

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1904

To provide for various programs relating to improving the health of rural populations.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 1995

Mr. WILLIAMS introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide for various programs relating to improving the health of rural populations.

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 “Rural America Health  
5 Care Improvement Act”.

1 **TITLE I—PROVISIONS RELATING**  
2 **TO PUBLIC HEALTH SERVICE**  
3 **ACT**

4 **SEC. 101. ADMINISTRATOR OF PROGRAMS; FUNDING.**

5 (a) ADMINISTRATOR.—For purposes of this title, the  
6 term “Secretary” means the Secretary of Health and  
7 Human Services.

8 (b) FUNDING.—The authorizations of appropriations  
9 established in this title are in addition to any other author-  
10 izations of appropriations that are available for the pur-  
11 poses of this title.

12 **SEC. 102. NATIONAL HEALTH SERVICE CORPS.**

13 (a) ADDITIONAL FUNDING; GENERAL CORPS PRO-  
14 GRAM; ALLOCATION FOR CERTAIN NONPHYSICIAN  
15 HEALTH PROFESSIONALS.—For the purpose of carrying  
16 out subpart II of part D of title III of the Public Health  
17 Service Act, and for the purpose of carrying out subsection  
18 (b), there are authorized to be appropriated \$50,000,000  
19 for fiscal year 1996, \$100,000,000 for fiscal year 1997,  
20 and \$200,000,000 for fiscal year 1998.

21 (b) ALLOCATION FOR PARTICIPATION OF CERTAIN  
22 NONPHYSICIAN HEALTH PROFESSIONALS IN SCHOLAR-  
23 SHIP AND LOAN REPAYMENT PROGRAMS.—

24 (1) IN GENERAL.—Of the amounts appro-  
25 priated under this section, the Secretary shall re-

1       serve such amounts as may be necessary to ensure  
2       that, of the number of individuals who are partici-  
3       pants in the Scholarship Program under section  
4       338A of the Public Health Service Act, or in the  
5       Loan Repayment Program under section 338B of  
6       such Act, the total number who are being educated  
7       as health professionals specified in paragraph (2), or  
8       are serving as such professionals, respectively, is in-  
9       creased to 20 percent.

10               (2) RELEVANT PROFESSIONS.—The health pro-  
11       fessionals referred to in paragraph (1) are nurse  
12       practitioners, certified nurse midwives, and reg-  
13       istered nurses, and physician assistants.

14 **SEC. 103. DEVELOPMENT OF COMMUNITY-OPERATED**  
15                       **HEALTH PLANS IN RURAL AND FRONTIER**  
16                       **AREAS.**

17       (a) COMMUNITY-OPERATED HEALTH PLANS.—

18               (1) IN GENERAL.—The Secretary may make  
19       grants to public and nonprofit private entities for  
20       the purpose of carrying out projects to develop  
21       health plans to provide services exclusively in rural  
22       and frontier areas.

23               (2) REQUIREMENTS FOR HEALTH PLANS.—For  
24       purposes of this section, the term “health plan”

1 means a community-rated plan or an experience-  
2 rated plan.

3 (b) COMMUNITY INVOLVEMENT.—The Secretary may  
4 make a grant under subsection (a) only if the applicant  
5 involved meets the following conditions:

6 (1) In developing the proposal of the applicant  
7 for a project under such subsection, the applicant  
8 has consulted with the local governments of the geo-  
9 graphic area to be served by the health plan devel-  
10 oped through the project, with individuals who reside  
11 in the area, and with a reasonable number and vari-  
12 ety of health professionals who provide services in  
13 the area.

14 (2) The applicant agrees that the principal legal  
15 authority over the operation of the health plan will  
16 be vested in individuals who reside in such geo-  
17 graphic area.

18 (3) In the proposal the applicant specifies how  
19 a full continuum of services will be provided.

20 (4) In the proposal the applicant specifies how  
21 the proposed health plan will utilize existing health  
22 care facilities in a manner that avoids unnecessary  
23 duplication.

24 (c) USE OF FUNDS.—

1           (1) IN GENERAL.—Funds made available under  
2 this section may be used for the following:

3           (A) To develop integrated health networks,  
4 utilizing existing local providers and facilities  
5 where appropriate, with community involve-  
6 ment.

7           (B) For information systems, including  
8 telecommunications.

9           (C) For transportation services.

10          (2) LIMITATIONS.—Funds made available under  
11 this section shall not be used for the following:

12           (A) For a telecommunications system, un-  
13 less the system is coordinated with, and does  
14 not duplicate, such a system existing in the  
15 area.

16           (B) For paying off existing debt.

17          (d) FUNDING.—For the purpose of carrying out this  
18 section, there are authorized to be appropriated  
19 \$50,000,000 for fiscal year 1996, \$50,000,000 for fiscal  
20 year 1997, and \$50,000,000 for fiscal year 1998.

1 **SEC. 104. PRIMARY HEALTH CARE FOR MEDICALLY UNDER-**  
2 **SERVED RURAL COMMUNITIES; INCREASED**  
3 **CAPACITY OF HOSPITALS AND OUTPATIENT**  
4 **FACILITIES.**

5 (a) IN GENERAL.—The Secretary may make grants  
6 to public and nonprofit private hospitals in medically un-  
7 derserved rural communities, and to public and nonprofit  
8 private outpatient facilities in such communities, for the  
9 purpose of carrying out projects to develop or increase the  
10 capacity of the hospitals and facilities to provide primary  
11 health services.

12 (b) MEDICALLY UNDERSERVED RURAL COMMU-  
13 NITY.—For purposes of this section, the term “medically  
14 underserved rural community” means—

15 (1) a rural area that has a substantial number  
16 of individuals who are members of a medically un-  
17 derserved population, as defined in section 330 of  
18 the Public Health Service Act; or

19 (2) a rural area a significant portion of which  
20 is a health professional shortage area designated  
21 under section 332 of such Act.

22 (c) CERTAIN EXPENDITURES.—

23 (1) IN GENERAL.—The purposes for which the  
24 Secretary may authorize a grant under subsection  
25 (a) to be expended include the renovation of facili-

1 ties, the purchase of equipment, and the recruitment  
2 and retention of personnel.

3 (2) CERTAIN FACILITIES.—The purposes for  
4 which the Secretary may authorize a grant under  
5 subsection (a) to be expended include—

6 (A) the development of rural emergency  
7 medical care hospitals; and

8 (B) the development of nurse-managed  
9 health centers for the provision of primary  
10 health care services in rural areas and for co-  
11 ordinating with health care providers and net-  
12 works.

13 (d) DEFINITIONS.—

14 (1) RURAL EMERGENCY MEDICAL CARE HOS-  
15 PITALS.—For purposes of this section, a rural emer-  
16 gency medical care hospital is a facility with the fol-  
17 lowing characteristics:

18 (A) It is a hospital that is in danger of  
19 closing due to low inpatient utilization rates  
20 and operating losses.

21 (B) The closure of the facility would limit  
22 the access of individuals residing in the facili-  
23 ty's service area to emergency services.

24 (C) The facility has entered into (or in-  
25 tends to enter into) an agreement with another

1 hospital that will accept the transfer of pa-  
2 tients.

3 (D) A physician is available on-call to pro-  
4 vide emergency medical services on a 24-hour-  
5 a-day basis.

6 (E) The facility must have a practitioner  
7 who is qualified to provide advanced cardiac life  
8 support services (as determined by the State in  
9 which the facility is located) on-site at the facil-  
10 ity on a 24-hour-a-day basis.

11 (F) The facility meets such staffing re-  
12 quirements as would apply under section  
13 1861(e) of the Social Security Act, except that  
14 the facility need not meet hospital standards re-  
15 lating to the number of hours during a day, or  
16 days during a week, in which the facility must  
17 be open, but must provide emergency care on a  
18 24-hour-a-day basis.

19 (2) NURSE-MANAGED HEALTH CENTERS.—For  
20 purposes of this section, the term “nurse-managed  
21 health center” means a health center meeting the  
22 following conditions (to the extent in accordance  
23 with applicable law): The services of the center are  
24 primary health services; the principal providers of  
25 such services through the center are nurse practi-

1 tioners, certified nurse midwives, and clinical nurse  
2 specialists; the principal managers of the center are  
3 professional nurses; and the procedures of the center  
4 provide patients with direct access to nurse practi-  
5 tioners, certified nurse midwives, or clinical nurse  
6 specialists.

7 (e) FUNDING.—

8 (1) HOSPITALS.—For the purpose of making  
9 grants to hospitals under subsection (a), there are  
10 authorized to be appropriated \$50,000,000 for fiscal  
11 year 1996, \$50,000,000 for fiscal year 1997, and  
12 \$50,000,000 for fiscal year 1998.

13 (2) OUTPATIENT FACILITIES.—For the purpose  
14 of making grants to outpatient facilities under sub-  
15 section (a), there are authorized to be appropriated  
16 \$50,000,000 for fiscal year 1996, \$50,000,000 for  
17 fiscal year 1997, and \$50,000,000 for fiscal year  
18 1998.

19 **SEC. 105. TRAINING OF RURAL HEALTH PROFESSIONALS**  
20 **OTHER THAN PHYSICIANS.**

21 (a) FUNDING FOR PROGRAMS UNDER PUBLIC  
22 HEALTH SERVICE ACT.—With respect to programs of  
23 title VII or VIII of the Public Health Service Act that  
24 provide for the training of individuals as health profes-  
25 sionals other than physicians, there are authorized to be

1 appropriated for the purpose of carrying out such pro-  
2 grams, through entities described in subsection (b),  
3 \$50,000,000 for each of the fiscal years 1996 through  
4 1998.

5 (b) ELIGIBILITY.—With respect to a program re-  
6 ferred to in subsection (a), an entity described in this sub-  
7 section is an entity—

8 (1) that is eligible to receive grants or contracts  
9 under the program (as provided in the applicable  
10 provisions of title VII or VIII of the Public Health  
11 Service Act); and

12 (2) a substantial number of whose designated  
13 graduates are providing health services in a rural  
14 area.

15 (c) DEFINITION OF DESIGNATED GRADUATE.—For  
16 purposes of this section, the term “designated graduate”,  
17 with respect to an entity, means an individual completing  
18 the training involved during the 5-year period preceding  
19 the fiscal year for which the entity is applying to receive  
20 a grant or contract under the applicable program referred  
21 to in subsection (a).

22 (d) CERTAIN PROGRAMS.—Programs carried out  
23 under subsection (a) shall include programs for nurse  
24 practitioners, physician assistants, and nurse midwives.

1                   **TITLE II—PROVISIONS**  
2                   **RELATING TO MEDICARE**

3   **SEC. 201. MEDICARE INCENTIVES FOR PHYSICIANS TO PRO-**  
4                   **VIDE PRIMARY CARE.**

5           (a) **UNDERSERVED AREA BONUS PAYMENTS; IN-**  
6 **CREASE IN AMOUNT OF PAYMENT FOR PRIMARY CARE**  
7 **SERVICES.**—Section 1833(m) of the Social Security Act  
8 (42 U.S.C. 1395l(m)) is amended—

9                   (1) by striking “10 percent” and inserting “a  
10           percent”,

11                   (2) by striking “service” the last place it ap-  
12           pears and inserting “services”, and

13                   (3) by adding the following new sentence: “The  
14           percent referred to in the previous sentence is 20  
15           percent in the case of primary care services, as de-  
16           fined in section 1842(i)(4), and 10 percent for serv-  
17           ices other than primary care services furnished in  
18           health professional shortage areas located in rural  
19           areas as defined in section 1886(d)(2)(D).”.

20           (b) **EFFECTIVE DATE.**—The amendments made by  
21           subsection (a) are effective for services furnished on or  
22           after January 1, 1996.

1 **TITLE III—TAX INCENTIVES FOR**  
2 **HEALTH SERVICES PROVIDERS**

3 **SEC. 301. NONREFUNDABLE CREDIT FOR CERTAIN PRI-**  
4 **MARY HEALTH SERVICES PROVIDERS.**

5 (a) IN GENERAL.—Subpart A of part IV of sub-  
6 chapter A of chapter 1 of the Internal Revenue Code of  
7 1986 (relating to nonrefundable personal credits) is  
8 amended by inserting after section 22 the following new  
9 section:

10 **“SEC. 23. PRIMARY HEALTH SERVICES PROVIDERS.**

11 “(a) ALLOWANCE OF CREDIT.—There shall be al-  
12 lowed as a credit against the tax imposed by this chapter  
13 for the taxable year an amount equal to the product of—

14 “(1) the number of months during such taxable  
15 year—

16 “(A) during which the taxpayer is a quali-  
17 fied primary health services provider, and

18 “(B) which are within the taxpayer’s man-  
19 datory service period, and

20 “(2) \$1,000 (\$500 in the case of a qualified  
21 practitioner who is not a physician).

22 “(b) QUALIFIED PRIMARY HEALTH SERVICES PRO-  
23 VIDER.—For purposes of this section, the term ‘qualified  
24 primary health services provider’ means, with respect to  
25 any month, any qualified practitioner who—

1           “(1) has in effect a certification by the Bureau  
2 as a provider of primary health services and such  
3 certification is, when issued, for a health profes-  
4 sional shortage area in which the qualified practi-  
5 tioner is commencing the providing of primary  
6 health services,

7           “(2) is providing primary health services full  
8 time in the health professional shortage area identi-  
9 fied in such certification, and

10           “(3) has not received a scholarship under the  
11 National Health Service Corps Scholarship Program  
12 or any loan repayments under the National Health  
13 Service Corps Loan Repayment Program.

14 For purposes of paragraph (2), a provider shall be treated  
15 as providing services in a health professional shortage area  
16 when such area ceases to be such an area if it was such  
17 an area when the provider commenced providing services  
18 in the area.

19           “(c) MANDATORY SERVICE PERIOD.—For purposes  
20 of this section, the term ‘mandatory service period’ means  
21 the period of 60 consecutive calendar months beginning  
22 with the first month the taxpayer is a qualified primary  
23 health services provider. A taxpayer shall not have more  
24 than 1 mandatory service period.

1       “(d) DEFINITIONS AND SPECIAL RULES.—For pur-  
2 poses of this section—

3           “(1) BUREAU.—The term ‘Bureau’ means the  
4 Bureau of Primary Health Care, Health Resources  
5 and Services Administration of the United States  
6 Public Health Service.

7           “(2) QUALIFIED PRACTITIONER.—The term  
8 ‘qualified practitioner’ means a physician, a physi-  
9 cian assistant, a nurse practitioner, or a certified  
10 nurse-midwife.

11          “(3) PHYSICIAN.—The term ‘physician’ has the  
12 meaning given to such term by section 1861(r) of  
13 the Social Security Act.

14          “(4) PHYSICIAN ASSISTANT; NURSE PRACTI-  
15 TIONER.—The terms ‘physician assistant’ and ‘nurse  
16 practitioner’ have the meanings given to such terms  
17 by section 1861(aa)(5) of the Social Security Act.

18          “(5) CERTIFIED NURSE-MIDWIFE.—The term  
19 ‘certified nurse-midwife’ has the meaning given to  
20 such term by section 1861(gg)(2) of the Social Secu-  
21 rity Act.

22          “(6) PRIMARY HEALTH SERVICES.—The term  
23 ‘primary health services’ has the meaning given such  
24 term by section 330(b)(1) of the Public Health Serv-  
25 ice Act.

1           “(7) HEALTH PROFESSIONAL SHORTAGE  
 2 AREA.—The term ‘health professional shortage area’  
 3 has the meaning given such term by section  
 4 332(a)(1)(A) of the Public Health Service Act.

5           “(e) RECAPTURE OF CREDIT.—

6           “(1) IN GENERAL.—If there is a recapture  
 7 event during any taxable year, then—

8                   “(A) no credit shall be allowed under sub-  
 9 section (a) for such taxable year and any suc-  
 10 ceeding taxable year, and

11                   “(B) the tax of the taxpayer under this  
 12 chapter for such taxable year shall be increased  
 13 by an amount equal to the product of—

14                           “(i) the applicable percentage, and

15                           “(ii) the aggregate unrecaptured cred-  
 16 its allowed to such taxpayer under this sec-  
 17 tion for all prior taxable years.

18           “(2) APPLICABLE RECAPTURE PERCENTAGE.—

19                   “(A) IN GENERAL.—For purposes of this  
 20 subsection, the applicable recapture percentage  
 21 shall be determined from the following table:

<b>“If the recapture event occurs during:</b>	<b>The applicable recap- ture percentage is:</b>
Months 1–24 .....	100
Months 25–36 .....	75
Months 37–48 .....	50
Months 49–60 .....	25
Months 61 and thereafter .....	0.

1           “(B) TIMING.—For purposes of subpara-  
2 graph (A), month 1 shall begin on the first day  
3 of the mandatory service period.

4           “(3) RECAPTURE EVENT DEFINED.—

5           “(A) IN GENERAL.—For purposes of this  
6 subsection, the term ‘recapture event’ means  
7 the failure of the taxpayer to be a qualified pri-  
8 mary health services provider for any month  
9 during the taxpayer’s mandatory service period.

10           “(B) CESSATION OF DESIGNATION.—The  
11 cessation of the designation of any area as a  
12 health professional shortage area after the be-  
13 ginning of the mandatory service period for any  
14 taxpayer shall not constitute a recapture event.

15           “(C) SECRETARIAL WAIVER.—The Sec-  
16 retary, in consultation with the Secretary of  
17 Health and Human Services, may waive any re-  
18 capture event caused by extraordinary cir-  
19 cumstances.

20           “(4) NO CREDITS AGAINST TAX; MINIMUM  
21 TAX.—Any increase in tax under this subsection  
22 shall not be treated as a tax imposed by this chapter  
23 for purposes of determining the amount of any cred-  
24 it under subpart A, B, or D of this part or for pur-  
25 poses of section 55.”

1       (b) CLERICAL AMENDMENT.—The table of sections  
2 for subpart A of part IV of subchapter A of chapter 1  
3 of such Code is amended by inserting after the item relat-  
4 ing to section 22 the following new item:

“Sec. 23. Primary health services providers.”

5       (c) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to taxable years beginning after  
7 December 31, 1995.

○