

112TH CONGRESS
1ST SESSION

H. R. 2747

To amend title XVIII of the Social Security Act to establish a cancer center construction loan program.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 2011

Mr. HIGGINS introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XVIII of the Social Security Act to establish a cancer center construction loan 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 “Cancer Centers Assist-
5 ance for Renovations and Expansion Act of 2011”.

6 **SEC. 2. CANCER CENTER CONSTRUCTION LOAN PROGRAM.**

7 The Social Security Act is amended by inserting after
8 section 1897 the following new section:

1 “CANCER CENTER CONSTRUCTION LOAN PROGRAM

2 “SEC. 1897A. (a) ESTABLISHMENT.—The Secretary
3 shall establish a loan program that provides loans to quali-
4 fying cancer centers (as defined in subsection (b)) for pay-
5 ment of the capital costs of projects for the improvement
6 of research, prevention, or patient care infrastructure.

7 “(b) QUALIFYING CANCER CENTER AND OTHER
8 DEFINITIONS.—In this section:

9 “(1) The term ‘qualifying cancer center’ means
10 an entity that—

11 “(A) is designated as a cancer center or
12 comprehensive cancer center by the National
13 Cancer Institute; or

14 “(B) is both a National Cancer Institute-
15 designated comprehensive cancer center and a
16 cancer hospital described in section
17 1886(d)(1)(B)(v).

18 “(2) The term ‘project for the improvement of
19 research, prevention, or patient care infrastructure’
20 means—

21 “(A) the expansion, remodeling, ren-
22 ovating, or altering of an existing clinical, pre-
23 vention, or research facility; or

24 “(B) the construction of a new clinical,
25 prevention, or research facility.

1 “(3) The term ‘intended use’ means the pur-
2 poses for which the infrastructure improvements
3 were made.

4 “(4) The term ‘shovel ready’ means, with re-
5 spect to a project, that construction of the project—

6 “(A) has begun as of the date of the enact-
7 ment of this section; or

8 “(B) is ready (subject only to the receipt
9 of permits) to begin, and will begin, not later
10 than 90 days after such date.

11 “(c) APPLICATION; QUALIFICATIONS; TERMS OF
12 LOANS.—

13 “(1) IN GENERAL.—No loan may be provided
14 under this section to a qualifying cancer center ex-
15 cept pursuant to an application that is submitted
16 and approved in a time, manner, and form specified
17 by the Secretary.

18 “(2) QUALIFICATIONS.—A loan may not be pro-
19 vided under this section for a project for a qualifying
20 cancer center unless the applicant provides assur-
21 ances satisfactory to the Secretary that—

22 “(A) the project is a project for the im-
23 provement of research, prevention, or patient
24 care infrastructure of the center;

25 “(B) the project is shovel ready;

1 “(C) the applicant will use the facility im-
2 proved or resulting from the project for its in-
3 tended use for a period of at least 20 years
4 after completion of the project and has suffi-
5 cient funds available to demonstrate effective
6 use of such facility for its intended use;

7 “(D) sufficient funds will be available to
8 meet the non-Federal share of the cost of the
9 infrastructure improvement; and

10 “(E) the proposed infrastructure improve-
11 ment will expand the applicant’s capacity for
12 research, prevention or patient care, or is nec-
13 essary to improve or maintain the quality of the
14 applicant’s research, prevention, or patient care.

15 “(3) NO FURTHER REQUIREMENTS.—The Sec-
16 retary shall not promulgate any further require-
17 ments or restrictions on a qualifying cancer center
18 to obtain assistance under this section other than
19 those specified in this section.

20 “(4) TERMS OF LOANS.—

21 “(A) IN GENERAL.—Loans under this sec-
22 tion shall be made consistent with the require-
23 ments of this section.

24 “(B) INTEREST RATE.—The interest rate
25 for loans provided under this section shall be at

1 lowest of the following (as published or deter-
2 mined, as the case may be, as of the date of the
3 enactment of this section):

4 “(i) PRIME RATE.—The bank prime
5 loan rate posted by a majority of the larg-
6 est 25 United States chartered commercial
7 banks, as determined based on assets in
8 domestic offices and as published by the
9 Board of Governors of the Federal Reserve
10 System.

11 “(ii) MINIMUM FEDERAL INTEREST
12 RATE.—The minimum annual rate of in-
13 terest determined under section 3717(a) of
14 title 31, United States Code.

15 “(iii) MUNICIPAL MARKET DATA
16 RATE.—The Municipal Market Data
17 (MMD) rate for triple-A rated bonds with
18 a 1-year maturity, as published by Thom-
19 son Financial Services.

20 “(C) LIMITATIONS ON LOANS.—The max-
21 imum, aggregate amount of loans that may be
22 made under this section (and for which reim-
23 bursement may be provided under subsection
24 (d)(2)) for a qualifying cancer center is 75 per-

1 cent of the total project costs, but not to ex-
2 ceed—

3 “(i) \$100,000,000 for a qualifying
4 cancer center described in subsection
5 (b)(1)(B); or

6 “(ii) \$50,000,000 for any other quali-
7 fying cancer center.

8 “(d) FORGIVENESS; REIMBURSEMENT ALTER-
9 NATIVE.—

10 “(1) IN GENERAL.—The Secretary may forgive
11 repayment of a loan under this section to a quali-
12 fying cancer center described in subsection (b)(1)(B)
13 if the center submits to the Secretary a written re-
14 quest for loan forgiveness under this paragraph and
15 demonstrates that under the project for which the
16 loan was made the center—

17 “(A) has made reasonable depth and
18 breadth of research activities in each of the
19 three major areas of laboratory research, clin-
20 ical research, and population-based research,
21 with substantial transdisciplinary research that
22 bridges these scientific areas;

23 “(B) has initiated and conducted investi-
24 gator-initiated, early phase, innovative clinical
25 trials; and

1 “(C) has performed community service,
2 outreach, dissemination, and education and
3 training of biomedical researchers and health
4 care professionals.

5 “(2) ALTERNATIVE OF REIMBURSEMENT OF
6 OTHER LOANS.—The Secretary shall establish an al-
7 ternative to making a loan and providing loan for-
8 giveness under paragraph (1) under which a quali-
9 fying cancer center may elect to obtain a loan from
10 a source other than under this section, and, in the
11 event that it would otherwise qualify for loan for-
12 giveness under paragraph (1), the Secretary shall
13 provide for reimbursement for the amount of such
14 loan.

15 “(e) FUNDING.—

16 “(1) IN GENERAL.—To carry out this section,
17 there are appropriated out of amounts in the Treas-
18 ury not otherwise appropriated, \$900,000,000.

19 “(2) ADMINISTRATIVE COSTS.—For the admin-
20 istration of this section, Secretary may not use more
21 than \$1,000,000 from the funds made available
22 under paragraph (1) for fiscal years 2012 through
23 2014.

24 “(3) AVAILABILITY.—Amounts appropriated
25 under this section shall be available for obligation

1 and obligated during the period beginning on Octo-
2 ber 1, 2011, and ending on September 30, 2014.

3 “(f) REPORT TO CONGRESS.—Not later than 3 years
4 after the date of the enactment of this section, the Sec-
5 retary shall submit to Congress a report on the projects
6 for which loans are provided under this section (or reim-
7 bursement is provided under subsection (d)(2)) and a rec-
8 ommendation as to whether the Congress should authorize
9 the Secretary to continue loans under this section beyond
10 fiscal year 2014.”.

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