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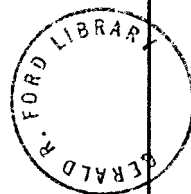
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94TH CONGRESS }
1st Session }

HOUSE OF REPRESENTATIVES

{ REPORT
No. 94-192

HEALTH REVENUE SHARING AND HEALTH
SERVICES ACT OF 1975



REPORT

BY THE

COMMITTEE ON INTERSTATE AND
FOREIGN COMMERCE

TOGETHER WITH SEPARATE, ADDITIONAL
AND MINORITY VIEWS

[To accompany H.R. 4925]



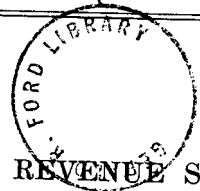
May 7, 1975.—Committed to the Committee of the Whole House
on the State of the Union and ordered to be printed

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NURSE TRAINING AND HEALTH REVENUE SHARING
AND HEALTH SERVICES ACT OF 1975

MARCH 6, 1975.—Ordered to be printed

Mr. KENNEDY, from the Committee on Labor and Public Welfare,
submitted the following

REPORT

[To accompany S. 66]

The Committee on Labor and Public Welfare to which was referred the bill (S. 66) to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training and to revise and extend programs of health revenue sharing and health services, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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94TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } } No. 94-137

NATIONAL HEALTH SERVICE CORPS AMENDMENTS OF
1975

APRIL 10, 1975.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. STAGGERS, from the Committee on Interstate and Foreign
Commerce, submitted the following

REPORT

[To accompany H.R. 4114]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (H.R. 4114) to amend the Public Health Service Act to revise and extend the National Health Service Corps Program, having considered the same, reports favorably thereon with amendments and recommends that the bill do pass.

The amendments are as follows:

Page 3, strike out lines 12 through 15 and insert in lieu thereof the following:

for medically underserved populations shall not be counted against any employment ceiling affecting the Department of Health, Education, and Welfare.

Page 3, strike out "shall" in line 16 and insert in lieu thereof "may".

Page 4, beginning in line 1, strike out "competitive with" and all that follows down through and including line 3 and insert in lieu thereof the following:

competitive with the average monthly income from a practice of an individual who is a member of the profession of the Corps member, who has equivalent training, and who has been in practice for a period equivalent to the period during which the Corps member has been in practice.

Page 4, beginning in line 21, strike out "the provisions of paragraph (1) shall apply to such member" and insert in lieu thereof "the adjustment in pay authorized by paragraph (1) may be made for such a member only".

Page 5, line 7, strike out "have to".

Page 5, line 16, strike out "designating" and insert in lieu thereof "determining whether to designate a population as".

- Page 5, line 22, insert "the" after "which".
- Page 6, line 22, insert "only" after "population".
- Page 13, line 24, strike out "expiration" and insert in lieu thereof "beginning".
- Page 15, line 21, strike out "nurses" and insert in lieu thereof "physicians, nurses,".
- Page 16, line 19, strike out "be made for" and insert in lieu thereof "exceed".
- Page 18, line 21, insert "total" after "the".
- Page 23, line 15, strike out "(3)" and insert in lieu thereof "personnel, and (3)"; and strike out ", and" in line 18 and all that follows through line 22 and insert in lieu thereof a period.

SUMMARY OF LEGISLATION

H.R. 4114, as reported, provides a one year simple extension through fiscal 1975 of the National Health Service Corps Program with an authorization of \$16 million. The authorizations for the Program expired on June 30, 1974, and the Program is presently being funded under continuing resolution for fiscal 1975. It also provides for a one year substantive revision of the Program for fiscal 1976 with an authorization of \$30 million. H.R. 4114 does not affect the provisions of the scholarship training program which authorize the award of scholarships to health professions students who agree to join the National Health Service Corps in return for scholarship assistance.

The major substantive revisions made in the Program for fiscal 1976 by H.R. 4114 are as follows:

1. It authorizes the award of bonuses of up to \$1,000 per month to members of the National Health Service Corps in order that the monthly income of the NHSC member may be competitive with the average monthly income of a member of the applicable profession with equivalent training and time in practice.
2. It provides for the designation of medically underserved populations by the Secretary of HEW in lieu of the provisions of existing law, which authorize designation of medically underserved areas. Populations are eligible to receive health services from NHSC personnel for periods of up to four years, with provision for extension of this period.
3. It provides that an entity to which NHSC personnel are assigned must repay the Federal government, from collections it receives as a result of service provided by such personnel, amounts equal to the pay of the NHSC members assigned to it, the amount of any grant the entity has received, and the amount of scholarship assistance received by a NHSC assignee. A waiver of this provision is authorized in instances in which an entity is financially unable to comply or if compliance would unduly limit quality of services.
4. It authorizes grants of up to \$25,000 to communities or other entities with approved applications for assignment of NHSC personnel in order to establish medical practice management systems, acquire equipment and provide continuing education for NHSC personnel.
5. It continues, with revisions, the National Advisory Council on the National Health Service Corps.

BACKGROUND

The Emergency Health Personnel Act of 1970 (Public Law 91-623) constituted the first substantial effort by this Committee to legislate solutions to the problems of geographic maldistribution of health manpower personnel. The Act provided for the establishment of a program whereby members of the Public Health Service and other personnel may volunteer to practice their professions in areas of the United States where health personnel and services are inadequate, thereby contributing to the improvement of the accessibility of persons living in these areas to health services.

In 1972, the Emergency Health Personnel Act Amendments of 1972 (Public Law 92-585) was enacted. This Act officially established the National Health Service Corps and charged the Corps with the responsibility for implementation of the Emergency Health Personnel Act. The 1972 Act also established a scholarship program authorizing the award of scholarships to health professions students who agree to serve at least one year in the Corps following their training for each year of scholarship assistance.

The legislative authority for the National Health Service Corps Program expired on June 30, 1974. The scholarship authority was extended for fiscal year 1975 at an authorization level of \$40 million under Public Law 93-585.

The substantive provisions of this bill are virtually identical to the National Health Service Corps Program and National Health Service Corps scholarship training program provisions of H.R. 17084, the Health Manpower Act of 1974, in the 93rd Congress. Hearings on H.R. 17084 were conducted on May 20, 21, 22, 23, 28, 29, 30, and June 27, 1974. The Subcommittee on Public Health and Environment reported H.R. 17084 to the Committee on Interstate and Foreign Commerce on October 3, 1974, after extensive markup sessions. It was ordered reported from the Committee on Interstate and Foreign Commerce with amendments by unanimous voice vote on November 19, 1974, and passed the House on December 12, 1974. Similar legislation, S. 3585, had already passed the Senate, and one House-Senate conference meeting convened but failed to resolve the differences between the two versions before the 93rd Congress adjourned sine die.

Because of the critical need to extend the authorities for the NHSC Program and the probability of lengthy deliberations on many of the other provisions of the health manpower legislation, the provisions of H.R. 17084 which affect the NHSC Program and the NHSC scholarship training program were introduced by Mr. Rogers, Chairman of the Subcommittee on Health and the Environment, and others, as a separate bill, H.R. 2958.

Hearings on H.R. 2958, and bills which would revise and extend the health manpower and nurse training authorities of the Public Health Service Act were held on February 20, and 21, 1975, by the Subcommittee on Health and the Environment. On March 4, 1975, following executive sessions, the Subcommittee ordered reported a clean bill, H.R. 4114. H.R. 4114 was subsequently considered and ordered reported with amendments by voice vote of the Committee on Interstate and Foreign Commerce on March 26, 1975.

COST OF LEGISLATION

As reported by the Committee, H.R. 4114 provides for authorizations of appropriations for two fiscal years for the National Health Service Corps Program as shown in the following table. (As noted above, this bill does not affect the scholarship training program.)

TABLE 1.—NEW OBLIGATIONAL AUTHORITY FOR FISCAL YEARS 1975-76 UNDER H.R. 4114

National Health Service Corps program:	Millions
Fiscal year 1975.....	\$16
Fiscal year 1976.....	30
Total.....	46

These authorizations may be compared with a 1973 authorization of \$30 million and a 1974 authorization of \$25 million.

Complete budgetary history of the National Health Service Corps Program is shown in the following table:

TABLE 2.—NATIONAL HEALTH SERVICE CORPS BUDGET HISTORY¹

[In millions of dollars]

Fiscal year—	Authorization	Budget request	Appropriation	Obligation
1971.....	10	0	3	0
1972.....	20	10	12.574	8.58
1973.....	30	14.803	11	10.701
1974.....	25	11	13	12.574
1975.....		12.383	15.180	15.180

¹ Includes expenses of program management and field costs.
² Continuing resolution.
³ HEW projection.

NEED FOR LEGISLATION

The geographic maldistribution of health manpower represents one of the most serious barriers to access to quality health care in this Nation today. Increases in the supply of health professionals have not led to a more equitable distribution of health manpower. In fact, despite significant increases in total supply, the geographic maldistribution of health manpower has worsened in the past decade.

Dr. Malcolm Todd, the current president of the American Medical Association recently summarized the situation with respect to geographic maldistribution by saying: "to say we're eliminating the shortage of physicians is playing with words. It won't make any difference if we do have 440,000 physicians in 1980 because they won't be where we need them. Unless we can come up with acceptable incentives for rural practice and inner city practice, we're going to have the same [distribution] problem in 1980 that we do now."

As access to physicians is of the most critical concern in terms of assuring access to quality health care to all Americans, this discussion concerns itself primarily with the geographic maldistribution of physicians. Similar problems exist within most other health professions.

The national ratio of physicians to population is 156 physicians for every 100,000 people, or one physician for every 641 people. Although many experts believe that this ratio would be sufficient to meet the medical needs of this country, the distribution of physicians significantly hampers access to medical care for large segments of the population. Health manpower is maldistributed by region and by demographic units within regions. The New England and Pacific regions of the nation now have much larger per capita supplies of health manpower than do the Midwestern and Southern regions, yet even within the manpower rich Northeastern and Western regions, the rural and inner city urban areas have significantly smaller per capita supplies of health manpower than do the suburban and smaller urban areas.

Testimony presented before the Committee during 1974 health manpower hearings indicates that the New England and Pacific regions of the nation now have, on a per capita basis, over 50% more physicians as do the Midwestern and Southeastern regions. Table 3 indicates that the physician: population ratios in the various regions of the United States range from a low of 67 percent of the national average a high of 126 percent.

TABLE 3.—PHYSICIAN POPULATION RATIO BY REGION AND REGIONAL RATIOS AS A PERCENTAGE OF THE NATIONAL AVERAGE RATIO

	Number of active physicians per 100,000 population (M.D.'s and D.O.'s Dec. 31, 1970)	Physicians per 100,000 as percentage of national average
United States.....	156	100
New England.....	190	122
Middle Atlantic.....	196	126
South Atlantic.....	149	96
East south-central.....	105	67
West south-central.....	132	85
East north-central.....	135	87
West north-central.....	135	87
Mountain.....	150	96
Pacific.....	183	117

Source: Health Resources Statistics, 1971, NCHS, DHEW publication No. 72-1509, 1971 ed.

Table 4 indicates that the physician: population ratios vary even more widely by State.

TABLE 4.—PHYSICIAN POPULATION RATIO BY STATE AND STATE RATIOS AS A PERCENTAGE OF THE NATIONAL AVERAGE RATIO

	Number of active physicians per 100,000 population (M.D.'s and D.O.'s Dec. 31, 1970)	Physicians as percentage of national average		Number of active physicians per 100,000 population (M.D.'s and D.O.'s Dec. 31, 1970)	Physicians as percentage of national average
United States.....	156	100	North Central.....	135	87
Northeast.....	195	125	East North Central.....	135	87
New England.....	190	122	Illinois.....	142	91
Connecticut.....	189	121	Indiana.....	103	66
Maine.....	125	80	Michigan.....	144	92
Massachusetts.....	213	137	Ohio.....	141	90
New Hampshire.....	139	89	Wisconsin.....	123	79
Rhode Island.....	169	108	West North Central.....	135	87
Vermont.....	184	118	Iowa.....	115	74
Middle Atlantic.....	196	126	Kansas.....	129	83
New Jersey.....	152	97	Minnesota.....	153	98
New York.....	236	151	Missouri.....	150	96
Pennsylvania.....	163	104	Nebraska.....	118	76
South.....	133	85	North Dakota.....	102	65
South Atlantic.....	149	96	South Dakota.....	95	61
Delaware.....	141	90	West.....	176	113
District of Columbia.....	525	337	Mountain.....	150	96
Florida.....	146	94	Arizona.....	160	103
Georgia.....	117	75	Colorado.....	197	126
Maryland.....	232	149	Idaho.....	97	62
North Carolina.....	114	73	Montana.....	111	71
South Carolina.....	97	62	Nevada.....	116	74
Virginia.....	134	86	New Mexico.....	139	88
West Virginia.....	111	71	Utah.....	141	90
East South Central.....	105	67	Wyoming.....	103	66
Alabama.....	93	60	Pacific.....	183	117
Kentucky.....	107	69	Alaska.....	106	68
Mississippi.....	89	57	California.....	194	124
Tennessee.....	123	79	Hawaii.....	151	98
West South Central.....	132	85	Oregon.....	148	95
Arkansas.....	95	61	Washington.....	158	101
Louisiana.....	126	81			
Oklahoma.....	122	78			
Texas.....	134	86			

Source: "Health Resources Statistics, 1971," NCHS, DHEW publication No. 72-1509, 1971 ed.

The maldistribution of physicians by regions has worsened appreciably in the past decade. As Table 5 indicates, the regions which were relatively physician-rich in 1959 experienced a greater increase in physician:population ratios than did the physician-poor regions.

TABLE 5.—CHANGE IN PHYSICIAN POPULATION RATIO BY REGION: 1959-70

	Number of active physicians per 100,000 (MD's and DO's)		Increase in ratio as percentage of 1959 national average
	1959	1970	
United States.....	132	156	18
New England.....	164	190	20
Middle Atlantic.....	165	190	23
South Atlantic.....	112	149	28
East south-central.....	88	105	13
West south-central.....	106	132	20
East north-central.....	122	135	10
West north-central.....	124	135	8
Mountain.....	119	150	23
Pacific.....	161	183	17

Source: Health Resources Statistics, 1971, NCHS, DHEW, publication No. 72-1509, 1971 ed. and Health Manpower Sourcebook, sec. 10. PHS publication 263-10, 1960.

Complicating the maldistribution by region is the lack of balance within regions; the suburban and smaller urban areas generally have many more physicians, on a per capita basis, than do the rural and inner city areas. Nationally, the physician : population ratio in urban areas is 170 physicians per 100,000 population, more than twice the nonurban ratio of 80:100,000.

In 35 States, rural areas now have less than one-half of the per-capita physician supply of urban areas. In 14 States, rural areas have less than one-third the urban supply. Further, a recent HEW report indicates that the discrepancy in physician: population ratios between rural and urban counties worsened in 43 states between 1960 and 1970.

Commenting on this situation Donald Madison, M.D. of the University of North Carolina stated during Committee hearings:

The first conclusion is that the rural deficit of physician distribution has been a recognized fact and a focus of concern for at least five decades. Yet it has shown no improvement at anytime in the last 50 years, even in places where specific programs have been directed toward the problem. In fact, the urban rural differential has been widening.

The situation with respect to the physician supply in inner city areas is in many ways similar to the problem in rural areas: a relative shortage of physicians and a worsening of that situation.

The best study of the supply of physicians in specific neighborhoods within an urban area is an analysis of the Chicago metropolitan area. This study indicates that the inner suburban area of Chicago in 1970 had 123 physicians per 100,000 population while the inner city area, not including the Loop, had 75 physicians per 100,000 population. Studies in other cities confirm that this suburban inner city discrepancy is a pattern in many urban areas.

Moreover, this discrepancy has increased over the past two decades. The Chicago study compared the physician : population ratio in the various neighborhoods of the Chicago metropolitan area in 1950, 1960 and 1970. This portion of the study indicated that while the physician : population ratio increased in the inner suburban areas, in the inner city areas the ratio fell from 111 physicians per 100,000 population in 1950 to 80 in 1960 to 75 in 1970. Similar studies in Boston, New York and Baltimore indicate that the physician supply in inner-city areas of these cities has also decreased over the past ten years.

There are many reasons for the present geographic maldistribution of physicians and other health professionals. The three most important are the high level of financial remuneration for medical services, the life-style preference of middle-class Americans, and the nature and location of medical training.

Physicians can earn a high income in virtually any area of any region in this country. This stems from the apparent unlimited demand for, and ability to pay for, health services by affluent groups in our society. The Committee on Goals and Priorities of the National Board of Medical Examiners reported in 1973:

The commercial market place operates on the premise that overproduction of a product leads to lower prices, curtailment of supply, and the automatic introduction of the

product into undersupplied areas. There is no evidence that such a process operates within the health care system. The suburbs of this country appear to have an unlimited capacity to absorb physicians.

The net effect of this situation on the national level is that it is impossible, in any practical sense, to train so many physicians that areas become "oversaturated" and physicians are induced, for economic reasons, to seek practice elsewhere. Boston now has 321 physicians per 100,000 population, more than twice the national average, yet there are still large areas of inner city Boston and rural Vermont and New Hampshire which lack adequate physician services. Dr. John A. D. Cooper, president of the Association of American Medical Colleges has said: "Over production of physicians has never, in any country, corrected geographical distribution". The financial factor, therefore, is a passive one, in that physicians can earn an attractive income regardless of where they practice.

If the first factor is passive, the second is active. Given a choice unencumbered by economic considerations, many Americans choose to live on the east or west coasts. Furthermore, within any region, most middle-class Americans choose to live in suburban and smaller urban areas with good housing and schools, easy access to shopping areas, and cultural attractions. A study prepared by the American Medical Association reported that the quality of life in a community is the most important influence on physician location decisions.

The third factor important to the maldistribution of physicians is the nature and location of medical training. Most medical training, both undergraduate and postgraduate, is now provided in large academic medical centers. These centers specialize in providing very complex, subspecialty care. As a result of the presentation of this type of practice as an occupational model, many medical students come to believe that subspecialty care and modern medicine are synonymous and that modern medicine can only be practiced in association with a large urban hospital.

In addition, virtually all medical schools are located in large metropolitan areas. In the rural states of Nebraska, Kansas, and Oklahoma, where the state universities are located in the relatively small urban communities of Lincoln, Lawrence, and Norman, the medical schools are located in the cities of Omaha, Kansas City, and Oklahoma City. As a result of the urban location of medical schools, medical students and their spouses, whatever their origin, become accustomed, over a seven year period, or more, to an urban lifestyle. Medical education, therefore, actively contributes to the aggregation of physicians in urban areas.

Legislation establishing the National Health Service Corps Program was developed by this Committee as a result of the well-documented need to correct the geographical imbalance of physicians and other health professionals. It is the view of this Committee that the continuation of the National Health Service Corps Program, and its substantial expansion as contemplated by H.R. 4114, holds the promise of having a significant impact upon this acute national problem.

HISTORY OF THE NATIONAL HEALTH SERVICE CORPS

The National Health Service Corps began operations in 1972. Since that time, a substantial number of physicians, dentists, nurses and other health professionals have joined the Corps and have received assignments to practice their professions in critical health manpower shortage areas in the United States designated by HEW. These areas are identified to the Corps by State and local planning agencies and must, under HEW regulations, have a primary care physician-to-population ratio of less than 1:4000 and a dentist-to-population ratio of less than 1:5000. (By comparison the national primary care physician-to-population ratio is approximately 1:2000.) As of February, 1975, 981 counties and areas were designated as critical health manpower shortage areas.

Communities located within designated critical health manpower shortage areas may apply for assignment of Corps personnel. Applicant organizations are usually organized citizen groups concerned with the shortage of health manpower in their area. Applicants must submit recommendations from their State or local medical or dental societies and from the local government for their area respecting the need for personnel. Each community which applies must document its service needs and lack of medical manpower to meet those needs, and demonstrate an ability to provide supportive services and facilities necessary for the establishment of a medical or dental practice.

Typically, a community to which Corps members are assigned has a potential patient population large enough to maintain some degree of financial viability for a private medical or dental practice.

The Corps assigns from one to five health professionals to communities with approved applications to deliver needed health services, and helps establish, in conjunction with the sponsoring community, an ongoing system of health care delivery. The type and number of assigned personnel and the settings in which they practice vary considerably, based on the needs and location of the community. Support staff for NHSC assignees are hired by the community and supported from patient receipts.

Fee collection regulations require that patients be charged for services provided by a National Health Services Corps assignee, although services may be provided at reduced rates or without charge for persons unable to afford health services. These requirements serve to provide the practice with economic viability in order to retain or attract physicians on a permanent basis to the community; they also enable the community to reimburse the Federal government for costs incurred by the Corps to support its assigned health professionals.

The Corps has developed an effective recruitment program for health personnel, especially physicians. Through an organized campaign of visits to over 100 medical schools and 250 medical residency training programs, and special mailings to 52,000 medical residents, the Corps has increased its recruitment of physicians and dentists from 14 in 1971 to over 300 in 1975.

Through use of a data bank, the Corps has developed a means of matching NHSC assignees to communities. Each applicant is matched with at least four sites in two regions which most closely resemble his or her preferences; this process is repeated, if necessary, until satisfaction with the choices is expressed. Based on both applicant and com-

munity needs and preferences, the most acceptable match is made, thus minimizing the possibility of future dissatisfaction of either party.

The Corps has approved 443 sites for Corps assistance and has placed 405 physicians, dentists, nurses and other health professionals in 196 communities in 40 States. In addition, over 800 non-Federal support personnel have been employed to assist assignees in their practices and are being supported from the patient receipts generated by the NHSC professionals. Approximately 85 percent of the practices are in rural areas with the remainder in urban inner city areas.

Of the approved sites, 49 are located in rural Appalachia, 31 are migrant health projects, 62 have black populations of at least 25 percent, 19 have Indian populations of at least 15 percent, 35 have Spanish speaking populations of at least 10 percent, and 234 have elderly populations of at least 10 percent. The Corps has approved 26 sites which are located in counties that previously had no physicians.

The NHSC has experimented successfully with utilizing physician extenders (nurse practitioners and physicians' assistants) to provide health services; over 70 physician extenders will be employed in shortage areas by July, 1975. The presence of Corps personnel is also drawing other health professionals to underserved areas.

A major undertaking of the Corps has been to assist community groups in establishing programs that link NHSC assignees to other providers of health services. These programs, which foster improved systems of care and develop professional and personal relationships, greatly improve the possibility of assignees remaining in the community. The Corps' retention rate for 1975, to date, was 30 percent compared to 25 percent in 1974 and 3 percent for 1973. Because of improved matching techniques and community assistance activities, this rate is expected to increase in 1976.

COMMITTEE PROPOSAL

It is the view of this Committee that the National Health Service Corps Program, coupled with the scholarship program, represents the most effective legislative mechanism ever developed by the Congress in attempts to solve the growing problem of geographic maldistribution of health professionals in the United States. As noted above, the Program has already attracted 405 health professionals into rural and inner city areas experiencing acute health manpower shortages, and the percentage of personnel remaining in these areas after completing their assignments has been remarkable. The potential of the Program is such that, if adequate funding for the Program continues, it will serve to attract several thousand health professionals to provide much needed care to medically served populations in the foreseeable future.

Thus, the Committee has chosen to extend the Program at levels reflecting its potential. For fiscal year 1975, the bill authorizes \$16 million for the operation of Program. If the authorization is fully funded, the Corps will be able to increase the number of assigned personnel to 551 by June, 1975. If the fiscal year 1976 authorization of \$30 million is fully funded, this number can increase to 826 by June, 1976.

Effective in fiscal year 1976, the bill would substantially revise existing provisions of the National Health Service Corps Program to make the Program more attractive to medically underserved populations and potential National Health Service Corps participants, and

to encourage Corps personnel to remain in areas with medically underserved populations following their service commitments.

First, the bill authorizes the Secretary to enter into agreements with non-Federal health professionals to serve medically underserved populations. This provision makes it clear that health professionals who cannot enter the Public Health Service because of physical or age limitations can nevertheless participate in the Program.

Second, in order to make the Program more attractive to potential participants, the reported bill authorizes reimbursement of applicants for travel expenses incurred for the purpose of evaluating areas to which they may be assigned. More importantly, it authorizes bonus payments of up to \$1,000 per month to participants the first three years of practice. (In the case of scholarship recipients, this provision applies for the three years following the termination of service obligations incurred as a result of scholarship assistance. This provision is designed to provide assignees with monthly incomes competitive with those of private practitioners of the individual's profession with equivalent training and time in practice. The bonus would be authorized to continue beyond the three-year period only to the extent that it would be necessary to render total monthly income equal to the income received in the final month of the three year period. Thus, as salaries and other benefits increase due to promotion or longevity, bonus payments would decrease. This payment method will, in the Committee's view, serve to make initial service beyond the period of obligated service not financially unattractive to the health professional and also will provide an incentive to enter private practice in the community due to a leveling off of income following the first three years of bonus payments.)

Third, in order to render the Program available to greater segments of the country which experience inaccessibility to health personnel, the bill dispenses with existing legislative rigidities that require defining medically underserved areas by specific geographic boundaries or political subdivisions and instead authorizes designation of medically underserved populations as targets of assistance. This provision will allow the Secretary to designate, as underserved, pockets of populations that may reside within political subdivisions that do not fall within the criteria necessary for designation as underserved areas, but nevertheless do not enjoy geographical access to health care.

Fourth, the reported bill requires that entities to which Corps personnel are assigned must repay to the Federal government, from collections received from services provided by NHSC assignees, the amount of pay and allowances of personnel assigned to the entity, the amount of any grants received by the entity to prepare for the arrival of Corps members, and the amount of National Health Service Corps scholarship support that assignees received. Fees collected by entities in excess of the amount required to be returned to the Federal government must be used to expand or improve the provision of health services or to recruit permanent health personnel. A waiver of the payback provision is authorized in instances in which the entity is financially unable to meet the requirement or if compliance would unduly limit the quality of services provided. This waiver provision will allow for flexibility during initial periods of assignment of Corps members when utilization and billings are low, and the community is assuming the major proportion of costs.

Fifth, the bill authorizes assignment of Corps personnel to medically underserved populations for periods of up to four years and requires evaluation of the continued need of the population for health manpower and determination of efficient operation of the practice of Corps personnel before eligibility for Corps personnel may be extended. Thus, a medically underserved population is in effect placed on notice that it should make every reasonable effort to secure health services from non-Federal sources after four years of Corps assistance. Populations would not be deprived of service beyond an initial assignment period if significant efforts had been made to secure alternative sources of health manpower but circumstances rendered provision of health services from other sources impossible.

Finally, the proposed bill authorizes the award of one-time grants of up to \$25,000 for the purpose of meeting the costs of establishing a medical practice, acquiring equipment and establishing continuing education programs for assignees to entities which have approved applications. These grants will enable communities to prepare for the arrival of the National Health Service Corps assignees through establishment of appropriate billing systems, acquisition of equipment, renovation or acquisition of facilities, and other needed planning prior to the commencement of National Health Service Corps services.

SECTION-BY-SECTION ANALYSIS

Section 1 of the bill authorizes appropriations of \$16 million for fiscal year 1975 for the National Health Service Corps (NHSC) Program under existing sec. 329(h) of the Public Health Service Act.

Section 2(a) of the bill makes technical amendments.

Section 2(b) of the bill would, effective with respect to appropriations made for fiscal years beginning after June 30, 1975, amend Part C of Title III of the Public Health Service Act pertaining to the National Health Service Corps as follows:

New section 329(a).—Amends existing language establishing the NHSC so that the Corps will be utilized to improve the delivery of health services to medically underserved populations. Members of the NHSC may be regular or reserve members of the Public Health Service Corps, Federal employees or other personnel as designated by the Secretary of Health, Education, and Welfare (the Secretary).

New section 329(b)(1).—Requires the Secretary to conduct, at medical and nursing schools and other schools of the health professions and at entities which train allied health personnel, recruiting programs for the Corps, including dissemination of written information on the NHSC and, as feasible, visits to such schools by personnel of the Corps.

New section 329(b)(2).—Authorizes the Secretary to reimburse NHSC applicants for travel expenses for one round trip between their residences and areas in which they may be assigned for the purpose of evaluating such areas.

New section 329(b)(3).—Provides that commissioned officers and other personnel of the NHSC assigned to provide services for underserved populations shall not be included in determining whether any limitation on the number of personnel which may be employed by the Department of Health, Education and Welfare has been exceeded.

New section 329(c).—Authorizes the Secretary, under regulations, to adjust the monthly pay of each NHSC physician and dentist engaged directly in the delivery of health services to a medically underserved

population following termination of his service obligation (if any) incurred as a result of receipt of scholarship assistance up to an amount not to exceed \$1000 so that such pay will be competitive with that of members of the same profession with equivalent training and time in practice. Upon the expiration of the thirty-six month period, such bonus support would continue only to the extent necessary to make the NHSC member's monthly pay equal to the income he received for the last month of the thirty-six month period.

New section 330(a)(1).—Requires the Secretary to designate medically underserved populations in States. A "medically underserved population" is defined as the population of an urban or rural area (which need not conform to the geographical boundaries of a political subdivision and which should be a rational area for the delivery of health services) determined by the Secretary to have a critical health manpower shortage or population group which has such a shortage.

New section 330(b)(1).—Requires the Secretary, in designating medically underserved populations, to take into account the recommendations of health systems agencies for areas in which populations under consideration reside, or in the case of areas for which no health systems agency has been designated, the recommendations of the appropriate State health planning and development agency; ratios of available health manpower; the population's access to health services; the health status of the population; and the population's need and demand for health services.

New section 330(b)(2).—Authorizes any person to apply for the designation of a population as medically underserved.

New section 331(a)(1).—Authorizes the assignment of NHSC personnel to provide health services to medically underserved populations, upon application to the Secretary by State or local health agencies or other health entities serving such populations, and upon certification by the appropriate local government and medical, osteopathic or dental societies that the assignment is needed.

New section 331(a)(2).—Provides that the Secretary may not approve an application for assignment unless the applicant agrees to arrangements in accordance with subsection (b) and has afforded either the appropriate health systems agency or, in the case of areas for which no health systems agency has been designated, the State health planning and development agency an opportunity to review the application and submit its comments. Further requires that, in considering an application, the Secretary take into consideration the population's need for health services; the willingness of the population and the agencies or entities serving it to assist and cooperate in providing effective health services; and recommendations from medical, osteopathic, dental, and other societies or from medical personnel serving the population.

New section 331(a)(3).—Provides that if all requirements are met in an application for assignment of NHSC personnel except for the certification by a State and district medical, osteopathic or dental society or other appropriate health society and if the Secretary finds that such certification has been arbitrarily and capriciously withheld, then he may, after consultation with appropriate medical, osteopathic, dental or other appropriate health societies, waive the requirement for such certification.

New section 331(b)(1).—Requires entities receiving assignment of NHSC personnel to enter into arrangements with the Secretary under which entities will charge patients for health services received; make reasonable efforts to collect the amounts of such charges; and pay quarterly to the United States the sum of pay and allowances of NHSC personnel assigned to the entity, proportionate amounts of any grants received by the entity under sec. 332, and proportionate amounts of any National Health Service Corps scholarship that assignees have received. Authorizes the Secretary to waive in whole or in part these requirements if he determines that the entity is financially unable to meet them or that compliance would unduly limit the ability of the entity to maintain the quality of the services it provides.

New section 331(b)(2).—Provides that entities must use excess collections to expand or improve the provision of health services to the population served by the entity or to recruit and retain health personnel to provide health services.

New section 331(b)(3).—Requires that any person receiving health services provided by NHSC personnel be charged for such services on a fee-for-service or other basis at a rate approved by the Secretary; except that if it is determined under regulations that the person is unable to pay such charge, the Secretary shall provide that these services be furnished at a reduced rate or without charge.

New section 331(b)(4).—Requires that funds received by the Secretary from entities be deposited in the United States Treasury as miscellaneous receipts and disregarded in determining appropriations for the National Health Service Corps Program.

New section 331(c).—Authorizes the Secretary to approve applications for assignment of NHSC personnel for periods of up to four years.

New section 331(d).—Requires reapplication for assignment of NHSC personnel after the expiration of the period of assistance authorized under subsection (c). Requires the Secretary in considering applications for continued assistance for a population to apply the criteria necessary for the original approval of an application and, in addition, to evaluate the population's continued need for NHSC personnel, the use of the manpower assigned to date, the growth of the practice of the assigned personnel, the community support for the assignment, and to determine that the population has made continued efforts to secure its own manpower and that there has been sound fiscal management of the NHSC practice.

New section 331(e).—Provides that NHSC personnel be assigned on the basis of the extent of a medically underserved population's need and without regard to the ability of the members of the population to pay for health services.

New section 331(f).—Requires that the Secretary, in assigning Corps personnel to communities, seek to match the characteristics of the personnel (and their spouses) and the communities to which they may be assigned in order to increase the likelihood that the personnel will remain in the community after the completion of their assignment. Further requires the Secretary to review the assignment of each Corps assignee and the situation in the community to which he is assigned before the beginning of the last nine months of the assignment period for the purpose of determining the appropriateness of extending the assignment.

New section 331(g)(1).—Requires the Secretary to provide assistance to persons seeking the assignment of NHSC personnel and conduct information programs as are necessary to inform health entities within areas in which underserved populations reside of available assistance.

New section 331(g)(2).—Requires the Secretary to provide technical assistance to all medically underserved populations which are not assigned NHSC personnel to assist them in the recruitment of health manpower and to provide such populations current information respecting programs which may assist them in securing health manpower.

New section 332(a).—Requires Corps personnel, in providing health services, to utilize techniques, facilities, and organizational forms appropriate for the area and, to the maximum extent feasible, provide such services to all members of the population regardless of ability to pay, and in connection with direct health services programs carried out by the Service, direct health services programs carried out with Federal financial assistance, or other health services activities which further the purposes of the NHSC Program.

New section 332(b)(1).—Authorizes the Secretary to make necessary arrangements to enable NHSC personnel to utilize health facilities of the areas in which the medically underserved population resides, and make necessary arrangements for use of equipment and supplies of the Public Health Service and for lease or acquisition of other equipment and supplies, and secure temporary services of physicians, nurses and allied health professionals.

New section 332(b)(2).—Requires that, if the area is being served by a hospital or other facility of the Public Health Service, the Secretary make arrangements for the use of such hospital or facility by NHSC personnel in providing health services, but only to the extent that such use will not impair the delivery of services through the facility to persons entitled to such services.

New section 332(c).—Authorizes the Secretary to make one-time grants, not in excess of \$25,000, to medically underserved populations to be used for the purpose of establishing medical practice management systems, acquiring equipment and establishing continuing education programs for NHSC personnel.

New section 332(d).—Authorizes the Secretary, following the expiration of assignment of NHSC personnel, to sell to the last approved applicant for assistance, at fair market value, any equipment in his ownership which has been used by NHSC personnel in providing health services. Such sales of equipment may be carried out by the Secretary without regard to provision of other Federal laws.

New section 333.—Requires the Secretary to report to Congress no later than May 15 of each year the number of medically underserved populations designated in the preceding calendar year and expected to be designated in the calendar year in which the report is submitted, the number of applicants to receive NHSC personnel in the preceding calendar year, the number of personnel assigned in the preceding year and estimates for the year in which the report is submitted, recruitment efforts, the number of patient visits recorded in the previous year by the NHSC, information on retention rates, the results of evaluations conducted by the NHSC, and the amounts charged, collected, and paid to the Federal government by NHSC communities.

New section 334.—Establishes the National Advisory Council on the NHSC and requires membership on the Council as follows: four members to represent consumers of health care, at least two of whom must come from populations served by NHSC members; three members from the medical, dental, and other health professions and teaching professions; one member from a State health planning and development agency, one member from a Statewide Health Coordinating Council and one member from a health systems agency; three members from the Public Health Service, at least two of whom are assigned NHSC personnel; and two members from the National Council on Health Planning and Development. Requires the Council to advise the Secretary with respect to his responsibilities under the Program and review and comment on Program regulations.

New section 335.—Authorizes appropriations of \$30 million for fiscal year 1976 for operation of the NHSC.

Section 2(c) of the bill includes transitional provisions respecting changes in designation of areas eligible for assignment, assistance periods, bonus pay provisions, and the advisory council.

Section 3 of the bill requires the Secretary to conduct or contract for studies of methods of assigning personnel in the NHSC with the purpose of identifying the characteristics of health manpower who are likely to remain in practice in medically underserved populations, the characteristics of areas which have been able to retain health manpower, the appropriate conditions for the assignment of nurse practitioners, physician assistants, and dental auxiliaries in medically underserved populations, including studies of State laws which may restrict the use of such personnel, and the effect of primary care postgraduate physician training in such populations on the health care provided and the decisions of the residents respecting areas in which to locate their practice.

Section 4 of the bill makes technical and conforming changes to section 741 of the Public Health Service Act.

AGENCY REPORTS

Agency reports were requested on H.R. 2958, a similar predecessor to H.R. 4114, but reports on that bill have not been received.

INFLATION IMPACT STATEMENT

The Committee is unaware of any inflationary impact on the economy that would result from passage of the proposed legislation. The authorization for fiscal year 1975 is \$16 million, which compares favorably with amounts already provided under continuing resolution. The proposed authorizations represent .005 percent of the proposed outlays of the President's budget for fiscal year 1975 and .009 percent of the 1976 budget. They represent .06 percent of the amount budgeted for health programs for fiscal 1975 and .11 percent of the amount budgeted for health programs for fiscal 1976.

Moreover, the National Health Service Corps Program is cost effective. The reported bill requires (sec. 331(b)) that entities to which Corps personnel are assigned must repay to the Federal Government, from collections received from services provided by NHSC personnel, the pay and allowances of personnel assigned to the entity, the amount of any grants received by the entity to prepare for the

arrival of Corps members, and the amount of National Health Service Corps scholarship support that assignees have received. Thus, unlike most Federal grant programs, the majority of funds appropriated for the National Health Service Corps Program will be repaid to the Federal Government.

PROGRAM OVERSIGHT

The Committee's principal oversight activities with respect to this program have been conducted by the Subcommittee on Health and the Environment in connection with its consideration of the legislative authority. Oversight hearings on the Program and several other Federal health programs were conducted by the Subcommittee in January of 1973, and legislative hearings were held in May of 1974, and again, in February of 1975. The Subcommittee's findings are discussed in the report under Need for Legislation and History of the National Health Service Corps as the proposed legislation is designed to respond to the Subcommittee's findings.

The Committee has not received oversight reports from either its own Subcommittee on Investigations and Oversight or the Committee on Government Operations.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

PUBLIC HEALTH SERVICE ACT

* * * * *

TITLE III—GENERAL POWERS AND DUTIES OF PUBLIC HEALTH SERVICE

* * * * *

PART C—HOSPITALS, MEDICAL EXAMINATIONS, AND MEDICAL CARE

Subpart I—General Provisions

* * * * *

[EFFECTIVE ON DATE OF ENACTMENT]

ASSIGNMENT OF MEDICAL AND OTHER HEALTH PERSONNEL TO CRITICAL NEED AREAS

SEC. 329. (a) There is established, within the Service, the National Health Service Corps (hereinafter in this section referred to as the "Corps") which shall consist of those officers of the Regular and Reserve Corps of the Service and such other personnel as the Secretary may designate and which shall be utilized by the Secretary to improve the delivery of health care and services to persons residing in areas which have critical health manpower shortages.

* * * * *

(h) To carry out the purposes of this section, there are authorized to be appropriated \$10,000,000 for the fiscal year ending June 30, 1971; \$20,000,000 for the fiscal year ending June 30, 1972; \$30,000,000 for the fiscal year ending June 30, 1973; [and] \$25,000,000 for the fiscal year ending June 30, 1974, and \$16,000,000 for the fiscal year ending June 30, 1975.

[EFFECTIVE JULY 1, 1975]

[ASSIGNMENT OF MEDICAL AND OTHER HEALTH PERSONNEL TO CRITICAL NEED AREAS

[SEC. 329. (a) There is established, within the Service, the National Health Service Corps (hereinafter in this section referred to as the "Corps") which shall consist of those officers of the Regular and Reserve Corps of the Service and such other personnel as the Secretary may designate and which shall be utilized by the Secretary to improve the delivery of health care and services to persons residing in areas which have critical health manpower shortages.

[(b)(1) The Secretary shall (A) designate those areas which he determines have critical health manpower shortages, (B) provide assistance to persons seeking assignment of Corps personnel to such designated areas to provide under this section health care and services for persons residing in such areas, and (C) conduct such information programs in such designated areas as may be necessary to inform the public and private health entities serving those areas of the assistance available under this section.

[(2)(A) The Secretary may assign personnel of the Corps to provide, under regulations prescribed by the Secretary, health care and services for persons residing in an area designated by the Secretary under paragraph (1) if—

[(i) the State health agency of each State in which such area is located or the local public health agency or any other public or nonprofit private health entity in such area requests such assignment, and

[(ii) the (I) local government of such area, and (II) the State and district medical, dental, or other appropriate health societies (as the case may be), certify to the Secretary that such assignment of Corps personnel is needed for such area.

If with respect to any proposed assignment of Corps personnel to an area the requirements of clauses (i) and (ii) of the preceding sentence are met except for the certification by the State and district medical, dental, or other appropriate health societies required by clause (ii) and if the Secretary finds from all the facts presented that such certification has clearly been arbitrarily and capriciously withheld, the Secretary may, after consultation with appropriate medical, dental, or other health societies, assign such personnel to such area. Corps personnel shall be assigned under this section on the basis of the extent of an area's need for health care and services and without regard to the ability of the residents of an area to pay for health care and services.

[(B) In providing health care and services under this section, Corps personnel shall utilize the techniques, facilities, and organizational forms most appropriate for the area and shall, to the maximum extent feasible, provide such care and services (i) to all persons in such area

regardless of the ability of such persons to pay for the care and services, and (ii) in connection with (I) direct health care programs carried out by the Service; (II) any direct health care program carried out in whole or in part with Federal financial assistance; or (III) any other health care activity which is in furtherance of the purpose of this section.

[(C) Any person who receives health care or services provided under this section shall be charged for such care or service on a fee-for-service or other basis at a rate established by the Secretary, pursuant to regulations, to recover the reasonable cost of providing such care or service; except that if such person is determined under regulations of the Secretary to be unable to pay such charge, the Secretary shall provide for the furnishing of such care or service at a reduced rate or without charge. If a Federal agency, an agency of a State or local government, or other third party would be responsible for all or part of the cost of the care or service provided under this section if such care or service had not been provided under this section, the Secretary shall collect, on a fee-for-service or other basis, from such agency or third party the portion of such cost for which it would be so responsible. Any funds collected by the Secretary under this subparagraph shall be deposited in the Treasury as miscellaneous receipts and shall be disregarded in determining (i) the amounts of appropriations to be requested under subsection (h), and (ii) the amounts to be made available from appropriations made under such subsection to carry out this section.

[(c) Commissioned officers and other personnel of the Corps assigned to areas designated under subsection (b) shall not be included in determining whether any limitation on the number of personnel which may be employed by the Department of Health, Education, and Welfare has been exceeded. The Secretary may reimburse applicants for positions in the Corps for actual expenses incurred in traveling to and from their place of residence to an area in which they would be assigned for the purpose of evaluating such area with regard to being assigned in such area. The Secretary shall not reimburse an applicant for more than one such trip.

[(d)(1) Notwithstanding any other provision of law, the Secretary, to the extent feasible, may make such arrangements as he determines necessary to enable officers and other personnel of the Corps in providing care and services under subsection (b) to utilize the health facilities of the area to be served, except that if such area is being served (as determined under regulations of the Secretary) by a hospital or other health care delivery facility of the Service, the Secretary shall, in addition to such other arrangements as the Secretary may make to insure the availability in such area of care and services by Corps personnel, arrange for the utilization of such hospital or facility by Corps personnel in providing care and services in such area but only to the extent that such utilization will not impair the delivery of care and treatment through such hospital or facility to persons who are entitled to care and treatment through such hospital or facility. If there are no health facilities in or serving such area, the Secretary may arrange to have such care and services provided in the nearest health facilities of the Service or the Secretary may lease or otherwise provide facilities in such area for the provision of such care and services. In providing such care and services, the Secretary may (A) make such arrangements as he determines are necessary for the use of equipment and supplies

of the Service and for the lease or acquisition of other equipment and supplies, and (B) secure the temporary services of nurses and allied health professionals.

[(2) The Secretary shall conduct at medical and nursing schools and other schools of the health professions and training centers for the allied health professions, recruiting programs for the Corps. Such programs shall include the wide dissemination of written information on the Corps and visits to such schools by personnel of the Corps.

[(e)(1) There is established a council to be known as the National Advisory Council on Health Manpower Shortage Areas (hereinafter in this section referred to as the "Council"). The Council shall be composed of fifteen members appointed by the Secretary as follows:

[(A) Four members shall be appointed from the general public, representing the consumers of health care.

[(B) Three members shall be appointed from the medical, dental, and other health professions and health teaching professions.

[(C) Three members shall be appointed from State health or health planning agencies.

[(D) Three members shall be appointed from the Service, at least two of whom shall be commissioned officers of the Service.

[(E) One member shall be appointed from the National Advisory Council on Comprehensive Health Planning.

[(F) One member shall be appointed from the National Advisory Council on Regional Medical Programs.

The Council shall consult with, advise, and make recommendations to, the Secretary with respect to his responsibilities in carrying out this section.

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

[(3) Appointed members of the Council, while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5 of the United States Code for persons in the Government service employed intermittently.

[(f) It shall be the function of the Secretary—

[(1) to establish guidelines with respect to how the Corps shall be utilized in areas designated under this section;

[(2) to select personnel of the Corps for assignment to the areas designated under this section; and

[(3) to determine which communities or areas may receive assistance under this section taking into consideration—

[(A) the need of the community or area for health services provided under this section;

[(B) the willingness of the community or area and the appropriate governmental agencies therein to assist and cooperate with the Corps in providing effective health services to residents of the community or area;

[(C) the recommendations of any agency or organization which may be responsible for the development, under sec-

tion 314(b), of a comprehensive plan covering all or any part of the area or community involved; and

[(D) recommendations from the State medical, dental, and other health associations and from other medical personnel of the community or area considered for assistance under this section.

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

[(1) the number of areas designated under subsection (b) in the calendar year preceding the year in which the report is made as having critical health manpower shortages and the number of areas which the Secretary estimates will be so designated in the calendar year in which the report is made;

[(2) the number and types of Corps personnel assigned in such preceding calendar year to areas designated under subsection (b), the number and types of additional Corps personnel which the Secretary estimates will be assigned to such areas in the calendar year in which the report is submitted, and the need (if any) for additional personnel for the Corps; and

[(3) the number of applications filed in such preceding calendar year for assignment of Corps personnel under this section and the action taken on each such application.

[(h) To carry out the purposes of this section, there are authorized to be appropriated \$10,000,000 for the fiscal year ending June 30, 1971; \$20,000,000 for the fiscal year ending June 30, 1972; \$30,000,000 for the fiscal year ending June 30, 1973; and \$25,000,000 for the fiscal year ending June 30, 1974.

[(i) For purposes of this section, the term "State" includes Guam, American Samoa, and the Trust Territory of the Pacific Islands.]

Subpart II—National Health Service Corps Program

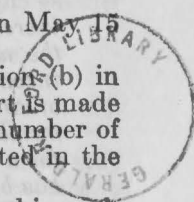
NATIONAL HEALTH SERVICE CORPS

Sec. 329. (a) There is established, within the Service, the National Health Service Corps (hereinafter in this subpart referred to as the "Corps") which (1) shall consist of those officers of the Regular and Reserve Corps of the Service and such other personnel as the Secretary may designate, and (2) shall be utilized by the Secretary under this subpart to improve the delivery of health services to medically underserved populations.

(b)(1) The Secretary shall conduct at medical and nursing schools and other schools of the health professions and at entities which train allied health personnel, recruiting programs for the Corps. Such programs shall include the wide dissemination of written information on the Corps and visits to such schools and entities by personnel of the Corps.

(2) The Secretary may reimburse applicants for positions in the Corps for actual expenses incurred in traveling to and from their places of residence to an area in which they would be assigned for the purpose of evaluating such area with regard to being assigned in such area. The Secretary shall not reimburse an applicant for more than one such trip.

(3) Commissioned officers and other personnel of the Corps assigned under section 331 to provide health services for medically underserved populations shall not be counted against any employment ceiling affecting the Department of Health, Education, and Welfare.



(c) (1) The Secretary may, under regulations prescribed by him, adjust the monthly pay of each physician and dentist member of the Corps who is directly engaged in the delivery of health services to a medically underserved population as follows:

(A) During the first thirty-six months in which such a member is so engaged in the delivery of health services, his monthly pay shall be increased by an amount (not to exceed \$1,000) which when added to the member's monthly pay and allowance will provide a monthly income competitive with the average monthly income from a practice of an individual who is a member of the profession of the Corps member, who has equivalent training, and who has been in practice for a period equivalent to the period during which the Corps member has been in practice.

(B) During the period beginning upon the expiration of the thirty-six months referred to in subparagraph (A) and ending with the month in which the member's monthly pay and allowances is equal to or exceeds the monthly income he received for the last of such thirty-six months, the member shall receive in addition to his monthly pay and allowances an amount which when added to such monthly pay and allowances equals the monthly income he received for such last month.

For purposes of subparagraphs (A) and (B), the term 'monthly pay' includes special pay received under chapter 5 of title 37 of the United States Code.

(2) In the case of a member of the Corps who is directly engaged in the provision of health services to a medically underserved population in accordance with a service obligation incurred under the Public Health Service and National Health Service Corps Scholarship Training Program, the adjustment in pay authorized by paragraph (1) may be made for such a member only upon satisfactory completion of such service obligation and the first thirty-six months of his being so engaged in the delivery of health care shall, for purposes of paragraph (1) (A), be deemed to begin upon such satisfactory completion.

DESIGNATION OF MEDICALLY UNDERSERVED POPULATIONS

SEC. 330. (a) For purposes of this subpart—

(1) the term "medically underserved population" means (A) the population of an urban or rural area (which need not conform to the geographical boundaries of a political subdivision and which should be a rational area for the delivery of health services) which the Secretary determines has a critical health manpower shortage, or (B) a population group determined by the Secretary to have such a shortage; and

(2) the term "State" includes Guam, American Samoa, and the Trust Territory of the Pacific Islands.

(b) (1) The Secretary shall designate the medically underserved populations in the States. In determining whether to designate a population as a medically underserved population, the Secretary shall take into account the following:

(A) The recommendations of each health systems agency designated under section 1515 for a health service area which includes all or any part of the area in which the population under consideration for designation resides.

(B) If such area is within a health service area (or areas) for which no health systems agency has been designated, the recommendations of the State health planning and development agency designated under section 1521 for the State (or States) in which such area is located.

(C) Ratios of available health manpower to the population under consideration for designation.

(D) Indicators of the population's access to health services.

(E) Indicators of the health status of the population.

(F) Indicators of such population's need and demand for health services.

(2) Any person may apply to the Secretary (in such manner as he may prescribe) for the designation (in accordance with the second sentence of paragraph (1)) of a population as a medically underserved population.

ASSIGNMENT OF CORPS PERSONNEL

SEC. 331. (a) (1) The Secretary may assign personnel of the Corps to provide, under regulations prescribed by the Secretary, health services for a medically underserved population only if—

(A) the State health agency of each State in which such population is located or the local public health agency or any other public or nonprofit private health entity serving such population makes application to the Secretary for such assignment, and

(B) (i) the local government of the area in which such population resides certifies to the Secretary that such assignment of Corps personnel is needed for such population, and

(ii) any State and district medical, osteopathic, or dental society for such area, or any other appropriate health society (as the case may be) for such area, makes such a certification to the Secretary.

(2) The Secretary may not approve an application under paragraph (1) (A) for an assignment unless the applicant agrees to enter into an arrangement with the Secretary in accordance with subsection (b) and has afforded—

(A) each health systems agency designated under section 1515 for a health service area which includes all or any part of the area in which the population for which the application is submitted resides, and

(B) if there is a part of such area within a health service area for which no health systems agency has been designated, the State health planning and development agency of the State (designated under section 1521) in which such part is located,

an opportunity to review the application and submit its comments to the Secretary respecting the need for and proposed use of the Corps personnel requested in the application. In considering such an application, the Secretary shall take into consideration the need of the population for which the application was submitted for the health services which may be provided under this subpart, the willingness of the population and the appropriate governmental agencies or health entities serving it to assist and cooperate with the Corps in providing effective health services to the population, and recommendations from medical, osteopathic, dental, or other health societies or from medical personnel serving the population.

(3) If with respect to any proposed assignment of Corps personnel for a medically underserved population the requirements of subparagraphs (A) and (B) of paragraph (1) are met except for the certification required

by subparagraph (B)(ii) of such paragraph and if the Secretary finds from all the facts presented that such certification has clearly been arbitrarily and capriciously withheld, the Secretary may, after consultation with appropriate medical, osteopathic, dental, or other health societies, waive the application of the certification requirement to such proposed assignment.

(b)(1) The Secretary shall require as a condition to the approval of an application under subsection (a) that the entity which submitted the application enter into an appropriate arrangement with the Secretary under which—

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

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

(C) the entity shall pay to the United States as prescribed by the Secretary for each calendar quarter (or other period as may be specified in the arrangement) during which any Corps personnel are assigned to such entity the sum of—

(i) the pay (including amounts paid in accordance with 329 (c)) and allowances of such Corps personnel for the portion of such quarter (or other period) during which assigned to the entity;

(ii) if such entity received a grant under section 332 for the assistance period (as defined in subsection (c)) for which such personnel are assigned, an amount which bears the same ratio to the amount of such grant as the number of days in such quarter (or other period) during which any Corps personnel were assigned to the entity bears to the number of days in the assistance period after such entity received such grant; and

(iii) if during such quarter (or other period) any member of the Corps assigned to such entity is providing obligated service pursuant to an agreement under the Public Health and National Health Service Corps Scholarship Training Program, for each such member an amount which bears the same ratio to the amount paid under such Program to or on the behalf of such member as the number of days of obligated service provided by such member during such quarter (or other period) bears to the number of days in his period of obligated service under such Program.

The Secretary may waive in whole or in part the application of the requirement of subparagraph (C) to an entity if he determines that the entity is financially unable to meet such requirement or if he determines that compliance with such requirement would unduly limit the ability of the entity to maintain the quality of the services it provides.

(2) The excess (if any) of the amount collected by an entity in accordance with paragraph (1)(B) over the amount paid to the United States in accordance with paragraph (1)(C) shall be used by the entity to expand or improve the provision of health services to the population for which the entity submitted an application under subsection (a) or to recruit and retain health manpower to provide health services for such population.

(3) Any person who receives health services provided by Corps personnel under this subpart shall be charged for such services on a fee-for-service or other basis at a rate approved by the Secretary, pursuant to regulations, to recover the value of such services; except that if such person is determined under regulations of the Secretary to be unable to pay such charge, the Secretary shall provide for the furnishing of such services at a reduced rate or without charge.

(4) Funds received by the Secretary under an arrangement entered into under paragraph (1) shall be deposited in the Treasury as miscellaneous receipts and shall be disregarded in determining the amounts of appropriations to be requested under section 335 and the amounts to be made available from appropriations made under such section to carry out this subpart.

(5) Upon approval of an application submitted under subsection (a) for the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary may approve the assignment of Corps personnel for such population during a period (hereinafter in this subpart referred to as the "assistance period") which may not exceed four years from the date of the first assignment of Corps personnel for such population after the date of the approval of the application. No assignment of individual Corps personnel may be made for a period ending after the expiration of the applicable approved assistance period.

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

(1) the application and certification requirements of subsection (a) are met;

(2) the Secretary has conducted an evaluation of the continued need for health manpower of the population for which the application is submitted, of the utilization of the manpower by such population, of the growth of the health care practice of the Corps personnel assigned for such population, and of community support for the assignment; and

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

(7) Corps personnel shall be assigned to provide health services for a medically underserved population on the basis of the extent of the population's need for health services and without regard to the ability of the members of the population to pay for health services.

(f) In making an assignment of Corps personnel the Secretary shall seek to match characteristics of the assignee (and his spouse (if any)) and of the population to which such assignee may be assigned in order to increase the likelihood of the assignee remaining to serve the population upon completion of his assignment period. The Secretary shall, before the beginning of the last nine months of the assignment period of a member of the Corps, review such member's assignment and the situation in the area to which he was assigned for the purpose of determining the advisability of extending the period of such member's assignment.

(g)(1) The Secretary shall (A) provide assistance to persons seeking assignment of Corps personnel under this section, and (B) conduct such information programs in areas in which such populations reside as may be necessary to inform the public and private health entities serving those areas of the assistance available to such populations by virtue of their designation under section 330 as medically underserved.

(2) The Secretary shall provide technical assistance to all medically underserved populations to which are not assigned Corps personnel to assist in the recruitment of health manpower for such populations. The Secretary shall also give such populations current information respecting public and private programs under which they may receive assistance in securing health manpower for them.

PROVISION OF HEALTH SERVICES BY CORPS PERSONNEL

SEC. 332. (a) In providing health services for a medically underserved population under this subpart, Corps personnel shall utilize the techniques, facilities, and organizational forms most appropriate for the area in which the population resides and shall, to the maximum extent feasible, provide such services (1) to all members of the population regardless of their ability to pay for the services, and (2) in connection with (A) direct health services programs carried out by the Service; (B) any other direct health services program carried out in whole or in part with Federal financial assistance, or (C) any other health services activity which is in furtherance of the purposes of this subpart.

(b)(1) Notwithstanding any other provision of law, the Secretary (A) may, to the extent feasible, make such arrangements as he determines necessary to enable Corps personnel in providing health services for a medically underserved population to utilize the health facilities of the area in which the population resides and if there are no health facilities in or serving such area, the Secretary may arrange to have Corps personnel provide health services in the nearest health facilities of the Service or the Secretary may lease or otherwise provide facilities in such area for the provision of health services, (B) may make such arrangements as he determines are necessary for the use of equipment and supplies of the Service and for the lease or acquisition of other equipment and supplies, and (C) may secure the temporary services of physicians, nurses, and allied health professionals.

(2) If such an area is being served (as determined under regulations of the Secretary) by a hospital or other health care delivery facility of the Service, the Secretary shall, in addition to such other arrangements as the Secretary may make under paragraph (1), arrange for the utilization of such hospital or facility by Corps personnel in providing health services for the population, but only to the extent that such utilization will not

impair the delivery of health services and treatment through such hospital or facility to persons who are entitled to health services and treatment through such hospital or facility.

(c) The Secretary may make one grant to any applicant with an approved application under section 331 to assist it in meeting the costs of establishing medical practice management systems for Corps personnel, acquiring equipment for their use in providing health services, and establishing appropriate continuing education programs and opportunities for them. No grant may be made under this subsection unless an application therefor is submitted to, and approved by, the Secretary. The amount of any grant shall be determined by the Secretary, except that no grant may exceed more than \$25,000.

(d) Upon the expiration of the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary may (notwithstanding any other provision of law) sell to the entity which submitted the last application approved under section 331 for the assignment of Corps personnel for such population equipment of the United States utilized by such personnel in providing health services. Sales made under this subsection shall be made for the fair market value of the equipment sold (as determined by the Secretary).

REPORTS

SEC. 333. The Secretary shall report to Congress no later than May 15 of each year—

(1) the number and identity of all medically underserved populations in each of the States in the calendar year preceding the year in which the report is made and the number of medically underserved populations which the Secretary estimates will be designated under section 330 in the calendar year in which the report is made;

(2) the number of applications filed under section 331 in such preceding calendar year for assignment of Corps personnel and the action taken on each such application;

(3) the number and types of Corps personnel assigned in such preceding year to provide health services for medically underserved populations, the number and types of additional Corps personnel which the Secretary estimates will be assigned to provide such services in the calendar year in which the report is submitted, and the need (if any) for additional personnel for the Corps;

(4) the recruitment efforts engaged in for the Corps in such preceding year, including the programs carried out under section 329(b)(1), and the number of qualified persons who applied for service in the Corps in each professional category;

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

(6) the number of health personnel electing to remain, after termination of their service in the Corps, to provide health services to medically underserved populations, the number of such personnel who do not make such election, and their reasons for not making such election;

(7) the results of evaluations made under section 331(d)(2), and determinations made under section 331(d)(3), during such preceding year; and

(8) the total amount (A) charged during such preceding year for health services by Corps personnel, (B) collected in such year by entities in accordance with arrangements under section 331(b), and (C) paid to the Secretary in such year under such arrangements.

NATIONAL ADVISORY COUNCIL

SEC. 334. (a) There is established a council to be known as the National Advisory Council on the National Health Service Corps (hereinafter in this section referred to as the "Council"). The Council shall be composed of fifteen members appointed by the Secretary as follows:

(1) Four members shall be appointed from the general public to represent the consumers of health care, at least two of whom shall be members of a medically underserved population for which Corps personnel are providing health services under this subpart.

(2) Three members shall be appointed from the medical, dental, and other health professions and health teaching professions.

(3) One member shall be appointed from a State health planning and development agency designated under section 1521, one member shall be appointed from a Statewide Health Coordinating Council under section 1524, and one member shall be appointed from a health systems agency designated under section 1515.

(4) Three members shall be appointed from the Service, at least two of whom shall be members of the Corps directly engaged in the provision of health services for a medically underserved population.

(5) Two members shall be appointed from the National Council on Health Planning and Development (established under section 1503). The Council shall consult with, advise, and make recommendations to, the Secretary with respect to his responsibilities in carrying out this subpart, and shall review and comment upon regulations promulgated by the Secretary under this section subpart.

(b)(1) Members of the Council shall be appointed for a term of three years and shall not be removed, except for cause. Members may be reappointed to the Council.

(2) Members of the Council (other than members who are officers or employees of the United States), while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be entitled to receive for each day (including traveltime) in which they are so serving the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule; and while so serving away from their homes or regular places of business all members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5 of the United States Code for persons in the Government Service employed intermittently.

AUTHORIZATION OF APPROPRIATION

SEC. 335. To carry out the purposes of this subpart, there is authorized to be appropriated \$30,000,000 for fiscal year 1976.

PART D—LEPERS

RECEIPT OF LEPERS

SEC. [331] 338. The Service shall, in accordance with regulations, receive into any hospital of the Service suitable for his accommodation any person afflicted with leprosy who presents himself for care,

detention, or treatment, or who may be apprehended under section 332 or 361 of this Act, and any person afflicted with leprosy duly consigned to the care of the Service by the proper health authority of any State. The Surgeon General is authorized, upon the request of any health authority to send for any person within the jurisdiction of such authority who is afflicted with leprosy and to convey such person to the appropriate hospital for detention and treatment. When the transportation of any such person is undertaken for the protection of the public health the expense of such removal shall be met from funds available for the maintenance of hospitals of the Service. Such funds shall also be available, subject to regulations, for transportation of recovered indigent leper patients to their homes, including subsistence allowance while traveling. When so provided in appropriations available for any fiscal year for the maintenance of hospitals of the Service, the Surgeon General is authorized and directed to make payments to the Board of Health of Hawaii for the care and treatment in its facilities of persons afflicted with leprosy at a per diem rate, determined from time to time by the Surgeon General, which shall, subject to the availability of appropriations, be approximately equal to the per diem operating cost per patient of such facilities, except that such per diem rate shall not be greater than the comparable per diem operating cost per patient at the National Leprosarium, Carville, Louisiana.

APPREHENSION, DETENTION, TREATMENT, AND RELEASE

SEC. [332] 339. The Surgeon General may provide by regulation for the apprehension, detention, treatment, and release of persons being treated by the Service for leprosy.

TITLE VII—HEALTH RESEARCH AND TEACHING FACILITIES AND TRAINING OF PROFESSIONAL HEALTH PERSONNEL

PART C—STUDENT LOANS

Subpart I—Loans to Students Studying in the United States

LOAN PROVISIONS

SEC. 741. (a) Loans from a loan fund established under this subpart may not exceed \$3,500 for any student for any academic year or its equivalent.

(b) Any such loans shall be made on such terms and conditions as the school may determine, but may be made only to a student in need of the amount thereof to pursue a full-time course of study at the school leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, doctor of osteopathy, bachelor of science in pharmacy or an equivalent degree, doctor of podiatry or an equivalent degree, doctor of optometry or an equivalent degree, or doctor of veterinary medicine or an equivalent degree.

(c) Such loans shall be repayable in equal or graduated periodic installments (with the right of the borrower to accelerate repayment) over the 10-year period which begins 1 year after the student ceases to pursue a full-time course of study at a school of medicine, osteopathy, dentistry, pharmacy, podiatry, optometry, or veterinary

medicine, excluding from such 10-year period all periods (up to 3 years) of (1) active duty performed by the borrower as a member of a uniformed service, or (2) service as a volunteer under the Peace Corps Act; and periods of advanced professional training including internships and residences.

(d) The liability to repay the unpaid balance of such a loan and accrued interest thereon shall be canceled upon the death of the borrower, or if the Secretary determines that he has become permanently, and totally disabled.

(e) Such loans shall bear interest, on the unpaid balance of the loan, computed only for periods for which the loan is repayable, at the rate of 3 per centum per year.

(f)(1) In the case of any individual—

(A) who has received a degree of doctor of medicine, doctor of osteopathy, doctor of dentistry or an equivalent degree, doctor of veterinary medicine or an equivalent degree, doctor of optometry or an equivalent degree, bachelor of science in pharmacy or an equivalent degree, or doctor of podiatry or an equivalent degree:

(B) who obtained (i) one or more loans from a loan fund established under this part, or (ii) any other educational loan for his costs at a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, or podiatry; and

(C) who enters into an agreement with the Secretary to practice his profession (as a member of the National Health Service Corps or otherwise) for a period of at least two years in an area in a State [designated under section 329(b) or otherwise determined by the Secretary, after consultation with the appropriate State health authority (as determined by the Secretary by regulations), to have a shortage of and need for persons trained in his profession;] *in which is located a medically underserved population designated under section 330;*

the Secretary shall make payments in accordance with paragraph (2), for and on behalf of that individual, on the principal of and interest on any loan of his described in subparagraph (B) of this paragraph which is outstanding on the date he begins the practice specified in the agreement described in subparagraph (C) of this paragraph.

* * * * *

(b) Any such loans shall be made on such terms and conditions as the school may determine, but may be made only to a student in need of the amount thereof to purchase a full-time course of study at the school leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, doctor of osteopathy, bachelor of science in pharmacy or an equivalent degree, doctor of podiatry or an equivalent degree, doctor of optometry or an equivalent degree, or doctor of veterinary medicine or an equivalent degree.

(c) Such loans shall be repaid in equal or graduated periodic installments (with the right of the borrower to accelerate repayment) over the 10-year period which begins 1 year after the student ceases to pursue a full-time course of study at a school of medicine, osteopathy, dentistry, pharmacy, podiatry, optometry, or veterinary medicine.

94TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } } No. 94-143

NURSE TRAINING ACT OF 1975



APRIL 10, 1975.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. STAGGERS, from the Committee on Interstate and Foreign Commerce, submitted the following

REPORT

together with

ADDITIONAL VIEWS and MINORITY VIEWS

[To accompany H.R. 4115]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (H.R. 4115) to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

The amendments are as follows:

Page 4, line 21, strike out "801" the second time it appears and insert in lieu thereof "802".

Page 8, line 21, insert ", or ten students, whichever is greater," after "number".

Page 18, line 10, insert "for registered nurses (irrespective of the type of nursing school in which the nurses received their training)" after "programs".

On page 18, strike out line 18 and all that follows down through and including line 4 on page 19, and insert the following:

(B) After consultation with appropriate educational organizations and professional nursing and medical organizations, the Secretary shall prescribe guidelines for programs for the training of nurse practitioners. Such guidelines shall, as a minimum, require that such a program—

(i) extend for at least one academic year and consist of—

- (I) supervised clinical practice, and
- (II) at least four months (in the aggregate) of classroom instruction,

directed toward preparing nurses to deliver primary health care; and

(ii) have an enrollment of not less than eight students.

Page 19, insert "for a project" after "entered into" in lines 5 and 11.

Page 22, line 8, immediately before "and" insert "in subsection (b)".

Page 23, line 5, strike out "and" and insert in lieu thereof ", and for each of".

Page 23, line 7, strike out "and" and insert in lieu thereof ", and for each of".

Page 27, line 4, insert "and inserting in lieu thereof 'this subpart'" after "subsection" and before the period.

Page 27, line 18, insert "each place it occurs" immediately before "and".

Page 31, line 8, strike out "(i)" and insert in lieu thereof "(f)".

SUMMARY OF LEGISLATION

The legislation proposes to continue, without change, for fiscal year 1975 the nurse training authorities of title VIII of the Public Health Service Act and proposes to continue the authorities for fiscal years 1976, 1977, and 1978 with modifications.

The proposed modifications for fiscal years 1976, 1977, and 1978:

(1) continue the existing authority for grants for construction of teaching facilities for diploma, associate degree, and collegiate schools of nursing and for loan guarantees and interest subsidies to assist in financing such construction;

(2) continue existing authority whereby diploma, associate degree, and collegiate schools of nursing receive "capitation" support, based on the number of students in such schools, modify the capitation formula as it relates to level of support and the period for which different types of programs are eligible for support, and provide alternative eligibility requirements for such support;

(3) continue the existing authority for financial distress grants to schools of nursing;

(4) modify existing authority for project grants to schools of nursing;

(5) add new authority to assist schools of nursing in the establishment of advanced nurse training programs;

(6) add new authority to assist schools of nursing in establishing programs for the training of nurse practitioners;

(7) continue the existing authority for traineeships for advanced training of professional nurses to become teachers, supervisors, clinical specialists and nurse practitioners;

(8) continue the existing authority for nursing student loans;

(9) continue the existing program for scholarships for nursing students;

(10) require the Secretary of Health, Education, and Welfare to collect, analyze and report on a continuing basis, information respecting the supply and distribution of and requirements for nurses; and

(11) prohibit the Secretary of Health, Education, and Welfare from delegating his authority to administer any program under this Act to any officer in any regional office.

BACKGROUND

The legislative authority for existing programs under the Nurse Training Act (title VIII of the Public Health Service Act) expired on June 30, 1974. Funds for many of the provisions, such as institutional support, were obligated shortly before the end of fiscal 1974 for expenditure during the current school year. Through enactment of Public Law 93-385, the legislative authority of the Nurse Training Act for nursing student loans was extended through fiscal 1975. All other legislative authority is presently being funded under a continuing resolution.

On November 29, 1974, the Committee reported H.R. 17085, which would have revised and extended authorities under the Nurse Training Act for fiscal 1975, 1976, and 1977. H.R. 17085 passed the House of Representatives on December 12, 1974. On December 19, 1974, the Senate passed the bill with an amendment, and the House agreed to the Senate amendment on December 20, 1974. The bill was vetoed on January 4, 1975.

On February 6, 1975, most members of the Subcommittee on Health and the Environment reintroduced H.R. 17085 as H.R. 2957. Hearings were conducted on H.R. 2957 as well as other major legislative proposals intended to amend provisions of the Nurse Training Act and the Health Manpower Act (title VII of the Public Health Service Act).

H.R. 2957 was subsequently considered in open mark-up by the Subcommittee on Health and the Environment, amended, reported, and reintroduced as a clean bill, H.R. 4115, on March 4, 1975. H.R. 4115 was subsequently considered and ordered reported, with an amendment, by voice vote of the Committee on Interstate and Foreign Commerce on March 26, 1975.

COST OF LEGISLATION

As reported by the Committee, the bill provides for a one year simple extension for fiscal year 1975, at fiscal 1974 authorization levels, and a three year extension, with modifications, for fiscal years 1976, 1977, and 1978, of the Nurse Training Act, with appropriation authorizations as shown in the following table.

TABLE 1.—NEW OBLIGATIONAL AUTHORITY FOR FISCAL YEARS 1975-78 UNDER H.R. 4115
[In millions of dollars]

	Fiscal year—				Total
	1975	1976	1977	1978	
Construction:					
Grants.....	(1)	20	20	20	60
Interest subsidies.....	(1)	1	1	1	3
Capitation.....	(1)	50	55	60	165
Financial distress.....	(1)	5	5	5	15
Special projects (grants and contracts).....	(1)	15	15	15	45
Advanced nurse training (grants and contracts).....	(1)	15	20	25	60
Nurse practitioner programs (grants and contracts).....		15	20	25	60
Traineeships.....	(1)	15	20	25	60
Student loans.....	(2)	25	30	35	90
Scholarships.....	(2)	(2)	(2)	(2)	(2)
Total.....	(1)	161	186	211	558

¹ Simple 1 year extension of existing authority.

² Public Law 93-385, approved August 23, 1974, authorized \$35,000,000 for student loans for fiscal 1:75.

³ Legislation provides statutory formula for allocation of appropriated funds among schools.

The authorizations may be compared to the following program budgetary experience. The comparable total authorizations were \$214 million in fiscal 1973 and \$236 million in fiscal 1974; fiscal 1974 appropriation was \$140.75 million.

TABLE 2.—APPROPRIATION AUTHORIZATIONS, BUDGET REQUESTS, ACTUAL APPROPRIATIONS FOR NURSING TRAINING, 1964-71
[In thousands of dollars]

	1964	1965	1966	1967	1968	1969	1970	1971
NURSING								
Construction:								
Authorization.....	0	0	15,000	25,000	25,000	25,000	25,000	35,000
Budget request.....	0	0	15,000	25,000	25,000	8,000	8,000	8,000
Appropriation.....	0	0	15,000	25,000	25,000	8,000	8,000	19,500
Institutional (formula) grants (payments to diploma schools, 1965 through 1969):								
Authorization.....	0	4,000	7,000	10,000	10,000	10,000	² 35,000	³ 40,000
Budget request.....	0	4,000	4,000	6,000	3,000	3,000	0	0
Appropriation.....	0	4,000	2,500	6,000	3,000	3,000	0	0
Institutional grants—Project grants for improvement of nurse training:								
Authorization.....	0	2,000	3,000	4,000	4,000	4,000	² 35,300	³ 40,000
Budget request.....	0	2,000	3,000	4,000	4,000	4,000	7,000	11,000
Appropriation.....	0	2,000	3,000	4,000	4,000	4,000	³ 8,400	11,500
Advanced traineeships:								
Authorization.....	(4)	8,000	9,000	10,000	11,000	12,000	15,000	19,000
Budget request.....	7,325	8,000	9,000	10,000	10,000	11,000	10,470	10,470
Appropriation.....	7,325	8,000	9,000	10,000	10,000	10,470	10,470	10,470
Scholarships (nursing educational opportunity grants, 1967 through 1969):								
Authorization.....	0	0	0	3,000	5,000	7,000	⁵ 32,000	⁵ 33,000
Budget request.....	0	0	0	750	5,000	6,800	12,000	17,000
Appropriation.....	0	0	0	500	5,000	6,500	7,178	17,000
Student loans:								
Authorization.....	0	3,100	8,900	16,900	25,300	30,900	20,000	21,000
Budget request.....	0	3,100	8,900	8,500	16,000	9,700	9,610	9,610
Appropriation.....	0	3,100	8,900	16,900	16,000	9,610	⁶ 16,630	17,110

¹ \$1,500,000 reserved until 1972.

² \$35,000,000 and \$40,000,000 authorized for both formula and project grants with stipulation that \$15,000,000 of funds appropriated shall be available for project grants.

³ \$1,400,000 reserved.

⁴ Indefinite.

⁵ Reflects total amounts authorized by formula if full funding were available.

⁶ \$6,750,000 reserved.

TABLE 3.—APPROPRIATION AUTHORIZATIONS, BUDGET REQUESTS, ACTUAL APPROPRIATIONS FOR NURSE TRAINING, 1972-74
[In thousands of dollars]

	1972	1973	1974
Construction:			
Grants:			
Authorization.....	35,000	40,000	45,000
Budget request.....	0	0	0
Appropriation.....	19,500	20,000	20,000
Interest subsidies:			
Authorization.....	1,000	2,000	4,000
Budget request.....	200	1,000	1,000
Appropriation.....	200	1,000	1,000
Institutional grants (capitation):			
Authorization.....	78,000	82,000	88,000
Budget request.....	0	33,500	0
Appropriation.....	31,500	38,500	36,150
Institutional grants and contracts: Special projects for improvement of nurse training (grants and contracts):			
Authorization.....	20,000	28,000	35,000
Budget request.....	11,500	19,000	15,000
Appropriation.....	19,000	25,000	20,000
Full utilization grants and contracts:			
Authorization.....	3,500	5,000	6,500
Budget request.....	540	2,000	0
Appropriation.....	2,000	2,000	1,000
Financial distress grants:			
Authorization.....	15,000	10,000	5,000
Budget request.....	0	2,000	0
Appropriation.....	10,000	10,000	5,000
Startup grants:			
Authorization.....	4,000	8,000	12,000
Budget request.....	0	2,000	0
Appropriation.....	0	2,000	0
Advanced traineeships:			
Authorization.....	20,000	22,000	24,000
Budget request.....	11,470	11,500	0
Appropriation.....	11,470	12,500	13,700
Scholarships:			
Authorization.....	(1)	(1)	(1)
Budget request.....	17,000	19,500	11,000
Appropriation.....	19,500	21,500	20,500
Student loans:			
Authorization.....	25,000	30,000	35,000
Budget request.....	9,610	21,000	21,000
Appropriation.....	21,000	24,000	24,000

¹ No specified amount—based on formula in the legislation.

HISTORY OF NURSE TRAINING LEGISLATION

The first comprehensive Federal legislation to provide funds for nursing education, the Nurse Training Act of 1964 (P.L. 88-581), demonstrated the recognition by the Congress that professional nursing personnel were essential to the health of the nation. Before enactment of the 1964 Act, 23% of the nursing positions in hospitals were unfilled. Many experts predicted nurse shortages of crisis proportion. The Nurse Training Act added title VIII, Nurse Training, to the Public Health Service Act which authorized a balanced program of Federal assistance to students and schools of professional nursing, with grants for construction of nursing education facilities, special projects to improve nurse training, formula payments for diploma schools, and low-cost, partially cancelable loans for nursing students. The Professional Nurse Traineeship program, established in 1956, was continued under this title and broadened to include advanced preparation in clinical specialties. Amendments in 1966 authorized nursing education opportunity grants for needy students and contracts to foster recruitment of such students.

Title II of the Health Manpower Act of 1968 (P.L. 90-490) broadened the nurse training provisions and extended the authority for two fiscal years, 1970 and 1971. The purposes for which special project grants could be awarded were expanded, and eligibility of applicants was modified. This Act authorized basic support for all three types of schools of nursing (diploma, associate degree and collegiate) and amended the loan provisions and cancellation features. A new program of nursing scholarships was added to replace nursing education opportunity grants and provide more flexibility for schools in making financial available assistance to meet student needs.

The Nurse Training Act of 1971 expanded and extended Federal assistance to nursing education through June 30, 1974, with major additions: basic institutional support in the form of capitation grants (grants based on the number of nursing students enrolled therein) to schools of nursing that agreed to expand their enrollments or provide training to prepare certain types of nurse practitioners; financial distress grants for schools of nursing; and start-up grants for new nurse training programs. The 1971 Act also increased the maximum Federal share of costs for nursing school construction, provided authority for construction of interim educational facilities, and authorized loan guarantees and interest subsidies for non-Federal loans for the building of nonprofit private nursing schools.

Contract authority was added to the authority for special project grants, and the authority for recruitment contracts was extended to include grants to accelerate recruitment and encourage full utilization of educational talent for nursing.

Major changes in the loan and scholarship provisions included increased annual ceilings on loans, extension of eligibility for loans and scholarships to half-time students, liberalized loan cancellation benefits, and Federal repayment of nursing education loans for service under specified circumstances.

Since the nurse training authorities of title VIII of the Public Health Service Act were established in 1964 more than \$700 million has been awarded for student scholarships, loans, and traineeships; for construction and basic support for nursing education programs; and for projects to improve nursing education and recruitment. Levels of funding for these programs in fiscal years 1965-74 and grants and contracts awarded for this period are set forth below in table 4.

TABLE 4.—GRANTS AND CONTRACTS AWARDED FOR NURSE TRAINING, 1965-74

Program	Years authorized	Number of grants and contracts ¹	Total awards (thousands) ¹
Construction of nurse education facilities.....	1966-74	224	\$144,368
Projects for improvement in nurse training.....	1965-74	717	92,586
Payments to diploma schools.....	1965-69	1,685	12,003
Nursing student loans.....	1965-74	8,099	154,208
Professional nurse traineeships.....	1965-74	1,572	108,085
Full utilization of nursing educational talent.....	1968-74	34	4,846
Nursing educational opportunity grants.....	1968-70	592	8,442
Nursing scholarships.....	1970-74	4,980	88,171
Capitation grants.....	1972-74	2,804	104,281
Financial distress grants.....	1972-74	173	11,290
Startup grants.....	1972-74	13	1,024

¹ Subject to final adjustment.

The provisions of title VIII of the Public Health Service Act have resulted in demonstrable gains in suitable facilities for nursing education, expanded and modernized clinical and academic curricula, and increased numbers of nursing education programs, faculty, and students. The provisions have fostered recruitment of and assistance to students from minority and socioeconomically disadvantaged backgrounds and encouraged upward mobility opportunities for licensed practical nurses and others with previous health service experience wishing to become registered nurses.

Since the inception of Federal support for nursing education in 1956, the supply of professional nurses has increased dramatically. The ratio of employed registered nurses to population has increased from 259 nurses per 100,000 people in 1956 to 361 per 100,000 in 1972. Hospital vacancy rates (unfilled nursing positions) have decreased from 23 percent in 1962 to less than 5 percent in 1972. While 74 percent of all active registered nurses are employed in hospitals, nursing homes and other health care institutions, and such employment remains the first preference of nursing students, growing numbers of registered nurses from all educational backgrounds are seeking advanced training as nurse practitioners. Many of those who choose to remain in the institutional setting are receiving advanced training in clinical specialties to better staff intensive care wards and special units for renal dialysis, cancer therapy, rehabilitation services and burn care as well as to prepare for administrative and supervisory roles.

NEED FOR LEGISLATION

Despite the advances in increasing the supply of professional nurses and the improvements which have been realized in the education of nursing students, this nation still faces a shortage of nursing personnel. The U.S. Public Health Service estimated that by 1975 this country would require one million professional nurses. Current supplies fall 50,000 below that goal. As more of our senior citizens enter nursing homes or require home health care services, the shortage will grow even larger. The inevitability of some form of national health insurance will strain our supply of nursing personnel even further. A concerted effort must be made to continue to increase the number of active professional nurses, by expanding enrollment in nursing education programs, to provide remedial education programs for those nurses who have left the work force to raise families, and to encourage licensed practical nurses and other allied health personnel to seek training as professional nurses.

The Committee has identified two additional areas of concern with respect to the pool of professional nurse personnel: the growing influence of foreign-trained nurses, which, in the Committee's view, could best be dealt with by revisions in the immigration law; and the geographic maldistribution of professional nurses.

A growing proportion of this country's supply of nursing personnel is foreign trained. The number of foreign trained nurses becoming licensed in the United States, which averaged 1.7 percent of the output by U.S. schools in 1950 and 10 percent in 1967, had grown to 17 percent in 1972, outstripping 1971 HEW estimates which predicted

16.4 percent by 1980. Table 5 shows the number of licenses issued to foreign trained nurses in 1971 and 1972 by State issuing such licenses.

TABLE 5.—LICENSES ISSUED TO REGISTERED NURSES FROM FOREIGN COUNTRIES, ¹ BY METHOD OF LICENSURE AND STATE ISSUING LICENSE, 1971 AND 1972

State or territory	1971			1972
	Total	Examination	Endorsement	Examination and endorsement
Total.....	6,824	1,414	5,410	9,102
Alabama.....	6	2	4	11
Alaska.....	24	6	18	35
Arizona.....	34		34	18
Arkansas.....	5		5	
California.....	652	441	211	1,452
Colorado.....	55	14	41	54
Connecticut.....	46	42	4	57
Delaware.....	6	6		6
District of Columbia.....	(2)	(2)	(2)	(2)
Florida.....	84	2	82	76
Georgia.....	30		30	104
Guam.....	13	4	9	16
Hawaii.....	28	21	7	40
Idaho.....	9	2	7	9
Illinois.....	303	79	224	4,234
Indiana.....	48		48	75
Iowa.....	15	6	9	19
Kansas.....	12	12		15
Kentucky.....	20	9	11	5
Louisiana.....	16		16	25
Maine.....	15	6	9	35
Maryland.....	65	48	17	158
Massachusetts.....	169	144	25	146
Michigan.....	1,529		1,529	1,749
Minnesota.....	37	24	13	93
Mississippi.....	10	9	1	(2)
Missouri.....	32	22	10	58
Montana.....	8	6	2	8
Nebraska.....	8	6	2	2
Nevada.....	17	5	12	33
New Hampshire.....	19	9	10	21
New Jersey.....	203	185	18	228
New Mexico.....	288	1	287	9
New York.....	2,239		2,239	3,306
North Carolina.....	22	13	9	10
North Dakota.....	7		7	1
Ohio.....	67	47	20	93
Oklahoma.....	13	7	6	13
Oregon.....	126	12	114	168
Pennsylvania.....	54	27	27	72
Rhode Island.....	11	7	4	32
South Carolina.....	6		6	3
South Dakota.....	4		4	
Tennessee.....	5	5		34
Texas.....	112	112		314
Utah.....	(2)	(2)	(2)	(2)
Vermont.....	16	5	11	11
Virgin Islands.....	15		15	18
Virginia.....	174	16	158	129
Washington.....	109	39	70	67
West Virginia.....	16	3	13	20
Wisconsin.....	14	9	5	8
Wyoming.....	8	1	7	10

¹ Includes those being licensed for the 1st time and those previously licensed in another State or territory of the United States.

² No report.
³ Information not available.
⁴ Estimate.

Source: American Nurses' Association, Statistics Department, "Annual Statistical Report from the State Boards of Nursing to American Nurses' Association for the Calendar Year 1972," Unpublished data.

This Committee is concerned by the growing reliance of this nation on foreign-trained health manpower, and would hope that increases in domestic supplies of health professionals would serve to obviate our present dependence on foreign graduates.

(3) Nurses are seriously maldistributed geographically in much the same pattern and for many of the same reasons as are physicians. As the following table indicates, the nurse: population ratio varies widely, from a high of 673 per 100,000 people in the District of Columbia to a low of 190 per 100,000 in Arkansas.

TABLE 6.—ADJUSTED TOTALS FOR EMPLOYED REGISTERED NURSES AND RATIO PER 100,000 POPULATION, BY STATE AND REGION, 1972

State and region	Employed nurses ¹ (adjusted figure)	Nurse-population ratio ²	State and region	Employed nurses ¹ (adjusted figure)	Nurse-population ratio ²
United States.....	749,979	380	East north-central.....	152,089	370
New England.....	72,328	596	Illinois.....	44,783	397
Connecticut.....	17,887	579	Indiana.....	15,841	298
Maine.....	4,810	464	Michigan.....	30,546	335
Massachusetts.....	37,620	649	Ohio.....	42,032	389
New Hampshire.....	4,445	572	Wisconsin.....	18,887	416
Rhode Island.....	4,712	485			
Vermont.....	2,854	612	West north-central.....	68,044	406
Middle Atlantic.....	183,245	485	Iowa.....	11,959	413
New Jersey.....	31,943	432	Kansas.....	9,098	400
New York.....	89,375	485	Minnesota.....	19,169	486
Pennsylvania.....	61,927	519	Missouri.....	14,982	312
South Atlantic.....	108,963	340	Nebraska.....	6,802	443
Delaware.....	2,935	514	North Dakota.....	2,885	455
District of Columbia.....	5,020	673	South Dakota.....	3,149	462
Florida.....	26,202	353			
Georgia.....	12,492	263	Mountain.....	35,322	393
Maryland.....	14,847	363	Arizona.....	8,513	428
North Carolina.....	16,649	318	Colorado.....	11,780	491
South Carolina.....	7,916	295	Idaho.....	2,518	329
Virginia.....	16,647	348	Montana.....	3,261	451
West Virginia.....	6,255	350	Nevada.....	1,732	323
East south-central.....	30,909	235	New Mexico.....	2,778	258
Alabama.....	7,847	223	Utah.....	3,260	285
Kentucky.....	8,487	256	Wyoming.....	1,480	425
Mississippi.....	5,129	226			
Tennessee.....	9,446	233	Pacific.....	96,443	352
West south-central.....	47,636	237	Alaska.....	1,399	422
Arkansas.....	3,776	190	California.....	68,668	334
Louisiana.....	9,133	245	Hawaii.....	3,110	380
Oklahoma.....	6,514	246	Oregon.....	8,790	399
Texas.....	28,213	240	Washington.....	14,476	420

¹ Adjusted for nonresponse to questions on employment status and county of employment.
² Ratios based on 1972 population estimates, Market Statistics, N.Y., N.Y.

Source: American Nurses' Association, Statistics Department, "The Nation's Nurses: 1972 Inventory of Registered Nurses."

Mechanisms must be developed to encourage the establishment of nursing education facilities, and the location or relocation of professional nurses in areas which lack sufficient supplies of trained nursing personnel. Special project provisions of this legislation as well as legislation also reported by the Committee, H.R. 4114, which would revise and extend the National Health Service Corps Program, would encourage volunteer nursing personnel to serve medically underserved populations in the United States.

In view of the critical problems facing the nation with respect to adequate supply, training, and distribution of professional nurses,

this Committee has proposed extension of the Nurse Training Act through fiscal year 1978 with significant revision to reflect existing needs.

PROPOSED LEGISLATION

Due to the veto of the legislation adopted by the Congress in 1974, no authority presently exists which would continue provisions of the Nurse Training Act for fiscal 1975. In view of the fact that the proposed changes in existing authorities would require the promulgation of new regulations as well as new requirements for schools of nursing, the Committee has chosen to extend, at 1974 authorization levels, provisions of existing law. Thus, H.R. 4115 extends, through fiscal year 1975, the provisions of the 1971 Nurse Training Act and, for fiscal years 1976-1978, continues the program of support to schools and students with modifications designed to meet the greatest current needs in nursing—the preparation of nurse faculty, administrators, clinicians, and nurse practitioners. Support to schools include grants and interest subsidy payment for construction of nursing education facilities, institutional support in the form of capitation grants, financial distress grants, special project grants and contracts for improvement in nurse training, and beginning in fiscal year 1976 two new programs to assist schools of nursing and other educational entities in the development, expansion and operation of programs providing advanced nurse training and nurse practitioner training. Student support through the professional nurse traineeships, and nursing student loans and scholarship is continued.

CONSTRUCTION GRANTS, LOAN GUARANTEES AND INTEREST SUBSIDIES

The Nurse Training Act of 1964 authorized a program of matching grants to eligible nurse training programs for construction, expansion, or renovation of nursing education facilities. The Health Manpower Act of 1968 increased the previously authorized maximum Federal share from 50 percent to 66 $\frac{2}{3}$ percent and authorized the inclusion of space for continuing education in the construction projects of baccalaureate and higher degree programs. The 1971 Act extended this authority through 1974 and added a new program of guarantees and interest subsidies for non-Federal construction loans for nonprofit private schools of nursing.

From December, 1965, through June, 1974, 224 construction grants were awarded—94 for baccalaureate and higher degree programs, 79 for associate degree programs, and 51 for diploma programs. Nine of the awards to baccalaureate and higher degree institutions included space for associate degree programs conducted within the same institutions. More than 11,000 new first year places have been provided in schools of nursing and approximately 34,000 student places maintained with the construction made possible through these grants.

The proposed legislation continues for fiscal year 1975 the existing authority for construction grants, loan guarantees and interest subsidies and provides an additional \$60 million over the next three fiscal years for grants for the construction of new facilities. It also provided in schools of nursing and approximately 34,000 student places over fiscal years 1976-78 to assist nonprofit private schools of nursing with construction of nursing education facilities.

The Committee recognizes that many new nursing education programs are in need of teaching space and that many existing facilities need renovation or replacement. If nursing schools are to provide quality education to large numbers of students and provide settings for innovative instruction, then adequate and appropriate facilities, space and equipment are essential.

This is especially important for graduate programs where expansion is most needed, and thus, the Committee has, in this new legislation, specifically stipulated that grants may be awarded for expansion of existing programs to provide graduate training. The Committee also anticipates that priority in the award of construction grants for new facilities will be given to applicants from areas where there is a shortage of trained nursing personnel.

CAPITATION GRANTS

Basic support grants for all types of nursing education programs were authorized for the first time by the Nurse Training Act of 1971, based on the well-established need to maintain the quality of education in nursing schools by establishing a firm core of financial support. Such grants, termed "capitation" grants (formula grants to schools based on the number of nursing students enrolled therein) were authorized to be awarded to nursing schools that meet the following three requirements specified in the law: (1) expansion of enrollment; (2) maintenance of effort in the expenditure of funds from non-Federal sources; and (3) submission of a plan to carry out projects in at least three of eight specified categories. These projects included training nurses for new roles or levels of nursing, establishing cooperative interdisciplinary training among schools of nursing, effecting significant nursing curriculum improvements with a view toward assumption of greater patient care responsibility, and encouraging minority group enrollment and retention.

More than \$100 million was awarded to eligible programs in fiscal years 1972-1974. In each of the three years approximately 95 percent of the applicants met the eligibility requirements. The awards by type of program for each of the three years are shown in table 6.

TABLE 7.—NURSING CAPITATION GRANTS, NUMBER AND PERCENT OF AWARDS AND NUMBER AND PERCENT OF FUNDS BY TYPE OF PROGRAM IN FISCAL YEARS 1972, 1973, AND 1974

	1972		1973		1974	
	Number of awards	Percent of awards	Number of awards	Percent of awards	Number of awards	Percent of awards
Total.....	875	100	948	100	981	100
Diploma.....	263	30	209	22	181	18
Associate.....	311	36	408	43	445	45
Baccalaureate.....	246	28	273	29	291	30
Graduate.....	55	6	58	6	64	7
	Amount of funds	Percent of funds	Amount of funds	Percent of funds	Amount of funds	Percent of funds
Total.....	\$31,439,358	100	\$38,500,000	100	\$34,341,774	100
Diploma.....	8,921,283	28	8,004,766	21	5,679,508	17
Associate.....	9,121,615	29	13,436,990	35	12,499,413	36
Baccalaureate.....	12,400,912	40	15,956,976	41	15,225,821	44
Graduate.....	995,548	3	1,101,268	3	937,032	3

Testimony presented during hearings indicated that Federal capitation grants have permitted schools at all levels to prepare students who can practice in a variety of settings, to employ additional faculty and staff to compensate for increases in enrollment, and to research and develop new curricula. Capitation support has aided nursing schools in offering nursing education of a quality which would not otherwise be achieved on tight operating budgets.

The Committee has carefully considered the costs of the three types of undergraduate nursing education programs as determined by the Institute of Medicine cost study, the nursing and non-nursing components of their curricula, the length and completion rates of the different types of programs, and the relative costs and number of graduate programs of nursing education. On the basis of these deliberations, the Committee has decided on a more equitable formula for capitation grants which provides a different per capita amount and different enrollment basis for the three types of initial nursing education programs beginning in fiscal 1976, as follows:

(1) Each collegiate school of nursing is authorized to receive \$400 for each student enrolled in each of the last two years of its undergraduate program.

(2) Each associate degree school of nursing is authorized to receive \$275 for each student enrolled in the last year of its program and \$275 for one-half of the students enrolled in the first year of its program.

(3) Each diploma school of nursing is authorized to receive \$250 for each fulltime student.

In order to be eligible for capitation awards, schools will still be required to meet maintenance of effort requirements, but the Committee, recognizing the serious physical constraints which many schools experience, has developed a series of options to the previously mandated enrollment increase requirements. The optional requirements, designed to address current national needs, include training nurse practitioners, training students in sites remote from the main teaching facilities of the schools, providing continuing education programs for registered nurses, and operating programs to identify, recruit, enroll, and graduate students from disadvantaged backgrounds. The provisions for enrollment bonus students and practitioner students in the capitation grant formula will be repealed. Support for advanced nurse training programs and nurse practitioner training programs is authorized by separate new sections of the proposed legislation.

The Committee is concerned by the relatively high withdrawal rates experienced by all three types of programs. While such rates are considerably lower than withdrawal rates for college students in other fields of study, they are considerably higher than those experienced by other health professions schools. The Committee hopes that a more concerted effort will be made by nursing schools to identify potential students who would be more likely to graduate and thus become able to graduate a larger proportion of enrolled students.

FINANCIAL DISTRESS GRANTS

Assistance with costs of operation for schools of nursing in serious financial straits, and with costs of meeting accreditation requirements

were among the purposes for which special project grants could be awarded under the Health Manpower Act of 1968. Fifteen grants were made for this purpose in fiscal years 1970 and 1971.

The Nurse Training Act of 1971 provided a separate authority for this type of assistance which authorized financial distress grants to assist schools of nursing in serious financial straits to meet operational costs necessary to maintain quality educational programs or meet accreditation requirements. 173 financial distress grants totaling \$11.3 million were awarded under this new authority.

Schools have used monies received from financial distress grants to meet emergency situations such as damage caused by floods, to maintain the quality of the nursing education program for a limited period pending availability of stable long-term support and to cover the costs of special efforts required to achieve program accreditation.

The proposed legislation continues, at existing levels, the 1974 authority for financial distress grants during fiscal year 1975, and provides \$15 million for fiscal years 1976-78 to continue authority to provide assistance to schools of nursing which are in serious financial straits to meet operational costs necessary to maintain quality educational programs, or which have special need for financial assistance to meet accreditation requirements.

NURSING STUDENT LOANS AND SCHOLARSHIPS

The nursing student loan program first authorized under the Nurse Training Act of 1964 was designed to increase the number of nurses in practice by helping students finance costs of initial or graduate nursing education with long-term, low interest, loans that could be partially canceled through employment in nursing after graduation. This program made it possible for nursing students to borrow up to \$1,000 in any academic year for full-time study. Up to 50 percent of the loans could be canceled for full-time employment as a professional nurse in any public or nonprofit private institution or agency.

The 1968 Act increased the maximum amount of a student loan to \$1,500, and required that in awarding loans preference should be given to licensed practical nurses and first year students. Up to 100 percent of the loan could be canceled for service as a professional nurse in a public or non-profit private hospital in an area designated by the Secretary as having a substantial shortage of nurses.

The 1971 Act raised the maximum amount of the loan to \$2,500 per student and included half-time as well as full-time study. The rate of loan cancellation was improved and a new provision for loan repayment was added.

More than \$154 million has been awarded to schools of nursing for student loans since the initiation of the program. The number of schools participating in the loan program has increased from 426 in 1965 to 1,151 in 1974 and the number of students receiving assistance from 3,654 to 26,250.

The proposed legislation provides a simple extension of existing authority for fiscal 1975 and \$90 million over fiscal years 1976, 1977, and 1978 (and such sums as are necessary for the next three fiscal years to permit students who have received loans during such period to complete their education) to schools of nursing for Federal capital

contributions to student loan funds. It also would defer loan repayment while the borrower is training to be a nurse anesthetist, in addition to the deferment available while pursuing other kinds of advanced nurse training.

A program of scholarships for nursing students of exceptional financial need was authorized by the Health Manpower Act of 1968. This program authorized grants to nursing schools for scholarships based on a formula of \$2000 times one-tenth of their full-time students. The maximum authorized scholarship award was \$1500 per year. The Nurse Training Act of 1971 extended the authority for scholarships, and increased the maximum student scholarship per year to \$2000 and revised the formula for scholarship grants to schools. It also extended eligibility to half-time students. The number of schools participating in the scholarship program increased from 677 in 1970 to 1,225 in 1974. The number of students assisted increased to an estimated 20,500.

In the Committee's view, continuation of the scholarship program is essential if needy students from disadvantaged backgrounds are to enter and complete nursing studies. The proposed legislation would extend the scholarship provisions of existing law and, if fully funded, will provide an estimated \$201 million for fiscal years 1976, 1977 and 1978 in grants to schools of nursing.

PROFESSIONAL NURSE TRAINEESHIPS

The Professional Nurse Traineeship program has been the major source of Federal financial assistance for registered nurses to obtain the advanced educational preparation necessary for leadership positions in nursing. This traineeship support has enabled nurses to obtain the necessary knowledge and skills to serve in positions as teachers, administrators, supervisors and clinical specialists.

Originally authorized by the Health Amendments Act of 1956 (P.L. 84-911), this program was incorporated into the Nurse Training Act of 1964 and the nurse training authorities of 1968 and 1971. Since the inception of this program, more than 70,000 nurses received traineeships for long-term full-time study and/or short-term intensive courses. More than half of the nurses who had traineeship aid for long-term study under the 1964 and 1968 legislation were preparing for teaching.

At the time the program was established, few nurses held a bachelor's degree; thus traineeship support was made available for study at the baccalaureate as well as the master's level. In recent years, as the number of baccalaureate graduates increased, an increasing proportion of traineeship assistance has been awarded to nurses studying at the master's and doctoral level. It is the Committee's intention that, because of the availability of loans and scholarships under this Act for baccalaureate study and the pressing need for professional nurses with advanced training, priority consideration in the awarding of traineeships under this section shall be given to professional nurses studying at the master or doctoral level, or seeking advanced training in clinical specialties or as nurse practitioners.

The proposed legislation continues the existing traineeship program for fiscal year 1975 and authorizes \$60 million over fiscal years 1976, 1977, and 1978 for the cost of traineeships for the training of

professional nurses to teach, to serve in administrative or supervisory capacities, and to serve as nurse practitioners or other nursing specialists.

SPECIAL PROJECTS FOR THE IMPROVEMENT OF NURSE TRAINING

Project grants for improvement in nurse training were first authorized by the Nurse Training Act of 1964 to assist schools of nursing in meeting the additional costs of projects designed to improve, strengthen, or expand nursing educational programs. Under the Health Manpower Act of 1968, the scope of the projects was broadened to include planning, development, and establishment of new programs of nursing education, and eligibility was extended to public and nonprofit private agencies, organizations, and institutions. The Nurse Training Act of 1971 continued and further broadened the authority for special project grants and included authority for contracts.

Special projects are the most significant of all the nurse training provisions in terms of effectiveness in improving nursing education nationwide. They have directly assisted schools and indirectly benefited the entire nursing education community as new information, publications, and multimedia instructional tools are disseminated for wider use and application.

Special project funds have been effective as mechanisms to substantially improve nursing curricula and have assisted in the establishment and development of new programs of basic, graduate, and specialized nursing education. These funds have also facilitated the introduction of preparation for expanded nurse roles into the curriculum of existing programs.

A total of 582 grants have been awarded under the special project grant authority. The following tabulation shows the number of grants completed and still underway in various categories.

TABLE 8—NURSING SPECIAL PROJECT GRANTS, 1965-74

	Completed	Current
Category:		
Career development.....	10	44
Curriculum revision.....	94	65
Expanded clinical role.....	6	33
Faculty development.....	16	4
Instructional technology.....	62	21
New program.....	27	37
Program evaluation.....	14	8
Planning grants.....	61	24
Remedial services.....	15	39
Special financing.....	2	0
Total.....	307	275

The 1966 amendments to the nurse training authorities authorized a nursing education recruitment program, with special emphasis on attracting disadvantages and minority students. Section 868, "Full Utilization of Educational Talent for the Nursing Profession," provided authority for contracts with educational and other public and private nonprofit institutions to encourage qualified young people of exceptional financial need to enter the nursing profession. Assistance was provided to schools and other groups to admission and retention of

individuals who are financially or otherwise disadvantaged as a result of socioeconomic factors. The Nurse Training Act of 1971 broadened this authority to provide for upward mobility in nursing through recruitment of licensed practical nurses, ex-medical corpsmen, and others. From 1968 through 1974, \$4.8 million was awarded for 25 contracts and 9 grants.

The Committee feels that several of the seven special projects authorized in existing law are either duplicative or vague in purpose and that the purposes of the section, "programs to encourage full utilization of nursing educational talent," should be incorporated into the special projects section. As with the other authorities, the special projects section is extended at existing levels for fiscal 1975. Beginning in fiscal year 1976, the proposed legislation revises the existing special projects section and provides \$45 million for fiscal years 1976, 1977, and 1978 for grants and contracts to meet the costs of projects for the following purposes: (1) mergers of nurse training programs or development of cooperative arrangements among hospitals and academic institutions, (2) assisting new or modified programs of research in nursing education (including programs in pediatric and geriatric nursing) and curriculum improvement, (3) increasing opportunities for individuals from disadvantaged backgrounds, (4) continuing education for nurses, (5) retraining opportunities for nurses, and (6) increasing supply and improving distribution of nurses by geographic area or specialty group.

While the Committee is impressed with the advances in nursing education made possible through the use of these funds, and would continue support of basic research in nursing education, it feels that certain areas should be stressed. The Committee is particularly aware of the critical need to develop programs which would prepare nurses for employment in patient care in nursing home settings. More and more of the professional nurses currently employed by nursing homes are absorbed by administrative duties, leaving patient care to ill-prepared aides and orderlies. An equally important concern of the Committee is the geographic maldistribution of nurses, discussed earlier in this report. Therefore, it is anticipated that in the awarding of grants and contracts under this section the Secretary afford special consideration to applications for special projects to promote educational programs in geriatric and pediatric nursing, and projects to improve the geographic distribution of nurses.

ADVANCED NURSE TRAINING PROGRAMS

The Committee recognizes a critical need for more nurses with advanced training. Many institutions which are now offering graduate programs in nursing must significantly expand these programs; others must be encouraged and assisted in developing such programs.

Clinical specialists in nursing are needed to complement the sophisticated level of medical care now being provided as a result of clinical research and technological developments in open heart surgery, burn therapy and renal dialysis. Nurses in a burn therapy unit must be familiar with control of infection through external application of antibiotics, nutritional levels essential to survival, and the problem

of oxygen loss. Coronary care units employing skilled nurses are effective in reducing in-hospital mortality of heart attack patients. The mortality rate is now typically about 20 percent, a reduction of 10 percent from that of a decade ago. The nurse, aided by modern monitoring equipment, is the key in these specialized patient care units.

The Committee is also aware of the continuing need to prepare professional nurses for supervisory and administrative duties, and for careers in nursing education. As growing numbers of nurses seek advanced training as clinical specialists and practitioners, a concomitant increase in the number of instructors prepared to provide such training must be effected.

Nursing schools are unable to establish new graduate programs which are expensive to initiate and maintain. In the development phases of a university-based graduate program, funds are needed for planning, consultation, research, and curriculum development. Highly qualified faculty must be secured or prepared to achieve the low student-faculty ratio needed for graduate education. Specialized practice settings must be found or developed for individualized experience in the various clinical specialties offered.

In recognition of these needs the proposed legislation authorizes a new, specially targeted program for the advanced training of nurses. This provision authorizes \$60 million over fiscal years 1976, 1977, and 1978 for grants and contracts for projects at collegiate schools of nursing to plan, develop and operate, significantly expand, or maintain existing programs for the advanced training of graduates of all three types of nursing schools.

NURSE PRACTITIONER PROGRAMS

In 1971 this Committee noted that one way to increase the delivery of health care was by expanding the role of the nurse to include the performance of some tasks which in the past had been performed only by physicians. Consequently, the Nurse Training Act of 1971 included authority for special projects to encourage the preparation of nurses as pediatric nurse practitioners and other types of nurse practitioners, and for additional capitation awards to schools with training programs for nurse practitioners and nurse midwives.

A nurse practitioner is a registered nurse who has successfully completed a program of study designed to expand the nurse's knowledge and clinical skills level of responsibility in the provision of health care which combines selected services of the registered nurse and the physician in the delivery of primary health care. Nurse practitioners provide comprehensive health care to individuals, families and groups in homes, clinics, offices, institutions, industry, schools, and other health care settings. They are prepared to assess the health status of individuals, make decisions about treatment in collaboration with physicians, and to provide routine care, counseling and teaching to patients and families. A nurse practitioner can thus substantially extend the delivery of health services in rural and other underserved areas.

Three clinics have been established in New Mexico with family nurse practitioners providing most of the care. Starting with a demon-

stration in a rural community medical center where physician backup was provided by phone and a physician visited twice a week, this model was successfully transferred to two urban settings. Over a six month period, there were 11,674 patient encounters at these three clinics. Family nurse practitioners handled almost ninety percent of the encounters.

On isolated Deer Isle, Maine, the family nurse practitioner is the first contact a patient has with the health care system. She evaluates the patients as the primary practitioner and decides if she can handle the problem alone. If necessary she contacts the physician and together they decide upon the appropriate course of action. The nurse makes 200-250 visits per month. One quarter of these visits are to elderly people who frequently are homebound and would otherwise have little or no access to health care.

The Haywood-Moncure Health Center was established to improve health care in a depressed and underprivileged agricultural area of North Carolina. Here family nurse practitioners are the primary providers of care to families. The family nurse practitioners work collaboratively with physicians through regularly scheduled conferences to plan patient care. The physicians have a caseload of referred patients who the family nurse practitioners consider beyond their scope of practice, and the family nurse practitioner concentrates on followup of patients seen by the physicians.

Provision of services by nurse practitioners working either in a rural setting or in an inner-city area can help alleviate the existing maldistribution of health resources and bring needed health services to people who are now getting them. Additionally, nurse practitioners represent a potential health manpower pool which could significantly reduce health care costs. In the view of the Committee, significantly greater numbers of professional nurses, prepared at advanced levels for independent and collaborative health care delivery as nurse-midwives, pediatric, family, and geriatric nurse practitioners are needed. There is an especially critical need for nurses specially prepared to deal therapeutically with our large geriatric or elderly population—those who are institutionalized, as well as those living in the community. Nurses have shown great interest in this additional preparation and universities and colleges of nursing have responded in developing programs. Like all specialized preparation for health professionals, these programs are costly to establish, maintain and attend, and financial assistance is needed for both schools and students.

The proposed legislation therefore provides \$60 million for fiscal years 1976, 1977 and 1978 for grants and contracts for projects at schools of nursing, medicine, and public health, as well as public or non-profit private hospitals to plan, develop and operate, significantly expand, or maintain existing programs for the training of nurse practitioners. The Secretary is directed to develop guidelines for such programs for nurse practitioner training after consultation with professional organizations.

AGENCY REPORTS

The following communication was received from the Department of Health, Education, and Welfare, setting forth the comments of the Department on the provisions of H.R. 4115.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE, *Washington, D.C., March 5, 1975.*

HON. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: We understand that the Interstate and Foreign Commerce Committee intends to consider this week H.R. 4115, a bill to amend Title VIII of the Public Health Service Act to provide for support for nurse training. I enclose a copy of the President's Memorandum of Disapproval of H.R. 17085, a bill very similar to the one before you for consideration. Moreover, I would like to reiterate the Department's strong opposition to this legislation and strongly recommend that the Congress enact legislation recently submitted by the Department.

Although the Subcommittee on Health reduced somewhat the authorizations in H.R. 4115 from those in the disapproved bill, H.R. 17085, nevertheless they are still far in excess of the President's budget requests for fiscal year 1975 and fiscal year 1976. The Subcommittee bill would authorize \$141.3 million for fiscal year 1975 and \$161 million for fiscal year 1976 while the President's budget requests are \$44.0 million and \$32.9 million respectively. Moreover, the funding levels proposed for fiscal year 1977 and fiscal year 1978, i.e., \$181 million and \$211 million, cannot help but raise expectations far beyond what could reasonably be expected to be available for these activities.

Moreover, the reported bill does not meet in any significant measure any of the programmatic issues which concern the Administration. Continued emphasis on capitation for this undergraduate field is costly, inefficient, and unnecessary. Capitation subsidies to encourage enrollment expansion are not needed in view of the sizeable increase in the aggregate supply of nurses already realized, as well as those projected to occur in the future. Moreover, the capitation mechanisms do not permit scarce Federal resources to be targeted on addressing the needs of schools and students in underserved areas. The construction authority in the bill is not needed, the general student assistance provisions are largely duplicative of existing undergraduate student assistance programs offered by the Office of Education and are unnecessary, and the continued absence of any meaningful attempt to redress the unbalanced maldistribution of nurses is a serious flaw.

We strongly object to H.R. 4115 because of its unreasonable authorizations and because it is not a part of a comprehensive health professions authority aimed at addressing the problem of geographic maldistribution. I strongly recommend that the Committee favorably report the Administration's proposal.

We are advised by the Office of Management and Budget that there is no objection to the submission of this report from the standpoint of the Administration's program, and that enactment of H.R. 4115 would not be in accord with the program of the President.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

Enclosure.

THE WHITE HOUSE,
OFFICE OF THE WHITE HOUSE PRESS SECRETARY,
January 3, 1975.

MEMORANDUM OF DISAPPROVAL

I have withheld my approval from H.R. 17085, a bill that would amend Title VIII of the Public Health Service Act to provide support for the training of nurses.

This measure would authorize excessive appropriations levels—more than \$650 million over the three fiscal years covered by the bill. Such high Federal spending for nursing education would be intolerable at a time when even high priority activities are being pressed to justify their existence.

I believe nurses have played and will continue to play an invaluable role in the delivery of health services. The Federal taxpayer can and should selectively assist nursing schools to achieve education reforms and innovations in support of that objective. The Administration's 1976 budget request will include funds for this purpose. Furthermore, I intend to urge the 94th Congress to enact comprehensive health personnel training legislation that will permit support of nurse training initiatives to meet the new problems of the 1970's.

This act inappropriately proposes large amounts of student and construction support for schools of nursing. Without any additional Federal stimulation, we expect that the number of active duty registered nurses will increase by over 50 percent during this decade.

Such an increase suggests that our inventives for expansion have been successful, and that continuation of the current Federal program is likely to be of less benefit to the Nation than using these scarce resources in other ways. One result of this expansion has been scattered but persistent reports of registered nurse unemployment particularly among graduates of associate degree training programs.

Today's very different outlook is not reflected in this bill. We must concentrate Federal efforts on the shortage of certain nurse specialists, and persistent geographic maldistribution. However, this proposal would allocate less than one third of its total authorization to these problems. Moreover, it fails to come to grips with the problem of geographic maldistribution.

Support for innovative projects—involving the health professions, nursing, allied health, and public health—should be contained in a single piece of legislation to assure that decisions made in one sector relate to decisions made in another, and to advance the concept of an integrated health service delivery team. By separating out nursing from other health personnel categories, this bill would perpetuate what has in the past been a fragmented approach.

The enrolled bill would also extend various special nursing student assistance provisions of current law. Nursing students are overwhelmingly undergraduates, and as such should be—and are—entitled to the same types of student assistance available generally under the Office of Education's programs for post-secondary education. These include, in particular, guaranteed loans and basic educational opportunity grants for financially hard pressed students. Categorical nursing stu-

dent assistance activities are not appropriate and should be phased out, as the Administration has proposed.

GERALD R. FORD

INFLATION IMPACT STATEMENT

The Committee is unaware of any inflationary impact on the economy that would result from passage of the proposed legislation. The reported bill continues existing programs during fiscal 1975 at fiscal 1974 authorization levels. This proposed authorization represents only .9% of the total estimated Federal budget for health in fiscal 1975 and .07% of the total estimated Federal outlays for fiscal 1975.

The reported bill also contains a revision and extension of the existing authority for fiscal years 1976, 1977, and 1978. The authorizations for these fiscal years represent decreases from existing levels by a total of \$75 million in fiscal 1976, \$50 million in fiscal 1977, and \$25 million in fiscal 1978, a recognition by the Committee of the need for fiscal economy in its consideration of existing programs. Furthermore, whereas fully 85% of the funds authorized in fiscal 1974 were for basic support of traditional nursing education, the proposed legislation represents a gradual shift toward support of innovative nursing education through special projects to improve geographic distribution, recruit individuals from disadvantaged backgrounds, and provided continuing and remedial training for professional nurses; and special projects to provide advanced training opportunities and train new nurse practitioners who will help to relieve current shortages of trained health professionals. By training professional nurses to perform many of the tasks traditionally performed by physicians, at less than one-third the cost of training a physician, the implementation of this legislation should promote better health care for many Americans at a significantly lower cost.

PROGRAM OVERSIGHT

The Committee's principal oversight activities with respect to this program have been conducted by the Subcommittee on Health and the Environment in connection with its consideration of the legislative authority. Legislative hearings on the program were conducted by the Subcommittee in May of 1974, and again, in February of 1975. Its findings are discussed in the report under Need for and Proposed Legislation as the proposed legislation is designed to respond to the Subcommittee's findings.

The Committee has not received oversight reports from either its own recently organized Subcommittee on Investigations and Oversight or the Committee on Government Operations.

SECTION-BY-SECTION ANALYSIS

Section 1. Short Title; References to Act

Section (1) (a) provides that the Act may be cited as the "Nurse Training Act of 1975".

Section (1) (b) provides that whenever in the Act an amendment or repeal is expressed in terms of amendments to, or repeal of, a section

or other provision, the reference is to a section or other provision of the Public Health Service Act (hereinafter, the PHS Act).

TITLE I—ONE-YEAR EXTENSION

Section 101. Extension of Existing Authorities Through Fiscal Year 1975

Section 101(a) amends section 801 of the PHS Act, relating to nursing school construction grants, to extend the authority through fiscal year 1975.

Section 101(b) amends section 806(i) of the PHS Act, relating to nursing school capitation grants, to extend the authority through fiscal year 1975.

Section 101(c) amends section 808 of the PHS Act, relating to nursing special projects and financial distress grants, to extend these authorities through fiscal year 1975.

Section 101(d) amends section 809 of the PHS Act, relating to nursing school construction loan guarantees and interest subsidies, to extend these authorities through fiscal year 1975.

Section 101(e) amends section 810(d) of the PHS Act, relating to nursing school start-up grants, to extend the authority through fiscal year 1975.

Section 101(f) amends section 860 of the PHS Act, relating to nursing scholarships, to extend the authority through fiscal year 1975, with provision for continuing through fiscal year 1978 of awards to students who initially received scholarship aid prior to June 30, 1975.

Section 101(g) amends section 868(b) of the PHS Act, relating to grants and contracts to encourage full utilization of educational talent for the nursing profession, to extend the authority through fiscal year 1975.

TITLE II—REVISION AND EXTENSION OF PROGRAMS THROUGH FISCAL YEAR 1978

Part A—Effective Date

Section 201. Effective Date

Section 201 provides that, except as otherwise specifically provided, the amendments made by title II of the bill shall take effect July 1, 1975, and that amendments made by title II to title VIII of the PHS Act are made to such Act as amended by title I of the bill.

Part B—Construction Assistance

Section 202. Extension of Grants and Loan Guarantees and Interest Subsidies

Section 202(a)(1) amends section 801 of the PHS Act to authorize appropriations of \$20 million for fiscal year 1976, \$20 million for fiscal year 1977, and \$20 million for fiscal year 1978 for grants for construction of nursing school teaching facilities.

Section 202(a)(2) amends section 802(c)(1)(A) of the PHS Act to provide that in considering application for construction grants,

the Secretary shall take into account the relative effectiveness of proposed facilities in expanding the capacity of the school to provide graduate training.

Section 202(b)(1)(A) amends existing sections 809(a) and (b) of the PHS Act (redesignated as sections 805(a) and (b)) to extend for fiscal years 1976, 1977, and 1978 the authorities for loan guarantees and interest subsidies for construction loans made by non-Federal lenders to nonprofit private schools of nursing.

Section 202(b)(1)(B) amends existing section 809(a) of the PHS Act (redesignated as section 805(a)) to repeal existing provisions which require that, in case of default, no loan guarantee may apply to more than 90% of the loss of principal of and interest on the loan.

Section 202(b)(2) amends existing section 809(e) of the PHS Act (redesignated as section 805(e)) to provide that, of the amounts appropriated for the loan guarantee and interest subsidy fund, not more than \$1 million in fiscal year 1976, \$1 million in fiscal year 1977, and \$1 million in fiscal year 1978 may be appropriated for interest subsidy payments.

Section 202(c) amends existing sections 809(a) and (b) of the PHS Act (redesignated as section 805(a) and (b)) to authorize the Secretary to make loan guarantees and interest subsidies for construction loans made to nursing schools by the Federal Financing Bank, in addition to the existing authority for such support for loans made by non-Federal lenders.

Section 203. Technical Amendments

Section 203(a)(1) amends title VIII of the PHS Act to insert after the heading for part A the following: "Subpart I—Construction Assistance".

Section 203(a)(2) amends the heading of part A of title VIII of the PHS Act to read: "Assistance for Expansion and Improvement of Nurse Training".

Section 203(b) redesignates existing section 809 of the PHS Act as section 805.

Part C—Capitation Grants

Section 205. Extension and Revision of Capitation Grants

Section 205(a) amends existing section 806(a) of the PHS Act (redesignated as section 810(a) by title III of this Act) by authorizing capitation payments as follows:

(1) Each collegiate school of nursing would receive \$400 for each under-graduate full-time student enrolled in each of the last 2 years of such school.

(2) Each associate degree school of nursing would receive \$275 for one-half the number of full-time students enrolled in the first year of such school and \$275 for each full-time student enrolled in the last year of such school.

(3) Each diploma school of nursing would receive \$250 for each full-time student enrolled in such school.

Section 205(b) repeals subsections (c), (d), (e), and (f) of existing section 806, of the PHS Act, relating to the definition of "enrollment bonus student," class size and application requirements for bonus en-

rollment students, maintenance of effort and enrollment increase requirements, and the plan requirement for capitation grants. It adds a new section 806(c) with the following provisions:

New section 806(c)(1) of the PHS Act requires that each school's application for a capitation grant contain or be supported by reasonable assurances satisfactory to Secretary that (A) such school will maintain its enrollment of first-year students in the school year beginning after the fiscal year in which the grant applied for is made at a level not less than the enrollment of such students in the preceding school year, and (B) such school will, during the fiscal year for which the grant is made, maintain the amount of non-Federal funds expended at a level not less than the average amount expended in the three preceding fiscal years.

New section 806(c)(2) of the PHS Act requires that each school meet one of the following additional requirements in order to be eligible for a capitation award:

(A) The applicant shall provide reasonable assurances that for the school year beginning after the close of the fiscal year in which a grant is made and for each school year thereafter beginning in a fiscal year in which a grant is made, the first-year enrollment of full-time students in the school will exceed the number of such students enrolled in the school year beginning during fiscal year 1975—

- (i) by 10% of such number if the number was not over 100; or
- (ii) by 5% of such number or ten students, whichever is greater, if such number was more than 100.

(B) The school has provided reasonable assurances that it will carry out, under a plan approved by the Secretary, one of the following programs in the school year beginning after the close of the fiscal year in which the grant is made and in each school year thereafter beginning in a fiscal year in which a grant is made:

- (i) In the case of collegiate schools, a nurse practitioner training program.
- (ii) A program under which students will receive a significant portion of clinical training in community health centers, long-term care facilities, and ambulatory care facilities geographically remote from the main site of teaching facilities of the school.
- (iii) A program for the continuing education of nurses which meets needs identified by appropriate State, regional, or local health or educational entities (including health systems agencies).
- (iv) A program to identify, recruit, enroll, retain, and graduate individuals from disadvantaged backgrounds under which program at least 10% of each year's entering class (or 10 students, whichever is greater) is composed of such students.

Section 205(c) amends existing section 806(i) of the PHS Act (re-designated as section 806(f) to authorize appropriations for capitation grants of \$50 million for fiscal year 1976, \$55 million for fiscal year 1977, and \$60 million for fiscal year 1978.

Section 205(d) authorizes appropriations for fiscal years 1976, 1977, and 1978 of such sums as necessary to continue grants to nursing schools for "enrollment bonus students" enrolled in the schools before June 30, 1975.

Section 206. Technical Amendments

Section 206 (a) and (b) redesignate subsections (g), (h), and (i) of section 806 of the PHS Act as subsections (d), (e), and (f), respectively, and makes appropriate conforming amendments.

Section 206(c) amends title VIII of the PHS Act by inserting after section 805 the title: "Subpart II—Capitation Grants".

Section 207. Effective Date

The amendments made by Part C will take effect with respect to capitation grants made in fiscal year 1976.

Part D—Financial Distress Grants

Section 209. Extension of Financial Distress Grant Program

Section 209 adds after section 807 of the PHS Act a new subpart III, "Financial Distress Grants." New section 815 in this subpart extends for three years the program of financial distress grants to schools of nursing now authorized under section 805(b), as follows:

New Section 815(a) continues the authority of existing section 805(b) of the PHS Act, which authorizes grants to schools of nursing which are in serious financial straits to meet operational costs to maintain quality educational programs or which have special need for financial assistance to meet accreditation requirements.

New section 815(b)(1) provides that the Secretary may not approve or disapprove an application for a grant except after consultation with the Advisory Council on Nurse Training. Such consultation now is required under the general provisions of section 807 of the PHS Act.

New Section 815(b)(2) continues the requirement now contained in section 805(c) of the PHS Act that an applicant give assurances it will expend in carrying out its functions as a school during the fiscal year for which the grant is sought an amount of funds (other than for construction) from non-Federal sources which is at least as great as the average amount expended in the three years preceding the year for which the grant is sought. The Secretary would continue to have the authority, after consultation with the National Advisory Council on Nurse Training, to waive this requirement if enforcement of it would be inconsistent with the purposes of the financial distress grant program.

New Section 815(c) authorizes appropriations for financial distress grants of \$5 million for each of the fiscal years 1976, 1977, and 1978.

Section 210. Technical Amendment

Section 210 repeals sections 805 and 808 of the PHS Act, the existing authority for special project assistance and financial distress grants, effective July 1, 1975.

Part E—Special Project Assistance

Section 215. Nursing Special Projects

Section 215(a) amends title VIII of the PHS Act to insert after subpart III of part A (as added by section 209 of this Act) a new "Subpart IV—Special Projects"; and revises in new sections 820, 821,

and 822 the special project authorities now contained in sections 805(a) and 868.

Special Project Grants and Contracts

New Section 820(a) authorizes grants to public or nonprofit private schools of nursing and other public or nonprofit private entities, and contracts with any public or private entity to meet costs of special projects for the following purposes:

(1) to assist in—

(A) mergers between hospital training programs or between hospital training programs and academic institutions, or

(B) other cooperative arrangements among hospitals and academic institutions,

leading to the establishment of nurse training programs;

(2) to plan, develop, or establish new nurse training programs or programs of research in nursing education, or significantly improve curricula of schools of nursing (including curriculums of pediatric nursing and geriatric nursing) or modify existing programs of nursing education;

(3) to increase nursing education opportunities for individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, by—

(A) identifying, recruiting, and selecting such individuals,

(B) facilitating entry of such individuals into schools of nursing,

(C) providing counseling or other services designed to assist such individuals to complete successfully their nursing education,

(D) providing, for a period prior to the entry of such individuals into the regular course of education at a school of nursing, preliminary education designed to assist them to complete successfully such regular course of education,

(E) paying such stipends (including allowances for travel and dependents) as the Secretary may determine for such individuals for any period of nursing education, and

(F) publicizing, especially to licensed vocational or practical nurses, existing sources of financial aid available to persons enrolled in schools of nursing or who are undertaking training necessary to qualify them to enroll in such schools;

(4) to provide continuing education for nurses;

(5) to provide appropriate retraining opportunities for nurses who (after periods of professional inactivity) desire again actively to engage in the nursing profession;

(6) to help to increase the supply or improve the distribution by geographic area or by specialty group of adequately trained nursing personnel (including personnel who are bilingual) needed to meet the health needs of the Nation, including the need to increase the availability of personal health services and the need to promote preventive care; or

(7) to provide training and education to upgrade the skills of licensed vocational or practical nurses, nursing assistants, and other paraprofessional nursing personnel.

New section 820(b) continues the provision now contained in section 805(d) of the PHS Act authorizing the Secretary, with the advice of the National Advisory Council on Nurse Training, to provide assistance to heads of other departments and agencies of the government to encourage and assist in the utilization of medical facilities under their jurisdiction for nurse training programs.

New section 820(c) provides that the Secretary may not approve or disapprove an application except after consultation with the National Advisory Council on Nurse Training. Applications must provide for such fiscal control and accounting procedures and reports, and access to records of applicant, as the Secretary may require. These provisions now appear in section 807.

New section 820(d) authorizes appropriations of \$15 million for each of the fiscal years 1976, 1977, and 1978 for special project grants and contracts and requires that not less than 10 percent of the funds appropriated for any fiscal year shall be used for special projects to increase nursing education opportunities for individuals from disadvantaged backgrounds.

Advanced Nurse Training Programs

New section 821(a) authorizes grants to or contracts with public and nonprofit private collegiate schools of nursing to meet costs of projects to (a) plan, develop, and operate, (b) significantly expand, or (c) maintain existing programs for the advanced training of professional nurses to be teachers, administrators or supervisors, or nursing specialists.

New section 821(b) authorizes appropriations of \$15 million for fiscal year 1976, \$20 million for fiscal year 1977, and \$25 million for fiscal year 1978 for advanced nurse training programs.

Nurse Practitioner Programs

New section 822(a)(1) authorizes grants to and contracts with public or nonprofit private collegiate schools of nursing, medicine, and public health, public or nonprofit private hospitals and other public or nonprofit private entities to meet costs of projects to (a) plan, develop, and operate, (b) significantly expand, or (c) maintain existing programs for the training of nurse practitioners.

New section 822(a)(2) defines the term "programs for the training of nurse practitioners" to mean educational programs for registered nurses (irrespective of the type of nursing school in which they received their training) which meet guidelines prescribed by the Secretary after consultation with appropriate professional nursing organizations, and which as a minimum require that the program—

(i) extend for at least one academic year consisting of I supervised clinical practice and II at least 4 months of classroom instruction, directed toward preparing nurses to deliver primary care; and

(ii) have a minimum enrollment of 8 students.

New section 822(b) requires that any grant or contract to plan, develop, and operate a nurse practitioner program, or to expand or maintain such a program, must contain assurances satisfactory to the Secretary that such program meets the guidelines prescribed by the Secretary.

New section 822(c) provides that grants or contracts may include the costs of preparation of faculty members in order to conform to guidelines prescribed by the Secretary.

New section 822(d) authorizes appropriations for grants or contracts for nurse practitioner programs of \$15 million for fiscal year 1976, \$20 million for fiscal year 1977, and \$25 million for fiscal year 1978.

Section 215(b) repeals existing section 810 of the PHS Act; "Start-up Grants for New Nurse Training Programs" and existing section 868 of the PHS Act; "Grants and Contracts to Encourage Full Utilization of Education Talent for the Nursing Profession."

Section 216. Guidelines for Nurse Practitioner Training Programs

Section 216 requires the Secretary of Health, Education, and Welfare within 90 days of the enactment of this Act to prescribe guidelines for nurse practitioner programs.

Part F—Assistance to Nursing Students

Section 221. Extension of Traineeships

Section 221(a) extends the authority under existing section 821 of the PHS Act (redesignated as new section 830) with appropriation authorizations of \$15 million for fiscal year 1976, \$20 million for fiscal year 1977, and \$25 million for fiscal year 1978 to cover costs of traineeships for the training of professional nurses to serve as teachers, administrators or supervisors, nurse practitioners or other nursing specialists.

Section 221(b) provides that, effective in fiscal year 1976, the Secretary shall give special consideration to applications for traineeship programs which conform to guidelines established for nurse practitioner training programs.

Section 222. Extension of Student Loan Program

Section 222(a) extends existing section 822(b)(4) of the PHS Act (redesignated as section 835) for three years (1976 through 1978) to continue the program of Federal capital contributions to school student loan funds.

Section 222(b) amends existing section 823(b)(2)(B) (redesignated as section 836) by adding training to be a nurse anesthetist to listed types of training for which loan repayment may be deferred.

Section 222(c) amends existing section 824 (redesignated as section 837) to provide appropriation authorizations for capital contributions to student loan funds of \$25 million for fiscal year 1976, \$30 million for fiscal year 1977, and \$35 million for fiscal year 1978. It also provides that for fiscal year 1979 and each of the next two succeeding fiscal years, there are authorized to be appropriated such sums as necessary to enable students who received a loan before July 1, 1978, to continue or complete their education.

Section 222(d) amends existing section 826 (redesignated as section 839) to extend until September 30, 1980, the requirement that there be a capital distribution of the balance of the student loan fund.

Section 222(e) repeals existing section 827, the authority to make loans to school loan funds from the Student Loan Revolving Fund, and requires that the fund remain available to the Secretary for the

purpose of meeting his responsibilities under section 827 of the Public Health Service Act (as in effect before date of enactment of this Act.) It also authorizes to be appropriated without fiscal year limitation such sums as necessary to make payments to schools to cover certain costs incurred in making student loans from borrowed funds while the repealed provision was in effect.

Section 223. Extension of Scholarship Program

Section 223 extends the scholarship program under existing section 860 (redesignated as new section 845) for fiscal years 1976, 1977 and 1978.

TITLE III—TECHNICAL AND CONFORMING AMENDMENTS

Section 301. Technical and Conforming Amendments

Section 301 amends sections of title VIII of the PHS Act to make technical and conforming amendments necessitated by redesignation of sections, repeal of sections, and addition of new sections and makes other technical amendments.

Section 301(k)(4) adds a new section 856 to the PHS Act which prohibits the Secretary of Health, Education, and Welfare from delegating to any officer in any regional office or offices the authority to review, and prepare comments on the merits of, any application for a grant or contract under any program authorized by title VIII for purposes of presenting such application to the National Advisory Council on Nurse Training; or to make such a grant or enter into such a contract.

Section 302. Effective Date

Section 302 provides that the amendments made by section 301 shall take effect July 1, 1975.

TITLE IV—MISCELLANEOUS

Section 401. Information Respecting the Supply and Distribution of and Requirements for Nurses

Section 401(a) requires the Secretary of Health, Education, and Welfare to (1) determine on a continuing basis the supply, distribution, and current and future requirements for nursing personnel; (2) survey and gather data, on a continuing basis, on employment and compensation of nurses, numbers of nurses with advanced and specialty preparation, and foreign nurse graduates; and (3) develop procedures for determining nurse requirements for the United States and each State on both a current and projected basis.

Section 401(b) requires the Secretary to report to the Congress not later than February 1, 1977, and annually thereafter, on the data he has acquired under the required study, an analysis of such data, and recommendations for legislation which will achieve an equitable distribution and adequate supplies of nurses within the United States and within each State.

Section 401(c) provides that the Office of Management and Budget may review the Secretary's report under section 401(b) before its submission to Congress, but may not revise the report or delay its submission.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman) :

PUBLIC HEALTH SERVICE ACT¹

* * * * *

TITLE VIII—NURSE TRAINING

PART A.—GRANTS FOR EXPANSION AND IMPROVEMENT
OF NURSE TRAINING

AUTHORIZATION OF APPROPRIATIONS FOR CONSTRUCTION GRANTS

SEC. 801. There are authorized to be appropriated for grants to assist in the construction of new facilities for collegiate, associate degree, or diploma schools of nursing, and for grants to assist in the replacement or rehabilitation of existing facilities for such schools, \$35,000,000 for the fiscal year ending June 30, 1972, \$40,000,000 for the fiscal year ending June 30, 1973, and \$45,000,000 *each* for the fiscal **[year]** *years* ending June 30, 1974, and *June 30, 1975*.

CAPITATION GRANTS

SEC. 806. (a) * * *
* * * * *

(i) AUTHORIZATION OF APPROPRIATIONS.—

(1) There are authorized to be appropriated \$78,000,000 for the fiscal year ending June 30, 1972, \$82,000,000 for the fiscal year ending June 30, 1973, and \$88,000,000 *each* for the fiscal **[year]** *years* ending June 30, 1974, and *June 30, 1975*, for grants under this section.

* * * * *

SEC. 808. For payments under grants and contracts under section 805(a) there are authorized to be appropriated \$20,000,000 for the fiscal year ending June 30, 1972; \$28,000,000 for the fiscal year ending June 30, 1973; and \$35,000,000 *each* for the fiscal **[year]** *years* ending June 30, 1974, and *June 30, 1975*. There are authorized to be appropriated \$15,000,000 for the fiscal year ending June 30, 1972, \$10,000,000 for the fiscal year ending June 30, 1973, and \$5,000,000 *each* for the fiscal **[year]** *years* ending June 30, 1974, and *June 30, 1975*, to make grants under section 805(b), and, to the extent that sums appropriated under this sentence are not used for such grants, for grants under section 805(a).

¹ The following text reflect changes made in existing law by Title I of the bill, which extends existing authorities through fiscal year 1975.

LOAN GUARANTEES AND INTEREST SUBSIDIES

SEC. 809. (a) In order to assist nonprofit private schools of nursing to carry out construction projects for training facilities, the Secretary may, during the period beginning July 1, 1971, and ending with the close of June 30, **[1974]** *1975*, guarantee (in accordance with this section and subject to subsection (f)) to non-Federal lenders making loans to such schools for such construction projects payment when due of the principal of and interest on any loan for construction of such facilities if the loan was made to a school which is eligible (as determined under regulations of the Secretary) for a grant under this part to assist a construction project for such facilities. The Secretary may make commitments, on behalf of the United States, to make such loan guarantees prior to the making of such loans. No such loan guarantee (1) may, except under such special circumstances and under such conditions as are prescribed by regulations, apply to any amount which, when added to any grant for construction under this part or any other law of the United States, exceeds 90 per centum of the cost of construction of the project, or (2) may apply to more than 90 per centum of the loss of principal of and interest on the loan.

(b) In the case of any nonprofit private school of nursing which is eligible (as determined under regulations of the Secretary) for a grant under this part to assist a construction project for training facilities, and to whom a loan has been made by a non-Federal lender to assist it in carrying out such project, the Secretary, during the period beginning July 1, 1971, and ending with the close of June 30, **[1974]** *1975*, may, subject to subsection (f), pay to the holder of such loan (and for and on behalf of the school which received such loan) amounts sufficient to reduce but not to exceed 3 per centum per annum the net effective interest rate otherwise payable on such loan.

* * * * *

(c) There is established in the Treasury a loan guarantee and interest subsidy fund (hereinafter in this subsection referred to as the "fund") which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts, (1) to enable him to discharge his responsibilities under guarantees issued by him under this section, and (2) for interest subsidy payments authorized by this section. There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund; except that the amount appropriated for interest subsidy payments may not exceed \$1,000,000 in the fiscal year ending June 30, 1972, \$2,000,000 in the fiscal year ending June 30, 1973, and \$4,000,000 in the fiscal year ending June 30, 1974, *or in the next fiscal year*. There shall also be deposited in the fund amounts received by the Secretary or other property or assets derived by him from his operations under this section, including any money derived from the sale of assets. If at any time the sums in the fund are insufficient to enable the Secretary to discharge his responsibilities under guarantees issued by him under this section

or to make interest subsidy payments authorized by this section, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury, but only in such amounts as may be specified from time to time in appropriation Acts. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued hereunder and for that purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which the securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed

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START-UP GRANTS FOR NEW NURSE TRAINING PROGRAMS

SEC. 810. (a) * * *

* * * * *

(d) There are authorized to be appropriated to carry out this section not to exceed \$4,000,000 for the fiscal year ending June 30, 1972, \$8,000,000 for the fiscal year ending June 30, 1973, and \$12,000,000 each for the fiscal [year] years ending June 30, 1974, and June 30, 1975. Sums appropriated under this subsection shall remain available until expended.

* * * * *

PART D—SCHOLARSHIP GRANTS TO SCHOOLS OF NURSING

SCHOLARSHIP GRANTS

SEC. 860. (a) The Secretary shall make grants as provided in this part to each public or other nonprofit school of nursing for scholarships to be awarded annually by such school to students thereof.

(b) The amount of the grant under subsection (a) for the fiscal year ending June 30, 1972, and for each of the next [two] three fiscal years to each such school shall be equal to \$3,000 multiplied by one-tenth of the number of full-time students of such school. For the fiscal year ending June 30, [1975] 1976, and for each of the two succeeding fiscal years, the grant under subsection (a) shall be such amount as may be necessary to enable such school to continue making payments under scholarship awards to students who initially received such awards out of grants made to the school for fiscal years ending before July 1, [1974] 1975.

(c) (1) Scholarships may be awarded by schools from grants under subsection (a)—

(A) only to individuals who have been accepted by them for enrollment, and individuals enrolled and in good standing, as full-time or half-time students, in the case of awards from such grants for the fiscal year ending June 30, 1972, and the next [two] three fiscal years; and

(B) only to individuals enrolled and in good standing as full-time or half-time students who initially received scholarship awards out of such grants for a fiscal year ending prior to July 1, [1974] 1975, in the case of awards from such grants for the fiscal year ending June 30, [1975] 1976, and each of the two succeeding fiscal years.

* * * * *

GRANTS AND CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDUCATIONAL TALENT FOR THE NURSING PROFESSION

SEC. 868. (a) * * *

(b) For the purpose of carrying out the provisions of this section, there is authorized to be appropriated \$3,500,000 for the fiscal year ending June 30, 1972; \$5,000,000 for the fiscal year ending June 30, 1973; and \$6,500,000 each for the fiscal [year] years ending June 30, 1974], and June 30, 1975.

PUBLIC HEALTH SERVICE ACT ²

* * * * *

TITLE VIII—NURSE TRAINING

PART A—[GRANTS] Assistance FOR EXPANSION AND IMPROVEMENT OF NURSE TRAINING

Subpart I—Construction Assistance

AUTHORIZATION OF APPROPRIATIONS FOR CONSTRUCTION GRANTS

SEC. 801. There are authorized to be appropriated for grants to assist in the construction of new facilities for collegiate, associate degree, or diploma schools of nursing, and for grants to assist in the replacement or rehabilitation of existing facilities for such schools, \$35,000,000 for the fiscal year ending June 30, 1972, \$40,000,000 for the fiscal year ending June 30, 1973, [and] \$45,000,000 each for the fiscal years ending June 30, 1974, and June 30, 1975, \$20,000,000 for fiscal year 1976, \$20,000,000 for fiscal year 1977, and \$20,000,000 for fiscal year 1978.

APPROVAL OF APPLICATIONS FOR CONSTRUCTION GRANTS

SEC. 802. (a) The Secretary may from time to time set dates (not earlier than in the fiscal year preceding the year for which a grant is

² The following text reflects changes in existing law (as amended by title I of bill) made by titles II and III of the bill, which revise and extend programs, and make necessary technical amendments effective July 1, 1975.

sought) by which applications for grants under this [part] *subpart* for any fiscal year must be filed.

(b) A grant for a construction project under this [part] *subpart* may be made only if the application therefor is approved by the Secretary upon his determination that—

(1) the applicant is a public or nonprofit private school of nursing providing an accredited program of nursing education;

(2) the application contains or is supported by reasonable assurances that (A) for not less than twenty years (or in the case of interim facilities, within such shorter period as the Secretary shall by regulation prescribe) after completion of construction, the facility will be used for the purposes of the training for which it is to be constructed, and will not be used for sectarian instruction or as a place for religious worship, (B) sufficient funds will be available to meet the non-Federal share of the cost of constructing the facility, (C) sufficient funds will be available, when construction is completed, for effective use of the facility for the training for which it is being constructed, and (D) in the case of an application for a grant for construction to expand the training capacity of a school of nursing, the first-year enrollment at such school during the first full school year after the completion of the construction and for each of the nine years thereafter will exceed the highest first-year enrollment at such school for any of the five full school years preceding the year in which the application is made by at least 5 per centum of such highest first-year enrollment, or by five students, whichever is greater, and the requirements of this clause (D) shall be in addition to the requirements of section [806(e) of this Act] 810(c), where applicable;

(3) (A) in the case of an application for a grant for construction of a new facility, such application is for aid in the construction of a new school of nursing, or construction which will expand the training capacity of an existing school of nursing, or (B) in the case of an application for a grant to assist in the replacement or rehabilitation of existing facilities, such application is for aid in construction which will replace or rehabilitate facilities of, or used by, an existing school of nursing, which facilities either are so obsolete as to require the school to curtail substantially either its enrollment or the quality of the training provided or are required to meet an increase in student enrollment;

(4) the plans and specifications are in accordance with regulations relating to minimum standards of construction and equipment; and

(5) the application contains or is supported by adequate [assurance that any laborer or mechanic] *assurances that all laborers and mechanics* employed by [any contractor or subcontractor] *contractors or subcontractors* in the performance of work on [the construction of the facility] *a project* will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the [Davis-Bacon Act, as amended (40 U.S.C. 276a-276a5). The] *Act of March 3, 1931 (40 U.S.C. 276a-276a-5, known as the Davis-Bacon Act)*, and the Secretary of Labor shall have [.] with respect to [the] *such* labor standards [specified in this paragraph,]

the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; [64 Stat. 1267] 5 U.S.C. *Appendix*) [.] and section 2 of the Act of June 13, 1934 [., as amended] (40 U.S.C. 276c).

Before approving or disapproving an application for a construction project under this [part] *subpart*, the Secretary shall secure the advice of the National Advisory Council on Nurse Training established by [section 841 (hereinafter in this part referred to as the "Council")] *section 851*. [If a school of nursing applies for a grant in a fiscal year for a construction project to expand its training capacity and if under paragraph (2) of subsection (e) of section 806 such school is not required to meet in such fiscal year the enrollment increase prescribed by such subsection because of limitations of physical facilities, the Secretary, after consultation with the National Advisory Council on Nurse Training, may waive (in whole or in part) the enrollment increase prescribed by paragraph (2) (D) of this subsection if the application for such construction project contains or is supported by reasonable assurances satisfactory to the Secretary that the number of first-year students enrolled at such school during the first full school year after the completion of such project and for each of the next nine school years thereafter will be not less than the number of first-year students that such school would be required to enroll under section 806 (e) (without regard to paragraph (2) thereof) for a grant under section 806 (a).]

(c) In considering applications for grants, the Council and the Secretary shall take into account—

(1) (A) in the case of a project for a new school or the expansion of the facilities of an existing school, the relative effectiveness of the proposed facilities (i) in expanding the capacity for the training of first-year students of nursing in the field involved and in promoting an equitable geographical distribution of opportunities for such training (giving due consideration to population, relative unavailability of nurses of the kind to be trained by such school, and available resources in various areas of the Nation for training such nurses), or (ii) *in expanding the capacity of the school to provide graduate training*; or

(B) in the case of a project for replacement or rehabilitation of existing facilities of a school, the relative need for such replacement or rehabilitation to prevent curtailment of the school's enrollment or deterioration of the quality of the training provided by the school, and the relative size of any such curtailment and its effect on the geographical distribution of opportunities for training in the field of nursing involved (giving consideration to the factors mentioned [above] in [paragraph] *subparagraph* (A)); and

(2) in the case of an applicant in a State which has in existence a State or local area agency involved with planning for nurse training facilities, or which participates in a regional or other interstate agency involved with planning for nurse training facilities, the relationship of the application to the construction or training program which is being developed by such agency or agencies and, if such agency or agencies have reviewed such application, any comment thereon submitted by them.

AMOUNT OF CONSTRUCTION GRANT; PAYMENTS

[SEC. 803. (a) The amount of any grant for a construction project under this part shall be such amount as the Secretary determines to be appropriate after obtaining the advice of the Council; except that (A) in the case of a grant (i) for a project for a new school, (ii) for a project for new facilities for an existing school in cases where such facilities are of particular importance in providing a major expansion of training capacity, as determined in accordance with regulations, and (iii) for a project for major remodeling or renovation of an existing facility where such project is required to meet an increase in student enrollment such amount may not exceed 75 per centum of the necessary cost of construction, as determined by the Secretary, of such project; and (B) in the case of any other grant, such amount may not, except where the Secretary determines that unusual circumstances make a larger percentage (which may in no case exceed 75 per centum) necessary in order to effectuate the purposes of this part, exceed 67 per centum of the necessary cost of construction, as so determined, of the project with respect to which the grant is made.]

Sec. 803. (a) The amount of any grant for a construction project under this subpart shall be such amount as the Secretary determines to be appropriate after obtaining the advice of the National Advisory Council on Nurse Training; except that—

(1) in the case of a grant—

(A) for a project for a new school,

(B) For a project for new facilities for an existing school in cases where such facilities are of particular importance in providing a major expansion of training capacity, as determined in accordance with regulations, or

(C) for a project for major remodeling or renovation of an existing facility where such project is required to meet an increase in student enrollment,

the amount of such grant may not exceed 75 per centum of the necessary cost of construction, as determined by the Secretary, of such project; and

(2) in the case of a grant for any other project, the amount of such grant may not, except where the Secretary determines that unusual circumstances make a larger percentage (which may in no case exceed 75 per centum) necessary in order to effectuate the purposes of this subpart, exceed 67 per centum of necessary cost of construction, as so determined, of the project with respect to which the grant is made.

(b) Upon approval of any application for a grant for a construction project under this [part] subpart, the Secretary shall reserve, from any appropriation available therefor, the amount of such grant as determined under subsection (a); the amount so reserved may be paid in advance or by way of reimbursement, and in such installments consistent with construction progress, as the Secretary may determine. The Secretary's reservation of any amount under this section may be amended by him, either upon approval of an amendment of the application or upon revision of the estimated cost of construction of the facility.

(c) In determining the amount of any such grant under this [part] subpart, there shall be excluded from the cost of construction an amount equal to the sum of (1) the amount of any other Federal grant which the applicant has obtained or is assured of obtaining, with respect to the construction which is to be financed in part by grants authorized under this part, and (2) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant.

RECAPTURE OF PAYMENTS

SEC. 804. If, within twenty years (or in the case of interim facilities, within such shorter period as the Secretary shall by regulation prescribe) after completion of any construction for which funds have been paid under this [part] subpart—

[(a)] (1) the applicant or other owner of the facility shall cease to be a public or nonprofit private school, or

[(b)] (2) the facility shall cease to be used for the training purposes for which it was constructed (unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so), or

[(c)] (3) the facility is used for sectarian instruction or as a place for religious worship,

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

[SPECIAL PROJECTS GRANTS AND CONTRACTS; FINANCIAL DISTRESS GRANTS

[SEC. 805. (a) From appropriations under section 808 the Secretary may make grants to public and other nonprofit private schools of nursing and other public or nonprofit private agencies, organizations and institutions, and enter into contracts with any public or private agencies, organizations, or institutions, to meet the costs of special projects to—

[(1) assist in—

[(A) mergers between hospital training programs or between hospital training programs and academic institutions, or

[(B) other cooperative arrangements among hospitals and academic institutions,

leading to the establishment of nurse training programs;

[(2) develop training programs, and train, for new roles, types, or levels of nursing personnel, including programs for the training of pediatric nurse practitioners or other types of nurse practitioners;

[(3) develop programs for cooperative interdisciplinary training among schools of nursing and schools of allied health, medicine, dentistry, osteopathy, optometry, podiatry, pharmacy, public

health, or veterinary medicine, including training for the use of the team approach to the delivery of health services;

[(4) assist in increasing the supply, or improving the distribution of adequately trained nursing personnel or to promote the full utilization of nursing skills;

[(5) effect significant improvements in the curriculums of schools of nursing;

[(6) research, develop, or demonstrate advances in the various fields related to education in nursing;

[(7) plan, develop, or establish new programs or modifications of existing programs of nursing education;

[(8) increase educational opportunities for disadvantaged students;

[(9) provide continuing education for nurses;

[(10) provide appropriate retraining opportunities for nurses who (after periods of professional inactivity) desire again actively to engage in the nursing profession;

[(11) otherwise strengthen, improve or expand programs to train nursing personnel, or

[(12) help to increase the supply or improve the distribution by geographic area or by specialty group of adequately trained nursing personnel needed to meet the health needs of the Nation, including the need to increase the availability of personal health services and the need to promote preventive health care.

Contracts may be entered into under this subsection without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

[(b) The Secretary may also make grants from appropriations under section 808 to assist public or nonprofit private schools of nursing which are in serious financial straits to meet operational costs required to maintain quality educational programs or which have special need for financial assistance to meet accreditation requirements. Any such grant may be made upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the school agree (1) to disclose any financial information or data deemed by the Secretary to be necessary to determine the sources or causes of that school's financial distress, (2) to conduct a comprehensive cost analysis study in cooperation with the Secretary, and (3) to carry out appropriate operational and financial reforms on the basis of information obtained in the course of the comprehensive cost analysis study or on the basis of other relevant or be supported by assurances satisfactory to the Secretary that the

[(c) An application for a grant under subsection (b) must contain or be supported by assurances satisfactory to the Secretary that the applicant will expend in carrying out its functions as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought. The Secretary may, after consultation with the

National Advisory Council on Nurse Training, waive the requirement of the preceding sentence with respect to any school if he determines that the application of such requirement to such school would be inconsistent with the purposes of subsection (b).

[(d) The Secretary may, with the advice of the National Advisory Council on Nurse Training, provide assistance (including assistance under this section which may be provided without regard to section 807) to the heads of other departments and agencies of the Government to encourage and assist in the utilization of medical facilities under their jurisdiction for nurse training programs.]

LOAN GUARANTEES AND INTEREST SUBSIDIES

SEC. [809.] 805. (a) In order to assist nonprofit private schools of nursing to carry out construction projects for training facilities, the Secretary may, during the period beginning July 1, 1971, and ending with the close of [June 30, 1975] *September 30, 1978*, guarantee (in accordance with this section and subject to subsection (f)) to non-Federal lenders or the *Federal Financing Bank* making loans to such schools for such construction projects payment when due of the principal of and interest on any loan for construction of such facilities if the loan was made to school which is eligible (as determined under regulations of the Secretary) for a grant under this [part] *subpart* to assist a construction project for such facilities. The Secretary may make commitments, on behalf of the United States, to make such loan guarantees prior to the making of such loans. No such loan guarantee [(1)] may, except under such special circumstances and under such conditions as are prescribed by regulations, apply to any amount which, when added to any grant for construction under this [part] *subpart* or any other law of the United States, exceeds 90 per centum of the cost of construction of the project[, or (2) may apply to more than 90 per centum of the loss of principal of and interest on the loan].

(b) In the case of any nonprofit private school of nursing which is eligible (as determined under regulations of the Secretary) for a grant under this [part] *subpart* to assist a construction project for training facilities, and to whom a loan has been made by a non-Federal lender or the *Federal Financing Bank* to assist it in carrying out such project, the Secretary, during the period beginning July 1, 1971, and ending with the close of [June 30, 1975] *September 30, 1978*, may, subject to subsection (f), pay to the holder of such loan (and for and on behalf of the school which received such loan) amounts sufficient to reduce by not to exceed 3 per centum per annum the net effective interest rate otherwise payable on such loan.

(c) A loan guarantee or interest subsidy payment may be made under this section only upon an application (submitted in such manner and containing such information as the Secretary may by regulations require) approved by the Secretary. The Secretary may not approve an application for a loan guarantee or interest subsidy payment unless he determines that the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of

interest does not exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States. The Secretary may not approve an application for a loan guarantee, unless he determines that the loan would not be available on reasonable terms and conditions without the guarantee under this section.

(d)(1) The United States shall be entitled to recover from any school of nursing for whom a loan guarantee was made under this section the amount of any payment made pursuant to such guarantee, unless the Secretary for good cause waives such right of recovery; and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

(2) To the extent permitted by paragraph (3), any terms and conditions applicable to a loan guarantee under this section may be modified by the Secretary to the extent he determines it to be consistent with the financial interest of the United States.

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

(e) There is established in the Treasury a loan guarantee and interest subsidy fund (hereinafter in this subsection referred to as the "fund") which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts, (1) to enable him to discharge his responsibilities under guarantees issued by him under this section, and (2) for interest subsidy payments authorized by this section. There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund; except that the amount appropriated for interest subsidy payments may not exceed \$1,000,000 in the fiscal year ending June 30, 1972, \$2,000,000 in the fiscal year ending June 30, 1973, [and] \$4,000,000 in the fiscal year ending June 30, 1974, or in the next fiscal year, \$1,000,000 in fiscal year 1976, \$1,000,000, in fiscal year 1977, and \$1,000,000 in fiscal year 1978. There shall also be deposited in the fund amounts received by the Secretary or other property or assets derived by him from his operations under this section, including any money derived from the sale of assets. If at any time the sums in the fund are insufficient to enable the Secretary to discharge his responsibilities under guarantees issued by him under this section or to make interest subsidy payments authorized by this section, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury, but only in such amounts as may be specified from time to time in appropriation Acts. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or

other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued hereunder and for that purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which the securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from the fund.

(f)(e) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued under this section may not exceed such limitations as may be specified in appropriation Acts.

(2) In any fiscal year no loan guarantee may be made under subsection (a) and no agreement to make interest subsidy payments may be entered into under subsection (b) if the making of such guarantee or the entering into of such agreement would cause the cumulative total of—

(A) the principal of the loans guaranteed under subsection (a) in such fiscal year, and

(B) the principal of the loans for which no guarantee has been made under subsection (a) and with respect to which an agreement to make interest subsidy payments is entered into under subsection (b) in such fiscal year.

to exceed the amount of grant funds obligated under this part in such fiscal year for construction grants; except that this paragraph shall not apply if the amount of grant funds so obligated in such fiscal year equal the sums appropriated for such fiscal year under section 801.

(g) The Secretary, with the consent of the Secretary of Housing and Urban Development, may obtain from the Department of Housing and Urban Development such assistance with respect to the administration of this section as will promote efficiency and economy thereof.

【SEC. 808. For payments under grants and contracts under section 805(a) there are authorized to be appropriated \$20,000,000 for the fiscal year ending June 30, 1972; \$28,000,000 for the fiscal year ending June 30, 1973; and \$35,000,000 each for the fiscal years ending June 30, 1974 and June 30, 1975. There are authorized to be appropriated \$15,000,000 for the fiscal year ending June 30, 1972, \$10,000,000 for the fiscal year ending June 30, 1973, and \$5,000,000 each for the fiscal years ending June 30, 1974 and June 30, 1975, to make grants under section 805(b), and, to the extent that sums appropriated under this sentence are not used for such grants, for grants under section 805(a).】

【START-UP GRANTS FOR NEW NURSE TRAINING PROGRAMS

【SEC. 810. (a) The Secretary may make grants to any public or nonprofit private entity to assist in meeting the costs of planning, developing, or initiating new programs of nurse training. In con-

sidering applications for grants under this section, the Secretary shall take into account—

[(1) the number of students proposed to be enrolled in such program, and

[(2) the other resources available to such program.

[(b) The Secretary shall give special consideration to each application for grant assistance under this section for a new program of nurse training which contains or is reasonably supported by assurances that, because of the use that the program will make of existing facilities (including Federal medical facilities), it will be able to accelerate the date on which it will begin its teaching program.

[(c) The amount of any grant under this section shall be determined by the Secretary, but in no event may any grant exceed \$100,000 for any fiscal year. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

[(d) There are authorized to be appropriated to carry out this section not to exceed \$4,000,000 for the fiscal year ending June 30, 1972, \$8,000,000 for the fiscal year ending June 30, 1973, and \$12,000,000 each for the fiscal years ending June 30, 1974, and June 30, 1975. Sums appropriated under this section shall remain available until expended.]

Subpart II—Capitation Grants

CAPITATION GRANTS

SEC. [806.] 810. (a) GRANT COMPUTATION.—The Secretary shall make annual grants to schools of nursing for the support of the education programs of such schools. The amount of the annual grant to each such school with an approved application shall be computed as follows:

[(1) Each such school shall receive—

[(A) \$250 for each full-time student enrolled in such school in such year (other than a student who will graduate from such school in such year);

[(B) \$500 for each full-time student enrolled in such school who will graduate in such year; and

[(C) \$100 for each enrollment bonus student (as determined under subsection (d) enrolled in such school in such year; and

[(2) Each such school which has a training program for the training of nurse midwives, family health nurses, pediatric nurse practitioners, or similar nurse practitioners shall receive—

[(A) \$250 for each full-time student enrolled in such program in such year (other than a student who will complete the training provided under such program in such year); and

[(B) \$900 for each full-time student enrolled in such program who will complete the training provided under such program in such year.]

(1) *Each collegiate school of nursing shall receive \$400 for each undergraduate full-time student enrolled in each of the last two years of such school in such year.*

(2) *Each associate degree school of nursing shall receive (A) the product of \$275 and one-half of the number of full-time students enrolled in the first year of such school in such year, and (B) for each full-time student enrolled in the last year of such school in such year.*

(3) *Each diploma school of nursing shall receive \$250 for each school of such year.*

(b) APPOINTMENT OF APPROPRIATIONS.—If the total of the grants to be made under subsection (a) for any fiscal year to schools with approved applications exceeds the amounts appropriated under subsection [(i)] (f) for such grants, the amount of the grant for that fiscal year to each such school shall be an amount which bears the same ratio to the amount determined for the school for that fiscal year under subsection (a) as the total of the amounts appropriated under subsection (i) for that year bears to the amount required to make grants to each school in accordance with subsection (a).

[(c) ENROLLMENT BONUS STUDENT DEFINED.—For purposes of subsection (a), a full-time student enrolled for any school year in a school of nursing shall be considered to be an enrollment bonus student if—

[(1) he enrolled in such school as a first-year student for a school year beginning after June 30, 1971; and

[(2) the size of the class of first-year students which enrolled in such school for such school year met the applicable requirement of subsection (d) (1) (A) or (d) (2) (A), and the application of such school for a grant under this section for the fiscal year in which such school year began met the applicable requirement of subsection (d) (1) (B) or (d) (2) (B).

Any student who is considered to be an enrollment bonus student for the school year for which he enrolled as a first-year student in a school shall be considered to be an enrollment bonus student for each school year thereafter for which he is enrolled in such school (other than as a student enrolled in a training program described in subsection (a) (2)).

[(d) CLASS SIZE AND APPLICATION REQUIREMENTS FOR GRANTS FOR BONUS ENROLLMENT STUDENTS.—

[(1) School year 1971-1972.—If the school year for which a class enrolled as a class of first-year students in a school was the first school year beginning after June 30, 1971—

[(A) the number of students who enrolled in such class for such school year must exceed the number of first-year students who enrolled in such school for the preceding school year by 5 per centum of such number or by five students, whichever is greater; and

[(B) the application of such school for a grant under this section for the fiscal year ending June 30, 1972, contains or is supported by reasonable assurances that, for the first school year beginning after June 30, 1972 and for each school year thereafter, the number of students enrolled in such school as a class of first-year students will not be less than a number equal to the sum of—

[(i) the minimum enrollment of first-year students required under subparagraph (A); and

[(ii) 5 per centum of the average of the first-year enrollment of full-time students in such school for the two school years having the highest such enrollment during the five school years during the period of July 1, 1966, through June 30, 1971, or ten students, whichever is greater.

[(2) School years after school year 1971-1972.—If the school year by 5 per centum of such number or by five students, in a school was any school year beginning after June 30, 1972—

[(A) the number of students who enrolled in such class for such school year—

[(i) if such school has not previously received a grant for bonus enrollment students, must be not less than the sum of (I) the minimum number of first-year students which such school is required pursuant to subsection (e) (or would be required pursuant to subsection (e) except for paragraph (2) thereof) to enroll for such school year, and (II) 5 per centum of that number or 5 students whichever is greater; or

[(ii) if such school has previously qualified for a bonus enrollment grant under this section, must be not less than the sum of (I) the minimum number of students which such school was required, pursuant to paragraph (1) (B) or (2) (B) (as the case may be), to assure the Secretary would be enrolled for such school year, and (II) 5 per centum of that number or 5 students, whichever is greater; and

[(B) the application of such school for a grant under this section for the fiscal year in which such school year begins contains or is supported by reasonable assurances that, for the first school year beginning after the close of such fiscal year and for each fiscal year thereafter, the number of students enrolled in such school as a class of first-year students will not be less than the minimum number of students such school was required under subparagraph (A) to enroll as first-year students.

[(e) MAINTENANCE OF EFFORT AND ENROLLMENT INCREASE REQUIREMENTS.—

[(1) The Secretary shall not make a grant under this section to any school in a fiscal year beginning after June 30, 1971, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary—

[(A) that for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the average of the first-year enrollment of such students in such school for the two school years having the highest such enrollment during the five school years during the period July 1, 1966, through June 30, 1971, by at least 5

per centum of such average first-year enrollment, or by ten students, whichever is greater; and

[(B) that the applicant will expend in carrying out its function as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the 3 fiscal years immediately preceding the fiscal year for which such grant is sought.

The requirements of subparagraph (A) shall be in addition to the requirements of section 802(b)(2)(D) of this Act, where applicable.

(2) The Secretary is authorized to waive (in whole or in part) the provision of paragraph (1)(A) if he determines, after consultation with the National Advisory Council on Nurse Training, that the required increase in first-year enrollment of full-time students in a school cannot, because of limitations of physical facilities available to the school for training or because of other relevant factors, be accomplished without lowering the quality of training provided therein.

[(f) PLAN REQUIREMENT.—

[(1) In the case of a school which has not received a grant under subsection (a) in a fiscal year beginning after June 30, 1971, an application by such school for such a grant for a fiscal year beginning after that date may not be approved by the Secretary unless the application contains or is accompanied by a plan to carry out, or establish and carry out, during the two-school year period commencing not later than the first day of the fiscal year next following the fiscal year in which the grant is made, specific projects in at least three of the following categories of projects:

[(A) Projects to assist in—

[(i) mergers between hospital training programs or between hospital training programs and academic institutions, or

[(ii) affiliation agreements with hospitals or academic institutions;

leading to the establishment of nurse training programs.

[(B) Projects to train for new roles, types, or levels of nursing personnel, including programs for the training of pediatric nurse practitioners or other types of nurse practitioners, in cooperation with appropriate academic institutions or hospitals.

[(C) Projects to establish cooperative intradisciplinary training among schools of nursing with a view toward establishment of interchangeable curriculum or shared use of resources.

[(D) Projects to establish cooperative interdisciplinary training between schools of nursing and schools of allied

health, medicine, dentistry, osteopathy, optometry, podiatry, pharmacy, public health, or veterinary medicine, including training for the use of the team approach to the delivery of health services.

[(E) Projects to assist in increasing the supply of adequately trained nursing personnel or to promote the full utilization of nursing skills.

[(F) Projects to effect significant improvements in the curricula of schools of nursing (including projects with a view toward the assumption of greater patient care responsibilities).

[(G) Projects to provide in-service or other training and education to upgrade the skills of licensed vocational or licensed practical nurses, nursing assistants, and aides, and other paraprofessional nursing personnel.

[(H) Projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or educationally disadvantaged.

[(2) The Secretary may make on-site inspections of any school, or require the supplying of information or data from any school, receiving a grant under subsection (a) to determine the extent to which such school is carrying out the specific projects required to be included in the plan submitted by such school (pursuant to paragraph (1)) in connection with its application for such grant.

[(3) The Secretary shall submit to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives two reports containing full and complete information as to the extent to which schools receiving grants under subsection (a) are carrying out the specific projects included in plans submitted by them pursuant to paragraph (1). The first such report shall be submitted not later than January 1, 1973, and the second such report shall be submitted not later than September 1, 1974.]

(c) (1) *REQUIREMENTS FOR GRANTS.*—*The Secretary shall not make a grant under subsection (a) to any school of nursing in a fiscal year beginning after June 30, 1975, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—*

(A) *the first-year enrollment of full-time students in the school in the school year beginning after the fiscal year in which the grant applied for is to be made will not be less than the first-year enrollment of such students in the school in the preceding school year; and*

(B) *that the school will expend in carrying out its function as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought.*

The requirements of subparagraph (A) shall be in addition to the requirements of section 802(b) (2) (D), where applicable.

(2) *The Secretary shall not make a grant under section (a) to any school of nursing in a fiscal year beginning after June 30, 1975, unless one of the following requirements is met:*

(A) *The application for such grant shall contain or be supported by reasonable assurances satisfactory to the Secretary that for the school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—*

(i) *by 10 per centum of such number if such number was not more than one hundred, or*

(ii) *by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred.*

(B) *The school has provided reasonable assurances satisfactory to the Secretary that it will carry out, in accordance with a plan submitted by the school to the Secretary and approved by him, one of the following programs in the school year beginning after the close of the fiscal year in which such grant is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made:*

(i) *In the case of collegiate schools of nursing, a program for the training of nurse practitioners (as defined in section 822).*

(ii) *A program under which students enrolled in a school of nursing will receive a significant portion of their clinical training in community health centers, long-term care facilities, and ambulatory care facilities geographically remote from the main site of the teaching facilities of the school.*

(iii) *A program for the continuing education of nurses which meets needs identified by appropriate State, regional, or local health or educational entities (including health systems agencies).*

(iv) *A program to identify, recruit, enroll, retain, and graduate individuals from disadvantaged background (as determined in accordance with criteria prescribed by the Secretary) under which program at least 10 per centum of each year's entering class (or ten students, whichever is greater) is comprised of such individuals.*

[(g)] (d) *ENROLLMENT AND GRADUATION DETERMINATIONS.*—

(1) For the purposes of this part and part D, regulations of the Secretary shall include provisions relating to determination of the number of students enrolled in a school, or in a particular year-class in a school, or the number of graduates, as the case may be, on the basis of estimates or on the basis of the number of students who were enrolled in a school, or in a particular year-class in a school, or were graduates, in an earlier year, as the case may be, or on such basis as he deems appropriate for making such determina-

tion, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school.

(2) For purposes of this part and part D, the term "full-time students" (whether such term is used by itself or in connection with a particular year-class) means students pursuing a full-time course of study in an accredited program in a school of nursing.

[(h)] (e) APPLICATION FOR NEW SCHOOLS.—In the case of a new school of nursing which applies for a grant under this section in the fiscal year preceding the fiscal year in which it will admit its first class, the enrollment for purposes of subsection (a) shall be the number of full-time students which the Secretary determines, on the basis of assurance provided by the school, will be enrolled in the school, in the fiscal year after the fiscal year in which the grant is made.

[(i)] (f) AUTHORIZATION OF APPROPRIATIONS.—

(1) There are authorized to be appropriated \$78,000,000 for the fiscal year ending June 30, 1972, \$82,000,000 for the fiscal year ending June 30, 1973, [and] \$88,000,000 each for the fiscal years ending June 30, 1974, and June 30, 1975, \$50,000,000 for fiscal year 1976, \$55,000,000 for fiscal year 1977, and \$60,000,000 for fiscal year 1978, for grants under this section.

(2) No funds appropriated under any provision of this Act (other than this subsection) may be used to make grants under this section.

APPLICATIONS FOR GRANTS

SEC. [807] 811. (a) The Secretary may from time to time set dates (not earlier than in the fiscal year preceding the year for which a grant is sought) by which applications under [section 805, 806, or 810] *this subpart* for any fiscal year must be filed.

(b) The Secretary shall not approve or disapprove any application for a grant under this [part] *subpart* except after consultation with the National Advisory Council on Nurse Training.

(c) A grant under [section 805, 806, or 810] *this subpart* may be made only if the application therefor—

(1) is from a public or nonprofit private school of nursing [or, in the case of grants under section 805 or 810, a public or nonprofit private agency, organization, or institution];

(2) contains such additional information as the Secretary may require to make the determinations required of him under [those sections] *this subpart* and such assurances as he may find necessary to carry out the purposes of [those sections] *this subpart*; and

(3) provides for such fiscal control and accounting procedures and reports, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of and accounting for Federal funds paid to the applicant under [those sections] *this subpart*.

Subpart III—Financial Distress Grants

FINANCIAL DISTRESS GRANTS

SEC. 815. (a) The Secretary may make grants to assist public or nonprofit private schools of nursing which are in serious financial straits

to meet operational costs required to maintain quality educational programs or which have special need for financial assistance to meet accreditation requirements. Any such grant may be made upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the school agree (1) to disclose any financial information or data deemed by the Secretary to be necessary to determine the sources or causes of that school's financial distress, (2) to conduct a comprehensive cost analysis study in cooperation with the Secretary, and (3) to carry out appropriate operational and financial reforms on the basis of information obtained in the course of the comprehensive cost analysis study or on the basis of other relevant information.

(b) (1) No grant may be made under subsection (a) unless an application therefor is submitted to and approved by the Secretary. The Secretary may not approve or disapprove such an application except after consultation with the National Advisory Council on Nurse Training.

(2) An application for a grant under subsection (a) must contain or be supported by assurances satisfactory to the Secretary that the applicant will expend in carrying out its functions as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring in nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought. The Secretary may, after consultation with the National Advisory Council on Nurse Training, waive the requirements of the preceding sentence with respect to any school if he determines that the application of such requirement to such school would be inconsistent with the purposes of subsection (a).

(c) For payments under grants under this section there are authorized to be appropriated \$5,000,000 for fiscal year 1976, \$5,000,000 for fiscal year 1977, and \$5,000,000 for fiscal year 1978.

Subpart IV—Special Projects

SPECIAL PROJECT GRANTS AND CONTRACTS

SEC. 820. (a) The Secretary may make grants to public and nonprofit private schools of nursing and other public or nonprofit private entities, and enter into contracts with any public or private entity, to meet the cost of special projects to—

(1) assist in—

(A) mergers between hospital training programs or between hospital training programs and academic institutions, or

(B) other cooperative arrangements among hospitals and academic institutions,

leading to the establishment of nurse training programs;

(2) (A) plan, develop, or establish new nurse training programs or programs of research in nursing education, or

(B) significantly improve curricula of schools of nursing (including curriculums of pediatric nursing and geriatric nursing) or modify existing programs of nursing education;

(3) increase nursing education opportunities for individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, by—

(A) identifying, recruiting, and selecting such individuals,

(B) facilitating the entry of such individuals into schools of nursing,

(C) providing counseling or other services designed to assist such individuals to complete successfully their nursing education,

(D) providing, for a period prior to the entry of such individuals into the regular course of education at a school of nursing, preliminary education designed to assist them to complete successfully such regular course of education,

(E) paying such stipends (including allowances for travel and dependents) as the Secretary may determine for such individuals for any period of nursing education, and

(F) publicizing, especially to licensed vocational or practical nurses, existing sources of financial aid available to persons enrolled in schools of nursing or who are undertaking training necessary to qualify them to enroll in such schools;

(4) provide continuing education for nurses;

(5) provide appropriate retraining opportunities for nurses who (after periods of professional inactivity) desire again actively to engage in the nursing profession;

(6) help to increase the supply or improve the distribution by geographic area or by specialty group of adequately trained nursing personnel (including nursing personnel who are bilingual) needed to meet the health needs of the Nation, including the need to increase the availability of personal health services and the need to promote preventive health care; or

(7) provide training and education to upgrade the skills of licensed vocational or practical nurses, nursing assistants, and other paraprofessional nursing personnel.

Contracts may be entered into under this subsection without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

(b) The Secretary may, with the advice of the National Advisory Council on Nurse Training, provide assistance to the heads of other departments and agencies of the Government to encourage and assist in the utilization of medical facilities under their jurisdiction for nurse training programs.

(c) No grant or contract may be made under this section unless an application therefor has been submitted to and approved by the Secretary. The Secretary may not approve or disapprove such an application except after consultation with the National Advisory Council on Nurse Training. Such an application shall provide for such fiscal control and accounting procedures and reports, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section.

(d) For payments under grants and contracts under this section there are authorized to be appropriated \$15,000,000 for fiscal year 1976, \$15,000,000 for fiscal year 1977, and \$15,000,000 for fiscal year 1978. Not less than 10 per centum of the funds appropriated under this subsection for any fiscal year shall be used for payments under grants and contracts to meet the costs of the special projects described in subsection (a)(3).

ADVANCED NURSE TRAINING PROGRAMS

SEC. 821. (a)(1) The Secretary may make grants to and enter into contracts with public and nonprofit private collegiate schools of nursing to meet the costs of projects to—

(A) plan, develop, and operate,

(B) significantly expand, or

(C) maintain existing,

programs for the advanced training of professional nurses to teach in the various fields of nurse training, to serve in administrative or supervisory capacities, or to serve in other professional nursing specialties (including service as nurse clinicians) determined by the Secretary to require advanced training.

(b) For payments under grants and contracts under this section there are authorized to be appropriated \$15,000,000 for fiscal year 1976, \$20,000,000 for fiscal year 1977, and \$25,000,000 for fiscal year 1978.

NURSE PRACTITIONER PROGRAMS

SEC. 822. (a)(1) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of nursing, medicine, and public health, public or nonprofit private hospitals, and other public or nonprofit private entities to meet the cost of projects to—

(A) plan, develop, and operate,

(B) significantly expand, or

(C) maintain existing,

programs for the training of nurse practitioners.

(2)(A) For purposes of this section, the term "programs for the training of nurse practitioners" means educational programs which meet guidelines prescribed by the Secretary in accordance with subparagraph (B) and which have as their objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities, and other health care institutions.

(B) After consultation with appropriate educational organizations and professional nursing and medical organizations, the Secretary shall prescribe guidelines for programs for nurse practitioners. Such guidelines shall, as a minimum, require—

(i) a program of at least one academic year consisting of (I) supervised clinical practice and (II) at least four months (in the

aggregate) of classroom instruction, and that the program be directed toward preparing nurses to deliver primary health care; and

(ii) a minimum level of enrollment in each year of not less than eight students.

(b) No grant may be made or contract entered into for a project to plan, develop, and operate a program for the training of nurse practitioners unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program will upon its development meet the guidelines which are in effect under subsection (a) (2) (B); and no grant may be made or contract entered into for a project to expand or maintain such a program unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program meets the guidelines which are in effect under such subsection.

(c) The costs for which a grant or contract under this section may be made may include costs of preparation of faculty members in order to conform to the guidelines established under subsection (a) (2) (B).

(d) For payments under grants and contracts under this section there are authorized to be appropriated \$15,000,000 for fiscal year 1976, \$20,000,000 for fiscal year 1977, and \$25,000,000 for fiscal year 1978.

PART B—ASSISTANCE TO NURSING STUDENTS

Subpart I—Traineeships

TRAINEESHIPS FOR ADVANCED TRAINING OF PROFESSIONAL NURSES

[SEC. 821. (a) There are authorized to be appropriated \$8,000,000 for the fiscal year ending June 30, 1965, \$9,000,000 for the fiscal year ending June 30, 1966, \$10,000,000 for the fiscal year ending June 30, 1967, \$11,000,000 for the fiscal year ending June 30, 1968, \$12,000,000 for the fiscal year ending June 30, 1969, \$15,000,000 for the fiscal year ending June 30, 1970, \$19,000,000 each for the fiscal year ending June 30, 1971, \$20,000,000 for the fiscal year ending June 30, 1972, \$22,000,000 for the fiscal year ending June 30, 1973, and \$24,000,000 for the fiscal year ending June 30, 1974, and the next fiscal year, to cover the cost of traineeships for the training of professional nurses to teach in the various fields of nurse training (including practical nurse training), to serve in administrative or supervisory capacities, or to serve in other professional nursing specialties determined by the Secretary to require advanced training.]

Sec. 830. (a) There is authorized to be appropriated \$15,000,000 for fiscal year 1976, \$20,000,000 for fiscal year 1977, and \$25,000,000 for fiscal year 1978, to cover the costs of traineeships for the training of professional nurses—

(1) to teach in the various fields of nurse training (including practical nurse training),

(2) to serve in administrative or supervisory capacities,

(3) to serve as nurse practitioners, or

(4) to serve in other professional nursing specialties determined by the Secretary to require advanced training.

(b) Traineeships under this section shall be awarded by the Secretary through grants to public or nonprofit private institutions pro-

viding the training. In making grants for traineeships under this section, the Secretary shall give special consideration to applications for traineeship programs which conform to guidelines established by the Secretary under section 822(a)(2)(B).

(c) Payments to institutions under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary. Such payments may be used only for traineeships and shall be limited to such amounts as the Secretary finds necessary to cover the costs of tuition and fees, and a stipend and allowances (including travel and subsistence expenses) for the trainees.

Subpart II—Student Loans

LOAN AGREEMENTS

SEC. [822.] 835. (a) The Secretary [of Health, Education, and Welfare] is authorized to enter into an agreement for the establishment and operation of a student loan fund in accordance with this [part] subpart with any public or nonprofit private school of nursing which is located in a State.

(b) Each agreement entered into under this section shall—

(1) provide for establishment of a student loan fund by the school;

(2) provide for deposit in the fund, except as provided in section [829.] 841, of (A) the Federal capital contributions paid [under this part] from allotments under section 838 to the school by the Secretary, (B) an additional amount from other sources equal to not less than one-ninth of such Federal capital contributions, (C) collections of principal and interest on loans made from the fund, (D) collections pursuant to section [823.] 836 (f), and (E) any other earnings of the fund;

(3) provide that the fund, except as provided in section [829.] 841, shall be used only for loans to students of the school in accordance with the agreement and for costs of collection of such loans and interest thereon;

(4) provide that loans may be made from such fund only to students pursuing a full-time or half-time course of study at the school leading to baccalaureate or associate degree in nursing or an equivalent degree or a diploma in nursing, or to a graduate degree in nursing, and that while the agreement remains in effect no such student who has attended such school before [July 1, 1975.] October 1, 1978, shall receive a loan from a loan fund established under section 204 of the National Defense Education Act of 1958; and

(5) contain such other provisions as are necessary to protect the financial interests of the United States.

LOAN PROVISIONS

SEC. [823.] 836. (a) The total of the loans for any academic year (or its equivalent, as determined under regulations of the Secretary) made by schools of nursing from loan funds established pursuant to agreements under this [part] subpart may not exceed \$2,500 in the

case of any student. The aggregate of the loans for all years from such funds may not exceed \$10,000 in the case of any student. In the granting of such loans, a school shall give preference to licensed practical nurses and to persons who enter as first-year students after enactment of this title.

(b) Loans from any such student loan fund by any school shall be made on such terms and conditions as the school may determine; subject, however, to such conditions, limitations, and requirements as the Secretary [of Health, Education, and Welfare] may prescribe (by regulation or in the agreement with the school) with a view to preventing impairment of the capital of such fund to the maximum extent practicable in the light of the objective of enabling the student to complete his course of study; and except that—

(1) such a loan may be made only to a student who (A) is in need of the amount of the loan to pursue a full-time or half-time course of study at the school leading to a baccalaureate or associate degree in nursing or an equivalent degree, or a diploma in nursing, or a graduate degree in nursing, and (B) is capable, in the opinion of the school, of maintaining good standing in such course of study;

(2) such a loan shall be repayable in equal or graduated periodic installments (with the right of the borrower to accelerate repayment) over the ten-year period which begins nine months after the student ceases to pursue a full-time or half-time course of study at a school of nursing, excluding from such 10-year period all (A) periods (up to three years) of (i) active duty performed by the borrower as a member of a uniformed service, or (ii) service as a volunteer under the Peace Corps Act, and (B) periods (up to five years) during which the borrower is pursuing a full-time course of study at a collegiate school of nursing leading to baccalaureate degree in nursing or an equivalent degree, or to graduate degree in nursing, or is otherwise pursuing advanced professional training in nursing (*or training to be a nurse anesthetist*);

(3) an amount up to 85 per centum of any such loan (plus interest thereon) shall be canceled for full-time employment as a professional nurse (including teaching in any of the fields of nurse training and service as an administrator, supervisor, or consultant in any of the fields of nursing) in any public or nonprofit private agency, institution, or organization (including neighborhood health centers), at the rate of 15 per centum of the amount of such loan (plus interest) unpaid on the first day of such service for each of the first, second, and third complete year of such service, and 20 per centum of such amount (plus interest) for each complete fourth and fifth year of such service;

(4) the liability to repay the unpaid balance of such loan and accrued interest thereon shall be canceled upon the death of the borrower, or if the Secretary determines that he has become permanently and totally disabled;

(5) such a loan shall bear interest on the unpaid balance of the loan, computed only for periods during which the loan is repayable, at the rate of 3 per centum per annum;

(6) such a loan shall be made without security or endorsement, except that if the borrower is a minor and the note or other

evidence of obligation executed by him would not, under the applicable law, create a binding obligation, either security or endorsement may be required;

(7) no note or other evidence of any such loan may be transferred or assigned by the school making the loan except that, if the borrower transfers to another school participating in the program under this [part] *subpart*, such note or other evidence of a loan may be transferred to such other school.

(c) Where all or any part of a loan, or interest, is canceled under this section, the Secretary [of Health, Education, and Welfare] shall pay to the school an amount equal to the school's proportionate share of the canceled portion, as determined by the Secretary.

(d) Any loan for any year by a school from a student loan fund established pursuant to an agreement under this part shall be made in such installments as may be provided in regulations of the Secretary or such agreement and, upon notice to the Secretary by the School that any recipient of a loan is failing to maintain satisfactory standing, any or all further installments of his loan shall be withheld, as may be appropriate.

(e) An agreement under this [part] *subpart* with any school shall include provisions designed to make loans from the student loan fund established thereunder reasonably available (to the extent of the available funds in such fund) to all eligible students in the school in need thereof.

(f) Subject to regulations of the Secretary, a school may assess a charge with respect to a loan from the loan fund established pursuant to an agreement under this part for failure of the borrower to pay all or any part of an installment when it is due and, in the case of a borrower who is entitled to deferment of the loan under subsection (b) (2) or cancellation of part or all of the loan under subsection (b) (3), for any failure to file timely and satisfactory evidence of such entitlement. The amount of any such charge may not exceed \$1 for the first month or part of a month by which such installment or evidence is late and \$2 for each such month or part of a month thereafter. The school may elect to add the amount of any such charge to the principal amount of the loan as of the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the school not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge.

(g) A school may provide in accordance with regulations of the Secretary, that during the repayment period of a loan from a loan fund established pursuant to an agreement under this [part] *subpart* payments of principal and interest by the borrower with respect to all the outstanding loans made to him from loan funds so established shall be at a rate equal to not less than \$15 per month.

(h) (1) In the case of any individual—

(A) who has received a baccalaureate or associate degree in nursing (or equivalent degree), a diploma in nursing, or a graduate degree in nursing;

(B) who obtained (A) one or more loans from a loan fund established under this part, or (B) any other educational loan for nurse training costs; and

(C) who enters into an agreement with the Secretary to serve as a nurse for a period of at least two years in an area in a State determined by the Secretary, after consultation with the appropriate State health authority (as determined by the Secretary by regulations), to have a shortage of and need for nurses;

the Secretary shall make payments in accordance with paragraph (2), for and on behalf of that individual, on the principal of and interest on any loan of that individual described in subparagraph (B) of this paragraph which is outstanding on the date the individual begins the service specified in the agreement described in subparagraph (C) of this paragraph.

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

(A) Upon completion by the individual for whom the payments are to be made of the first year of the service specified in the agreement entered into with the Secretary under paragraph (1), the Secretary shall pay 30 per centum of the principal of, and the interest on each loan of such individual described in paragraph (1) (B) which is outstanding on the date he began such practice.

(B) Upon completion by that individual of the second year of such service, the Secretary shall pay another 30 per centum of the principal of, and the interest on each such loan.

(C) Upon completion by that individual of a third year of such service, the Secretary shall pay another 25 per centum of the principal of, and the interest on each such loan.

(3) Notwithstanding the requirement of completion of practice, specified in paragraph (2), the Secretary shall, on or before the due date thereof, pay any loan or loan installment which may fall due within the period of service for which the borrower may receive payments under this subsection, upon the declaration of such borrower, at such times and in such manner as the Secretary may prescribe (and supported by such other evidence as the Secretary may reasonably require), that the borrower is then engaged as described by paragraph (1) or paragraph (2) (C), and that the borrower will continue to be so engaged for the period required (in the absence of this paragraph) to entitle the borrower to have made the payments provided by this subsection for such period; except that not more than 85 per centum of the principal of any such loan shall be paid pursuant to this paragraph.

(4) A borrower who fails to fulfill an agreement with the Secretary entered into under paragraph (1) or assurances provided pursuant to paragraph (2) (C) shall be liable to reimburse the Secretary for any payments made pursuant to paragraph (2) (A) or paragraph (3) in consideration of such agreement.

(i) Notwithstanding the amendment made by section 6(b) of the Nurse Training Act of 1971 to this section—

(A) any person who obtained one or more loans from a loan fund established under this [part] *subpart*, who before the date of the enactment of the Nurse Training Act of 1971 became eligible for cancellation of all or part of such loans (including accrued interest) under this section (as in effect on the day before

such date), and who on such date was not engaged in a service for which loan cancellation was authorized under this section (as so in effect), may at any time elect to receive such cancellation in accordance with this subsection (as so in effect); and

(B) in the case of any person who obtained one or more loans from a loan fund established under this [part] *subpart*, and who on such date was engaged in a service for which cancellation of all or part of such loans (including accrued interest) was authorized under this section (as so in effect), this section (as so in effect) shall continue to apply to such person for purposes of providing such loan cancellation until he terminates such service.

Nothing in this subsection shall be construed to prevent any person from entering into an agreement for loan cancellation under subsection (h) (as amended by section 6(b) (2) of the Nurse Training Act of 1971).

[SEC. 830. (a) (j) Upon application by a person who received, and is under an obligation to repay, any loan made to such person as a nursing student, the Secretary may undertake to repay (without liability to the applicant) all or any part of such loan, and any interest or portion thereof outstanding thereon, upon his determination, pursuant to regulations establishing criteria therefor, that the applicant—

(1) failed to complete the nursing studies with respect to which such loan was made;

(2) is in exceptionally needy circumstances;

(3) is from a low-income or disadvantaged family as those terms may be defined by such regulations; and

(4) has not resumed, or cannot reasonably be expected to resume, such nursing studies within two years following the date upon which the applicant terminated the studies with respect to which such loan was made.

[AUTHORIZATION OF APPROPRIATIONS FOR LOANS

[SEC. 824. There are authorized to be appropriated to the Secretary of Health, Education, and Welfare for Federal capital contributions for student loan funds pursuant to section 822(b) (2) (A) \$3,100,000 for the fiscal year ending June 30, 1965, \$8,900,000 for the fiscal year ending June 30, 1966 \$16,800,000 for the fiscal year ending June 30, 1967, \$25,300,000 for the fiscal year ending June 30, 1968, \$30,900,000 for the fiscal year ending June 30, 1969 \$20,000,000 for the fiscal year ending June 30, 1970, \$21,000,000 for the fiscal year ending June 30, 1971, \$25,000,000 for the fiscal year ending June 30, 1972 \$30,000,000 for the fiscal year ending June 30, 1973, and \$35,000,000 for the fiscal year ending June 30, 1974, and such sums for the fiscal year ending June 30, 1975, and each of the two succeeding fiscal years as may be necessary to enable students who have received a loan for any academic year ending before July 1, 1974, to continue or complete their education. Sums appropriated pursuant to this section for the fiscal year ending June 30, 1967, or any subsequent fiscal year shall be available to the Secretary (1) for payments into the fund established by section 827 (d), and (2) in accordance with agreements under this part, for Federal

capital contributions to schools with which such agreements have been made, to be used, together with deposits in such funds pursuant to section 822 (b) (2) (B), for establishment and maintenance of student loan funds, and (3) for transfers pursuant to section 829.]

AUTORIZATION OF APPROPRIATIONS FOR STUDENT LOAN FUNDS

SEC. 837. *There are authorized to be appropriated for allotments under section 838 to schools of nursing for Federal capital contributions to their student loan funds established under section 835, \$25,000,000 for fiscal year 1976, \$30,000,000 for fiscal year 1977, and \$35,000,000 for fiscal year 1978. For fiscal year 1979, and for each of the next two succeeding fiscal years there are authorized to be appropriated such sums as may be necessary to enable students who have received a loan for any academic year ending before October 1, 1978, to continue or complete their education.*

ALLOTMENTS AND PAYMENTS OF FEDERAL CAPITAL CONTRIBUTIONS

SEC. [825.] 838. (a) From the sums appropriated pursuant to section [824] 837 for any fiscal year, the Secretary shall allot to each school an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in such school bears to the total number of persons enrolled on a full-time basis in all schools of nursing in all the States. The number of persons enrolled on a full-time basis in schools of nursing for purposes of this section shall be determined by the Secretary for the most recent year for which satisfactory data are available to him. For purposes of allotments under this section, a school of nursing also includes any school with which the Secretary has, prior to the time the allotment is made, entered into an agreement for establishment of a student loan fund under this [part] subpart. Funds available in any fiscal year for payment to schools under this [part] (whether as Federal capital contributions or as loans to schools under section 827)] subpart which are in excess of the amount appropriated pursuant to section [824] 837 for that year shall be allotted among States and among schools within States in such manner as the Secretary determines will best carry out the purposes of this [part] subpart.

(b)(1) The Secretary shall from time to time set dates by which schools of nursing in a State must file applications for Federal capital contributions[, and for loans pursuant to section 827.] from the allotment of such State under the first two sentences of subsection (a) of this section.

(2) If the total of the amounts requested for any fiscal year in such applications which are made by schools in a State exceeds the amount of the allotment of such State for that fiscal year, the amounts to be paid to the loan fund of each such school shall be reduced to whichever of the following is the smaller: (A) the amount requested in its application or (B) an amount which bears the same ratio to the amount of the allotment of such State as the number of students who will be enrolled full time in such school during such fiscal year bears to the total number of students who will be enrolled full-time in all such

schools in such State during such year. Amounts remaining after allotment under the preceding sentence shall be redistributed in accordance with clause (B) of such sentence among schools which in their applications requested more than the amounts so paid to their loan funds, but with such adjustments as may be necessary to prevent the total paid to any such school's loan fund from exceeding the total so requested by it. If the total of the amounts requested for any fiscal year in such applications which are made by schools in a State is less than the amount of the allotment of such State for that fiscal year, the Secretary may reallocate the remaining amount from time to time, on such date or dates as he may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year. For the purpose of this section, the number of students who graduated from secondary schools in each State during a fiscal year and the number of students who will be enrolled full time in schools of nursing in each State shall be estimated by the Secretary [of Health, Education, and Welfare] on the basis of the best information available to him; and in making such estimates, the number of students enrolled full time in any collegiate school of nursing shall be deemed to be twice their actual number.

(c) The Federal capital contributions to a loan fund of a school under this part shall be paid to it from time to time in such installments as the Secretary determines will not result in unnecessary accumulations in the loan fund at such school.

DISTRIBUTION OF ASSETS FROM LOAN FUNDS

SEC. [826.] 839. (a) After [June 30, 1977] September 30, 1980, and not later than [September 30, 1977] December 31, 1980, there shall be a capital distribution of the balance of the loan fund established under an agreement pursuant to section [822] 835(b) by each school as follows:

(1) The Secretary [of Health, Education, and Welfare] shall first be paid an amount which bears the same ratio to such balance in such fund at the close of [June 30, 1977] September 30, 1980, as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to section [822] 835(b)(2)(A) bears to the total amount in such fund derived from such Federal capital contributions and from funds deposited therein pursuant to section [822] 835(b)(2)(B).

(2) The remainder of such balance shall be paid to the school.

(b) After [September 30, 1977] December 31, 1980, each school with which the Secretary has made an agreement under this [part] subpart shall pay to the Secretary, not less often than quarterly, the same proportionate share of amounts received by the school after [June 30, 1977] September 30, 1980, in payment of principal or interest on loans made from the loan fund established pursuant to such agreement [(other than so much of such fund as relates to payments from the revolving fund established by section 827(d))] as was determined for the Secretary under subsection (a).

LOANS TO SCHOOLS

SEC. 827. (a) (1) During the fiscal years ending June 30, 1967, and June 30, 1968, and each of the next six fiscal years, the Secretary may make loans, from the revolving fund established by subsection (d), to any public or nonprofit private school of nursing which is located in a State, to provide all or part of the capital needed by any such school for making loans to students under this section (other than capital needed to make the institutional contributions required of schools by section 822(b)(2)(B)). Loans to students from such borrowed sums shall be subject to the terms, conditions, and limitations set forth in section 823. The requirement in section 822(b)(2)(B) with respect to institutional contributions by schools to student loan funds shall not apply to loans made to school under this section.

(2) A loan to a school under this section may be upon such terms and conditions, consistent with applicable provisions of section 822, as the Secretary deems appropriate. If the Secretary deems it to be necessary to assure that the purposes of this section will be achieved, these terms and conditions may include provisions making the school's obligation to the Secretary on such a loan payable solely from such revenues or other assets or security (including collections on loans to students) as the Secretary may approve. Such a loan shall bear interest at a rate which the Secretary determines to be adequate to cover (A) the cost of the funds to the Treasury as determined by the Secretary of the Treasury, taking into consideration the current average yields of outstanding marketable obligations of the United States having maturities comparable to the maturities of loans made by the Secretary under this section, and (B) probable losses.

Payments to Schools To Cover Certain Costs Incurred in Making Student Loans From Borrowed Funds

(b) If a school of nursing borrows any sums under this section, the Secretary shall agree to pay to the school (1) an amount equal to 90 per centum of the loss to the school from defaults on student loans made from such sums, (2) the amount by which the interest payable by the school on such sums exceeds the interest received by it on student loans made from such sums, (3) an amount equal to the amount of collection expenses authorized by section 822(b)(3) to be paid out of a student loan fund with respect to such sums and (4) the amount of principal which is canceled pursuant to section 823(b)(3) or (4) with respect to student loans made from such sums. There are authorized to be appropriated without fiscal-year limitation such sums as may be necessary to carry out the purposes of this subsection.

Limitation on Loans

(c) The total of the loans made in any fiscal year under this section shall not exceed the lesser of (1) such limitations as may be specified in appropriation Acts, and (2) the difference between \$35,000,000 and the amount of Federal capital contributions paid under this title for that year.

Revolving Fund

(d) (1) There is hereby created within the Treasury a nurse training fund (hereinafter in this section called "the fund") which shall be

available to the Secretary without fiscal-year limitation as a revolving fund for the purposes of this section. A business-type budget for the fund shall be prepared, transmitted to the Congress, considered, and enacted in the manner prescribed by law (sections 102, 103, and 104 of the Government Corporation Control Act, 31 U.S.C. 847-849) for wholly owned Government corporations.

(2) The fund shall consist of appropriations paid into the fund pursuant to section 824, appropriations made pursuant to this subsection, all amounts received by the Secretary as interest payments or repayments of principal on loans under this section, and any other moneys, property, or assets derived by him from his operations in connection with this section (other than subsection (b)), including any moneys derived directly or indirectly from the sale of assets, or beneficial interests or participations in assets, of the fund.

(3) All loans, expenses (other than normal administrative expenses), and payments pursuant to operations of the Secretary under this section (other than subsection (b)) shall be paid from the fund, including (but not limited to) expenses and payments of the Secretary in connection with the sale, under section 302(c) of the Federal National Mortgage Association Charter Act, of participations in obligations acquired under this section. From time to time, and at least at the close of each fiscal year, the Secretary shall pay from the fund into the Treasury as miscellaneous receipts interest on the cumulative amount of appropriations paid out for loans under this section, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, taking into consideration the average market yield during the month preceding each fiscal year on outstanding Treasury obligations of maturity comparable to the average maturity of loans made from the fund. Interest payments may be deferred with approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest. If at any time the Secretary determines that moneys in the fund exceed the present and any reasonably prospective future requirements of the fund, such excess may be transferred to the general fund of the Treasury.

(4) In addition to the sums authorized to be appropriated by section 824, there are authorized to be appropriated to the fund established by this subsection \$2,000,000 for the fiscal year ending June 30, 1967.

ADMINISTRATIVE PROVISIONS

SEC. [828] 840. The Secretary may agree to modifications of agreements [or loans] made under this [part] *subpart*, and may compromise, waive, or release any right, title, claim, or demand of the United States arising or acquired under this [part] *subpart*.

TRANSFERS TO SCHOLARSHIP PROGRAM

SEC. [829] 841. Not to exceed 20 per centum of the amount paid to a school from the appropriation for any fiscal year for Federal capital contributions under an agreement under this part, or such larger percentage thereof as the Secretary may approve, may be transferred to the sums available to the school under [part D] *subpart III of this part* to be used for the same purpose as such sums. In the case of any

such transfer, the amount of any funds which the school deposited in its student loan fund pursuant to section [822] 835 (b) (2) (B) with respect to the amount so transferred may be withdrawn by the school from such fund.

[PART D] SUBPART III—SCHOLARSHIP GRANTS TO SCHOOLS OF NURSING

SCHOLARSHIP GRANTS

SEC. [860.] 845. (a) The Secretary shall make grants as provided in this [part] section to each public or other nonprofit school of nursing for scholarships to be awarded annually by such school to students thereof.

(b) The amount of the grant under subsection (a) for the fiscal year ending June 30, [1972] 1976, and for each of the next [three] two fiscal years to each such school shall be equal to \$3,000 multiplied by one-tenth of the number of full-time students of such school. For the fiscal year ending [June 30, 1976] September 30, 1979, and for each of the two succeeding fiscal years, the grant under subsection (a) shall be such amount as may be necessary to enable such school to continue making payments under scholarship awards to students who initially received such awards out of grants made to the school for fiscal years ending before [July 1, 1975] October 1, 1978.

(c) (1) Scholarships may be awarded by schools from grants under subsection (a)—

(A) only to individuals who have been accepted by them for enrollment, and individuals enrolled and in good standing, as full-time or half-time students, in the case of awards from such grants for the fiscal year ending June 30, [1972] 1976, and the next [three] two fiscal years; and

(B) only to individuals enrolled and in good standing as full-time or half-time students who initially received scholarship awards out of such grants for a fiscal year ending prior to [July 1, 1975] October 1, 1978, in the case of awards from such grants for the fiscal year ending [June 30, 1976] September 30, 1979, and each of the two succeeding fiscal years.

(2) Scholarships from grants under subsection (a) for any school year shall be awarded only to students of exceptional financial need who need such financial assistance to pursue a course of study at the school for such year. Any such scholarship awarded for a school year shall cover such portion of the student's tuition, fees, books, equipment, and living expenses at the school making the award, but not to exceed \$2,000 for any year in the case of any student, as such school may determine the student needs for such year on the basis of his requirements and financial resources.

(d) Grants under subsection (a) shall be made in accordance with regulations prescribed by the Secretary after consultation with the National Advisory Council on Nurse Training.

(e) Grants under subsection (a) may be paid in advance or by way of reimbursement, and at such intervals as the Secretary may find

necessary; and with appropriate adjustments on account of overpayments or underpayments previously made.

TRANSFERS TO STUDENT LOAN PROGRAM

SEC. [861] 846. Not to exceed 20 per centum of the amount paid to a school from the appropriation for any fiscal year for scholarships under [this part] section 845, or such larger percentage thereof as the Secretary may approve for such school for such year, may be transferred [to the sums available to the school under this part for (and to be regarded as) Federal capital contributions, to be used for the same purpose as such sums] to the student loan fund of the school established under an agreement under section 835. Funds transferred under this section to such a student loan funds shall be considered as part of the Federal capital contributions to such fund.

[GRANTS AND CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDUCATIONAL TALENT FOR THE NURSING PROFESSION

[SEC. 868. (a) To assist in meeting the need for additional professional personnel in the nursing professions, the Secretary is authorized to make grants to public or nonprofit health or educational entities or enter into contracts with such entities not to exceed \$100,000 per year per contract (without regard to section 3709 of the Revised Statutes (41 U.S.C. (5)) for the purpose of—

[(1) identifying individuals with a potential for education or training in the nursing profession (including veterans of the Armed Forces of the United States with training or experience in the health field, and individuals who due to socioeconomic factors are financially or otherwise disadvantaged) and encouraging and assisting them (A) to enroll in a school of nursing which is accredited as defined in section 843 (f); or (B) if they are not qualified to enroll in such a school to undertake such postsecondary education or training as may be required to qualify them to enroll in such a school;

[(2) publicizing especially to licensed vocational nurses existing sources of financial aid available to persons enrolled in any such school or who are undertaking training necessary to qualify them to enroll in any such school; or

[(3) establishing such programs as the Secretary determines will enhance and facilitate the enrollment, pursuit, and completion of study by individuals referred to in clause (1) in such schools.

[(b) For the purpose of carrying out the provisions of this section, there is authorized to be appropriated \$3,500,000 for the fiscal year ending June 30, 1972; \$5,000,000 for the fiscal year ending June 30, 1973; and \$6,500,000 each for the fiscal years ending June 30, 1974, and June 30, 1975.

[DEFINITION OF ACADEMIC YEAR

[SEC. 869. As used in this part "academic year" means an academic year or its equivalent as defined in regulations of the Secretary.]

PART C—GENERAL

NATIONAL ADVISORY COUNCIL ON NURSE TRAINING;
REVIEW COMMITTEE

SEC. [841] 851. [(a) (1)] (a). There is hereby established a National Advisory Council on Nurse Training, consisting of the Secretary or his delegate, who shall be Chairman, and the Commissioner of Education, both of whom shall be ex-officio members, and nineteen members appointed by the Secretary without regard to the civil service laws. Three of the appointed members shall be selected from full-time students enrolled in schools of nursing, four of the appointed members shall be selected from the general public and twelve shall be selected from among leading authorities in the various fields of nursing, higher, and secondary education, and from representatives of hospitals and other institutions and organizations which provide nursing services. The student-members of the Council shall be appointed for terms of one year and shall be eligible for reappointment to the Council.

[(2)] (b) The Council shall advise the Secretary or his delegate in the preparation of general regulations and with respect to policy matters arising in the administration of this title, and in the review of applications for construction projects under *subpart I of part A*, of applications under section 805, and of applications under *subpart III of part A*.

[(b)] The Secretary of Health, Education, and Welfare shall, prior to July 1, 1967, and without regard to the civil service laws, appoint a committee, consisting of members of the public, of various groups particularly interested in or expert in matters relating to education of various types of nurses, for the purpose of reviewing the programs authorized by this title and making recommendations with respect to continuation, extension, and modification of any of such programs. A report of the findings and recommendations of such committee shall be submitted to the Secretary not later than November 1, 1967, after which date such committee shall cease to exist. The Secretary shall submit such report, together with his comments and recommendations thereon to the Congress on or before January 1, 1968.]

NONINTERFERENCE WITH ADMINISTRATION OF INSTITUTIONS

SEC. [842] 852. Nothing contained in this title shall be construed as authorizing any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or impose any requirement or condition with respect to, the personnel, curriculum, methods of instruction, or administration of any institution.

DEFINITIONS

SEC. [843] 853. For purposes of this title—

[(a)] (1) The term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, the Canal Zone, Guam, American Samoa, the Virginia Islands, or the Trust Territory of the Pacific Islands.

[(b)] (2) The term "school of nursing" means a collegiate, associate degree, or diploma school of nursing.

[(c)] (3) The term "collegiate school of nursing" means a department, division, or other administrative unit in a college or university which provides primarily or exclusively a program of education in professional nursing and allied subjects leading to the degree of bachelor or arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing, and including advanced training related to such program of education provided by such school, but only if such program, or such unit, college or university is accredited.

[(d)] (4) The term "associate degree school of nursing" means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively a two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree, but only if such program, or such unit, college, or university is accredited.

[(e)] (5) The term "diploma school of nursing" means a school affiliated with a hospital or university, or an independent school, which provides primarily or exclusively a program of education in professional nursing and allied subjects leading to a diploma or to equivalent indicia that such program has been satisfactorily completed, but only if such program, or such affiliated school or such hospital or university or such independent school is accredited.

[(f)] (6) The term "accredited" when applied to any program of nurse education means a program accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Commissioner of Education and when applied to a hospital, school, college, or university (or a unit thereof) means a hospital, school, college, or university (or a unit thereof) which is accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Commissioner of Education, except that a program, or a hospital, school, college, or university (or unit thereof), which is not, at the time of the application under this title, eligible for accreditation by such a recognized body or bodies or State agency, shall be deemed accredited for purposes of this title in the following cases if the Commissioner of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the program, or the hospital, school, college, or university (or unit thereof), will meet the accreditation standards of such body or bodies [(1)] (A) in the case of an applicant under *subpart I of part A* for a grant for a project for construction of a new school (which shall include a school that has not had a sufficient period of operation to be eligible for accreditation). [(A)] (i) upon completion of such project and other construction projects (if any) then under construction or planned and to be commenced within a reasonable time, or [(B)] (ii) if later, then prior to the beginning of the first academic year following the normal graduation date of the first entering class in such schools; [(2)] (B) in the case of a school applying for a grant under section [806] 810 for any fiscal year, prior to the beginning of the first academic year following the normal graduation date of the class which is the entering class for such fiscal year (or is the first such class in such year if there is more than one); and [(3)] (C) in the case of a school seeking an agree-

ment under [part B] section 835 for establishment of a student loan fund, prior to the beginning of the academic year following the normal graduation date of students who are in their first year of instruction at such school during the fiscal year in which the agreement with such school is made under [part B] section 835; except that the provisions of this clause (3) shall not apply for purposes of section [825] 838.

For the purpose of this paragraph, the Commissioner of Education shall publish a list of recognized accrediting bodies, and of State agencies, which he determines to be reliable authority as to the quality of training offered.

[(g)] (7) The term "nonprofit" as applied to any school, agency, organization, or institution means one which is a corporation or association, or is owned and operated by one or more corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

[(h)] (8) The term "secondary school" means a school which provides secondary education, as determined under State law except that it does not include any education provided beyond grade 12.

[(i)] (9) The terms "construction" and "cost of construction" include [(1)] (A) the construction of new buildings, and the acquisition, expansion, remodeling, replacement, and alteration of existing buildings, including architects' fees but not including the cost of acquisition of land (except in the case of acquisition of an existing building), off-site improvements, living quarters, or patient-care facilities, and [(2)] (B) equipping new buildings and existing buildings, whether or not acquired, expanded, remodeled, or altered. For purposes of this paragraph, the term "buildings" includes interim facilities.

[(j)] (10) The term "interim facilities" means teaching facilities designed to provide teaching space on a short-term (less than ten years) basis while facilities of a more permanent nature are being planned and constructed.

ADVANCE FUNDING

SEC. [844] 854. Any appropriation Act which appropriates funds for any fiscal year for grants, contracts, or other payments under this title may also appropriate for the next fiscal year the funds that are authorized to be appropriated for such payments for such next fiscal year; but no funds may be made available therefrom for obligation for such payments before the fiscal year for which such funds are authorized to be appropriated.

PROHIBITION AGAINST DISCRIMINATION BY SCHOOLS ON THE BASIS OF SEX

SEC. [845] 855. The Secretary may not make a grant, loan guarantee, or interest subsidy payment under this title to, or for the benefit of, any school of nursing unless the application for the grant, loan guarantee, or interest subsidy payment contains assurances satisfactory to the Secretary that the school will not discriminate on the basis of sex in the admission of individuals to its training programs. The Secretary may not enter into a contract under this title with any school unless

the school furnishes assurances satisfactory to the Secretary that it will not discriminate on the basis of sex in the admission of individuals to its training programs.

DELEGATION

SEC. 856. The Secretary may delegate the authority to administer any program authorized by this title to the administrator of a central or regional office or offices in the Department of Health, Education, and Welfare, except that the authority—

(1) to review, and prepare comments on the merit of, any application for a grant or contract under any program authorized by this title for purposes of presenting such application to the National Advisory Council on Nurse Training, or

(2) to make such a grant or enter into such a contract, shall not be further delegated to any administrator of, or officer in, any regional office or offices in the Department.

ADDITIONAL VIEWS

While I support passage of this bill I believe it contains an unfortunate change from the bill passed by the House in the 93rd Congress and subsequently pocket vetoed by the President.

When the Committee reported H.R. 17085 last year it contained procedures for allocating assistance to eligible schools of nursing based on per capita enrollment and net educational expenditures of the three different types of nursing schools. The formula for allocation of these capitation grants was carefully constructed by the members of the Health Subcommittee to insure that each type of nursing school would be allocated approximately the same percentage of its net educational expenditures as determined by the Institute of Medicine/National Academy of Sciences' cost study. The IOM study endorsed capitation grants as an appropriate mechanism to lend stability to federal support to schools of the health professions. The study expressed the opinion that capitation grants ranging between 25 and 40 percent of net educational expenditures would contribute to the financial stability of these institutions. Last year's bill would have provided all eligible nursing schools approximately 17% of net expenditures.

What the Health Subcommittee has done this year, and what has been accepted by the full Committee, is to alter last year's formula so that one of the three nurse training programs will receive a larger percentage of available federal funds, based on the IOM study, than the other two. This change in capitation formula has been accompanied by a \$15 million authorization increase in H.R. 4115.

I attempted in full Committee to at least partially correct this situation and at the same time not raise authorizations, but my amendment proved unsuccessful. This issue is one of equity and nothing else. It does not impact on whether the bill will be acceptable to this administration nor is it related to the total dollars authorized by this bill. The capitation formula as reported by the full Committee is based on the assumption that all nursing schools will apply for and receive capitation grants. However, in fiscal year 1974 diploma nursing programs received only \$5.6 million of the \$34.3 million expended by the federal government, while last year diploma schools graduated 32% of all nursing students. Appropriations rarely reach the authorization levels, and it is obvious that appropriations are not proportionate to the size of the degree program. The question here is whether the basis for division of the few federal dollars available to schools of nursing will be made on the basis of equality for each type of program, or whether favoritism will be shown to one program at the expense of the others.

I favor very strongly continued and strengthened federal support to nursing education but I am disturbed at the precedent this bill may establish for the allocation of these funds.

JOHN M. MURPHY.

MINORITY VIEWS

In the matter of Nurse Training legislation, there is obviously a wide divergence of opinion as to what is desirable or necessary to produce the numbers of nurses needed to meet the health manpower needs of the country. Schools of nursing have had capitation grants for some time and no doubt find them very helpful in financing the total activities of those institutions. We can understand why they would wish to continue them. In view of present conditions, however, the more pertinent question is whether or not such payments are necessary to the objective. The administration, which has at its disposal the greatest amount of information from all sources, says that the various grants directly to teaching institutions is no longer necessary. Schools and the nursing profession naturally question this.

As things now stand, we must do what is necessary to the common good and no more if the country is to survive the mounting federal deficit. We continue programs because they are there and at increasing levels of funding—never decreasing. Congress professes to be vitally concerned with cutting back spending and then rejects about 90% of the rescissions and deferrals presented by the executive. In addition, it continues to authorize appropriations in a business-as-usual fashion.

H.R. 4115 authorizes \$128.1 million more than the FY 1976 budget contemplates for Nurse Training. In the 93rd Congress, a similar bill which contained slightly more money was vetoed.

In a letter to the Committee, the Department of Health, Education, and Welfare said the following about the approach to the nurse training problem contained in the bill:

Moreover, the reported bill does not meet in any significant measure any of the programmatic issues which concern the Administration. Continued emphasis on capitation for this undergraduate field is costly, inefficient, and unnecessary. Capitation subsidies to encourage enrollment expansion are not needed in view of the sizeable increase in the aggregate supply of nurses already realized, as well as those projected to occur in the future. Moreover, the capitation mechanisms do not permit scarce Federal resources to be targeted on addressing the needs of schools and students in underserved areas. The construction authority in the bill is not needed, the general student assistance provisions are largely duplicative of existing undergraduate student assistance programs offered by the Office of Education and are unnecessary.

We find it difficult to believe that the Department is callously writing off the nurses. If there is reason to believe that the level of effort suggested by HEW will produce the numbers of nurses required, we

should give very serious consideration to considering that approach. Many programs in the health area must have a re-think and perhaps a re-direction. Continuation of grant programs because they are extremely popular with the recipients is not enough justification in present circumstances. Further, if this were the only such legislation, we might be able to stand by and not object, but it is only one of myriad programs which have become difficult to change. Congress, however, professes to be the watchdog of the Budget and the fiscal conscience of the government. So be it, but the buck stops here.

SAMUEL F. DEVINE.
JAMES M. COLLINS.

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94TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 94-348

HEALTH SERVICES AND NURSE TRAINING

JULY 11, 1975.—Ordered to be printed



Mr. STAGGERS, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany S. 66]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 66) to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training and to revise and extend programs of health revenue sharing and health services, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

TITLE I—HEALTH REVENUE SHARING

Sec. 101. This title may be cited as the "Special Health Revenue Sharing Act of 1975".

Sec. 102. Effective with respect to grants made under section 314(d) of the Public Health Service Act from appropriations under that section for fiscal years beginning after June 30, 1975, section 314(d) of the Public Health Service Act is amended to read as follows:

"Comprehensive Public Health Services

"(d) (1) From allotments made pursuant to paragraph (4), the Secretary shall make grants to State health and mental health authorities to assist in meeting the costs of providing comprehensive public health services.

"(2) No grant may be made under paragraph (1) to the State health or mental health authority of any State unless an application therefor has been submitted to and approved by the Secretary. Such an application shall be submitted in such form and manner and shall

(1)

contain such information as the Secretary may require, and shall contain or be supported by assurances satisfactory to the Secretary that—

“(A) the comprehensive public health services provided within the State will be provided in accordance with the State plan prepared in accordance with section 1524(c)(2) or the State plan approved under section 314(a), whichever is applicable;

“(B) funds received under grants under paragraph (1) will (i) be used to supplement and, to the extent practical, to increase the level of non-Federal funds that would otherwise be made available for the purposes which the grant funds are provided, and (ii) not be used to supplant such non-Federal funds;

“(C) the State health authority, and, with respect to mental health activities, the State mental health authority will—

“(i) provide for such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of and accounting for funds received under grants under paragraph (1);

“(ii) from time to time, but not less often than annually, report to the Secretary (through a uniform national reporting system and by such categories as the Secretary may prescribe) a description of the comprehensive public health services provided in the State in the fiscal year for which the grant applied for is made and the amount of funds obligated in such fiscal year for the provision of each such category of services; and

“(iii) make such reports (in such form and containing such information as the Secretary may prescribe) as the Secretary may reasonably require, and keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness of, and to verify, such reports;

“(D) the State mental health authority will—

“(i) establish and carry out a plan which—

“(I) is designed to eliminate inappropriate placement in institutions of persons with mental health problems, to insure the availability of appropriate noninstitutional services for such persons, and to improve the quality of care for those with mental health problems for whom institutional care is appropriate; and

“(II) shall include fair and equitable arrangements (as determined by the Secretary after consultation with the Secretary of Labor) to protect the interests of employees affected by actions described in subclause (I), including arrangements designed to preserve employee rights and benefits and to provide training and retraining of such employees where necessary and arrangements under which maximum efforts will be made to guarantee the employment of such employees;

“(ii) prescribe and provide for the enforcement of minimum standards for the maintenance and operation of mental health programs and facilities (including community mental health centers) with the State; and

“(iii) provide for assistance to courts and other public agencies and to appropriate private agencies to facilitate (I) screening by community mental health centers (or, if there are no such centers, other appropriate entities) of residents of the State who are being considered for inpatient care in a mental health facility to determine if such care is necessary, and (II) provision of followup care by community mental health centers (or if there are no such centers, by other appropriate entities) for residents of the State who have been discharged from mental health facilities.

“(3) The Secretary shall review annually the activities undertaken by each State with an approved application to determine if the State complied with the assurances provided with the application. The Secretary may not approve an application submitted under paragraph (2) if the Secretary determines—

“(A) that the State for which the application was submitted did not comply with assurances provided with a prior application under paragraph (2), and

“(B) that he cannot be assured that the State will comply with the assurances provided with the application under consideration.

“(4) For the purpose of determining the total amount of grants that may be made to the State health and mental authorities of each State, the Secretary shall, in each fiscal year and in accordance with regulations, allot the sums appropriated for such year under paragraph (7) among the States on the basis of the population and the financial need of the respective States. The populations of the States shall be determined on the basis of the latest figures for the population of the States available from the Department of Commerce.

“(5) The Secretary shall determine the amount of any grant under paragraph (1); but the amount of grants made in any fiscal year to the public and mental health authorities of any State may not exceed the amount of the State's allotment available for obligation in such fiscal year. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

“(6) In any fiscal year—

“(A) not less than 15 per centum of a State's allotment under paragraph (4) shall be made available only for grants under paragraph (1) to the State's mental health authority for the provision of mental health services; and

“(B) not less than—

“(i) 70 per centum of the amount of a State's allotment which is made available for grants to the mental health authority, and

“(ii) 70 per centum of the remainder of the State's allotment,

shall be available only for the provision services in communities of the State.

“(7) (A) For payments under grants under paragraph (1) there are authorized to be appropriated \$100,000,000 for fiscal year 1976, and \$110,000,000 for fiscal year 1977.

"(B) For payments under grants under paragraph (1) for establishing and maintaining programs, described in applications under paragraph (2), for the screening, detection, diagnosis, prevention, and referral for treatment of hypertension there are authorized to be appropriated \$15,000,000 for fiscal year 1976, and \$15,000,000 for fiscal year 1977."

TITLE II—FAMILY PLANNING PROGRAMS

SEC. 201. This title may be cited as the "Family Planning and Population Research Act of 1975".

SEC. 202. (a) Section 1001(c) of the Public Health Service Act is amended (1) by striking out "and" after "1973;" and (2) by inserting after "1975" the following: "; \$115,000,000 for fiscal year 1976; and \$115,000,000 for fiscal year 1977".

(b) Section 1003(b) of such Act is amended (1) by striking out "and" after "1973;" and (2) by inserting after "1975" the following: "; \$4,000,000 for fiscal year 1976; and \$5,000,000 for fiscal year 1977".

(c) Section 1004 of such Act is amended to read as follows:

"RESEARCH

"SEC. 1004. (a) The Secretary may—

"(1) conduct, and

"(2) make grants to public or nonprofit private entities and enter into contracts with public or private entities and individuals for projects for,

research in the biomedical, contraceptive development, behavioral, and program implementation fields related to family planning and population.

"(b) (1) To carry out subsection (a) there are authorized to be appropriated \$55,000,000 for fiscal year 1976, and \$60,000,000 for fiscal year 1977.

"(2) No funds appropriated under any provision of this Act (other than this subsection) may be used to conduct or support the research described in subsection (a)."

(d) Section 1005(b) of such Act is amended (1) by striking out "and" after "1973;" and (2) by inserting after "1975" the following: "; \$2,000,000 for fiscal year 1976; and \$2,500,000 for fiscal year 1977".

SEC. 203. (a) Title X of such Act is amended by inserting after section 1008 the following new section:

"PLANS AND REPORTS

"Sec. 1009. (a) Not later than seven months after the close of each fiscal year, the Secretary shall make a report to the Congress setting forth a plan to be carried out over the next five fiscal years for—

"(1) extension of family planning services to all persons desiring such services,

"(2) family planning and population research programs,

"(3) training of necessary manpower for the programs authorized by this title and other Federal laws for which the Secretary has responsibility and which pertain to family planning, and

"(4) carrying out the other purposes set forth in this title and the Family Planning Services and Population Research Act of 1970.

"(b) Such a plan shall, at a minimum, indicate on a phased basis—

"(1) the number of individuals to be served by family planning programs under this title and other Federal laws for which the Secretary has responsibility, the types of family planning and population growth information and educational materials to be developed under such laws and how they will be made available, the research goals to be reached under such laws, and the manpower to be trained under such laws;

"(2) an estimate of the costs and personnel requirements needed to meet the purposes of this title and other Federal laws for which the Secretary has responsibility and which pertain to family planning programs; and

"(3) the steps to be taken to maintain a systematic reporting system capable of yielding comprehensive data on which service figures and program evaluations for the Department of Health, Education, and Welfare shall be based.

"(c) Each report submitted under section (a) shall—

"(1) compare results achieved during the preceding fiscal year with the objectives established for such year under the plan contained in the previous such report;

"(2) indicate steps being taken to achieve the objectives during the fiscal years covered by the plan contained in such report and any revisions to plans in previous reports necessary to meet these objectives; and

"(3) make recommendations with respect to any additional legislative or administrative action necessary or desirable in carrying out the plan contained in such report."

(b) Section 5 of the Family Planning Services and Population Research Act of 1970 is repealed.

SEC. 204. (a) Section 1001(a) of the Public Health Service Act is amended by striking out "family planning projects" and inserting in lieu thereof "family planning projects which shall offer a broad range of acceptable and effective family planning methods (including natural family planning methods)".

(b) Section 1001(b) of such Act is amended by adding at the end thereof the following new sentence: "Local and regional entities shall be assured the right to apply for direct grants and contracts under this section, and the Secretary shall by regulation fully provide for and protect such right."

(c) Section 1006(a) of such Act is amended by adding at the end thereof the following new sentence: "The amount of any grant under any section of this title shall be determined by the Secretary; except that no grant under any such section for any program or project for a fiscal year beginning after June 30, 1975, may be made for less than 90 per centum of its costs (as determined under regulations of the Secretary) unless the grant is to be made for a program or project for which a grant was made (under the same section) for the fiscal year ending June 30, 1975, for less than 90 per centum of its costs (as so determined), in which case a grant under such section for that program or project for a fiscal year beginning after that date may be

made for a percentage which shall not be less than the percentage of its costs for which the fiscal year 1975 grant was made.”

(d) The last sentence of section 1006(c) of such Act is amended by inserting immediately before the period the following: “so as to insure that economic status shall not be a deterrent to participation in the programs assisted under this title”.

SEC. 205. Any—

(1) officer or employee of the United States,

(2) officer or employee of any State, political subdivision of a State, or any other entity, which administers or supervises the administration of any program receiving Federal financial assistance, or

(3) person who receives, under any program receiving Federal financial assistance, compensation for services,

who coerces or endeavors to coerce any person to undergo an abortion or sterilization procedure by threatening such person with the loss of, or disqualification for the receipt of, any benefit or service under a program receiving Federal financial assistance shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

TITLE III—COMMUNITY MENTAL HEALTH CENTERS

SEC. 301. This title may be cited as the “Community Mental Health Centers Amendments of 1975”.

SEC. 302. (a) The Congress finds that—

(1) community mental health care is the most effective and humane form of care for a majority of mentally ill individuals;

(2) the federally funded community mental health centers have had a major impact on the improvement of mental health care by—

(A) fostering coordination and cooperation between various agencies responsible for mental health care which in turn has resulted in a decrease in overlapping services and more efficient utilization of available resources,

(B) bringing comprehensive community mental health care to all in need within a specific geographic area regardless of ability to pay, and

(C) developing a system of care which insures continuity of care for all patients,

and thus are a national resource to which all Americans should enjoy access; and

(3) there is currently a shortage and maldistribution of quality community mental health care resources in the United States.

(b) The Congress further declares that Federal funds should continue to be made available for the purposes of initiating new and continuing existing community mental health centers and initiating new services within existing centers, and for the monitoring of the performance of all federally funded centers to insure their responsiveness to community needs and national goals relating to community mental health care.

SEC. 303. The Community Mental Health Centers Act is amended to read as follows:

“TITLE II—COMMUNITY MENTAL HEALTH CENTERS

“PART A—PLANNING AND OPERATIONS ASSISTANCE

“REQUIREMENTS FOR COMMUNITY MENTAL HEALTH CENTERS

“SEC. 201. (a) For purposes of this title (other than part B thereof), the term ‘community mental health center’ means a legal entity (1) through which comprehensive mental health services are provided—

“(A) principally to individuals residing in a defined geographic area (referred to in this title as a ‘catchment area’),

“(B) within the limits of its capacity, to any individual residing or employed in such area regardless of his ability to pay for such services, his current or past health condition, or any other factor, and

“(C) in the manner prescribed by subsection (b).

and (2) which is organized in the manner prescribed by subsections (c) and (d).

“(b) (1) The comprehensive mental health services which shall be provided through a community mental health center shall include—

“(A) inpatient services, outpatient services, day care and other partial hospitalization services, and emergency services;

“(B) a program of specialized services for the mental health of children, including a full range of diagnostic, treatment, liaison, and followup services (as prescribed by the Secretary);

“(C) a program of specialized services for the mental health of the elderly, including a full range of diagnostic, treatment, liaison, and followup services (as prescribed by the Secretary);

“(D) consultation and education services which—

“(i) are for a wide range of individuals and entities involved with mental health services, including health professionals, schools, courts, State and local law enforcement and correctional agencies, members of the clergy, public welfare agencies, health services delivery agencies, and other appropriate entities; and

“(ii) include a wide range of activities (other than the provision of direct clinical services) designed to (I) develop effective mental health programs in the center’s catchment area, (II) promote the coordination of the provision of mental health services among various entities serving the center’s catchment area, (III) increase the awareness of the residents of the center’s catchment area of the nature of mental health problems and the types of mental health services available, and (IV) promote the prevention and control of rape and the proper treatment of the victims of rape;

“(E) assistance to courts and other public agencies in screening residents of the center’s catchment area who are being considered for referral to a State mental health facility for inpatient treatment to determine if they should be so referred and pro-

vision, where appropriate, of treatment for such persons through the center as an alternative to inpatient treatment at such a facility;

“(F) provision of followup care for residents of its catchment area who have been discharged from a mental health facility;

“(G) a program of transitional half-way house services for mentally ill individuals who are residents of its catchment area and who have been discharged from a mental health facility or would without such services require inpatient care in such a facility; and

“(H) provision of each of the following service programs (other than a service program for which there is not sufficient need (as determined by the Secretary) in the center's catchment area, or the need for which in the center's catchment area the Secretary determines is currently being met):

“(i) A program for the prevention and treatment of alcoholism and alcohol abuse and for the rehabilitation of alcohol abusers and alcoholics.

“(ii) A program for the prevention and treatment of drug addiction and abuse and for the rehabilitation of drug addicts, drug abusers, and other persons with drug dependency problems.

“(2) The provision of comprehensive mental health services through a center shall be coordinated with the provision of services by other health and social service agencies (including State mental health facilities) in or serving residents of the center's catchment area to insure that persons receiving services through the center have access to all such health and social services as they may require. The center's services (A) may be provided at the center or satellite centers through the staff of the center or through appropriate arrangements with health professionals and others in the center's catchment area, (B) shall be available and accessible to the residents of the area promptly, as appropriate, and in a manner which preserves human dignity and assures continuity and high quality care and which overcomes geographic, cultural, linguistic, and economic barriers to the receipt of services, and (C) when medically necessary, shall be available and accessible twenty-four hours a day and seven days a week.

“(c) (1) (A) The governing body of a community mental health center (other than a center described in subparagraph (B)) shall (i) be composed, where practicable, of individuals who reside in the center's catchment area and who, as a group, represent the residents of that area taking into consideration their employment, age, sex, and place of residence, and other demographic characteristics of the area, and (ii) meet at least once a month, establish general policies for the center (including a schedule of hours during which services will be provided), approve the center's annual budget, and approve the selection of a director for the center. At least one-half of the members of such body shall be individuals who are not providers of health care.

“(B) In the case of a community mental health center which before the date of enactment of the Community Mental Health Centers Amendments of 1975 was operated by a governmental agency and received a grant under section 220 (as in effect before such date), the requirements of subparagraph (A) shall not apply with respect to

such center, but the governmental agency operating the center shall appoint a committee to advise it with respect to the operations of the center, which committee shall be composed of individuals who reside in the center's catchment area, who are representative of the residents of the area as to employment, age, sex, place of residence, and other demographic characteristics, and at least one-half of whom are not providers of health care.

“(2) For purposes of subparagraphs (A) and (B) of paragraph (1), the term ‘provider of health care’ means an individual—

“(A) who is a direct provider of health care (including a physician, dentist, nurse, podiatrist, or physician assistant) in that (i) the individual's primary current activity is the provision of health care to individuals or the administration of facilities or institutions (including hospitals, long-term care facilities, outpatient facilities, and health maintenance organizations) in which such care is provided, and (ii) when required by State law, the individual has received professional training in the provision of such care or in such administration and is licensed or certified for such provision or administration; or

“(B) who is an indirect provider of health care in that the individual—

“(i) holds a fiduciary position with, or has a fiduciary interest in, any entity, described in subclause (II) or (IV) of clause (ii);

“(ii) receives (either directly or through his spouse) more than one-tenth of his gross annual income from any one or combination of the following:

“(I) Fees or other compensation for research into or instruction in the provision of health care.

“(II) Entities engaged in the provision of health care or in such research or instruction.

“(III) Producing or supplying drugs or other articles for individuals or entities for use in the provision of, in research into, or instruction in the provision of, health care.

“(IV) Entities engaged in producing drugs or such other articles.

“(iii) is a member of the immediate family of an individual described in subparagraph (A) or in clause (i), (ii), or (iv) of subparagraph (B); or

“(iv) is engaged in issuing any policy or contract of individual or group health insurance or hospital or medical service benefits.

“(d) A center shall have established, in accordance with regulations prescribed by the Secretary, (1) an ongoing quality assurance program (including utilization and peer review systems) respecting the center's services, (2) an integrated medical records system (including a drug use profile) which, in accordance with applicable Federal and State laws respecting confidentiality, is designed to provide access to all past and current information regarding the health status of each patient and to maintain safeguards to preserve confidentiality and to protect the rights of the patient, (3) a professional advisory board, which is composed of members of the center's professional staff, to

advise the governing board in establishing policies governing medical and other services provided by such staff on behalf of the center, and (4) an identifiable administrative unit which shall be responsible for providing the consultation and education services described in subsection (b) (1) (D). The Secretary may waive the requirements of clause (4) with respect to any center if he determines that because of the size of such center or because of other relevant factors the establishment of the administrative units described in such clause is not warranted.

"GRANTS FOR PLANNING COMMUNITY MENTAL HEALTH CENTER PROGRAMS

"Sec. 202. (a) The Secretary may make grants to public and non-profit private entities to carry out projects to plan community mental health center programs. In connection with a project to plan a community mental health center program for an area the grant recipient shall (1) assess the needs of the area for mental health services, (2) design a community mental health center program for the area based on such assessment, (3) obtain within the area financial and professional assistance and support for the program, and (4) initiate and encourage continuing community involvement in the development and operation of the program. The amount of any grant under this subsection may not exceed \$75,000.

"(b) A grant under subsection (a) for a project shall be made for its costs for the one-year period beginning on the first day of the month in which the grant is made; and, if a grant is made under such subsection for a project, no other grant may be made for such project under such subsection.

"(c) The Secretary shall give special consideration to applications submitted for grants under subsection (a) for projects for community mental health centers programs for areas designated by the Secretary as urban or rural poverty areas. No applications for a grant under subsection (a) may be approved unless the application is recommended for approval by the National Advisory Mental Health Council.

"(d) There are authorized to be appropriated for payments under grants under subsection (a) \$3,750,000 for the fiscal year 1976, and \$3,750,000 for the fiscal year 1977.

"GRANTS FOR INITIAL OPERATION

"Sec. 203. (a) (1) The Secretary may make grants to—

"(A) public and nonprofit private community mental health centers, and

"(B) any public or nonprofit private entity which—

"(i) is providing mental health services,

"(ii) meets the requirements of section 201 except that it is not providing all of the comprehensive mental health services described in subsection (b) (1) of such section, and

"(iii) has a plan satisfactory to the Secretary for the provision of all such services within two years after the date of the receipt of the first grant under this subsection,

to assist them in meeting their costs of operation (other than costs related to construction).

"(2) Grants under subsection (a) may only be made for a grantee's costs of operation during the first eight years after its establishment. In the case of a community mental health center or other entity which received a grant under section 290 (as in effect before the date of enactment of the Community Mental Health Centers Amendments of 1975), such center or other entity shall, for purposes of grants under subsection (a), be considered as having been in operation for a number of years equal to the sum of the number of grants in the first series of grants it received under such section and the number of grants it has received under this subsection.

"(b) (1) Each grant under subsection (a) to a community mental health center or other entity shall be made for the costs of its operation for the one-year period beginning on the first day of the month in which such grant is made.

"(2) No community mental health center may receive more than eight grants under subsection (a). No entity described in subsection (a) (1) (B) may receive more than two grants under subsection (a). In determining the number of grants that a community mental health center has received under subsection (a), there shall be included any grants which the center received under such subsection as an entity described in paragraph (1) (B) of such subsection.

"(c) The amount of a grant for any year made under subsection (a) shall be the lesser of the amounts computed under paragraph (1) or (2) as follows:

"(1) An amount equal to the amount by which the grantee's projected costs of operation for that year exceed the total of State, local, and other funds and of the fees, premiums, and third-party reimbursements which the grantee may reasonably be expected to collect in that year.

"(2) (A) Except as provided in subparagraph (B), an amount equal to the following percentages of the grantee's projected costs of operation: 80 per centum of such costs for the first year of its operation, 65 per centum of such costs for the second year of its operation, 50 per centum of such costs for the third year of its operation, 35 per centum of such costs for the fourth year of its operation, 30 per centum of such costs for the fifth and sixth years of its operation, and 25 per centum of such costs for the seventh and eighth years of its operation.

"(B) In the case of a grantee providing services for persons in an area designated by the Secretary as an urban or rural poverty area, an amount equal to the following percentages of the grantee's projected costs of operation: 90 per centum of such costs for the first two years of its operation, 80 per centum of such costs for the third year of its operation, 70 per centum of such costs for the fourth year of its operation, 60 per centum of such costs for the fifth year of its operation, 50 per centum of such costs for the sixth year of its operation, 40 per centum of such costs for the seventh year of its operations, and 30 per centum of such costs for the eighth year of its operation.

In any year in which a grantee receives a grant under section 204 for consultation and education services, the costs of the grantee's operation for that year attributable to the provision of such services and its collections in that year for such services shall be disregarded

in making a computation under paragraph (1) or (2) respecting a grant under subsection (a) for that year.

"(d) (1) There are authorized to be appropriated for payments under initial grants under subsection (a) \$50,000,000, for fiscal year 1976, and \$55,000,000 for fiscal year 1977.

"(2) For fiscal year 1977, and for each of the succeeding seven fiscal years, there are authorized to be appropriated such sums as may be necessary to make payments under continuation grants under subsection (a) to community mental health centers and other entities which first received an initial grant under this section for fiscal year 1976, or the next fiscal year and which are eligible for a grant under this section in a fiscal year for which sums are authorized to be appropriated under this paragraph.

"(e) (1) Any entity which has not received a grant under subsection (a), which received a grant under section 220, 242, 243, 251, 256, 264, or 271 of this title (as in effect before the date of enactment of the Community Mental Health Centers Amendments of 1975) from appropriations under this title for a fiscal year ending before July 1, 1975, and which would be eligible for another grant under such section from an appropriation for a succeeding fiscal year if such section were not repealed by the Community Mental Health Centers Amendments of 1975 may, in lieu of receiving a grant under subsection (a) of this section, continue to receive a grant under each such repealed section under which it would be so eligible for another grant—

"(A) for the number of years and in the amount prescribed for the grant under each such repealed section, except that—

"(i) the entity may not receive under this subsection more than two grants under any such repealed section unless it meets the requirements of section 201, and

"(ii) the total amount received for any year (as determined under regulations of the Secretary) under the total of the grants made to the entity under this subsection may not exceed the amount by which the entity's projected costs of operation for that year exceed the total collections of State, local and other funds and of the fees, premiums, and third-party reimbursements which the entity may reasonably be expected to make in that year; and

"(B) in accordance with any other terms and conditions applicable to such grant.

In any year in which a grantee under this subsection receives a grant under section 204 for consultation and education services, the staffing costs of the grantee for that year which are attributable to the provision of such services and the grantee's collections in that year for such services shall be disregarded in applying subparagraph (A) and the provisions of the repealed section applicable to determining the amount of the grant the grantee may receive under this subsection for that year.

"(2) An entity which receives a grant the authority for which is provided by this subsection may not receive any grant under subsection (a).

"(3) There are authorized to be appropriated for fiscal year 1976, and for each of the next six fiscal years such sums as may be necessary to make grants in accordance with paragraph (1).

"(f) Unless otherwise specifically provided, a reference in this title to a grant under section 203 includes a grant under subsection (a) of this section and a grant the authority for which is provided by subsection (e) of this section.

"GRANTS FOR CONSULTATION AND EDUCATION SERVICES

"SEC. 204. (a) (1) The Secretary may make annual grants to any community mental health center for the costs of providing the consultation and education services described in section 201(b)(1)(D) if the center—

"(A) received from appropriations for a fiscal year ending before July 1, 1975, a staffing grant under section 220 of this title (as in effect before the date of enactment of the Community Mental Health Centers Amendments of 1975) and may not because of limitations respecting the period for which grants under that section may be made receive under section 203(e) an additional grant under such section 220; or

"(B) has received or is receiving a grant under section 203 and the number of years in which the center has been in operation (as determined in accordance with section 203(a)(2)) is not less than four (or is not less than two if the Secretary determines that the center will be unable to adequately provide the consultation and education services described in section 201(b)(1)(D) during the third or fourth years of its operation without a grant under this subsection.)

"(2) The Secretary may also make annual grants to a public or non-profit private entity—

"(A) which has not received any grant under this title (other than a grant under this section as amended by the Community Mental Health Centers Amendments of 1975),

"(B) which meets the requirements of section 201 except, in the case of an entity which has not received a grant under this section, the requirement for the provision of consultation and education services described in section 201(b)(1)(D), and

"(C) the catchment area of which is not within (in whole or in part) the catchment area of a community mental health center,

for the costs of providing such consultation and education services.

"(b) The amount of any grant made under subsection (a) shall be determined by the Secretary, but no such grant to a center may exceed the lesser of 100 per centum of such center's costs of providing such consultation and education services during the year for which the grant is made or—

"(1) in the case of each of the first two years for which a center receives such grant, the sum of (A) an amount equal to the product of \$0.50 and the population of the center's catchment area, and (B) the lesser of (i) one-half the amount determined under clause (A), or (ii) one-half of the amount received by the center in such year from charges for the provisions of such services;

"(2) in the case of the third year for which a center receives such a grant, the sum of (A) an amount equal to the product of \$0.50 and the population of the center's catchment area, and (B)

the lesser of (i) one-half the amount determined under clause (A), or (ii) one-fourth of the amount received by the center in such year from charges for the provision of such services; and

“(3) (A) except as provided in subparagraph (B), in the case of the fourth year and each subsequent year thereafter for which a center receives such a grant, the lesser of (i) the sum of (I) an amount equal to the product of \$0.125 and the population of the center’s catchment area, and (II) one-eighth of the amount received by the center in such year from charges for the provision of such services, or (ii) \$50,000; or

“(B) in the case of the fourth year and each subsequent year for which a center receives such a grant, the sum of (i) an amount equal to the product of \$0.25 and the population of the center’s catchment area, and (ii) the lesser of (I) the amount determined under clause (i) of this subparagraph, or (II) one-fourth of the amount received by the center in such year from charges for the provision for such services if the amount of the last grant received by the center under section 220 of this title (as in effect before the date of the enactment of the Community Mental Health Centers Amendments of 1975) or section 203 of this title, as the case may be, was determined on the basis of the center providing services to persons in an area designated by the Secretary as an urban or rural poverty area.

For purposes of this subsection, the term ‘center’ includes an entity which receives a grant under subsection (a) (2).

“(c) There are authorized to be appropriated for payments under grants under this section \$10,000,000 for fiscal year 1976, and \$15,000,000 for fiscal year 1977.

“CONVERSION GRANTS

“SEC. 205. (a) The Secretary may make not more than two grants to any public or nonprofit entity which—

“(1) has an approved application for a grant under section 203 or 211, and

“(2) can reasonably be expected to have an operating deficit, for the period for which a grant is or will be made under such application, which is greater than the amount of the grant the entity is receiving or will receive under such application,

for the entity’s reasonable costs in providing mental health services which are described in section 201(b) (1) but which the entity did not provide before the date of the enactment of the Community Mental Health Centers Amendments of 1975.

“(b) (1) Each grant under subsection (a) to an entity shall be made for the same period as the period for which the grant under section 203 or 211 for which the entity had an approved application is or will be made.

“(2) The amount of any grant under subsection (a) to any entity shall be determined by the Secretary, but no such grant may exceed that part of the entity’s projected operating deficit for the year for which the grant is made which is reasonably attributable to its costs of providing in such year the services with respect to which the grant is made. For purposes of this paragraph, the term ‘projected operating

deficit’ means the excess of an entity’s projected costs of operation (including the costs of operation related to the provision of services for which a grant may be made under subsection (a)) for a particular period over the total of the amount of State, local, and other funds (including funds under a grant under section 203, 204, or 211) received by the entity in that period and the fees, premiums, and third-party reimbursements which the entity may reasonably be expected to collect during that period.

“(c) There are authorized to be appropriated for payments under grants under subsection (a) \$20,000,000 for fiscal year 1976, and \$20,000,000 for fiscal year 1977.

“GENERAL PROVISIONS RESPECTING GRANTS UNDER THIS PART

“SEC. 206. (a) (1) No grant may be made under this part to any entity or community mental health center in any State unless a State plan for the provision of comprehensive mental health services within such State has been submitted to, and approved by, the Secretary under section 237.

“(b) No grant may be made under this part unless an application (meeting the requirements of subsection (c)) for such grant has been submitted to, and approved by, the Secretary.

“(c) (1) An application for a grant under this part shall be submitted in such form and manner as the Secretary shall prescribe and shall contain such information as the Secretary may require. Except as provided in paragraph (3), an application for a grant under section 203, 204, or 205 shall contain or be supported by assurances satisfactory to the Secretary that—

“(A) the community mental health center for which the application is submitted will provide, in accordance with regulations of the Secretary (i) an overall plan and budget that meets the requirements of section 1861(z) of the Social Security Act, and (ii) an effective procedure for developing, compiling, evaluating, and reporting to the Secretary statistics and other information (which the Secretary shall publish and disseminate on a periodic basis and which the center shall disclose at least annually to the general public) relating to (I) the cost of the center’s operation, (II) the patterns of use of its services, (III) the availability, accessibility, and acceptability of its services, (IV) the impact of its services upon the mental health of the residents of its catchment area, and (V) such other matters as the Secretary may require;

“(B) such community mental health center will, in consultation with the residents of its catchment area, review its program of services and the statistics and other information referred to in subparagraph (A) to assure that its services are responsive to the needs of the residents of the catchment area;

“(C) to the extent practicable, such community mental health center will enter into cooperative arrangements with health maintenance organizations serving residents of the center’s catchment area for the provision through the center of mental health services for the members of such organizations under which arrangements the charges to the health maintenance organizations for

such services shall be not less than the actual costs to the center of providing such services;

“(D) in the case of a community mental health center serving a population including a substantial proportion of individuals of limited English-speaking ability, the center has (i) developed a plan and made arrangements responsive to the needs of such population for providing services to the extent practicable in the language and cultural context most appropriate to such individuals, and (ii) identified an individual on its staff who is fluent in both that language and English and whose responsibilities shall include providing guidance to such individuals and to appropriate staff members with respect to cultural sensitivities and bridging linguistic and cultural differences;

“(E) such community mental health center has (i) established a requirement that the health care of every patient must be under the supervision of a member of the professional staff, and (ii) provided for having a member of the professional staff available to furnish necessary mental health care in case of an emergency;

“(F) such community mental health center has provided appropriate methods and procedures for the dispensing and administering of drugs and biologicals;

“(G) in the case of an application for a grant under section 203 for a community mental health center which will provide services to persons in an area designated by the Secretary as an urban or rural poverty area, the applicant will use the additional grant funds it receives, because it will provide services to persons in such an area, to provide services to persons in such area who are unable to pay therefor;

“(H) such community mental health center will develop a plan for adequate financial support to be available, and will use its best efforts to insure that adequate financial support will be available, to it from Federal sources (other than this part) and non-Federal sources (including, to the maximum extent feasible, reimbursement from the recipients of consultation and education services and screening services provided in accordance with sections 201 (b) (1) (D) and 201 (b) (1) (E)) so that the center will be able to continue to provide comprehensive mental health services when financial assistance provided under this part is reduced or terminated, as the case may be;

“(I) such community mental health center (i) has or will have a contractual or other arrangement with the agency of the State, in which it provides services, which administers or supervises the administration of a State plan approved under title XIX of the Social Security Act for the payment of all or a part of the center's costs in providing health services to persons who are eligible for medical assistance under such a State plan, or (ii) has made or will make every reasonable effort to enter into such an arrangement;

“(J) such community mental health center has made or will make and will continue to make every reasonable effort to collect appropriate reimbursement for its costs in providing health services to persons who are entitled to insurance benefits under title XVIII of the Social Security Act, to medical assistance under a State plan approved under title XIX of such Act, or to assistance

for medical expenses under any other public assistance program or private health insurance program;

“(K) such community mental health center (i) has prepared a schedule of fees or payments for the provision of its services designed to cover its reasonable costs of operation and a corresponding schedule of discounts to be applied to the payment of such fees or payments which discounts are adjusted on the basis of the patient's ability to pay; (ii) has made and will continue to make every reasonable effort (I) to secure from patients payment for services in accordance with such approved schedules, and (II) to collect reimbursement for health services to persons described in subparagraph (J) on the basis of the full amount of fees and payments for such services without application of any discount, and (iii) has submitted to the Secretary such reports as he may require to determine compliance with this subparagraph; and

“(L) such community mental health center will adopt and enforce a policy (i) under which fees for the provision of mental health services through the center will be paid to the center, and (ii) which prohibits health professionals who provide such services to patients through the center from providing such services to such patients except through the center.

An application for a grant under section 203 shall also contain a long-range plan for the expansion of the program of the community mental health center for which the application is submitted for the purpose of meeting anticipated increases in demand by residents of the center's catchment area for the comprehensive mental health services described in section 201 (b) (1). Such a plan shall include a description of planned growth in the programs of the center, estimates of increased costs arising from such growth, estimates of the portion of such increased costs to be paid from Federal funds, and anticipated sources of non-Federal funds to pay the portion of such increased costs not to be paid from Federal funds.

“(2) The Secretary may approve an application for a grant under section 203, 204, or 205 only if the application is recommended for approval by the National Advisory Mental Health Council, the application meets the requirements of paragraph (1), and, except as provided in paragraph (3), the Secretary—

“(A) determines that the facilities and equipment of the applicant under the application meet such requirements as the Secretary may prescribe;

“(B) determines that—

“(i) the application contains or is supported by satisfactory assurances that the comprehensive mental health services (in the case of an application for a grant under section 203 or 205) or the consultation and education services (in the case of an application for a grant under section 204) to be provided by the applicant will constitute an addition to, or a significant improvement in quality (as determined in accordance with criteria of the Secretary) of, services that would otherwise be provided in the catchment area of the applicant;

"(ii) the application contains or is supported by satisfactory assurances that Federal funds made available under section 203, 204, or 205, as the case may be, will (I) be used to supplement and, to the extent practical, increase the level of State, local, and other non-Federal funds, including third-party health insurance payments, that would in the absence of such Federal funds be made available for the applicant's comprehensive mental health services, and (II) in no event supplant such State, local, and other non-Federal funds;

"(iii) in the case of an applicant which received a grant from appropriations for the preceding fiscal year, during the year for which the grant was made the applicant met, in accordance with the section under which such grant was made, the requirements of section 201 and complied with the assurances which were contained in or supported the applicant's application for such grant; and

"(iv) in the case of an application for a grant the amount of which is or may be determined under section 203(c)(2)(B) or 204(b)(3)(B) or under a provision of a repealed section of this title referred to in section 203(e) which authorizes an increase in the ceiling on the amount of a grant to support services to persons in areas designated by the Secretary as urban or rural poverty areas, the application contains or is supported by assurances satisfactory to the Secretary that the services of the applicant will, to the extent feasible, be used by a significant number of persons residing in an area designated by the Secretary as an urban or rural poverty area and requiring such services.

"(3) In the case of an application—

"(A) for the first grant under section 203(a) for an entity in section 203(a)(1)(B), or

"(B) for the first grant the authority for which is provided by section 203(e),

the Secretary may approve such application without regard to the assurances required by the second sentence of paragraph (1) of this subsection and without regard to the determinations required of the Secretary under paragraph (2) of this subsection if the application contains or is supported by assurances satisfactory to the Secretary that the applicant will undertake, during the period for which such first grant is to be made, such actions as may be necessary to enable the applicant, upon the expiration of such period, to make each of the assurances required by paragraph (1) and to enable the Secretary, upon the expiration of such period, to make each of the determinations required by paragraph (2).

"(4) In each fiscal year for which a community mental health center receives a grant under section 203, 204, or 205, such center shall obligate for a program of continuing evaluation of the effectiveness of its programs in serving the needs of the residents of its catchment area and for a review of the quality of the services provided by the center not less than an amount equal to 2 per centum of the amount obligated by the center in the preceding fiscal year for its operating expenses.

"(5) The costs for which grants may be made under section 203(a), 204, or 205 shall be determined in the manner prescribed in regulations

of the Secretary issued after consultation with the National Advisory Mental Health Council.

"(6) If the Secretary determines under section 203, 204, or 205 that an applicant for a grant under such section—

"(A) has not made reasonable efforts to secure payments or reimbursements in accordance with assurances provided under subparagraph (I), (J), or (K) of subsection (c)(1), or

"(B) is capable of increasing the amount of payments or reimbursements described in any such subparagraph,

the Secretary shall, in the case of a determination described in subparagraph (A), inform the applicant of the respects in which the applicant has not made such reasonable efforts and the manner in which the applicant's performance can be improved and, in the case of a determination described in subparagraph (B), inform the applicant of the manner in which the applicant can increase the amount of such payments. The Secretary shall give to an applicant a reasonable opportunity to respond, before the amount of the grant the applicant is applying for is determined, to a determination described in the preceding sentence. A determination of the Secretary referred to in the first sentence shall be referred to the National Advisory Mental Health Council for its review and recommendations.

"(d) An application for a grant under this part which is submitted to the Secretary shall at the same time be submitted to the State mental health authority for the State in which the project or community mental health center for which the application is submitted is located. A State mental health authority which receives such an application under this subsection may review it and submit its comments to the Secretary within the forty-five-day period beginning on the date the application was received by it. The Secretary shall take action to require an applicant to revise his application or to approve or disapprove an application within the period beginning on the date the State mental health authority submits its comments or on the expiration of such forty-five-day period, whichever occurs first, and ending on the ninetieth day following the date the application was submitted to him.

"(e) Not more than 2 per centum of the total amount appropriated under sections 203, 204, and 205 for any fiscal year shall be used by the Secretary to provide directly through the Department technical assistance for program management and for training in program management to community mental health centers which received grants under such sections or to entities which received grants under section 220 of this title in a fiscal year beginning before the date of the enactment of the Community Mental Health Centers Amendments of 1975.

"(f) For purposes of subsections (b), (c), (d), and (e) of this section, the term 'community mental health center' includes an entity which applies for or has received a grant under section 203 or 204(a)(2).

"PART B—FINANCIAL DISTRESS GRANTS

"GRANT AUTHORITY

"SEC. 211. The Secretary may make grants for the operation of any community mental health center which—

"(1) (A) received a grant under section 220 of this title (as in effect before the date of enactment of the Community Mental Health Centers Amendments of 1975) and, because of limitations in such section 220 respecting the period for which the center may receive grants under such section 220, is not eligible for further grants under that section for a fiscal year beginning after June 30, 1975; or

"(B) received a grant or grants under section 203(a) of this title and, because of limitations respecting the period for which grants under such section may be made, is not eligible for further grants under that section; and

"(2) demonstrates that without a grant under this section there will be a significant reduction in the types or quality of services provided or there will be an inability to provide the services described in section 201(b).

"GRANT REQUIREMENTS

"SEC. 212. (a) No grant may be made under section 211 to any community mental health center in any State unless a State plan for the provision of comprehensive mental health services within such State has been submitted to, and approved by, the Secretary under section 237. Any grant under section 211 may be made upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the community mental health center agree (1) to disclose any financial information or data deemed by the Secretary to be necessary to determine the sources or causes of that center's financial distress, (2) to conduct a comprehensive cost analysis study in cooperation with the Secretary, (3) to carry out appropriate operational and financial reforms on the basis of information obtained in the course of the comprehensive cost analysis study or on the basis of other relevant information, and (4) to use a grant received under section 211 to enable it to provide (within such period as the Secretary may prescribe) the comprehensive mental health services described in section 201(b) and to revise its organization to meet the requirements of sections 201(c) and 201(d).

"(b) An application for a grant under section 211 must contain or be supported by the assurances prescribed by subparagraphs (A), (B), (C), (D), (E), (F), (G), (I), (J), (K), and (L) of section 206(c) (1) and assurances satisfactory to the Secretary that the applicant will expend for its operation as a community mental health center, during the year for which such grant is sought, an amount of funds (other than funds for construction, as determined by the Secretary) from non-Federal sources which is at least as great as the average annual amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the three years immediately preceding the year for which such grant is sought. The Secretary may not approve such an application unless it has been recommended for approval by the National Advisory Mental Health Council. The requirements of section 206(d) respecting opportunity for review of applications by State mental health authorities and time limitations on actions by the Secretary on applications shall apply with respect to applications submitted for grants under section 211.

"(c) Each grant under this section to a grantee shall be made for the projected costs of operation (except the costs of providing the consultation and education services described in section 201(b) (1) (D)) of such grantee for the one-year period beginning on the first day of the first month in which such grant is made. No community mental health center may receive more than three grants under section 211.

"(d) The amount of a grant for a community mental health center under section 211 for any year shall be the lesser of the amounts computed under paragraph (1) or (2) as follows:

"(1) An amount equal to the amount by which the center's projected costs of operation for that year exceed the total of State, local, and other funds and of the fees, premiums, and third-party reimbursements which the center may reasonably be expected to collect in that year.

"(2) An amount equal to the product of—

"(A) 90 per centum of the percentage of costs—

"(i) which was the ceiling on the grant last made to the center in the first series of grants it received under section 220 of this title (as in effect before the date of the enactment of the Community Mental Health Centers Amendments of 1975), or

"(ii) prescribed by subsection (c) (2) of section 203 for computation of the last grant to the center under such section,

whichever grant was made last, and

"(B) the center's projected costs of operation in the year for which the grant is to be made under section 211.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 213. There are authorized to be appropriated \$15,000,000 for fiscal year 1976, and \$15,000,000 for fiscal year 1977 for payments under grants under section 211.

"PART C—FACILITIES ASSISTANCE

"ASSISTANCE AUTHORITY

"SEC. 221. (a) From allotments made under section 227 the Secretary shall pay, in accordance with this part, the Federal share of projects for (1) the acquisition or remodeling, or both, of facilities for community mental health centers, (2) the leasing (for not more than twenty-five years) of facilities for such centers, (3) the construction of new facilities or expansion of existing facilities for community mental health centers if not less than 25 per centum of the residents of the centers' catchment areas are members of low-income groups (as determined under regulations prescribed by the Secretary), and (4) the initial equipment of a facility acquired, remodeled, leased, constructed, or expanded with financial assistance provided under payments under this part. Payments shall not be made for the construction of a new facility or the expansion of an existing one unless the

Secretary determines that it is not feasible for the recipient to acquire or remodel an existing facility.

"(b) (1) For purposes of this part, the term 'Federal share' with respect to any project described in subsection (a) means the portion of the cost of such project to be paid by the Federal Government under this part.

"(2) The Federal share with respect to any project described in subsection (a) in a State shall be the amount determined by the State agency of the State, but, except as provided in paragraph (3), the Federal share for any such project may not exceed 66 $\frac{2}{3}$ per centum of the costs of such project or the State's Federal percentage, whichever is the lower. Prior to the approval of the first such project in a State during any fiscal year, the State agency shall give the Secretary written notification of (A) the maximum Federal share, established pursuant to this paragraph, for such projects in such State which the Secretary approves during such fiscal year, and (B) the method for determining the specific Federal share to be paid with respect to any such project; and such maximum Federal share and such method of Federal share determination for such projects in such State during such fiscal year shall not be changed after the approval of the first such project in the State during such fiscal year.

"(3) In the case of any community mental health center which provides or will, upon completion of the project for which application has been made under this part, provide services for persons in an area designated by the Secretary as an urban or rural poverty area, the maximum Federal share determined under paragraph (2) may not exceed 90 per centum of the costs of the project.

"(4) (A) For purposes of paragraph (2), the Federal percentage for (i) Puerto Rico, Guam, American Samoa, and the Virgin Islands shall be 66 $\frac{2}{3}$ per centum, and (ii) any other State shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the average per capita income of all such other States.

"(B) The Federal percentages under clause (ii) of subparagraph (A) shall be promulgated by the Secretary, between October 1 and December 31 of each even-numbered year, on the basis of the average of the per capita incomes of each of the States subject to such Federal percentages and of all the States subject to such percentages for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning July 1 next succeeding such promulgation.

"APPROVAL OF PROJECTS

"SEC. 222. (a) For each project for a community mental health center facility pursuant to a State plan approved under section 237, there shall be submitted to the Secretary, through the State agency of the State, an application by the State or a political subdivision thereof or by a public or other nonprofit agency. If two or more such agencies join in the project, the application may be filed by one or more of such agencies. Such application shall set forth—

"(1) a description of the site for such project;

"(2) plans and specifications therefor in accordance with the regulations prescribed by the Secretary under section 236;

"(3) except in the case of a leasing project, reasonable assurance that title to such site is or will be vested in one or more of the agencies filing the application or in a public or nonprofit private agency which is to operate the community mental health center;

"(4) reasonable assurance that adequate financial support will be available for the project and for its maintenance and operation when completed;

"(5) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a construction or remodeling project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a-276a-5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c);

"(6) a certification by the State agency of the Federal share for the project; and

"(7) the assurances described in section 206(c) (2).

Each applicant shall be afforded an opportunity for a hearing before the State agency respecting its application. For purposes of paragraph (3), the term 'title' means a fee simple or such other estate or interest (including a leasehold on which the rental does not exceed 4 per centum of the value of the land) as the Secretary finds sufficient to assure for a period of not less than fifty years undisturbed use and possession for the purposes of acquisition, remodeling, construction, or expansion of a facility and its operation.

"(b) The Secretary shall approve an application submitted in accordance with subsection (a) if—

"(1) sufficient funds to pay the Federal share for the project for which the application was submitted are available from the allotment to the State;

"(2) the Secretary finds that the application meets the applicable requirements of subsection (a) and the community mental health center for which the application was submitted will meet the requirements of the State plan (under section 237) of the State in which the project is located; and

"(3) the Secretary finds that the application has been approved and recommended by the State agency and is entitled to priority over other projects within the State, as determined under the State plan.

No application shall be disapproved by the Secretary until he has afforded the State agency an opportunity for a hearing. The Secretary may not approve an application under this part for a project for a facility for a community mental health center or other entity which received a grant under section 220, 242, 243, 251, 256, 264, or 271 of this title (as in effect before the date of the enactment of the Community Mental Health Centers Amendments of 1975) from appropriations for

a fiscal year ending before July 1, 1975, unless the Secretary determines that the application is for a project for a center or entity which upon completion of such project will be able to significantly expand its services and which demonstrates exceptional financial need for assistance under this part for such project. Amendment of any approved application shall be subject to approval in the same manner as an original application.

"PAYMENTS

"Sec. 223. (a) (1) Upon certification to the Secretary by the State agency, based upon inspection by it, that work has been performed upon a remodeling, construction, or expansion project, or purchases for such a project have been made, in accordance with the approved plans and specifications, and that payment of an installment is due to the applicant, such installment shall be paid to the State, from the applicable allotment of such State, except that (1) if the State is not authorized by law to make payments to the applicant, the payment shall be made directly to the applicant, (2) if the Secretary, after investigation or otherwise, has reason to believe that any act (or failure to act) has occurred requiring actions pursuant to subsection (c) of this section, payment may, after he has given the State agency notice of opportunity for hearing pursuant to such section, be withheld in whole or in part, pending corrective action or action based on such hearing, and (3) the total payments with respect to such project may not exceed an amount equal to the Federal share of the cost of such project.

"(2) If an amendment to an approved application is approved or the estimated cost of a remodeling, construction, or expansion project is revised upward, any additional payment with respect thereto may be made from the applicable allotment of the State for the fiscal year in which such amendment or revision is approved.

"(b) Payments from a State allotment for acquisition and leasing projects shall be made in accordance with regulations which the Secretary shall promulgate.

"(c) (1) If the Secretary finds that—

"(A) a State agency is not substantially complying with the provisions required by section 237 to be in a State plan or with regulations issued under section 236;

"(B) any assurance required to be in an application filed under section 222 is not being carried out;

"(C) there is substantial failure to carry out plans and specifications approved by the Secretary under section 222; or

"(D) adequate State funds are not being provided annually for the direct administration of a State plan approved under section 237,

the Secretary may take the action authorized under paragraph (2) of this subsection if the finding was made after reasonable notice and opportunity for hearing to the involved State agency.

"(2) If the Secretary makes a finding described in paragraph (1), he may notify the involved State agency, which is the subject of the finding or which is connected with a project or State plan which is the subject of the finding, that—

"(A) no further payments will be made to the State from allotments under section 227; or

"(B) no further payments will be made from allotments under section 227 for any project or projects designated by the Secretary as being affected by the action or inaction referred to in subparagraph (A), (B), (C), or (D) of paragraph (1).
as the Secretary may determine to be appropriate under the circumstances; and, except with regard to any project for which the application has already been approved and which is not directly affected, further payments from such allotments may be withheld, in whole or in part, until there is no longer any failure to comply (or to carry out the assurance or plans and specifications or to provide adequate State funds, as the case may be) or, if such compliance (or other action) is impossible, until the State repays or arranges for the repayment of Federal moneys to which the recipient was not entitled.

"JUDICIAL REVIEW

"Sec. 224. If—

"(1) the Secretary refuses to approve an application for a project submitted under section 222, the State agency through which such application was submitted, or

"(2) any State is dissatisfied with the Secretary's action under section 223(c) or 237(c), such State,

may appeal to the United States court of appeals for the circuit in which such State agency or State is located, by filing a petition with such court within sixty days after such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but, until the filing of the record, the Secretary may modify or set aside his order. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of facts and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this section shall not, unless so specifically ordered by the court, operate as a stay of the Secretary's action.

"RECOVERY

"Sec. 225. If any facility of a community mental health center acquired, remodeled, constructed, or expanded with funds provided under this part is, at any time within twenty years after the completion of such remodeling, construction, or expansion or after the date of its acquisition with such funds—

"(1) sold or transferred to any person or entity (A) which is not qualified to file an application under section 222, or (B) which is not approved as a transferee by the State agency of the State in which such facility is located, or its successor; or

"(2) not used by a community mental health center in the provision of comprehensive mental health services, and the Secretary has not determined that there is good cause for termination of such use,

the United States shall be entitled to recover from either the transferor or the transferee in the case of a sale or transfer or from the owner in the case of termination of use an amount bearing the same ratio to the then value (as determined by the agreement of the parties or by action brought in the United States district court for the district in which the center is situated) of so much of such facility or center as constituted an approved project or projects, as the amount of the Federal participation bore to the acquisition, remodeling, construction, or expansion cost of such project or projects. Such right of recovery shall not constitute a lien upon such facility or center prior to judgment.

"NONDUPLICATION

"SEC. 226. No grant may be made under the Public Health Service Act for the remodeling, construction, or expansion of a facility for a community mental health center unless the Secretary determines that there are no funds available under this part for the remodeling, construction, or expansion of such facility.

"ALLOTMENTS TO STATES

"SEC. 227. (a) In each fiscal year, the Secretary shall, in accordance with regulations, make allotments, from the sums appropriated under section 228, to the States (with State plans approved under section 237) on the basis of (1) the population, (2) the extent of the need for community mental health centers, and (3) the financial need, of the respective States; except that no such allotment to any State, other than the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands, in any fiscal year may be less than \$100,000. Sums so allotted to a State other than the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands, in a fiscal year and remaining unobligated at the end of such year shall remain available to such State for such purpose in the next fiscal year (and in such year only), in addition to the sums allotted for such State in such next fiscal year. Sums so allotted to the Virgin Islands, American Samoa, Guam, or the Trust Territory of the Pacific Islands in a fiscal year and remaining unobligated at the end of such year shall remain available to such State for such purpose in the next two fiscal years (and in such years only), in addition to the sums allotted to such State for such purpose in each of such next two fiscal years.

"(b) The amount of an allotment under subsection (a) to a State in a fiscal year which the Secretary determines will not be required by the State during the period for which it is available for the purpose for which allotted shall be available for reallocation by the Secretary from time to time, on such date or dates as he may fix, to other States with respect to which such a determination has not been made, in pro-

portion to the original allotments of such States for such fiscal year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Secretary estimates such State needs and will be able to use during such period; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts were not so reduced. Any amount so reallocated to a State in a fiscal year shall be deemed to be a part of its allotment under subsection (a) in such fiscal year.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 228. There are authorized to be appropriated \$5,000,000 for fiscal year 1976, and \$5,000,000 for fiscal year 1977, for allotments under section 227.

"PART D—RAPE PREVENTION AND CONTROL

"RAPE PREVENTION AND CONTROL

"SEC. 231. (a) The Secretary shall establish within the National Institute of Mental Health an identifiable administrative unit to be known as the National Center for the Prevention and Control of Rape (hereinafter in this section referred to as the 'Center').

"(b) (1) The Secretary, acting through the Center, may, directly or by grant, carry out the following:

"(A) A continuing study of rape, including a study and investigation of—

"(i) the effectiveness of existing Federal, State, and local laws dealing with rape;

"(ii) the relationship, if any, between traditional legal and social attitudes toward sexual roles, the act of rape, and the formulation of laws dealing with rape;

"(iii) the treatment of the victims of rape by law enforcement agencies, hospitals or other medical institutions, prosecutors, and the courts;

"(iv) the causes of rape, identifying to the degree possible—

"(I) social conditions which encourage sexual attacks, and

"(II) the motives of offenders, and

"(v) the impact of rape on the victim and the family of the victim;

"(vi) sexual assaults in correctional institutions;

"(vii) the actual incidence of forcible rape as compared to the reported incidence of forcible rape and the reasons for any difference in such incidences; and

"(viii) the effectiveness of existing private and local and State government educational, counseling, and other programs designed to prevent and control rape.

"(B) The compilation, analysis, and publication of summaries of the continuing study conducted under subparagraph (A) and the research and demonstration projects conducted under subparagraph (E). The Secretary shall annually submit to the Congress a summary of such study and projects together with recommendations where appropriate.

"(C) The development and maintenance of an information clearinghouse with regard to—

"(i) the prevention and control of rape;

"(ii) the treatment and counseling of the victims of rape and their families; and

"(iii) the rehabilitation of offenders.

"(D) The compilation and publication of training materials for personnel who are engaged or intend to engage in programs designed to prevent and control rape.

"(E) Assistance to community mental health centers and other qualified public and nonprofit private entities in conducting research and demonstration projects concerning the prevention and control of rape, including projects (i) for the planning, developing, implementing, and evaluating of alternative methods used in the prevention and control of rape, the treatment and counseling of the victims of rape and their families, and the rehabilitation of offenders; (ii) for the application of such alternative methods; and (iii) for the promotion of community awareness of the specific locations in which, and the specific social and other conditions under which, sexual attacks are most likely to occur.

"(F) Assistance to community mental health centers in meeting the costs of providing consultation and education services respecting rape.

"(2) For purposes of this section, the term 'rape' includes statutory and attempted rape and any other criminal sexual assault (whether homosexual or heterosexual) which involves force or the threat of force.

"(c) The Secretary shall appoint an advisory committee to advise, consult with, and make recommendations to him on the implementation of subsection (b). The Secretary shall appoint to such committee persons who are particularly qualified to assist in carrying out the functions of the committee. A majority of the members of the committee shall be women. Members of the advisory committee shall receive compensation at rates, not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule, for each day (including traveltime) they are engaged in the performance of their duties as members of the advisory committee and, while so serving away from their homes or regular places of business, each member shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

"(d) For the purpose of carrying out subsection (b), there are authorized to be appropriated \$7,000,000 for fiscal year 1976, and \$10,000,000 for fiscal year 1977.

"PART E—GENERAL PROVISIONS

"DEFINITIONS

"SEC. 235. For purposes of this title—

"(1) The term 'State' includes the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the District of Columbia.

"(2) The term 'State agency' means the State mental health authority for which grants are authorized under section 314(d) of the Public Health Service Act.

"(3) The term 'Secretary' means the Secretary of Health, Education, and Welfare.

"(4) The term 'National Advisory Mental Health Council' means the National Advisory Mental Health Council established under section 217 of the Public Health Service Act.

"REGULATIONS

"SEC. 236. Regulations issued by the Secretary for the administration of this title shall include provisions applicable uniformly to all the States which—

"(1) prescribe the general manner in which the State agency of a State shall determine the priority of projects for community mental health centers on the basis of the relative need of the different areas of the State for such centers and their services and require special consideration for projects on the basis of the extent to which a center to be assisted or established upon completion of a project (A) will, alone or in conjunction with other centers owned or operated by the applicant for the project or affiliated or associated with such applicant, provide comprehensive mental health services for residents of a particular community or communities, or (B) will be part of or closely associated with a general hospital;

"(2) prescribe general standards for facilities and equipment for centers of different classes and in different types of location; and

"(3) require that the State plan of a State submitted under section 237 provide for adequate community mental health centers for people residing in the State, and provide for adequate community mental health centers to furnish needed services for persons unable to pay therefor.

The National Advisory Mental Health Council shall be consulted by the Secretary before the issuance of regulations under this section.

"STATE PLAN

"SEC. 237. (a) A State plan for the provision of comprehensive mental health services within a State shall be comprised of the following two parts:

"(1) An administrative part containing provisions respecting the administration of the plan and related matters. Such part shall—

"(A) provide for the designation of a State advisory council to consult with the State agency in administering such plan, which council shall include (i) representatives of non-government organizations or groups, and of State agencies, concerned with the planning, operation, or use of community mental health centers or other mental health facilities, and (ii) representatives of consumers and providers of the services of such centers and facilities who are familiar with the need for such services;

"(B) provide that the State agency will make such reports in such form and containing such information as the Secretary may from time to time reasonably require, and will keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports;

"(C) provide that the State agency will from time to time, but not less often than annually, review the State plan and submit to the Secretary appropriate modifications thereof which it considers necessary; and

"(D) include provisions, meeting such requirements as the Civil Service Commission may prescribe, relating to the establishment and maintenance of personnel standards on a merit basis.

"(2) A services and facilities part containing provisions respecting services to be offered within the State by community mental health centers and provisions respecting facilities for such centers. Such part shall—

"(A) be consistent with the provisions of the State plan prepared in accordance with section 1524(c)(2) of the Public Health Service Act or the State plan approved under section 314(a) of such Act, whichever is applicable, relating to the provision of mental health services;

"(B) set forth a program for community mental health centers within the State (i) which is based on a statewide inventory of existing facilities and a survey of need for the comprehensive mental health services described in section 201(b); (ii) which conforms with regulations prescribed by the Secretary under section 236; and (iii) which shall provide for adequate community mental health centers to furnish needed services for persons unable to pay therefor;

"(C) set forth the relative need, determined in accordance with the regulations prescribed under section 236, for the projects included in the program described in subparagraph (B), and, in the case of projects under part C, provide for the completion of such projects in the order of such relative need;

"(D) emphasize the provision of outpatient services by community mental health centers as a preferable alternative to inpatient hospital services; and

"(E) provide minimum standards (to be fixed in the discretion of the State) for the maintenance and operation of centers which receive Federal aid under this title and provide for enforcement of such standards with respect to projects approved by the Secretary under this title.

"(b) The State agency shall administer or supervise the administration of the State plan.

"(c) A State shall submit a State plan in such form and manner as the Secretary shall by regulation prescribe. The Secretary shall approve any State plan (and any modification thereof) which complies with the requirements of subsection (a). The Secretary shall not finally disapprove a State plan except after reasonable notice and opportunity for a hearing to the State.

"(d)(1) At the request of any State, a portion of any allotment or allotments of such State under section 227 for any fiscal year shall be available to pay one-half (or such smaller share as the State may request) of the expenditures found necessary by the Secretary for the proper and efficient administration of the provisions of the State plan approved under this section which relate to projects under part C for facilities for community mental health centers; except that not more than 5 per centum of the total of the allotments of such State for any fiscal year, or \$50,000, whichever is less, shall be available for such purpose. Amounts made available to any State under this paragraph from its allotment or allotments under section 227 for any fiscal year shall be available only for such expenditures (referred to in the preceding sentence) during such fiscal year or the following fiscal year. Payments of amounts due under this paragraph may be made in advance or by way of reimbursement, and in such installments, as the Secretary may determine.

"(2) Any amount paid under paragraph (1) to any State for any fiscal year for administration of the provisions of an approved State plan shall be paid on condition that there shall be expended from State sources for each year for administration of such provisions not less than the total amount expended for such purposes from such sources during the fiscal year ending June 30, 1968.

"CATCHMENT AREA REVIEW

"SEC. 238. Each State health planning and development agency designated for a State under section 1521 of the Public Health Service Act shall, in consultation with that State's mental health authority, periodically review the catchment areas of the community mental health centers located in that State to (1) insure that the sizes of such areas are such that the services to be provided through the centers (including their satellites) serving the areas are available and accessible to the residents of the areas promptly, as appropriate, (2) insure that the boundaries of such areas conform, to the extent practicable, with relevant boundaries of political subdivisions, school districts, and Federal and State health and social service programs, and (3) insure that the boundaries of such areas eliminate, to the extent possible, barriers to access to the services of the centers serving the areas, including barriers resulting from an area's physical characteristics, its residential patterns, its economic and social groupings, and available transportation.

"STATE CONTROL OF OPERATIONS

"SEC. 239. Except as otherwise specifically provided, nothing in this title shall be construed as conferring on any Federal officer or employee the right to exercise any supervision or control over the administration, personnel, maintenance, or operation of any community mental health center with respect to which any funds have been or may be expended under this title.

"RECORDS AND AUDIT

"SEC. 240. (a) Each recipient of assistance under this title shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient

of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the assistance received under this title.

"NONDUPLICATION

"SEC. 241. In determining the amount of any grant under part A, B, or C for the costs of any project there shall be excluded from such costs an amount equal to the sum of (1) the amount of any other Federal grant which the applicant for such grant has obtained, or is assured of obtaining, with respect to such project, and (2) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant.

"DETERMINATION OF POVERTY AREA

"SEC. 242. For purposes of any determination by the Secretary under this title as to whether any urban or rural area is a poverty area, the Secretary may not determine that an area is an urban or rural poverty area unless—

"(1) such area contains one or more subareas which are characterized as subareas of poverty;

"(2) the population of such subarea or subareas constitutes a substantial portion of the population of such rural or urban area; and

"(3) the project, facility, or activity, in connection with which such determination is made, does, or (when completed or put into operation) will, serve the needs of the residents of such subarea or subareas.

"PROTECTION OF PERSONAL RIGHTS

"SEC. 243. In making grants under parts A and B, the Secretary shall take such steps as may be necessary to assure that no individual shall be made the subject of any research involving surgery which is carried out (in whole or in part) with funds under such grants unless such individual explicitly agrees to become a subject of such research.

"REIMBURSEMENT

"SEC. 244. The Secretary shall, to the extent permitted by law, work with States, private insurers, community mental health centers, and other appropriate entities to assure that community mental health centers shall be eligible for reimbursement for their mental health services to the same extent as general hospitals and other licensed providers.

"SHORT TITLE

"SEC. 245. This title may be cited as the 'Community Mental Health Centers Act'."

REPORT

SEC. 304. (a) Not later than one year after the date of the enactment of this Act the Secretary of Health, Education, and Welfare shall make a report to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate setting forth a plan, to be carried out in a period of five years, for the extension of comprehensive mental health services through community mental health centers to persons in all areas in which there is a demonstrated need for such services. Such plan shall, at a minimum, indicate on a phased basis the number of persons to be served by such services and an estimate of the cost and personnel requirements needed to provide such services.

(b) Not later than eighteen months after the date of the enactment of this Act the Secretary of Health, Education, and Welfare shall submit to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate a report setting forth (1) national standards for care provided by community mental health centers, and (2) criteria for evaluation of community mental health centers and the quality of the services provided by the centers.

CONFORMING AMENDMENTS

SEC. 305. (a) Section 401 of the Mental Retardation Facility and Community Mental Health Centers Construction Act of 1963 is amended—

(1) by striking out paragraph (c);

(2) by amending paragraph (d) to read as follows:

"(d) The terms 'nonprofit facility for persons with developmental disabilities' and 'nonprofit private institution of higher learning' mean, respectively, a facility for persons with developmental disabilities and an institution of higher learning which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual; and the term 'nonprofit private agency or organization' means an agency or organization which is such a corporation or association or which is owned and operated by one or more of such corporations or associations."; and

(3) by—

(A) striking out "or part A of title II" in paragraph (h)

(1),
(B) by striking out in paragraph (h) (2) "(A)" and "; and (B) for any project under part A of title II may not exceed 66 $\frac{2}{3}$ per centum of the costs of construction of such project or the State's Federal percentage, whichever is the lower", and

(C) by striking out "or under part A of title II" in paragraph (h) (3).

- (b) Section 403 of such Act is amended—
 - (1) by striking out “, or section 204 in the case of a community mental health center,” in subsection (a),
 - (2) by striking out “or section 206, as the case may be,” in such subsection,
 - (3) by striking out “or 205” in subsection (b), and
 - (4) by striking out the second sentence of subsection (c) (1).
- (c) Section 404 is amended by striking out “or 205”, “or 204(b)”, and “or 206”.
- (d) Section 405 is amended—
 - (1) by striking out “or 205” in paragraph (1) (A),
 - (2) by striking out “or section 204 (in case of a community mental health center)” in such paragraph,
 - (3) by striking out “or community mental health center, as the case may be,” in paragraph (2),
 - (4) by striking out “or such center as a community mental health center” in such paragraph,
 - (5) by striking out “or center” each place it occurs in the matter following paragraph (2), and
 - (6) by striking out “or community mental health center” in such matter.
- (e) Section 406 is amended by striking out “or community mental health center”.

TITLE IV—MIGRANT HEALTH CENTERS

MIGRANT HEALTH CENTERS

SEC. 401. (a) Section 319 of the Public Health Service Act is amended to read as follows:

“MIGRANT HEALTH

“SEC. 319 (a) For purposes of this section:

“(1) The term ‘migrant health center’ means an entity which either through its staff and supporting resources or through contracts or cooperative arrangements with other public or private entities provides—

“(A) primary health services,

“(B) as may be appropriate for particular centers, supplemental health services necessary for the adequate support of primary health services,

“(C) referral to providers of supplemental health services and payment, as appropriate and feasible, for their provision of such services,

“(D) environmental health services, including, as may be appropriate for particular centers, the detection and alleviation of unhealthful conditions associated with water supply, sewage treatment, solid waste disposal, rodent and parasitic infestation, field sanitation, housing, and other environmental factors related to health,

“(E) as may be appropriate for particular centers, infectious and-parasitic disease screening and control,

“(F) as may be appropriate for particular centers, accident prevention programs, including prevention of excessive pesticide exposure, and

“(G) information on the availability and proper use of health services,
for migratory agricultural workers, seasonal agricultural workers, and the members of the families of such migratory and seasonal workers, within the areas serves (referred to in this section as a ‘catchment area’).

“(2) The term ‘migratory agricultural worker’ means an individual whose principal employment is in agriculture on a seasonal basis, who has been so employed within the last twenty-four months, and who establishes for the purposes of such employment a temporary abode.

“(3) The term ‘seasonal agricultural workers’ means an individual whose principal employment is in agriculture on a seasonal basis and who is not a migratory agricultural worker.

“(4) The term ‘agriculture’ means farming in all its branches, including—

“(A) cultivation and tillage of the soil,

“(B) the production, cultivation, growing, and harvesting of any commodity grown on, in, or as an adjunct to or part of a commodity grown in or on, the land, and

“(C) any practice (including preparation and processing for market and delivery to storage or to market or to carriers for transportation to market) performed by a farmer or on a farm incident to or in conjunction with an activity described in subparagraph (B).

“(5) The term ‘high impact area’ means a health service area or other area which has not less than six thousand migratory agricultural workers and seasonal agricultural workers residing within its boundaries for more than two months in any calendar year. In computing the number of workers residing in an area, there shall be included as workers the members of the families of such workers.

“(6) The term ‘primary health services’ means—

“(A) services of physicians and, where feasible, services of physicians’ assistants and nurse clinicians;

“(B) diagnostic laboratory and radiologic services;

“(C) preventive health services (including children’s eye and ear examinations to determine the need for vision and hearing correction, perinatal services, well child services, and family planning services);

“(D) emergency medical services;

“(E) transportation services as required for adequate patient care; and

“(F) preventive dental services.

“(7) The term ‘supplemental health services’ means services which are not included as primary health services and which are—

“(A) hospital services;

“(B) home health services;

“(C) extended care facility services;

“(D) rehabilitative services (including physical therapy) and long-term physical medicine;

“(E) mental health services;

- “(F) dental services;
- “(G) vision services;
- “(H) allied health services;
- “(I) pharmaceutical services;
- “(J) therapeutic radiologic services;
- “(K) public health services (including nutrition education and social services);
- “(L) health education services; and
- “(M) services which promote and facilitate optimal use of primary health services and the services referred to in the preceding subparagraphs of this paragraph, including, if a substantial number of the individuals in the population served by a migrant health center are of limited English-speaking ability, the services of outreach workers fluent in the language spoken by a predominant number of such individuals.

“(b) (1) The Secretary shall assign to high impact areas and any other areas (where appropriate) priorities for the provision of assistance under this section to projects and programs in such areas. The highest priorities for such assistance shall be assigned to areas in which reside the greatest number of migratory agricultural workers and the members of their families for the longest period of time.

“(2) No application for a grant under subsection (c) or (d) for a project in an area which has no migratory agricultural workers may be approved unless grants have been provided for all approved applications under such subsections for projects in areas with migratory agricultural workers.

“(c) (1) (A) The Secretary may, in accordance with the priorities assigned under subsection (b) (1), make grants to public and nonprofit private entities for projects to plan and develop migrant health centers which will serve migratory agricultural workers, seasonal agricultural workers, and the members of the families of such migratory and seasonal workers, in high impact areas. A project for which a grant may be under this subparagraph may include the cost of the acquisition and modernization of existing buildings (including the costs of amortizing of existing buildings (including the costs of amortizing the principal of, and paying the interest on, loans) and the costs of providing training related to the management of migrant health center programs, and shall include—

“(i) an assessment of the need that the workers (and the members of the families of such workers) proposed to be served by the migrant health center for which the project is undertaken have for primary health services, supplemental health services, and environmental health services;

“(ii) the design of a migrant health center program for such workers and the members of their families, based on such assessment;

“(iii) efforts to secure, within the proposed catchment area of such center, financial and professional assistance and support for the project; and

“(iv) initiation and encouragement of continuing community involvement in the development and operation of the project.

“(B) The Secretary may make grants to or enter into contracts with public and nonprofit private entities for projects to plan and develop programs in areas in which no migrant health center exists and

in which not more than six thousand migratory agricultural workers and their families reside for more than two months—

“(i) for the provision of emergency care to migratory agricultural workers, seasonal agricultural workers, and the members of families of such migratory and seasonal workers;

“(ii) for the provision of primary care (as defined in regulations of the Secretary) for such workers and the members of their families;

“(iii) for the development of arrangements with existing facilities to provide primary health services (not including as primary care as defined under regulations under clause (ii)) to such workers and the members of their families; or

“(iv) which otherwise improve the health of such workers and their families.

Any such program may include the acquisition and modernization of existing buildings and providing training related to the management of programs assisted under this subparagraph.

“(2) Not more than two grants may be made under paragraph (1) (A) for the same project, and if a grant or contract is made or entered into under paragraph (1) (B) for a project, no other grant or contract under that paragraph may be made or entered into for the project.

“(3) The amount of any grant made under paragraph (1) for any project shall be determined by the Secretary.

“(d) (1) (A) The Secretary may, in accordance with priorities assigned under subsection (b) (1), make grants for the costs of operation of public and nonprofit private migrant health centers in high impact areas.

“(B) The Secretary may, in accordance with priorities assigned under subsection (b) (1), make grants for the costs of the operation of public and nonprofit entities which intend to become migrant health centers, which provide health services in high impact areas to migratory agricultural workers, seasonal agricultural workers, and the members of the families of such migratory and seasonal workers, but with respect to which he is unable to make each of the determinations required by subsection (f) (2). Not more than two grants may be made under this subparagraph for any entity.

“(C) The Secretary may make grants to and enter into contracts with public and nonprofit private entities for projects for the operation of programs in areas in which no migrant health center exists and in which not more than six thousand migratory agricultural workers and their families reside for more than two months—

“(i) for the provision of emergency care to migratory agricultural workers, seasonal agricultural workers, and the members of the families of such migratory and seasonal workers;

“(ii) for the provision of primary care (as defined in regulations of the Secretary) for such workers and the members of their families;

“(iii) for the development of arrangements with existing facilities to provide primary health services (not included as primary care as defined under regulations under clause (ii)) to such workers and the members of their families; or

“(iv) which otherwise improve the health of such workers and the members of their families.

Any such program may include the acquisition and modernization of existing buildings and providing training related to the management of programs assisted under this subparagraph.

"(2) The costs for which a grant may be made under paragraph (1) (A) or (1) (B) may include the costs of acquiring and modernizing existing buildings (including the costs of amortizing the principal of, and paying the interest on, loans); and the costs for which a grant or contract may be made under paragraph (1) may include the costs of providing training related to the provision of primary health services, supplemental health services, and environmental health services, and to the management of migrant health center programs.

"(3) The amount of any grant made under paragraph (1) shall be determined by the Secretary.

"(e) The Secretary may enter into contracts with public and private entities to—

"(1) assist the States in the implementation and enforcement of acceptable environmental health standards, including enforcement of standards for sanitation in migrant labor camps and applicable Federal and State pesticide control standards; and

"(2) conduct projects and studies to assist the several States and entities which have received grants or contracts under this section in the assessment of problems related to camp and field sanitation, pesticide hazards, and other environmental health hazards to which migratory agricultural workers, seasonal agricultural workers, and members of their families are exposed.

"(f) (1) No grant may be made under subsection (c) or (d) and no contract may be entered into under subsection (c) (1) (B), (d) (1) (C), or (e) unless an application therefor is submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and manner and shall contain such information as the Secretary shall prescribe. An application for a grant or contract which will cover the costs of modernizing a building shall include, in addition to other information required by the Secretary—

"(A) a description of the site of the building,

"(B) plans and specifications for its modernization, and

"(C) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on the modernization of the building will be paid wages at rates not less than those prevailing on similar work in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act).

The Secretary of Labor shall have with respect to the labor standards referred to in subparagraph (C) the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

"(2) The Secretary may not approve an application for a grant under subsection (d) (1) (A) unless the Secretary determines that the entity for which the application is submitted is a migrant health center (within the meaning of subsection (a) (1)) and that—

"(A) the primary health services of the center will be available and accessible in the center's catchment area promptly, as appropriate, and in a manner which assures continuity;

"(B) the center will have organizational arrangements, established in accordance with regulations of the Secretary, for (i) an ongoing quality assurance program (including utilization and peer review systems) respecting the center's services, and (ii) maintaining the confidentiality of patient records;

"(C) the center will demonstrate its financial responsibility by the use of such accounting procedures and other requirements as may be prescribed by the Secretary;

"(D) the center (i) has or will have a contractual or other arrangement with the agency of the State, in which it provides services, which administers or supervises the administration of a State plan approved under title XIX of the Social Security Act for the payment of all or a part of the center's costs in providing health services to persons who are eligible for medical assistance under such a State plan, or (ii) has made or will make every reasonable effort to enter into such an arrangement;

"(E) the center has made or will make and will continue to make every reasonable effort to collect appropriate reimbursement for its costs in providing health services to persons who are entitled to insurance benefits under title XVIII of the Social Security Act, to medical assistance under a State plan approved under title XIX of such Act, or to assistance for medical expenses under any other public assistance program or private health insurance program;

"(F) the center (i) has prepared a schedule of fees or payments for the provision of its services designed to cover its reasonable costs of operation and a corresponding schedule of discounts to be applied to the payment of such fees or payments, which discounts are adjusted on the basis of the patient's ability to pay, (ii) has made and will continue to make every reasonable effort (I) to secure from patients payment for services in accordance with such schedules, and (II) to collect reimbursement for health services to persons described in subparagraph (E) on the basis of the full amount of fees and payments for such services without application of any discount, and (iii) has submitted to the Secretary such reports as he may require to determine compliance with this subparagraph;

"(G) the center has established a governing board which (i) is composed of individuals a majority of whom are being served by the center and who, as a group, represent the individuals being served by the center, and (ii) establishes general policies for the center (including the selection of services to be provided by the center and a schedule of hours during which services will be provided), approves the center's annual budget, and approves the selection of a director for the center;

"(H) the center has developed, in accordance with regulations of the Secretary, (i) an overall plan and budget that meets the requirements of section 1861(z) of the Social Security Act, and (ii) an effective procedure for compiling and reporting to the Secretary such statistics and other information as the Secretary may require relating to (I) the costs of its operations, (II) the patterns of use of its services, (III) the availability, accessibility, and acceptability of its services, and (IV) such other matters relating to operations of the applicant as the Secretary may, by regulation, require;

“(I) the center will review periodically its catchment area to (i) insure that the size of such area is such that the services to be provided through the center (including any satellite) are available and accessible to the migratory agricultural workers, seasonal agricultural workers, and the members of the families of such migratory and seasonal workers, in the area promptly and as appropriate, (ii) insure that the boundaries of such area conform, to the extent practicable, to relevant boundaries of political subdivisions, school districts, and Federal and State health and social service programs, and (iii) insure that the boundaries of such area eliminate, to the extent possible, barriers to access to the services of the center, including barriers resulting from the area's physical characteristics, its residential patterns, its economic and social groupings, and available transportation; and

“(J) in the case of a center which serves a population including a substantial proportion of individuals of limited English-speaking ability, the center has (i) developed a plan and made arrangements responsible to the needs of such population for providing services to the extent practicable in the language and cultural context most appropriate to such individuals, and (ii) identified an individual on its staff who is fluent in both that language and English and whose responsibilities shall include providing guidance to such individuals and to appropriate staff members with respect to cultural sensitivities and bridging linguistic and cultural differences.

“(3) In considering applications for grants and contracts under subsection (c) or (d)(1)(C), the Secretary shall give priority to applications submitted by community-based organizations which are representative of the populations to be served through the projects, programs, or centers to be assisted by such grants or contracts.

“(4) Contracts may be entered into under this section without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

“(g) The Secretary may provide (either through the Department of Health, Education, and Welfare or by grant or contract) all necessary technical and other nonfinancial assistance (including fiscal and program management assistance and training in such management) to any migrant health center or to any public or private nonprofit entity to assist it in developing plans for, and in operating as, a migrant health center, and in meeting the requirements of subsection (f)(2).

“(h)(1) There are authorized to be appropriated for payments pursuant to grants and contracts under subsection (c)(1) \$4,000,000 for fiscal year 1976, and \$4,000,000 for fiscal year 1977. Of the funds appropriated under this paragraph for fiscal year 1976, not more than 30 per centum of such funds may be made available for grants and contracts under subsection (c)(1)(B), and of the funds appropriated under this paragraph for the next fiscal year, not more than 25 per centum of such funds may be made available for grants and contracts under such subsection.

“(2) There are authorized to be appropriated for payments pursuant to grants and contracts under subsection (d)(1) (other than for

payments under such grants and contracts for the provision of inpatient and outpatient hospital services) and for payments pursuant to contracts under subsection (e) \$30,000,000 for fiscal year 1976, and \$35,000,000 for fiscal year 1977. Of the funds appropriated under the first sentence for fiscal year 1976, there shall be made available for grants and contracts under subsection (d)(1)(C) an amount not exceeding the greater of 30 per centum of such funds or 90 per centum of the amount of grants made under this section for the preceding fiscal year for programs described in subsection (d)(1)(C). Of the funds appropriated under the first sentence for fiscal year 1977, there shall be made available for grants and contracts under subsection (d)(1)(C) an amount not exceeding the greater of 25 per centum of such funds or 90 per centum of the amount of grants made under this section for the preceding fiscal year for programs described in subsection (d)(1)(C) which received grants under this section for the fiscal year ending June 30, 1975. Of the funds appropriated under this paragraph for any fiscal year, not more than 10 per centum of such funds may be made available for contracts under subsection (e).

“(3) There are authorized to be appropriated for payments under grants and contracts under subsection (d)(1) for the provision of inpatient and outpatient hospital services \$5,000,000 for fiscal year 1976, and \$5,000,000 for fiscal year 1977.”

(b) Section 217 of the Public Health Service Act is amended by adding after the subsection (f) added by Public Law 93-248 the following new subsection:

“(g)(1) Within 120 days of the date of the enactment of this subsection, the Secretary shall appoint and organize a National Advisory Council on Migrant Health (hereinafter in this subsection referred to as the ‘Council’) which shall advise, consult with, and make recommendations to, the Secretary on matters concerning the organization, operation, selection, and funding of migrant health centers and other entities under grants and contracts under section 319.

“(2) The Council shall consist of fifteen members, at least twelve of whom shall be members of the governing boards of migrant health centers or other entities assisted under section 319. Of such twelve members who are members of such governing boards, at least nine shall be chosen from among those members of such governing boards who are being served by such centers or grantees and who are familiar with the delivery of health care to migratory agricultural workers and seasonal agricultural workers. The remaining three Council members shall be individuals qualified by training and experience in the medical sciences or in the administration of health programs.

“(3) Each member of the Council shall hold office for a term of four years, except that (A) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and (B) the terms of the members first taking office after the date of enactment of this subsection shall expire as follows: four shall expire four years after such date, four shall expire three years after such date, four shall expire two years after such date, and three shall expire one year after such date, as designated by the Secretary at the time of appointment.

"(4) Section 14(a) of the Federal Advisory Committee Act shall not apply to the Council."

(c)(1) The Secretary of Health, Education, and Welfare (hereinafter in this subsection referred to as the "Secretary") shall conduct or arrange for the conduct of a study of—

(A) the quality of housing which is available to agricultural migratory workers in the United States during the period of their employment in seasonal agricultural activities while away from their permanent abodes;

(B) the effect on the health of such workers of deficiencies in their housing conditions during such period; and

(C) Federal, State, and local government standards respecting housing conditions for such workers during such period and the adequacy of the enforcement of such standards.

In conducting or arranging for the conduct of such study, the Secretary shall consult with the Secretary of Housing and Urban Development.

(2) Such study shall be completed and a report detailing the findings of the study and the recommendations of the Secretary for Federal action (including legislation) respecting such housing conditions shall be submitted to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate within eighteen months of the date of the enactment of the first Act making appropriations for such study.

TITLE V—COMMUNITY HEALTH CENTERS

COMMUNITY HEALTH CENTERS

SEC. 501. (a) Part C of title III of the Public Health Service Act is amended by adding after section 329 the following new section:

"COMMUNITY HEALTH CENTERS

"SEC. 330. (a) For purposes of this section, the term 'community health center' means an entity which either through its staff and supporting resources or through contracts or cooperative arrangements with other public or private entities provides—

"(1) primarily health services,

"(2) as may be appropriate for particular centers, supplemental health services necessary for the adequate support of primary health services,

"(3) referral to providers of supplemental health services and payment, as appropriate and feasible, for their provision of such services,

"(4) as may be appropriate for particular centers, environmental health services, and

"(5) information on the availability and proper use of health services,

for all residents of the area it serves (referred to in this section as a 'catchment area').

"(b) For purposes of this section:

"(1) The term 'primary health services' means—

"(A) services of physicians and, where feasible, services of physicians' assistants and nurse clinicians;

"(B) diagnostic laboratory and radiologic services;

"(C) preventive health services (including children's eye and ear examinations to determine the need for vision and hearing correction, perinatal services, well child services, and family planning services);

"(D) emergency medical services;

"(E) transportation services as required for adequate patient care; and

"(F) preventive dental services.

"(2) The term 'supplemental health services' means services which are not included as primary health services and which are—

"(A) hospital services;

"(B) home health services;

"(C) extended care facility services;

"(D) rehabilitative services (including physical therapy) and long-term physical medicine;

"(E) mental health services;

"(F) dental services;

"(G) vision services;

"(H) allied health services;

"(I) pharmaceutical services;

"(J) therapeutic radiologic services;

"(K) public health services (including nutrition education and social services);

"(L) health education services; and

"(M) services which promote and facilitate optimal use of primary health services and the services referred to in the preceding subparagraphs of this paragraph, including, if a substantial number of the individuals in the population served by a community health center are of limited English-speaking ability, the services of outreach workers fluent in the language spoken by a predominant number of such individuals.

"(3) The term 'medically underserved population' means the population of an urban or rural area designated by the Secretary as an area with a shortage of personal health services or a population group designated by the Secretary as having a shortage of such services.

"(c)(1) The Secretary may make grants to public and nonprofit private entities for projects to plan and develop community health centers which will serve medically underserved populations. A project for which a grant may be made under this subsection may include the cost of the acquisition and modernization of existing buildings (including the costs of amortizing the principal of, and paying the interest on, loans) and shall include—

"(A) an assessment of the need that the population proposed to be served by the community health center for which the project is undertaken has for primary health services, supplemental health services, and environmental health services;

“(B) the design of a community health center program for such population based on such assessment;

“(C) efforts to secure, within the proposed catchment area of such center, financial and professional assistance and support for the project; and

“(D) initiation and encouragement of continuing community involvement in the development and operation of the project.

“(2) Not more than two grants may be made under this subsection for the same project.

“(3) the amount of any grant made under this subsection for any project shall be determined by the Secretary.

“(d) (1) (A) The Secretary may make grants for the costs of operation of public and nonprofit private community health centers which serve medically underserved populations.

“(B) The Secretary may make grants for the costs of the operation of public and nonprofit private entities which provide health services to medically underserved populations but with respect to which he is unable to make each of the determinations required by subsection (e) (2).

“(2) The costs for which a grant may be made under paragraph (1) may include the costs of acquiring and modernizing existing buildings (including the costs of amortizing the principal of, and paying interest on, loans) and the costs of providing training related to the provision of primary health services, supplemental health services and environmental health services, and to the management of community health center programs.

“(3) Not more than two grants may be made under paragraph (1) (B) for the same entity.

“(4) The amount of any grant made under paragraph (1) shall be determined by the Secretary.

“(e) (1) No grant may be made under subsection (e) or (d) unless an application therefor is submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and manner and shall contain such information as the Secretary shall prescribe. An application for a grant which will cover the costs of modernizing a building shall include, in addition to other information required by the Secretary—

“(A) a description of the site of the building.

“(B) plans and specifications for its modernization, and

“(C) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on the modernization of the building will be paid wages at rates not less than those prevailing on similar work in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act).

The Secretary of Labor shall have with respect to the labor standards referred to in subparagraph (C) the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176, 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

“(2) Except as provided in subsection (d) (1) (B), the Secretary may not approve an application for a grant under subsection (d)

unless the Secretary determines that the entity for which the application is submitted is a community health center (within the meaning of subsection (a)) and that—

“(A) the primary health services of the center will be available and accessible in the center's catchment area promptly, as appropriate, and in a manner which assures continuity;

“(B) the center will have organizational arrangements, established in accordance with regulations prescribed by the Secretary, or (i) an ongoing quality assurance program (including utilization and peer review systems) respecting the center's services, and (ii) maintaining the confidentiality of patient records;

“(C) the center will demonstrate its financial responsibility by the use of such accounting procedures and other requirements as may be prescribed by the Secretary;

“(D) the center (i) has or will have a contractual or other arrangement with the agency of the State, in which it provides services, which administers or supervises the administration of a State plan approved under title XIX of the Social Security Act for the payment of all or a part of the center's costs in providing health services to persons who are eligible for medical assistance under such a State plan, or (ii) has made or will make every reasonable effort to enter into such an arrangement;

“(E) the center has made or will make and will continue to make every reasonable effort to collect appropriate reimbursement for its costs in providing health services to persons who are entitled to insurance benefits under title XVIII of the Social Security Act, to medical assistance under a State plan approved under title XIX of such Act, or to assistance for medical expenses under any other public assistance program or private health insurance program;

“(F) the center (i) has prepared a schedule of fees or payments for the provision of its services designed to cover its reasonable costs of operation and a corresponding schedule of discounts to be applied to the payment of such fees or payments, which discounts are adjusted on the basis of the patient's ability to pay, (ii) has made and will continue to make every reasonable effort (I) to secure from patients payment for services in accordance with such schedules, and (II) to collect reimbursement for health services to persons described in subparagraph (E) on the basis of the full amount of fees and payments for such services without application of any discount, and (iii) has submitted to the Secretary such reports as he may require to determine compliance with this subparagraph;

“(G) the center has established a governing board which (i) is composed of individuals a majority of whom are being served by the center and who, as a group, represent the individuals being served by the center, and (ii) meets at least once a month, establishes general policies for the center (including the selection of services to be provided by the center and a schedule of hours during which services will be provided), approves the center's annual budget, and approves the selection of a director for the center;

“(H) the center has developed, in accordance with regulations of the Secretary, (i) an overall plan and budget that meets the

requirements of section 1861(z) of the Social Security Act, and (ii) an effective procedure for compiling and reporting to the Secretary such statistics and other information as the Secretary may require relating to (I) the costs of its operations, (II) the patterns of use of its services, (III) the availability, accessibility, and acceptability of its services, and (IV) such other matters relating to operations of the applicant as the Secretary may, by regulation, require;

“(I) the center will review periodically its catchment area to (i) insure that the size of such area is such that the services to be provided through the center (including any satellite) are available and accessible to the residents of the area promptly and as appropriate, (ii) insure that the boundaries of such area conform, to the extent practicable, to relevant boundaries of political subdivisions, school districts, and Federal and State health and social service programs, and (iii) insure that the boundaries of such area eliminate, to the extent possible, barriers to access to the services of the center, including barriers resulting from the area’s physical characteristics, its residential patterns, its economic and social groupings, and available transportation; and

“(J) in the case of a center which serves a population including a substantial proportion of individuals of limited English-speaking ability, the center has (i) developed a plan and made arrangements responsive to the needs of such population for providing services to the extent practicable in the language and cultural context most appropriate to such individuals, and (ii) identified an individual on its staff who is fluent in both that language and in English and whose responsibilities shall include providing guidance to such individuals and to appropriate staff members with respect to cultural sensitivities and bridging linguistic and cultural differences.

“(f) The Secretary may provide (either through the Department of Health, Education, and Welfare or by grant or contract) all necessary technical and other nonfinancial assistance (including fiscal and program management assistance and training in such management) to any public or private nonprofit entity to assist it in developing plans for, and in operating as, a community health center, and in meeting requirements of subsection (e) (2).

“(g) (1) There are authorized to be appropriated for payments pursuant to grants under subsection (c) \$5,000,000 for fiscal year 1976, and \$5,000,000 for fiscal year 1977.

“(2) There are authorized to be appropriated for payments pursuant to grants under subsection (d) \$215,000,000 for fiscal year 1976, and \$235,000,000 for fiscal year 1977.”

(b) Section 314(e) of the Public Health Service Act is repealed.

TITLE VI—MISCELLANEOUS

DISEASES BORNE BY RODENTS

SEC. 601. (a) Section 317(h) (1) of the Public Health Service Act is amended by striking out “and RH disease” and inserting in lieu thereof “, RH disease, and diseases borne by rodents”.

(b) Section 317(d) (3) of such Act is amended by adding at the end thereof the following: “There is authorized to be appropriated for fiscal year 1976 \$20,000,000 for grants under this section for communicable and other disease control programs for diseases borne by rodents.”.

HOME HEALTH SERVICES

SEC. 602. (a) (1) For the purpose of demonstrating the establishment and initial operation of public and non-profit private agencies (as defined in section 1861(o) of the Social Security Act) which will provide home health services (as defined in section 1861(m) of the Social Security Act) in areas in which such services are not otherwise available, the Secretary of Health, Education, and Welfare may, in accordance with the provisions of this section, make grants to meet the initial costs of establishing and operating such agencies and expanding the services available through existing agencies, and to meet the costs of compensating professional and paraprofessional personnel during the initial operation of such agencies or the expansion of services of existing agencies.

(2) In making grants under this subsection, the Secretary shall consider the relative needs of the several States for home health services and preference shall be given to areas within a State in which a high percentage of the population proposed to be served is composed of individuals who are elderly, medically indigent, or both.

(3) Applications for grants under this subsection shall be in such form and contain such information as the Secretary shall prescribe by regulation.

(4) Payment of grants under this subsection may be made in advance or by way of reimbursement or in installments as the Secretary may determine.

(5) There are authorized to be appropriated \$8,000,000 for fiscal year 1976 for payments under grants under this subsection.

(b) (1) The Secretary of Health, Education, and Welfare may make grants to public and nonprofit private entities to assist them in demonstrating the training of professional and paraprofessional personnel to provide home health services (as defined in section 1861(m) of the Social Security Act).

(2) Applications for grants under this subsection shall be in such form and contain such information as the Secretary shall by regulations prescribe.

(3) Payment of grants under this section may be made in advance or by way of reimbursement, or in installments, as the Secretary shall determine.

(4) There is authorized to be appropriated \$2,000,000 for fiscal year 1976 for payments under grants under this subsection.

COMMITTEE ON MENTAL HEALTH AND ILLNESS OF THE ELDERLY

SEC. 603. (a) The Secretary of Health, Education, and Welfare shall appoint a Committee on Mental Health and Illness of the Elderly (hereinafter in this section referred to as the “Committee”) to make a study of and recommendations respecting—

(1) the future needs for mental health facilities, manpower, research, and training to meet the mental health care needs of elderly persons,

(2) the appropriate care of elderly persons who are in mental institutions or who have been discharged from such institutions, and

(3) proposals for implementing the recommendations of the 1971 White House Conference on Aging respecting the mental health of the elderly.

(b) Within one year from the date of enactment of this Act the Secretary shall report to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives the findings of the Committee under the study under subsection (a) and the Committee's recommendations under such subsection.

(c) (1) The Commission shall be composed of nine members appointed by the Secretary of Health, Education, and Welfare. The Commission shall include at least one member from each of the fields of psychology, psychiatry, social science, social work, and nursing. Each member of the Commission shall by training, experience, or attainments be exceptionally qualified to assist in carrying out the functions of the Commission.

(2) Members of the Commission shall receive compensation at a rate to be fixed by the Secretary, but not exceeding the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule, for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Commission. While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

(d) The Commission shall cease to exist thirty days after the submission of the report pursuant to subsection (b).

COMMISSION FOR CONTROL OF EPILEPSY

SEC. 604. (a) The Secretary of Health, Education, and Welfare shall establish a temporary commission to be known as the Commission for the Control of Epilepsy and Its Consequences (hereinafter referred to in this section as the "Commission").

(b) It shall be the duty of the Commission to—

(1) make a comprehensive study of the state of the art of medical and social management of the epilepsies in the United States;

(2) investigate and make recommendations concerning the proper roles of Federal and State governments and national and local public and private agencies in research, prevention, identification, treatment, and rehabilitation of persons with epilepsy;

(3) develop a comprehensive national plan for the control of epilepsy and its consequences based on the most thorough, complete, and accurate data and information available on the disorder; and

(4) transmit to the President and the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives, not later than one year after the date of enactment of this Act, a report detailing the findings and conclusions of the Commission, together with recommendations for legislation and appropriations, as it deems advisable.

(c) (1) The Commission shall be composed of nine members to be appointed by the Secretary of Health, Education, and Welfare. Such members shall be persons, including consumers of health services, who, by reason of experience or training in the medical, social, or educational aspects of the epilepsies, are especially qualified to serve on such Commission.

(2) The Secretary shall designate one of the members of the Commission to serve as Chairman and one to serve as Vice Chairman. Vacancies shall be filled in the same manner in which the original appointments were made. Any vacancy in the Commission shall not affect its powers.

(3) Any member of the Commission who is otherwise employed by the Federal Government shall serve without compensation in addition to that received in his regular employment, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by him in the performance of his duties on the Commission.

(4) Members of the Commission, other than those referred to in paragraph (3), shall receive compensation at rates, not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule, for each day (including traveltime) they are engaged in the performance of their duties and, while so serving away from their homes or regular places of business, each member shall be allowed travel expenses, including per diem in lieu of subsistence in the same manner as is authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

(d) The Commission shall cease to exist thirty days after the submission of the final report required by subsection (b) (4).

COMMISSION FOR CONTROL OF HUNTINGTON'S DISEASE

SEC. 605. (a) The Secretary of Health, Education, and Welfare shall establish a temporary commission to be known as the Commission for the Control of Huntington's Disease and Its Consequences (hereinafter referred to in this section as the "Commission").

(b) It shall be the duty of the Commission to—

(1) make a comprehensive study of the state of the art of medical and social management of Huntington's disease in the United States;

(2) investigate and make recommendations concerning the proper roles of Federal and State governments and national and local public and private agencies in research, prevention, identification, treatment, and rehabilitation of persons with Huntington's disease;

(3) develop a comprehensive national plan for the control of Huntington's disease and its consequences based on the most

thorough, complete, and accurate data and information available on the disorder; and

(4) transmit to the President and the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives, not later than one year after the date of enactment of this Act, a report detailing the findings and conclusions of the Commission, together with recommendations for legislation and appropriations, as it deems advisable.

(c) (1) The Commission shall be composed of nine members to be appointed by the Secretary of Health, Education, and Welfare. Such members shall be persons, including consumers of health services, who, by reason of experience or training in the medical, social, or educational aspects of Huntington's disease, are especially qualified to serve on such Commission.

(2) The Secretary shall designate one of the members of the Commission to serve as Chairman and one to serve as Vice Chairman. Vacancies shall be filled in the same manner in which the original appointments were made. Any vacancy in the Commission shall not affect its powers.

(3) Any member of the Commission who is otherwise employed by the Federal Government shall serve without compensation in addition to that received in his regular employment, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by him in the performance of his duties on the Commission.

(4) Members of the Commission, other than those referred to in paragraph (3), shall receive compensation at rates, not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule, for each day (including traveltime) they are engaged in the performance of their duties and, while so serving away from their homes or regular places of business, each member shall be allowed travel expenses, including per diem in lieu of subsistence in the same manner as is authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

(d) The Commission shall cease to exist thirty days after the submission of the final report required by subsection (b) (4).

HEMOPHILIA PROGRAMS

Sec. 606. Title XI of the Public Health Service Act is amended by adding after part C the following new part:

"PART D—HEMOPHILIA PROGRAMS

"TREATMENT CENTERS

"Sec. 1131. (a) The Secretary may make grants to and enter into contracts with public and nonprofit private entities for projects for the establishment of comprehensive hemophilia diagnostic and treatment centers. A center established under this subsection shall provide—

"(1) access to the services of the center for all individuals suffering from hemophilia who reside within the geographic area served by the center;

"(2) programs for the training of professional and paraprofessional personnel in hemophilia research, diagnosis, and treatment;

"(3) a program for the diagnosis and treatment of individuals suffering from hemophilia who are being treated on an outpatient basis;

"(4) a program for association with providers of health care who are treating individuals suffering from hemophilia in areas not conveniently served directly by such center but who are more conveniently (as determined by the Secretary) served by it than by the next geographically closest center;

"(5) programs of social and vocational counseling for individuals suffering from the hemophilia; and

"(6) individualized written comprehensive care programs for each individual treated by or in association with such center.

"(b) No grant or contract may be made under subsection (a) unless an application therefore has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(c) An application for a grant or contract under subsection (a) shall contain assurances satisfactory to the Secretary that the applicant will serve the maximum number of individuals that is available and potential resources will enable it to effectively serve.

"(d) In considering applications for grants and contracts under subsection (a) for projects to establish hemophilia diagnostic and treatment centers, the Secretary shall—

"(1) take into account the number of persons to be served by the programs to be supported by such centers and the extent to which rapid and effective use will be made by such centers of funds under such grants and contracts, and

"(2) give priority to projects for centers which will operate in areas which the Secretary determines have the greatest number of persons in need of the services provided by such centers.

"(e) Contracts may be entered into under subsection (a) without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(f) There are authorized to be appropriated to make payments under grants and contracts under subsection (a) \$3,000,000 for fiscal year 1976, and \$4,000,000 for fiscal year 1977.

"BLOOD SEPARATION CENTERS

"Sec. 1132. (a) The Secretary may make grants to and enter into contracts with public and nonprofit private entities for projects to develop and expand, within existing facilities, blood-separation centers to separate and make available for distribution blood components to providers of blood services and manufacturers of blood fractions. For purposes of this section—

"(1) the term 'blood components' means those constituents of whole blood which are used for therapy and which are obtained by physical separation processes which result in licensed products

such as red blood cells, platelets, white blood cells, AHF-rich plasma, fresh-frozen plasma, cryoprecipitate, and single unit plasma for infusion; and

"(2) the term 'blood fractions' means those constituents of plasma which are used for therapy and which are obtained by licensed fractionation processes presently used in manufacturing which result in licensed products such as normal serum albumin, plasma, protein fraction, prothrombin complex, fibrinogen, AHF concentrate, immune serum globulin, and hyperimmune globulins.

"(b) In the event the Secretary finds that there is an insufficient supply of blood fractions available to meet the needs for treatment of persons suffering from hemophilia, and that public and other non-profit private centers already engaged in the production of blood fractions could alleviate such insufficiency with assistance under this subsection, he may make grants not to exceed \$500,000 to such centers for the purposes of alleviating the insufficiency.

"(c) No grant or contract may be made under subsection (a) or (b) unless an application therefor has been submitted to and approved by the Secretary. Such an application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe.

"(d) Contracts may be entered into under subsection (a) without regard to section 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(e) For the purpose of making payments under grants and contracts under subsections (a) and (b), there are authorized to be appropriated \$4,000,000 for fiscal year 1976, and \$5,000,000 for fiscal year 1977."

TECHNICAL AMENDMENTS

SEC. 607. (a) Section 399c of the Public Health Service Act (added by Public Law 93-222) is redesignated as section 399A.

(b) The section 472 of the Public Health Service Act entitled "Peer Review of Grant Applications and Control Projects" is redesignated as section 475.

(c) The amendments made by subsections (a) and (b) shall take effect on the date of the enactment of this Act.

EFFECTIVE DATE

SEC. 608. Except as may otherwise be specifically provided, the amendments made by this title and by titles I, II, III, IV, and V of this Act shall take effect July 1, 1975. The amendments made by this title and by such titles to the provisions of law amended by this title and by such titles are made to such provisions as amended by title VII of this Act.

TITLE VII—EXTENSION OF CURRENT AUTHORITIES THROUGH FISCAL YEAR 1975

SEC. 701. (a) Section 314(d)(1) of the Public Health Service Act (relating to grants for comprehensive public health services) is amended by striking out "for the fiscal year ending June 30, 1974"

and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(b) (1) The first sentence of section 314(e) of such Act (relating to project grants for health services development) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(2) The next to last sentence of such section is amended (A) by striking out "1974" and inserting "1975", and (B) by striking out "title I of the Health Programs Extension Act of 1973" and inserting in lieu thereof "title VII of the Health Revenue Sharing and Health Services Act of 1975".

(c) Section 319 of such Act (relating to migrant health) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(d) Section 1001(c), 1003(b), 1004(b), and 1005(b) of title X of such Act (relating to population research and family planning) are each amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(e) (1) Section 210 of the Community Mental Health Centers Act (relating to grants for construction) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(2) Section 207 of such Act is amended by striking out "1974" and inserting "1975".

(3) Section 221(b) of such Act is amended by striking out "1974" each place it occurs and inserting in lieu thereof "1975".

(4) Section 224(a) of such Act (relating to staffing grants) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(5) (A) Section 246 of such Act (relating to alcoholism programs) is amended by striking out "1974" and inserting in lieu thereof "1975".

(B) Section 247(d) of such Act is amended by striking out "and June 30, 1974" and inserting in lieu thereof "June 30, 1974, and June 30, 1975".

(6) (A) Section 252 of such Act (relating to drug abuse programs) is amended by striking out "1974" and inserting in lieu thereof "1975".

(B) Section 253(d) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(C) Section 256(e) of such Act is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(7) Section 261 of such Act (relating to authorizations for alcoholism and drug abuse programs) is amended (A) by striking out "for the fiscal year ending June 30, 1974" in subsection (a) and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975", and (B) by striking out "1974" in subsection (b) and inserting in lieu thereof "1975".

(8) Section 271(d) of such Act (relating to mental health of children) is amended (A) by striking out "for the fiscal year ending June 30, 1974" in paragraph (1) and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975", and (B) by striking out "1974" in paragraph (2) and inserting in lieu thereof "1975".

TITLE VIII—NATIONAL HEALTH SERVICE CORPS

EXTENSION OF CURRENT AUTHORITY THROUGH FISCAL YEAR 1976

SEC. 801. Subsection (h) of section 329 of the Public Health Service Act is amended—

(1) by striking out "and" after "1973"; and

(2) by adding before the period at the end the following:

": \$16,000,000 for the fiscal year ending June 30, 1975; and \$30,000,000 for the fiscal year ending June 30, 1976".

GRANTS AND SALES OR TRANSFERS OF PROPERTY

SEC. 802. Subsection (d) of such section is amended by redesignating paragraph (2) as paragraph (4) and inserting after paragraph (1) the following new paragraphs:

"(2) The Secretary may make a grant to any applicant with an approved application for the assignment of Corps personnel to assist the entity in meeting the costs of establishing medical practice management systems for Corps personnel, acquiring supplies and equipment for their use in providing health services, and other expenses related to the provision of health services. Not more than one grant may be made with respect to any one health manpower shortage area designated under subsection (b) (1). No grant may be made under this paragraph unless an application therefor is submitted to, and approved by, the Secretary. The amount of any grant shall be determined by the Secretary, except that no grant may exceed \$25,000.

"(3) Upon the expiration of the assignment of Corps personnel to provide health services for the residents of a critical health manpower shortage area, the Secretary (notwithstanding any other provision of law) may (A) sell (at fair market value (as determined by the Secretary)) to the entity which submitted the last approved application for the assignment of Corps personnel for such area equipment and supplies of the United States utilized by such personnel in providing health services or (B) if the Secretary determines that the entity is financially unable to purchase such supplies or equipment at their fair market value, sell to such entity such supplies or equipment at less than fair market value or transfer such supplies or equipment to the entity."

THIRD PARTY PAYMENT COLLECTIONS

SEC. 803. Paragraph 2 of subsection (b) of such section is amended (1) by striking out the last 2 sentences of subparagraph (C), and (2) by adding after subparagraph (C) the following new subparagraph:

"(D) (i) The Secretary shall require as a condition to the approval of an application for the assignment of Corps personnel that the entity which submits the application enter into an appropriate arrangement with the Secretary under which the entity shall take such action as may be reasonable for the collection of payments for health services provided by Corps personnel, including if a Federal agency, an agency of a State or local government, or other third party would be responsible for payment of all or part of the cost of such health services if it had not been provided by Corps personnel under this section, the collection, on a fee-for-service or other basis, from such agency or third party the portion of such cost for which it would be so responsible (and in determining the amount of such cost which such agency or third party would be responsible, the health services provided by Corps personnel shall be considered as being provided by private practitioners).

"(ii) Any funds collected by an entity under clause (i) shall be paid to the Secretary for deposit in the Treasury as miscellaneous receipts. Such funds shall be disregarded in determining (I) the amounts of appropriations to be requested under subsection (h), and (II) the amounts to be made available from appropriations under such subsection to carry out this section. The Secretary may waive in whole or in part the application of the requirement of the first sentence to an entity if he determines that compliance with such requirement would unduly limit the ability of the entity to maintain the quality or level of health services provided by Corps personnel."

TITLE IX—NURSE TRAINING

SHORT TITLE; REFERENCE TO ACT

SEC. 901. (a) This title may be cited as the "Nurse Training Act of 1975".

(b) Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or 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.

PART A—ONE-YEAR EXTENSION

EXTENSION OF EXISTING AUTHORITIES THROUGH FISCAL YEAR 1975

SEC. 902. (a) Section 801 (relating to construction grants) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(b) Section 806(i) (relating to capitation grants) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(c) Section 808 (relating to special project grants and contracts and financial distress grants) is amended by striking out "for the fiscal year ending June 30, 1974" each place it occurs and inserting in lieu

thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(d) Section 809 (relating to loan guarantees and interest subsidies) is amended—

(1) by striking out "1974" in subsections (a) and (b) and inserting in lieu thereof "1975", and

(2) by striking out "in the fiscal year ending June 30, 1974" in subsection (c) and inserting in lieu thereof "in the fiscal year ending June 30, 1974, or in the next fiscal year".

(e) Section 810(d) (relating to start-up grants) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

(f) Section 860 (relating to scholarships) is amended—

(1) by striking out "next two fiscal year" in subsection (b) and inserting in lieu thereof "next three fiscal years",

(2) by striking out "1975" in that subsection and inserting in lieu thereof "1976",

(3) by striking out "1974" in that subsection and inserting in lieu thereof "1975",

(4) by striking out "the next two fiscal years" in subsection (c)(1)(A) and inserting in lieu thereof "the next three fiscal years",

(5) by striking out "1974" in subsection (c)(1)(B) and inserting in lieu thereof "1975", and

(6) by striking out "1975" in that subsection and inserting in lieu thereof "1976".

(g) Section 868(b) (relating to recruitment programs) is amended by striking out "for the fiscal year ending June 30, 1974" and inserting in lieu thereof "each for the fiscal years ending June 30, 1974, and June 30, 1975".

PART B—REVISION AND EXTENSION OF PROGRAMS THROUGH FISCAL YEAR 1978

Subpart 1—Effective Date

EFFECTIVE DATE

Sec. 905. Except as may otherwise be specifically provided, the amendments made by this part shall take effect July 1, 1975. The amendments made by this part to provisions of title VIII of the Public Health Service Act (hereinafter in this part referred to as the "Act") are made to such provisions as amended by part A of this title.

Subpart 2—Construction Assistance

EXTENSION OF GRANTS AND LOAN GUARANTEES AND INTEREST SUBSIDIES

Sec. 910. (a)(1) Section 801 is amended by striking out "and" after "1973,"; and by inserting before the period a comma and the following: "\$20,000,000 for fiscal year 1976, \$20,000,000 for fiscal year 1977, and \$20,000,000 for fiscal year 1978".

(2) Effective with respect to grants for construction projects under part A of title VIII of the Act made from appropriations under section 801 of the Act, section 802(c)(1)(A) is amended (A) by inserting "(i)" after "proposed facilities", and (B) by inserting before the semicolon "or (ii) in expanding the capacity of the school to provide graduate training".

(b)(1)(A) Subsections (a) and (b) of section 809 are each amended by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1978".

(B)(i) The last sentence of subsection (a) of section 809 is amended (I) by striking out "(1)" and (II) by striking out all after "the project" and inserting in lieu thereof a period.

(ii) The amendment made by clause (i) shall apply with respect to loans guaranteed under subpart I of part A of title VIII of the Act after the date of the enactment of this Act.

(2) The second sentence of subsection (e) of such section is amended (A) by striking out "and" after "1973," and (B) by inserting after "the next fiscal year" a comma and the following: "\$1,000,000 in fiscal year 1976, \$1,000,000 in fiscal year 1977, and \$1,000,000 in fiscal year 1978".

(c)(1) Subsection (a) of section 809 is amended by inserting "or the Federal Financing Bank" and "non-Federal lenders".

(2) Subsection (b) of section 809 is amended by inserting "or the Federal Financing Bank" after "non-Federal lender".

TECHNICAL AMENDMENTS

Sec. 911. (a)(1) Title VIII is amended by inserting after the heading for part A the following:

"Subpart I—Construction Assistance"

(2) The heading for part A is amended by striking out "GRANTS" and inserting in lieu thereof "ASSISTANCE".

(b) Section 809 is inserted after section 804 and is redesignated as section 805.

Subpart 3—Capitation Grants

EXTENSION AND REVISION OF CAPITATION GRANTS

Sec. 915. (a) Section 806(a) is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) Each collegiate school of nursing shall receive \$400 for each undergraduate full-time student enrolled in each of the last two years of such school in such year.

"(2) Each associate degree school of nursing shall receive (A) the product of \$275 and one-half of the number of full-time students enrolled in the first year of such school in such year, and (B) \$275 for each full-time student enrolled in the last year of such school in such year.

"(3) Each diploma school of nursing shall receive \$250 for each full-time student enrolled in such school in such year."

(b) Subsections (c), (d), (e), and (f) of section 806 are repealed and the following new subsection is inserted after subsection (b):

“(c) (1) REQUIREMENTS FOR GRANTS.—The Secretary shall not make a grant under subsection (a) to any school of nursing in a fiscal year beginning after June 30, 1975, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

“(A) the first-year enrollment of full-time students in the school in the school year beginning after the fiscal year in which the grant applied for is to be made will not be less than the first-year enrollment of such students in the school in the preceding school year; and

“(B) that the school will expend in carrying out its function as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purposes (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought.

The requirement of subparagraph (A) shall be in addition to the requirements of section 802(b)(2)(D), where applicable.

“(2) The Secretary shall not make a grant under subsection (a) to any school of nursing in a fiscal year beginning after June 30, 1975, unless one of the following requirements is met:

“(A) The application for such grant shall contain or be supported by reasonable assurances satisfactory to the Secretary that for the school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

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

“(ii) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred.

“(B) The school has provided reasonable assurance satisfactory to the Secretary that it will carry out, in accordance with a plan submitted by the school to the Secretary and approved by him, at least two of the following programs in the school year beginning after the close of the fiscal year in which such grant is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made:

“(i) In the case of collegiate schools of nursing, a program for the training of nurse practitioners (as defined in section 822).

“(ii) A program under which students enrolled in a school of nursing will receive a significant portion of their

clinical training in community health centers, long-term care facilities, and ambulatory care facilities geographically remote from the main site of the teaching facilities of the school.

“(iii) A program for the continuing education of nurses which meets needs identified by appropriate State, regional, or local health or educational entities (including health systems agencies).

“(iv) A program to identify, recruit, enroll, retain, and graduate individuals from disadvantaged backgrounds (as determined in accordance with criteria prescribed by the Secretary) under which program at least 10 per centum of each year's entering class (or ten students, whichever is greater) is comprised of such individuals.”

(c) (1) Section 806(i)(1) is amended by striking out “and” after “1973,” and by inserting before “for grants” the following: “\$50,000,000 for fiscal year 1976, \$55,000,000 for fiscal year 1977, and \$55,000,000 for fiscal year 1978”.

(d) For fiscal year 1976, and for each of the next two fiscal years, there are authorized to be appropriated such sums as may be necessary to continue to make annual grants to schools of nursing under section 806(a) of the Act (as in effect on June 30, 1975) based on the number of enrollment bonus students (determined in accordance with subsections (c) and (d) of section 806 of the Act (as so in effect)) enrolled in such schools who were first-year students in such schools for school years beginning before June 30, 1975.

TECHNICAL AMENDMENTS

SEC. 916. (a) Subsections (g), (h), and (i) of section 806 are redesignated as subsections (d), (e), and (f), respectively.

(b) Subsection (b) of such section is amended by striking out “subsection (i)” and inserting in lieu thereof “subsection (f)”.

(c) Title VIII is amended by inserting after section 805 (as so redesignated by section 102(b) of this Act) the following:

“Subpart II—Capitation Grants”.

EFFECTIVE DATE

SEC. 917. The amendments made by this subpart shall take effect with respect to grants made under section 806 (redesignated as section 810 by part C of this title) of the Act from appropriations under such section for fiscal years beginning after June 30, 1975.

Subpart 4—Financial Distress Grants

EXTENSION OF FINANCIAL DISTRESS GRANT PROGRAM

SEC. 921. Title VIII is amended by inserting after section 807 the following:

“Subpart III—Financial Distress Grants

“FINANCIAL DISTRESS GRANTS

SEC. 815. (a) The Secretary may make grants to assist public or nonprofit private schools of nursing which are in serious financial straits to meet operational costs required to maintain quality educational programs or which have special need for financial assistance to meet accreditation requirements. Any such grant may be made upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the school agree (1) to disclose any financial information or data deemed by the Secretary to be necessary to determine the sources or causes of that school's financial distress, (2) to conduct a comprehensive cost analysis study in cooperation with the Secretary, and (3) to carry out appropriate operational and financial reforms on the basis of information obtained in the course of the comprehensive cost analysis study or on the basis of other relevant information.

“(b) (1) No grant may be made under subsection (a) unless an application therefor is submitted to and approved by the Secretary. The Secretary may not approve or disapprove such an application except after consultation with the National Advisory Council on Nurse Training.

“(2) An application for a grant under subsection (a) must contain or be supported by assurances satisfactory to the Secretary that the applicant will expend in carrying out its functions as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought. The Secretary may, after consultation with the National Advisory Council on Nurse Training, waive the requirement of the preceding sentence with respect to any school if he determines that the application of such requirement to such school would be inconsistent with the purposes of subsection (a).

“(c) For payments under grants under this section there are authorized to be appropriated \$5,000,000 for fiscal year 1976, \$5,000,000 for fiscal year 1977, and \$5,000,000 for fiscal year 1978.”

TECHNICAL AMENDMENT

Sec. 922. Sections 805 and 808 (as in effect on June 30, 1975) are repealed.

Subpart 5—Special Project Assistance

SPECIAL PROJECT GRANTS AND CONTRACTS

Sec. 931. (a) Title VIII is amended by inserting after subpart III of part A (as added by section 921 of this title) the following:

“Subpart IV—Special Projects

“SPECIAL PROJECT GRANTS AND CONTRACTS

“SEC. 820. (a) The Secretary may make grants to public and nonprofit private schools of nursing and other public or nonprofit private entities, and enter into contracts with any public or private entity, to meet the costs of special projects to—

“(1) assist in—

“(A) mergers between hospital training programs or between hospital training programs and academic institutions, or

“(B) other cooperative arrangements among hospitals and academic institutions, leading to the establishment of nurse training programs;

“(2) (A) plan, develop, or establish new nurse training programs or programs of research in nursing education, or

“(B) significantly improve curricula of schools of nursing (including curriculums of pediatric nursing and geriatric nursing) or modify existing programs of nursing education;

“(3) increase nursing education opportunities for individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, by—

“(A) identifying, recruiting, and selecting such individuals,

“(B) facilitating the entry of such individuals into schools of nursing,

“(C) providing counseling or other services designed to assist such individuals to complete successfully their nursing education.

“(D) providing, for a period prior to the entry of such individuals into the regular course of education at a school of nursing, preliminary education designed to assist them to complete successfully such regular course of education,

“(E) paying such stipends (including allowances for travel and dependents) as the Secretary may determine for such individuals for any period of nursing education, and

“(F) publicizing, especially to licensed vocational or practical nurses, existing sources of financial aid available to persons enrolled in schools of nursing or who are undertaking training necessary to qualify them to enroll in such schools;

“(4) provide continuing education for nurses;

“(5) provide appropriate retraining opportunities for nurses who (after periods of professional inactivity) desire again actively to engage in the nursing profession;

“(6) help to increase the supply or improve the distribution by geographic area or by specialty group of adequately trained nursing personnel (including nursing personnel who are bilingual) need to meet the health needs of the Nation, including the need to increase the availability of personal health services and the need to promote preventive health care;

"(7) provide training and education to upgrade the skills of licensed vocational or practical nurses, nursing assistants, and other paraprofessional nursing personnel; or

"(8) assist in meeting the costs of developing short-term (not to exceed 6 months) in-service training programs for nurses aides and orderlies for nursing homes, which programs emphasize the special problems of geriatric patients and include training for monitoring the well-being and feeding and cleaning of the patients in nursing homes, emergency procedures, drug properties and interactions, and fire safety techniques.

Contracts may be entered into under this subsection without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(b) The Secretary may, with the advice of the National Advisory Council on Nurse Training, provide assistance to the heads of other departments and agencies of the Government to encourage and assist in the utilization of medical facilities under their jurisdiction for nurse training programs.

"(c) No grant or contract may be made under this section unless an application therefor has been submitted to and approved by the Secretary. The Secretary may not approve or disapprove such an application except after consultation with the National Advisory Council on Nurse Training. Such an application shall provide for such fiscal control and accounting procedures and reports, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section.

"(d) For payments under grants and contracts under this section there are authorized to be appropriated \$15,000,000 for fiscal year 1976, \$15,000,000 for fiscal year 1977, and \$15,000,000 for fiscal year 1978. Not less than 10 per centum of the funds appropriated under this subsection for any fiscal year shall be used for payments under grants and contracts to meet the costs of the special projects described in subsection (a) (3).

"ADVANCED NURSE TRAINING PROGRAMS

"SEC. 821. (a) (1) The Secretary may make grants to and enter into contracts with public and nonprofit private collegiate schools of nursing to meet the costs of projects to—

"(A) plan, develop, and operate,

"(B) significantly expand, or

"(C) maintain existing,

programs for the advanced training of professional nurses to teach in the various fields of nurse training, to serve in administrative or supervisory capacities, or to serve in other professional nursing specialties (including service as nurse clinicians) determined by the Secretary to require advanced training.

"(b) For payments under grants and contracts under this section there are authorized to be appropriated \$15,000,000 for fiscal year 1975, \$20,000,000 for fiscal year 1977, and \$25,000,000 for fiscal year 1978.

"NURSE PRACTITIONER PROGRAMS

"SEC. 822. (a) (1) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of nursing, medicine, and public health, public or nonprofit private hospitals, and other public or nonprofit private entities to meet the cost of projects to—

"(A) plan, develop, and operate,

"(B) significantly expand, or

"(C) maintain existing,

programs for the training of nurse practitioners.

The Secretary shall give special consideration to applications for grants or contracts for programs for the training of nurse practitioners which emphasize training respecting the special problems of geriatric patients and training to meet the particular needs of nursing home patients.

"(2) (A) For purposes of this section, the term 'programs for the training of nurse practitioners' means educational programs for registered nurses (irrespective of the type of school of nursing in which the nurses received their training) which meet guidelines prescribed by the Secretary in accordance with subparagraph (B) and which have as their objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities, and other health care institutions.

"(B) After consultation with appropriate educational organizations and professional nursing and medical organizations, the Secretary shall prescribe guidelines for programs for the training of nurse practitioners. Such guidelines shall, as a minimum, require that such a program—

"(i) extend for at least one academic year and consist of—

"(I) supervised clinical practice, and

"(II) at least four months (in the aggregate) of classroom instruction,

directed toward preparing nurses to deliver primary health care; and

"(ii) have an enrollment of not less than eight students.

"(b) No grant may be made or contract entered into for a project to plan, develop, and operate a program for the training of nurse practitioners unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program will upon its development meet the guidelines which are in effect under subsection (a) (2) (B); and no grant may be made or contract entered into for a project to expand or maintain such a program unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program meets the guidelines which are in effect under such subsection.

"(c) The costs for which a grant or contract under this section may be made may include costs of preparation of faculty members in order to conform to the guidelines established under subsection (a) (2) (B).

"(d) For payments under grants and contracts under this section there are authorized to be appropriated \$15,000,000 for fiscal year 1976, \$20,000,000 for fiscal year 1977, and \$25,000,000 for fiscal year 1978."

(b) Sections 810 and 868 are repealed.

GUIDELINES FOR NURSE PRACTITIONER TRAINING PROGRAMS

Sec. 932. The Secretary of Health, Education, and Welfare shall within ninety days of the date of the enactment of this Act prescribe the guidelines for nurse practitioner programs specified in section 822(a) of the Act (as added by section 931 of this title).

Subpart 6—Assistance to Nursing Students

EXTENSION OF TRAINEESHIPS

Sec. 935. (a) Subsection (a) of section 821 (as in effect on June 30, 1975) is amended to read as follows:

"(a) There are authorized to be appropriated \$15,000,000 for fiscal year 1976, \$20,000,000 for fiscal year 1977, and \$25,000,000 for fiscal year 1978, to cover the costs of traineeships for the training of professional nurses—

"(1) to teach in the various fields of nurse training (including practical nurse training),

"(2) to serve in administrative or supervisory capacities,

"(3) to serve as nurse practitioners, or

"(4) to serve in other professional nursing specialties determined by the Secretary to require advanced training."

(b) Effective with respect to grants under section 821 of the Act from appropriations under such section for fiscal years beginning after June 30, 1975, subsection (b) of section 821 (as so in effect) is amended by adding at the end thereof the following: "In making grants for traineeships under this section, the Secretary shall give special consideration to applications for traineeship programs which conform to guidelines established by the Secretary under section 822(a) (2) (B)."

EXTENSION OF STUDENT LOAN PROGRAM

Sec. 936. (a) Section 822(b) (4) (as in effect on June 30, 1975) is amended by striking out "July 1, 1975" and inserting in lieu thereof "October 1, 1978".

(b) Effective with respect to periods of training to be a nurse anesthetist undertaken on or after the date of the enactment of this Act, section 823(b) (2) (B) is amended by inserting "(or training to be a nurse anesthetist)" after "professional training in nursing".

(c) Section 824 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS FOR STUDENT LOAN FUNDS

"Sec. 824. There are authorized to be appropriated for allotments under section 825 to schools of nursing for Federal capital contributions to their student loan funds established under section 822, \$25,000,000 for fiscal year 1976, \$30,000,000 for fiscal year 1977, and \$35,000,000 for fiscal year 1978. For fiscal year 1979, and for each of the

next two succeeding fiscal years there are authorized to be appropriated such sums as may be necessary to enable students who have received a loan for any academic year ending before October 1, 1978, to continue or complete their education."

(d) Section 826 is amended (1) by striking out "June 30, 1977" each place it occurs and inserting in lieu thereof "September 30, 1980", and (2) by striking out "September 30, 1977" in subsection (b) and inserting in lieu thereof "December 31, 1980".

(e) (1) Section 827 is repealed.

(2) The nurse training fund created within the Treasury by section 827 (d) (1) of the Act shall remain available to the Secretary of Health, Education, and Welfare for the purpose of meeting his responsibilities respecting participations in obligations acquired under section 827 of the Act. The Secretary shall continue to deposit in such fund all amounts received by him as interest payments or repayments of principal on loans under such section 827. If at any time the Secretary determines the moneys in the funds exceed the present and any reasonable prospective further requirements of such fund, such excess may be transferred to the general fund of the Treasury.

(3) There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to enable the Secretary to make payments under agreements entered into under section 827 (b) of the Act before the date of the enactment of this Act.

EXTENSION OF SCHOLARSHIP PROGRAM

Sec. 937. Section 860 is amended—

(1) by striking out "1972, and for each of the next three fiscal years" in subsection (b) and in subsection (c) (1) (A) inserting in lieu thereof "1976, and for each of the next two fiscal years";

(2) by striking out "June 30, 1976" in the second sentence of subsection (b) and in subsection (c) (1) (B) and inserting in lieu thereof "September 30, 1979"; and

(3) by striking out "July 1, 1975" in the second sentence of subsection (b) and in subsection (c) (1) (B) and inserting in lieu thereof "October 1, 1978".

PART C—TECHNICAL AND CONFORMING AMENDMENTS

TECHNICAL AND CONFORMING AMENDMENTS

Sec. 941. (a) (1) Section 802 is amended—

(A) by striking out "this part" each place it occurs and inserting in lieu thereof "this subpart";

(B) by striking out "subsection 806(e) of this Act" in subsection (b) (2) and inserting in lieu thereof "section 810(c)";

(C) by striking out paragraph (5) of subsection (b) and inserting in lieu thereof the following:

"(5) the application contains or is supported by adequate assurances that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in 5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and

functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).";

(D) by striking out "section 841 (hereinafter in this part referred to as the Council)" in the first sentence following paragraph (5) of subsection (b) and inserting in lieu thereof "section 851";

(E) by striking out the second sentence following such paragraph; and

(F) by striking out "above in paragraph (A)" in subsection (c) (1) (B) and inserting in lieu thereof "in subparagraph (A)".

(b) (1) Subsection (a) of section 803 is amended to read as follows:

"(a) The amount of any grant for a construction project under this subpart shall be such amount as the Secretary determines to be appropriate after obtaining the advice of the National Advisory Council on Nurse Training; except that—

"(1) in the case of a grant—

"(A) for a project for a new school,

"(B) for a project for new facilities for an existing school in cases where such facilities are of particular importance in providing a major expansion of training capacity, as determined in accordance with regulations, or

"(C) for a project for major remodeling or renovation of an existing facility where such project is required to meet an increase in student enrollment,

the amount of such grant may not exceed 75 per centum of the necessary cost of construction, as determined by the Secretary, of such project; and

"(2) in the case of a grant for any other project, the amount of such grant may not, except where the Secretary determines that unusual circumstances make a larger percentage (which may in no case exceed 75 per centum) necessary in order to effectuate the purposes of this subpart, exceed 67 per centum of the necessary cost of construction, as so determined, of the project with respect to which the grant is made."

(2) Subsections (b) and (c) of section 803 are each amended by striking out "this part" and inserting in lieu thereof "this subpart".

(c) Section 804 is amended (1) by striking out "this part" and inserting in lieu thereof "this subpart", and (2) by redesignating paragraph (a), (b), and (c) as paragraphs (1), (2), and (3), respectively.

(d) Section 805 (as redesignated by section 911(b)) is amended by striking out "this part" each place it occurs and inserting in lieu thereof "this subpart".

(e) Section 806 is redesignated as section 810.

(f) Section 807 is redesignated as section 811 and is amended—

(1) by striking out "section 805, 806, or 810" in subsections (a) and (c) and inserting in lieu thereof "this subpart";

(2) by striking out "part" in subsection (b) and inserting in lieu thereof "subpart";

(3) by amending paragraph (1) of subsection (c) to read as follows;

"(1) is from a public or nonprofit private school of nursing;"; and

(4) by striking out "those sections" each place it occurs in paragraphs (2) and (3) of such subsection and inserting in lieu thereof "this subpart".

(g) (1) Title VIII is amended by inserting after the heading for part B the following:

"Subpart I—Traineeships".

(2) Section 821 (as so designated on the day before the date of the enactment of this Act) is redesignated as section 830.

(3) Title VIII is amended by inserting after section 830 (as so redesignated) the following:

"Subpart II—Student Loans".

(h) Sections 822, 823, 825, 826, 828, and 830 (as so designated on the day before the date of the enactment of this Act) are amended as follows:

(1) Sections 822(a), 823, 825, 826, and 828 are each amended by striking out "this part" each place it occurs and inserting in lieu thereof "this subpart".

(2) Sections 822(a), 823(b), 823(c), 825(b) (2), and 826(a) (1) are each amended by striking out "of Health, Education, and Welfare".

(3) Section 822(b) (2) (A) is amended by striking out "under this part" and inserting in lieu thereof "from allotments under section 838".

(4) (A) Section 825 is amended—

(i) by striking out "(whether as Federal capital contributions or as loans to schools under section 827)" in subsection (a); and

(ii) by striking out ", and for loans pursuant to section 827," in subsection (b) (1).

(B) Section 826(b) is amended by striking out "(other than so much of such fund as relates to payments from the revolving fund established by section 827(d))".

(C) Section 828 is amended by striking out "or loans."

(5) Section 830 is—

(A) transferred to section 823 and inserted after subsection (i) of such section; and

(B) is amended by striking out "Sec. 830. (a)" and inserting in lieu thereof "(j)".

(i) (1) Sections 822, 823, 824, 825, 826, 828, and 829 (as so designated on the day before the date of the enactment of this Act) are redesignated as sections 835, 836, 837, 838, 839, 840, and 841, respectively.

(2) Section 835 (as so redesignated) is amended (A) by striking out "829" each place it occurs and inserting in lieu thereof "841", and (B) by striking out "823" and inserting in lieu thereof "836".

(3) Section 837 (as so redesignated) is amended (A) by striking out "825" and inserting in lieu thereof "838", and (B) by striking out "822" and inserting in lieu thereof "835".

(4) Section 838 (as so redesignated) is amended by striking out "824" each place it occurs and inserting in lieu thereof "837".

(5) Section 839 (as so redesignated) is amended by striking out "822" each place it occurs and inserting in lieu thereof "835".

(6) Section 841 (as so redesignated) is amended (A) by striking out "822" and inserting in lieu thereof "835", and (B) by striking out "part D" and inserting in lieu thereof "subpart III of this part".

(j) (1) Part D of title VIII is inserted after subpart II of part B of such title; sections 860 and 861 are redesignated as sections 845 and 846, respectively; and the heading for such part is amended to read as follows:

"Subpart III—Scholarship Grants to Schools of Nursing".

(2) Section 845 (a) (as so redesignated) is amended by striking out "this part" and inserting in lieu thereof "this section".

(3) Section 846 (as so redesignated) is amended (A) by striking out "this part" the first time it occurs and inserting in lieu thereof "section 845", and (B) by striking out "to the sums available to the school under this part for (and to be regarded as) Federal capital contributions, to be used for the same purpose as such sums" and inserting in lieu thereof "to the student loan fund of the school established under an agreement under section 835. Funds transferred under this section to such a student loan fund shall be considered as part of the Federal capital contributions to such fund".

(4) Section 869 is repealed.

(k) (1) Sections 841, 842, 843, 844, and 845 (as so designated on the day before the date of the enactment of this Act) are redesignated as sections 851, 852, 853, 854, and 855; respectively.

(2) Section 851 (as so redesignated) is amended (A) by striking out "part A of applications under section 805" in subsection (a) (2) and inserting in lieu thereof "subpart I of part A, of applications under section 805, and applications under subpart III of part A"; (B) by striking out subsection (b); (C) by striking out "(a) (1)" and inserting in lieu thereof "(a)"; and (D) by striking out "(2)" and inserting in lieu thereof "(b)".

(3) Section 853 (as so redesignated) is amended—

(A) by striking out "part A" in paragraph (f) and inserting in lieu thereof "subpart I of part A";

(B) by striking out "806" in paragraph (f) and inserting in lieu thereof "810";

(C) by striking out "part B" each place it occurs in paragraph (f) and inserting in lieu thereof "section 835";

(D) by striking out "825" in paragraph (f) and inserting in lieu thereof "838";

(E) by redesignating paragraphs (a) through (j) as paragraphs (1) through (10) respectively;

(F) by redesignating clauses (1), (2), and (3) of paragraph (6) (as so designated) as clauses (A), (B), and (C), respectively.

(G) by redesignating subclauses (A) and (B) of such paragraph (6) as subclauses (i) and (ii), respectively; and

(H) by redesignating clauses (1) and (2) of paragraph (9) (as so designated) as clauses (A) and (B), respectively.

(4) Part C is amended by adding at the end thereof the following:

"DELEGATION"

"SEC. 856. The Secretary may delegate the authority to administer any program authorized by this title to the administrator of a central or regional office or offices in the Department of Health, Education, and Welfare, except that the authority—

"(1) to review, and prepare comments on the merit of, any application for a grant or contract under any program authorized by this title for purposes of presenting such application to the National Advisory Council on Nurse Training; or

"(2) to make such a grant or enter into such a contract, shall not be further delegated to any administrator of, or officer in, any regional office or offices in the Department."

EFFECTIVE DATE

SEC. 942. The amendments made by section 941 shall take effect July 1, 1975. Except as otherwise specifically provided, the amendments made by section 941 to provisions of title VIII of the Act are made to such provisions as in effect July 1, 1975, and amended by part B of this title.

PART D—MISCELLANEOUS

INFORMATION RESPECTING THE SUPPLY AND DISTRIBUTION OF AND REQUIREMENTS FOR NURSES

SEC. 951. (a) (1) Using procedures developed in accordance with paragraph (3), the Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall determine on a continuing basis—

(A) the supply (both current and projected and within the United States and within each State) of registered nurses, licensed practical and vocational nurses, nurse's aides, registered nurses with advanced training or graduate degrees, and nurse practitioners;

(B) the distribution, within the United States and within each State, of such nurses so as to determine (i) those areas of the United States which are oversupplied or undersupplied, or which have an adequate supply of such nurses in relation to the population of the area, and (ii) the demand for the services which such nurses provide; and

(C) the current and future requirements for such nurses, nationally and within each State.

(2) The Secretary shall survey and gather data, on a continuing basis, on—

(A) the number and distribution of nurses, by type of employment and location of practice;

(B) the number of nurses who are practicing full time and those who are employed part time, within the United States and within each State;

(C) the average rates of compensation for nurses, by type of practice and location of practice;

(D) the activity status of the total number of registered nurses within the United States and within each State;

(E) the number of nurses with advanced training or graduate degrees in nursing, by specialty, including nurse practitioners,

nurse clinicians, nurse researchers, nurse educators, and nurse supervisors and administrators; and

(F) the number of registered nurses entering the United States annually from other nations, by country of nurse training and by immigrant status.

(3) Within six months of the date of the enactment of this Act, the Secretary shall develop procedures for determining (on both a current and projected basis) the supply and distribution of and requirements for nurses within the United States and within each State.

(b) Not later than February 1, 1977, and February 1 of each succeeding year, the Secretary shall report to the Congress—

(1) his determinations under subsection (a) (1) and the data gathered under subsection (a) (2);

(2) an analysis of such determination and data; and

(3) recommendations for such legislation as the Secretary determines, based on such determinations and data, will achieve (A) an equitable distribution of nurses within the United States and within each State, and (B) adequate supplies of nurses within the United States and within each State.

(c) The Office of Management and Budget may review the Secretary's report under subsection (b) before its submission to the Congress, but the Office may not revise the report or delay its submission, and it may submit to the Congress its comments (and those of other departments or agencies of the Government) respecting such report.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the Senate bill and agree to the same.

HARLEY O. STAGGERS,
PAUL G. ROGERS,
DAVID E. SATTERFIELD,
RICHARDSON PREYER,
J. W. SYMINGTON,
JAMES H. SCHEUER,
HENRY A. WAXMAN,
SAMUEL L. DEVINE,
TIM LEE CARTER,
JAMES T. BROYHILL,

Managers on the Part of the House.

EDWARD M. KENNEDY,
HARRISON A. WILLIAMS,
GAYLORD NELSON,
THOMAS F. EAGLETON,
ALAN CRANSTON,
CLAIBORNE PELL,
WALTER F. MONDALE,
WILLIAM D. HATHAWAY,
DICK SCHWEIKER,
JACOB K. JAVITS,
J. GLENN BEALL,
BOB TAFT, JR.,
ROBERT T. STAFFORD,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 66) to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training and to revise and extend programs of health revenue sharing and health services, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

BACKGROUND

The Senate bill, S. 66, as passed by the Senate contained a three-year, fiscal years 1975-1977, revision and extension of the nurse training authorities in title VIII of the Public Health Service Act; a two-year, fiscal years 1975-1976, revision and extension of authorities for health revenue sharing and health services programs in the Public Health Service Act; and a modest substantive amendment to the authority for the National Health Service Corps. The House amendment combined the text of three separately considered House bills as a single amendment to S. 66. These included H.R. 4925, a two-year, fiscal years 1976-1977, revision and extension of authorities for health revenue sharing and health services programs; H.R. 4114, a one-year revision and extension of the authority for the National Health Service Corps; and H.R. 4115, a three-year, fiscal years 1976-1978, revision and extension of the nurse training authorities. The Conference Report is generally similar to the House amendment and is described in substantially more detail in the following sections of the Statement of Managers. The revision and extension of the nurse training authority contained in the Conference Report are similar to those found in H.R. 1785 of the 93d Congress which was pocket vetoed by President Ford after adjournment. The revision and extension of the health revenue sharing and health services program authorities are similar to those contained in H.R. 14214 of the 93rd Congress which was also pocket vetoed by President Ford after adjournment in December 1974.

HEALTH REVENUE SHARING AND HEALTH SERVICES PROGRAMS

YEARS OF AUTHORIZATIONS

The Senate bill, S. 66, authorized two years of appropriations under the revised authorities, fiscal years 1975 and 1976, and contained no authorizations for 1977.

The House amendment authorized a simple one-year extension of the existing authorities for fiscal year 1975 and two years of appropriations under the revised authorities, fiscal years 1976 and 1977.

The conference agreement conforms to the House amendment because fiscal year 1975 has now been completed.

AUTHORIZATION AMOUNTS

The Senate bill contained authorizations of appropriations in the amounts shown in Table 1 in the first column for each year.

TABLE 1.—COMPARISON OF AUTHORIZATIONS IN THE SENATE BILL, HOUSE AMENDMENT, AND CONFERENCE AGREEMENT RESPECTING THE HEALTH REVENUE SHARING AND HEALTH SERVICES PROVISIONS OF S. 66
 (In millions of dollars)

Program	1975			1976			1977			Total		
	Senate bill	House amendment	Conference agreement	Senate bill	House amendment	Conference agreement	Senate bill	House amendment	Conference agreement			
Health revenue sharing, total.....	160.0	115	115	160	115	115	.....	125	125	320.0	240.0	240.0
Comprehensive health services (sec. 314(d)(7)(A)).....	.....	.....	.....	.....	.....	.....	.....	110	110	.....	210.0	210.0
Hypertension programs (sec. 314(d)(7)(B)).....	.....	.....	.....	.....	.....	.....	.....	15	15	.....	30.0	30.0
Family planning programs, total.....	215.5	171	176	257	171	176	.....	187.5	182.5	472.5	358.5	358.5
Project grants and contracts (sec. 1001).....	150.0	175	115	175	110	115	.....	120	115	325.0	230.0	230.0
Training grants and contracts (sec. 1003).....	4.0	5	4	5	4	4	.....	5	5	9.0	9.0	9.0
Research grants and contracts (sec. 1004).....	60.0	75	55	75	55	55	.....	60	60	135.0	115.0	115.0
Information and educational materials (sec. 1005).....	1.5	2	2	2	2	2	.....	2.5	2.5	3.5	4.5	4.5
Community mental health centers, total.....	139.0	174	103.75	174	103.75	103.75	.....	113.75	113.75	313.0	217.5	217.5
Planning CMHC programs (sec. 202).....	5.0	5	3.75	5	3.75	3.75	.....	3.75	3.75	10.0	7.5	7.5
Initial operation of CMHC's (sec. 203).....	85.0	100	50	100	50	50	.....	55	55	185.0	105.0	105.0
Consultation and education services (sec. 204).....	4.0	9	10	9	10	10	.....	15	15	13.0	25.0	25.0
Conversion of CMHC's (sec. 205).....	20.0	20	20	20	20	20	.....	20	20	40.0	40.0	40.0
Financial distress grants (sec. 223).....	10.0	15	15	15	15	15	.....	15	15	25.0	30.0	30.0
Allotments to States for construction (sec. 228).....	15.0	15	5	15	5	5	.....	5	5	30.0	10.0	10.0
Rape prevention and control, pt. D, total.....	10.0	7	7	10	7	7	.....	10	10	20.0	17.0	17.0
Migrant health centers, total.....	75.0	80	39	80	39	39	.....	44	44	155.0	83.0	83.0
Planning and development of MHC's (sec. 329(d)(1)).....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Operating of MHC's (sec. 329(d)(2)).....	5.0	5	4	5	4	4	.....	4	4	10.0	8.0	8.0
Hospital services (sec. 329(d)(3)).....	60.0	65	40	65	40	30	.....	35	35	125.0	65.0	65.0
Community health centers, total.....	10.0	10	5	10	5	5	.....	5	5	20.0	10.0	10.0
Community health centers, total.....	260.0	280	220	280	220	240	.....	240	240	540.0	460.0	460.0

See footnotes at end of table.

TABLE 1.—COMPARISON OF AUTHORIZATIONS IN THE SENATE BILL, HOUSE AMENDMENT, AND CONFERENCE AGREEMENT RESPECTING THE HEALTH REVENUE SHARING AND HEALTH SERVICES PROVISIONS OF S. 66—Continued

(In millions of dollars)

Program	1975			1976			1977			Total		
	Senate bill	House amendment ¹	Conference agreement ¹	Senate bill	House amendment	Conference agreement	Senate bill ²	House amendment	Conference agreement	Senate bill	House amendment	Conference agreement
Planning and development of CHC's (sec. 330)(X1)	20.0			20	5	5				5		
Operating of CHC's (sec. 330)(X2)	240.0			260	215	215				235		
Diseases borne by rodents, sec. 601, total	15.0				20	20						
Home health services, sec. 602, total				15	10	10						
Demonstrations of establishment and initial operation of home health agencies				12	8	8						
Demonstrations of the training of personnel				3	2	2						
Committee on mental health and illness of the elderly, sec. 603, total												
Commission for control of epilepsy, sec. 604, total												
Commission for control of Huntington's disease, sec. 605, total												
Homophilia programs, sec. 606, total	8.0			10	7	7				9		
Treatment centers, (sec. 1131)	3.0			5	3	3				4		
Blood separation centers, (sec. 1132)	5.0			5	4	4				5		
Total	882.5			986	682.75	687.75				729.25		

¹ 1 yr extensions at 1974 levels.
² No authorizations.

The House amendment contained authorizations of appropriations in the amounts shown in table 1 in the second column for each year. The conference agreement contains authorizations of appropriations in the amounts shown in table 1 in the third column for each year. The conferees agreed to the authorizations of appropriations contained in the House amendment for health revenue sharing and health services programs in every respect except that the amount authorized for project grants for family planning programs was increased in fiscal year 1976 from \$110 million to \$115 million and reduced in fiscal year 1977 from \$120 million to \$115 million. This was done because the conferees felt it important to allow for more growth in the program in fiscal year 1976. The Senate conferees noted that in agreeing to authorize appropriations in 1977 they were constrained by the scope of the conference to amounts which did not exceed those authorized in the House amendment and indicated their intent to reconsider the authorizations in subsequent legislation if this proved necessary because the level of authorization was constraining appropriations to an unreasonably low level.

The effects of the authorizations can be summarized by pointing out that the total authorization for the Senate bill for the health revenue sharing and health services provisions was \$1.859 billion, for the House amendment was \$1.422 billion, and for the conference agreement was identical to the amount in the House amendment, \$1.422 billion. In agreeing to these levels the conferees expressed their desire for restraining the total budget for these programs in an inflationary era but pointed out that the amounts agreed to are within the Congressional budget resolution for these programs for fiscal year 1976.

HEALTH REVENUE SHARING

Requirements for a State Plan

The Senate bill contained a detailed requirement for the annual preparation of a State plan containing public health service, mental health, and administrative parts specifying the proposed use of the funds.

The House amendment omitted this requirement in view of the enactment of Public Law 93-641 requiring State level planning for the use of formula grant funds.

The conference agreement conforms to the House amendment.

Protection of employees of public institutions

The Senate bill and the House amendment contained similar provisions designed to protect the interests of the employees of public institutions. These provisions differed in that the Senate bill, but not the House amendment, required the Secretary of HEW to consult with the Secretary of Labor in implementing the provision, and to make maximum efforts to guarantee employment to employees who may be affected by any plan or program funded in whole or in part under the health revenue sharing program.

The conference agreement conforms to the Senate bill.

FAMILY PLANNING PROGRAMS

Annual report

The Senate bill required an annual report from the Secretary of HEW to the Congress to be submitted not later than four months after the end of the fiscal year.

The House amendment required the same report to be submitted not later than seven months after the end of the fiscal year.

The conference agreement conforms to the House amendment.

Natural family planning methods

The House amendment contained a provision, not included in the Senate bill, requiring family planning programs to include natural family planning methods.

The conference agreement conforms to the House amendment.

Federal share

The House amendment contained a provision, not included in the Senate bill, generally requiring the Federal share of new project grants to be no less than 90 per centum of the cost of such grants.

The conference agreement conforms to the House amendment.

Protection of local and regional entities as project grantees

The House amendment contained a provision, not included in the Senate bill, which required that local and regional entities be assured the right to apply for and be direct recipients of grants and contracts under the project grant authority, and that the Secretary by regulation fully provide for and protect such right.

The conference agreement conforms to the House amendment with an amendment clarifying the House provision in order to make clear that a local or regional entity has no entitlement to receive a grant or contract, but must be qualified and able to meet the requirements and regulations prescribed in conformity with title X. The conferees stress that HEW shall not in any way attempt to influence such an entity to forgo application for a grant or contract in order for HEW to provide funds on a consolidated basis throughout all or part of the State in question or for any other purpose.

Coercion of abortions and sterilizations

The Senate bill contained a provision, not included in the House amendment, which provided that any officer or employee of the United States, or of any State, political subdivision or entity which administers a program funded in whole or in part with Federal assistance who coerces any person receiving or requesting benefits or services under any Federally assisted program to undergo an abortion or a sterilization as a condition of receiving such benefits or services is to be fined not more than \$1,000 or imprisoned not more than 1 year, or both.

The conference agreement conforms to the Senate bill with technical amendments.

COMMUNITY MENTAL HEALTH CENTERS

The Senate bill and House amendment contained essentially similar provisions with respect to community mental health centers and the National Center for Rape Prevention and Control except that the

House amendment differed from the Senate bill in a large number of technical respects. The conference agreement in general conforms to the House amendment. The more important of these many minor differences between the two provisions are described in the following paragraphs.

Persons needing mental health services

The House amendment contained a provision, not included in the Senate bill, which required community mental health centers to assure that persons needing mental health services in the center's catchment area would have access to all such services.

The conference agreement conforms to the Senate bill.

Definition of provider

The House amendment contained a more specific definition of "provider of health care" than that included in the Senate bill. The House definition, which followed that included in Public Law 93-641, was more specific by including as providers of health care individuals holding a fiduciary interest in health programs, who were members of the families of providers, or who engaged in the sale of health insurance.

The conference agreement conforms to the House amendment.

Third year of operations

The Senate bill authorized operating grants for the third year of the operation of a community mental health center at 40 per centum of the cost of the operation.

The House amendment authorized the same support at 50 per centum of the cost.

The conference agreement conforms to the House amendment.

Requirements for health planning

The Senate bill contained provisions, not included in the House amendment, requiring a variety of specific activities by health planning agencies with respect to community mental health centers.

The conference agreement conforms to the House amendment. The conferees noted that the omission of the specific health planning requirements was appropriate in view of the fact that similar requirements have been included in the new health planning law, Public Law 93-641, and that these would apply to the relationships between health planning agencies and community mental health centers.

PROVISIONS RESPECTING THE NATIONAL HEALTH SERVICE CORPS PROGRAM

Both the Senate bill and the House amendment contained provisions designed to expand the National Health Service Corps Program.

Both amendments were in response to the refusal of the Office of Management to agree to a request by the Department of Health, Education and Welfare to increase the number of field positions for Corps assignees from the existing level of 405 to the planned expansion to 556 during fiscal year 1975. These new 141 positions—for which there are already approved applicants—would have resulted in the provisions of the existing scholarship training program which communities which are presently without health personnel or are experiencing acute shortages of such personnel.

The Senate bill authorized the Department of Health, Education and Welfare to recruit, employ and assign up to 551 health professionals as members of the National Health Service Corps during fiscal year 1975.

The House amendment provided a one year simple extension through fiscal year 1975 of the National Health Service Corps Program with an authorization of \$16 million. It also provided for a one year substantive revision of the Program for fiscal year 1976 with an authorization of \$30 million. The House amendment did not affect the provisions of the existing scholarship training program which authorizes the award of scholarships to health professions students who agree to join the National Health Service Corps in return for scholarship assistance.

The major substantive revisions made in the Program by the House amendment for fiscal year 1976 are as follows:

1. It authorized the award of bonuses of up to \$1,000 per month to members of the National Health Service Corps in order that the monthly income of NHSC members could be competitive with the average monthly income of a member of the same profession with equivalent training and time in practice.

2. It provided for the designation of medically underserved populations by the Secretary of HEW in lieu of the provisions of existing law, which authorize designation of medically underserved areas. Populations would be eligible to receive health services from NHSC personnel for periods of up to four years, with provision for extension of this period.

3. It provided that an entity to which NHSC personnel are assigned must repay the Federal government, from collections it receives as a result of service provided by such personnel, amounts equal to the pay of the NHSC members assigned to it, the amount of any grant the entity would receive, and the amount of scholarship assistance received by a NHSC assignee. A waiver of this provision would be authorized in instances in which an entity is financially unable to comply or if compliance would unduly limit quality of services.

4. It authorized the Secretary to lease or acquire facilities, equipment and supplies and secure the temporary services of physicians, nurses and allied health personnel to support the activities of NHSC personnel.

5. It authorized the Secretary, upon the expiration of the assignment of Corps personnel to provide services to a medically underserved population, to sell, at fair market value, to the entity which submitted the last approved application for the assignment of such personnel, equipment of the United States used by such personnel in providing health services.

6. It authorized grants of up to \$25,000 to entities with approved applications for assignment of NHSC personnel in order to establish medical practice management systems, acquire equipment and provide continuing education for NHSC personnel.

7. It continued with revisions, the National Advisory Council on the National Health Service Corps.

The conference substitute adopts the following revisions to the existing National Health Service Corps Program:

1. It authorizes appropriations of \$16 million for fiscal year 1975 and \$30 million for fiscal year 1976 for the Program.

2. Beginning in fiscal year 1976, it makes the following substantive revision to existing law:

- a. It authorizes the Secretary to make one grant of up to \$25,000 to entities with approved applications for the assignment of Corps personnel to assist them in establishing medical practice management systems and acquiring supplies and equipment, and for other expenses relating to the provisions of health services.

- b. It authorizes the Secretary, upon the expiration of assignment of Corps personnel to provide health services for the residents of a critical health manpower shortage area to sell or transfer equipment and supplies of the United States to the last entity which had had an approved application for the assignment of National Health Service Corps personnel to the area.

- c. It requires that entities which submit applications for assignment of National Health Service Corps personnel agree, as a condition to approval of the application, to take such action as may be reasonable for the collection of payments for health services by NHSC personnel, and also requires that funds collected by such entities be paid by the Secretary for deposit in the Treasury as miscellaneous receipts. It further provides that the Secretary may waive the requirement of payment of collections if he determines that compliance would unduly limit the ability of an entity to maintain the quality or level of health services provided by National Health Services Corps personnel.

The conferees note that extensive revisions to the National Health Service Corps Program and the National Health Service Scholarship program are contained in health manpower legislation (H.R. 5546) presently awaiting House consideration, and that the Senate Labor and Public Welfare Committee intends to consider revisions to the NHSC Program and to the scholarship program in conjunction with Senate health manpower legislation later this session. The adoption of substantive revisions to the NHSC Program in this conference report in no way should be construed as placing any limitation on either body to make further substantive revisions to legislation affecting the National Health Service Corps to reflect policies under consideration in connection with health manpower legislation.

PROVISIONS RESPECTING THE NURSE TRAINING ACT

Simple extension of existing authorities for fiscal year 1975

The Senate bill made substantive revisions in existing law respecting nurse training legislation beginning in fiscal year 1975.

The House amendment extended existing authorities for fiscal year 1975, and made substantive revisions beginning in fiscal year 1976.

The conference substitute adopts the provisions of the House amendment.

Extension of nurse training authorities through fiscal year 1978

The Senate bill made substantive revisions in existing law respecting nurse training legislation through fiscal year 1977.

The House amendment made substantive revisions through fiscal year 1978.

The conference substitute adopts the provisions of the House amendment.

Interest subsidies subject to appropriations acts

The Senate bill deleted the requirement in existing law that interest subsidies be subject to appropriations acts.

The House amendment retained the existing requirement that interest subsidies be subject to appropriations acts.

The conference substitute adopts the provisions of the House amendment.

Authorization of appropriations for construction grants

The Senate bill authorized the following appropriations for construction grants: for fiscal year 1975, \$25 million; for fiscal year 1976, \$25 million; for fiscal year 1977, \$25 million.

The House amendment authorized the following amounts: for fiscal year 1975, a one year extension of existing law; for fiscal year 1976, \$20 million; for fiscal year 1977, \$20 million; for fiscal year 1978, \$20 million.

The conference substitute adopts the provisions of the House amendment.

Authorization of appropriations for interest subsidies

The Senate bill authorized the following appropriations for interest subsidies: for fiscal year 1975, \$2 million; for fiscal year 1976, \$3 million; for fiscal year 1977, \$4 million.

The House amendment authorized the following appropriations for interest subsidies: for fiscal year 1975, a one year extension of existing law; for fiscal year 1976, \$1 million; for fiscal year 1977, \$1 million; for fiscal year 1978, \$1 million.

The conference substitute adopts the provisions of the House amendment.

Applicability of capitation grant formula for collegiate schools to graduate students

The Senate bill contained no provision with respect to whether graduate students are to be considered as full-time students in determining the number of such students for which schools would receive capitation support.

The House amendment specified that the capitation formula be based on the number of undergraduate students enrolled in the school.

The conference substitute adopts the provisions of the House amendment.

Capitation formula for associate degree schools

The capitation grant formula for associate degree schools in the Senate bill was as follows: \$275 for each student enrolled in the last year of eligible schools.

The House amendment provided the following: \$275 for each full-time student enrolled in the last year of eligible schools and \$275 for one-half of the full-time students enrolled in the first year of such schools.

The conference substitute adopts the provisions of the House amendment.

Conditions for receipt of capitation grants

The Senate bill provided for no change in the existing requirement that schools agree to enrollment increases as a condition for receipt of capitation grants.

The conditions required by the House amendment for receipt of capitation grants were that schools meet *one* of the following requirements:

(a) increase first year enrollment over the 1974-1975 school year enrollment the year following receipt of the capitation grant by ten percent, if such number was not over 100, or by five percent, if such number was more than 100; and maintain such increased enrollment in each school year following receipt of additional capitation grants; or

(b) carry out, under an approved plan, one of the following programs in the school year after the year of the capitation grant and in each school year thereafter, following receipt of additional capitation grants:

(i) in the case of collegiate schools, a nurse practitioner training program;

(ii) a program providing a significant portion of clinical training in community health centers, long-term care facilities, and ambulatory care facilities remote from the main teaching site of the school;

(iii) a continuing education program to meet needs identified by appropriate State, regional, or local health or educational entities (including health systems agencies); or

(iv) a program to recruit students from disadvantaged backgrounds, whereby at least 10 percent of the school's entering class or 10 students, whichever is greater, is to be composed of such students.

The conference substitute adopts the provisions of the House amendment except that if schools choose not to increase enrollment, two of the four types of programs specified in the House amendment as alternatives to an increase in enrollment would have to be conducted in order for a school to be eligible for receipt of capitation assistance.

Authorization of appropriations for capitation grants

The Senate bill authorized the following appropriations for capitation grants: for fiscal year 1975, \$45 million; for fiscal year 1976, \$50 million; for fiscal year 1977, \$55 million.

The House amendment authorized the following appropriations for capitation grants: for fiscal year 1975, a one year extension of existing law; for fiscal year 1976, \$50 million; for fiscal year 1977, \$55 million; for fiscal year 1978, \$60 million.

The conference substitute adopts the provisions of the House amendment except that the authorization for fiscal year 1978 is \$55 million.

Special project grants and contracts for training for nurses aides and orderlies in nursing homes

The Senate bill included a provision authorizing the award of special project grants and contracts for purposes of helping develop short term in-service training for nurses aides and orderlies in nursing homes.

The House amendment contained no comparable provision.

The conference substitute adopts the provisions of the Senate bill.

Special emphasis for pediatric nursing and geriatric nursing

The Senate bill contained no provision specifying types of curricula to be emphasized under the special project section authority for curriculum improvement.

The House amendment contained a provision that emphasized that special project section authority for curriculum improvement include curricula of pediatric nursing and geriatric nursing.

The conference substitute adopts the provisions of the House amendment.

Authorizations of appropriations for special projects

The Senate bill authorized the following appropriations for grants and contracts for special projects: for fiscal year 1975, \$20 million; for fiscal year 1976, \$25 million; for fiscal year 1977, \$30 million.

The House amendment authorized appropriations for special projects in the following amounts: for fiscal year 1975, a one year extension of existing law; for fiscal year 1976, \$15 million; for fiscal year 1977, \$15 million; for fiscal year 1978, \$15 million.

The conference substitute adopts the provisions of the House amendment.

Authorization of appropriations for advanced nurse training programs

The Senate bill authorized the following appropriations for advanced nurse training programs: for fiscal year 1975, \$20 million; for fiscal year 1976, \$25 million; for fiscal year 1977, \$30 million.

The House amendment authorized the following appropriations for advanced nurse training programs: for fiscal year 1976, \$15 million; for fiscal year 1977, \$20 million; for fiscal year 1978, \$25 million.

The conference substitute adopts the provisions of the House amendment.

Eligibility of graduates of all types of nursing schools to enroll in nurse practitioner programs

The Senate bill contained no provision with respect to the eligibility to enroll in nurse practitioner programs.

The House amendment contained a provision under which the definition of "program for the training of nurse practitioners" would make it clear that all registered nurses, irrespective of the type of nursing schools (associate, degree, diploma and baccalaureate) from which they graduated are eligible for training under such programs.

The conference substitute adopts the provisions of the House amendment. The conferees emphasize that while appropriations under

the section authorizing grants and contracts for nurse practitioner programs are to be for graduate programs, funds under the special project section for curriculum improvement could, in cases of exceptional quality, be used to fund undergraduate programs for the training of nurse practitioners.

Emphasis on certain types of primary health care for which nurse practitioners are to be trained to provide

The Senate bill provided that in implementing the section authorizing grants and contracts for nurse practitioners programs, the Secretary is to give special attention to geriatrics and the needs of nursing home patients.

The House amendment emphasized that the training of nurse practitioners to provide primary health care under programs funded by the nurse practitioner section would include primary care in homes, ambulatory care facilities, long-term care facilities and other health care institutions.

The conference substitute adopts both provisions.

Authorization of appropriations for nurse practitioner programs

The Senate bill authorized the following appropriations for nurse practitioner programs: for fiscal year 1975, \$20 million; for fiscal year 1976, \$25 million; for fiscal year 1977, \$30 million.

The House amendment authorized the following appropriations for nurse practitioner programs: for fiscal year 1976, \$15 million; for fiscal year 1977, \$20 million; for fiscal year 1978, \$25 million.

The conference substitute adopts the provisions of the House amendment.

Authorizations of appropriations for advanced nurse traineeships

The Senate bill authorized the following appropriations for advanced nurse traineeships: for fiscal year 1975, \$20 million; for fiscal year 1976, \$25 million; for fiscal year 1977, \$30 million.

The House amendment authorized the following appropriations for advanced nurse traineeships: for fiscal year 1976, \$15 million; for fiscal year 1977, \$20 million; for fiscal year 1978, \$25 million.

The conference substitute adopts the provisions of the House amendment.

Authorizations of appropriations for student loan funds

The Senate bill authorized the following appropriations for student loan funds: for fiscal year 1975, \$30 million; for fiscal year 1976, \$35 million; for fiscal year 1977, \$40 million.

The House amendment authorized the following appropriations for student loan funds: for fiscal year 1976, \$25 million; for fiscal year 1977, \$30 million; for fiscal year 1978, \$35 million.

The conference substitute adopts the provisions of the House amendment.

Implementation of sex discrimination provisions of the Nurse Training Act and the Health Manpower Act

The Senate bill required that the Secretary, within three months of enactment of the Act, issue regulations to implement provisions of existing law prohibiting discrimination on the basis of sex in the

admissions of persons to health professions schools, nursing schools, schools of public health, and allied health training centers.

The House amendment contained no comparable provision.

The conference substitute does not contain the Senate provision, since the Department of Health, Education, and Welfare has now issued the regulations to which the Senate language was addressed.

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