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TO AMEND THE INDIAN HEALTH CARE IMPROVEMENT ACT TO ALLOW INDIAN HEALTH SERVICE SCHOLARSHIP AND LOAN RECIPIENTS TO FULFILL SERVICE OBLIGATIONS THROUGH HALF-TIME CLINICAL PRACTICE, AND FOR OTHER PURPOSES

MAY 12, 2025.—Ordered to be printed

Ms. MURKOWSKI, from the Committee on Indian Affairs, submitted the following

R E P O R T

[To accompany S. 632]

The Committee on Indian Affairs, to which was referred the bill (S. 632), to amend the Indian Health Care Improvement Act to allow Indian Health Service scholarship and loan recipients to fulfill service obligations through half-time clinical practice, and for other purposes, having considered the same, reports favorably thereon, without amendment and recommends that the bill do pass.

PURPOSE

S. 632 would amend the *Indian Health Care Improvement Act* to permit recipients of the Indian Health Service's Health Professions Scholarship and Loan Repayment programs to fulfill service obligations through half-time practice in order to increase the recruitment and retention of clinicians in areas experiencing high vacancy rates.

BACKGROUND AND NEED

The *Indian Health Care Improvement Act* authorizes the Indian Health Service (IHS) to offer scholarships and loan repayments to eligible health care professionals in exchange for a full-time, two-year service commitment within an Indian health program, including those contracted or compacted under the *Indian Self Deter-*

mination and Education Assistance Act.[1] The IHS Indian Health Professions Scholarship Program (IHS Scholarship Program) provides qualified American Indian and Alaska Native health professions students with financial support of a monthly stipend, full tuition assistance, or other educational expenses, in exchange for a minimum two-year service commitment of a chosen health professional discipline within an IHS Indian health program.[2] The IHS Loan Repayment Program (LRP) provides funding to health professionals to repay, up to $50,000, of their eligible health professions education loans, in exchange for an initial two-year service commitment, with opportunity to extend annually, to practice in health facilities serving American Indian and Alaska Native communities.[3] Similar programs, such as the National Health Service Corps (NHSC) Loan Repayment program, do not condition eligibility on committing to practice on a full-time basis.[4]

S. 632 is modeled on the NHSC Loan Repayment Program and Scholarship Programs. These NHSC programs provide loan repayment and scholarship recipients with the ability to satisfy their service obligations through half-time clinical work for double the amount of service time or to accept half the amount of loan repayment award in exchange for a two-year service obligation. S. 632 would provide similar flexibilities to the IHS Scholarship Program and the LRP by extending the current two-year obligation under both programs for full-time health professionals to a four-year obligation for half-time health professionals or reduce the amount of the award in both programs for eligible half-time health professionals who select a two-year obligation.

As a largely rural health care provider, the IHS has well-documented difficulty recruiting and retaining health care professionals.[5] Further exacerbating the workforce challenges within the IHS, the agency experiences high vacancy rates in several key occupations including physicians, advanced practice nurses, and behavioral health clinicians.[6] The IHS's current full-time work requirement for eligible individuals to access its scholarship and loan repayment programs is a barrier to recruitment and retention of health professionals in Tribal communities.[7] Providing flexibility to allow half-time health professionals to qualify for the IHS scholarship and loan repayments programs could increase the number of providers interested in serving at an Indian health program, thereby strengthening recruitment and retention outcomes.[8]

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[1] Pub. L. 93–638; 25 U.S.C. §§ 1613a, 1616a.

[2] *IHS Scholarship Program*, INDIAN HEALTH SERVICE, https://www.ihs.gov/scholarship (last visited March 26, 2025).

[3] *Loan Repayment Program*, INDIAN HEALTH SERVICE, https://www.ihs.gov/loanrepayment/ (last visited on March 26, 2025).

[4] Patient Protection and Affordable Care Act, 42 U.S.C. § 293b(5); *Loan Repayment Program*, INDIAN HEALTH SERVICE, https://www.ihs.gov/loanrepayment (last visited Oct. 21, 2024).

[5] *IHS Workforce Parity Act and Tribal Access to Clean Water Act of 2023: Hearing on S. 4022 and S. 2385 Before the S. Comm. on Indian Affs.*, 118th Cong. 1 (2024) (statement of Melanie Anne Egorin, Assistant Sec'y for Legis., U.S. Dep't of Health & Human Res.) (testifying that there are currently over 1,856 vacancies for health care professionals at IHS) (hereinafter "*SCIA Hearing*"); *see also* U.S. GOV'T ACCOUNTABILITY OFF., GAO–18–580, INDIAN HEALTH SERVICE: AGENCY FACES ONGOING CHALLENGES FILLING PROVIDER VACANCIES 9–10 (Aug. 2018) (reporting that the IHS had an overall health care provider vacancy rate of 25 percent across service areas as of 2017).

[6] *Fiscal Year 2025 Justifications of Estimates for Appropriations Committees*, INDIAN HEALTH SERVICE, U.S. Dep't of Health and Human Services (2024).

[7] *SCIA Hearing, supra* note 9, at 2 (statement of Melanie Anne Egorin, Assistant Sec'y for Legis., U.S. Dep't of Health & Human Res.).

[8] *Id*.

SUMMARY OF S. 632

S. 632 would amend the *Indian Health Care Improvement Act* to allow IHS scholarship and loan repayment recipients to fulfill service obligations through half-time clinical practice. This change to existing law creates parity between IHS scholarship and loan repayment programs and the NHSC programs and enables IHS to make better use of these tools to recruit and retain key professionals in a highly competitive employment environment.

LEGISLATIVE HISTORY

S. 632 was introduced by Senators Cortez Masto and Mullin on February 19, 2025.

In the 118th Congress, a similar bill, S. 3022, was introduced by Senators Cortez Masto and Mullin. The Committee held a hearing on S. 3022 on February 8, 2024.[9] The Committee, in an open business meeting on May 1, 2024, by a majority voice vote of a quorum present, ordered S. 3022, as amended, favorably reported by voice vote (S. Rept. 118–240).[10] The Senate passed S. 3022, as amended, by voice vote on December 17, 2024.[11]

COMMITTEE RECOMMENDATION

The Senate Committee on Indian Affairs, in an open business meeting on March 5, 2025, by a majority voice vote of a quorum present, recommends that the Senate pass S. 632.

SECTION-BY-SECTION ANALYSIS

Section 1—Short title

This section provides the short title for the bill, the "IHS Workforce Parity Act of 2025."

Section 2—Indian Health Service Scholarship and loan recipients

Section 2(a) amends the *Indian Health Care Improvement Act* to:

- permit recipients of an Indian Health Professions Scholarship to meet their service obligations through half-time practice if they agree in writing to serve for double the period of obligated service set for full-time practice; and
- clarify that when an Indian Health Professions Scholarship recipient fails to begin or complete their service obligation, the recipient is subject to breach of contract provisions in the *Indian Health Care and Improvement Act* and the periods of service completed in half-time practice shall be converted to their full-time equivalents for purposes of determining breach of contract damages.

Section 2(b) amends the *Indian Health Care Improvement Act* to:

- expand participation in the IHS Loan Repayment program to individuals who have contracted to serve in clinical practice with an Indian health program for at least four years if at half-time service and subject to certain conditions, or for two years at half-time service if the individual's loan payment is equal to

[9] S. Hrg. 118–416: Hearing on S. 2385, S. 2796, S. 2868, S. 3022, and S. 3230 Before the S. Comm. on Indian Affairs, 118th Cong. (2024).
[10] S. Rept. No. 118–240 (2024).
[11] 170 Cong. Rec. S7097 (daily ed. Dec. 17, 2024).

50 percent of the amount of an individual who contracted to work full-time for two years; and

• clarify that when an IHS Loan Repayment recipient fails to begin or complete their period of obligated service through half-time practice, those periods of service completed in half-time practice shall be converted to their full-time equivalents for purposes of determining breach of contract damages.

COST AND BUDGETARY CONSIDERATIONS

The Committee has requested, but has not yet received, the Congressional Budget Office's estimate of the cost of S. 632 as ordered reported. When the Congressional Budget Office completes its cost estimate, it will be posted on the Internet at www.cbo.gov., and printed in the Congressional Record.

EXECUTIVE COMMUNICATIONS

The testimony provided by the U.S. Department of Health and Human Services from the February 8, 2024 hearing on S. 3022 follows:

Good afternoon, Chairman Schatz, Vice Chair Murkowski, and Members of the Committee. Thank you for the opportunity to provide testimony on two important legislative proposals before your Committee, and for your continued support for Department of Health and Human Services (HHS or Department) efforts to improve the health and well-being of American Indians and Alaska Natives (AI/AN). Your consideration today of Senator Cortez Masto's *IHS Workforce Parity Act of 2023*, and Senator Bennet's *Tribal Access to Clean Water Act of 2023* underscores that commitment to improving the quality of life in Indian Country.

I am Melanie Anne Egorin, the Assistant Secretary for Legislation (ASL) at HHS. My office serves as the primary link between the Department and Congress. The Office of the ASL provides technical assistance on legislation to Members of Congress and their staff, facilitates informational briefings relating to Department programs to support policy development by Congress, and supports implementation of legislation passed by Congress.

The Department has been pleased to collaborate with Congress and this Committee to investigate the many challenges facing Indian Country. We have been engaged specifically in recent months as the Committee has examined issues with water access in Native communities, and operational challenges such as workforce recruitment and retention, and the direct and secondary impacts that the Indian Health Service has faced in combatting the growing fentanyl crisis. As both IHS Director Roselyn Tso and Deputy Director Benjamin Smith have respectively testified to this committee, we remain committed to working with Congress to improve health for AI/AN communities including finding solutions to challenges related to clean water access and workforce shortages. We are deeply appreciative of the work of Senators Cortez Masto and Bennet

to draft legislation that aims to tackle some of these urgent problems in Indian Country.

The IHS, as a rural health care provider, experiences difficulty recruiting and retaining health care professionals. In particular, recruiting physicians and other primary care clinicians has been especially challenging. There are currently over 1,856 IHS vacancies for health care professionals including: physicians, dentists, nurses, pharmacists, physician assistants, and nurse practitioners. Staffing shortages are particularly prevalent in the behavioral and mental health fields, which has only exacerbated the concurrent substance use crisis and suicide crisis that tribes across the country are facing in their communities. AI/ANs overdose mortality rates and suicide rates remain the highest compared to other racial and ethnic groups.

Workforce challenges—and the impacts on care that come with them—are one of the top concerns raised to the Department by tribes. The IHS continues to support new strategies to develop the workforce and leverage advanced practice providers and paraprofessionals to improve the access to quality care in AI/AN communities. Ultimately, the Indian Health Service needs additional authorities and resources to build out their workforce pipeline. That is why the President's budget has included a number of proposals dating back to Fiscal Year 2019 that have sought to make the IHS more competitive with other federal agencies in their hiring process and reduce systemic barriers to recruitment and retention. HHS looks forward to working with Congress on policy solutions to this effect, several of which are outlined below.

I want to also reiterate that the Biden-Harris Administration agrees that water is a sacred resource that must be protected. The Administration and HHS have worked hard to make good on decades of chronic underinvestment in infrastructure for AI/AN communities. The bipartisan efforts of Congress—including many champions in this room—helped to ensure that critical funds for clean drinking water and modern wastewater and sanitation systems were included in the Infrastructure Investment and Jobs Act (IIJA). The Department of Health and Human Services and the IHS are grateful for this partnership with Congress, and our shared commitment to ensure that this historic funding is implemented successfully and that these dollars reach Indian Country as quickly as possible. That being said, too many tribal families still do not have access to clean water and reliable wastewater infrastructure.

S. 3022, IHS Workforce Parity Act of 2023

The *IHS Workforce Parity Act*, would amend the Indian Health Care Improvement Act to allow recipients of the IHS scholarship and loan programs to fulfill their service obligations through half-time clinical practice.

Under current law, the *Indian Health Care Improvement Act* requires recipients of IHS Health Professions Scholarships or loan repayments to provide clinical services on a

full-time basis. The Public Health Service Act (PHSA) was amended by the Patient Protection and Affordable Care Act (ACA) to permit certain National Health Service Corps (NHSC) loan repayment and scholarship recipients to satisfy their service obligations through half-time clinical practice for double the amount of service time or, for NHSC loan repayment recipients, to accept half the loan repayment award amount in exchange for a two-year service obligation fulfilled on a half-time basis. The PHSA defines "full-time" clinical practice as a minimum of 40 hours per week, for a minimum of 45 weeks per year. It also defines "half-time" as a minimum of 20 hours per week, for a minimum of 45 weeks per year.

The *Indian Health Care Improvement Act* would permit both IHS Health Professions Scholarship and loan repayment recipients to fulfill service obligations through half-time clinical practice, under authority similar to that now available to the NHSC Loan Repayment Program (LRP) and Scholarship Program. Thus, if similar authority provided in section 331(i) of the PHSA were extended to IHS, IHS loan repayment and scholarship recipients would have more options and flexibility to satisfy their service obligations through half-time clinical work for double the amount of service time or to accept half the amount of loan repayment award in exchange for a two-year service obligation. This legislative change would create parity between IHS and the NHSC programs and enable IHS to make better use of these tools to recruit and retain key professionals in a highly competitive environment.

S. 3022 as drafted attempts to model the language used in the NHSC demonstration language. It should be noted, however, that the NHSC language combines the two programs—Scholarship and LRP—in their language whereas S. 3022 separates Scholarship and LRP. Additionally, IHS is still examining how the text in S. 3022 might apply to the IHS Health Professions Scholarship, a tool that plays a significant role in the recruitment and retention of the health care professionals needed to fill workforce vacancies. Lastly, the NHSC language goes further in that the recipient has to agree to the conversion to full-time equivalents in determining damages if a breach occurs. IHS would like to work with the drafters of S. 3022 to ensure the language fits within the IHS Scholarship and Loan Repayment Program.

The *IHS Workforce Parity Act* is certainly aligned with the goals of the IHS in many respects. The Fiscal Year (FY) 2024 President's Budget includes a similar proposal to permit both IHS scholarship and loan repayment recipients to fulfill service obligations through half-time clinical practice. The ability to provide scholarship and loan repayment awards for half-time clinical service would make these recruitment and retention tools more flexible and cost-effective, providing incentives for an additional pool of clinicians and other medical providers that otherwise may not consider a commitment to the IHS federal, tribal, and

urban Indian sites. Having similar authority as the NHSC would increase the ability of the IHS to recruit and retain health care clinicians to provide primary health care and specialty services and otherwise support the IHS and HHS priorities.

Additional half-time direct care employees could also reduce the number and cost of Purchased/Referred Care program referrals, especially at sites that do not need full-time specialty care services. There are also a number of smaller rural IHS sites where clinicians will be able to provide a minimum of half-time clinical services with the remainder of their time devoted to much needed administrative/management responsibilities. This proposal will provide flexibility for providers who might not otherwise consider service in the IHS by allowing part-time practice in IHS to coincide with a part-time private practice, as well as part-time practice in the IHS combined with part-time administrative duties within the IHS.

Human Resources Proposals

As the IHS continues to prioritize recruitment and retention of providers in our system, we would encourage members of this Committee to review other proposals in the FY 2024 President's Budget that would better enable the IHS to attract top talent. Many of these proposals are budget neutral—small fixes that would have a major impact on the efficacy and quality of the IHS. For example, the IHS seeks a tax exemption for Indian Health Service Health Professions Scholarship and Loan Repayment Programs. Exempting the IHS Loan Repayment Program would allow the IHS to award an additional 190 loan repayment contracts in a given year. Thus, the IHS would be better able to increase the number of health care providers entering and remaining within the IHS to provide primary health care and specialty services.

The agency is also seeking the discretionary use of all Title 38 Personnel authorities that are currently available to the Veterans Health Administration to pay higher salaries and offer more flexible time off to their providers. Typically, the private sector can offer candidates better scheduling options and paid time off—particularly important benefits to providers who serve in remote and rural locations. The VHA has demonstrated the impact of these authorities on public sector's ability to hire for these critical roles, particularly in rural areas. As such, the IHS faces specific public sector competition in the area of annual leave accrual. Supervisors report anecdotally that the IHS has lost many candidates to the private sector and VHA due to this difference in accrual rates.

The IHS also seeks permanent authority to hire and pay experts and consultants. Hiring experts and consultants is another tool IHS can use to strengthen its workforce and better serve the AI/AN population. These highly specialized individuals can bring added skills, knowledge, and expertise to meet mission-critical tasks. To combat future

pandemics, emergencies, and unique health-care challenges, it would be beneficial to hire experts and consultants to provide additional high-level resources to the IHS unavailable within the current workforce.

Additionally, the IHS seeks legislative authority to conduct mission critical emergency hiring needs beyond 30-day appointments. Critical hiring occurs when an agency needs to fill positions to meet agency requirements brought on by natural disasters, emergencies, or threats. The IHS has previously used this hiring authority to fill positions in nursing, facility management, radiology, and many other critical areas to ensure the operation of IHS facilities and quality patient care.

Lengthening emergency hire appointments from 30 to 60 days would better enable the IHS to effectively provide services and staff health care facilities from both an operational and budgetary perspective. The effort to hire, onboard, and vet candidates through the pre-clearance and background investigation process is significant, reducing the benefit of this hiring tool.

REGULATORY AND PAPERWORK IMPACT STATEMENT

Paragraph 11(b) of rule XXVI of the Standing Rules of the Senate requires each report accompanying a bill to evaluate the regulatory and paperwork impact that would be incurred in carrying out the bill. The Committee believes that S. 632, as reported, will have minimal impact on regulatory or paperwork requirements.

CHANGES IN EXISTING LAW

In the opinion of the Committee, it is necessary to dispense with the requirements of subsection 12 of rule XXVI of the Standing Rules of the Senate to expedite business of the Senate.

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