SEC. ___. SELECTED RESERVE MEMBERS PARTICIPATION IN ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—Section 2121 of title 10, United States Code, is amended—

(1) in subsection (a)(1), by striking "on active duty";

(2) in subsection (c)(2), in the first sentence, by striking "prior active service" and inserting "prior active or selected reserve service"; and

(3) by adding at the end the following new subsection:

"(e) The Secretary of a military department, under regulations prescribed by the Secretary of Defense, may authorize members who agree to qualify in critical wartime specialties to participate in the program in return for a commitment to subsequent service in the Selected Reserve of the Ready Reserve.".

(b) SERVICE OBLIGATION FOR PROGRAM PARTICIPANTS.—Section 2123 of such title is amended—

(1) by amending the section heading to read as follows:

"§ 2123. Members of the program: military service obligation; failure to complete training; release from program";

(2) in subsections (a), (b), and (d) by striking "an active duty" and inserting "a military service";

(3) in subsection (c)—

(A) by striking "perform active duty" and inserting "perform military service"; and

(B) by striking "active duty obligation" and inserting "service obligation";

(4) in subsection (e)—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(B) by inserting after paragraph (1) the following new paragraph:

"(2) A member of the program who is relieved of the member's reserve service obligation under this subchapter before completion of that reserve obligation may be given, with or without the consent of the member, any of the following alternative obligations, as determined by the Secretary of the military department concerned:

"(A) A reserve service obligation in another armed force for a period of time not less than the member's remaining service obligation.

"(B) Repayment to the Secretary of Defense of a percentage of the total cost incurred by the Secretary under this subchapter on behalf of the member pursuant to the repayment provisions of section 303a(e) or 373 of title 37."; and

(C) in paragraph (3), as redesignated by subparagraph (A) of this paragraph—

(i) by striking "an active duty obligation" and inserting "a military service obligation"; and

(ii) by striking "active duty service obligation" and inserting "military service obligation".

(c) CONFORMING AMENDMENTS.—Chapter 105 of such title is amended—

(1) in the heading for subchapter I, by striking "**FOR ACTIVE SERVICE**"; and

(2) in sections 2126(b)(1)(B) and 2128(c), by striking "active duty obligation"; and inserting "military service obligation".

(d) CLERICAL AMENDMENTS.—Chapter 105 of such title is amended—

(1) in the table of subchapters at the beginning of such chapter, by striking the item relating to subchapter I and inserting the following new item:

"I. Health Professions Scholarship and Financial Assistance Program ……..……2120"; and

(2) in the table of sections at the beginning of subchapter I, by striking the item relating to section 2123 and inserting the following new item:

"2123. Members of the program: military service obligation; failure to complete training; release from the program.".

[Please note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

This legislative proposal would allow the Secretaries of the military departments to expand participation in the Armed Forces Health Professions Financial Assistance Programs (AFHPSP) to members of the Selected Reserve. Currently, chapter 105 of title 10, United States Code (U.S.C.), requires participants in the Armed Forces Health Professions Scholarship Programs (AFHPSP) to fulfill their service obligations on active duty.

The Total Force requires each component to have the right number and specialty mix of medical professionals to support the National Defense Strategy. The Selected Reserve cannot effectively recruit and retain health professionals in specialties critical to sustaining the Nation's wartime missions. Currently, the Selected Reserve has 36.8% of authorized physicians, despite offering $25,000 to $50,000 yearly bonuses and up to $250,000 in loan repayment. In specific medical fields the situation is worse: the Selected Reserve has 32% of its authorized end-strength in general surgery; 10% in orthopedic surgery; 33% in emergency medicine; and 57% in family medicine. The continuing shortfall degrades the Selected Reserve's readiness and capability, draws active duty medical corps officers from their units and responsibilities to fill gaps created by missing reserve component physicians, and downgrades the ability of the Total Medical Force to support operations across the spectrum of contingencies, including potential conflicts with near-peer adversaries.

This proposal would allow the Secretaries of the military departments to allow individuals to participate in AFHPSP and, upon completion of training, would complete their service obligation in the Selected Reserve. This proposal is consistent with the regulatory guidance promulgated by the Secretary of Defense for those individuals participating in the Health Professions Stipend Program for the reserve components under chapter 1608 of title 10, U.S.C. The proposal would not increase the number of AFHPSP participants beyond those

currently authorized under section 2124 of title 10, U.S.C., as the scholarships awarded for Selected Reserve service would be offset by proportionally lower Active Duty scholarships.

This proposal would allow Secretaries to determine the length of Selected Reserve Duty at the time at which participants contract with the Services and the program. Participants choosing the Selected Reserve program would be expected to serve a longer obligation than those selecting the Active Duty program.

This proposal would also allow each Secretary to specify which critical war specialties a student may choose for graduate medical education. Students would acknowledge this at the time of contracting with the Service and program. Students who fail to complete the program or match into one of the pre-specified critical war specialties will be subject to potential recoupment, Selected Reserve service, or civilian service similar to that required of Active Duty program participants (10 U.S.C. 2123).

This proposal would significantly increase the number of physicians with critical wartime specialties in the Selected Reserve.

Budget Implications: The resources impacted are reflected in the table below and are included within the Fiscal Year (FY) 2021 President's Budget request. The only impact would be the administrative costs associated with implementing the change. This program would be cost neutral with respect to the cost of students in medical school (bonus, stipend, tuition, fees, books, equipment). The amount each recipient/participant receives (~86K annually) is the same regardless of whether they will fulfill their service obligations on Active Duty or in the Selected Reserves. The full complement of 6,300 authorized positions are not filled every year. This proposal would allow each Service Secretary to dedicate a pre-determined number of AFHPSP scholarships to be awarded to medical students willing to contract for Selected Reserve service, based on the quality and number of applications received. The number of scholarships awarded for Selected Reserve service would be offset by proportionately fewer scholarships awarded for Active Duty service. Upon program completion, Selected Reserve AFHPSP recipients must agree to train in critical wartime specialties designated by the Service Secretary. The Service Secretary will provide Selected Reserve AFHPSP participants with that Service's list of critical wartime specialties at the time they contract for the program, and will require the participants to pursue training in one of those specialties or a specialty subsequently added to the critical wartime specialty list.

RESOURCE IMPACT ($MILLIONS)									
Program	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**	**Appropriation**	**Budget Activity**	**BLI/SAG**	**Program Element (for all RDT&E programs)**
AFHPSP Administration	$0.2	$0.2	$0.2	$0.2	$0.2	Operation and Maintenance, Defense Health Program	OA74	A74VV	N/A
Total	$0.2	$0.2	$0.2	$0.2	$0.2				

Changes to Existing Law: This proposal would make the following changes to subchapter I of chapter 105 of title 10, United States Code:

SUBCHAPTER I — HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM ~~FOR ACTIVE SERVICE~~

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§ 2121. Establishment

(a)(1) For the purpose of obtaining adequate numbers of commissioned officers ~~on active duty~~ who are qualified (A) in the various health professions or (B) as a health professional with specific skills to assist in providing mental health care to members of the armed forces, the Secretary of each military department, under regulations prescribed by the Secretary of Defense, may establish and maintain a health professions scholarship and financial assistance program for his department.

(2) Under the program of a military department, the Secretary of that military department shall allocate a portion of the total number of scholarships to members of the program described in paragraph (1)(B) for the purpose of assisting such members to pursue a degree at the masters and doctoral level in any of the following disciplines:

(A) Social work.
(B) Clinical psychology.
(C) Psychiatry.
(D) Other disciplines that contribute to mental health care programs in that military department.

(b) The program shall consist of courses of study and specialized training in designated health professions, with obligatory periods of military training.

(c)(1) Persons participating in the program shall be commissioned officers in reserve components of the armed forces. Members pursuing a course of study shall serve on active duty in pay grade O–1 with full pay and allowances of that grade for a period of 45 days during each year of participation in the program. Members pursuing specialized training shall serve on active duty in a pay grade commensurate with their educational level, as determined by appointment under section 12207 of this title, with full pay and allowances of that grade for a period of 14 days during each year of participation in the program. They shall be detailed as students at accredited civilian institutions, located in the United States or Puerto Rico, for the purpose of acquiring knowledge or training in a designated health profession. In addition, members of the program shall, under regulations prescribed by the Secretary of Defense, receive military and professional training and instruction.

(2) If a member of the uniformed services selected to participate in the program as a medical student has prior active <u>or selected reserve</u> service in a pay grade and with years of service credited for pay that would entitle the member, if the member remained in the former grade, to a

rate of basic pay in excess of the rate of basic pay for regular officers in the grade of second lieutenant or ensign, the member shall be paid basic pay based on the former grade and years of service credited for pay. The amount of such basic pay for the member shall be increased on January 1 of each year by the percentage by which basic pay is increased on average on that date for that year, and the member shall continue to receive basic pay based on the former grade and years of service until the date, whether occurring before or after the conclusion of such participation, on which the basic pay for the member in the member's actual grade and years of service credited for pay exceeds the amount of basic pay to which the member is entitled based on the member's former grade and years of service.

(d) Except when serving on active duty pursuant to subsection (c), a member of the program shall be entitled to a stipend at a monthly rate established by the Secretary of Defense, but not to exceed a total of $30,000 per year. The maximum annual amount of the stipend shall be increased annually by the Secretary of Defense effective on July 1 of each year by an amount (rounded to the next highest multiple of $1) equal to—

(1) the amount of such stipend (as previously adjusted (if at all)), multiplied by

(2) the overall percentage of the adjustment (if such adjustment is an increase) in the rates of basic pay for members of the uniformed services made effective for the fiscal year in which the school year ends.

(e) The Secretary of a military department, under regulations prescribed by the Secretary of Defense, may authorize members who agree to qualify in critical wartime specialties to participate in the program in return for a commitment to subsequent service in the Selected Reserve of the Ready Reserve.

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§2123. Members of the program: ~~active duty~~ military service obligation; failure to complete training; release from program

(a) A member of the program incurs ~~an active duty~~ a military service obligation. The amount of his obligation shall be determined under regulations prescribed by the Secretary of Defense, but those regulations may not provide for a period of obligation of less than one year for each year of participation in the program.

(b) A period of time spent in military intern or residency training shall not be creditable in satisfying ~~an active duty~~ a military service obligation imposed by this section.

(c) A member of the program who, under regulations prescribed by the Secretary of Defense, is dropped from the program for deficiency in conduct or studies, or for other reasons, may be required to ~~perform active duty~~ perform military service in an appropriate military capacity in accordance with the ~~active duty obligation~~ service obligation imposed by this section.

(d) The Secretary of a military department, under regulations prescribed by the Secretary of Defense, may relieve a member of the program who is dropped from the program from ~~an active~~

~~duty~~ a military service obligation imposed by this section, but such relief shall not relieve him from any military obligation imposed by any other law.

(e)(1) A member of the program who is relieved of the member's active duty obligation under this subchapter before the completion of that active duty obligation may be given, with or without the consent of the member, any of the following alternative obligations, as determined by the Secretary of the military department concerned:

(A) A service obligation in another armed force for a period of time not less than the member's remaining active duty service obligation.

(B) A service obligation in a component of the Selected Reserve for a period not less than twice as long as the member's remaining active duty service obligation.

(C) Repayment to the Secretary of Defense of a percentage of the total cost incurred by the Secretary under this subchapter on behalf of the member pursuant to the repayment provisions of section 303a(e) or 373 of title 37.

(2) A member of the program who is relieved of the member's reserve service obligation under this subchapter before the completion of that reserve obligation may be given, with or without the consent of the member, any of the following alternative obligations, as determined by the Secretary of the military department concerned:

(A) A reserve service obligation in another armed force for a period of time not less than the member's remaining reserve service obligation.

(B) Repayment to the Secretary of Defense of a percentage of the total cost incurred by the Secretary under this subchapter on behalf of the member pursuant to the repayment provisions of section 303a(e) or 373 of title 37.

(~~2~~3) In addition to the alternative obligations specified in paragraph (1) and (2), if the member is relieved of ~~an active duty obligation~~ a military service obligation by reason of the separation of the member because of a physical disability, the Secretary of the military department concerned may give the member a service obligation as a civilian employee employed as a health care professional in a facility of the uniformed services for a period of time equal to the member's remaining ~~active duty obligation~~ military service obligation.

(~~3~~4) The Secretary of Defense shall prescribe regulations describing the manner in which an alternative obligation may be given under this subsection.

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§ 2126. Members of the program: service credit

(a) Service Not Creditable.—Except as provided in subsection (b), service performed while a member of the program shall not be counted—

(1) in determining eligibility for retirement other than by reason of a physical disability incurred while on active duty as a member of the program; or

(2) in computing years of service creditable under section 205 of title 37.

(b) Service Creditable for Certain Purposes.—(1) The Secretary concerned may authorize service performed by a member of the program in pursuit of a course of study under this subchapter to be counted in accordance with this subsection if the member—

(A) completes the course of study;

(B) completes the ~~active duty obligation~~ military service obligation imposed under section 2123(a) of this title; and

(C) possesses a specialty designated by the Secretary concerned as critically needed in wartime.

(2) Service credited under paragraph (1) counts only for the award of retirement points for computation of years of service under section 12732 of this title and for computation of retired pay under section 12733 of this title.

(3) The number of points credited to a member under paragraph (1) for a year of participation in a course of study is 50. The points shall be credited to the member for one of the years of that participation at the end of each year after the completion of the course of study that the member serves in the Selected Reserve and is credited under section 12732(a)(2) of this title with at least 50 points. The points credited for the participation shall be recorded in the member's records as having been earned in the year of the participation in the course of study.

(4) Service may not be counted under paragraph (1) for more than four years of participation in a course of study as a member of the program.

(5) A member of the Selected Reserve may be considered to be in an active status while pursuing a course of study under this subchapter only for purposes of sections 12732(a) and 12733(3) of this title.

(6) A member is not entitled to any retroactive award of, or increase in, pay or allowances under title 37 by reason of an award of service credit under paragraph (1).

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§ 2128. Accession bonus for members of the program

(a) Availability of Bonus.—The Secretary of Defense may offer a person who enters into an agreement under section 2122(a)(2) of this title an accession bonus of not more than $20,000 as part of the agreement.

(b) Relation to Other Payments.—An accession bonus paid a person under this section is in addition to any other amounts payable to the person under this subchapter.

(c) Repayment.—A person who receives an accession bonus under this section, but fails to comply with the agreement under section 2122(a)(2) of this title or to commence or complete the ~~active duty obligation~~ military service obligation imposed by section 2123 of this title, shall be subject to the repayment provisions of section 303a(e) or 373 of title 37.