



CCI 371.03
EFFECTIVE DATE: 19 October 2021

By Order of the Assistant Secretary for Health:

ADM Rachel L. Levine, M.D.

SUBJECT: Senior COSTEP

1. PURPOSE: This Instruction describes the U.S. Public Health Service (USPHS) Commissioned Corps' Senior Commissioned Officer Student Training and Extern Program (SRCOSTEP). It details the responsibilities for the conduct of the program, the eligibility requirements for participation, the application and selection procedures, and the obligations and entitlements of individuals participating in the program.
2. APPLICABILITY
 - 2-1. The regulations in this Instruction apply to civilian applicants, SRCOSTEP participants, programs and Agencies that sponsor SRCOSTEP officers, and Public Health Service (PHS) officers who have completed SRCOSTEP.
3. AUTHORITY
 - 3-1. [42 U.S.C. § 218a](#), "Training of officers."
 - 3-2. [42 U.S.C. § 204](#), "Commissioned Corps and Ready Reserve Corps"
 - 3-3. Commissioned Corps Directive (CCD) [125.01](#), "Training"
 - 3-4. [42 CFR § 21.54](#), "Students."
 - 3-5. [Joint Travel Regulations \(JTR\) for Uniformed Service Members](#)
 - 3-6. [84 Federal Register 1752-1753](#), "Statement of Organization, Functions, and Delegations of Authority"
4. PROPONENT: The proponent of this Instruction is the Assistant Secretary for Health (ASH). The responsibility for ensuring the day-to-day supervision of the USPHS Commissioned Corps belongs to the Surgeon General (SG), who has delegated daily operations to Commissioned Corps Headquarters (CCHQ).
5. SUMMARY OF REVISIONS AND UPDATES: This is the first issuance of this instruction within the electronic Commissioned Corps Issuance System (eCCIS) and replaces Commissioned Corps Personnel Manual (CCPM) CC25.2.5, "Senior Commissioned Officer Student Training and Extern Program (Senior COSTEP)," dated 6 November 1995. This version:

- 5-1. Specifies what happens after graduation, including the need to obtain a license within a year.
- 5-2. Updates the forms and agreements to reflect current procedures.
- 5-3. Removes old section K, "Entitlements and Special Pays after Completion of Training".
- 5-4. Clarifies, in Section 6-2., the appointment standards that apply to SRCOSTEP.
- 5-5. Imposes an eight-month minimum time limit in SRCOSTEP (in a new Section 6-5.) and specifies what to do if procedural delays prevent a new SRCOSTEP officer from starting within that time.
- 5-6. Limits officers' outside activities during SRCOSTEP training (through a new Section 6-6.).
- 5-7. Establishes that SRCOSTEP officers receive same entitlements as other Public Health Service (PHS) officers (in Section 6-7.).
- 5-8. Requires SRCOSTEP officers to undergo a category appointment review board when they are ready to be called to duty to the Regular Corps.
- 5-9. Adds a requirement, in Section 7-4., that SRCOSTEP graduates have an active duty obligation (ADO) to both the USPHS Commissioned Corps and to the sponsoring program/Agency.
- 5-10. Moves several procedures into new Personnel Operations Memorandum (POM) 821.84, "COSTEP."

6. POLICY

6-1. Purpose of SRCOSTEP.

- a. The U.S. Public Health Service (USPHS) Commissioned Corps established SRCOSTEP to attract qualified students in accredited programs leading to a degree qualifying graduates for careers in the USPHS Commissioned Corps. Through this program, students in their last year of study may join the USPHS Commissioned Corps on active duty as commissioned officers in the Ready Reserve Corps.
- b. SRCOSTEP students receive full pay and allowances as Ensigns (pay grade O-1 or O-1E if they have prior active duty enlisted uniformed service of at least four years and a day), including Basic Allowance for Housing (BAH). They are also eligible for TRICARE. In return, they must agree that, upon completion of training, they will serve on active duty as PHS officers for twice the period of training supported by the USPHS Commissioned Corps and its affiliated Agencies/programs (with a minimum of six months service).

6-2. To be eligible for appointment to SRCOSTEP, an applicant must:

- a. Be a citizen of the United States.
- b. Meet the medical standards prescribed for appointment to active duty as a career officer.
- c. Meet the age requirement and other appointment standards found in Commissioned Corps Instruction (CCI) [231.01](#), "General Appointment Standards," except for requirements that would not apply to a current student such as:
 - (1) Completing a qualifying academic or professional degree program;
 - (2) Possessing a current and unrestricted license; and
 - (3) Obtaining sufficient creditable training and experience.
- d. Be enrolled in good standing in a postsecondary school in a professional discipline that qualifies for the USPHS Commissioned Corps as delineated in [CCI 231.03](#), "Category Specific Appointment Standards."
 - (1) Participate in a program that is accredited as of the applicant's date of graduation.
 - (2) Be enrolled or eligible to enroll and begin formal studies for his or her last year (senior year if undergraduate) of this school, starting on the first day of active duty.
- e. Be free of any obligation or commitment that would conflict with active duty as a commissioned officer in the USPHS Commissioned Corps, such as the Reserve Officers' Training Corps (ROTC) or any other military reserve program, or other educational financial assistance (stipend or scholarship), public or private, with terms committing the student to activities during school or after graduation that could result in a conflict.

- 6-3. Applicants must sign form [PHS 6373](#), "Extramural Training Agreement," and agree, in writing, to serve on active duty as a commissioned officer with the USPHS Commissioned Corps for twice the period of training funded by the USPHS Commissioned Corps and its partners (or six months, whichever is greater) as stated in Section 7-4. below and in Form PHS 6373, "Extramural Training Agreement."
- 6-4. Selection of SRCOSTEP Participants.
- a. Agency and/or program officials sponsoring SRCOSTEP officers will select applicants on the basis of their qualifications and the expected needs of the USPHS Commissioned Corps. A Health Services Officer board will interview applicants, including asking about their professional plans and assignment preferences, and will attempt to match them with available staffing opportunities. CCHQ uses the Health Service Officers board because SRCOSTEP officers have not yet graduated into one of the specialty areas.
 - (1) Selection is contingent upon meeting all applicable appointment standards (see Section 6-2.).
 - (2) Agency and program officials will not make any commitments to the applicant regarding his/her selection for appointment.
 - b. CCHQ will notify the applicant of selection or non-selection to the program on or before the designated timeline authorized by the CCHQ director, and secure acceptance of appointment, when appropriate.
 - c. Prior to being appointed to the USPHS Commissioned Corps, the applicant must sign an extramural training agreement (form PHS-6373), as detailed in [CCI325.01](#), "Extramural and Intramural Training and Obligation," that sets forth his/her active duty obligation (ADO) to the USPHS Commissioned Corps and the funding Agency/program resulting from participation in the SRCOSTEP training, and the payments required for failure to fulfill this active duty obligation.
- 6-5. The SRCOSTEP period of schooling sponsored by the USPHS Commissioned Corps includes all supported training received, regardless of the location of training, prior to receiving a commissionable degree.
- a. This SRCOSTEP training must last a minimum of eight months of schooling, except as specified in Section 6-5.b. below, and must not last longer than 18 months of schooling.
 - b. If the student has met all the requirements and submitted all necessary paperwork on-time, but could not start SRCOSTEP until less than eight months before graduation due to delays on the part of the USPHS Commissioned Corps, the program/Agency, the school, or other government organizations, then:
 - (1) The USPHS Commissioned Corps will give that student the choice of starting SRCOSTEP late (with less than eight months before the end of schooling), earning full pay and allowances as an Ensign (pay grade O-1) for the remainder of the school year (resulting in an USPHS Commissioned ADO of twice the funded time or six months, whichever is greater) and then, after graduation, serve on extended active duty as a full member of the USPHS Commissioned Corps; or
 - (2) Suspending the application to the USPHS Commissioned Corps until after the student obtains licensing in the student's field, and then applying the

completed SRCOSTEP paperwork to an application to join the Regular Corps of the USPHS Commissioned Corps.

- (a) In this case, the student would not participate in SRCOSTEP so would not be paid while in school nor while preparing to take any licensing exam after graduation.
 - (b) However, the applicant may be eligible for an accession bonus for accepting a commission in the USPHS Commissioned Corps after obtaining a license.
- (3) CCHQ will make available to the applicant the potential earnings and obligations of each choice.
- 6-6. Work during Training. SRCOSTEP officers are full-time students whose assignment is their studies.
- a. SRCOSTEP officers will need approval from their supervisor for any outside paid employment while school is in session and cannot accept any other paid government position while in SRCOSTEP.
 - b. If the Agency supervisor of a SRCOSTEP officer determines that the officer's non-academic activities – paid work, volunteer, extracurricular, hobby, or social – are interfering with his/her academic success in class, the supervisor can order the officer to suspend those activities until the officer demonstrates satisfactory academic work.
- 6-7. Entitlements during Training. The entitlements of officers while participating as students in the SRCOSTEP program are the same as for other PHS officers serving on active duty – including health care benefits, BAH, base/post exchange and commissary privileges, and Common Access Cards (CAC).
- a. For SRCOSTEP officers attending distance learning/online colleges and universities, the USPHS Commissioned Corps will define their permanent duty station as the officers' actual physical location from which the officer is called to active duty, which must be in the United States or its territories, while participating in online classes, not the online program's mailing address or campus. The USPHS Commissioned Corps will not pay for transportation or the shipment of the officer's belongings to a new address unless physical attendance is required by the training (such as a mostly online program that still requires regular in-person attendance at a physical facility.)
 - (1) While the officer is attending full-time online schooling, the USPHS Commissioned Corps will pay BAH for the officer's place of residence upon acceptance into the COSTEP program.
 - (2) However, if at least one of the student's courses requires physical attendance at an off-line physical facility (other than for testing or a period of less than a month), then the student must contact his/her Agency supervisor to fill out a [PHS-1662](#) form to transfer duty station to the required facility. The location of this temporary duty station will then determine the amount of BAH.

If a COSTEP officer is attending a traditional in-person program that closes the physical campus and changes to an online program in the middle of a semester, the officer's BAH remains the same if the period of online study is 30 days or less. If the period of online study is longer than 30 days then the officer's BAH will be determined by the officer's place of residence upon acceptance into the COSTEP program.

- b. SRCOSTEP officers must follow the same travel and transportation regulations as other officers. Specifically, when they are required by their supervisor to undergo temporary duty (TDY) assignments away from their permanent duty stations, the Program/Agency must provide them with TDY travel payments.
- (1) For instance, when a SRCOSTEP student graduates from an online program, his/her new duty station will pay for transportation to that site from the student's physical location while attending online classes, not the physical location of the online program's headquarters.
 - (2) The USPHS Commissioned Corps considers travel during school vacations or breaks as travel during nonduty hours, and the USPHS Commissioned Corps will bear no responsibility for travel expenses during such travel unless it directed and authorized this travel.
 - (3) Officers must inform their supervisors of scheduled school breaks of 30 days or longer so that they may make appropriate TDY assignments for the officer. During such duty assignments, the officer will not incur any additional obligation, but cannot use this time to pay back any previously incurred obligation.
- c. Although some schools may require payment of a standard fee for student health services, SRCOSTEP officers, and their dependents, should use the USPHS Commissioned Corps' health care benefits either through TRICARE or a Military Treatment Facility (if in its service area).
- (1) SRCOSTEP students must promptly inform Medical Affairs of any significant new medical/mental health diagnoses which could potentially delay the completion of their training or affect their long-term health status (i.e., not likely to be resolved before completing their training).
 - (2) If the Chief, Medical Affairs, determines, based on reports from the SRCOSTEP office or a medical exam, that the condition may affect the officer's medical fitness for duty, medical readiness, or ability to meet the USPHS Commissioned Corps' medical accession standards, the Chief will write a memo to the SG, through the Director, CCHQ, recommending either the termination of the SRCOSTEP officer's commission or, if warranted, a waiver in accordance with [CCI 221.01](#), "Medical Accession Standards" (see also [POM 821.72](#), "Waiver of a Disqualifying Medical or Dental Condition").
 - (3) If the Chief, Medical Affairs, determines that a SRCOSTEP officer cannot complete training or join the Regular Corps, the officer must repay the USPHS Commissioned Corps for compensation and training according to Section 7-5. below or obtain a waiver from the SG.

- d. SRCOSTEP officers earn annual leave at the same rate as other active duty officers; however, the USPHS Commissioned Corps will not charge annual leave time for authorized school vacations or breaks. Officers can take any unused leave with them when they transfer from SRCOSTEP to the Regular Corps.
 - e. SRCOSTEP officers are not eligible for disability retirement, special pays, or severance pay provisions while on active duty for training. After graduation, they become eligible for the same special pays and bonuses as other PHS officers, but are not eligible for an accession bonus.
- 6-8. Assignment Subsequent to Initial Training. Upon completion of the initial COSTEP training and licensure, the graduate must serve in an assignment (other than training) for a minimum of two years before the USPHS Commissioned Corps permits him or her to pursue any additional graduate education or residency, unless the SG determines that this requirement should be waived in the best interest of the USPHS Commissioned Corps.
- 6-9. Uniforms.
- a. The USPHS Commissioned Corps does not generally require SRCOSTEP officers to wear the PHS officers' uniform and so they are not normally entitled to receive the one-time uniform allowance.
 - b. However, the Director, CCHQ, may direct a SRCOSTEP officer to wear the uniform as stated in [CCI411.01](#), "Required Wear of the Uniform." In such a case, the officer can request a one-time uniform allowance according to [CCI612.03](#), "Uniform and Equipment Allowance."
- 6-10. Privacy Act Provisions.
- a. Personnel records are subject to the Privacy Act of 1974. The applicable systems of records are 09-37-0002, "PHS Commissioned Corps General Personnel Records, HHS/OASH/OSG"; 09-37-0003, "PHS Commissioned Corps Medical Records, HHS/OASH/OSG"; 09-37-0008, "PHS Commissioned Corps Unofficial Personnel Files and Other Station Files, HHS/OASH/OSG"; and 09-90-0017, "Pay, Leave, and Attendance Records, HHS/OS/ASPER."
7. RESPONSIBILITIES:
- 7-1. SRCOSTEP Participant. The participant is responsible for completing all necessary forms, including agreements to: serve his/her ADO for training, obtain appropriate licensure within one year of graduation (unless the Director, CCHQ, agrees to extend the deadline for no longer than two years), and achieve and maintain the desired level of performance.
- a. The officer is responsible for staying in school and graduating within the final year of the academic program.
 - (1) Unless otherwise approved by both CCHQ and the Program/Agency, SRCOSTEP will only fund the officer for two semesters or eight months, whichever is longer.
 - (a) If the SRCOSTEP officer does not graduate on-time, and the USPHS Commissioned Corps does not approve an extension or temporary hiatus (see Section 7-1.a.(2) below), the USPHS Commissioned Corps will hold the ADO until the officer graduates or leaves the school, but will not provide additional funds.

- (b) If the officer fails to graduate on time for the officer's program, the government can institute debt collection as described in Section 7-5.a. CCHQ may agree to an extension of the deadline for the reasons defined in Section 7-1.a.(2) below.
- (2) In the case of long-term medical condition preventing attendance, bereavement, other psychological conditions, economic hardship, or other conditions that the Director, CCHQ, accepts as a valid basis for a temporary hiatus from school, CCHQ can suspend an officer's participation in SRCOSTEP without penalty and then allow the officer to resume SRCOSTEP after returning to school.
- (a) However, if the officer has not returned to school within three semesters (not counting summer semesters) the USPHS Commissioned Corps will consider the officer to have dropped out of school, unless CCHQ agrees to grant an extension for the reasons defined in Section 7-1.a.(2). above.
- (b) The government can begin debt collection as described in Section 7-5.a. unless CCHQ agrees to grant an extension of this deadline for the reasons defined in Section 7-1.a.(2). above.
- (3) SRCOSTEP officers will undergo a category appointment review board when they are ready to be called to duty to the Regular Corps after they obtain their qualifying degree. (See [CCI 231.03](#), "Category Specific Appointment Standards," and [CCI 391.01](#), "Appointment Boards.") The board will ensure these officers meet the USPHS Commissioned Corps' general duty appointment standards and category specific standards for their professional category. The appointment board will include a minimum of 3 board members who:
- May be of any category with at least one member being in the professional category the student is pursuing with his/her qualifying degree;
 - Are officers in the Regular Corps or the Ready Reserve Corps; and
 - Have the rank of senior grade (O-5) or above.
- (4) Prior to being appointed as a member of the Regular Corps, SRCOSTEP officers will undergo a Periodic Health Update (PHU) within three months prior to graduation to ensure they are compliant with [CCI 221.01](#), "Medical Accession Standards," Appendix B (Medical Retention Standards).
- (5) After SRCOSTEP officers graduate from their college/university program they are no longer in SRCOSTEP and, if approved by the Director, CCHQ, convert to Regular Corps officers on active duty except as specified in Section 7-1.a.(6) below.
- (6) Graduates whose field requires them to obtain a license (see [CCI 251.01](#), "Professional Licensure/Certification") remain in the Ready Reserve at the temporary grade of O-1 during the first 12 months after graduation until licensure is obtained. While in this status, graduates must report directly to their Agency/program to participate in training, prepare for their licensing exam, and work under supervision. This time counts toward retirement, training, and education, and fulfillment of the ADO (except as specified in 7-4.c. below).

- (a) Graduates of medical schools will need a license waiver if they cannot obtain a license within 12 months or if they have to complete Post-Graduate Year 1 (PGY-1) first.
 - (b) If the officer achieves licensure during this time and is fully qualified, he/she assimilates to the Regular Corps retroactively, effective as of the date of the Conversion to General Duty.
 - (c) If the officer remains unlicensed or not qualified at the end of this 12-month period (or 12 months from the time the officer is eligible, under the state's rules, to take the final test for licensure), the USPHS Commissioned Corps will terminate his/her commission and CCHQ will initiate debt collection as described in 7-5.a. below, unless CCHQ agrees to an extension of this deadline.
 - (7) After the student's graduation, and upon the student obtaining a license, if required, the USPHS Commissioned Corps will appoint these former SRCOSTEP officers to the Regular Corps at the grade approved by the President.
 - b. Licensure Fees. The officer is responsible for payment of all State licensure fees. The USPHS Commissioned Corps cannot pay State licensure fees for commissioned officers unless such payment is expressly authorized by statute. This prohibition applies even though State licensure is required for extended active duty in the USPHS Commissioned Corps.
 - c. The SRCOSTEP officer must follow the USPHS Commissioned Corps' requirements regarding the avoiding of misconduct, including those outlined in [CCD 111.02](#), "Disciplinary Action," and regarding their personal conduct and obligations, including those outlined in [CCI 211.01](#), "Standards of Conduct."
- 7-2. Sponsoring Program. The sponsoring Agency and/or program is responsible for: providing necessary funds for the period the officer is in training and initiating any contract with the training institution if the Agency is supporting such payments, providing and supporting a position to be encumbered by the officer while serving his/her payback obligation, and identifying an appropriate supervisor/preceptor who will assume responsibility for the officer's time and leave records for payroll purposes and for reviewing transcripts each grading period.
- 7-3. CCHQ. CCHQ is responsible for determining the basic eligibility of applicants for the program. This includes determining whether other educational financial assistance is compatible with participation, notifying the applicant if he/she has been selected for the program in time to register for his/her final school year, and assuming certain administrative responsibilities for officers while they participate in the program as students.
- 7-4. Graduate's Active Duty Obligations.
- a. After graduation, former SRCOSTEP officers serve on active duty as PHS officers at the sponsoring program/Agency for twice the period of training supported by the USPHS Commissioned Corps and/or its partners (or six months, whichever is greater). For instance, if a SRCOSTEP participant is paid during eight months of schooling, after graduation he or she would then serve in the USPHS Commissioned Corps for 16 months which totals to the two years of active duty required in order for the officer to meet the eligibility requirements for the USPHS Commissioned Corps to pay for transportation and shipment of household goods upon a separation from active duty (see Section 7-5.b.). The officer may not seek

a permanent reassignment/transfer outside of the sponsoring program/Agency, without approval of the ASH, during the first two years after graduation or during the ADO, whichever is later.

- b. If the program/Agency also paid for the SRCOSTEP officer's tuition and/or fees, it can make a separate agreement for what the officer will do in return for this additional funding. (See Section 7-6.)
- c. Active duty in graduate medical education or a residency program will not satisfy any part of the officer's service obligation, regardless of whether this training takes place in a PHS facility, intramural program, or extramural program.
- d. The officer will serve obligations resulting from SRCOSTEP and any additional extramural training consecutively, starting with the obligation resulting from SRCOSTEP (see [CCI 325.01](#) "Extramural and Intramural Training").

7-5. Failure to Meet Obligations.

- a. Officers who leave training without a degree, fail to obtain their license, or fail to fulfill the service obligation incurred as a result of USPHS Commissioned Corps-supported training:
 - (1) Must pay the USPHS Commissioned Corps an amount equal to twice the total amount of any compensation paid or obligated in connection with the training, including, but not limited to pay, allowances, special pays, travel, transportation, and shipment of household goods; and, if applicable, tuition, fees, and other training expenses. The officer must pay in full on the date of the officer's separation from the USPHS Commissioned Corps unless the Director, CCHQ agrees to alternative arrangements, such as a scheduled payback plan, in cases of long-term medical condition preventing service, bereavement, other psychological conditions, economic hardship, or other conditions that the Director, CCHQ, accepts as a valid basis for delaying this payment.
 - (2) Is subject to the collection of the indebtedness under the procedures in [45 C.F.R. Part 30](#). An officer separating from active duty is subject to the collection and repayment procedures in [CCI 654.02](#), "Collection of Commissioned Officer's Indebtedness upon Separation." Furthermore, the USPHS Commissioned Corps will terminate the officer's commission and may not authorize travel and transportation allowances or lump-sum payment or transfer of unused annual leave in connection with his/her separation.
- b. An officer is not entitled to travel entitlements, payment for unused annual leave, or the shipment of household goods if he/she separates from active duty before completing 24 months of active duty or before completing his/her service obligation, whichever is later.
- c. The USPHS Commissioned Corps calculates active duty time as starting from the date it calls the officer to extended active duty for training.
- d. The SG may waive, in whole or in part, any payment required by Section 7-5.a. upon a determination that such payment would be inequitable or would not be in the public interest when:
 - (1) Payment would cause an unconscionable financial hardship;

- (2) Payment is impossible due to the present and projected financial status of the individual;
- (3) Payment would be unconscionable because of severe illness, or physical or mental disability of the individual, or because of severe or terminal illness in the individual's immediate family;
- (4) The inability of the individual to complete training or join the Regular Corps was not the fault of the officer; or
- (5) The individual agrees to serve out the ADO as a civil servant in a PHS agency.

Note: An officer's ADO terminates automatically upon death.

7-6. Optional Payment of Tuition and Fees. Decisions to pay or refund tuition and/or fees can be determined by the sponsor and the potential SRCOSTEP participant. If the sponsoring Agency and/or program elects to defray some or all of these costs, it must initiate a basic training contract with the school, separate from SRCOSTEP, and forward it to CCHQ. CCHQ will ensure that all such contracts are issued by the USPHS Commissioned Corps procurement subsequent to the sponsoring program's request for a contract.

8. PROCEDURES:

8-1. Appointment.

- a. CCHQ will call the selectee, if fully cleared, to "active duty for training" by official personnel orders, effective on the first day when formal studies begin for the student's final (senior year if an undergraduate) year or as soon as possible afterwards. The USPHS Commissioned Corps appoints SRCOSTEP officers as Ensigns (pay grade O-1 or O-1E if they have prior active enlisted uniformed service of at least four years and a day) in the Ready Reserve with full pay and allowances for this grade.
- b. The USPHS Commissioned Corps will call all SRCOSTEP participants to active duty from the school in which they are enrolled physically or, if an online school, from their current physical location while in school. The USPHS Commissioned Corps will not authorize travel or transportation upon call to duty into training.

8-2. The ASH can promulgate any additional Instructions necessary to implement the provisions of this Instruction. The SG may issue a POM, through the eCCIS, to address specific issues.

9. HISTORICAL NOTES: This is the first issuance of this Instruction within the eCCIS and replaces CCPM CC25.2.5, "Senior Commissioned Officer Student Training and Extern Program (Senior COSTEP)," dated 6 November 1995.