

107TH CONGRESS  
1ST SESSION

# S. 706

To amend the Social Security Act to establish programs to alleviate the nursing profession shortage, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

APRIL 5, 2001

Mr. KERRY (for himself, Mr. JEFFORDS, Mr. DASCHLE, Mrs. HUTCHINSON, Mr. LEAHY, Mr. REID, Mr. HOLLINGS, Mr. JOHNSON, Mr. SCHUMER, Ms. MIKULSKI, Mrs. MURRAY, Mr. TORRICELLI, Mr. INOUE, Mr. REED, Mrs. CLINTON, Mr. BINGAMAN, Mr. HARKIN, Mr. SARBANES, Mr. LIEBERMAN, Mr. ROCKEFELLER, Mr. KENNEDY, Mrs. LINCOLN, and Ms. SNOWE) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Social Security Act to establish programs to alleviate the nursing profession shortage, and for other purposes.

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

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Nurse Reinvestment  
5       Act”.

1 **SEC. 2. EXPANSION OF NURSING TRAINING EDUCATION**  
2 **PAYMENTS TO QUALIFIED NONHOSPITAL**  
3 **PROVIDERS.**

4 Section 1861(v)(1) of the Social Security Act (42  
5 U.S.C. 1395x(v)(1)) is amended by adding at the end the  
6 following new subparagraph:

7 “(V)(i) For portions of cost reporting periods begin-  
8 ning on or after October 1, 2001, the Secretary shall es-  
9 tablish rules for making payments to qualified nonhospital  
10 providers for the reasonable costs of providing nursing  
11 training if such costs are incurred in the operation of a  
12 training program that is operated by a hospital.

13 “(ii) The rules established under clause (i) shall—  
14 “(I) be similar to rules for payments to hos-  
15 pitals under this subsection for such reasonable  
16 costs; and

17 “(II) specify the form and manner in which  
18 such payments will be made and the portion of such  
19 payments that will be made from each of the trust  
20 funds under this title.

21 “(iii) No payment shall be made to a qualified non-  
22 hospital provider under this subparagraph for such rea-  
23 sonable costs to the extent that such reasonable costs are  
24 otherwise reimbursed under this title or under any other  
25 Federal program.

1 “(iv) For purposes of this subparagraph, the term  
2 ‘qualified nonhospital providers’ means—

3 “(I) a Federally qualified health center (as de-  
4 fined in section 1861(aa)(4));

5 “(II) a rural health clinic (as defined in section  
6 1861(aa)(2));

7 “(III) a Medicare+Choice organization under  
8 part C; and

9 “(IV) any other provider (other than a hospital)  
10 that the Secretary determines to be appropriate.”.

11 **SEC. 3. REIMBURSEMENT OF THE COSTS OF PROVIDING**  
12 **NURSING TRAINING EDUCATION BY HOSPICE**  
13 **AND HOME HEALTH PROVIDERS.**

14 Title XVIII (42 U.S.C. 1395 et seq.) is amended by  
15 adding at the end the following new section:

16 “REIMBURSEMENT OF THE COSTS OF PROVIDING NURS-  
17 ING TRAINING EDUCATION BY HOSPICE AND HOME  
18 HEALTH PROVIDERS

19 “SEC. 1897. (a) PAYMENTS.—

20 “(1) IN GENERAL.—The Secretary shall estab-  
21 lish rules for making payments to qualified entities  
22 for the reasonable costs of providing nursing train-  
23 ing during fiscal years 2002 through 2006. Subject  
24 to subsection (c), such payments shall be in addition  
25 to payments otherwise made to such entities under  
26 this title.

1           “(2) RULES.—The rules established under  
2       paragraph (1) shall ensure that reimbursement is  
3       made for the costs of training nurses to furnish  
4       items and services which are specific to the qualified  
5       entity.

6           “(3) QUALIFIED ENTITY DEFINED.—For pur-  
7       poses of this section, the term ‘qualified entity’  
8       means—

9           “(I) a hospice program providing hospice care;  
10      and

11          “(II) a home health agency (as defined in sec-  
12      tion 1861(o)).

13          “(b) MAINTENANCE OF EFFORT.—The Secretary  
14      shall ensure that a qualified entity does not use amounts  
15      received under this section to reduce or eliminate staffing  
16      problems that the entity may have.

17          “(c) PROHIBITION ON DOUBLE PAYMENTS.—No pay-  
18      ment shall be made to a qualified entity under this section  
19      for the reasonable costs of providing nursing training to  
20      the extent that such costs are otherwise reimbursed under  
21      this title or under any other Federal program.

22          “(d) FUNDING.—For purposes of making payments  
23      under this section, there are appropriated, out of any  
24      money in the Treasury not otherwise appropriated, such

1 sums as may be necessary for each of fiscal years 2002  
 2 through 2006.”.

3 **SEC. 4. TEMPORARY INCREASE IN FEDERAL MATCHING**  
 4 **RATE FOR MEDICAID NURSE AIDE TRAINING**  
 5 **AND COMPETENCY EVALUATION PROGRAMS.**

6 Section 1903(a)(2)(B) of the Social Security Act (42  
 7 U.S.C. 1396b(a)(2)(B)) is amended by striking “(or, for  
 8 calendar quarters beginning on or after July 1, 1988, and  
 9 before October 1, 1990, the lesser of 90 percent or the  
 10 Federal medical assistance percentage plus 25 percentage  
 11 points)” and inserting “(or, for calendar quarters begin-  
 12 ning on or after October 1, 2001, and before October 1,  
 13 2006, 90 percent)”.

14 **SEC. 5. EXCLUSION OF CERTAIN AMOUNTS RECEIVED**  
 15 **UNDER THE NATIONAL NURSING SERVICE**  
 16 **CORPS SCHOLARSHIP PROGRAM.**

17 (a) IN GENERAL.—Section 117(c) (relating to the ex-  
 18 clusion from gross income amounts received as a qualified  
 19 scholarship) is amended—

20 (1) by striking “Subsections (a)” and inserting  
 21 the following:

22 “(1) IN GENERAL.—Except as provided in para-  
 23 graph (2), subsections (a)”, and

24 (2) by adding at the end the following new  
 25 paragraph:

1           “(2) EXCEPTIONS.—Paragraph (1) shall not  
 2           apply to any amount received by an individual under  
 3           the National Nursing Service Corps Scholarship pro-  
 4           gram under part J of title VIII of the Public Health  
 5           Service Act.”.

6           (b) EFFECTIVE DATE.—The amendments made by  
 7           subsection (a) shall apply to amounts received in taxable  
 8           years beginning after December 31, 2001.

9   **SEC. 6. AMENDMENT TO THE PUBLIC HEALTH SERVICE**  
 10                           **ACT.**

11           Title VIII of the Public Health Service Act (42  
 12   U.S.C. 296 et seq.) is amended—

13                   (1) in section 846(a)(3), by inserting “in a  
 14           nursing home, in a hospice, in a home health agen-  
 15           cy,” after “in a public hospital,”; and

16                   (2) by adding at the end the following:

17   **“PART H—INITIATIVES TO COMBAT NURSING**  
 18                           **SHORTAGES**

19   **“SEC. 851. PUBLIC SERVICE ANNOUNCEMENTS.**

20           “(a) IN GENERAL.—The Secretary shall develop and  
 21           issue public service announcements that shall advertise  
 22           and promote the nursing profession, highlight the advan-  
 23           tages and rewards of nursing, and encourage individuals  
 24           from diverse communities and backgrounds to enter the  
 25           nursing profession.

1       “(b) METHOD.—The public service announcements  
 2 described in subsection (a) shall be broadcast in appro-  
 3 priate languages via appropriate media outlets, including  
 4 on television or radio, in a manner intended to reach as  
 5 wide and diverse an audience as possible.

6       **“SEC. 852. STATE AND LOCAL PUBLIC SERVICE ANNOUNCE-**  
 7                               **MENTS.**

8       “(a) IN GENERAL.—The Secretary shall award  
 9 grants to eligible entities to support State and local adver-  
 10 tising campaigns via appropriate media outlets to promote  
 11 the nursing profession, highlight the advantages and re-  
 12 wards of nursing, and encourage individuals from dis-  
 13 advantaged communities and backgrounds to enter the  
 14 nursing profession.

15       “(b) DEFINITIONS.—In this section:

16               “(1) ELIGIBLE ENTITY.—The term ‘eligible en-  
 17 tity’ means a professional State nursing association,  
 18 State health care provider association, accredited  
 19 school of nursing, and any other entity that provides  
 20 similar services or serves a like function.

21               “(2) STATE HEALTH CARE PROVIDER ASSOCIA-  
 22 TION.—The term ‘State health care provider associa-  
 23 tion’ means a professional association of hospitals,  
 24 nursing homes, home health care agencies, hospices,

1 consortia of said associations, or other such entities  
2 deemed eligible by the Secretary.

3 “(c) USE OF FUNDS.—An eligible entity that receives  
4 a grant under subsection (a) shall use funds received  
5 through such grant to buy local television and radio time,  
6 place advertisements in local newspapers, post information  
7 on billboards or on the Internet, or utilize other appro-  
8 priate media outlets in order to—

9 “(1) advertise and promote the nursing profes-  
10 sion;

11 “(2) promote nursing education programs;

12 “(3) inform the public of public assistance re-  
13 garding such education programs;

14 “(4) highlight individuals in the community  
15 that are presently practicing nursing in order to re-  
16 cruit new nurses; or

17 “(5) provide any other information to recruit  
18 individuals to enroll in nursing programs.

19 “(d) METHOD.—The campaigns described in sub-  
20 section (a) shall be broadcast in appropriate languages on  
21 television or radio, or placed in newspapers as advertise-  
22 ments, posted on billboards or the Internet, or publicized  
23 via other appropriate media outlets in a manner intended  
24 to reach as wide and diverse an audience as possible.



1       “(e) APPLICATION.—An eligible entity desiring a  
2 grant under subsection (a) shall submit an application to  
3 the Secretary at such time, in such manner, and con-  
4 taining such information as the Secretary may reasonably  
5 require.

6       **“SEC. 853. NURSE RECRUITMENT GRANT PROGRAM.**

7       “(a) PROGRAM AUTHORIZED.—The Secretary shall  
8 award grants to eligible entities to increase nursing edu-  
9 cation opportunities.

10       “(b) USE OF FUNDS.—An eligible entity that receives  
11 a grant under subsection (a) shall use funds received from  
12 such grant to—

13               “(1) support outreach programs at primary,  
14 junior, and secondary schools that inform guidance  
15 counselors and students of education opportunities  
16 regarding nursing;

17               “(2) carry out special projects to increase nurs-  
18 ing education opportunities for individuals who are  
19 from disadvantaged backgrounds (including economi-  
20 cally disadvantaged backgrounds and racial and eth-  
21 nic minorities underrepresented among registered  
22 nurses) by providing student scholarships or sti-  
23 pends, pre-entry preparation, or retention activities;

24               “(3) provide assistance to diploma, associate de-  
25 gree, and collegiate schools of nursing to support re-

1       medial education programs for nursing students who  
 2       require assistance with math, science, English, and  
 3       medical terminology; or

4           “(4) meet the costs of child care and transpor-  
 5       tation for individuals who are taking part in a nurs-  
 6       ing education program at any level.

7       “(c) APPLICATION.—An eligible entity desiring a  
 8       grant under subsection (a) shall submit an application to  
 9       the Secretary at such time, in such manner, and con-  
 10      taining such information as the Secretary may reasonably  
 11      require.

12   **“SEC. 854. AUTHORIZATION OF APPROPRIATIONS.**

13       “‘There is authorized to be appropriated to carry out  
 14      this part, \$20,000,000 for each of the fiscal years 2002  
 15      through 2004.

16       **“PART I—INITIATIVES TO STRENGTHEN THE**  
 17           **NURSING WORKFORCE**

18   **“SEC. 861. CAREER LADDER GRANT PROGRAM.**

19       “(a) PROGRAM AUTHORIZED.—The Secretary shall  
 20      award grants to eligible entities to assist individuals in ob-  
 21      taining education required to enter the nursing profession  
 22      and advance within such profession.

23       “(b) ELIGIBLE ENTITY.—The term ‘eligible entity’  
 24      means a diploma, associate degree, or collegiate school of  
 25      nursing.

1       “(c) USE OF FUNDS.—An eligible entity that receives  
 2 a grant under subsection (a) shall use funds under such  
 3 grant to establish student scholarships or stipends for  
 4 nurse professionals, licensed practical nurses, certified  
 5 nurse assistants, and home health aides who enroll in  
 6 entry level nursing programs, advanced practice nursing  
 7 degree programs, RN/Master’s nursing degree programs,  
 8 doctoral nursing programs, public health nursing pro-  
 9 grams, nurse educator programs, nurse administrator pro-  
 10 grams, and training programs focused on specific tech-  
 11 nology use or disease management.

12       “(d) APPLICATION.—An eligible entity desiring a  
 13 grant under subsection (a) shall submit an application to  
 14 the Secretary at such time, in such manner, and con-  
 15 taining such information as the Secretary may reasonably  
 16 require.

17 **“SEC. 862. GRANTS FOR CURRICULUM DEVELOPMENT.**

18       “(a) PROGRAM AUTHORIZED.—The Secretary shall  
 19 award grants to eligible entities to develop and incorporate  
 20 gerontology curriculum and competencies.

21       “(b) ELIGIBLE ENTITY.—The term ‘eligible entity’  
 22 means a diploma, associate degree, or collegiate school of  
 23 nursing.

24       “(c) USE OF FUNDS.—An eligible entity that receives  
 25 a grant under subsection (a) shall use funds under such

1 grant to develop stand alone courses in geriatric nursing  
 2 to support concentrations, minors, and majors in the dis-  
 3 cipline, to hire faculty who are certified in geriatric nurs-  
 4 ing, to train nursing faculty members in gerontology, to  
 5 provide continuing education in gerontology for practicing  
 6 nurses at diploma, associate degree, and baccalaureate  
 7 schools of nursing.

8 “(d) APPLICATION.—An eligible entity desiring a  
 9 grant under subsection (a) shall submit an application to  
 10 the Secretary at such time, in such manner, and con-  
 11 taining such information as the Secretary may reasonably  
 12 require.

13 **“SEC. 863. GRANTS FOR PARTNERSHIPS.**

14 “(a) IN GENERAL.—The Secretary shall award  
 15 grants to eligible entities to enable such entities to form  
 16 partnerships to carry out the activities described in sub-  
 17 section (d).

18 “(b) ELIGIBLE ENTITY.—The term ‘eligible entity’  
 19 means an accredited school of nursing and a health care  
 20 facility that forms a partnership to provide the services  
 21 described in this section.

22 “(c) HEALTH CARE FACILITY.—The term ‘health  
 23 care facility’ means a hospital, nursing home, home health  
 24 care agency, hospice, federally qualified health center,  
 25 rural health clinic, or public health clinic.

1       “(d) USE OF FUNDS.—An eligible entity that receives  
2 a grant under subsection (a) shall use funds received  
3 through such grant to—

4           “(1) provide employees of the facility advanced  
5 training and education at the school or facility;

6           “(2) establish or expand nursing practice ar-  
7 rangements in noninstitutional settings to dem-  
8 onstrate methods to improve access to primary  
9 health care in medically underserved communities;  
10 and

11          “(3) purchase distance learning technology to  
12 extend general education and training programs to  
13 rural areas, and to extend specialty education and  
14 training programs to all areas.

15       “(e) APPLICATION.—An eligible entity desiring a  
16 grant under subsection (a) shall submit an application to  
17 the Secretary at such time, in such manner, and con-  
18 taining such information as the Secretary may reasonably  
19 require.

20 **“SEC. 864. AUTHORIZATION OF APPROPRIATIONS.**

21       “There is authorized to be appropriated to carry out  
22 this part, \$20,000,000 for each of the fiscal years 2002  
23 through 2004.

1    **“PART J—NATIONAL NURSING SERVICE CORPS**  
2                   **SCHOLARSHIP PROGRAM**  
3    **“SEC. 871. NATIONAL NURSING SERVICE CORPS SCHOLAR-**  
4                   **SHIP PROGRAM.**

5           “(a) PROGRAM AUTHORIZED.—The Secretary shall  
6 establish a National Nurse Service Corps Scholarship pro-  
7 gram (referred to in this section as the ‘program’) that  
8 provides scholarships to individuals seeking nursing edu-  
9 cation in exchange for service by such individuals in areas  
10 with nursing shortages.

11          “(b) PREFERENCE.—In awarding scholarships under  
12 this section, the Secretary shall give preference to appli-  
13 cants with the greatest financial need, and applicants who  
14 agree to serve in health facilities experiencing nursing  
15 shortages in medically underserved areas.

16          “(c) REQUIREMENTS.—To be eligible to participate  
17 in the program, an individual must—

18               “(1) be accepted for enrollment, or be enrolled,  
19 in an accredited school of nursing, to take courses  
20 leading to a baccalaureate or associate degree in  
21 nursing, or a diploma in nursing;

22               “(2) submit an application to participate in the  
23 program; and

24               “(3) enter into an agreement with the Sec-  
25 retary, at the time of submittal of such application,  
26 to—

1           “(A) accept payment of a scholarship and  
2 remain enrolled in a nursing school;

3           “(B) maintain an acceptable level of aca-  
4 demic standing; and

5           “(C) serve as a nurse for a period of not  
6 less than 2 years in an Indian Health Service  
7 health center, a Native Hawaiian health center,  
8 a public hospital, a migrant health center, a  
9 community health center, a rural health clinic,  
10 a nursing home, a home health agency, hospice,  
11 or a public or nonprofit private health facility  
12 determined by the Secretary to have a critical  
13 shortage of nurses.

14       “(d) APPLICATIONS.—

15           “(1) IN GENERAL.—The application forms for  
16 the programs shall include—

17           “(A) a fair summary of the rights and li-  
18 abilities of an individual whose application is  
19 approved by the Secretary; and

20           “(B) information respecting meeting a  
21 service obligation and such other information as  
22 may be necessary for the individual to under-  
23 stand the program.

24           “(2) ACCESSIBILITY.—The application form  
25 and all other information furnished by the Secretary

1 shall be written so that it may be understood by the  
 2 average individual applying to participate in the pro-  
 3 gram. The Secretary shall make such application  
 4 forms, and other information available to individuals  
 5 desiring to participate in the program, on a date  
 6 sufficiently early to ensure that such individuals  
 7 have adequate time to carefully review and evaluate  
 8 such forms and information.

9 “(3) DISTRIBUTION.—The Secretary shall dis-  
 10 tribute to nursing schools materials providing infor-  
 11 mation on the program and shall encourage the  
 12 schools to disseminate the materials to students of  
 13 the schools.

14 “(e) SCHOLARSHIP.—

15 “(1) IN GENERAL.—A scholarship provided to a  
 16 student for a school year under a written contract  
 17 under the program shall consist of—

18 “(A) payment to, or (in accordance with  
 19 paragraph (2)) on behalf of the student of—

20 “(i) the tuition of the student in such  
 21 school year; and

22 “(ii) all other reasonable educational  
 23 expenses and support services, including  
 24 fees, books, and laboratory expenses in-



1                   curred by the student in such school year;

2                   and

3                   “(B) payment to the student of a stipend  
4                   of \$400 per month (adjusted in accordance with  
5                   paragraph (3)) for each 12 consecutive months  
6                   beginning with the first month of the school  
7                   year.

8                   “(2) CONTRACT.—The Secretary may contract  
9                   with a nursing school, in which a participant in the  
10                  program is enrolled, for the payment to the nursing  
11                  school of the amounts of tuition and other reason-  
12                  able educational expenses described in paragraph  
13                  (1)(A).

14                  “(3) MONTHLY STIPEND.—The amount of the  
15                  monthly stipend, specified in paragraph (1)(B) and  
16                  as previously adjusted (if at all) in accordance with  
17                  this paragraph, shall be increased by the Secretary  
18                  as the Secretary determines to be reasonable.

19                  “(f) BREACH OF AGREEMENT.—

20                  “(1) IN GENERAL.—In the case of an individual  
21                  who enters into an agreement under this section to  
22                  provide service as a nurse in consideration for re-  
23                  ceiving a scholarship, such individual is liable to the  
24                  Federal Government for the amount of such scholar-

1 ship, and for interest on such scholarship at the  
 2 maximum legal prevailing rate, if the individual—

3 “(A) fails to maintain an acceptable level  
 4 of academic standing in the nursing program;

5 “(B) is dismissed from the nursing pro-  
 6 gram for disciplinary reasons;

7 “(C) voluntarily terminates the nursing  
 8 program; or

9 “(D) fails to provide services in accordance  
 10 with the program under this section for the pe-  
 11 riod of time applicable under the program.

12 “(2) WAIVER OR SUSPENSION OF LIABILITY.—

13 The Secretary shall provide for the waiver or sus-  
 14 pension of liability under this section if compliance  
 15 by the individual with the agreement is impossible,  
 16 or would involve extreme hardship to the individual,  
 17 or if enforcement of the agreement with respect to  
 18 the individual would be unconscionable.

19 “(3) DATE CERTAIN FOR RECOVERY.—Subject  
 20 to paragraph (2), any amount that the Federal Gov-  
 21 ernment is entitled to recover under paragraph (1)  
 22 shall be paid to the United States not later than the  
 23 expiration of the 3-year period beginning on the date  
 24 the United States becomes so entitled.

1           “(4) AVAILABILITY.—Amounts recovered under  
 2       paragraph (1) with respect to a program under this  
 3       section shall be available for the purposes of such  
 4       program, and shall remain available for such pur-  
 5       poses until expended.

6           “(g) DEFINITIONS.—In this section:

7           “(1) COMMUNITY HEALTH CENTER.—The term  
 8       “community health center” has the meaning given  
 9       such term in section 330(a).

10          “(2) RURAL HEALTH CLINIC.—The term “rural  
 11       health clinic” has the meaning given such term in  
 12       section 1861(aa)(2) of the Social Security Act.

13          “(h) AUTHORIZATION OF APPROPRIATIONS.—For the  
 14       purpose of payments under agreements entered into under  
 15       subsection (a), there are authorized to be appropriated  
 16       \$65,000,000 for each of the fiscal years 2002 through  
 17       2004.”.

○