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ABSTRACT

The Comprehensive Health Manpower Training Act of 1971 significantly amends the Health Professions Educational Assistance Programs contained in the Public Health Service Act. Originally authorized by the Health Professions Education Assistance Act of 1963, the programs provide Federal financial assistance to schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, and public health. The purpose of this report is to describe the legislative history of the Comprehensive Health Manpower Training Act of 1971 and to analyze its major provisions. Part 1 summarizes the major legislative programs enacted since 1963 that authorized Federal assistance for health professions education. Part 2 outlines the major health manpower bills introduced in the 92nd Congress to extend the HPEA programs in existing law. Parts 3 and 4 describe House and Senate Action on these bills, and Part 5 discusses in detail the major provisions and substantive changes in the particular programs authorized by the enactment of the Comprehensive Health Manpower Training Act of 1971. (Author/HS)

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THE COMPREHENSIVE HEALTH MANPOWER TRAINING  
ACT OF 1971: LEGISLATIVE HISTORY AND  
ANALYSIS OF MAJOR PROVISIONS

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THE COMPREHENSIVE HEALTH MANPOWER TRAINING ACT OF 1971:  
LEGISLATIVE HISTORY AND ANALYSIS OF MAJOR PROVISIONS

INTRODUCTION

The Comprehensive Health Manpower Training Act of 1971 (Public Law 92-157) significantly amends the Health Professions Educational Assistance programs contained in title VII of the Public Health Service Act. Originally authorized by the Health Professions Education Assistance Act of 1963, the programs provide Federal financial assistance to schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, and public health.

P.L. 92-157 extends the HPEA programs for three years with major modifications. The purpose of this report is to describe the legislative history of the Comprehensive Health Manpower Training Act of 1971 and to analyze its major provisions.

Part I summarizes the major legislative programs enacted since 1963 that authorized Federal assistance for health professions education. Part II outlines the major health manpower bills introduced in the 92nd Congress to extend the HPEA programs in existing law. Parts III and IV describe House and Senate action on these bills. Part V discusses in detail the major provisions and substantive changes in the particular programs authorized by the enactment of the Comprehensive Health Manpower Training Act of 1971.

## I. PREVIOUS LEGISLATION

### Health Professions Educational Assistance of 1963 (P.L. 88-129)

P.L. 88-129 authorized 2 programs to provide Federal support for health professions education: a construction grant program and student loan program.

The construction grant program authorized Federal matching grants to assist in the construction of teaching facilities for schools of medicine, osteopathy, dentistry, public health, optometry, pharmacy, podiatry, and professional nursing. Federal grants to construct new teaching facilities or to expand existing ones could not exceed two-thirds of the cost of the project. Other grants (i.e. for alteration or renovation) could not exceed 50%. However, under the provisions of the law, schools of public health could receive a Federal matching grant covering up to 75% of construction costs. Under the student loan program, eligible students of medicine, osteopathy, and dentistry could borrow up to \$2,000 annually. Loans were repayable within 10 years, beginning 3 years after graduation.

### 1964 Amendments (P.L. 88-654)

P.L. 88-654 amended the Health Professions Educational Assistance Act to extend the student loan program to eligible optometry students.

Health Professions Education Assistance Amendments of 1965 (P.L. 89-290)

P.L. 89-290 extended the construction and student loan programs for 3 years through fiscal year 1969. Appropriation authorizations were increased and provisions of the student loan program were modified. Two new programs--educational improvement grants and scholarship grants--were added.

Major amendments to the student loan program included:

- extending the loan program to eligible students of pharmacy and podiatry;
- increasing the maximum student loan to \$2,500 annually;
- authorizing a loan forgiveness program to enable students of medicine, dentistry, and optometry to cancel up to 50 percent of their title VII loans for service in a shortage area.

The 1965 amendments also authorized a scholarship grant program to schools of medicine, osteopathy, dentistry, optometry, pharmacy and podiatry for students needing financial assistance. The amount of a school's grant was determined by a statutory formula.

Two types of educational improvement grants were authorized to schools of medicine, osteopathy, dentistry, optometry, and podiatry--basic and special. Basic improvement grants, determined by a statutory formula, went to all schools meeting accreditation standards and fulfilling a

requirement for enrollment expansion. Special improvement grants were authorized to contribute to accreditation or to the provision or maintenance of a school's special functions. Authorizations for the appropriations of the basic and special improvement programs grants were combined.

Veterinary Medical Education Act of 1966 (P.L. 89-709)

P.L. 89-709 broadened the construction grant program and student loan program to include eligible schools and students of veterinary medicine.

Allied Health Professions Personnel Training Act of 1966 (P.L. 89-751)

P.L. 89-751 established a health professions student loan revolving fund. The loan forgiveness program was amended to allow students of medicine, dentistry, and optometry to cancel up to 100 percent of their title VII loans for service in a rural area characterized by low-family income.

The Health Manpower Act of 1968 (P.L. 90-490)

P.L. 90-490 significantly amended the title VII Health Professions Educational Assistance programs. The construction, institutional and

special project,<sup>1/</sup> student loan, and scholarship programs were extended for two years.

Other major amendments to the programs included:

- authorizing an increase in the Federal share of "other" costs of construction (i.e., construction of other than new or major expansions of teaching facilities) from the 50 percent maximum to a 66 2/3 percent maximum if special circumstances existed;
- revising the formula for determining institutional grants;
- extending eligibility for institutional grants and special project grants to schools of pharmacy and veterinary medicine;
- clarifying and broadening the purposes of the special project grant program;
- extending the scholarship program to eligible schools and students of veterinary medicine;
- redefining those students eligible to participate in the scholarship program as those who are "in exceptional financial need who need such assistance to pursue a course of study."

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<sup>1/</sup> P.L. 90-490 changed the names of the basic and special improvement grants programs to the institutional (formula) and special project grants programs.

II. MAJOR LEGISLATION PROPOSED IN THE 92D CONGRESS TO AMEND TITLE VII  
HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE PROGRAMS

On June 30, 1971, authorizations for title VII Health Professions Educational Assistance programs expired. A variety of legislative proposals were introduced in the 92d Congress to extend and broaden the expiring programs. Major bills under consideration in the House included:

- H.R. 4155, the Comprehensive Health Manpower Training Act of 1971, introduced by Mr. Rogers, Chairman of the Subcommittee on Public Health and Environment (for himself and others), on February 10, 1971;
- H.R. 4171, the Health Professions Educational Assistance Amendments of 1971, introduced by Mr. Staggers, Chairman of the Committee on Interstate and Foreign Commerce, on February 10, 1971; and
- H.R. 5614, the Health Manpower Assistance Act of 1971, introduced by Mr. Staggers (for himself and Mr. Springer) on March 4, 1971, at the request of the Administration.

The House bills were referred to the Committee on Interstate and Foreign Commerce, Subcommittee on Public Health and Environment.

In the Senate, major health manpower bills introduced included:

- S. 934, the Health Professions Educational Assistance Amendments of 1971, introduced by Mr. Kennedy, Chairman of the Subcommittee on Health (for himself and Mr. Williams), on February 24, 1971, (identical to H.R. 4171); and
- S. 1183, the Health Manpower Assistance Act of 1971, introduced by Mr. Javits (for himself and others) on March 10, 1971, at the request of the Administration (identical to H.R. 5614).

The Senate bills were referred to the Subcommittee on Health, Committee on Labor and Public Welfare.

Each bill offered alternative proposals to amend the existing law. The following outlines briefly their major amendments.

H.R. 4155, the Comprehensive Health Manpower Training Act of 1971

H.R. 4155 proposed to extend the HPEA programs in existing law for 3 years. The Federal share of construction costs for new schools and for major expansions of existing facilities would be increased to 75%. For all other construction (except schools of public health) the Federal share was not to exceed 66 2/3 percent. The bill would not authorize an extension of the construction grant program for health research facilities (Part A of title VII of the Public Health Service Act, originally authorized by Section 2(a) of P.L. 88-129).

The maximum amount of a student loan would be increased to \$3,500. The bill would revise the loan cancellation program in existing law by authorizing the Secretary to pay in full any outstanding educational loan (plus interest) of physicians, dentists, optometrists, and podiatrists who enter into an agreement to practice for three years in an area designated by a State as a shortage area.

The institutional and special project grant programs would be authorized separately. The bill would revise the formula for determining the annual amount of a school's institutional grant. A new formula, based on per capita student enrollment would be established (see Table 1). In addition, the enrollment expansion requirement--a prerequisite for receiving an institutional grant--would be increased. H.R. 4155 also broadened the purposes for which special project grants could be received. Up to 50 percent of the funds appropriated for special project grants (in any fiscal year) could be used to aid schools in financial distress. The formula for determining the amount of a school's scholarship grant would be revised and the maximum amount of a scholarship would be raised to \$3,500 annually.

H.R. 4155 would add a new grant program to provide for traineeships and fellowships for the advanced training of individuals who teach in the various fields of the health professions.

H.R. 4171/S. 934, The Health Professions Educational Assistance Amendments of 1971

H.R. 4171/S. 934 proposed to extend title VII HPEA programs for five years. The Federal share of construction costs would be increased to a maximum of 75 percent unless it was determined that unusual circumstances existed, in which case, the Federal share could be increased to 85 percent. Like H.R. 4155, the legislation did not authorize an extension of the construction grant program for health research facilities (Part A of title VII).

The maximum amount of a student loan would be increased to \$3,500 annually. Pharmacists, podiatrists, and veterinarians would become eligible to participate in the loan forgiveness program.

Authorizations for institutional (formula) grants and special project grants would be separated. The formula for determining the amount of a school's institutional grant would be revised. Similar to H.R. 4155, the formula would be based on per capita student enrollment (see Table 1). The enrollment expansion requirement in existing law would not be retained. The purposes of special project grants would be broadened. Scholarships would be raised to a maximum of \$3,500 annually and the formula for determining amount of the school's scholarship grant would be revised.

H.R. 5614/S. 1183, The Health Manpower Assistance Act of 1971

On February 18, 1971, President Nixon sent his health message to Congress containing his recommendations and proposals for a program of health legislation. (See House Document Number 92-49 or Congressional Record; February 18, 1971, pages S1496-S1502.)

H.R. 5614/S. 1183 contained the Administration's recommendations and proposals to reorganize existing title VII HPEA programs. The bill would extend, with revisions, the programs for three years.

The construction program for health professions teaching facilities would become part of a single consolidated construction program that would provide also grants to assist in the construction of nurse training facilities; allied health teaching facilities; health research facilities; and medical library facilities. The Federal share of construction costs could not exceed 67 percent.

A new authority would be added to the construction program for the Federal guarantee of loans made by non-Federal lenders to private non-profit institutions with approved construction projects. A new authority would also be provided for interest subsidies to be paid on behalf of private nonprofit institutions having guaranteed loans.

The Administration bill proposed to replace the existing student loan program by amending title IV of the Higher Education Act to make special provisions for students of the health professions. Students of medicine, osteopathy, dentistry, optometry, pharmacy, podiatry, and veterinary medicine could borrow up to a maximum of \$5,000 annually under the Federal Guaranteed Student Loan Program. The loan cancellation program would be revised. The Secretary would be authorized to cancel up to \$5,000 of any unpaid loan made to borrowers who practiced general, family, internal or pediatric medicine (or, if prescribed by the Secretary, students

who practiced other aspects of medicine, osteopathy, dentistry, optometry, pharmacy, podiatry, or veterinary medicine) in medically underserved areas.

In addition, the Secretary could forgive all or any part of the loan of a health professions student from a low income or disadvantaged family who is in exceptionally needy circumstances and has failed to complete his studies.

The bill would replace the institutional (formula) grant program for schools of medicine, osteopathy, dentistry, pharmacy, optometry, podiatry, and veterinary medicine with a new program of capitation grants for schools of medicine, osteopathy, and dentistry only.

Unlike H.R. 4155 and H.R. 4171/S. 934, the formula would be based on the per capita number of graduates, rather than those enrolled (see Table 1). Special provisions would be made for new schools that have not yet graduated students and for schools undertaking enrollment increases. However, no expansion of enrollment would be required to receive a capitation grant.

The Administration proposed separate authorities for special project grants, respectively, for (1) schools of medicine, osteopathy, and

dentistry; (2) schools of optometry, pharmacy, podiatry, and veterinary medicine; and (3) financial distress grants for all seven disciplines.

Under each of the separate authorities the present purposes of the special project grant program would be continued and broadened.

A new program of special project grants for Health Manpower Education Initiative Awards would be authorized.

The Administration bill would continue the scholarship grant program in existing law for schools of medicine, osteopathy, and dentistry. However, the Secretary would be given discretionary authority to make scholarship grants to schools of optometry, pharmacy, podiatry, and veterinary medicine if he determined that such grants fulfilled a national need for such practitioners. The Secretary would be required to promulgate regulations prescribing priorities to be followed in making such grants. The formula for determining the amount of the scholarship grant would be revised, as would be the eligibility requirements for students who wished to participate in the program.

Table 1

Comparison of Capitation Formulas as Authorized by  
H.R. 4155, H.R. 4171/S. 934, and H.R. 5614/S. 1183

H.R. 4155	H.R. 4171/S. 934	H.R. 5614/S. 1183
<p>\$3,500 times the number of full-time students enrolled in each school.</p>	<p>1) \$50,000 base grant for each school, plus:</p> <p>2) \$5,000 times the number of full-time students enrolled in schools of medicine, osteopathy, and dentistry.</p> <p>3) \$3,500 times the number of full-time students enrolled in schools of optometry, podiatry, and veterinary medicine; and</p> <p>4) \$2,000 times the number of full-time students enrolled in schools of pharmacy.</p>	<p>1) \$6,000 for each graduate of a school of medicine, osteopathy, and dentistry;</p> <p>2) For new schools which have not yet graduated students:</p> <p>--Three year schools would be entitled to \$2,000 for each full-time first and second-year student</p> <p>--Schools with a course of study four years or longer would be entitled to \$1,500 for each first, second, and third-year full-time student</p> <p>--Two year schools would be entitled to \$1,500 for each first or second year full-time student.</p> <p>Schools undertaking enrollment increases are entitled to advances on capitation grants, for students enrolled in any year class (and who will graduate) in excess of the number who will graduate in the year for which the grant is made.</p> <p>--A three year school would be entitled to \$2,000 for each such student.</p> <p>--A school with a four year or longer course of study would be entitled to \$1,500 for each such student.</p>

### III. HOUSE ACTION ON PROPOSED LEGISLATION TO EXTEND TITLE VII HPEA PROGRAMS

The House Subcommittee on Public Health and Environment, Committee on Interstate and Foreign Commerce held nine days of public hearings on H.R. 4155, H.R. 4171, and H.R. 5614 (and similar bills). The hearings, which took place on April 2, 3, 20, 21, 22, 23, 27, 28, and 29, 1971, also considered H.R. 703 (and similar bills) and H.R. 4145. H.R. 703, a bill to encourage medical personnel to practice in shortage areas, would authorize the Secretary to repay in full the educational debt of any physician, dentist, or optometrist who agreed to practice for three years in a shortage area. H.R. 4145 proposed to establish a national health manpower commission.

On May 20, 1971, Mr. Rogers, Chairman of the Subcommittee on Public Health and Environment (for himself and a majority of the members of the Subcommittee) introduced H.R. 8629, the Comprehensive Health Manpower Training Act of 1971. On June 9, 1971, the Committee on Interstate and Foreign Commerce issued its report on the bill, with amendments, and recommended that the House adopt H.R. 8629 as modified by the Committee (See House Report 92-258).

In brief, H.R. 8629 proposed to extend for three years with major modifications the title VII Health Professions Educational Assistance programs. The proposed legislation:

...continued the authority for grants for construction of health research and teaching facilities and added new authority to guarantee, and pay interest subsidies on, loans for teaching facilities construction;

...replaced the present formula grant program for schools of medicine, osteopathy, dentistry, optometry, pharmacy, podiatry, or veterinary medicine with new capitation grants, substantially increasing support for those institutions;

...continued and significantly strengthened the authority for special projects to schools of these health professions, (including special provision for schools in financial distress);

...added new authority for "start-up" grants for new schools of medicine, osteopathy, or dentistry;

...continued the authority for health professions student loans and provided for partial repayment of these and other professional education loans for three years of service in shortage areas;

...extended programs of scholarships for health professions students with amendments which would increase the maximum allowable scholarship amount and would direct aid to the neediest students;

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...added new authority for training teachers in the fields of the various health professions;

...added a new program of grants to hospitals and other health or educational entities for training in family medicine; and

...added major new authority for Health Manpower Education Initiative Awards directed toward solution of critical health manpower problems.

TABLE 2

Cost of H.R. 8629,  
As Reported by the Committee on Interstate and Foreign Commerce

ESTIMATED NEW OBLIGATIONAL AUTHORITY REQUIRED FOR FISCAL YEARS 1972-74 UNDER COMPREHENSIVE  
HEALTH MANPOWER TRAINING ACT, 1971

(In millions of dollars)

Program description	Fiscal year--			Total
	1972	1973	1974	
Project grants for teaching personnel.....	10.0	15.0	20.0	45.0
Family practice grants to hospitals.....	25.0	35.0	40.0	100.0
Construction:				
Grants.....	225.0	250.0	275.0	750.0
Interest subsidy.....	8.0	16.0	24.0	48.0
Capitation grants.....	245.0	264.0	343.0	852.0
Start-up grants.....	10.0	10.0	10.0	30.0
Special projects.....	118.0	138.0	154.0	410.0
Health manpower education initiative awards.....	45.0	90.0	135.0	270.0
Student loans.....	40.0	45.0	50.0	135.0
Scholarships.....	* 28.6	* 31.0	* 43.0	102.6
<b>Total.....</b>	<b>754.6</b>	<b>914.0</b>	<b>1,096.0</b>	<b>2,804.6</b>

\* Formula: Amount indicates the estimated requirement for full funding the statutory formula for allocation of funds among schools ( $\$1,000 \times 1/10$  the number of full-time students).

\* Formula: Amounts indicate estimated requirements for full funding the statutory formula for allocation of funds among schools ( $\$1,000 \times$  the number of full-time students from low-income backgrounds).

On July 1, 1971, the House passed H.R. 8629, as reported by the Committee on Interstate and Foreign Commerce, by a record vote of 343 yeas to 3 nays; one floor amendment, designed to prohibit sex discrimination in the admission of individuals to health training programs, was agreed to. (For debate, See Congressional Record; July 1, 1971: H6232-H6259.)

IV. SENATE ACTION ON PROPOSED LEGISLATION TO EXTEND TITLE VII HPEA PROGRAMS

The Senate Subcommittee on Health of the Committee on Labor and Public Welfare held hearings on S. 934 (H.R. 4171 in the House) and S. 1183 (H.R. 5614 in the House) on May 3, 7, and 10, 1971. In addition, S. 790, a bill to establish a family physician scholarship and fellowship program was considered.

On July 12, 1971, the Senate Committee on Labor and Public Welfare reported out S. 934, with amendments, recommending that the Senate adopt the legislation as modified by the Committee. (See Senate Report 92-251.)

S. 934, as reported, proposed to extend for five years, with significant modifications, existing title VII HPEA programs. In summary, the bill as reported would:

- ...Consolidate, extend, and increase the scope of grants for construction of health research, education, and library facilities; and establish an additional program of loan guarantees and interest subsidies for such construction;
- ...Extend and increase the maximum level of direct student loans, and student scholarships, and add a program for practice in medically underserved areas;

...Establish capitation grants based on enrollment to which health professions educational institutions are entitled.

...Add "new startup" grants for schools of medicine, dentistry and osteopathy, and grants for the conversion of existing 2-year medical schools to offer courses of study leading to the M.D. degree;

...Extend and broaden project grant authority to authorize Health Manpower Initiative Awards directed toward solution of critical health manpower problems;

...Establish a separate authority for grants to schools in financial distress;

...Establish awards based on enrollment for graduate medical and dental education;

...Add a new program of grants to hospitals and other health or educational entities for training in family medicine;

...Add a new program of grants to capitalize on the potential of computer technology for extending health manpower capability;

...Add several programs aimed at bringing manpower to medically underserved areas; and

...Direct studies of the costs of educating health manpower and hospital construction.

TABLE 3

Cost of S. 934, As Reported;  
Senate Committee on Labor and Public Welfare Estimates

(Pursuant to Section 252 of the Legislative Reorganization Act of 1970, the Committee's estimates of the bill are as follows:)

(in millions of dollars)

	1971	1973	1974	1975	1976	Total
Construction grants.....	200.0	225.0	250.0	275.0	300.0	1,250.0
Guarantees.....	8.0	16.0	24.0	32.0	40.0	120.0
Student loans.....	60.0	65.0	70.0	75.0	80.0	350.0
Institutional support.....	428.0	439.5	462.5	486.5	513.5	2,328.0
Conversion of 2-year schools.....	22.5					22.5
New school awards.....	10.0	10.0	10.0	10.0	10.0	50.0
Special project and manpower initiative awards.....	150.0	165.0	180.0	195.0	210.0	900.0
Scholarships.....	40.0	41.0	45.0	46.0	48.0	220.0
Financial distress.....	50.0	40.0	30.0	20.0	10.0	150.0
Post graduate education.....		15.0	30.0	45.0	50.0	140.0
Family medicine.....	25.0	40.0	55.0	70.0	85.0	275.0
Computer technology.....	25.0	25.0	25.0	25.0	25.0	125.0
Shortage area scholarships.....	2.5	3.0	3.5	4.0	4.5	17.5
<b>Totals.....</b>	<b>1,019.0</b>	<b>1,064.5</b>	<b>1,185.0</b>	<b>1,283.5</b>	<b>1,378.0</b>	<b>5,848.0</b>

† Estimates based on best available information on numbers of schools and entering class sizes.

Note: No estimates of the costs of the bill were submitted by Federal agencies.

On July 14, 1971, the Senate debated S. 934, as reported by the Committee on Labor and Public Welfare (for debate see Congressional Record, July 14, 1971, pages S10986-S11051). Six floor amendments were added, as follows:

- ...an amendment prohibiting sex discrimination in health training schools;
- ...an amendment to authorize loans and scholarships to U.S. medical students studying abroad;
- ...an amendment to establish and operate programs in the science of nutrition in schools of medicine and osteopathy (or, if applicable, in other health professions schools);

...an amendment to authorize advance funding of programs under Sections 306 and 309 (public health training); title VII and title VIII of the Public Health Service Act;

...an amendment to exempt physicians, osteopaths, and dentists from the military draft if they agree to serve four years in a shortage area;

...an amendment to the Federal Employees Health Benefits Act of 1969 to put individual practice prepayment plans on an equal basis with group practice prepayment plans by eliminating the experience requirement.

After amending S. 934, the Senate considered H.R. 8629, as passed by the House. By a unanimous vote of 88 yeas the Senate passed H.R. 8629 after striking out all provisions after the enacting clause and inserting instead the provisions of S. 934, as amended.

The Senate insisted on its version of H.R. 8629 and requested a conference with the House. On July 19, 1971, the House disagreed to the Senate amendments to H.R. 8629 and agreed to the conference requested by the Senate.

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The Committee of Conference issued its report on the Senate's amendments to H.R. 8629 on October 19, 1971 (See House Report 92-578 or Senate Report 92-398). The Senate adopted the report of the Committee of Conference on October 19, 1971. The House adopted it on November 9, 1971. The legislation was sent to the President for his signature. On November 18, 1971, President Nixon signed the Comprehensive Health Manpower Training Act of 1971 into law (P.L. 92-157).

V. ANALYSIS OF MAJOR PROVISIONS OF P.L. 92-157, THE COMPREHENSIVE HEALTH  
MANPOWER TRAINING ACT OF 1971

A. Construction Assistance:

1. Construction Grant Authorization. Extends for three years the grant assistance provided for the construction of research and teaching facilities for health professions personnel (i.e., physicians, osteopaths, dentists, pharmacists, optometrists, podiatrists, veterinarians, and professional public health personnel).
2. Loan Guarantee and Interest Subsidy Authorization.
  - a. Loan Guarantees--Authorizes a new three year program (fiscal year 1972 - fiscal year 1974) to Federally guarantee loans made by non-Federal lenders to assist non-profit private eligible entities to carry out approved construction projects. A loan guarantee can not apply to any amount which, when added to any other Federal grant for such construction, would exceed 90 percent of the cost, nor can it apply to more than 90 percent of the loss of principal and interest.
  - b. Interest Subsidies--Adds a new authority for three years (fiscal year 1972 - fiscal year 1974) for payment of interest subsidies on behalf of non-profit private entities which are eligible for construction grants and have loans (not limited to loans that are Federally guaranteed) to construct teaching facilities.

Such subsidies would be paid to the lender, on behalf of the entity that received the loan, in amounts sufficient to reduce by not more than three percent per year the net effective interest rate otherwise payable on such loan.

3. Authorization of Appropriations.

a. Grants--

- (1) \$225 million for fiscal year 1972;
- (2) \$250 million for fiscal year 1973; and
- (3) \$275 million for fiscal year 1974.

b. Interest Subsidies--

- (1) \$8 million for fiscal year 1972;
- (2) \$16 million for fiscal year 1973; and
- (3) \$24 million for fiscal year 1974.

4. Federal Share. Amends existing law to increase the Federal share of construction costs for schools of the health professions (except for schools of public health).<sup>2/</sup> Provides that the Federal share may not exceed 80 percent for:

- (a) new school projects;
- (b) projects for new facilities for existing schools that provide a major expansion of training capacity;

<sup>2/</sup> Existing law provides that the Federal Share of construction costs for schools of public health may not exceed 75 percent of the necessary costs of construction. P.L. 92-157 does not change this provision.

- (c) major remodeling projects needed to meet an increase in student enrollment; and
- (d) in cases of unusual circumstances (such as a school located in a geographic area of the United States with a critical shortage of health professions manpower).

For any other project, the Federal share may not exceed 70 percent.

5. Eligible Applicants.

- a. Grant Program--Amends existing law by authorizing that combinations of schools of medicine, osteopathy, dentistry, veterinary medicine, public health, pharmacy, optometry, and podiatry applying for grants to construct facilities are eligible applicants.
- b. Loan Guarantee and Interest Subsidy Program--Provides that any non-profit private school eligible for the construction grant program may be eligible for the loan guarantee and interest subsidy program.

B. INSTITUTIONAL SUPPORT

- 1. Capitation Grants. Authorizes a new program of capitation grants to schools of medicine, osteopathy, dentistry, veterinary, medicine, optometry, podiatry, and pharmacy replacing the program of institutional (formula) grants. Capitation grants are to be used to support educational programs. No funds under any other section of the Public Health Service Act may be used for capitation grants.

a. Capitation Grants--Authorization of Appropriations--

(1) For schools of medicine, osteopathy, and dentistry:

- a. \$200 million for fiscal year 1972;
- b. \$213 million for fiscal year 1973; and
- c. \$238 million for fiscal year 1974.

(2) For schools of veterinary medicine, optometry, pharmacy, and podiatry:

- a. \$34 million for fiscal year 1972;
- b. \$37 million for fiscal year 1973; and
- c. \$41 million for fiscal year 1974.

b. Capitation Grants--Formulas--

(1) Base Grants for Small Medical, Osteopathic, and Dental

Schools--Provides that for each of two consecutive fiscal years, a \$50,000 base grant is to be added to the capitation grant of a school that has a first-year class enrollment of 50 or less in the first fiscal year in which the school received the capitation grant.

(2) Schools of medicine, osteopathy, and dentistry--Provides

for the amount of the annual capitation grant to be determined as follows--

- a. \$2,500 for each full-time student enrolled in the first, second, or third year of a program;

- (b) \$4,000 for each student who will graduate in more than three years in such year;
  - (c) \$6,000 for each student who will graduate in no more than three years in such year;
  - (d) \$1,000 for each student who is enrolled in a training program for physicians' assistants or dental therapists;
  - (e) \$1,000 for each member of a class which meets certain increased enrollment requirements (limited to \$150,000 per class per year); and
  - (f) Each two-year school of medicine shall receive \$2,500 for each full-time student enrolled and \$1,000 for each enrollment bonus student enrolled (limited to \$150,000 per class per year);
- (3) Schools of Veterinary Medicine--Provides for the amount of capitation grant to be determined as follows:
- (a) \$1,750 times each student enrolled; and
  - (b) \$700 for each member of a class that meets certain increased enrollment requirements (limited to \$150,000 per class per year).
- (4) Schools of Optometry--Provides for the amount of the capitation grant to be determined as follows:
- (a) \$800 times each student enrolled; and
  - (b) \$320 for each member of a class which meets certain increased enrollment requirements (limited to \$150,000 per class per year).

(5) Schools of Pharmacy--Provides for the amount of the capitation grant to be determined as follows:

(a) \$800 for each student enrolled (except in the case of a school with a training program of more than four years, then \$800 times each student enrolled in the last four years of such program); and

(b) \$320 for each member of a class which meets certain increased enrollment requirements (limited to \$150,000 per class per year).

(6) Schools of Podiatry--Provides for the amount of the capitation grant to be determined as follows:

(a) \$800 times each student enrolled; and

(b) \$320 for each member of a class which meets certain increased enrollment requirements (limited to \$150,000 per class per year).

c. Capitation Grants--Application Requirements--

(1) Enrollment Increase Requirement--Requires applicant to assure the Secretary that for the first school year beginning after the close of the fiscal year in which a capitation grant is made, and for each school year thereafter for which a capitation grant is made, the first-year student enrollment will exceed the number of such students enrolled in the school year which began in fiscal year 1971 by at least:

(a) 10 percent, if the enrollment was 100 or less; or

- b. 5 percent or 10 students, whichever is greater, if the enrollment was more than 100.

Provides for a waiver of the enrollment increase requirement if, because of limited physical facilities or other relevant factors, the enrollment increase would lead to lowering the quality of training.

- (2) Required Plan--Provides that an application for a capitation grant must contain a plan to carry out by the end of the school year to which the application relates, programs or projects in at least three of the following nine categories;
- (a) To effect significant curriculum improvements;
  - (b) To establish inter-cooperative inter-disciplinary training programs;
  - (c) To train for new roles, types or levels of health personnel;
  - (d) To make innovative modifications in existing health profession educational programs;
  - (e) To significantly increase the supply of adequately trained health personnel;
  - (f) To increase emphasis at schools of medicine, osteopathy, and dentistry on clinical pharmacology; on drugs and alcohol use and abuse; on assessment of efficiency of various therapeutic regimens; and (for schools of medicine and osteopathy only) on nutrition;

- (g) To increase emphasis at schools of pharmacy on clinical pharmacy drug use and abuse and clinical pharmacology;
- (h) To increase admission, enrollment and retention of individuals who, due to socio-economic factors, are financially or educationally disadvantaged; and
- (i) To train primary health care professionals particularly in family medicine.

d. Capitation Grants--Start-Up Grants for New Schools of Medicine, Osteopathy, and Dentistry--

- (1) Authorization--Authorizes a new three-year program (fiscal year 1974) of start-up assistance for new schools of medicine, osteopathy, and dentistry. Authorizes to be appropriated--
  - (a) \$10 million for fiscal year 1972;
  - (b) \$10 million for fiscal year 1973; and
  - (c) \$10 million for fiscal year 1974.
- (2) Eligible Applicants--Provides that to be eligible for a start-up grant, a new school must begin instruction after November 18, 1971 (the date of enactment) and the first class enrollment must be at least 24.
- (3) Amount of Grant--Provides that the Secretary may determine the amount of the start-up grant. However, the amount may not exceed--

- (a) in the year preceding the first year, the new school admits students, \$10,000 times the number of full-time students the Secretary estimates will be enrolled in the first year;
- (b) in the first year, \$7,500 times the number of full-time students the Secretary estimates will be enrolled in the first year;
- (c) in the second year, \$5,000 times the number of full-time students enrolled; and
- (d) in the third year, \$2,500 times the number of full-time students enrolled.

e. Capitation Grants--Conversion of Two-Year Schools of Basic Medical Sciences--Provides that a two-year school of basic medical sciences shall be entitled to one grant equal to \$50,000 times the number of medical students to be enrolled in its first third-year class if the two-year school intends to convert to a school of medicine and if it is affiliated with an accredited hospital. Requires that an application for conversion be submitted to the Secretary before July 1, 1974, and that the school enrolls a third-year class no later than the school year beginning in fiscal year 1975.

2. INSTITUTIONAL GRANTS--Special Project Grants and Contracts: Authorizes a three-year program (fiscal year 1972 - fiscal year 1974) of special project grants and contracts--

a. Special Projects--Authorization of Appropriations.

- (1) \$118 million for fiscal year 1972;
- (2) \$138 million for fiscal year 1973; and
- (3) \$156 million for fiscal year 1974.

b. Special Projects--Purpose of Projects. Provides that special project grants may be made for the following--

- (1) curriculum improvement;
- (2) cooperative inter-disciplinary training programs among schools of the health professions;
- (3) training new kinds of personnel;
- (4) innovative educational programs;
- (5) research in health education;
- (6) improving the supply or distribution of health personnel;
- (7) promote training in medical, osteopathic, and dental schools in the science of clinical pharmacology, the prevention, diagnosis, treatment and rehabilitation of alcoholism and drug dependence, and the assessment of the efficacy of various therapeutic regimens; or increase training and research in the science of human nutrition;
- (8) train students likely to practice in rural or other shortage areas;
- (9) increase enrollment of minority or low-income students;
- (10) plan experimental teaching programs or facilities;

- (11) traineeships for students training under a preceptor in family medicine, pediatrics, internal medicine or other health fields, or in rural or other shortage areas;
- (12) utilize health personnel more efficiently through computer technology; and
- (13) utilization of the team approach to the organization and delivery of health services.

c. Special Projects--Grant Recipients. Provides that schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, and podiatry are eligible for special project grants.

d. Special Projects--Contractors. Provides that public or private health or educational entities are eligible for special projects contracts.

3. INSTITUTIONAL GRANTS--Financial Distress Grants for Health Professions Schools. Authorizes a new three-year program (fiscal year 1972 - fiscal year 1974) of grants to assist schools of the health professions in financial distress to meet costs of operation or to meet accreditation requirements.

a. Financial Distress Grants--Authorization of Appropriations.

- (1) \$20million for fiscal year 1972;
- (2) \$15 million for fiscal year 1973; and
- (3) \$10 million for fiscal year 1974.

Further provides that appropriations for financial distress grants shall be available for special projects when the Secretary determines that such appropriations will not be needed for distress purposes.

4. INSTITUTIONAL GRANTS--Health Manpower Education Initiative Awards

Authorizes a new three-year program (fiscal year 1972 - fiscal year 1974) of grants and contracts for Health Manpower Education Initiative Awards. Provides that such grants and contract are to be used to improve the distribution, supply, quality, utilization, and efficiency of health personnel and the health services delivery system. Provides that grants may be made to public or non-profit private health or educational entities. Provides that contracts may be made with public or private health or educational entities.

a. Authorization of Appropriations--

- (1) \$45 million for fiscal year 1972;
- (2) \$90 million for fiscal year 1973; and
- (3) \$135 million for fiscal year 1974.

b. Purposes of Health Manpower Education Initiative Awards--Provides

grants or contracts that may be made for projects or programs--

- (1) to encourage establishment or maintenance of programs to alleviate shortages of health personnel through training or retraining of health personnel in shortage areas;
- (2) to provide training programs leading to the more efficient use of health personnel;
- (3) to train personnel in the use of the team approach;

- (4) to initiate new types or patterns of training or improve training of health personnel;
- (5) to secure information for any project described above and for the enrollment in health professions schools of persons (including returning veterans) who due to socio-economic factors are financially or educationally deprived;

c. Additional Purposes--Provides that in addition to the above, grants may be made to public or non-profit private health or educational entities for special projects:

- (1) to identify and enroll persons who will practice health professions in rural areas or other shortage areas; and
- (2) to increase admission, enrollment, and retention of qualified individuals from minority or low-income groups.

Provides that not more than 15 percent (but not less than \$5 million) of the funds authorized for Health Manpower Education Initiative Awards shall be used for such grants.

C. STUDENT ASSISTANCE PROGRAMS

1. STUDENT ASSISTANCE--Student Loan Program. Extends the student loan program for three years (fiscal year 1972-fiscal year 1974).
  - a. Authorization of Appropriations.
    - (1) \$50 million for fiscal year 1972;
    - (2) \$55 million for fiscal year 1973; and
    - (3) \$60 million for fiscal year 1974.
  - b. Loan Ceiling. Increases the maximum amount of a student loan to \$3,500 annually.
  - c. Loan Repayment and Forgiveness.
    - (1) Replaces existing loan cancellation provisions. New provisions provide for cancellation or repayment of any title VII health professions student loan and any other loans for professional education if the borrower agrees to serve for at least 2 years in designated shortage areas at the rate of 30 percent for each of the first two years of such service and 25 percent for the third year of such service;

(2) Authorizes the Secretary to repay in whole, or in part, any loan made to a student of medicine, osteopathy, dentistry, optometry, podiatry, pharmacy, or veterinary medicine for his professional education, upon the determination of the Secretary that such student--

- (a) failed to complete studies leading to his first professional degree;
- (b) is from a low-income or disadvantaged background (as defined by regulations); and
- (c) has not resumed, or cannot reasonable be expected to resume, his professional studies within two years after termination.

b. Loans for Study Abroad - Authorizes loans to qualified

United States students studying in foreign medical schools on basically the same terms as loans are made to American medical students with three additional requirements--

- (1) students studying abroad must have a letter from an American medical school stating that they have met the qualification for admission but were not accepted because of space limitations;
- (2) students studying abroad after their third year must have passed part one of the National Board Examination and have applied for transfer to an American medical school; and

- (3) students studying abroad must provide assurances that they intend to return to the United States to practice for a period of not less than five years.

2. STUDENT ASSISTANCE--Scholarship Program. Extends the scholarship program for three years (fiscal year 1972-fiscal year 1974).

a. Formula for Determining the Amount of a School's Scholarship

Grant - Revises the formula for determining the amount of each school's annual scholarship grant. Provides that--

- (1) for fiscal year 1972, the amount of the grant shall be equal to \$3,000 times 1/10 of the number of full-time students enrolled; and
- (2) for fiscal year 1973 and fiscal year 1974, the amount of the grant shall be equal to \$3,000 times the number of full-time students enrolled who are from low-income backgrounds (as determined by regulation) or \$3,000 times 1/10 the number of full-time students enrolled (whichever is greater).

- b. Scholarship Ceiling--Increases the maximum amount of a scholarship to \$3,500, annually.
- c. Scholarships for Study Abroad--Authorizes scholarships to qualified United States students studying in foreign medical schools on basically the same terms as scholarships are made to American medical students with three additional requirements. (Same as the additional requirements described in section on Loans for Study Abroad. See above.)
- d. Scholarship Programs for Medical Students Who Will Practice in Physician Shortage Areas or Provide Care for Migrant Workers or Their Families--Authorizes a new program of scholarship grants to be made directly to medical students who agree to engage, after completion of their professional training, in the practice of primary health care in physician shortage areas or to engage in the practice of primary health care in which a substantial portion of the patients receiving care will be migratory agricultural workers or members of their families. The amount of any scholarship grant shall not exceed \$5,000 for any full academic year. For each year that

a scholarship is received there must be a year of the type of practice described above. If a student does not fulfill his obligation of service he must make repayment, with interest, within three years except if the Secretary waives such repayment in unusual circumstances. Authorizes to be appropriated for such grants--

- (1) \$2.5 million for fiscal year 1972
- (2) \$3 million for fiscal year 1973; and
- (3) \$3.5 million for fiscal year 1974;
- (4) For fiscal year 1975 and for each such succeeding fiscal year such sums as may be necessary are authorized to be appropriated to continue to make grants to those students who (prior to fiscal year 1975) received a scholarship and continue to remain eligible for one during such succeeding fiscal years.

D. OTHER PROGRAMS AND PROVISIONS

1. Grants for Health Professions Teaching Personnel. Authorizes a new three-year program of grants (fiscal year 1972-fiscal year 1974) to health professions schools for training at such schools or elsewhere and for traineeships, and fellowships for advanced

training of individuals who plan to teach or improve their teaching skills in the health professions fields. Not less than 75 percent of any grant to any school shall be used by the school for traineeships and fellowships. Authorizes to be appropriated for such grants--

- a. \$10 million for fiscal year 1972;
- b. \$15 million for fiscal year 1973; and
- c. \$20 million for fiscal year 1974.

2. Grants for Family Medicine. Authorizes a new three-year program of grants (fiscal year 1972--fiscal year 1974) for training programs, traineeships, and fellowships in the field of family medicine. Any public or nonprofit private hospital is eligible to apply for such grants. Authorizes to be appropriated for such grants--

- a. \$25 million for fiscal year 1972;
- b. \$35 million for fiscal year 1973; and
- c. \$40 million for fiscal year 1974.

3. Grants for Graduate Training Programs for Physicians and Dentists.

Authorizes a new two-year program (beginning in fiscal year 1973) of grants to accredited public or nonprofit private schools of medicine, osteopathy, dentistry or to public or nonprofit

private hospitals not affiliated with a school of medicine, osteopathy, or dentistry for the support of the educational costs of the first three years of an approved graduate training program in primary health care or any other field of health care which has a shortage of physicians and dentists (as defined by the Secretary). Provides that the amount of the grant is to be determined under a formula which provides \$3,000 for each physician and dentist enrolled in an approved training program. Authorizes to be appropriated for such grants--

- a. \$7.5 million for fiscal year 1973; and
- b. \$15 million for fiscal year 1974.

4. Grants for Computer Technology Health Care Demonstration Programs.

Authorizes a new three-year program of grants to--

- a. plan and develop computer laboratories which would establish computer-based systems to enable the utilization of modern computer technologies by physicians and other health personnel for the processing of biomedical information in the provision of health services; and
- b. research through computer technology the functions performed by physicians to determine those functions that could be appropriately transferred and performed by other properly trained personnel.

Authorizes to be appropriated for such grants--

- a. \$5 million for fiscal year 1972;
- b. \$10 million for fiscal year 1973; and
- c. \$15 million for fiscal year 1974.

5. The National Advisory Council on Health Professions Education.

Replaces the 2 existing national advisory councils which respectively, advise the Secretary on--

- a. the construction program under part B of title VII of the Public Health Service Act; and
- b. the institutional and special project grant program under part E and the scholarship program under part F of title VII of the Public Health Service Act.

The new council is to consist of 21 members (including the Secretary) of whom 4 shall be from the general public and 2 from among full-time students enrolled in health professions schools. The council will advise the Secretary with respect to programs under part B (construction assistance), part C (student loans),

part D (family medicine, post-graduate training programs for physicians and dentists, health professions teaching personnel, and computer technology), part E (institutional support and Health Manpower Education Initiative Awards) and part F (scholarships) of title VII of the Public Health Service Act.

6. Report to Congress. Requires a report to Congress by June 30, 1974, on the administration and impact of title VII of the Public Health Service Act on health manpower needs and requirements in the United States.
  
7. Study of Costs of Educating Students of the Various Health Professions. Requires studies to determine the national average per student cost of health professions and nursing schools to provide training for the first professional degree. Requires reports to be submitted describing such costs, defining such costs, defining national uniform standards for determining such costs in future years and describing the costs of implementing such standards in the health professions schools and recommending how the Federal government can most equitably make capitation awards to schools based on these costs.

8. National Health Manpower Clearing House. Establishes in the Department of Health, Education, and Welfare a National Health Manpower Shortage Clearing House to provide information to and maintain the listing of--
  - a. communities and areas with needs for health professionals; and
  - b. prospective health workers interested in service in such communities or areas.
  
9. Study of Federal Health Facilities Construction Costs. Requires the Comptroller General to complete a study within one year from the date of enactment (November 18, 1971) of the cost of constructing health facilities.
  
10. Assignment of Public Health Service Physicians to Certain Counties. Amends section 329 (a) of title III of the Public Health Service Act. Directs the Secretary to use his best efforts to provide each county now without the services of a physician physically residing within it, with at least one physician in the Public Health Service (except those counties so sparsely populated as

not to require such physician). Assignments are to be made to provide physicians within one year of date of enactment (November 18, 1971).

11. Sex Discrimination. Provides that grants, contracts, loan guarantees, or interest subsidies may not be made under title VII to any health professions school or allied health training center that discriminates in its admission's policy on the basis of sex.