

Public Law 100-177
100th Congress

An Act

Dec. 1, 1987
[S. 1158]

To amend the Public Health Service Act to establish a National Health Service Corps Loan Repayment Program and to otherwise revise and extend the program for the National Health Service Corps.

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

Public Health
Service
Amendments of
1987.
42 USC 201 note.

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Public Health Service Amendments of 1987”.

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

- Sec. 1. Short title; table of contents.
Sec. 2. References to the Public Health Service Act.

TITLE I—HEALTH RESEARCH, TECHNOLOGY, STATISTICS, AND
PREVENTIVE HEALTH PROGRAMS

- Sec. 101. Establishment of certain rural programs of National Center for Health Services Research and Health Care Technology Assessment.
Sec. 102. Duties and composition of National Advisory Council on Health Care Technology Assessment.
Sec. 103. Prohibition against altering certain administrative relationships.
Sec. 104. National Center for Health Statistics.
Sec. 105. National Committee on Vital and Health Statistics.
Sec. 106. Health care reports and profiles.
Sec. 107. Requirement of peer review groups for evaluations of grant proposals.
Sec. 108. Authorization of appropriations.
Sec. 109. Requirement with respect to amount of non-Federal contributions in grant program for Council on Health Care Technology.
Sec. 110. Project grants for preventive health projects for immunizations.
Sec. 111. Project grants for preventive health projects for tuberculosis; additional grants.

TITLE II—NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENT
PROGRAM

- Sec. 201. Establishment of loan repayment program.
Sec. 202. Technical and conforming amendments.
Sec. 203. Report and authorization of appropriations for scholarship and loan repayment programs; State programs.
Sec. 204. Special repayment provisions.
Sec. 205. Regulations.

TITLE III—NATIONAL HEALTH SERVICE CORPS

- Sec. 301. Requirement of consideration of needs of Indian Health Service, certain indian tribes, and the homeless.
Sec. 302. Designation of health manpower shortage areas.
Sec. 303. Placement of physicians.
Sec. 304. Assignment of family physicians.
Sec. 305. Authorizations of appropriations for general operations of National Health Service Corps.
Sec. 306. Obligated service.
Sec. 307. Private practice.
Sec. 308. Discharge of obligations in bankruptcy.
Sec. 309. Special loans for Corps members to enter private practice.

TITLE IV—MISCELLANEOUS

Sec. 401. Geriatric medicine training projects.

Sec. 402. Professional review activities.

SEC. 2. REFERENCES TO THE PUBLIC HEALTH SERVICE ACT.

Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act (42 U.S.C. 201 et seq.).

TITLE I—HEALTH RESEARCH, TECHNOLOGY, STATISTICS, AND PREVENTIVE HEALTH PROGRAMS

SEC. 101. ESTABLISHMENT OF CERTAIN RURAL PROGRAMS OF NATIONAL CENTER FOR HEALTH SERVICES RESEARCH AND HEALTH CARE TECHNOLOGY ASSESSMENT.

Section 305 (42 U.S.C. 242c) is amended—

(1) by redesignating subsections (c) through (i) as subsections (d) through (j), respectively; and

(2) by inserting after subsection (b) the following new subsection:

“(c) In carrying out section 304(a), the Secretary, acting through the Center, shall undertake and support research, evaluation, and demonstration projects (that may include and shall be appropriately coordinated with experiments and demonstration activities authorized by the Social Security Act (42 U.S.C. 301 et seq.) and the Social Security Amendments of 1967 (Public Law 90-248; 81 Stat. 821)) respecting the delivery of health care services in rural areas (including frontier areas), which may include projects with respect to—

“(1) the future of the rural hospital;

“(2) long-term health care for the rural elderly;

“(3) hospital care for the rural poor and uninsured; and

“(4) alternative health care delivery systems and managed health care in rural areas.”.

Health care facilities.
Aged persons.
Disadvantaged persons.

SEC. 102. DUTIES AND COMPOSITION OF NATIONAL ADVISORY COUNCIL ON HEALTH CARE TECHNOLOGY ASSESSMENT.

Section 305(h) (as redesignated in section 101(1) of this Act) is amended—

(1) in the last sentence of paragraph (1), by striking out “shall assist the Director in developing” and inserting in lieu thereof “shall make recommendations to the Director with respect to the development of”; and

(2) by striking out paragraph (3) and inserting in lieu thereof the following new paragraph:

“(3)(A) The Secretary shall appoint to the Council—

“(i) six individuals distinguished in the fields of medicine, engineering, and science (including social science);

“(ii) four individuals distinguished in the fields of law, ethics, economics, and management; and

“(iii) two individuals representing the interests of consumers of health care services.

“(B) The Secretary shall ensure that members of the Council, as a group, are representative of professions and entities concerned with, or affected by, health care technology.”

42 USC 242c
note.

SEC. 103. PROHIBITION AGAINST ALTERING CERTAIN ADMINISTRATIVE RELATIONSHIPS.

With respect to carrying out section 305 of the Public Health Service Act (42 U.S.C. 242c), the Secretary may not alter the administrative relationship between the Assistant Secretary for Health and the Director of the National Center for Health Services Research and Health Care Technology Assessment, as in effect during fiscal year 1986.

SEC. 104. NATIONAL CENTER FOR HEALTH STATISTICS.

Section 306(a) (42 U.S.C. 242k(a)) is amended by striking out “and supervised” and all that follows through the period and inserting in lieu thereof a period.

SEC. 105. NATIONAL COMMITTEE ON VITAL AND HEALTH STATISTICS.

(a) **IN GENERAL.**—Section 306(k) (42 U.S.C. 242k(k)) is amended—

(1) in paragraph (1), by striking out “fifteen” and inserting in lieu thereof “16”;

(2) in the second sentence of paragraph (2)(A), by striking out “three” and inserting in lieu thereof “4”; and

(3) in paragraph (2), by striking out subparagraph (B) and inserting in lieu thereof the following:

“(B)(i) In the case of membership terms on the Committee under this subsection (as in effect prior to January 1, 1988) that expire in calendar year 1988, the appointments to three such terms in such calendar year shall be for a period of 4 years and the appointments to two such terms in such calendar year shall be for a period of 3 years, as designated by the Secretary.

“(ii) In the case of membership terms on the Committee under this subsection (as in effect prior to January 1, 1988) that expire in calendar year 1989, one such term shall be extended for an additional consecutive 1-year period, as designated by the Secretary.

“(iii) In the case of membership terms on the Committee under this subsection (as in effect prior to January 1, 1988) that expire in calendar year 1990, two of such terms shall each be extended for an additional consecutive 1-year period, as designated by the Secretary.”

42 USC 242k
note.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall become effective on January 1, 1988.

SEC. 106. HEALTH CARE REPORTS AND PROFILES.

(a) **REPORTS.**—Section 308 (42 U.S.C. 242m(a)) is amended—

(1) by striking out paragraphs (1) and (2) and inserting in lieu thereof the following new paragraphs:

“(1) Not later than March 15 of each year, the Secretary shall submit to the President and Congress the following reports:

“(A) A report on—

“(i) the administration of sections 304 through 307 and section 309 during the preceding fiscal year; and

“(ii) the current state and progress of health services research, health statistics, and health care technology.

“(B) A report on health care costs and financing. Such report shall include a description and analysis of the statistics collected under section 306(b)(1)(G).

“(C) A report on health resources. Such report shall include a description and analysis, by geographical area, of the statistics collected under section 306(b)(1)(E).

“(D) A report on the utilization of health resources. Such report shall include a description and analysis, by age, sex, income, and geographic area, of the statistics collected under section 306(b)(1)(F).

“(E) A report on the health of the Nation's people. Such report shall include a description and analysis, by age, sex, income, and geographic area, of the statistics collected under section 306(b)(1)(A).

“(2) The reports required by subparagraphs (B) through (E) of paragraph (2) shall be prepared through the National Center for Health Services Research and Health Care Technology Assessment and the National Center for Health Statistics.”; and

(2) in paragraph (3), by striking out “or (2)”.

(b) NATIONAL DISEASE PREVENTION DATA PROFILES.—The first sentence of section 404(a) of the Health Services and Centers Amendments of 1978 (42 U.S.C. 242p(a)) is amended by striking out “on December 1, 1980, and on December 1 of every third year thereafter” and inserting in lieu thereof “on March 15, 1990, and on March 15 of every third year thereafter”.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to reports and profiles required to be submitted after November 1, 1987.

42 USC 242m
note.

SEC. 107. REQUIREMENT OF PEER REVIEW GROUPS FOR EVALUATIONS OF GRANT PROPOSALS.

Section 308(b) (42 U.S.C. 242m(b)) is amended—

(1) in paragraph (1), by inserting before the period at the end thereof the following: “and unless a peer review group referred to in paragraph (2) has recommended the application for approval”; and

(2) by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

“(2)(A) Each application submitted for a grant or contract under section 304 or 305, in an amount exceeding \$50,000 of direct costs and for a health services research, evaluation, or demonstration project, shall be submitted to a peer review group for an evaluation of the technical and scientific merits of the proposals made in each such application. The Secretary, acting through the Director of the National Center for Health Services Research and Health Care Technology Assessment (or, as appropriate, through the Director of the National Center for Health Statistics), shall establish such peer review groups as may be necessary to provide for such an evaluation of each such application.

“(B) A peer review group to which an application is submitted pursuant to subparagraph (A) shall report its finding and recommendations respecting the application to the Secretary, acting through the Director involved, in such form and manner as the Secretary shall by regulation prescribe. The Secretary may not approve an application described in such subparagraph unless a peer review group has recommended the application for approval.

Reports.

“(C) The Secretary, acting through the Directors, shall make appointments to the peer review groups required in subparagraph (A) from among persons who are not officers or employees of the United States and who possess appropriate technical and scientific qualifications.”.

SEC. 108. AUTHORIZATION OF APPROPRIATIONS.

Subsection (i) of section 308 (42 U.S.C. 242m(i)) is amended to read as follows:

“(i)(1)(A) For health service research, evaluation, and demonstration activities undertaken or supported under section 304 or 305, there are authorized to be appropriated \$30,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990. At least 20 percent of the amount appropriated under the preceding sentence for any fiscal year or \$6,000,000, whichever is less, shall be available only for health services research, evaluation and demonstration activities directly undertaken through the National Center for Health Services Research and Health Care Technology Assessment, and at least 10 percent of such amount or \$1,500,000 whichever is less, shall be available only for the user liaison program and the technical assistance program referred to in section 305(d)(2) and for dissemination activities directly undertaken through such Center.

“(B) For health care technology assessment activities undertaken under subsections (b)(5), (g), and (h) of section 305, the Secretary shall obligate from funds appropriated under this paragraph not less than \$4,500,000 for each of the fiscal years 1988 through 1990.

“(C) For grants under section 309, the Secretary shall make available from funds appropriated under this paragraph not more than \$750,000 for each of the fiscal years 1988 through 1990. Of such amounts made available, the Secretary shall, with respect to non-Federal contributions made available by grantees pursuant to section 309(a)(2)(B), obligate during each such fiscal year such amounts as may be necessary to pay the Federal share appropriate under such section as a result of such contributions.

“(D) Of the amounts appropriated under this paragraph for any fiscal year, not more than \$1,500,000 may be used for grants and contracts for all the costs of planning, establishing, and operating centers under section 305(e).

“(2) For health statistical and epidemiological activities undertaken or supported under section 304 or 306, there are authorized to be appropriated \$55,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990.”.

SEC. 109. REQUIREMENT WITH RESPECT TO AMOUNT OF NON-FEDERAL CONTRIBUTIONS IN GRANT PROGRAM FOR COUNCIL ON HEALTH CARE TECHNOLOGY.

Section 309(a)(2)(B) (42 U.S.C. 242n(a)(2)(B)) is amended by inserting before the period at the end thereof the following: “, except that for fiscal years 1988 and 1989, the Secretary may only require expenditures from non-Federal sources in an amount not less than the amount of the grant applied for”.

SEC. 110. PROJECT GRANTS FOR PREVENTIVE HEALTH PROJECTS FOR IMMUNIZATIONS.

(a) **IN GENERAL.**—Paragraph (1) of section 317(j) (42 U.S.C. 247b(j)(1)) is amended to read as follows:

“(1)(A) Except for grants for immunization programs the authorization of appropriations for which are established in subparagraph (B), for grants under subsections (a) and (k)(1) for preventive health service programs to immunize without charge individuals against vaccine-preventable diseases, there are authorized to be appropriated \$94,000,000 for fiscal year 1988, and such sums as may be necessary for each of the fiscal years 1989 and 1990. Not more than 10 percent of the total amount appropriated under the preceding sentence for any fiscal year shall be available for grants under subsection (k)(1) for such fiscal year.

“(B) For grants under subsection (a) for preventive health service programs for the provision without charge of immunizations with vaccines approved for use, and recommended for routine use, after the date of the enactment of Public Health Service Amendments of 1987, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1988, 1989, and 1990.

“(C) On the implementation of subtitle 2 of title XXI, there are authorized to be appropriated for grants under subsection (a) for which appropriations are authorized in subparagraph (A) such sums as may be necessary for fiscal years 1988 through 1990 to make such grants.”.

(b) SUPPLY OF VACCINES.—

(1) IN GENERAL.—The Secretary of Health and Human Services, acting through the Director of the Centers for Disease Control, shall acquire and maintain a supply of vaccines sufficient to provide vaccinations throughout a 6-month period.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out paragraph (1) \$5,000,000 for fiscal year 1988, and such sums as may be necessary for each of the fiscal years 1989 and 1990.

42 USC 300aa-2
note.

SEC. 111. PROJECT GRANTS FOR PREVENTIVE HEALTH PROJECTS FOR TUBERCULOSIS; ADDITIONAL GRANTS.

(a) PROJECT GRANTS.—Paragraph (2) of section 317(j) (42 U.S.C. 247b(j)(2)) is amended to read as follows:

“(2) For grants under subsection (a) for preventive health service programs for tuberculosis, and for grants under subsection (k)(2), there are authorized to be appropriated \$24,000,000 for fiscal year 1988, \$31,000,000 for fiscal year 1989, and \$36,000,000 for fiscal year 1990. Not more than 10 percent of the total amount appropriated under the preceding sentence for any fiscal year shall be available for grants under subsection (k)(2) for such fiscal year.”.

(b) ADDITIONAL GRANTS.—Section 317 is amended by adding at the end thereof the following new subsection:

“(k)(1) The Secretary may make grants to States, political subdivisions of States, and other public and nonprofit private entities for—

“(A) research into the prevention and control of diseases that may be prevented through vaccination;

“(B) demonstration projects for the prevention and control of such diseases;

“(C) public information and education programs for the prevention and control of such diseases; and

“(D) education, training, and clinical skills improvement activities in the prevention and control of such diseases for health professionals (including allied health personnel).

“(2) The Secretary may make grants to States, political subdivisions of States, and other public and nonprofit private entities for—

State and local
governments.
Health care
professionals.
Education.

“(A) research into the prevention and control of tuberculosis, especially research concerning strains of tuberculosis resistant to drugs and research concerning cases of tuberculosis that affect certain populations;

“(B) demonstration projects for the prevention and control of tuberculosis;

“(C) public information and education programs for prevention and control of tuberculosis; and

“(D) education, training, and clinical skills improvement activities in the prevention and control of tuberculosis for health professionals, including allied health personnel.

“(3) The Secretary may make grants to States, political subdivisions of States, and other public and nonprofit private entities for—

“(A) research into the prevention and control of diseases and conditions;

“(B) demonstration projects for the prevention and control of such diseases and conditions;

“(C) public information and education programs for the prevention and control of such diseases and conditions; and

“(D) education, training, and clinical skills improvement activities in the prevention and control of such diseases and conditions for health professionals (including allied health personnel).

“(4) No grant may be made under this subsection unless an application therefor is submitted to the Secretary in such form, at such time, and containing such information as the Secretary may by regulation prescribe.

“(5) Subsections (d), (e), and (f) of section 317 shall apply to grants under this subsection in the same manner as such subsections apply to grants under subsection (a) of section 317.”

Health care
professionals.

TITLE II—NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENT PROGRAM

SEC. 201. ESTABLISHMENT OF LOAN REPAYMENT PROGRAM.

Subpart II of part D of title III (42 U.S.C. 254d et seq.) is amended—

(1) by redesignating section 338G (42 U.S.C. 254r) as section 338I;

(2) by redesignating sections 338B through 338F (42 U.S.C. 254m through 254q) as sections 338C through 338G, respectively; and

(3) by inserting after section 338A the following new section:

“SEC. 338B. NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENT PROGRAM.

“(a) ESTABLISHMENT.—The Secretary shall establish a program to be known as the National Health Service Corps Loan Repayment Program (hereinafter in this subpart referred to as the ‘Loan Repayment Program’) in order to assure—

“(1) an adequate supply of trained physicians, dentists, and nurses for the Corps; and

“(2) if needed by the Corps, an adequate supply of podiatrists, optometrists, pharmacists, clinical psychologists, graduates of schools of veterinary medicine, graduates of schools of public

42 USC 254I-1.

health, graduates of programs in health administration, graduates of programs for the training of physician assistants, expanded function dental auxiliaries, and nurse practitioners (as defined in section 822), and other health professionals.

“(b) **ELIGIBILITY.**—To be eligible to participate in the Loan Repayment Program, an individual must—

“(1)(A) be enrolled—

“(i) as a full-time student—

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

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

“(ii) in an approved graduate training program in medicine, osteopathy, dentistry, or other health profession; or

“(B) have—

“(i) a degree in medicine, osteopathy, dentistry, or other health profession;

“(ii) completed an approved graduate training program in medicine, osteopathy, dentistry, or other health profession in a State, except that the Secretary may waive the completion requirement of this clause for good cause; and

“(iii) a license to practice medicine, osteopathy, dentistry, or other health profession in a State;

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

“(3) submit an application to participate in the Loan Repayment Program; and

“(4) sign and submit to the Secretary, at the time of the submission of such application, a written contract (described in subsection (f)) to accept repayment of educational loans and to serve (in accordance with this subpart) for the applicable period of obligated service in a health manpower shortage area.

“(c) **APPLICATION, CONTRACT, AND INFORMATION REQUIREMENTS.**—

“(1) **SUMMARY AND INFORMATION.**—In disseminating application forms and contract forms to individuals desiring to participate in the Loan Repayment Program, the Secretary shall include with such forms—

“(A) a fair summary of the rights and liabilities of an individual whose application is approved (and whose contract is accepted) by the Secretary, including in the summary a clear explanation of the damages to which the United States is entitled under section 338E in the case of the individual's breach of the contract; and

“(B) information respecting meeting a service obligation through private practice under an agreement under section 338D and such other information as may be necessary for the individual to understand the individual's prospective participation in the Loan Repayment Program and service in the Corps.

“(2) **UNDERSTANDABILITY.**—The application form, contract form, and all other information furnished by the Secretary under this subpart shall be written in a manner calculated to be understood by the average individual applying to participate in the Loan Repayment Program.

“(3) **AVAILABILITY.**—The Secretary shall make such application forms, contract forms, and other information available to individuals desiring to participate in the Loan Repayment Program on a date sufficiently early to ensure that such individuals have adequate time to carefully review and evaluate such forms and information.

“(d) **PRIORITY.**—In determining which applications under the Loan Repayment Program to approve (and which contracts to accept), the Secretary shall give priority to applications made by—

“(1) individuals whose training is in a health profession or specialty determined by the Secretary to be needed by the Corps; and

“(2) individuals who are committed to service in medically underserved areas.

“(e) **APPROVAL REQUIRED FOR PARTICIPATION.**—

“(1) **IN GENERAL.**—An individual becomes a participant in the Loan Repayment Program only on the Secretary's approval of the individual's application submitted under subsection (b)(3) and the Secretary's acceptance of the contract submitted by the individual under subsection (b)(4).

“(2) **WRITTEN NOTICE.**—The Secretary shall provide written notice to an individual promptly on—

“(A) the Secretary's approving, under paragraph (1), of the individual's participation in the Loan Repayment Program; or

“(B) the Secretary's disapproving an individual's participation in such Program.

“(f) **CONTENTS OF CONTRACTS.**—The written contract (referred to in this subpart) between the Secretary and an individual shall contain—

“(1) an agreement that—

“(A) subject to paragraph (3), the Secretary agrees—

“(i) to pay on behalf of the individual loans in accordance with subsection (g); and

“(ii) to accept (subject to the availability of appropriated funds for carrying out sections 331 through 335 and section 337) the individual into the Corps (or for equivalent service as otherwise provided in this subpart); and

“(B) subject to paragraph (3), the individual agrees—

“(i) to accept loan payments on behalf of the individual;

“(ii) in the case of an individual described in subsection (b)(1)(A), to maintain enrollment in a course of study or training described in such subsection until the individual completes the course of study or training;

“(iii) in the case of an individual described in subsection (b)(1)(A), while enrolled in such course of study or training, to maintain an acceptable level of academic standing (as determined under regulations of the Secretary by the educational institution offering such course of study or training); and

“(iv) to serve for a time period (hereinafter in this subpart referred to as the ‘period of obligated service’) equal to 2 years or such longer period as the individual may agree to, in a health manpower shortage area (designated under section 332) to which such individual

is assigned by the Secretary as a member of the Corps or released under section 338D;

“(2) a provision permitting the Secretary to extend for such longer additional periods, as the individual may agree to, the period of obligated service agreed to by the individual under paragraph (1)(B)(iv);

“(3) a provision that any financial obligation of the United States arising out of a contract entered into under this subpart and any obligation of the individual that is conditioned thereon, is contingent on funds being appropriated for loan repayments under this subpart and to carry out the purposes of sections 331 through 335 and sections 337 and 338;

“(4) a statement of the damages to which the United States is entitled, under section 338E for the individual's breach of the contract; and

“(5) such other statements of the rights and liabilities of the Secretary and of the individual, not inconsistent with this subpart.

“(g) PAYMENTS.—

“(1) IN GENERAL.—A loan repayment provided for an individual under a written contract under the Loan Repayment Program shall consist of payment, in accordance with paragraph (2), on behalf of the individual of the principal, interest, and related expenses on government and commercial loans received by the individual for—

“(A) tuition expenses;

“(B) all other reasonable educational expenses, including fees, books, and laboratory expenses, incurred by the individual; or

“(C) reasonable living expenses as determined by the Secretary.

“(2) PAYMENTS FOR YEARS SERVED.—

“(A) IN GENERAL.—Except as provided in subparagraph (B) and paragraph (3), for each year of obligated service that an individual contracts to serve under subsection (f) the Secretary may pay up to \$20,000 on behalf of the individual for loans described in paragraph (1).

“(B) INDIAN SERVICE.—For each year of obligated service that an individual contracts under subsection (f) to serve in the Indian Health Service, or to serve in a health program or facility operated by a tribe or tribal organization under the Indian Self-Determination Act (25 U.S.C. 450f et seq.), the Secretary may pay up to \$25,000 on behalf of the individual for loans described in paragraph (1).

“(C) REPAYMENT SCHEDULE.—Any arrangement made by the Secretary for the making of loan repayments in accordance with this subsection shall provide that any repayments for a year of obligated service shall be made no later than the end of the fiscal year in which the individual completes such year of service.

“(3) TAX LIABILITY.—In addition to payments made under paragraph (2), in any case in which payments on behalf of an individual under the Loan Repayment Program result in an increase in Federal, State, or local income tax liability for such individual, the Secretary may, on the request of such individual, make payments to such individual in a reasonable amount, as

determined by the Secretary, to reimburse such individual for all or part of the increased tax liability of the individual.

“(4) PAYMENT SCHEDULE.—The Secretary may enter into an agreement with the holder of any loan for which payments are made under the Loan Repayment Program to establish a schedule for the making of such payments.

“(h) EMPLOYMENT CEILING.—Notwithstanding any other provision of law, individuals who have entered into written contracts with the Secretary under this section, while undergoing academic or other training, shall not be counted against any employment ceiling affecting the Department.

“(i) REPORTS.—The Secretary shall, not later than March 1 of each year, submit to the Congress a report specifying—

“(1) the number, and type of health profession training, of individuals receiving loan payments under the Loan Repayment Program;

“(2) the educational institution at which such individuals are receiving their training;

“(3) the number of applications filed under this section in the school year beginning in such year and in prior school years; and

“(4) the amount of loan payments made in the year reported on.”

SEC. 202. TECHNICAL AND CONFORMING AMENDMENTS.

(a) SECTION 303.—Section 303(d)(4) (42 U.S.C. 242a(d)(4)) is amended—

(1) by striking out “752 or 753” each place it appears and inserting in lieu thereof “338C or 338D”; and

(2) in subparagraph (A), by striking out “subpart IV of part C of title VII” and inserting in lieu thereof “subpart II of part D”.

(b) SECTION 331.—Section 331 (42 U.S.C. 254d) is amended—

(1) in subsection (b), by striking out “and the Scholarship Program” and inserting in lieu thereof “, the Scholarship Program, and the Loan Repayment Program”; and

(2) in subsection (c), by striking out “338C” and inserting in lieu thereof “338D”; and

(3) in subsection (d)(2), by inserting after “Program” the following: “or the Loan Repayment Program”; and

(4) in subsection (f), by striking out “Scholarship Program” and inserting in lieu thereof “Scholarship Program or the Loan Repayment Program”; and

(5) in subsection (h)—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(B) by inserting after paragraph (1) the following new paragraph:

“(2) The term ‘Loan Repayment Program’ means the National Health Service Corps Loan Repayment Program established under section 338B.”

(c) SECTION 334.—Section 334(a)(3)(B) (42 U.S.C. 254g(a)(3)(B)) is amended—

(1) by inserting “or the Loan Repayment Program” after “Scholarship Program”; and

(2) by striking out “service under the Program;” and inserting in lieu thereof “service under the Scholarship Program or the Loan Repayment Program;”.

(d) SECTION 336.—Section 336(a) (42 U.S.C. 254h-1(a)) is amended by striking out “scholarship program” and inserting in lieu thereof “Scholarship Program or Loan Repayment Program”.

(e) SECTION 338E.—Section 338E (as redesignated by section 201(2) of this Act) is amended—

(1) in subsection (a)—

(A) by inserting “(1)” after the subsection designation;

(B) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively; and

(C) by adding at the end thereof the following new paragraph:

“(2) An individual who has entered into a written contract with the Secretary under section 338B and who—

“(A) in the case of an individual who is enrolled in the final year of a course of study, fails to maintain an acceptable level of academic standing in the educational institution in which such individual is enrolled (such level determined by the educational institution under regulations of the Secretary) or voluntarily terminates such enrollment or is dismissed from such educational institution before completion of such course of study; or

“(B) in the case of an individual who is enrolled in a graduate training program, fails to complete such training program and does not receive a waiver from the Secretary under section 338B(b)(1)(B)(ii),

in lieu of any service obligation arising under such contract shall be liable to the United States for the amount that has been paid on behalf of the individual under the contract.”;

(2) in subsection (b)(1)—

(A) by inserting “(A)” after the paragraph designation;

(B) by striking out “338E(d)” and inserting in lieu thereof “338F(d)”;

(C) by striking out “338C” each place it appears and inserting in lieu thereof “338D”;

(D) by striking out “338B” each place it appears and inserting in lieu thereof “338C”;

(E) by inserting “under section 338A” after “service obligation”;

(F) by striking the last sentence; and

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

“(B)(i) Any amount of damages that the United States is entitled to recover under this subsection or under subsection (c) shall, within the 1-year period beginning on the date of the breach of the written contract (or such longer period beginning on such date as specified by the Secretary), be paid to the United States.

“(ii) If damages described in clause (i) are delinquent for 3 months, the Secretary shall, for the purpose of recovering such damages—

“(I) utilize collection agencies contracted with by the Administrator of the General Services Administration; or

“(II) enter into contracts for the recovery of such damages with collection agencies selected by the Secretary.

“(iii) Each contract for recovering damages pursuant to this subsection shall provide that the contractor will, not less than once each 6 months, submit to the Secretary a status report on the success of the contractor in collecting such damages. Section 3718 of title 31, United States Code, shall apply to any such contract to the extent not inconsistent with this subsection.

42 USC 254o.

Contracts.

Reports.

“(iv) To the extent not otherwise prohibited by law, the Secretary shall disclose to all appropriate credit reporting agencies information relating to damages of more than \$100 that are entitled to be recovered by the United States under this subsection and that are delinquent by more than 60 days or such longer period as is determined by the Secretary.”;

(3) by redesignating subsection (c) as subsection (d);

(4) by inserting after subsection (b) the following new subsection:

“(c)(1) If (for any reason not specified in subsection (a) or section 338F(d)) an individual breaches the written contract of the individual under section 338B by failing either to begin such individual’s service obligation in accordance with section 338C or 338D or to complete such service obligation, the United States shall be entitled to recover from the individual an amount equal to the sum of—

“(A) in the case of a contract for a 2-year period of obligated service—

“(i) the total of the amounts paid by the United States under section 338B(g)(2) on behalf of the individual for any period of obligated service; and

“(ii) an amount equal to the unserved obligation penalty;

“(B) in the case of a contract for a period of obligated service of greater than 2 years, and the breach occurs before the end of the first 2 years of such period—

“(i) the total of the amounts paid by the United States under section 338B(g)(2) on behalf of the individual for any period of obligated service; and

“(ii) an amount equal to the unserved obligation penalty; and

“(C) in the case of a contract for a period of obligated service of greater than 2 years, and the breach occurs after the first 2 years of such period—

“(i) the total of the amounts paid by the United States under section 338B(g)(2) on behalf of the individual for any period of obligated service not served; and

“(ii) if the individual breaching the contract failed to give the Secretary notice, that the individual intends to take action which constitutes a breach of the contract, at least 1 year (or such shorter period of time as the Secretary determines is adequate for finding a replacement) prior to the breach, \$10,000.

“(2) For purposes of paragraph (1), the term ‘unserved obligation penalty’ means the amount equal to the product of the number of months of obligated service that were not completed by an individual, multiplied by \$1,000, except that in any case in which the individual fails to serve 1 year, the unserved obligation penalty shall be equal to the full period of obligated service multiplied by \$1,000.

“(3) The Secretary may waive, in whole or in part, the rights of the United States to recover amounts under this section in any case of extreme hardship or other good cause shown, as determined by the Secretary.

“(4) Damages that the United States is entitled to recover shall be paid in accordance with subsection (b)(1)(B).”;

(5) in subsection (d) (as redesignated by clause (3) of this subsection), by inserting “or the Loan Repayment Program (or a contract thereunder)” after “thereunder” each place it appears; and

(6) in the section heading, by inserting "OR LOAN REPAYMENT CONTRACT" after "CONTRACT".

(f) PART D OF TITLE III.—Part D of title III is amended—

(1) by redesignating subparts III and IV as subparts IV and V, respectively; and

(2) by inserting before section 338A the following:

“Subpart III—Scholarship Program and Loan Repayment Program”.

SEC. 203. REPORT AND AUTHORIZATION OF APPROPRIATIONS FOR SCHOLARSHIP AND LOAN REPAYMENT PROGRAMS; STATE PROGRAMS.

Part D of title III (42 U.S.C. 247d et seq.) is amended by striking out section 338G (as redesignated by section 201(2) of this Act) and inserting in lieu thereof the following new sections:

“SEC. 338G. REPORT AND AUTHORIZATION OF APPROPRIATIONS.

42 USC 254q.

“(a) REPORT.—The Secretary shall report on January 20 of each year to the Committee on Labor and Human Resources of the Senate, the Committee on Energy and Commerce of the House of Representatives, and the Committees on Appropriations of the Senate and the House of Representatives on—

“(1) the number of providers of health care who will be needed for the Corps during the 3 fiscal years beginning after the date the report is filed; and

“(2) the number—

“(A) of scholarships the Secretary proposes to provide under the Scholarship Program during such 3 fiscal years;

“(B) of individuals for whom the Secretary proposes to make loan repayments under the Loan Repayment Program during such 3 fiscal years; and

“(C) of individuals who have no obligation under section 338C and who the Secretary proposes to have as members of the Corps during such 3 fiscal years,

in order to provide such number of health care providers.

“(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for scholarships and loan repayments under this subpart.

“SEC. 338H. STATE PROGRAMS.

42 USC 254q-1.

“(a) GRANTS.—The Secretary may make grants to States to support the establishment by States of State programs similar to the Loan Repayment Program established under section 338B. Any State program supported with a grant under this section shall—

“(1) provide for the repayment of government and commercial loans for the tuition, educational expenses, and living expenses described in section 338B(g)(1); and

“(2) be conducted in conformance with the description of such program contained in the application required under subsection (b).

“(b) APPLICATIONS.—No grant may be made under this section for a State program unless an application therefor is submitted to the Secretary, in such form, at such time, and containing such information as the Secretary may prescribe. Each such application shall contain such standards for the designation of medically underserved

areas under the State program and the determination of obligated service under the State program as may be acceptable to the Secretary.

“(c) **FEDERAL SHARE.**—The Federal share of the costs of any State program supported under this section shall not exceed 75 percent.

“(d) **AUTHORIZATION OF APPROPRIATIONS.**—To carry out this section, there are authorized to be appropriated \$1,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990.”

Contracts.
42 USC 254o
note.

SEC. 204. SPECIAL REPAYMENT PROVISIONS.

(a) **ELIGIBLE INDIVIDUALS.**—

(1) **IN GENERAL.**—An individual who—

(A)(i) breached a written contract entered into under section 338A of the Public Health Service Act (42 U.S.C. 2541) by failing either to begin such individual's service obligation in accordance with section 338C of such Act (as redesignated by section 201(2) of this Act) or to complete such service obligation; or

(ii) otherwise breached such a contract; and

(B) as of November 1, 1987, is liable to the United States under section 338E(b) of such Act (as redesignated by section 201(2) of this Act),

shall be relieved of liability to the United States under such section if the individual provides notice to the Secretary in accordance with paragraph (2) and provides service in accordance with a written contract with the Secretary that obligates the individual to provide service in accordance with subsection (b) or (c). The Secretary may exclude an individual from relief from liability under this section for reasons related to the individual's professional competence or conduct.

(2) **NOTICE BY SECRETARY.**—Not later than 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall notify in writing individuals who are described in subsection (a) of the opportunity provided by such subsection to be relieved of liability to the United States under section 338E(b) of the Public Health Service Act (as redesignated by section 201(2) of this Act). Notice sent to the last known address of such individual shall constitute sufficient notice for the purposes of this section. The Secretary may require that an individual responding to such notice make an election between service under subsection (b) or subsection (c) and provide that such election shall be binding.

(3) **NOTICE BY INDIVIDUAL.**—Not later than 180 days after the date of the enactment of this Act, an individual who receives a notice from the Secretary may notify the Secretary that the individual intends to enter into a written contract with the Secretary to provide service in accordance with subsection (b) or (c). The Secretary may extend the 180-day period for an individual for good cause shown.

(4) **STATUTE OF LIMITATIONS.**—If an individual provides notice under paragraph (3), the statute of limitations established by section 2415 of title 28, United States Code, shall be tolled from the time the Secretary receives such notice until such time as it is determined by the Secretary that such individual will not be relieved of liability to the United States under the Public Health Service Act as provided under this section.

(5) **PLACEMENTS.**—Any individual who enters into a contract under this subsection shall be afforded an opportunity to locate and negotiate a placement in accordance with this section, except that the Secretary shall not be required to identify a placement for any individual in a medical specialty for which the National Health Service Corps has no need.

(6) **PARTIAL SERVICE.**—The Secretary shall promulgate regulations that provide for the reduction of the liability under section 338F of the Public Health Service Act (as redesignated by section 201(2) of this Act) of an individual who breaches a contract entered into under this section to reflect any partial service or partial payment of liability of the individual under this section.

Regulations.

(b) SERVICE AT HEALTH MANPOWER SHORTAGE AREA PLACEMENT OPPORTUNITY LIST SITES.—

(1) **IN GENERAL.**—An individual notified under subsection (a)(2) may enter into a written contract with the Secretary to serve, in accordance with subpart II of part D of title III of the Public Health Service Act (42 U.S.C. 254d et seq.), for the period of such individual's service obligation remaining under section 338C of the Public Health Service Act (as redesignated by section 201(2) of this Act) at a site that—

(A)(i) is on the Health Manpower Shortage Area Placement Opportunity List created by the Secretary of Health and Human Services for obligated service under section 338C of the Public Health Service Act (as so redesignated) to begin in fiscal year 1988 and to which no individual who is not described in subsection (a)(1) has been assigned by a date determined by the Secretary; or

(ii) is on the Health Manpower Shortage Area Placement Opportunity List created by the Secretary of Health and Human Services for obligated service under section 338C of the Public Health Service Act (as so redesignated) to begin in fiscal year 1989; and

(B) has agreed to permit the individual to serve at such site.

(2) **NUMBER OF SITES.**—The Secretary shall to the extent practicable, include a total number of sites on the list referred to in paragraph (1) sufficient to provide placement to all obligors under the Scholarship Program scheduled to begin service in fiscal year 1988 or 1989 and all individuals responding to the notice provided under subsection (a) and electing service under paragraph (1).

(c) SERVICE AT SUPPLEMENTAL HEALTH MANPOWER SHORTAGE AREA PLACEMENT OPPORTUNITY LIST SITES.—An individual notified under subsection (a)(2) may enter into a written contract with the Secretary—

(1) to—

(A) serve in accordance with subpart II of part D of title III of the Public Health Service Act (42 U.S.C. 254d et seq.) for the period of such individual's service obligation remaining under section 338C of the Public Health Service Act (as redesignated by section 201(2) of this Act) at a site that is on a supplemental Health Manpower Shortage Area Placement Opportunity List created by the Secretary of Health and Human Services for obligated service under section 338C of the Public Health Service Act (as so redesignated).

nated) and that has agreed to permit the individual to serve at such site; and

(B) pay, in accordance with guidelines established by the Secretary of Health and Human Services, to the United States the sum of the amounts paid under subpart II of part D of title III of such Act to or on behalf of the individual reduced by any amount paid, before entering into the contract, by such individual to the Secretary with respect to the individual's indebtedness under such part D; or

(2) to serve in accordance with such subpart II at a site described in paragraph (1) for 150 percent of such individual's remaining service obligation under section 338C of such Act (as so redesignated).

(d) **CREATION OF SUPPLEMENTAL HEALTH MANPOWER SHORTAGE AREA PLACEMENT OPPORTUNITY LIST SITES.**—In creating the supplemental Health Manpower Shortage Area Placement Opportunity List for purposes of subsection (c), the Secretary—

(1) shall include any site to which a National Health Service Corps member was previously assigned but which in fiscal year 1988 or 1989 will not have such member or a member of the National Health Service Corps to replace such member unless the Secretary of Health and Human Services determines that such site may reasonably be expected to recruit a health care professional from other than the Corps;

(2) shall include any migrant health center receiving funds under section 329 of the Public Health Service Act (42 U.S.C. 247d) or community health center receiving funds under section 330 of such Act (42 U.S.C. 254c) unless the Secretary of Health and Human Services determines that such center has been able to recruit health care professionals from other than the Corps to serve at the center and may reasonably be expected to recruit such health care professionals in the future;

(3) may include any other site selected by the Secretary; and

(4) shall designate the type of health care professional or medical specialist who is eligible to serve at the sites included on the list.

A site may be included on the supplemental list only if, at the time the list is created, the Secretary determines that the site meets the criteria prescribed by section 332 of such Act (42 U.S.C. 254e).

(e) **ADDITIONAL ELIGIBLE INDIVIDUALS.**—

(1) **IN GENERAL.**—The Secretary of Health and Human Services may authorize an individual who is not described in subsection (a) and who is to begin to serve the individual's service obligation under section 338C of the Public Health Service Act (as redesignated by section 201(2) of this Act) in fiscal year 1988 or 1989 to serve such obligation in accordance with subsection (c) if the Secretary determines that—

(A) service by the individual in accordance with subsection (c) would be in the best interests of the National Health Service Corps; and

(B) allowing such service would alleviate a substantial hardship for such individual.

(2) **SCHOLARSHIP TRAINING PROGRAM.**—Individuals who have breached a written contract entered into under section 225 of the Public Health Service Act (42 U.S.C. 234) (as such section existed before the amendment made by section 408(b) of the Health Professions Educational Assistance Act of 1976 (Public

Law 94-484; 90 Stat. 2281)) by failing to complete their service obligations and who are, as of November 1, 1987, liable to the United States under section 225(f)(1) of the Public Health Service Act (as such section so existed) may be relieved of their liability to the United States under the terms and conditions set forth in this section.

SEC. 205. REGULATIONS.

42 USC 254f-1
note.

Not later than 180 days after the effective date of the amendments made by this title, the Secretary of Health and Human Services shall issue regulations for the loan repayment programs established by the amendments.

**TITLE III—NATIONAL HEALTH SERVICE
CORPS**

Health care
professionals.

SEC. 301. REQUIREMENT OF CONSIDERATION OF NEEDS OF INDIAN HEALTH SERVICE, CERTAIN INDIAN TRIBES, AND THE HOMELESS.

Section 331 (42 U.S.C. 254d) is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection:

“(h) In assigning members of the Corps to health manpower shortage areas, to the extent practicable, the Secretary shall—

“(1) give priority to meeting the needs of the Indian Health Service and the needs of health programs or facilities operated by tribes or tribal organizations under the Indian Self-Determination Act (25 U.S.C. 450f et seq.); and

“(2) provide special consideration to the homeless populations who do not have access to primary health care services.”.

SEC. 302. DESIGNATION OF HEALTH MANPOWER SHORTAGE AREAS.

Section 332 (42 U.S.C. 254e) is amended—

(1) in subsection (a)(1), by adding at the end thereof the following new sentences: “The Secretary shall not remove an area from the areas determined to be health manpower shortage areas under subparagraph (A) of the preceding sentence until the Secretary has afforded interested persons and groups in such area an opportunity to provide data and information in support of the designation as a health manpower shortage area or a population group described in subparagraph (B) of such sentence or a facility described in subparagraph (C) of such sentence, and has made a determination on the basis of the data and information submitted by such persons and groups and other data and information available to the Secretary.”; and

(2) in subsection (b)(2)—

(A) by striking out “and” after “services,” in subparagraph (B);

(B) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof “, and”; and

(C) by adding at the end the following new subparagraph: “(D) ability to pay for health services.”.

SEC. 303. PLACEMENT OF PHYSICIANS.

Section 333 (42 U.S.C. 254f) is amended by adding at the end the following new subsection:

“(j) In determining the priority for the placement of members of the Corps under this section in medically underserved areas, the Secretary shall consider—

“(1) whether the areas are served by at least one health professional and the effectiveness of non-Federal programs in recruiting health professionals for the areas;

“(2) the geographic isolation of the areas; and

“(3) the economic need of the populations of the areas and the association of the areas with a high infant mortality rate.”.

SEC. 304. ASSIGNMENT OF FAMILY PHYSICIANS.

Section 333 (42 U.S.C. 254f) (as amended by section 304 of this Act) is amended by adding at the end thereof the following new subsection:

Urban areas.

“(k) In the assignment by the National Health Service Corps under this section of physicians specializing in family medicine, the Secretary shall—

“(1) take account of the needs of urban areas; and

“(2) place special attention on urban areas in which there are serious incidences of infant mortality, adolescent pregnancy, drug and alcohol abuse, sexually transmitted diseases, and other acute urban health care needs.”.

SEC. 305. AUTHORIZATIONS OF APPROPRIATIONS FOR GENERAL OPERATIONS OF NATIONAL HEALTH SERVICE CORPS.

Subsection (a) of section 338 (42 U.S.C. 254k) is amended to read as follows:

“(a) To carry out this subpart, there are authorized to be appropriated \$65,000,000 for fiscal year 1988, \$65,000,000 for fiscal year 1989, and \$65,000,000 for fiscal year 1990.”.

SEC. 306. OBLIGATED SERVICE.

42 USC 254m.

Section 338C (as redesignated by section 201(2) of this Act) is amended—

(1) in subsection (a)—

(A) by striking out “338C” and inserting in lieu thereof “338D”; and

(B) by inserting “or 338B” after “338A”;

(2) in subsection (b)(1), by inserting “or 338B(f)(1)(B)(iv)” after “338A(f)(1)(B)(iv)”;

(3) in subsection (b), by striking out paragraph (5) and inserting in lieu thereof the following new paragraph:

Fellowships and
scholarships.
Education.
Contracts.

“(5)(A) In the case of the Scholarship Program, with respect to an individual receiving a degree from a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, or pharmacy, the date referred to in paragraphs (1) through (4) shall be the date on which the individual completes the training required for such degree, except that—

“(i) at the request of such an individual with whom the Secretary has entered into a contract under section 338A prior to October 1, 1985, the Secretary shall defer such date until the end of the period of time (not to exceed the number of years specified in subparagraph (B) or such greater period as the Secretary, consistent with the needs of the Corps, may au-

thorize) required for the individual to complete an internship, residency, or other advanced clinical training; and

“(ii) at the request of such an individual with whom the Secretary has entered into a contract under section 338A on or after October 1, 1985, the Secretary may defer such date in accordance with clause (i).

“(B)(i) In the case of the Scholarship Program, with respect to an individual receiving a degree from a school of medicine, osteopathy, or dentistry, the number of years referred to in subparagraph (A)(i) shall be 3 years.

“(ii) In the case of the Scholarship Program, with respect to an individual receiving a degree from a school of veterinary medicine, optometry, podiatry, or pharmacy, the number of years referred to in subparagraph (A)(i) shall be 1 year.

“(C) No period of internship, residency, or other advanced clinical training shall be counted toward satisfying a period of obligated service under this subpart.

“(D) In the case of the Scholarship Program, with respect to an individual receiving a degree from an institution other than a school referred to in subparagraph (A), the date referred to in paragraphs (1) through (4) shall be the date on which the individual completes the academic training of the individual leading to such degree.

“(E) In the case of the Loan Repayment Program, if an individual is required to provide obligated service under such Program, the date referred to in paragraphs (1) through (4)—

“(i) shall be the date determined under subparagraph (A), (B), or (D) in the case of an individual who is enrolled in the final year of a course of study;

“(ii) shall, in the case of an individual who is enrolled in an approved graduate training program in medicine, osteopathy, dentistry, or other health profession, be the date the individual completes such training program; and

“(iii) shall, in the case of an individual who has a degree in medicine, osteopathy, dentistry, or other health profession and who has completed graduate training, be the date the individual enters into an agreement with the Secretary under section 338B.”; and

(4) in subsection (c)(2), by striking out “338C” and inserting in lieu thereof “338D”.

SEC. 307. PRIVATE PRACTICE.

Section 338D (as redesignated by section 201(2) of this Act) is amended—

42 USC 254n.

(1) in subsection (a), by striking out “338B(a)” and inserting in lieu thereof “338C(a)”;

(2) in subsection (a)(1)—

(A) by inserting after “individual” the following: “who received a scholarship under the Scholarship Program or a loan repayment under the Loan Repayment Program and”; and

Fellowships and scholarships.

(B) by inserting before the semicolon the following: “or in the case of an individual for whom a loan payment was made under the Loan Repayment Program and who is performing obligated service as a member of the Corps in a health manpower shortage area on the date of the application of the individual for such a release, in the health manpower shortage area selected by the Secretary”;

(3) in subsection (a)(2), by inserting "selected by the Secretary" before the period;

(4) in subsection (b), by inserting at the end thereof the following new sentence: "The Secretary shall take such action as may be appropriate to ensure that the conditions of the written agreement prescribed by this subsection are adhered to.";

(5) in subsection (c), by inserting "or 338B" after "338A"; and

(6) in subsection (e)—

(A) by striking out paragraph (1); and

(B) by striking "(2)" before "Upon".

SEC. 308. DISCHARGE OF OBLIGATIONS IN BANKRUPTCY.

42 USC 254o.

(a) **IN GENERAL.**—Section 338E(d)(3) (as redesignated by sections 201(2) and 202(e)(3) of this Act) is amended by inserting before the period a comma and "and only if the bankruptcy court finds that nondischarge of the obligation would be unconscionable".

42 USC 254o
note.

(b) **EXISTING PROCEEDINGS.**—The amendment made by subsection (a) applies to any bankruptcy proceeding in which discharge of an obligation under section 338E(d)(3) of the Public Health Service Act (as redesignated by sections 201(2) and 202(e)(3) of this Act) has not been granted before the date that is 31 days after the date of enactment of this Act.

SEC. 309. SPECIAL LOANS FOR CORPS MEMBERS TO ENTER PRIVATE PRACTICE.

42 USC 254p.

Section 338F (as redesignated by section 201(2) of this Act) is amended—

(1) by striking out subsections (a) and (b) and inserting in lieu thereof the following new subsections:

"(a) The Secretary may, out of appropriations authorized under section 338, make one loan to a Corps member who has agreed in writing—

"(1) to engage in the private full-time clinical practice of the profession of the member in a health manpower shortage area (designated under section 332) for a period of not less than 2 years which—

"(A) in the case of a Corps member who is required to complete a period of obligated service under this subpart, begins not later than 1 year after the date on which such individual completes such period of obligated service; and

"(B) in the case of an individual who is not required to complete a period of obligated service under this subpart, begins at such time as the Secretary considers appropriate;

"(2) to conduct such practice in accordance with section 338D(b)(1); and

"(3) to such additional conditions as the Secretary may require to carry out this section.

Such a loan shall be used to assist such individual in meeting the costs of beginning the practice of such individual's profession in accordance with such agreement, including the costs of acquiring equipment and renovating facilities for use in providing health services, and of hiring nurses and other personnel to assist in providing health services. Such loan may not be used for the purchase or construction of any building.

"(b)(1) The amount of a loan under subsection (a) to an individual shall not exceed \$25,000.

“(2) The interest rate for any such loan shall not exceed an annual rate of 5 percent.”;

(2) in the first sentence of subsection (c), by striking “grant or”;

(3) in subsection (d)(1)—

(A) by striking “this section,” and inserting “this section (as in effect prior to October 1, 1984),”; and

(B) by striking “338D(b)” and inserting “338E(b)”.

TITLE IV—MISCELLANEOUS

SEC. 401. GERIATRIC MEDICINE TRAINING PROJECTS.

Section 788(e) (42 U.S.C. 295g-8(e)) is amended—

(1) in paragraph (1), by inserting after “support” the following: “(including traineeships and fellowships)”;

(2) in paragraph (2)(C), by striking out “medicine;” and inserting in lieu thereof “medicine, or in a department of geriatrics in existence as of the date of enactment of the Public Health Service Amendments of 1987;”; and

(3) in paragraph (3)(A)(i), by inserting “geriatrics,” after “gynecology,”.

SEC. 402. PROFESSIONAL REVIEW ACTIVITIES.

(a) **IN GENERAL.**—Section 427 of Health Care Quality Improvement Act of 1986 (42 U.S.C. 11137) is amended—

(1) in subsection (b)(1)—

(A) by striking out “with respect to medical malpractice actions” and inserting in lieu thereof “as necessary to carry out subsections (b) and (c) of section 425 (as specified in regulations by the Secretary)”;

(B) by adding at the end thereof the following new sentences: “Information reported under this part that is in a form that does not permit the identification of any particular health care entity, physician, other health care practitioner, or patient shall not be considered confidential. The Secretary (or the agency designated under section 424(b)), on application by any person, shall prepare such information in such form and shall disclose such information in such form.”;

(2) in subsection (c)—

(A) by inserting “(including the agency designated under section 424(b))” after “person or entity”; and

(B) by inserting “(including information provided under subsection (a))” after “part”.

(b) **FEEES.**—Section 427(b) of such Act is amended by adding at the end thereof the following new paragraph:

“(4) **FEEES.**—The Secretary may establish or approve reasonable fees for the disclosure of information under this section or section 426. The amount of such a fee may not exceed the costs of processing the requests for disclosure and of providing such information. Such fees shall be available to the Secretary (or, in the Secretary’s discretion, to the agency designated under section 424(b)) to cover such costs.”.

(c) **EFFECTIVE DATES.**—

(1) **IN GENERAL.**—The amendments made by subsection (a) shall become effective on November 14, 1986.

(2) FEES.—The amendment made by subsection (b) shall become effective on the date of enactment of this Act.

Approved December 1, 1987.

LEGISLATIVE HISTORY—S. 1158 (H.R. 1327):

HOUSE REPORTS: No. 100-252 accompanying H.R. 1327 (Comm. on Energy and Commerce).

SENATE REPORTS: No. 100-108 (Comm. on Labor and Human Resources).

CONGRESSIONAL RECORD, Vol. 133 (1987):

July 23, considered and passed Senate.

Sept. 9, H.R. 1327 considered and passed House; proceedings vacated and S. 1158, amended, passed in lieu.

Oct. 27, Senate concurred in House amendments with an amendment.

Nov. 3, House concurred in Senate amendment.