

108TH CONGRESS
1ST SESSION

S. 648

AN ACT

To amend the Public Health Service Act with respect to health professions programs regarding the practice of pharmacy.

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 “Pharmacy Education
5 Aid Act of 2003”.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) Pharmacists are an important link in our
4 Nation's health care system. A critical shortage of
5 pharmacists is threatening the ability of pharmacies
6 to continue to provide important prescription related
7 services.

8 (2) In the landmark report entitled "To Err is
9 Human: Building a Safer Health System", the Insti-
10 tute of Medicine reported that medication errors can
11 be partially attributed to factors that are indicative
12 of a shortage of pharmacists (such as too many cus-
13 tomers, numerous distractions, and staff shortages).

14 (3) Congress acknowledged in the Healthcare
15 Research and Quality Act of 1999 (Public Law 106-
16 129) a growing demand for pharmacists by requiring
17 the Secretary of Health and Human Services to con-
18 duct a study to determine whether there is a short-
19 age of pharmacists in the United States and, if so,
20 to what extent.

21 (4) As a result of Congress' concern about how
22 a shortage of pharmacists would impact the public
23 health, the Secretary of Health and Human Services
24 published a report entitled "The Pharmacist Work-
25 force: A Study in Supply and Demand for Phar-
26 macists" in December of 2000.

1 (5) “The Pharmacist Workforce: A Study in
2 Supply and Demand for Pharmacists” found that
3 “While the overall supply of pharmacists has in-
4 creased in the past decade, there has been an un-
5 precedented demand for pharmacists and for phar-
6 maceutical care services, which has not been met by
7 the currently available supply” and that the “evi-
8 dence clearly indicates the emergence of a shortage
9 of pharmacists over the past two years”.

10 (6) The same study also found that “The fac-
11 tors causing the current shortage are of a nature not
12 likely to abate in the near future without funda-
13 mental changes in pharmacy practice and edu-
14 cation.” The study projects that the number of pre-
15 scriptions filled by community pharmacists will in-
16 crease by 20 percent by 2004. In contrast, the num-
17 ber of community pharmacists is expected to in-
18 crease by only 6 percent by 2005.

19 (7) Regarding access to pharmacy services in
20 rural areas, the study found that “Remoteness, iso-
21 lation from other professionals, lower economic re-
22 turns, reduced opportunities for advancement, and
23 other rural practice characteristics remain obstacles”
24 to attracting pharmacists.

1 (8) The demand for pharmacists will increase
2 as prescription drug use continues to grow.

3 **SEC. 3. HEALTH PROFESSIONS PROGRAMS RELATED TO**
4 **THE PRACTICE OF PHARMACY.**

5 Part E of title VII of the Public Health Service Act
6 (42 U.S.C. 294n et seq.) is amended by adding at the end
7 the following:

8 **“Subpart 3—Pharmacy Workforce Development**

9 **“SEC. 781. LOAN REPAYMENT PROGRAM FOR PHARMACISTS**
10 **SERVING IN CRITICAL SHORTAGE FACILI-**
11 **TIES.**

12 “(a) IN GENERAL.—In the case of any individual—

13 “(1) who has received a baccalaureate degree in
14 pharmacy or a Doctor of Pharmacy degree from an
15 accredited program;

16 “(2) who obtained an educational loan for phar-
17 macy education costs; and

18 “(3) who is licensed without restrictions in the
19 State in which the designated health care facility is
20 located;

21 the Secretary may enter into an agreement with such indi-
22 vidual who agrees to serve as a full-time pharmacist for
23 a period of not less than 2 years at a designated health
24 care facility, to make payments in accordance with sub-
25 section (b), for and on behalf of that individual, on the

1 principal of and interest on any loan of that individual
2 described in paragraph (2) which is outstanding on the
3 date the individual begins such service.

4 “(b) MANNER OF PAYMENTS.—

5 “(1) IN GENERAL.—The payments described in
6 subsection (a) may consist of payment, in accord-
7 ance with paragraph (2), on behalf of the individual
8 of the principal, interest, and related expenses on
9 government and commercial loans received by the in-
10 dividual regarding the undergraduate or graduate
11 education of the individual (or both), which loans
12 were made for—

13 “(A) tuition expenses;

14 “(B) all other reasonable educational ex-
15 penses, including fees, books, and laboratory ex-
16 penses, incurred by the individual; or

17 “(C) reasonable living expenses as deter-
18 mined by the Secretary.

19 “(2) PAYMENTS FOR YEARS SERVED.—

20 “(A) IN GENERAL.—For each year of obli-
21 gated service that an individual contracts to
22 serve under subsection (a) the Secretary may
23 pay up to \$35,000 on behalf of the individual
24 for loans described in paragraph (1). In making
25 a determination of the amount to pay for a year

1 of such service by an individual, the Secretary
2 shall consider the extent to which each such
3 determination—

4 “(i) affects the ability of the Secretary
5 to maximize the number of agreements
6 that may be provided under this section
7 from the amounts appropriated for such
8 agreements;

9 “(ii) provides an incentive to serve in
10 areas with the greatest shortages of phar-
11 macists; and

12 “(iii) provides an incentive with re-
13 spect to the pharmacist involved remaining
14 in the area and continuing to provide phar-
15 macy services after the completion of the
16 period of obligated service under agree-
17 ment.

18 “(B) REPAYMENT SCHEDULE.—Any ar-
19 rangement made by the Secretary for the mak-
20 ing of loan repayments in accordance with this
21 subsection shall provide that any repayments
22 for a year of obligated service shall be made not
23 later than the end of the fiscal year in which
24 the individual completes such year of service.

1 “(3) TAX LIABILITY.—For the purpose of pro-
2 viding reimbursements for tax liability resulting
3 from payments under paragraph (2) on behalf of an
4 individual—

5 “(A) the Secretary shall, in addition to
6 such payments, make payments to the indi-
7 vidual in an amount equal to 39 percent of the
8 total amount of loan repayments made for the
9 taxable year involved; and

10 “(B) may make such additional payments
11 as the Secretary determines to be appropriate
12 with respect to such purpose.

13 “(4) PAYMENT SCHEDULE.—The Secretary
14 may enter into an agreement with the holder of any
15 loan for which payments are made under this section
16 to establish a schedule for the making of such pay-
17 ments.

18 “(c) PREFERENCES.—In entering into agreements
19 under subsection (a), the Secretary shall give preference
20 to qualified applicants with the greatest financial need.

21 “(d) REPORTS.—

22 “(1) ANNUAL REPORT.—Not later than 18
23 months after the date of enactment of the Pharmacy
24 Education Aid Act, and annually thereafter, the Sec-
25 retary shall prepare and submit to Congress a report

1 describing the program carried out under this sec-
2 tion, including statements regarding—

3 “(A) the number of applicants and con-
4 tract recipients;

5 “(B) the amount of loan repayments made;

6 “(C) which educational institution the re-
7 cipients attended;

8 “(D) the number and practice locations of
9 the loan repayment recipients at health care fa-
10 cilities with a critical shortage of pharmacists;

11 “(E) the default rate and actions required;

12 “(F) the amount of outstanding default
13 funds of the loan repayment program;

14 “(G) to the extent that it can be deter-
15 mined, the reason for the default;

16 “(H) the demographics of the individuals
17 participating in the loan repayment program;
18 and

19 “(I) an evaluation of the overall costs and
20 benefits of the program.

21 “(2) 5-YEAR REPORT.—Not later than 5 years
22 after the date of enactment of the Pharmacy Edu-
23 cation Aid Act, the Secretary shall prepare and sub-
24 mit to Congress a report on how the program car-
25 ried out under this section interacts with other Fed-

1 eral loan repayment programs for pharmacists and
2 determining the relative effectiveness of such pro-
3 grams in increasing pharmacists practicing in under-
4 served areas.

5 “(e) APPLICATION OF CERTAIN PROVISIONS.—

6 “(1) IN GENERAL.—The provisions of section
7 338C, 338G, and 338I shall apply to the program
8 established under this section in the same manner
9 and to the same extent as such provisions apply to
10 the National Health Service Corps Loan Repayment
11 Program under subpart III of part D of title III, in-
12 cluding the applicability of provisions regarding re-
13 imbursements for increased tax liability and bank-
14 ruptcy.

15 “(2) BREACH OF AGREEMENT.—An individual
16 who enters into an agreement under subsection (a)
17 shall be liable to the Federal Government for the
18 amount of the award under such agreement (includ-
19 ing amounts provided for expenses related to such
20 attendance), and for interest on such amount at the
21 maximum legal prevailing rate, if the individual fails
22 to provide health services in accordance with the
23 program under this section for the period of time
24 applicable under the program.

1 “(3) WAIVER OR SUSPENSION OF LIABILITY.—

2 In the case of an individual or health facility making
3 an agreement for purposes of subsection (a), the
4 Secretary shall provide for the waiver or suspension
5 of liability under paragraph (2) if compliance by the
6 individual or the health facility, as the case may be,
7 with the agreement involved is impossible, or would
8 involve extreme hardship to the individual or facility,
9 and if enforcement of the agreements with respect to
10 the individual or facility would be unconscionable.

11 “(4) DATE CERTAIN FOR RECOVERY.—Subject
12 to paragraph (3), any amount that the Federal Gov-
13 ernment is entitled to recover under paragraph (2)
14 shall be paid to the United States not later than the
15 expiration of the 3-year period beginning on the date
16 the United States becomes so entitled.

17 “(5) AVAILABILITY.—Amounts recovered under
18 paragraph (2) with respect to a program under this
19 section shall be available for the purposes of such
20 program, and shall remain available for such pur-
21 poses until expended.

22 “(f) DEFINITION.—In this section, the term ‘health
23 care facility’ means a facility with a critical shortage of
24 pharmacists as determined by the Secretary.

1 and approved by the Secretary, leading to a
2 baccalaureate degree in pharmacy or a Doctor
3 of Pharmacy degree from such a school.

4 “(c) REQUIREMENTS REGARDING FACULTY POSI-
5 TIONS.—The Secretary may not enter into a contract
6 under subsection (a) unless—

7 “(1) the individual involved has entered into a
8 contract with a school of pharmacy to serve as a
9 member of the faculty of the school for not less than
10 2 years; and

11 “(2) the contract referred to in paragraph (1)
12 provides that—

13 “(A) the school will, for each year for
14 which the individual will serve as a member of
15 the faculty under contract with the school,
16 make payments of the principal and interest
17 due on the educational loans of the individual
18 for such year in an amount equal to the amount
19 of such payments made by the Secretary for the
20 year;

21 “(B) the payments made by the school
22 pursuant to subparagraph (A) on behalf of the
23 individual will be in addition to the compensa-
24 tion that the individual would otherwise receive
25 for serving as a member of such faculty; and

1 “(C) the school, in making a determination
2 of the amount of compensation to be provided
3 by the school to the individual for serving as a
4 member of the faculty, will make the determina-
5 tion without regard to the amount of payments
6 made (or to be made) to the individual by the
7 Federal Government under subsection (a).

8 “(d) **APPLICABILITY OF CERTAIN PROVISIONS.**—The
9 provisions of sections 338C, 338G, and 338I shall apply
10 to the program established in subsection (a) to the same
11 extent and in the same manner as such provisions apply
12 to the National Health Service Corps Loan Repayment
13 Program established in subpart III of part D of title III,
14 including the applicability of provisions regarding reim-
15 bursements for increased tax liability and regarding bank-
16 ruptcy.

17 “(e) **AUTHORIZATION OF APPROPRIATIONS.**—For the
18 purpose of carrying out this section, there are authorized
19 to be appropriated such sums as may be necessary for
20 each of fiscal years 2004 through 2008.

21 **“SEC. 783. DEFINITIONS.**

22 “In this subpart:

23 “(1) **SCHOOL OF PHARMACY.**—The term ‘school
24 of pharmacy’ means a college or school of pharmacy
25 (as defined in section 799B) that, in providing clin-

1 ical experience for students, requires that the stu-
2 dents serve in a clinical rotation in which pharmacist
3 services (as defined in section 331(a)(3)(E)) are pro-
4 vided at or for—

5 “(A) a medical facility that serves a sub-
6 stantial number of individuals who reside in or
7 are members of a medically underserved com-
8 munity (as so defined);

9 “(B) an entity described in any of sub-
10 paragraphs (A) through (L) of section
11 340B(a)(4) (relating to the definition of covered
12 entity);

13 “(C) a health care facility of the Depart-
14 ment of Veterans Affairs or of any of the
15 Armed Forces of the United States;

16 “(D) a health care facility of the Bureau
17 of Prisons;

18 “(E) a health care facility operated by, or
19 with funds received from, the Indian Health
20 Service; or

21 “(F) a disproportionate share hospital
22 under section 1923 of the Social Security Act.

23 “(2) PHARMACIST SERVICES.—The term ‘phar-
24 macist services’ includes drug therapy management
25 services furnished by a pharmacist, individually or

1 on behalf of a pharmacy provider, and such services
2 and supplies furnished incident to the pharmacist's
3 drug therapy management services, that the phar-
4 macist is legally authorized to perform (in the State
5 in which the individual performs such services) in
6 accordance with State law (or the State regulatory
7 mechanism provided for by State law).”.

Passed the Senate November 25, 2003.

Attest:

Secretary.

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