

[DISCUSSION DRAFT]

115TH CONGRESS
1ST SESSION

H. R. _____

To amend title 38, United States Code, to make certain improvements in the Health Professionals Educational Assistance Program of the Department of Veterans Affairs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. RUTHERFORD introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title 38, United States Code, to make certain improvements in the Health Professionals Educational Assistance Program of the Department of Veterans Affairs, and for other purposes.

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

3 **[SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “_____ Act
5 of 2017”.]

1 **SEC. 2. DESIGNATED SCHOLARSHIPS FOR PHYSICIANS AND**
2 **DENTISTS UNDER DEPARTMENT OF VET-**
3 **ERANS AFFAIRS HEALTH PROFESSIONAL**
4 **SCHOLARSHIP PROGRAM.**

5 (a) SCHOLARSHIPS FOR PHYSICIANS AND DEN-
6 TISTS.—Section 7612(b) of title 38, United States Code,
7 is amended by adding at the end the following new para-
8 graph:

9 “(6)(A) Of the scholarships awarded under this sub-
10 chapter, the Secretary shall ensure that not less than 50
11 scholarships are awarded each year to individuals who are
12 accepted for enrollment or enrolled (as described in section
13 7602 of this title) in a program of education or training
14 leading to employment as a physician or dentist until such
15 date as the Secretary determines that the staffing short-
16 age of physicians and dentists in the Department is less
17 than 500.

18 “(B) After such date, the Secretary shall ensure that
19 of the scholarships awarded under this subchapter, a num-
20 ber of scholarships is awarded each year to individuals re-
21 ferred to in subparagraph (A) in an amount equal to not
22 less than ten percent of the staffing shortage of physicians
23 and dentists in the Department, as determined by the Sec-
24 retary.

25 “(C) Notwithstanding subsection (c)(1), the agree-
26 ment between the Secretary and a participant in the

1 Scholarship Program who receives a scholarship pursuant
2 to this paragraph shall provide the following:

3 “(i) The Secretary’s agreement to provide the
4 participant with a scholarship under this subchapter
5 for a specified number (from two to four) of school
6 years during which the participant is pursuing a
7 course of education or training leading to employ-
8 ment as a physician or dentist.

9 “(ii) The participant’s agreement to serve as a
10 full-time employee in the Veterans Health Adminis-
11 tration for a period of time (hereinafter in this sub-
12 chapter referred to as the ‘period of obligated serv-
13 ice’) of 18 months for each school year or part
14 thereof for which the participant was provided a
15 scholarship under the Scholarship Program.

16 “(D) In providing scholarships pursuant to this para-
17 graph, the Secretary may provide a preference for appli-
18 cants who are veterans.

19 “(E) On an annual basis, the Secretary shall provide
20 to appropriate educational institutions informational ma-
21 terial about the availability of scholarships under this
22 paragraph.”.

23 (b) BREACH OF AGREEMENT.—Section 7617 of such
24 title is amended—

1 (1) by redesignating paragraphs (4) and (5) as
2 paragraphs (5) and (6), respectively; and

3 (2) by inserting after paragraph (3) the fol-
4 lowing new paragraph (4):

5 “(4) In the case of a participant who is enrolled
6 in a program or education or training leading to em-
7 ployment as a physician, the participant fails to suc-
8 cessfully complete post-graduate training leading to
9 eligibility for board certification in a specialty.”.

10 (c) EXTENSION OF PROGRAM.—Section 7619 of such
11 title is amended by striking “December 31, 2019” and in-
12 serting “December 31, 2033”.

13 **SEC. 3. ESTABLISHING THE DEPARTMENT OF VETERANS**
14 **AFFAIRS SPECIALTY EDUCATION LOAN RE-**
15 **PAYMENT PROGRAM.**

16 (a) IN GENERAL.—Chapter 76 of title 38, United
17 States Code, is amended by inserting after subchapter VII
18 the following new subchapter:

19 **“SUBCHAPTER VIII—SPECIALTY EDUCATION**
20 **LOAN REPAYMENT PROGRAM**

21 **“§ 7691. Establishment**

22 “As part of the Educational Assistance Program, the
23 Secretary may carry out a student loan repayment pro-
24 gram under section 5379 of title 5. The program shall be
25 known as the Department of Veterans Affairs Specialty

1 Education Loan Repayment Program (in this chapter re-
2 ferred to as the ‘Specialty Education Loan Repayment
3 Program’).

4 **“§ 7692. Purpose**

5 “The purpose of the Specialty Education Loan Re-
6 payment Program is to assist, through the establishment
7 of an incentive program for certain individuals employed
8 in the Veterans Health Administration, in meeting the
9 staffing needs of the Veterans Health Administration for
10 physicians [*who are eligible to be board-certified*] in med-
11 ical specialties for which the Secretary determines recruit-
12 ment or retention of qualified personnel is difficult.

13 **“§ 7693. Eligibility; preference; covered costs**

14 “(a) ELIGIBILITY.—An individual is eligible to par-
15 ticipate in the Specialty Education Loan Repayment Pro-
16 gram if the individual—

17 “(1) is hired under section 7401 of this title to
18 work in an occupation described in section 7692 of
19 this title;

20 “(2) owes any amount of principal or interest
21 under a loan, the proceeds of which were used by or
22 on behalf of that individual to pay costs relating to
23 a course of education or training which led to a de-
24 gree that qualified the individual for the position re-
25 ferred to in paragraph (1); and

1 “(3) is—

2 “(A) recently graduated from an accredited
3 medical or osteopathic school and matched to
4 an accredited residency program in a medical
5 specialty described in section 7692 of this title;
6 or

7 “(B) a physician in training in a medical
8 specialty described in section 7692 of this title
9 with more than two years remaining in such
10 training.

11 “(b) PREFERENCE FOR VETERANS.—In selecting in-
12 dividuals for participation in the Specialty Education
13 Loan Repayment Program under this subchapter, the Sec-
14 retary may give preference to veterans.

15 “(c) COVERED COSTS.—For purposes of subsection
16 (a)(2), costs relating to a course of education or training
17 include—

18 “(1) tuition expenses;

19 “(2) all other reasonable educational expenses,
20 including expenses for fees, books, equipment, and
21 laboratory expenses; and

22 “(3) reasonable living expenses.

23 **“§ 7694. Specialty education loan repayment**

24 “(a) IN GENERAL.—Payments under the Specialty
25 Education Loan Repayment Program shall consist of pay-

1 ments for the principal and interest on loans described in
2 section 7682(a)(2) of this title for individuals selected to
3 participate in the Program to the holders of such loans.

4 “(b) FREQUENCY OF PAYMENT.—The Secretary
5 shall make payments for any given participant in the Spe-
6 cialty Education Loan Repayment Program on a schedule
7 determined appropriate by the Secretary.

8 “(c) MAXIMUM AMOUNT; WAIVER.—(1) The amount
9 of payments made for a participant under the Specialty
10 Education Loan Repayment Program may not exceed
11 \$160,000 over a total of four years of participation in the
12 Program, of which not more than \$40,000 of such pay-
13 ments may be made in each year of participation in the
14 Program.

15 “(2)(A) The Secretary may waive the limitations
16 under paragraph (1) in the case of a participant described
17 in subparagraph (B). In the case of such a waiver, the
18 total amount of payments payable to or for that partici-
19 pant is the total amount of the principal and the interest
20 on the participant’s loans referred to in subsection (a).

21 “(B) A participant described in this subparagraph is
22 a participant in the Program who the Secretary deter-
23 mines serves in a position for which there is a shortage
24 of qualified employees by reason of either the location or
25 the requirements of the position.

1 **“§ 7695. Choice of location**

2 “Each participant in the Specialty Education Loan
3 Repayment Program who completes residency may select,
4 from a list of medical facilities of the Veterans Health Ad-
5 ministration provided by the Secretary, at which such fa-
6 cility the participant will work in a medical specialty de-
7 scribed in section 7692 of this title.

8 **“§ 7696. Term of obligated service**

9 “(a) IN GENERAL.—In addition to any requirements
10 under section 5379(c) of title 5, a participant in the Spe-
11 cialty Education Loan Repayment Program must agree,
12 in writing and before the Secretary may make any pay-
13 ment to or for the participant, to serve as a full-time clin-
14 ical practice employee of the Veterans Health Administra-
15 tion for 12 months for every \$40,000 in such benefits that
16 the employee receives, but in no case for fewer than 24
17 months.

18 “(b) FELLOWSHIP.—In the case of a participant who
19 receives an accredited fellowship in a medical specialty
20 other than a medical specialty described in section 7692
21 of this title, the Secretary, on written request of the par-
22 ticipant, may delay the term of obligated service under
23 subsection (a) for the participant until after the partici-
24 pant completes the fellowship.

25 “(c) PENALTY.—(1) An employee who does not com-
26 plete a period of obligated service under this section shall

1 owe the Federal Government an amount determined in ac-
2 cordance with the following formula: $A=B\times((T-S)\div T)$
3 .

4 “(2) In the formula in paragraph (1):

5 “(A) ‘*A*’ is the amount the employee owes the
6 Federal Government.

7 “(B) ‘*B*’ is the sum of all payments to or for
8 the participant under the Specialty Education Loan
9 Repayment Program.

10 “(C) ‘*T*’ is the number of months in the period
11 of obligated service of the employee.

12 “(D) ‘*S*’ is the number of whole months of such
13 period of obligated service served by the employee.

14 **“§ 7697. Relationship to Educational Assistance Pro-**
15 **gram**

16 “Assistance under the Specialty Education Loan Re-
17 payment Program may be in addition to other assistance
18 available to individuals under the Educational Assistance
19 Program.”.

20 (b) CONFORMING AND TECHNICAL AMENDMENTS.—

21 (1) CONFORMING AMENDMENTS.—

22 (A) Section 7601(a) of title 38, United
23 States Code, is amended—

24 (i) in paragraph (4), by striking
25 “and”;

1 (ii) in paragraph (5), by striking the
2 period and inserting “; and”; and

3 (iii) by adding at the end the fol-
4 lowing new paragraph:

5 “(6) the specialty education loan repayment
6 program provided for in subchapter VIII of this
7 chapter.”.

8 (B) Section 7603(a)(1) of title 38, United
9 States Code, is amended by striking “or VI”
10 and inserting “VI, or VIII”.

11 (C) Section 7604 of title 38, United States
12 Code, is amended by striking “or VI” each
13 place it appears and inserting “VI, or VIII”.

14 (D) Section 7631 of title 38, United States
15 Code, is amended—

16 (i) in subsection (a)(1)—

17 (I) by striking “and” after
18 “scholarship amount”; and

19 (II) by inserting “, and the max-
20 imum specialty education loan repay-
21 ment amount” after “reduction pay-
22 ments amount”; and

23 (ii) in subsection (b) by adding at the
24 end the following new paragraph:

1 “(7) The term ‘specialty education loan repayment
2 amount’ means the maximum amount of specialty edu-
3 cation loan repayment payments payable to or for a partic-
4 ipant in the Department of Veterans Affairs Specialty
5 Education Loan Repayment Program under subchapter
6 VIII of this chapter, as specified in section 7694(c)(1) of
7 this title and as previously adjusted (if at all) in accord-
8 ance with this section.”.

9 (E) Section 7632 of title 38, United States
10 Code, is amended—

11 (i) in paragraph (1), by striking “and
12 the Education Debt Reduction Program”
13 and inserting “the Education Debt Reduc-
14 tion Program, and the Specialty Education
15 Loan Repayment Program”; and

16 (ii) in paragraph (4), by striking “and
17 per participant in the Education Debt Re-
18 duction Program” and inserting “per par-
19 ticipant in the Education Debt Reduction
20 Program, and per participant in the Spe-
21 cialty Education Loan Repayment Pro-
22 gram”.

23 (2) TABLE OF SECTIONS.—The table of sections
24 at the beginning of chapter 76 of such title is

1 amended by inserting after the items relating to sub-
2 chapter VII the following:

“SUBCHAPTER VIII—SPECIALTY EDUCATION LOAN REPAYMENT PROGRAM

“Sec.

“7691. Establishment.

“7692. Purpose.

“7693. Eligibility; preference; covered costs.

“7694. Specialty education loan repayment.

“7695. Choice of location.

“7696. Term of obligated service.

“7697. Relationship to Educational Assistance Program.”.

3 (c) NEEDS OF THE VHA.—In making determinations
4 each year under section 7692 of title 38, United States
5 Code, as enacted by subsection (a), the Secretary of Vet-
6 erans Affairs shall consider the anticipated needs of the
7 Veterans Health Administration during the period two to
8 six years in the future.

9 (d) OFFER DEADLINE.—In the case of an applicant
10 who applies before receiving a residency match and whom
11 the Secretary of Veterans Affairs selects for participation
12 in the Specialty Education Loan Repayment Program es-
13 tablished by subsection (a), the Secretary shall offer par-
14 ticipation to the applicant not later than 28 days after—

15 (1) the applicant matches with a residency in a
16 medical specialty described in section 7692 of title
17 38, United States Code, as enacted by subsection
18 (a); and

19 (2) such match is published.

20 (e) PUBLICITY.—The Secretary of Veterans Affairs
21 shall take such steps as the Secretary determines are ap-

1 appropriate to publicize the Specialty Education Loan Re-
2 payment Program established under subchapter VIII of
3 chapter 76 of title 38, United States Code, as enacted by
4 subsection (a).

5 **SEC. 4. VETERANS HEALING VETERANS MEDICAL ACCESS**
6 **AND SCHOLARSHIP PROGRAM.**

7 (a) ESTABLISHMENT.—The Secretary of Veterans
8 Affairs, acting through the Office of Academic Affiliations
9 of the Department of Veterans Affairs, shall carry out a
10 pilot program under which the Secretary shall provide
11 funding for the medical education of a total of ten eligible
12 veterans. Such funding shall be provided for two veterans
13 enrolled in each of the five Teague-Cranston medical
14 schools in accordance with this section.

15 (b) ELIGIBLE VETERANS.—To be eligible to receive
16 funding for medical education under this section, a vet-
17 eran shall—

18 (1) have been discharged from the Armed
19 Forces under honorable conditions not more than
20 ten years before the date of application for admis-
21 sion to a Teague-Cranston medical school;

22 (2) not be entitled to educational assistance
23 under chapter 30, 31, 32, 33, 34, or 35 of title 38,
24 United States Code, or chapter 1606 or 1607 of title
25 10, United States Code;

1 (3) apply for admission to a Teague-Cranston
2 medical school for the entering class of 2019;

3 (4) indicate on such application for admission
4 that the veteran would like to be considered for an
5 award of funding under this section;

6 (5) meet the minimum admissions criteria for
7 the Teague-Cranston medical school to which the
8 veteran applies; and

9 (6) enter into an agreement described in sub-
10 section (e).

11 (c) AWARD OF FUNDING.—

12 (1) IN GENERAL.—Each Teague-Cranston med-
13 ical school that opts to participate in the program
14 under this section shall reserve two seats in the en-
15 tering class of 2019 for eligible veterans who receive
16 funding under such program. Such funding shall be
17 awarded to the two eligible veterans with the highest
18 admissions rankings for such class at such school.

19 (2) AMOUNT OF FUNDING.—Each eligible vet-
20 eran who receives funding under this section shall
21 receive an amount equal to the actual cost of—

22 (A) tuition at the Teague-Cranston med-
23 ical school at which the veteran enrolls for four
24 years;

25 (B) books, fees, and technical equipment;

1 (C) fees associated with the National Resi-
2 dency Match Program;

3 (D) two away rotations performed during
4 the fourth year at a Department of Veterans
5 Affairs medical facility; and

6 (E) a monthly stipend for the four-year pe-
7 riod during which the veteran is enrolled in
8 medical school in an amount to be determined
9 by the Secretary.

10 (3) DISTRIBUTION OF FUNDING.—In the event
11 that two or more eligible veterans do not apply for
12 admission at one of the Teague-Cranston medical
13 schools for the entering class of 2019, the Secretary
14 shall distribute the available funding to eligible vet-
15 erans who applied for admission at other Teague-
16 Cranston medical schools.

17 (d) AGREEMENT.—

18 (1) TERMS OF AGREEMENT.—Each eligible vet-
19 eran who accepts funding for medical education
20 under this section shall enter into an agreement with
21 the Secretary that provides that the veteran
22 agrees—

23 (A) to maintain enrollment and attendance
24 in the medical school;

1 (B) while enrolled in such medical school,
2 to maintain an acceptable level of academic
3 standing (as determined by the medical school
4 under regulations prescribed by the Secretary);

5 (C) to complete post-graduate training
6 leading to eligibility for board certification in a
7 speciality applicable to the Department of Vet-
8 erans Affairs, as determined by the Secretary;

9 (D) after completion of medical school, to
10 obtain a license to practice medicine in a State;
11 and

12 (E) after completion of medical school and
13 post-graduate training, to serve as a full-time
14 clinical practice employee in the Veterans
15 Health Administration for a period of four
16 years.

17 (2) BREACH OF AGREEMENT.—If an eligible
18 veteran who accepts funding under this section
19 breaches the terms of the agreement described in
20 paragraph (1), the United States shall be entitled to
21 recover damages in an amount equal to the total
22 amount of such funding received by the veteran.

23 (e) RULE OF CONSTRUCTION.—Nothing in this sec-
24 tion shall be construed to prevent any Teague-Cranston

1 medical school from accepting more than two eligible vet-
2 erans for the entering class of 2019.

3 [(f) REPORT TO CONGRESS.—Not later than [date]
4 the Secretary shall submit to Congress a report on the
5 pilot program under this section. Such report shall include
6 the evaluation of the Secretary of the success of the pilot
7 program, including the number of veterans who received
8 funding under the program who matriculated and an eval-
9 uation of the academic progress of such veterans.]

10 (g) TEAGUE-CRANSTON MEDICAL SCHOOLS.—In this
11 section, the term “Teague-Cranston medical school”
12 means any of the following.

13 (1) Texas A&M College of Medicine.

14 (2) Quillen College of Medicine at East Ten-
15 nessee State University.

16 (3) Boonshoft School of Medicine at Wright
17 State University.

18 (4) Joan C. Edwards School of Medicine at
19 Marshall University.

20 (5) University of South Carolina School of Med-
21 icine.