

119TH CONGRESS
1ST SESSION

H. R. 1127

To establish a demonstration program to provide payments on eligible loans for individuals who are eligible for the National Health Service Corps Loan Repayment Program.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 2025

Mr. KUSTOFF (for himself and Ms. BUDZINSKI) introduced the following bill;
which was referred to the Committee on Energy and Commerce

A BILL

To establish a demonstration program to provide payments on eligible loans for individuals who are eligible for the National Health Service Corps Loan Repayment Program.

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 Corps Act”.

1 **SEC. 2. NATIONAL HEALTH SERVICE CORPS RURAL PRO-**
2 **VIDER LOAN REPAYMENT DEMONSTRATION**
3 **PROGRAM.**

4 (a) IN GENERAL.—

5 (1) ESTABLISHMENT.—The Secretary of Health
6 and Human Services (referred to in this section as
7 the “Secretary”) shall establish a demonstration
8 program to provide payments on the principal of and
9 interest on any eligible loan for eligible individuals
10 described in paragraph (2).

11 (2) ELIGIBLE INDIVIDUALS.—To be eligible for
12 payments under the program under this section, an
13 individual shall—

14 (A) be eligible to participate in the Loan
15 Repayment Program under section 338B of the
16 Public Health Service Act (42 U.S.C. 254l–1),
17 but not be participating in such Loan Repay-
18 ment Program; and

19 (B) agree to the requirements described in
20 subsection (b)(1).

21 (b) PROCEDURE.—

22 (1) REQUIREMENTS.—To be eligible to receive
23 assistance under this section, an eligible individual
24 shall—

25 (A) comply with all rules and requirements
26 described in section 338B of the Public Health

1 Service Act (42 U.S.C. 254l–1), except for the
2 period of obligated service described in sub-
3 section (f)(1)(B)(iv) of such section and as pro-
4 vided in paragraphs (2) and (3) of this sub-
5 section; and

6 (B) agree to a period of obligated service
7 of 5 years of full-time employment in a health
8 professional shortage area that is a rural area.

9 (2) PAYMENTS.—

10 (A) SERVICE IN A RURAL AREA.—The Sec-
11 retary shall pay—

12 (i) for each year of obligated service
13 by an individual pursuant to an agreement
14 under this section, $\frac{1}{5}$ of the principal of
15 and interest on each eligible loan, as deter-
16 mined by the Secretary, which is out-
17 standing on the date the individual began
18 service pursuant to the agreement; and

19 (ii) for completion of the fifth and
20 final year of such service, the remainder of
21 such principal and interest.

22 (B) MAXIMUM AMOUNT.—The total
23 amount of payments under this section to any
24 individual shall not exceed \$200,000.

25 (3) BREACH.—

1 (A) LIQUIDATED DAMAGES FORMULA.—

2 The Secretary may establish a liquidated dam-
3 ages formula to be used in the event of a
4 breach of an agreement entered into under this
5 section.

6 (B) LIMITATION.—The failure by an indi-
7 vidual to complete the full period of service obli-
8 gated pursuant to such an agreement, taken
9 alone, shall not constitute a breach of such
10 agreement, so long as the individual completed
11 in good faith the years of service for which pay-
12 ments were made to the individual under this
13 section.

14 (4) APPLICABILITY OF LOAN REPAYMENT PRO-
15 GRAM PROVISIONS.—Except as otherwise provided in
16 this section, all provisions in subparts II and III of
17 title III of the Public Health Service Act (42 U.S.C.
18 241 et seq.) pertaining to the administration of, and
19 other requirements with respect to, the Loan Repay-
20 ment Program described in section 338B of such
21 Act (42 U.S.C. 254l–1) shall apply to the dem-
22 onstration program under this section.

23 (c) DESIGNATIONS.—The demonstration program
24 under this section, and any providers who are selected to
25 participate in such program, shall not be considered by

1 the Secretary in the designation of health professional
2 shortage areas under section 332 of the Public Health
3 Service Act (42 U.S.C. 254e) during fiscal years 2026
4 through 2030.

5 (d) REPORT.—Not later than 5 years after the date
6 of enactment of this Act, the Secretary shall submit to
7 the Committee on Health, Education, Labor, and Pen-
8 sions of the Senate and the Committee on Energy and
9 Commerce of the House of Representatives a report that
10 evaluates the demonstration program established under
11 this section, including the effects of such program on
12 health care access in rural areas.

13 (e) HEALTH PROFESSIONAL SHORTAGE AREA.—In
14 this section, the term “health professional shortage area”
15 has the meaning given such term in section 332 of the
16 Public Health Service Act (42 U.S.C. 254e).

17 (f) AUTHORIZATION OF APPROPRIATIONS.—There is
18 authorized to be appropriated to carry out this section,
19 \$50,000,000 for each of fiscal years 2026 through 2030.

○