



DEPARTMENT OF VETERANS AFFAIRS

8320-01

38 CFR Part 17

RIN 2900-AQ62

Health Professional Scholarship Program

AGENCY: Department of Veterans Affairs.

ACTION: Proposed rule.

SUMMARY: The Department of Veterans Affairs (VA) proposes to amend its regulations that govern the Health Professional Scholarship Program (HPSP). This rule would ensure that VA award not less than 50 HPSP scholarships each year to students who are accepted for enrollment or are enrolled in a program of education or training that leads to employment as a physician or dentist until such a date as VA determines the current staffing shortage is reduced. This rule would also expand the number of years of obligated service that a HPSP participant would have to serve in VA in the discipline for which the HPSP was awarded. This rulemaking would implement the mandates of the VA MISSION Act of 2018.

DATES: Comments must be received on or before **[insert date 60 days after the date of publication in the FEDERAL REGISTER]**.

ADDRESSES: Written comments may be submitted through <http://www.Regulations.gov>; by mail or hand-delivery to: Director, Office of Regulation Policy and Management (00REG), Department of Veterans Affairs, 810 Vermont Ave., NW., Room 1064, Washington, DC 20420; or by fax to (202) 273-9026. (This is not a toll-free telephone number.) Comments should indicate that they are submitted in response to “RIN 2900-AQ62-Health Professional Scholarship Program.” Copies of

comments received will be available for public inspection in the Office of Regulation Policy and Management, Room 1064, between the hours of 8 a.m. and 4:30 p.m., Monday through Friday (except holidays). Please call (202) 461-4902 for an appointment. (This is not a toll-free telephone number.) In addition, during the comment period, comments may be viewed online through the Federal Docket Management System (FDMS) at <http://www.Regulations.gov>.

FOR FURTHER INFORMATION CONTACT: Nicole Nedd, Director, Scholarships and Clinical Education. 1250 Poydras Street. Suite 1000 New Orleans, LA 70113.

Nicole.Nedd@va.gov. (504) 507-4895 (This is not a toll-free number.)

SUPPLEMENTARY INFORMATION: On June 6, 2018, section 301 of Public Law 115-182, the John S. McCain III, Daniel K. Akaka, and Samuel R. Johnson VA Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018, or the VA MISSION Act of 2018, amended title 38 of the United States Code (U.S.C.) 7612(b) and 7617, which govern the Health Professional Scholarship Program (HPSP). This program is regulated under title 38 of the Code of Federal Regulations (CFR) 17.600 through 17.612. Section 7612(b) of 38 U.S.C. was amended to state that VA will ensure that not less than 50 HPSP scholarships are awarded each year to students who are accepted for enrollment or are enrolled in a program of education or training that leads to employment as a physician or dentist until such a date as VA determines that there is a staffing shortage of less than 500 individuals in these health care professions in VA. The VA MISSION Act of 2018 further amended section 7612(b) to state that once the staffing shortage is less than 500 health care professionals, VA will award HPSP scholarships each year to not less than 10 percent of the total staffing shortage of

physicians and dentists. Section 7612 was also amended by expanding the number of years of obligated service that a participant who pursues a course of study leading to employment as a physician or dentist would have to serve in VA in a discipline for which the HPSP was awarded. Instead of one year of obligated service for each school year or part thereof for which the participant was awarded a scholarship, the VA MISSION Act of 2018 amended this requirement to 18 months of obligated service for each school or part thereof for which the participant was awarded a scholarship. The VA MISSION Act of 2018 also amended 38 U.S.C. 7617 by adding that a participant has breached the service agreement if the participant fails to successfully complete post-graduate training leading to eligibility for board certification for employment as a physician. This proposed rulemaking would implement the mandates of section 301 of the VA MISSION Act of 2018 by proposing to amend 38 CFR 17.603, 17.607, and 17.610 as further described below.

17.603 Availability of HPSP scholarships.

We would amend § 17.603(b) to comply with the requirements of section 301 of the VA MISSION Act of 2018 by establishing proposed paragraph (b)(1), which would state the new priorities for awarding the HPSP scholarship to physicians and dentists. Proposed paragraph (b)(1)(i) would state that VA would “award not less than 50 HPSP to individuals who are accepted for enrollment or are enrolled in a program of education or training leading to employment as a physician or dentist until such date as VA determines that the staffing shortage of physicians and dentists in VA is less than 500.” In proposed paragraph (b)(1)(ii), we would state that once the staffing shortage of

physicians and dentists is less than 500, “VA will award HPSP scholarships to individuals in an amount equal to not less than ten percent of the staffing shortage of physicians and dentists in VA.”

Current paragraph (b) describes the qualifying fields of education for which VA will grant HPSP scholarships. We would add new paragraph (b)(2) which would restate current paragraph (b) with one edit to state that the requirements of this paragraph would apply to health care professions other than physicians or dentists.

17.607 Obligated service.

We propose to amend § 17.607(c)(1) by adding a new proposed paragraph (c)(1)(i) and renumbering current paragraph (c)(1) as proposed paragraph (c)(1)(ii). Proposed paragraph (c)(1)(i) would state the duration of the obligated service for physicians and dentists. This proposed paragraph would state that “a participant who attended school as a full-time student will agree to serve as a full-time physician or dentist in the Veterans Health Administration for 18 months for each school year or part thereof for which a scholarship was awarded. This proposed paragraph would be in accordance with section 301 of the VA MISSION Act of 2018.

Current paragraph (c)(1) describes the duration of service for full-time and part-time students. We would add new paragraph (c)(1)(ii) which would restate current paragraph (c)(1) with one edit to distinguish that this paragraph would apply to health care professions other than physicians or dentists.

17.610 Failure to comply with terms and conditions of participation.

We would amend § 17.610 by adding a new proposed paragraph (b)(4), redesignating current paragraph (b)(4) as proposed (b)(5), and redesignating current (b)(5) as proposed (b)(6). New proposed paragraph (b)(4) would add the new condition for breach of agreement for a physician as mandated by section 301 of the VA MISSION Act of 2018 by stating that if a participant who “is enrolled in a program or education or training leading to employment as a physician, fails to successfully complete post-graduate training leading to eligibility for board certification in a specialty.” No further edits would be made to § 17.610.

Effect of Rulemaking

The Code of Federal Regulations, as proposed to be revised by this proposed rulemaking, would represent the exclusive legal authority on this subject. No contrary rules or procedures would be authorized. All VA guidance would be read to conform with this proposed rulemaking if possible or, if not possible, such guidance would be superseded by this rulemaking.

Paperwork Reduction Act

This rulemaking does not contain any provisions constituting collections of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3521).

Regulatory Flexibility Act

The Secretary hereby certifies that this proposed rule would not have a significant economic impact on a substantial number of small entities as they are

defined in the Regulatory Flexibility Act, 5 U.S.C. 601-612. Therefore, pursuant to 5 U.S.C. 605(b), this rulemaking would be exempt from the initial and final regulatory flexibility analysis requirements of 5 U.S.C. 603 and 604.

Executive Orders 12866, 13563 and 13771

Executive Orders 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, and other advantages; distributive impacts; and equity). Executive Order 13563 (Improving Regulation and Regulatory Review) emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. Executive Order 12866 (Regulatory Planning and Review) defines a “significant regulatory action,” which requires review by the Office of Management and Budget (OMB), as “any regulatory action that is likely to result in a rule that may: (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) Raise novel legal or policy issues arising out of legal mandates, the President’s priorities, or the principles set forth in this Executive Order.”

VA has examined the economic, interagency, budgetary, legal, and policy implications of this regulatory action and determined that the action is not a significant regulatory action under Executive Order 12866. VA's impact analysis can be found as a supporting document at <http://www.regulations.gov>, usually within 48 hours after the rulemaking document is published. Additionally, a copy of the rulemaking and its impact analysis are available on VA's website at <http://www.va.gov/orpm> by following the link for VA Regulations Published from FY 2004 through FYTD.

This proposed rule is not expected to be an EO 13771 regulatory action because this proposed rule is not significant under EO 12866.

Unfunded Mandates

The Unfunded Mandates Reform Act of 1995 requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation) in any one year. This proposed rule would have no such effect on State, local, and tribal governments, or on the private sector.

Catalog of Federal Domestic Assistance

There are no Catalog of Federal Domestic Assistance numbers and titles for this rule.

List of Subjects in 38 CFR Part 17

Administrative practice and procedure, Alcohol abuse, Alcoholism, Claims, Day care, Dental health, Drug abuse, Foreign relations, Government contracts, Grant programs-health, Grant programs-veterans, Health care, Health facilities, Health professions, Health records, Homeless, Medical and dental schools, Medical devices, Medical research, Mental health programs, Nursing homes, Philippines, Reporting and recordkeeping requirements, Scholarships and fellowships, Travel and transportation expenses, Veterans.

Signing Authority

The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Robert L. Wilkie, Secretary, Department of Veterans Affairs, approved this document on May 31, 2019, for publication.

Dated: June 19, 2019

Consuela Benjamin,

Regulations Development Coordinator,
Office of Regulation Policy & Management,
Office of the Secretary,
Department of Veterans Affairs.

For the reasons set forth in the preamble, we propose to amend 38 CFR part 17 as follows:

PART 17 – MEDICAL

1. The authority citation for part 17 continues to read as follows:

Authority: 38 U.S.C. 501, and as noted in specific sections.

* * * * *

2. Amend § 17.603 by revising paragraph (b) to read as follows:

§ 17.603 Availability of HPSP scholarships.

* * * * *

(b) *Qualifying fields of education.* (1) *Physicians and dentists.* (i) VA will award not less than 50 HPSP scholarships each year to individuals who are accepted for enrollment or are enrolled in a program of education or training leading to employment as a physician or dentist until such date as VA determines that the staffing shortage of physicians and dentists in VA is less than 500.

(ii) Once the staffing shortage of physicians and dentists is less than 500, VA will award HPSP scholarships to individuals in an amount equal to not less than ten percent of the staffing shortage of physicians and dentists in VA.

(2) *Other health care professions.* VA will grant HPSP scholarships in a course of study in those disciplines or programs other than physician or dentist where recruitment is necessary for the improvement of health care of veterans as listed in 38 U.S.C. 7401(1) and (3).

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3. Amend § 17.607 by revising paragraph (c)(1) to read as follows.

§17.607 Obligated service.

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(c) *Duration of service.* (1) *Full-time student.* (i) *Physician or dentist.* A participant who attended school as a full-time student will agree to serve as a full-time physician or dentist in the Veterans Health Administration for 18 months for each school year or part thereof for which a scholarship was awarded.

(ii) *Other health care profession.* A participant who attended school as a full-time student in a health care profession other than physician or dentist will agree to serve as a full-time clinical employee in the Veterans Health Administration for 1 calendar year for each school year or part thereof for which a scholarship was awarded, but for no less than 2 years.

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4. Amend § 17.610 by:

- a. Redesignating paragraphs (b)(4) and (b)(5) as paragraphs (b)(5) and (b)(6).
- b. Adding a new paragraph (b)(4).

The addition to read as follows

§ 17.610 Failure to comply with terms and conditions of participation.

* * * * *

(b) * * *

(4) Who is enrolled in a program or education or training leading to employment as a physician, fails to successfully complete post-graduate training leading to eligibility for board certification in a specialty.

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[FR Doc. 2019-13382 Filed: 6/24/2019 8:45 am; Publication Date: 6/25/2019]