”.



1       SEC. 505. Part F of title VII is amended by adding  
2 after section 784 the following new section: .

3               “ADVANCEMENTS IN HEALTH EDUCATION

4       “SEC. 785. (a) The Secretary may make grants to  
5 schools of medicine, osteopathy, public health, dentistry, vet-  
6 erinary medicine, optometry, pharmacy, and podiatry to  
7 meet the costs of projects (1) to research, develop, or  
8 demonstrate advances in the various fields related to the  
9 education provided by such schools, or (2) to plan experi-  
10 mental teaching programs.

11       “(b) There are authorized to be appropriated \$10,-  
12 000,000 for the fiscal year ending June 30, 1975, \$10,000,-  
13 000 for the fiscal year ending June 30, 1976, and \$10,000,-  
14 000 for the fiscal year ending June 30, 1977, for payments  
15 under grants under subsection (a).”

16       SEC. 506. (a) Section 769B is transferred to part F  
17 of title VII, inserted after section 785, and redesignated  
18 section 786.

19       (b) Section 786 (as so redesignated) is amended (1)  
20 by striking out “under sections 767, 769, and 769A” each  
21 place it occurs and inserting in lieu thereof “under this part”,  
22 and (2) by striking out “under sections 767 and 769A”  
23 in subsection (b) and inserting in lieu thereof “under this  
24 part”.



1           “(3) the development and improvement of individ-  
2           ual and community knowledge of health and the health  
3           system, or

4           “(4) the development of a healthful environment  
5           and control of environmental health hazards.

6           “PROJECT GRANTS AND CONTRACTS

7           “SEC. 788. (a) The Secretary may make grants and  
8           enter into contracts to assist eligible entities in meeting the  
9           costs of development, demonstration, study, or experimenta-  
10          tion projects undertaken with respect to one or more of the  
11          following:

12           “(1) Methods of providing graduate education for  
13           public and community health personnel.

14           “(2) Methods of providing short-term and contin-  
15           uing education for public and community health person-  
16           nel.

17           “(3) Model curricula for the education of pub-  
18           lic and community health personnel.

19           “(4) Curricula and methods for the education or  
20           training of individuals who will plan, study, or manage  
21           the various components of the medical care system.

22           “(5) The utilization of equivalency and proficiency  
23           examinations as a method for determining compliance  
24           with licensure and certification requirements for public  
25           and community health personnel.

1           “(6) The accreditation of educational or training  
2 programs for health planning.

3           “(7) Programs which maximize, for economically  
4 or culturally deprived individuals, opportunities for ca-  
5 reers and advancement in public and community health.

6           “(8) Methods of providing persons trained in non-  
7 health disciplines short-term training in public and  
8 community health.

9           “(b) (1) No grant may be made or contract entered  
10 into under subsection (a) unless an application therefor has  
11 been submitted to, and approved by, the Secretary. Such  
12 application shall be in such form, submitted in such manner,  
13 and contain such information, as the Secretary shall by  
14 regulation prescribe. The Secretary shall give special con-  
15 sideration to applications for projects (or categories of proj-  
16 ects) which are concerned with public and community  
17 health personnel for which there is the greatest national need  
18 (as determined in accordance with regulations prescribed  
19 by the Secretary).

20           “(2) For purposes of subsection (a), the term ‘eligible  
21 entities’ means those entities which have had an application  
22 approved under paragraph (1) and which are—

23           “(A) public or nonprofit private graduate schools  
24 of public health, hospital administration, or health plan-

1       ning, or other public or nonprofit private entities grant-  
2       ing graduate degrees in fields of public and community  
3       health; or

4           “(B) other public or nonprofit private health or  
5       educational entities which have arrangements (meeting  
6       such requirements as the Secretary shall by regulation  
7       prescribe) with an entity described in subparagraph  
8       (A).

9       “(3) Contracts may be entered into under subsection  
10      (a) without regard to sections 3648 and 3709 of the Re-  
11      vised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

12       “(4) The amount of any grant under subsection (a)  
13      shall be determined by the Secretary. Payments under such  
14      grants may be made in advance or by way of reimburse-  
15      ment, and at such intervals and on such conditions, as the  
16      Secretary finds necessary.

17       “(c) No grant may be made or contract entered into  
18      under subsection (a) for a project for which a grant may  
19      be made under section 770 or 789.

20       “(d) There are authorized to be appropriated for pay-  
21      ments under grants and contracts under this section \$10,-  
22      000,000 for the fiscal year ending June 30, 1975, \$12,-  
23      000,000 for the fiscal year ending June 30, 1976, and  
24      \$14,000,000 for the fiscal year ending June 30, 1977.



1 enrollment of needed types of students, and increases in  
2 enrollment in programs for needed types of public and  
3 community health personnel; and

4 “(C) such other information as the Secretary may  
5 by regulation prescribe.

6 “(3) The Secretary may not approve an application  
7 submitted under this subsection unless he determines that the  
8 program for which the application was submitted meets such  
9 quality standards as the Secretary shall by regulation pre-  
10 scribe.

11 “(4) The amount of any grant under subsection (a)  
12 shall be determined by the Secretary; but in determining  
13 the amount of any such grant, the Secretary shall take into  
14 account the number of individuals that will participate in the  
15 programs which will be supported by the grant and the  
16 need (as determined by the Secretary) for the types of pub-  
17 lic and community health personnel who will participate in  
18 such programs. Payments under any such grant may be made  
19 in advance or by way of reimbursement, and at such intervals  
20 and on such conditions, as the Secretary finds necessary.

21 “(c) No grant may be made under this section for a  
22 project for which a grant may be made under section 788.

23 “(d) There are authorized to be appropriated for pay-  
24 ments under grants and contracts under this section \$4,000,-  
25 000 for the fiscal year ending June 30, 1975, \$5,000,000

1 for the fiscal year ending June 30, 1976, and \$6,000,000 for  
2 the fiscal year ending June 30, 1977.

3 "TRAINEESHIPS

4 "SEC. 790. (a) The Secretary shall (1) establish and  
5 maintain traineeships in the Department of Health, Educa-  
6 tion, and Welfare to train individuals to perform public and  
7 community health services for which the Secretary de-  
8 termines there is unusual need, and (2) make grants to pub-  
9 lic or nonprofit private entities for traineeships to provide  
10 such training.

11 "(b) (1) No traineeship may be awarded by the Secre-  
12 tary under subsection (a) (1) to any individual unless the  
13 individual has submitted to the Secretary an application  
14 therefor and the Secretary has approved the application. The  
15 application shall be in such form, be submitted in such man-  
16 ner, and contain such information, as the Secretary by regu-  
17 lation may prescribe.

18 "(2) No grant for traineeships may be made under sub-  
19 section (a) (2) unless an application therefor has been sub-  
20 mitted to, and approved by, the Secretary. Such application  
21 shall be in such form, be submitted in such manner, and  
22 contain such information, as the Secretary by regulation may  
23 prescribe. Traineeships under such a grant shall be awarded  
24 in accordance with such regulations as the Secretary shall  
25 prescribe. The amount of any such grant shall be determined



1 by the Secretary and payments under such a grant may be  
2 made in advance or by way of reimbursement and at such  
3 intervals and on such conditions as the Secretary finds  
4 necessary.

5 “(3) Traineeships awarded under subsection (a) (and  
6 under grants made thereunder) shall provide for such sti-  
7 pends and allowances (including travel and subsistence ex-  
8 penses and dependency allowances) for the trainees as the  
9 Secretary may deem necessary.

10 “(c) For the purposes of making payments under grants  
11 under subsection (a) (2), there are authorized to be appro-  
12 priated \$12,000,000 for the fiscal year ending June 30,  
13 1975, \$13,500,000 for the fiscal year ending June 30,  
14 1976, and \$15,000,000 for the fiscal year ending June 30,  
15 1977.

16 “STATISTICS AND ANNUAL REPORT

17 “SEC. 791. (a) The Secretary shall continuously de-  
18 velop, publish, and disseminate on a nationwide basis sta-  
19 tistics and other information respecting public and com-  
20 munity health personnel, including—

21 “(1) detailed descriptions of the various types of  
22 activities in which public and community health per-  
23 sonnel are engaged,

24 “(2) the current and anticipated needs for the

1 various types of public and community health personnel,  
2 and

3 “(3) the number, employment, geographic loca-  
4 tions, salaries, and surpluses and shortages of public  
5 and community health personnel, the educational and  
6 licensure requirements for the various types of such per-  
7 sonnel, and the cost of training such personnel.

8 “(b) The Secretary shall submit annually to the Com-  
9 mittee on Interstate and Foreign Commerce of the House of  
10 Representatives and to the Committee on Labor and Public  
11 Welfare of the Senate a report on—

12 “(1) the statistics and other information devel-  
13 oped pursuant to subsection (a) ; and

14 “(2) the activities conducted under this subpart,  
15 including an evaluation of such activities.

16 Such report shall contain such recommendations for legisla-  
17 tion as the Secretary determines is needed to improve the  
18 programs authorized under this subpart. The Office of Man-  
19 agement and Budget may review such report before its  
20 submission to Congress, but the Office may not revise the  
21 report or delay its submission beyond the date prescribed  
22 for its submission and may submit to Congress its comments  
23 respecting such report. The first report under this subsection  
24 shall be submitted not later than September 1, 1975.

## 1           “SUBPART 2—ALLIED HEALTH PERSONNEL

## 2   “DEFINITION

3           “SEC. 795. For purposes of this subpart, the term  
4 ‘allied health personnel’ means individuals with training  
5 and responsibilities for (1) supporting, complementing, or  
6 supplementing the professional functions of physicians, den-  
7 tists, and other health professionals in the delivery of health  
8 care to patients, or (2) assisting environmental engineers  
9 and other personnel in environmental health control activities.

## 10   “PROJECT GRANTS AND CONTRACTS

11           “SEC. 796. (a) The Secretary may make grants and  
12 enter into contracts to assist eligible entities in meeting the  
13 costs of planning, study, development, demonstration, and  
14 evaluation projects undertaken with respect to one or more  
15 of the following:

16                   “(1) Methods of coordination, management, and  
17 articulation of education and training at various levels  
18 for allied health personnel within and among educational  
19 institutions and their clinical affiliates.

20                   “(2) Methods and techniques for State and regional  
21 coordination and monitoring or education and training  
22 for allied health personnel.

23                   “(3) Programs, methods, and curricula (including  
24 model curricula) for training various types of allied  
25 health personnel.

1           “(4) Programs, or means of adapting existing  
2 programs, for training as allied health personnel special  
3 groups such as returning veterans, the economically or  
4 culturally deprived, and persons reentering any of the  
5 allied health fields.

6           “(5) New types of roles and uses for allied health  
7 personnel.

8           “(6) In coordination with the Secretary’s program  
9 under section 1123 of the Social Security Act, methods  
10 of establishing, and determining compliance with, profi-  
11 ciency requirements for allied health personnel, in-  
12 cluding techniques for appropriate recognition (through  
13 equivalency and proficiency testing or otherwise) of  
14 previously acquired training or experience.

15           “(7) Methods of recruitment and retaining of allied  
16 health personnel.

17           “(8) Meaningful career ladders and programs of  
18 advancement for practicing allied health personnel.

19           “(b) (1) No grant may be made or contract entered  
20 into under subsection (a) unless an application therefor has  
21 been submitted to, and approved by, the Secretary. Such  
22 application shall be in such form, submitted in such manner,  
23 and contain such information, as the Secretary shall by regu-  
24 lation prescribe.

25           “(2) For purposes of subsection (a), the term ‘eligible

1 entities' means those entities which have had an application  
2 approved under paragraph (1) and which are—

3       “(A) schools, universities, or other educational  
4 entities which provide for allied health personnel educa-  
5 tion and training meeting such standards as the Secretary  
6 may by regulation prescribe,

7       “(B) States, political subdivisions of States, or  
8 regional and other public bodies representing States or  
9 political subdivisions of States or both,

10       “(C) entities established to represent the interests  
11 of allied health personnel, or

12       “(D) any entity which has a working arrangement  
13 (meeting such requirements as the Secretary may by  
14 regulation prescribe) with an entity described in sub-  
15 paragraph (A) or (C).

16       “(3) Contracts may be entered into under subsection  
17 (a) without regard to section 3648 and 3709 of the Revised  
18 Statutes (31 U.S.C. 529; 41 U.S.C. 5).

19       “(4) The amount of any grant under subsection (a)  
20 shall be determined by the Secretary. Payments under such  
21 grants may be made in advance or by way of reimbursement,  
22 and at such intervals and on such conditions, as the Secre-  
23 tary finds necessary.

24       “(c) For the purpose of making payments under grants  
25 and contracts under subsection (a), there are authorized to

1 be appropriated \$40,000,000 for the fiscal year ending  
2 June 30, 1975, \$45,000,000 for the fiscal year ending  
3 June 30, 1976, and \$50,000,000 for the fiscal year ending  
4 June 30, 1977.

5 "TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED

6 HEALTH PERSONNEL

7 "SEC. 797. (a) The Secretary may make grants to pub-  
8 lic and nonprofit private entities for traineeships provided  
9 by such entities for the training of allied health personnel to  
10 teach in training programs for such personnel or to serve  
11 in administrative or supervisory positions.

12 "(b) (1) No grant may be made under subsection (a)  
13 unless an application therefor has been submitted to and  
14 approved by the Secretary. Such application shall be in  
15 such form, submitted in such manner, and contain such  
16 information, as the Secretary shall by regulation prescribe.

17 "(2) Payments under such grants (A) shall be limited  
18 to such amounts as the Secretary finds necessary to cover  
19 the cost of tuition and fees of, and stipends and allowances  
20 (including travel and subsistence expenses and dependency  
21 allowances) for, the trainees; and (B) may be made in  
22 advance or by way of reimbursement and at such intervals  
23 and on such conditions as the Secretary finds necessary.

24 "(c) For the purposes of making payments under  
25 grants under subsection (a), there are authorized to be

1 appropriated \$7,500,000 for the fiscal year ending June 30,  
2 1975, \$9,000,000 for the fiscal year ending June 30, 1976,  
3 and \$10,500,000 for the fiscal year ending June 30, 1977.

4 "GRANTS AND CONTRACTS TO ENCOURAGE FULL UTILIZA-  
5 TION OF EDUCATIONAL TALENT FOR ALLIED HEALTH  
6 PERSONNEL TRAINING

7 "SEC. 798. (a) The Secretary may make grants to and  
8 enter into contracts with State and local educational agencies  
9 and other public or nonprofit private entities—

10 " (1) to (A) identify individuals of financial, edu-  
11 cational, or cultural need who have a potential to become  
12 allied health personnel, including individuals who are  
13 veterans of the Armed Forces with military training or  
14 experience similar to that of allied health personnel, and  
15 (B) encourage and assist, whenever appropriate, the  
16 individuals described in clause (A) to (i) complete  
17 secondary school, (ii) undertake such postsecondary  
18 training as may be required to qualify them to undertake  
19 allied health personnel training, and (iii) undertake  
20 postsecondary allied health personnel training; and

21 " (2) to publicize existing sources of financial aid  
22 available to individuals undertaking allied health per-  
23 sonnel training.

24 " (b) (1) No grant may be made or contract entered  
25 into under subsection (a) unless an application therefor has

1 been submitted to, and approved by, the Secretary. Such  
2 application shall be in such form, submitted in such manner,  
3 and contain such information, as the Secretary shall by reg-  
4 ulation prescribe.

5 “(2) Contracts may be entered into under subsection  
6 (a) without regard to sections 3648 and 3709 of the Revised  
7 Statutes (31 U.S.C. 529; 41 U.S.C. 5).

8 “(3) The amount of any grant under subsection (a)  
9 shall be determined by the Secretary. Payments under such  
10 grants may be made in advance or by way of reimburse-  
11 ment, and at such intervals and on such conditions, as the  
12 Secretary finds necessary.

13 “(c) For payments under grants and contracts under  
14 subsection (a) there are authorized to be appropriated  
15 \$1,000,000 for the fiscal year ending June 30, 1975, \$1.5  
16 million for the fiscal year ending June 30, 1976, and \$2  
17 million for the fiscal year ending June 30, 1977.

18 “STATISTICS AND ANNUAL REPORT

19 “SEC. 799. (a) The Secretary shall continuously de-  
20 velop, publish, and disseminate on a nationwide basis statis-  
21 tics and other information respecting allied health personnel,  
22 including—

23 “(1) detailed descriptions of the various types of  
24 such personnel and the activities in which such personnel  
25 are engaged,



1           “(2) the current and anticipated needs for the vari-  
2           ous types of such health personnel, and

3           “(3) the number, employment, geographic loca-  
4           tions, salaries, and surpluses and shortages of such per-  
5           sonnel, the educational and licensure and certification  
6           requirements for the various types of such personnel,  
7           and the cost of training such personnel.

8           “(b) The Secretary shall submit annually to the Com-  
9           mittee on Interstate and Foreign Commerce of the House of  
10          Representatives and to the Committee on Labor and Public  
11          Welfare of the Senate a report on—

12           “(1) the statistics and other information developed  
13           pursuant to subsection (a) ; and

14           “(2) the activities conducted under this subpart,  
15           including an evaluation of such activities.

16          Such report shall contain such recommendations for legisla-  
17          tion as the Secretary determines is needed to improve the  
18          programs authorized under this subpart. The Office of Man-  
19          agement and Budget may review such report before its sub-  
20          mission to Congress, but the Office may not revise the report  
21          or delay its submission beyond the date prescribed for its sub-  
22          mission and may submit to Congress its comments respecting  
23          such report. The first report under this subsection shall be  
24          submitted not later than September 1, 1975.”

25          (b) (1) Section 704 (as so redesignated) is amended

1 (1) by striking out "any training center for allied health  
2 personnel" and inserting in lieu thereof "any entity for the  
3 training of public and community health personnel or allied  
4 health personnel", and (2) by striking out "or training  
5 center" each place it occurs and inserting in lieu thereof  
6 "or entity".

7 (2) Section 314 (e) is repealed.

## 8 TITLE VII—MISCELLANEOUS

### 9 STUDY OF DISTRIBUTION OF PHYSICIANS

10 SEC. 701. (a) The Secretary of Health, Education, and  
11 Welfare shall, within ninety days after the date of the  
12 enactment of this Act, contract for the conduct of a study  
13 for the following purposes:

14 (1) To analyze the current distribution of physi-  
15 cians by specialty. In making such analysis—

16 (A) the geographical distribution of medical  
17 and osteopathic physicians by specialty and sub-  
18 specialty and by geographic area shall be deter-  
19 mined, and in connection with such determination  
20 physician specialties and subspecialties shall be  
21 defined in a manner consistent with recognized cate-  
22 gories and geographical areas shall be defined as  
23 reasonable medical trade areas for each specialty or  
24 subspecialty; and

25 (B) special attention shall be given to de-

1           termining (i) the percentage of time physicians in  
2           each specialty and subspecialty spend in primary  
3           care activities and in other activities unrelated to  
4           their specialty training, and (ii) the percentage of  
5           time primary care physicians spend in specialty  
6           care.

7           (2) To project the expected distribution of physi-  
8           cians by specialty and subspecialty by geographic area  
9           in the years 1980, 1985, and 1990. Such projection shall  
10          be based on current trends in physician specialty train-  
11          ing and choice of practice sites, the activities of various  
12          specialty boards and other organizations, and the retire-  
13          ment-death rate of physicians by specialty and sub-  
14          specialty.

15          (3) To examine and evaluate the various method-  
16          ologies for estimating the optimal distribution of physi-  
17          cians by specialty and subspecialty by geographic area  
18          controlling the supply of specialists and subspecialists.  
19          Methodologies examined and evaluated shall include  
20          (A) methodologies utilized by foreign countries, and  
21          (B) consideration of the use of nonphysicians to per-  
22          form functions normally performed by physicians.

23          (4) To develop a reliable and appropriate method-  
24          ology to establish the optimal distribution of physicians  
25          by specialty and subspecialty by geographic area. Utiliz-

1       ing such methodology, projections shall be made for the  
2       optimal number of physicians by specialty and subspe-  
3       cialty by geographic area for the years 1980, 1985,  
4       and 1990.

5       (b) The organization selected by the Secretary to con-  
6       duct the study required by subsection (a) shall—

7           (1) have a national reputation for objectivity in  
8       the conduct of studies for the Federal Government;

9           (2) have the capacity to readily marshal the widest  
10      possible range of expertise and advice relevant to the  
11      conduct of such study;

12          (3) have a membership and competent staff which  
13      have backgrounds in government, the health sciences  
14      and the social sciences;

15          (4) have a history of interest and activity in health  
16      policy issues related to such study; and

17          (5) have extensive existing contracts with inter-  
18      ested public and private agencies and organizations.

19      (c) An interim report providing a plan for the study  
20      required by subsection (a) shall be submitted by the orga-  
21      nization conducting the study to the Committee on Inter-  
22      state and Foreign Commerce of the House of Representa-  
23      tives and the Committee on Labor and Public Welfare of  
24      the Senate by July 31, 1975; and a final report giving  
25      the results of the study shall be submitted by such organiza-

1 tion to the Committee on Interstate and Foreign Commerce  
2 of the House of Representatives and the Committee on Labor  
3 and Public Welfare of the Senate by July 31, 1976.

4 (d) There is authorized to be appropriated \$10,000,-  
5 000, which shall be available without fiscal year limita-  
6 tions, for the conduct of the study required by subsection  
7 (a).

8 QUALITY ASSURANCES RESPECTING EDUCATION AND  
9 TRAINING OF ALLIED HEALTH PERSONNEL

10 SEC. 702. The Secretary of Health, Education, and Wel-  
11 fare shall within one year of the date of the enactment  
12 of this Act (1) submit to the Congress a report which  
13 identifies and describes each of the programs which he ad-  
14 ministers under which the costs of programs of education  
15 and training for allied health personnel (as defined in section  
16 791 of the Public Health Service Act) are directly or indi-  
17 rectly paid (in whole or in part) ; and (2) take such action  
18 as may be necessary to require that such assistance is pro-  
19 vided only those programs which meet such quality stand-  
20 ards as the Secretary may by regulation prescribe.

21 ALLIED HEALTH PERSONNEL STUDY

22 SEC. 703. (a) (1) The Secretary of Health, Education,  
23 and Welfare shall, in accordance with paragraph (2), ar-  
24 range for the conduct of studies—

25 (A) to identify the various types of allied health

1 personnel and the activities in which such personnel are  
2 engaged and the various training programs currently  
3 offered for allied health personnel;

4 (B) to establish classifications of allied health per-  
5 sonnel on the basis of their activities, responsibilities, and  
6 training;

7 (C) using appropriate methodologies, to determine  
8 the cost of educating and training allied health personnel  
9 in each classification; and

10 (D) to identify the classifications in which there are  
11 a critical shortage of such personnel and the training pro-  
12 grams which should be assisted to meet that shortage.

13 (2) (A) The Secretary shall request the National  
14 Academy of Sciences to conduct such studies under an  
15 arrangement under which the actual expenses incurred by  
16 such Academy in conducting such studies will be paid by the  
17 Secretary. If the National Academy of Sciences is willing to  
18 do so, the Secretary shall enter into such an arrangement  
19 with such Academy for the conduct of such studies.

20 (B) If the National Academy of Sciences is unwilling  
21 to conduct one or more such studies under such an arrange-  
22 ment, then the Secretary shall enter into a similar arrange-  
23 ment with other appropriate nonprofit private groups or  
24 associations under which such groups or associations will

1 conduct such studies and prepare and submit the reports  
2 thereon as provided in subsection (b).

3 (b) The studies required by subsection (a) shall be com-  
4 pleted within the two-year period beginning on the date of  
5 the enactment of this Act; and a report on the results of  
6 such study shall be submitted by the Secretary to the Com-  
7 mittee on Interstate and Foreign Commerce of the House  
8 of Representatives and the Committee on Labor and Public  
9 Welfare of the Senate before the expiration of such period.

10 (c) Within six months after the date prescribed for the  
11 completion of the studies under subsection (a), the Secretary  
12 of Health, Education, and Welfare shall transmit to Congress  
13 such recommendations for legislation as he determines is  
14 necessary to provide appropriate support for the training  
15 programs referred to in subsection (a) (1) (D).

16 SEC. 704. If, within twenty years (or ten years in the  
17 case of a facility constructed with funds paid under part A  
18 as in effect before the date of the enactment of the Health  
19 Manpower Act of 1974) after completion of the construction  
20 of any facility for which funds have been paid under such  
21 part A (as so in effect) or under part D (as in effect before  
22 July 1, 1967) —

23 (1) the applicant for such funds or other owner of  
24 such facility shall cease to be a public or nonprofit  
25 private entity, or

1           (2) such facility shall cease to be used for the  
2           purposes for which such funds for its construction were  
3           provided, unless the Secretary determines, in accordance  
4           with regulations, that there is good cause for releasing  
5           the applicant or other owner from the obligation to do so,  
6           the United States shall be entitled to recover from the  
7           applicant or other owner of the facility the amount bearing  
8           the same ratio to the then value (as determined by agree-  
9           ment of the parties or by action brought in the United  
10          States district court for the district in which such facility  
11          is situated) of the facility, as the amount of the Federal  
12          participation bore to the cost of construction of such facility.