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Date: 3-11-99 ACTION / CONCURRENCE / COMMENT DUE BY: ---
 1998 AIDS RESEARCH LOAN REPAYMENT PROGRAM REPORT
 Subject: _____

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☐	MOORE	☐	☐
PODESTA	☐	☐	NASH	☐	☐
ECHAVESTE	☐	☐	REED	☒	☐
RICCHETTI	☐	☐	RUFF	☐	☐
LEW	☐	☐	SOSNIK	☐	☐
BERGER	☐	☐	SPERLING	☐	☐
BLUMENTHAL	☐	☐	STEIN	☐	☐
CAHILL	☐	☐	STERN	☐	☐
FRAMPTON	☐	☐	STREETT	☐	☐
IBARRA	☐	☐	TRAMONTANO	☐	☐
JOHNSON	☐	☐	VERVEER	☐	☐
KLAIN	☐	☐	WALDMAN	☐	☐
LANE	☒	☐	YELLEN	☐	☐
LEWIS	☐	☐	<u>SANDY TURNER</u> →	☒	☐
LINDSEY	☐	☐	_____	☐	☐
LOCKHART	☐	☐	_____	☐	☐
MARSHALL	☐	☐	_____	☐	☐

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RESPONSE: _____

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44 MAR 8 AM 10:15

☐ O - OUTGOING☐ H - INTERNAL☒ I - INCOMING

Date Correspondence Received (YY/MM/DD) 99.3.4

Name of Correspondent: Hon. Donna E. Shalala

☐ MI Mail Report

User Codes: (A) (B) (C)

Subject: Encloses 1998 NIH AIDS Research Loan Repayment Program Report

ROUTE TO:		ACTION		DISPOSITION	
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response Code	Completion Date YY/MM/DD
Tim Saunders		ORIGINATOR	99.3.4	C	99.3.4
Phil Caplan		Referral Note: A	99.3.4		
		Referral Note:			
		Referral Note:			
		Referral Note:			
		Referral Note:			
		Referral Note:			

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- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure
- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

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- C - Completed
- S - Suspended

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Type of Response = Initials of Signer
Code = A
Completion Date = Date of Outgoing

Comments: Not for President's approval to the Congress

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THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

99 MAR 1 PM 3:55

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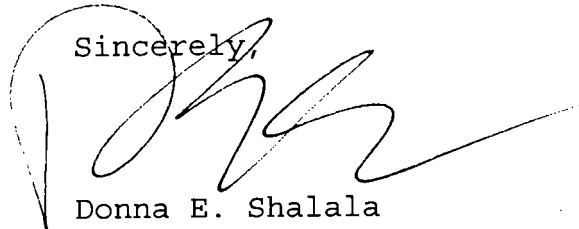
The President
The White House
Washington, D.C. 20500

Dear Mr. President:

The enclosed 1998 Annual Report on the National Institutes of Health (NIH) AIDS Research Loan Repayment Program (LRP) is submitted pursuant to the requirements of § 487A (b), and § 338B (i) of the Public Health Service Act, as amended (42 USC 288-1(b) and 42 USC 2541-1[i]). This report relates the various activities and accomplishments, actual and projected, of the NIH AIDS Research LRP.

This report was prepared by the National Institutes of Health, Public Health Service.

Sincerely,



Donna E. Shalala

Enclosure

Annual Report to Congress

NATIONAL INSTITUTES OF HEALTH
AIDS RESEARCH LOAN REPAYMENT PROGRAM

U.S. Department of Health and Human Services
National Institutes of Health
Office of the Director
Office of Intramural Research
Office of Loan Repayment and Scholarship

ANNUAL REPORT TO CONGRESS ON THE
NATIONAL INSTITUTES OF HEALTH
AIDS RESEARCH LOAN REPAYMENT PROGRAM

EXECUTIVE SUMMARY

Public Law 100-607 of November 4, 1988, introduced § 487A of the Public Health Service (PHS) Act (42 USC 288-1), which authorizes the establishment of a loan repayment program for research with respect to acquired immunodeficiency syndrome (AIDS) for researchers employed at the National Institutes of Health (NIH). On September 10, 1993, Public Law 103-43 amended § 487A of the PHS Act and reauthorized this program.

Section 487A (b) incorporates those provisions which are applicable to the administration and reporting requirements of the National Health Service Corps (NHSC) Loan Repayment Program (§ 338B, 42 USC 2541-1), which do not conflict with the NIH AIDS Research Loan Repayment Program (LRP) established in § 487A.

Section 338B (i) of the PHS Act, as amended, requires the Secretary, Department of Health and Human Services (DHHS) to submit by March 1 of each year an annual report to Congress on loan repayment activities for the prior year.

During FY 1998, the ninth year of funding of the NIH AIDS Research LRP, \$523,135 was obligated.

The LRP made awards to 10 health professionals who entered into initial, two-year service contracts and to 5 health professionals entering into one-year renewal contracts to conduct AIDS research at the following Institutes and Centers of the NIH:

National Institute of Allergy and Infectious Diseases (NIAID) - \$268,039; National Cancer Institute (NCI) - \$168,927; National Institute of Mental Health (NIMH) - \$50,656; and National Institute of Neurological Disorders and Stroke (NINDS) - \$8,340. The 15 researchers include 10 initial two-year contracts and 5 renewal contracts. The remaining \$27,173 of the total NIH AIDS Research LRP obligation consisted of Federal, State and local tax reimbursements for participants.

Loan repayment and tax reimbursement awards were made to 10 health professionals entering into initial, two-year service contracts at the following ICs: NCI (4); NIAID (4); NIMH (1); and NINDS (1). One-year, continuation contracts were granted to 5 participants conducting research at the following ICs: NCI (3); and NIAID (2).

PREFACE

Section 338B (i) of the Public Health Service (PHS) Act, as amended, requires an annual report on the National Health Service Corps (NHSC) Loan Repayment Program. Section 487A of the PHS Act authorizes the establishment of a loan repayment program for employees at the National Institutes of Health (NIH) who are engaged in research on acquired immunodeficiency syndrome (AIDS). Section 487A (b) incorporates those provisions of § 338B of the PHS Act that do not conflict with the provisions of the NIH AIDS Research LRP, and thus, an annual report is required for the NIH AIDS Research LRP.

NATIONAL INSTITUTES OF HEALTH
AIDS RESEARCH LOAN REPAYMENT PROGRAM

INTRODUCTION

This Annual Report to the Congress on the NIH AIDS Research Loan Repayment Program (LRP) describes program activities for Fiscal Year 1998, the ninth year under which awards for the LRP have been made.

Report Requirement

Section 338B (i) of the Public Health Service (PHS) Act, as amended, requires the Secretary of Health and Human Services (HHS) to submit to Congress, no later than March 1 of each year, an annual report on the NHSC LRP, including in such report, with respect to the previous fiscal year, the following:

1. The total amount of loan payments made under the LRP in the year upon which reported;
2. The number and type of health profession training of individuals receiving loan payments under the LRP;
3. The number of applications filed under the LRP;
4. The educational institutions at which such individuals have received their training;
5. The total amount of the indebtedness of such individuals for educational loans as of the date on which the individuals become participants in the LRP;
6. The number of years of obligated service specified in the initial contract;
7. The number and type of health professions who have breached the contract; and
8. Effectiveness of the Secretary in recruiting health professionals to participate in the LRP.

Section 487A of the PHS Act authorizes the establishment of the NIH AIDS Research Loan Repayment Program. § 487A (b) of the PHS Act incorporates the reporting and administrative requirements found in § 338B (i), as amended.

Legislative Authority

Public Law 100-607, enacted November 4, 1988, requires the Secretary of HHS, not later than one year after the date of the enactment of the Health Professions Reauthorization Act of 1988, to establish and implement a program of loan repayments for appropriately qualified health professionals, who, by contractual obligation, agree to engage in research with respect to AIDS as employees of the NIH. Public Law 103-43, June 10, 1993, reauthorized the NIH AIDS Research LRP.

NIH AIDS Research LRP Activities

The NIH AIDS Research LRP was enacted November 4, 1988 (Public Law 100-607). A Notice announcing the implementation of the NIH AIDS Research LRP appeared in the November 8, 1989, issue of the Federal Register. The Office of Management and Budget granted the LRP clearance #0925-0361, with an approval through November 30, 2001.

The NIH AIDS Research LRP provides, for each year of participants' full service, loan repayments to participants' lenders of up to \$20,000 a year. These participants are NIH physicians and scientists who are engaged in qualified AIDS research.

The NIH AIDS Research LRP received applications from candidates with the following specialties: analytical chemistry, biochemistry, biology, general dentistry, hematology/oncology, internal medicine, medical health physics, metabolism, neurology, pediatrics, public health, surgery, virology, and zoology.

The application packages were reviewed by the National Institutes of Health Loan Repayment Committee (LRC). The LRC is composed of senior scientists from the intramural and extramural research staff, who are appointed by the Director, NIH. In FY 1998, the LRC convened in September. In addition to considering policy questions, the LRC reviewed 16 AIDS Research LRP application packages.

The LRC, in reviewing the application packages, considered the appropriateness of the research assignment with respect to AIDS, the scientific merit of the assignment, and the credentials of both the applicant and supervisor.

The LRC approved all of the 16 IC-endorsed applicants in FY 1998. One of the 16 approved applicants declined the NIH offer of loan repayment, leaving 15 AIDS-LRP participants in FY 1998. Obligations of \$523,135 were made in FY 1998.

These 15 individuals are serving under contracts to conduct AIDS research at the following Institutes and Centers (ICs) of the NIH:

National Institute of Allergy and Infectious Diseases (NIAID) - \$268,039; National Cancer Institute (NCI) - \$168,927; National Institute of Mental Health (NIMH) - \$50,656; and National Institute of Neurological Disorders and Stroke (NINDS) - \$8,340. The 15 researchers include 10 initial two-year contracts and 5 renewal contracts. The remaining \$27,173 of the total NIH AIDS Research LRP obligation consisted of Federal, State and local tax reimbursements for participants.

Awards were made to 10 health professionals entering into initial, two-year service contracts at the following ICs: NCI (4); NIAID (4); NIMH (1); and NINDS (1). One-year, continuation contracts were granted to 5 participants conducting research at the following ICs: NCI (3); and NIAID (2).

The NIH AIDS Research LRP makes payments directly to participants' lenders. In FY 1998, \$356,807 was obligated for direct loan repayments to lenders. Loan repayments are disbursed biannually, annually, or quarterly until the end of the contract period. These payments to lenders represent taxable income to LRP participants. This income is reported to the Internal Revenue Service (IRS) and results in an increase in participants' Federal, State, and local tax liabilities.

The NIH AIDS Research LRP, for the purpose of providing reimbursements for Federal tax liability resulting from loan repayments, makes payments directly to a participant's IRS account in an amount equal to 39 percent of the total amount of loan repayments made for the taxable year involved. Additionally, the NIH AIDS Research LRP may make additional payments to participants for additional Federal, State and local tax liabilities resulting from loan repayment benefits. Thus, in FY 1998, the NIH AIDS Research LRP obligated \$166,328 to cover tax reimbursements to be disbursed for qualified participants during FYs 1998 and 1999.

NATIONAL INSTITUTES OF HEALTH
AIDS RESEARCH LOAN REPAYMENT PROGRAM

ACTIVITIES FOR FISCAL YEAR 1998

1. The total amount of loan payments made under the Loan Repayment Program
 2. The number and type of health profession training of individuals receiving loan payments under the Loan Repayment Program
-

National Institutes of Health
AIDS Research Loan Repayment Program

Obligations Made Toward Qualified Loans
Fiscal Year 1998

<u>Professional Degree(s)</u>	<u>Number</u>	<u>Loan Payments</u>	<u>Tax Reimbursements</u>
M.D.	7	\$105,729	\$41,234
M.D., Ph.D.	3	126,000	49,140
Ph.D.	4	85,078	33,181
M.D., M.P.H.	1	40,000	15,600
			27,173 ¹
	15	\$356,807	\$166,328

¹The NIH AIDS Research LRP also made obligations for Federal, State and local tax reimbursements of \$27,173 in FY 1998.

3. The number of applications filed and the health disciplines represented of individuals receiving loan repayments - the number count below includes participants with multiple health disciplines. There were 16 applications filed in FY 1998, 15 of these applicants are now participants receiving loan repayments. These participants represent the following health disciplines:

Internal Medicine	5	Hematology/Oncology	1
Biochemistry	2	Medical Health Physics	1
Pediatrics	2	Metabolism	1
Public Health	2	Neurology	1
Analytical Chemistry	1	Surgery	1
Biology	1	Virology	1
General Dentistry	1	Zoology	1

4. The educational institutions at which such individuals received their training - the participants in the NIH AIDS Research LRP received their professional degrees at the following institutions:

Doctor of Medicine (M.D.) -

- Columbia University
- Georgetown University
- Harvard Medical School
- Howard University Medical School
- Northwestern University
- Rush Medical School
- St. Louis University
- State University of New York Health Science Center
at Brooklyn
- Temple University
- University of Miami
- University of California at Irvine

Doctor of Philosophy (Ph.D.) -

- Arizona State University
- Cornell University
- Northeastern University
- Purdue University
- University of Florida
- University of Oregon
- University of Zurich

Master of Public Health (M.P.H.) -

- Tufts University School of Medicine

5. The total amount of indebtedness for educational loans for the applicants accepted into the NIH AIDS Research LRP in FY 1998 equals \$778,093.

6. Initial contracts were executed for 10 health professionals to cover a minimum of two (2) years of obligated service and for five (5) health professionals to cover one (1) year of obligated service. To date, 97 individuals have completed the minimum 2-year service period, 41 individuals have completed service periods of three (3) years, twelve (12) individuals have completed service periods of four (4) years, two individuals have completed five (5) years of service, and one individual has completed six (6) years of service.

7. No individuals have breached their contractual obligations.

8. The NIH AIDS Research LRP is designed to counter the growing economic disincentives to embark on research careers and to provide an incentive to engage in AIDS research as employees of the NIH. The NIH AIDS Research LRP has been publicized through the Academic Research Information System, Biomedical Science Report, The Journal of the Student National Medical Association, Journal of AIDS, Science Magazine, and The New Physician, and at the following scientific meetings and symposia: the All Nations Alliance for Minority Participation Research Conference; the American Federation for Clinical Research; the American Medical Student Association; the American Society for Clinical Investigation; the Association of American Medical Colleges; the Career Opportunities in Biomedicine and Public Health Service; the Hispanic Association of Colleges and Universities; the National Association of Advisors for Health Professionals; the National Coalition of Hispanic Health and Human Services Organization; the National Hispanic Medical Association; the National Medical Association; the National Minority Research Symposium; the Society for the Advancement of Chicanos and Native Americans in Science; and the Student National Medical Association. Some individuals accepted into the NIH AIDS Research LRP would have accepted research training or research positions elsewhere if not for the financial incentives of the loan repayment program. Additionally, some researchers who received loan repayment benefits through renewal contracts otherwise would have left the NIH for other career research opportunities.