

111TH CONGRESS
1ST SESSION

H. R. 914

To amend title VII of the Public Health Service Act to establish a loan program for eligible hospitals to establish residency training programs.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 9, 2009

Mr. BURGESS (for himself and Mr. GENE GREEN of Texas) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend title VII of the Public Health Service Act to establish a loan program for eligible hospitals to establish residency training programs.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Physician Workforce
5 Enhancement Act of 2009”.

6 **SEC. 2. HOSPITAL RESIDENCY LOAN PROGRAM.**

7 Subpart 2 of part E of title VII of the Public Health
8 Service Act is amended by adding at the end the following
9 new section:

1 **“SEC. 771. HOSPITAL RESIDENCY LOAN PROGRAM.**

2 “(a) ESTABLISHMENT.—Not later than January 1,
3 2010, the Secretary, acting through the Administrator of
4 the Health Resources and Services Administration, shall
5 establish a loan program that provides loans to eligible
6 hospitals to establish residency training programs.

7 “(b) APPLICATION.—No loan may be provided under
8 this section to an eligible hospital except pursuant to an
9 application that is submitted and approved in a time, man-
10 ner, and form specified by the Administrator of the Health
11 Resources and Services Administration. A loan under this
12 section shall be on such terms and conditions and meet
13 such requirements as the Administrator determines appro-
14 priate, in accordance with the provisions of this section.

15 “(c) ELIGIBILITY; PREFERENCE FOR RURAL AND
16 SMALL URBAN AREAS.—

17 “(1) ELIGIBLE HOSPITAL DEFINED.—For pur-
18 poses of this section, an ‘eligible hospital’ means,
19 with respect to a loan under this section, a hospital
20 that, as of the date of the submission of an applica-
21 tion under subsection (b), meets, to the satisfaction
22 of the Administrator of the Health Resources and
23 Services Administration, each of the following cri-
24 teria:

1 “(A) The hospital does not operate a resi-
2 dency training program and has not previously
3 operated such a program.

4 “(B) The hospital has secured initial ac-
5 creditation by the American Council for Grad-
6 uate Medical Education or the American Osteo-
7 pathic Association.

8 “(C) The hospital provides assurances to
9 the satisfaction of the Administrator of the
10 Health Resources and Services Administration
11 that such loan shall be used, consistent with
12 subsection (d), only for the purposes of estab-
13 lishing and conducting an allopathic or osteo-
14 pathic physician residency training program in
15 at least one of the following medical specialties,
16 or a combination of the following:

17 “(i) Family medicine.

18 “(ii) Internal medicine.

19 “(iii) Emergency medicine.

20 “(iv) Obstetrics or gynecology.

21 “(v) General surgery.

22 “(vi) Preventive Medicine.

23 “(vii) Pediatrics.

24 “(viii) Behavioral and Mental Health.

1 “(D) The hospital enters into an agree-
2 ment with the Administrator that certifies the
3 hospital will provide for the repayment of the
4 loan in accordance with subsection (e).

5 “(2) PREFERENCE FOR RURAL AND SMALL
6 AREAS.—In making loans under this section, the Ad-
7 ministrator of the Health Resources and Services
8 Administration shall give preference to any applicant
9 for such a loan that is a hospital located in a rural
10 areas (as such term is defined in section
11 1886(d)(2)(D) of the Social Security Act) or an
12 urban area that is not a large urban area (as such
13 terms are respectively defined in such section).

14 “(d) PERMISSIBLE USES OF LOAN FUNDS.—A loan
15 provided under this section shall be used, with respect to
16 a residency training program, only for costs directly at-
17 tributable to the residency training program, except as
18 otherwise provided by the Administrator of the Health Re-
19 sources and Services Administration.

20 “(e) REPAYMENT OF LOANS.—

21 “(1) REPAYMENT PLANS.—For purposes of
22 subsection (e)(1)(D), a repayment plan for an eligi-
23 ble hospital is in accordance with this subsection if
24 it provides for the repayment of the loan amount in
25 installments, in accordance with a schedule that is

1 agreed to by the Administrator of the Health Re-
2 sources and Services Administration and the hospital
3 and that is in accordance with this subsection.

4 “(2) COMMENCEMENT OF REPAYMENT.—Re-
5 payment by an eligible hospital of a loan under this
6 section shall commence not later than the date that
7 is 18 months after the date on which the loan
8 amount is disbursed to such hospital.

9 “(3) REPAYMENT PERIOD.—A loan made under
10 this section shall be fully repaid not later than the
11 date that is 24 months after the date on which the
12 repayment is required to commence.

13 “(4) LOAN PAYABLE IN FULL IF RESIDENCY
14 TRAINING PROGRAM CANCELED.—In the case that
15 an eligible hospital borrows a loan under this sec-
16 tion, with respect to a residency training program,
17 and terminates such program before the date on
18 which such loan has been fully repaid in accordance
19 with a plan under paragraph (1), such loan shall be
20 payable by the hospital not later than 45 days after
21 the date of such termination.

22 “(f) NO INTEREST CHARGED.—The Administrator of
23 the Health Resources and Services Administration may
24 not charge or collect interest on any loan made under this
25 section.

1 “(g) LIMITATION ON TOTAL AMOUNT OF LOAN.—
2 The cumulative dollar amount of a loan made to an eligible
3 hospital under this section may not exceed \$1,000,000.

4 “(h) PENALTIES.—The Administrator of the Health
5 Resources and Services Administration shall establish pen-
6 alties to which an eligible hospital receiving a loan under
7 this section would be subject if such hospital is in violation
8 of any of the criteria described in subsection (c)(1).

9 “(i) REPORTS.—Not later than January 1, 2014, and
10 annually thereafter (before January 2, 2020), the Admin-
11 istrator of the Health Resources and Services Administra-
12 tion shall submit to Congress a report on the efficacy of
13 the program under this section in increasing the number
14 of residents practicing in each medical specialty described
15 in subsection (c)(1)(C) during such year and the extent
16 to which the program resulted in an increase in the num-
17 ber of available practitioners in each of such medical spe-
18 cialties that serve medically underserved populations.

19 “(j) FUNDING.—

20 “(1) AUTHORIZATION OF APPROPRIATIONS.—
21 For the purpose of providing amounts for loans
22 under this section, there are authorized to be appro-
23 priated \$25,000,000 for the period of fiscal years
24 2010 through 2020.

1 “(2) AVAILABILITY.—Amounts appropriated
2 under paragraph (1) shall remain available until ex-
3 pended.

4 “(3) REPAID LOAN AMOUNTS.—Any amount re-
5 paid by, or recovered from, an eligible hospital under
6 this section on or before the date of termination de-
7 scribed in subsection (k) shall be credited to the ap-
8 propriation account from which the loan amount in-
9 volved was originally paid. Any amount so credited
10 shall be available only for the purpose of carrying
11 out the loan program under this section. Any
12 amount repaid by, or recovered from, such a hospital
13 under this section after such date shall be credited
14 to the general fund in the Treasury.

15 “(k) TERMINATION OF PROGRAM.—No loan may be
16 made under this section after December 31, 2019.”.

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