



Program Guide

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM (HPSP)

**Department of Veterans Affairs
Veterans Health Administration
HR Development, Retention and Policy
1250 Poydras Street, Suite 1000
New Orleans, LA 70113**

**HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM (HPSP)
PROGRAM GUIDE****CONTENTS**

PARAGRAPH	PAGE
1. Purpose.....	1
2. Background.....	1
3. Definitions.....	3
4. Purpose of the Scholarship Program.....	4
5. Eligibility Requirements for Applicants.....	5
6. Application to HPSP.....	7
7. Selection of Participants.....	8
8. Payment of HPSP Awards.....	10
9. Continuation of Payment of HPSP Awards.....	12
10. Responsibilities of Participants.....	12
11. Suspension of HPSP Award.....	14
12. The Service Obligation Period.....	14
13. Deferment of Service Obligation Period.....	15
14. Failure to Comply with Terms and Conditions of HPSP.....	16
15. Bankruptcy Provision.....	18
16. Waiver or Suspension of Obligation.....	18
17. Relationship to Other Programs.....	20
18. References.....	20

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM (HPSP) PROGRAM GUIDE

1. PURPOSE: This Department of Veterans Affairs (VA), Veterans Health Administration (VHA) Program Guide provides specific direction and guidance related to the application, selection, and award procedures of the Health Professional Scholarship Program (HPSP). It provides a fair summary of the rights and liabilities of an individual whose HPSP application is approved and acceptance agreement is consummated by VA. **AUTHORITY:** Title 38 United States Code (U.S.C.) 7601 through 7619, 7633, 7634, and 7636.

2. BACKGROUND:

a. Congress established HPSP on August 26, 1980, under Public Law (P. L.) 46-330. The original authority for HPSP expired on December 31, 1998. HPSP was re-authorized through December 31, 2014, by Section 603 of P.L. 111-163, The Caregivers and Veterans Omnibus Health Service Act of 2010, and extended through December 31, 2019, by Section 302 of P.L. 113-146, Veterans Access, Choice, and Accountability Act of 2014. It is codified in 38 U.S.C. 7601 through 7619, 7633, 7634, and 7636.

b. **Privacy Act Notification Statement.** The information in this Program Guide is provided pursuant to the Privacy Act of 1974 (Public Law 93-579), as amended, for individuals supplying information for inclusion in a system of records.

c. **Purposes and Uses**

(1) HPSP provides scholarships to students receiving education or training in a direct or indirect health-care services discipline, to assist VA in providing an adequate supply of such personnel for VA and the United States. VA will use the information provided by the applicant to evaluate eligibility for participation in HPSP.

(2) A participant's agreement, application, required supplemental forms, supporting documentation, correspondences and related data are maintained in a system of records to be used within VHA to monitor HPSP-related activities. This information may also be disclosed outside VHA, as permitted by the Privacy Act and Freedom of Information Act, to the Congress, the National Archives, the Government Accountability Office, and pursuant to court order and various routine uses.

d. **Effects of Nondisclosure.** Disclosure of the information sought is voluntary; however, if not submitted, an application is considered incomplete and, therefore, will not be considered for an award under this announcement.

e. **Discrimination Prohibited**

(1) Title VI of the Civil Rights Act of 1964 states: "No Person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the

benefits of, or be subjected to discrimination, under any program or activity receiving Federal financial assistance.”

(2) Title IX of the Education Amendments of 1972 and its implementing regulations (Title 45 Code of Federal Regulations (CFR) Part 86) provide that no person in the United States will, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance.

(3) Section 504 of the Rehabilitation Act of 1973, as amended, provides that no otherwise qualified handicapped individual in the United States shall, solely by reason of the individual’s disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

(4) Section 301 of the Age Discrimination Act of 1975 provides that no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

f. **Paperwork Reduction Act Public Burden Statement.** An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a current Office of Management and Budget (OMB) control number. *NOTE: The current OMB control number for information collected through this application process is 2900-0793 and expires December 31, 2016.* The public reporting burden for this collection is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Scholarships & Clinical Education Services, Department of Veterans Affairs, 1250 Poydras St., Suite 1000, New Orleans, LA 70113.

g. **Department of Veterans Affairs**

(1) VA was established in 1930 to administer Federal programs that provide assistance to the Nation’s Veterans. In 1989, through enactment of Public Law 100-527, VA was elevated to cabinet status with a change of name to the Department of Veterans Affairs. Veteran’s benefits are administered through a nationwide network of health care facilities, Veteran’s benefits offices, data processing centers, and national cemeteries.

(2) VA operates the Nation’s largest health care delivery system. Facilities range in size from 100 to 2,000 beds and include medical centers, outpatient clinics, Community Living Centers (CLC), and domiciliaries located throughout the United States.

(3) The VA health care system and VHA has established extensive programs in education and research to accomplish its objective of providing Veterans with high quality health care. These programs are usually conducted in affiliation with academic institutions. All VA medical facilities are affiliated with at least one institution of higher learning and provide all, or part, of

the supervised experiences required in the education and training of various health care professionals.

3. DEFINITIONS:

a. *Acceptable level of academic standing* means the level at which a participant may continue to attend school under the standards and practices of the school at which a participant is enrolled in a course of study for which an HPSP scholarship was awarded.

b. *Acceptance agreement* means a signed legal document between VA and a participant of the HPSP that specifies the obligations of VA and the participant upon acceptance to HPSP.

c. *Affiliation agreement* means a legal document that enables the clinical education of trainees at a VA or non-VA medical facility. An affiliation agreement is required for all education or training that involves direct patient contact, or contact with patient information, by trainees from a non-VA institution.

d. *Citizen of the United States* means any person born, or lawfully naturalized, in the United States, subject to its jurisdiction and protection, and owing allegiance thereto.

e. *Credential* means the licensure, registration, certification, required education, relevant training and experience, and current competence necessary to meet VA's qualification standards for employment in certain health care occupations.

f. *Degree* represents the successful completion of the course of study for which a scholarship was awarded. For the purposes of the HPSP, VA recognizes the following degrees: a doctor of medicine; doctor of osteopathy; doctor of dentistry; doctor of optometry; doctor of podiatry; or an associate, baccalaureate, master's, or doctorate degree in another health care discipline needed by VA.

g. *Full-time student* means an individual who meets the requirements for full time attendance as defined by the school in which they are enrolled.

h. *HPSP* means the VA Health Professional Scholarship Program authorized by 38 U.S.C. 7601 through 7619.

i. *Mobility agreement* means a signed legal document between VA and a participant of HPSP, in which the participant agrees to accept assignment at a VA facility selected by VA where he or she will fulfill the obligated service requirement. A mobility agreement must be included in the participant's acceptance agreement. Relocation to another geographic location may be required.

j. *Obligated service* means the period of time during which the HPSP participant must be employed by VA in a full-time clinical occupation for which the degree prepared the participant as a requirement of the acceptance agreement.

k. *Part-time student*. For the purposes of the HPSP, part-time student means an individual who is a VA employee, and who has been accepted for enrollment or enrolled for study leading to a degree on a less than full-time basis but no less than half-time basis.

l. *Participant or scholarship program participant* means an individual whose application to HPSP has been approved, whose acceptance agreement has been consummated by VA, and who has yet to complete the period of obligated service or otherwise satisfy the obligation or financial liabilities of such agreement.

m. *Required fees* means those fees which are charged by the school to all students pursuing a similar curriculum in the same school.

n. *School* means an academic institution that is accredited by a body or bodies recognized for accreditation by the U.S. Department of Education or by the Council for Higher Education Accreditation (CHEA), and for the purposes of the HPSP, offers a course of study leading to a degree in a health care service discipline needed by VA.

o. *School year* means for purposes of the HPSP and its stipend payment, all or part of the 12-month period that starts on the date the participant begins school as a full-time student.

p. *Secretary* means the Secretary of Veterans Affairs or designee.

q. *State* means one of the several States, Territories and possessions of the United States, the District of Columbia and the Commonwealth of Puerto Rico.

r. *Under Secretary for Health* means the Under Secretary for Health of VA or designee.

s. *VA* means the Department of Veterans Affairs.

t. *VA employee* means an individual permanently employed by VA. A VA employee does not include an individual who is employed temporarily or on a contractual basis.

u. *VA health care facility* means a VA medical center, independent outpatient clinic, domiciliary, nursing home (community living center), residential treatment program, and any of a variety of community based clinics (including community based outpatient clinics, primary care telehealth clinics, and Vet Centers), consolidated mail outpatient pharmacies, and research centers.

4. PURPOSE OF THE SCHOLARSHIP PROGRAM: The purpose of HPSP is to award scholarships to students receiving education or training in a direct or indirect health-care services discipline, and to assist in providing an adequate supply of such personnel for VA and the United States. HPSP helps VA meet its need for qualified health care professionals for which recruitment or retention is difficult.

a. Eligible applicants must be enrolled in or unconditionally accepted for enrollment in an academic program that prepares the applicant to meet the VA qualification standards for employment. HPSP offers awards on a competitive basis to selected applicants. The awards

provide for the payment of a monthly stipend, tuition, required fees, and other reasonable educational expenses, including books and necessary equipment. The benefits are exempt from Federal taxation.

b. In exchange for the award, scholarship program participants must agree to serve a minimum two-year service obligation in a VA health care facility as a full-time employee for full-time students, or a minimum one-year service obligation for part-time students, in a position for which the degree program prepared him or her. Participants will be involved in applying for positions and selecting the location for the service obligation; however, VA reserves the right to make the final decision as to location. Relocation at the participant's expense may be required for completion of the service obligation period.

5. ELIGIBILITY REQUIREMENTS FOR APPLICANTS: Applicants must meet all of the following requirements to be eligible to compete for the HPSP award.

a. **Citizenship.** Applicants must be citizens of the United States at the time of application for the HPSP award.

b. **Enrollment.**

(1) All applicants must be either currently enrolled in, or unconditionally accepted for enrollment, in a program of study that coincides with the application cycle's high need VA professions list on the program announcement. Eligible professions are derived from Title 38 eligible programs of study (See Table 1.), and as published by the Inspector General of the Department in the Federal Register as one of the largest staffing shortages throughout the Department. If currently enrolled, the applicant must have a minimum Cumulative Grade Point Average (CGPA) equivalent to 3.0 on a 4.0 grading scale.

Table 1. Title 38 and Hybrid Title 38 Eligible Occupations			
Full Title 38 Occupations		Hybrid Title 38 Occupations	
Established in 1946 by P.L. 79-293		Added in 2003 by P.L. 108-170	
Physician	0602	Audiologist	0665
Dentist	0680	Audiologist-Speech Pathologist	0665
Registered Nurse	0610	Biomedical Engineer	0858
		Blind Rehabilitation Specialist	0601
		Blind Rehabilitation Outpatient Specialist	0601
Added in 1975 by P.L. 94-123			
Physician Assistant	0603	Dental Assistant	0681
Expanded-Function Dental Auxiliary	0682	Dental Hygienist	0682
		Dietitian	0630
Added in 1976 by P.L. 94-581			
Optometrist	0662	Kinesiotherapist	0635
Podiatrist	0668	Medical Instrument Technician	0649
		Medical Records Administrators or Specialist	0669
		Medical Records Technician	0675
Added in 2003 by P.L. 108-170			
		Medical Technologist	0644
Chiropractor	0604	Nuclear Medicine Technologist	0601

Hybrid Title 38 Occupations		Occupational Therapy Assistant	0636
Added in 1983 by P.L. 98-60		Orthotist-Prosthetist	0667
Certified Respiratory Therapy Technician	0640	Pharmacy Technician	0661
Licensed Practical Nurse	0620	Physical Therapy Assistant	0636
Licensed Vocational Nurse	0620	Psychologist	0180
Occupational Therapist	0631	Prosthetic Representative	0672
Pharmacist	0660	Radiologic Technician (Diagnostic)	0674
Physical Therapist	0633	Radiologic Technician (Therapeutic)	0648
NOTE: <i>P.L. 111-163 allows the Secretary of Veterans Affairs to extend Hybrid Title 38 status to other healthcare occupations the Secretary considers necessary for the recruitment and retention needs of VA.</i>		Social Worker	0185
		Speech Pathologist	0665
		Added in 2010 by P.L. 111-163	
		Nursing Assistant	0621
		Medical Support Assistant	0679

(2) All academic institutions must be located in the United States or its territories and accredited by an accrediting organization recognized by the Council for Higher Education Accreditation (CHEA) and the professional accrediting body identified in VA’s Qualification Standards as required (without waiver) for the occupation in which the participant will be appointed, assigned, or retained. VA Qualification Standards are found in VA Handbook 5005, Staffing. An electronic version of VA Handbook 5005 is maintained on the Office of Human Resources Management Web site at <http://www.va.gov/ohrm/>.

c. **Complete and Eligible Applications.** Applicants must submit a complete *Application* (VA Form 10-0491G) by the deadline date to be considered for the HPSP award. Please see the *How to Apply* section in subparagraph 6a for further instructions on completing the application.

d. **Background Check.** Applicants must pass and maintain a background investigation commensurate with the VA occupation for which the scholarship is being offered.

e. **Clinical Tour.** Applicant must agree to perform a clinical tour, at a VA healthcare facility, while the participant is enrolled in the course of education or training for which a scholarship is awarded. VA will determine the assignment and location of the clinical tour.

f. **Service Obligation**

(1) After graduation and completion of their licensure or certification, the applicant must be willing to fill a full-time VA employment obligation in a position within the occupation for which HPSP was awarded. This employment obligation may require a geographic relocation, at the applicant’s expense.

(2) Applicants uncertain of a commitment to their current health care specialty, VA clinical tour, or relocation requirements based on the needs of VA are advised not to request participation in this program.

g. **Ineligible Programs and/or Students**

- (1) Students enrolled in education programs or specialty areas other than those approved for participation in the HPSP.
- (2) Students currently or previously delinquent on any debt to the Federal Government (e.g., Public Health Service, Federal Student Loans, or taxes).
- (3) Students who, at the time of application, owe a service obligation to any other entity that coincides with the requirement to perform service after completion of the HPSP funded course of study.
- (4) Students who were previous participants in HPSP and breached their agreements, even if they received a waiver of liability under the program.

h. **VA Employment Eligibility Requirements.** A pre-placement physical examination and a National Agency Check with Written Inquiries investigation will be completed prior to scholarship participant's appointment in VA. *NOTE: Applicants must be able to meet VA employment eligibility.*

i. **Current VA Employees**

- (1) An eligible VA employee is a full-time VA employee who is permanently assigned to a VA medical facility on the date on which the individual submits the application and on the date on which the individual becomes a participant in HPSP.
- (2) An individual who is an eligible VA employee may be accepted as a participant if accepted for enrollment or enrolled for study on less than a full-time, but not less than a half-time, basis. Such a participant is referred to as a "part-time student."
- (3) VA employees completing a service obligation incurred through other VA-sponsored programs are not eligible for HPSP awards unless the obligation to the other VA-sponsored program is completed by the time the VA employee applies for an HPSP award.
- (4) Current VA employees must have a performance rating of fully successful or better on the date the individual submits the application and throughout participation in HPSP.

6. APPLICATION TO HPSP:

a. **How To Apply**

- (1) There is one application cycle each calendar year. VA will announce the open period for accepting applications on vacareers.va.gov and post a Program Announcement on USAJobs.gov.
- (2) To apply for this scholarship, the applicant must provide a complete application package through the USAJobs program announcement; and follow the instructions listed in the "How to Apply" section of the program announcement.

b. **Submission.** Applicants must submit a complete *Application* (VA Form 10-0491G). The applicant should be aware that the application includes an agreement to serve a period of obligated service, as well as a service mobility clause. Each applicant should double check the completed application for accuracy and inclusion of all the forms. A complete application consists of the following:

(1) *Application* (VA Form 10-0491G).

(2) *Academic Verification* (VA Form 10-0491).

(3) *Evaluation and Recommendation* (VA Form 10-0941E). These forms must be dated within 12 months of the application deadline, and include one from:

(a) the academic program where the applicant is currently enrolled or where the applicant will be enrolled;

(b) a person who has known the applicant for a minimum of 2 years; and

(c) the applicant's VA supervisor or equivalent individual, if the supervisor is no longer available. **NOTE:** *This is required only if the applicant was employed by VA in the last 3 years.*

(4) **Academic Transcript.** **NOTE:** *An unofficial transcript is acceptable.*

(5) **Résumé.** Include prior education, professional licenses, registrations, certifications, and detailed descriptions of volunteer and work experience, especially those that are healthcare related. The résumé must not exceed five single-sided pages and must be at least 11-point font.

(6) *Declaration for Federal Employment* (OF 306).

c. **Application Deadline.** The complete application package must be submitted online through USAJobs.gov, or faxed to the number indicated in the program announcement by 11:59 p.m. Eastern Standard Time (EST) on the closing date of the announcement. VA does not accept applications submitted by any other method, does not accept late applications, and does not grant extensions.

7. SELECTION OF PARTICIPANTS: HPSP awards are made on a competitive basis to eligible students who meet certain selection criteria. During the selection process, students are ranked with their peers for each health care profession. The amount of funds available each year determines the number of students selected for awards.

a. Applications from full-time students in each health profession are reviewed and rated using a points system with 50 percent of the rating based on academic performance, and 50 percent on the remaining factors. Selection criteria are as follows:

(1) **Academic Performance.** Based on transcripts and faculty evaluations. If it is a school's policy not to rank students academically, faculty members are asked to provide a personal judgment of applicant's achievement.

(2) **Faculty and/or Employer Recommendations.** Based on faculty and/or employer evaluation of the applicant's potential in the applicant's chosen health-related profession and applicant's personal attributes.

(3) **Work and/or Volunteer Experience.**

(4) **Awards.**

(5) **Professional Activities.**

(6) **Organizational Memberships and/or Offices Held.**

(7) **Career Goals.** Based on a description of how these goals will help meet the health needs of Veterans and help increase the supply of such health care workers in the VA and in the United States.

(8) **Veteran Status.**

b. For part-time students employed at VA, the following factors, along with those detailed in the preceding subparagraphs, will be considered in awarding scholarships.

(1) Length of service as a VA employee in a medical facility.

(2) Honors and awards received from VA and other sources.

(3) VA work performance evaluations.

(4) A recommendation for selection for a part-time scholarship from a VA Medical Center Director.

c. **Ranking Procedures**

(1) Completed applications from eligible applicants within each profession and subgroup are reviewed and rated. The scores are determined for each application, and rank order listings are developed. Priority is given to applicants in their final year of education or training.

(2) A cut off score is determined based on the needs of VHA and on available funding.

(3) If the number of equally-qualified applicants exceeds the available awards, a random method of selection will be used.

(4) Veterans are given priority among otherwise equally-qualified applicants.

d. **Award Notification**

(1) Applicants recommended as primary and alternate selectees by the Selection Committee are notified of their award status and must complete and successfully pass a background investigation.

(2) It is the applicant's responsibility to keep the Scholarships and Clinical Education (S&CE) Program Office informed of address changes. Failure to do so could result in unsuccessful notification of award selection and subsequent reassignment of the award to an alternate selectee.

(3) Selectees will receive a Scholarship Offer Package from S&CE that includes a *VA Scholarship Offer Response* (VA Form 10-0491K), *HPSP Agreement* (VA Form 10-0491F), and a Mobility Agreement. Selectees must complete, sign, and return the original documents to S&CE.

(4) Selectees have 15 days to notify the S&CE of their acceptance or declination of an offered award.

(5) If selectees withdraw or decline the award offer, alternates will be promoted to full selectee status.

e. **Program Agreement.** Participation in the scholarship program becomes effective when the selected applicant signs and submits the legally binding *HPSP Agreement* (VA Form 10-0941F) and the Under Secretary for Health, or designee, signs the agreement. Selectees approved to become participants will be provided with a Welcome Kit that includes a copy of the final agreement and instructions for setting up award payments to the participant and school.

8. PAYMENT OF HPSP AWARDS:

a. **Tuition and Required Fees.** The HPSP award pays a participant's school tuition and required fees through direct payment to the school. The school is sent official notification of the selectees' participation in HPSP and will be authorized to directly bill S&CE. It is the participant's responsibility to ensure invoices submitted for payment accurately reflect authorized curriculum, tuition, and fees.

(1) If a participant is a part-time student, the maximum award that can be provided for each year will be a ratio to the amount that would be paid to a full-time student in the student's program of study.

(2) Required fees are those determined as necessary by the Secretary of Veterans Affairs, and do not include the following:

- (a) Books or equipment;
- (b) Course withdrawal fee;
- (c) Health insurance;

- (d) Licensure and/or certification fees;
- (e) Membership dues in student societies;
- (f) Parking fees;
- (g) Room or board;
- (h) Transcript fees;
- (i) Travel fees; or
- (j) Uniforms.

b. **Annual Expense.** The HPSP award also includes an annual lump sum amount for other educational expenses paid directly to the participant with the first stipend check at the beginning of the school year. This payment may be used to pay for expenses listed in subparagraph 8a(2).

c. **Stipend.** HPSP will pay a monthly stipend directly to the participants. The payment is made for each month a participant is enrolled in coursework, beginning with the first month of the school year.

(1) If the participant is a full-time student, the stipend continues through the summer months, provided the participant has not yet completed the participant's degree requirements and is enrolled in course work. The stipend payment is discontinued the month of a participant's degree completion.

(2) For part-time students, the maximum stipend available is reduced in accordance with the proportion that the number of credit hours carried bears to the number of credit hours required to be carried by a full-time student in the same course of education or training. In addition, a stipend may not be paid for any month during which a participant is not actually attending the course of education or training in which the participant is enrolled.

(3) The stipend is not available if the participant is a full-time VA employee.

(4) The scholarship program suspends payment of the stipend if the required documentation and/or transcripts to continue eligibility in the HPSP are not submitted by the required dates. The stipend payments are not reinstated until the documents have been received and then they are re-issued the next automated stipend cycle.

(5) To receive the monthly stipend, the participant must have access to a bank account so that funds can be electronically transferred into the participant's bank account. **NOTE:** *Payment of the monthly stipend does not mean that the participant is employed by VA or participates in any of the benefits available to VA employees.*

(6) The scholarship benefits are exempt from Federal taxation.

d. **Supplemental Funding.** A list of HPSP participants is forwarded to Financial Aid Offices and Billing Offices at the participants' schools. Participants receiving funds from sources other than HPSP should contact their Financial Aid Officers. HPSP may be provided to supplement other educational assistance, but the total assistance received by the participant from VA cannot exceed the total tuition and fees for the academic year.

9. CONTINUATION OF PAYMENT OF HPSP AWARDS: HPSP payments will continue during the agreement period, depending on the following:

a. The award will not extend the total period of HPSP support beyond 4 years for a full-time scholarship, and beyond 6 years for a part-time scholarship.

b. The participant demonstrates continued enrollment and provides academic verification in the accredited program of study approved by VA at the time of selection for HPSP. This is accomplished by participants submitting:

- (1) a monthly self-certification to S&CE (Instructions are provided upon acceptance); and
- (2) the next semester's course enrollment at the end of each semester.

c. The participant maintains an acceptable level of academic standing as defined by the school and submits their transcripts and/or grade reports demonstrating progress in their academic program.

10. RESPONSIBILITIES OF PARTICIPANTS: The responsibilities of the participant include:

a. Carefully reviewing the material contained in this Program Guide to ensure that he or she fully understands the nature of the program, its benefits, limitations, and participant responsibilities.

b. Reading, understanding, signing, and satisfying all requirements specified in the HPSP agreement.

c. Maintaining enrollment, attendance, and an acceptable level of academic standing as defined by the school and program for which the scholarship was awarded.

d. Reporting educational progress and expenses to S&CE. The participant is responsible for ensuring invoices submitted for payment accurately reflect authorized curriculum, tuition, and fees;

e. Providing S&CE the grade report from the academic institution at the conclusion of each academic session (semester or quarter). Funds for the next academic session will not be disbursed to the participant until this grade report is received.

f. Informing S&CE immediately of any change impacting the terms of the agreement. These changes include, but are not limited to:

- (1) Name.
 - (2) Mailing address.
 - (3) E-mail address.
 - (4) Enrollment status.
 - (5) Curriculum plan revision, including course withdrawal.
 - (6) Academic standing, including course and/or challenge examination failure or incomplete grade.
 - (7) Pending graduation date.
 - (8) Projected costs.
- g. Ensuring prior to any change, that the change complies with program criteria specified in this Program Guide. Changes may require approval or pre-approval from S&CE. Thus, the participant should notify S&CE in advance of the change whenever possible, but in all cases notification should occur within 10 days of the change unless otherwise specified within this Program Guide.
- h. Submitting to S&CE:
- (1) A *Notice of Change/Annual Academic Status* (VA Form 10-0491I) and any other required form(s), as determined by S&CE, for any of the changes listed in subparagraph 10f and annually to verify academic status.
 - (2) A *Notice of Approaching Graduation* (VA Form 10-0491H) 6 months prior to his or her scheduled graduation date.
 - (3) An *Education Program Completion Notice/Service Obligation Placement* (VA Form 10-0491E) within 90 days of completing their education program and upon agreeing to accept a position within the VA to fulfill his or her service obligation.
- i. Ensuring that HPSP officials have access to educational or training institution official transcripts, and other information and documents required to assess the participant's academic standing, status, and progress.
- j. Meeting or exceeding performance requirements for current VA position if participant is a current VA employee.
- k. Submitting to S&CE, within 90 days of completing the academic program, the final official transcript from the academic institution attended. The transcript must include the degree or certificate conferred and date thereof.

l. Obtaining applicable credentials within 180 days after degree conferral and becoming eligible for assignment or appointment to the position for which the HPSP-sponsored education or training program prepared the participant.

m. Serving as a full-time VHA employee in position for which the HPSP-sponsored education or training program prepared the participant in a location determined by VA.

n. Maintaining program eligibility requirements throughout participation in the program.

11. SUSPENSION OF HPSP AWARD:

a. VA will suspend HPSP payments for any of the following reasons:

(1) The school and VA have approved a leave of absence for health, personal, or other reasons; or

(2) The degree completion date is delayed because of course failure(s) or curriculum changes.

b. Participants are required to notify S&CE, in writing, when expecting a leave of absence from the school, or repeating course work. A letter from the school verifying this information must accompany the written communication. The HPSP award will resume once S&CE is notified, in writing, by the school that the participant has returned to the course of study for which the scholarship was awarded, or that the participant has achieved satisfactory grades for repeated course(s) and is proceeding in the course of study for which the scholarship was awarded. VA will not pay tuition for repeated courses.

12. THE SERVICE OBLIGATION PERIOD: Upon completing the HPSP funded degree, participants are obligated to provide service as a VA employee in full-time clinical practice. Temporary appointments are not sufficient to fulfill this service obligation.

a. Working for VA offers a comprehensive benefits package that includes, in part: paid vacation, sick leave, holidays, life insurance, health benefits, and participation in the Federal Employees Retirement System. In addition to traditional "dollars and cents" benefits, VA offers a range of benefits to help balance work and life. For more information on these benefits, please visit see http://www.va.gov/jobs/job_benefits/benefits.asp.

b. When submitting an application for employment that will be used to fulfill the HPSP scholarship obligation period, participants must be sure to clearly indicate that they are a HPSP participant.

c. VA will fully employ HPSP participants as soon as possible after they graduate and meet all VA qualification requirements.

d. **Fulfilling the Service Obligation Period.** A participant's service obligation will begin on the date that he or she is appointed as a full-time VA employee in a position for which the degree program prepared him or her.

(1) Full-time student participants will serve as permanent, full-time VA employees for a period that will be for 1 calendar year for each school year or part thereof for which the scholarship was awarded, but for no less than 2 years.

(2) For part-time student participants, the obligated service is reduced from that which a full-time student must serve in accordance with the proportion that the number of credit hours carried by a part-time student in any school year bears to the number of credit hours required to be carried by a full-time student, whichever is greater, but shall be a minimum of 1 year of full-time employment.

(3) Participants are responsible for verifying their VA employment each year by submitting an *Annual VA Employment or Deferment Verification Form* (VA Form 10-0491C). No period of advanced clinical training or temporary appointment will be credited toward satisfying the period of obligated service incurred under HPSP.

e. **Location.** A participant who receives a scholarship must agree as part of the participant's mobility agreement that he or she is willing to accept the location and assignment where VA assigns the obligated service. Participants must be willing to relocate to other geographic locations, at their own expense, to complete their service obligation.

(1) The service obligation is carried out only in VA medical facilities and cannot be served in any branch of the Armed Forces or other Federal agencies.

(2) Locations for obligated service will be at those VA medical facilities with the greatest need of health professionals. Due to the national distribution of VA medical facilities and clustering of professional schools, relocation is likely for service obligation.

(3) VA needs and priorities change; therefore, arrangements to determine the location of the service obligation are started approximately 3 months prior to a participant's availability for service. Participants will be involved in applying for positions and selecting the location for the service obligation; however, VA reserves the right to make the final decision as to location.

(4) Participants must notify S&CE upon agreeing to accept a position within the VA to fulfill their service obligation.

13. DEFERMENT OF SERVICE OBLIGATION PERIOD: Participants may request deferment of the period of obligated service to allow completion of an approved program of advanced clinical training. The *Request for Deferment for Advanced Education* (VA Form 10-0491J) must be completed and received by S&CE. If approved, participants are responsible for verifying their deferment status each year using the *Annual VA Employment or Deferment Verification Form* (VA Form 10-0491C).

a. **Request for Deferment.** A participant receiving a degree from a school of medicine, osteopathy, dentistry, optometry, or podiatry, may request deferment of obligated service to complete an approved program of advanced clinical training. VA may defer the beginning date of the obligated service to allow the participant to complete the advanced clinical training program. The period of this deferment will be the time designated for the specialty training.

b. **Deferment Requirements.** Any participant whose period of obligated service is deferred shall be required to take all or part of the advanced clinical training in an accredited program in an educational institution having an Affiliation Agreement with a VA health care facility, and such training will be undertaken in a VA health care facility.

c. **Additional Service Obligation.** A participant who has requested and received deferment for approved advanced clinical training may, at the time of approval of such deferment, at the discretion of VA, and upon the recommendation of the Under Secretary for Health, incur an additional period of obligated service:

(1) At the rate of one-half of a calendar year for each year of approved clinical training (or a proportionate ratio thereof) if the training is in a specialty determined to be necessary to meet health care requirements of VHA; or

(2) At the rate of three-quarters of a calendar year for each year of approved graduate training (or a proportionate ratio thereof) if the training is in a medical specialty determined not to be necessary to meet the health care requirements of the VHA. Specialties necessary to meet the health care requirements of the VHA will be prescribed periodically by the VA when, and if, this provision for an additional period of obligated service is to be used.

d. **Altering Deferment.** Before altering the length or type of approved advanced clinical training for which the period of obligated service was deferred under paragraphs (a) or (b) of this section, the participant must request and obtain written approval of the alteration from the Under Secretary for Health or designee.

e. **Beginning of Service After Deferment.** Any participant whose period of obligated service has been deferred under paragraph (a) or (b) of this section, must begin the obligated service effective on the date of appointment to a title 38 or hybrid title 38 occupation in full-time clinical practice in an assignment or location in a VA health care facility as determined by VA. The assignment will be made by the VA within 120 days prior to or no later than 30 days following the completion of the requested graduate training for which the deferment was granted.

14. FAILURE TO COMPLY WITH TERMS AND CONDITIONS OF HPSP:

a. **Liquidated Damages Penalty**

(1) If a participant, after signing the written agreement and being approved for the HPSP award, fails to accept payment or instructs the school not to accept payment for the scholarship, that participant must pay \$1,500 in liquidated damages, in addition to any obligation incurred under the agreement.

(2) Payment of this amount must be made within 90 days of the date on which the participant failed to accept payment or instructed the school to not accept payment of the scholarship.

b. **Failure to Complete Academic Training or Obtain Certification/Licensure**

(1) A participant will be liable to the United States for repayment of all awarded funds paid to the participant and/or the school on the participant's behalf if:

(a) The participant fails to maintain an acceptable level of academic standing;

(b) The participant is dismissed from the school for disciplinary reasons;

(c) The participant voluntarily terminates, for any reason, the course of study or program for which the scholarship was awarded, including, in the case of a full-time student, a reduction of course load from full-time to part-time before completing the course of study or program; or

(d) The participant fails to become certified or licensed to practice in the profession for which the degree program prepared the participant, if applicable, within 180 days from the date such person becomes eligible to apply for such certification or licensure.

(2) The participant must, instead of performing any service obligation, pay to the United States an amount equal to all the funds awarded under the HPSP agreement. Payment of this amount must be made within 1 year from the date academic training terminated, unless the participant submits a request to defer the payment due to hardship.

c. Failure to Begin or Complete the Service Obligation Period

(1) Participants who breach their agreement by failing to begin or complete their service obligation for any reason, including the loss, revocation, suspension, restriction, or limitation of required certification or licensure, or by failing to comply with the terms and conditions of deferment, if applicable, are liable to repay the amount of all scholarship funds paid to them and to the school on their behalf, plus interest, multiplied by three, minus the months of service obligation satisfied, as determined by the following formula:

$$A=3P((t-2)/t)$$

(a) 'A' is the amount the United States is entitled to recover;

(b) 'P' is the amounts paid to or on behalf of the participant and the interest on such amounts which would be payable if, at the time the amounts were paid, they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States;

(c) 't' is the total number of months in the participant's period of obligated service; and

(d) 's' is the number of months of the period of obligated service rendered.

(2) The amount that the United States is entitled to recover will be paid no later than 1 year after the date the applicant failed to begin or complete the period of obligated services, as determined by VA.

d. Collection of Debt. Any amounts owed to VA as the result of participant liability described in this paragraph should be collected in accordance with the policy and procedures set

forth in VA Financial Policies and Procedures, Volume XII, Chapter 1, VA Debt Collection Standards. This guidance can be found on the VA Office of Finance Web site located at <http://www.va.gov/finance/docs/VA-FinancialPolicyVolumeXIIChapter01.pdf>.

15. BANKRUPTCY PROVISION: Any payment obligation incurred under the HPSP may not be discharged in bankruptcy under title 11 U.S.C. until 5 years after the date on which the payment obligation is due.

16. WAIVER OR SUSPENSION OF OBLIGATION:

a. Any service or financial liability incurred by a participant under the program and agreement will be cancelled upon the participant's death.

b. A participant may seek a waiver or suspension of the service or financial liability incurred under this program or agreement by written request to the Under Secretary for Health setting forth the basis, circumstances, and causes which support the requested action. The Under Secretary for Health, or designee, may approve an initial request for a suspension for a period of up to 1 year. *NOTE: A renewal of this suspension may be granted.*

(1) Requests for waiver or suspension of payment or service obligation must be submitted to the Under Secretary for Health, or designee, within 1 year of the date the participant is determined to be in breach of his or her HPSP obligation and/or agreement.

(2) A participant must comply with requests for additional information from the Under Secretary for Health, or designee, within 30 days of receiving a letter of request.

c. The Under Secretary for Health, or designee, may waive or suspend any service or financial liability incurred by a participant whenever compliance by the participant is impossible, due to circumstances beyond the control of the participant, or whenever the Under Secretary for Health, or designee, concludes that a waiver or suspension of compliance is in the VA's best interest.

d. Compliance by a participant with a service or financial liability will be considered impossible due to circumstances beyond the control of the participant, if the Under Secretary for Health or designee determines, on the basis of such information and documentation as may be required, that the participant suffers from a physical or mental disability resulting in permanent inability to perform the service or other activities which would be necessary to comply with the obligation. The following guidelines are applied to waivers requested for physical or mental disability:

(1) Requests for waiver due to disability retirements must include submission of a SF 50 that documents type and date of separation from the agency. A Bill of Collection will not be issued to participants approved for disability retirement by the Office of Personnel Management or the Social Security Administration, unless and until directed by S&CE.

(2) Should a participant submit medical evidence in support of a request for waiver that calls into question the participant's ability to perform the regular duties of their current position, such

evidence must be provided to the Director, S&CE for consideration in determining the participant's ability to safely perform the duties of the current position.

(3) Waiver requests related to time-limited medical treatment or temporary disability will not meet the requirement of permanence.

(a) Examples of such treatment or conditions include but are not limited to:

1. Medical conditions requiring treatment from which the participant is expected to make full recovery;

2. Medical conditions that manifest and arise after the date on which the employee breached the HPSP agreement; and

3. Ongoing medical conditions that do not render the participant incapable of performing the duties of the participant's current position.

(b) A participant's temporary inability to comply with program requirements for these and similar reasons should be addressed through amendment procedures noted in subparagraph 10.

(c) Medical evidence submitted in support of a waiver request must pertain to the participant's ability to comply with program obligations at the point in time the participant breached his or her obligations under the program.

e. Requests for waiver of payment and/or service obligations for reasons other than noted in subparagraph 16d are considered based on the totality of documented impact on the participant's ability to comply with the services or other activities of the obligation.

(1) Other than the Under Secretary for Health or the Director, S&CE, no individual has authority to grant waivers of liability under HPSP.

(2) Decisions to approve or disapprove waiver or suspension requests are final and binding determinations. They are not subject to reconsideration or appeal.

(3) Approval of a participant's waiver request may not be agreed to as part of a negotiated resolution of any personnel or other type of administrative or legal action (e.g., Equal Employment Opportunity (EEO) claim, disciplinary action, etc.).

f. An obligation of a participant for payment of damages may not be released by a discharge in bankruptcy under 11 U.S.C. before the expiration of the 5-year period beginning on the first date the payment of such damages is due. In the event a participant presents evidence of bankruptcy, the fiscal officer should consult with Regional Counsel to determine the appropriate course of action.

g. Participants who have breached the agreement during the period of obligated service by leaving VA employment may request suspension of their financial liability, provided:

(1) The participant seeks appointment to a VHA position that meets the requirements of subparagraph 12 within 1 year of the date the participant breached the service obligation under the HPSP agreement;

(2) The appropriate Assistant Deputy Under Secretary for Health, VISN, or facility Director determines it would be in the best interest of the program office or facility to so appoint the individual and makes such a recommendation to S&CE; and

(3) S&CE agrees to such an arrangement.

In these cases, collection efforts will be suspended from the date the participant is appointed to the position. If the participant successfully fulfills the period of service obligation owed originally under the program, the participant is considered to have met all program obligations, thereby extinguishing the debt owed to the U.S. Government. Additionally, all payments made by the participant prior to re-employment will be refunded to the participant.

NOTE: Subparagraph 16g applies in cases where a final decision was not rendered by the Under Secretary for Health. Please refer to subparagraph 16e(2) for further guidance.

h. Waivers or suspensions of financial liability, when not related to subparagraph 16d and when considered in the best interest of VA, are determined, on an individual basis, by the Under Secretary for Health or designee.

i. If a waiver is granted, then the waived amount of scholarship funds may be considered taxable income.

17. RELATIONSHIP TO OTHER PROGRAMS

a. HPSP applicants may not be obligated under any Federal program to perform service after completion of the course of education or training.

b. HPSP participants may not simultaneously complete service obligations resulting from other awards while completing the service obligation for HPSP.

c. Awards authorized to Education Debt Reduction Program (EDRP) participants may be in addition to assistance available to HPSP participants. However, if an employee is in a service obligation period associated with HPSP, they are not eligible for EDRP as a retention incentive until the HPSP service obligation has been fulfilled.

d. Recruitment bonuses, relocation bonuses, and retention allowances may not be paid to those with scholarship obligations to VA resulting from education or training activities.

18. REFERENCES:

a. Title 11 United States Code, Bankruptcy.

b. Title 38 United States Code 501, 512, 7401, 7421, 7601 through 7619, 7633, 7634, and 7636.

- c. VA Financial Policies and Procedures, Volume XII, Chapter 1, VA Debt Collection Standards.
- d. VA Financial Policies and Procedures, Volume XII, Chapter 1B, Waiver of Debts.
- e. VA Handbook 5007, Part VI, Recruitment and Retention Incentives.
- f. VHA Handbook 1021.01, Education Debt Reduction Program Procedures (EDRP).

DRAFT