

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 1044

To amend title III of the Public Health Service Act to consolidate and reauthorize provisions relating to health centers, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JULY 17 (legislative day, JULY 10), 1995

Mrs. KASSEBAUM (for herself, Mr. KENNEDY, Mr. JEFFORDS, Mr. PELL, and Mr. SIMON) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

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## A BILL

To amend title III of the Public Health Service Act to consolidate and reauthorize provisions relating to health centers, and for other purposes.

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 “Health Centers Con-  
5 solidation Act of 1995”.

1 **SEC. 2. CONSOLIDATION AND REAUTHORIZATION OF PRO-**  
2 **VISIONS.**

3 Subpart I of part D of title III of the Public Health  
4 Service Act (42 U.S.C. 254b et seq.) is amended to read  
5 as follows:

6 “Subpart I—Health Centers

7 **“SEC. 330. HEALTH CENTERS.**

8 “(a) DEFINITION OF HEALTH CENTER.—

9 “(1) IN GENERAL.—For purposes of this sec-  
10 tion, the term ‘health center’ means an entity that  
11 serves a population that is medically underserved, or  
12 a special medically underserved population com-  
13 prised of migratory and seasonal agricultural work-  
14 ers, the homeless, and residents of public housing,  
15 by providing, either through the staff and supporting  
16 resources of the center or through contracts or coop-  
17 erative arrangements—

18 “(A) required primary health services (as  
19 defined in subsection (b)(1)); and

20 “(B) as may be appropriate for particular  
21 centers, additional health services (as defined in  
22 subsection (b)(2)) necessary for the adequate  
23 support of the primary health services required  
24 under subparagraph (A);

1 for all residents of the area served by the center  
2 (hereafter referred to in this section as the  
3 'catchment area').

4 “(2) LIMITATION.—The requirement in para-  
5 graph (1) to provide services for all residents within  
6 a catchment area shall not apply in the case of a  
7 health center receiving a grant only under subsection  
8 (f), (g), or (h).

9 “(b) DEFINITIONS.—For purposes of this section:

10 “(1) REQUIRED PRIMARY HEALTH SERVICES.—

11 “(A) IN GENERAL.—The term 'required  
12 primary health services' means—

13 “(i) basic health services which, for  
14 purposes of this section, shall consist of—

15 “(I) health services related to  
16 family medicine, internal medicine, pe-  
17 diatrics, obstetrics, or gynecology that  
18 are furnished by physicians and where  
19 appropriate, physician assistants,  
20 nurse practitioners, and nurse mid-  
21 wives;

22 “(II) diagnostic laboratory and  
23 radiologic services;

24 “(III) preventive health services,  
25 including—

1                   “(aa) prenatal and perinatal  
2 services;

3                   “(bb) screening for breast  
4 and cervical cancer;

5                   “(cc) well-child services;

6                   “(dd) immunizations against  
7 vaccine-preventable diseases;

8                   “(ee) screenings for elevated  
9 blood lead levels, communicable  
10 diseases, and cholesterol;

11                   “(ff) pediatric eye, ear, and  
12 dental screenings to determine  
13 the need for vision and hearing  
14 correction and dental care;

15                   “(gg) voluntary family plan-  
16 ning services; and

17                   “(hh) preventive dental serv-  
18 ices;

19                   “(IV) emergency medical serv-  
20 ices; and

21                   “(V) pharmaceutical services as  
22 may be appropriate for particular cen-  
23 ters;

24                   “(ii) referrals to providers of medical  
25 services and other health-related services

1 (including substance abuse and mental  
2 health services);

3 “(iii) patient case management serv-  
4 ices (including counseling, referral, and fol-  
5 low-up services) and other services de-  
6 signed to assist health center patients in  
7 establishing eligibility for and gaining ac-  
8 cess to Federal, State, and local programs  
9 that provide or financially support the pro-  
10 vision of medical, social, educational, or  
11 other related services;

12 “(iv) services that enable individuals  
13 to use the services of the health center (in-  
14 cluding outreach and transportation serv-  
15 ices and, if a substantial number of the in-  
16 dividuals in the population served by a cen-  
17 ter are of limited English-speaking ability,  
18 the services of appropriate personnel fluent  
19 in the language spoken by a predominant  
20 number of such individuals); and

21 “(v) education of patients and the  
22 general population served by the health  
23 center regarding the availability and prop-  
24 er use of health services.

1           “(B) EXCEPTION.—With respect to a  
2 health center that receives a grant only under  
3 subsection (f), the Secretary, upon a showing of  
4 good cause, shall—

5                   “(i) waive the requirement that the  
6 center provide all required primary health  
7 services under this paragraph; and

8                   “(ii) approve, as appropriate, the pro-  
9 vision of certain required primary health  
10 services only during certain periods of the  
11 year.

12           “(2) ADDITIONAL HEALTH SERVICES.—The  
13 term ‘additional health services’ means services that  
14 are not included as required primary health services  
15 and that are appropriate to meet the health needs  
16 of the population served by the health center in-  
17 volved. Such term may include—

18                   “(A) environmental health services, includ-  
19 ing—

20                           “(i) the detection and alleviation of  
21 unhealthful conditions associated with  
22 water supply;

23                           “(ii) sewage treatment;

24                           “(iii) solid waste disposal;

25                           “(iv) rodent and parasitic infestation;

1 “(v) field sanitation;

2 “(vi) housing; and

3 “(vii) other environmental factors re-  
4 lated to health; and

5 “(B) in the case of health centers receiving  
6 grants under subsection (f), special occupation-  
7 related health services for migratory and sea-  
8 sonal agricultural workers, including—

9 “(i) screening for and control of infec-  
10 tious diseases, including parasitic diseases;  
11 and

12 “(ii) injury prevention programs, in-  
13 cluding prevention of exposure to unsafe  
14 levels of agricultural chemicals including  
15 pesticides.

16 “(3) MEDICALLY UNDERSERVED POPU-  
17 LATIONS.—

18 “(A) IN GENERAL.—The term ‘medically  
19 underserved population’ means the population  
20 of an urban or rural area designated by the  
21 Secretary as an area with a shortage of per-  
22 sonal health services or a population group des-  
23 ignated by the Secretary as having a shortage  
24 of such services.

1           “(B) CRITERIA.—In carrying out subpara-  
2 graph (A), the Secretary shall prescribe criteria  
3 for determining the specific shortages of per-  
4 sonal health services of an area or population  
5 group. Such criteria shall—

6                   “(i) take into account comments re-  
7 ceived by the Secretary from the chief ex-  
8 ecutive officer of a State and local officials  
9 in a State; and

10                   “(ii) include factors indicative of the  
11 health status of a population group or resi-  
12 dents of an area, the ability of the resi-  
13 dents of an area or of a population group  
14 to pay for health services and their acces-  
15 sibility to them, and the availability of  
16 health professionals to residents of an area  
17 or to a population group.

18           “(C) LIMITATION.—The Secretary may not  
19 designate a medically underserved population in  
20 a State or terminate the designation of such a  
21 population unless, prior to such designation or  
22 termination, the Secretary provides reasonable  
23 notice and opportunity for comment and  
24 consults with—

1           “(i) the chief executive officer of such  
2           State;

3           “(ii) local officials in such State; and

4           “(iii) the organization, if any, which  
5           represents a majority of health centers in  
6           such State.

7           “(D) PERMISSIBLE DESIGNATION.—The  
8           Secretary may designate a medically under-  
9           served population that does not meet the cri-  
10          teria established under subparagraph (B) if the  
11          chief executive officer of the State in which  
12          such population is located and local officials of  
13          such State recommend the designation of such  
14          population based on unusual local conditions  
15          which are a barrier to access to or the availabil-  
16          ity of personal health services.

17          “(c) PLANNING GRANTS.—

18                 “(1) IN GENERAL.—

19                         “(A) CENTERS.—The Secretary may make  
20                         grants to public and nonprofit private entities  
21                         for projects to plan and develop health centers  
22                         which will serve medically underserved popu-  
23                         lations. A project for which a grant may be  
24                         made under this subsection may include the  
25                         cost of the acquisition, expansion, and mod-

1 ernization of existing buildings and construction  
2 of new buildings (including the costs of amortiz-  
3 ing the principal of, and paying the interest on,  
4 loans) and shall include—

5 “(i) an assessment of the need that  
6 the population proposed to be served by  
7 the health center for which the project is  
8 undertaken has for required primary  
9 health services and additional health serv-  
10 ices;

11 “(ii) the design of a health center pro-  
12 gram for such population based on such  
13 assessment;

14 “(iii) efforts to secure, within the pro-  
15 posed catchment area of such center, fi-  
16 nancial and professional assistance and  
17 support for the project;

18 “(iv) initiation and encouragement of  
19 continuing community involvement in the  
20 development and operation of the project;  
21 and

22 “(v) proposed linkages between the  
23 center and other appropriate provider enti-  
24 ties, such as health departments, local hos-  
25 pitals, and rural health clinics, to provide

1 better coordinated, higher quality, and  
2 more cost-effective health care services.

3 “(B) COMPREHENSIVE SERVICE DELIVERY  
4 NETWORKS AND PLANS.—The Secretary may  
5 make grants to health centers that receive as-  
6 sistance under this section to enable the centers  
7 to plan and develop a network or plan for the  
8 provision of health services, which may include  
9 the provision of health services on a prepaid  
10 basis or through another managed care ar-  
11 rangement, to some or to all of the individuals  
12 which the centers serve. Such a grant may only  
13 be made for such a center if—

14 “(i) the center has received grants  
15 under subsection (d)(1)(A) for at least 2  
16 consecutive years preceding the year of the  
17 grant under this subparagraph or has oth-  
18 erwise demonstrated, as required by the  
19 Secretary, that such center has been pro-  
20 viding primary care services for at least  
21 the 2 consecutive years immediately pre-  
22 ceding such year; and

23 “(ii) the center provides assurances  
24 satisfactory to the Secretary that the pro-  
25 vision of such services on a prepaid basis,

1 or under another managed care arrange-  
2 ment, will not result in the diminution of  
3 the level or quality of health services pro-  
4 vided to the medically underserved popu-  
5 lation served prior to the grant under this  
6 subparagraph.

7 Any such grant may include the acquisition and  
8 lease, expansion, and modernization of existing  
9 buildings, construction of new buildings, acqui-  
10 sition or lease of equipment which may include  
11 data and information systems, and providing  
12 training and technical assistance related to the  
13 provision of health services on a prepaid basis  
14 or under another managed care arrangement,  
15 and for other purposes that promote the devel-  
16 opment of managed care networks and plans.

17 “(2) LIMITATION.—Not more than two grants  
18 may be made under this subsection for the same  
19 project, except that upon a showing of good cause,  
20 the Secretary may make additional grant awards.

21 “(d) OPERATING GRANTS.—

22 “(1) AUTHORITY.—

23 “(A) IN GENERAL.—The Secretary may  
24 make grants for the costs of the operation of  
25 public and nonprofit private health centers that

1 provide health services to medically underserved  
2 populations.

3 “(B) ENTITIES THAT FAIL TO MEET CER-  
4 TAIN REQUIREMENTS.—The Secretary may  
5 make grants, for a period of not to exceed 2-  
6 years, for the costs of the operation of public  
7 and nonprofit private entities which provide  
8 health services to medically underserved popu-  
9 lations but with respect to which the Secretary  
10 is unable to make each of the determinations  
11 required by subsection (j)(3).

12 “(2) USE OF FUNDS.—The costs for which a  
13 grant may be made under subparagraph (A) or (B)  
14 of paragraph (1) may include the costs of acquiring,  
15 expanding, and modernizing existing buildings and  
16 constructing new buildings (including the costs of  
17 amortizing the principal of, and paying interest on,  
18 loans), the costs of repaying loans for buildings, and  
19 the costs of providing training related to the provi-  
20 sion of required primary health services and addi-  
21 tional health services and to the management of  
22 health center programs.

23 “(3) LIMITATION.—Not more than two grants  
24 may be made under subparagraph (B) of paragraph  
25 (1) for the same entity.

1 “(4) AMOUNT.—

2 “(A) IN GENERAL.—The amount of any  
3 grant made in any fiscal year under paragraph  
4 (1) to a health center shall be determined by  
5 the Secretary, but may not exceed the amount  
6 by which the costs of operation of the center in  
7 such fiscal year exceed the total of—

8 “(i) State, local, and other operational  
9 funding provided to the center; and

10 “(ii) the fees, premiums, and third-  
11 party reimbursements, which the center  
12 may reasonably be expected to receive for  
13 its operations in such fiscal year.

14 “(B) PAYMENTS.—Payments under grants  
15 under subparagraph (A) or (B) of paragraph  
16 (1) shall be made in advance or by way of reim-  
17 bursement and in such installments as the Sec-  
18 retary finds necessary and adjustments may be  
19 made for overpayments or underpayments.

20 “(C) USE OF NONGRANT FUNDS.—  
21 Nongrant funds described in clauses (i) and (ii)  
22 of subparagraph (A), including any such funds  
23 in excess of those originally expected, shall be  
24 used as permitted under this section, and may  
25 be used for such other purposes as are not spe-

1           cifically prohibited under this section if such  
2           use furthers the objectives of the project.

3           “(e) INFANT MORTALITY GRANTS.—

4           “(1) IN GENERAL.—The Secretary may make  
5           grants to health centers for the purpose of assisting  
6           such centers in—

7                   “(A) providing comprehensive health care  
8                   and support services for the reduction of—

9                           “(i) the incidence of infant mortality;  
10                           and

11                           “(ii) morbidity among children who  
12                           are less than 3 years of age; and

13                   “(B) developing and coordinating service  
14                   and referral arrangements between health cen-  
15                   ters and other entities for the health manage-  
16                   ment of pregnant women and children described  
17                   in subparagraph (A).

18           “(2) PRIORITY.—In making grants under this  
19           subsection the Secretary shall give priority to health  
20           centers providing services to any medically under-  
21           served population among which there is a substantial  
22           incidence of infant mortality or among which there  
23           is a significant increase in the incidence of infant  
24           mortality.

1           “(3) REQUIREMENTS.—The Secretary may  
2           make a grant under this subsection only if the  
3           health center involved agrees that—

4                   “(A) the center will coordinate the provi-  
5                   sion of services under the grant to each of the  
6                   recipients of the services;

7                   “(B) such services will be continuous for  
8                   each such recipient;

9                   “(C) the center will provide follow-up serv-  
10                  ices for individuals who are referred by the cen-  
11                  ter for services described in paragraph (1);

12                  “(D) the grant will be expended to suppl-  
13                  ement, and not supplant, the expenditures of the  
14                  center for primary health services (including  
15                  prenatal care) with respect to the purpose de-  
16                  scribed in this subsection; and

17                  “(E) the center will coordinate the provi-  
18                  sion of services with other maternal and child  
19                  health providers operating in the catchment  
20                  area.

21           “(f) MIGRATORY AND SEASONAL AGRICULTURAL  
22           WORKERS.—

23                   “(1) IN GENERAL.—The Secretary may award  
24                   grants for the purposes described in subsections (c),  
25                   (d), and (e) for the planning and delivery of services

1 to a special medically underserved population com-  
2 prised of—

3 “(A) migratory agricultural workers, sea-  
4 sonal agricultural workers, and members of the  
5 families of such migratory and seasonal agricul-  
6 tural workers who are within a designated  
7 catchment area; and

8 “(B) individuals who have previously been  
9 migratory agricultural workers but who no  
10 longer meet the requirements of subparagraph  
11 (A) of paragraph (4) because of age or disabil-  
12 ity and members of the families of such individ-  
13 uals who are within such catchment area.

14 “(2) ENVIRONMENTAL CONCERNS.—The Sec-  
15 retary may enter into grants or contracts under this  
16 subsection with public and private entities to—

17 “(A) assist the States in the implementa-  
18 tion and enforcement of acceptable environ-  
19 mental health standards, including enforcement  
20 of standards for sanitation in migratory agricul-  
21 tural worker labor camps, and applicable Fed-  
22 eral and State pesticide control standards; and

23 “(B) conduct projects and studies to assist  
24 the several States and entities which have re-  
25 ceived grants or contracts under this section in

1 the assessment of problems related to camp and  
2 field sanitation, exposure to unsafe levels of ag-  
3 ricultural chemicals including pesticides, and  
4 other environmental health hazards to which  
5 migratory agricultural workers and members of  
6 their families are exposed.

7 “(3) DEFINITIONS.—For purposes of this sub-  
8 section:

9 “(A) MIGRATORY AGRICULTURAL WORK-  
10 ER.—The term ‘migratory agricultural worker’  
11 means an individual whose principal employ-  
12 ment is in agriculture on a seasonal basis, who  
13 has been so employed within the last 24  
14 months, and who establishes for the purposes of  
15 such employment a temporary abode.

16 “(B) SEASONAL AGRICULTURAL WORK-  
17 ER.—The term ‘seasonal agricultural worker’  
18 means an individual whose principal employ-  
19 ment is in agriculture on a seasonal basis and  
20 who is not a migratory agricultural worker.

21 “(C) AGRICULTURE.—The term ‘agri-  
22 culture’ means farming in all its branches, in-  
23 cluding—

24 “(i) cultivation and tillage of the soil;

1           “(ii) the production, cultivation, grow-  
2           ing, and harvesting of any commodity  
3           grown on, in, or as an adjunct to or part  
4           of a commodity grown in or on, the land;  
5           and

6           “(iii) any practice (including prepara-  
7           tion and processing for market and deliv-  
8           ery to storage or to market or to carriers  
9           for transportation to market) performed by  
10          a farmer or on a farm incident to or in  
11          conjunction with an activity described in  
12          clause (ii).

13          “(g) HOMELESS POPULATION.—

14               “(1) IN GENERAL.—The Secretary may award  
15               grants for the purposes described in subsections (c),  
16               (d), and (e) for the planning and delivery of services  
17               to a special medically underserved population com-  
18               prised of homeless individuals, including grants for  
19               innovative programs that provide outreach and com-  
20               prehensive primary health services to homeless chil-  
21               dren and children at risk of homelessness.

22               “(2) REQUIRED SERVICES.—In addition to re-  
23               quired primary health services (as defined in sub-  
24               section (b)(1)), an entity that receives a grant under

1 this subsection shall be required to provide sub-  
2 stance abuse services as a condition of such grant.

3 “(3) SUPPLEMENT NOT SUPPLANT REQUIRE-  
4 MENT.—A grant awarded under this subsection shall  
5 be expended to supplement, and not supplant, the  
6 expenditures of the health center and the value of in  
7 kind contributions for the delivery of services to the  
8 population described in paragraph (1).

9 “(4) DEFINITIONS.—For purposes of this sec-  
10 tion:

11 “(A) HOMELESS INDIVIDUAL.—The term  
12 ‘homeless individual’ means an individual who  
13 lacks housing (without regard to whether the  
14 individual is a member of a family), including  
15 an individual whose primary residence during  
16 the night is a supervised public or private facil-  
17 ity that provides temporary living accommoda-  
18 tions and an individual who is a resident in  
19 transitional housing.

20 “(B) SUBSTANCE ABUSE.—The term ‘sub-  
21 stance abuse’ has the same meaning given such  
22 term in section 534(4).

23 “(C) SUBSTANCE ABUSE SERVICES.—The  
24 term ‘substance abuse services’ includes detoxi-

1           fication and residential treatment for substance  
2           abuse provided in settings other than hospitals.

3           “(h) RESIDENTS OF PUBLIC HOUSING.—

4           “(1) IN GENERAL.—The Secretary may award  
5           grants for the purposes described in subsections (c),  
6           (d), and (e) for the planning and delivery of services  
7           to a special medically underserved population com-  
8           prised of residents of public housing (such term, for  
9           purposes of this subsection, shall have the same  
10          meaning given such term in section 3(b)(1) of the  
11          United States Housing Act of 1937) and individuals  
12          living in areas immediately accessible to such public  
13          housing.

14          “(2) SUPPLEMENT NOT SUPPLANT.—A grant  
15          awarded under this subsection shall be expended to  
16          supplement, and not supplant, the expenditures of  
17          the health center and the value of in kind contribu-  
18          tions for the delivery of services to the population  
19          described in paragraph (1).

20          “(3) CONSULTATION WITH RESIDENTS.—The  
21          Secretary may not make a grant under paragraph  
22          (1) unless, with respect to the residents of the public  
23          housing involved, the applicant for the grant—

1           “(A) has consulted with the residents in  
2           the preparation of the application for the grant;  
3           and

4           “(B) agrees to provide for ongoing con-  
5           sultation with the residents regarding the plan-  
6           ning and administration of the program carried  
7           out with the grant.

8           “(i) APPLICATIONS.—

9           “(1) SUBMISSION.—No grant may be made  
10          under this section unless an application therefore is  
11          submitted to, and approved by, the Secretary. Such  
12          an application shall be submitted in such form and  
13          manner and shall contain such information as the  
14          Secretary shall prescribe.

15          “(2) DESCRIPTION OF NEED.—An application  
16          for a grant under subparagraph (A) or (B) of sub-  
17          section (d)(1) for a health center shall include—

18                 “(A) a description of the need for health  
19                 services in the catchment area of the center;

20                 “(B) a demonstration by the applicant that  
21                 the area or the population group to be served  
22                 by the applicant has a shortage of personal  
23                 health services; and

24                 “(C) a demonstration that the center will  
25                 be located so that it will provide services to the

1           greatest number of individuals residing in the  
2           catchment area or included in such population  
3           group.

4           Such a demonstration shall be made on the basis of  
5           the criteria prescribed by the Secretary under sub-  
6           section (b)(3) or on any other criteria which the Sec-  
7           retary may prescribe to determine if the area or pop-  
8           ulation group to be served by the applicant has a  
9           shortage of personal health services. In considering  
10          an application for a grant under subparagraph (A)  
11          or (B) of subsection (d)(1), the Secretary may re-  
12          quire as a condition to the approval of such applica-  
13          tion an assurance that the applicant will provide any  
14          health service defined under paragraphs (1) and (2)  
15          of subsection (b) that the Secretary finds is needed  
16          to meet specific health needs of the area to be served  
17          by the applicant. Such a finding shall be made in  
18          writing and a copy shall be provided to the appli-  
19          cant.

20                 “(3) REQUIREMENTS.—Except as provided in  
21          subsection (d)(1)(B), the Secretary may not approve  
22          an application for a grant under subparagraph (A)  
23          or (B) of subsection (d)(1) unless the Secretary de-  
24          termines that the entity for which the application is

1 submitted is a health center (within the meaning of  
2 subsection (a)) and that—

3 “(A) the required primary health services  
4 of the center will be available and accessible in  
5 the catchment area of the center promptly, as  
6 appropriate, and in a manner which assures  
7 continuity;

8 “(B) the center will have an ongoing qual-  
9 ity improvement system that includes clinical  
10 services and management, and that maintains  
11 the confidentiality of patient records;

12 “(C) the center will demonstrate its finan-  
13 cial responsibility by the use of such accounting  
14 procedures and other requirements as may be  
15 prescribed by the Secretary;

16 “(D) the center—

17 “(i) has or will have a contractual or  
18 other arrangement with the agency of the  
19 State, in which it provides services, which  
20 administers or supervises the administra-  
21 tion of a State plan approved under title  
22 XIX of the Social Security Act for the pay-  
23 ment of all or a part of the center’s costs  
24 in providing health services to persons who

1 are eligible for medical assistance under  
2 such a State plan; or

3 “(ii) has made or will make every rea-  
4 sonable effort to enter into such an ar-  
5 rangement;

6 “(E) the center has made or will make and  
7 will continue to make every reasonable effort to  
8 collect appropriate reimbursement for its costs  
9 in providing health services to persons who are  
10 entitled to insurance benefits under title XVIII  
11 of the Social Security Act, to medical assistance  
12 under a State plan approved under title XIX of  
13 such Act, or to assistance for medical expenses  
14 under any other public assistance program or  
15 private health insurance program;

16 “(F) the center—

17 “(i) has prepared a schedule of fees or  
18 payments for the provision of its services  
19 consistent with locally prevailing rates or  
20 charges and designed to cover its reason-  
21 able costs of operation and has prepared a  
22 corresponding schedule of discounts to be  
23 applied to the payment of such fees or pay-  
24 ments, which discounts are adjusted on the  
25 basis of the patient’s ability to pay;

1           “(ii) has made and will continue to  
2           make every reasonable effort—

3                   “(I) to secure from patients pay-  
4                   ment for services in accordance with  
5                   such schedules; and

6                   “(II) to collect reimbursement for  
7                   health services to persons described in  
8                   subparagraph (E) on the basis of the  
9                   full amount of fees and payments for  
10                  such services without application of  
11                  any discount; and

12               “(iii) has submitted to the Secretary  
13               such reports as the Secretary may require  
14               to determine compliance with this subpara-  
15               graph;

16               “(G) the center has established a govern-  
17               ing board which except in the case of an entity  
18               operated by an Indian tribe or tribal or Indian  
19               organization under the Indian Self-Determina-  
20               tion Act—

21                   “(i) is composed of individuals, a ma-  
22                   jority of whom are being served by the cen-  
23                   ter and who, as a group, represent the in-  
24                   dividuals being served by the center;

1           “(ii) meets at least once a month, se-  
2           lects the services to be provided by the cen-  
3           ter, schedules the hours during which such  
4           services will be provided, approves the cen-  
5           ter’s annual budget, approves the selection  
6           of a director for the center, and, except in  
7           the case of a governing board of a public  
8           center (as defined in the second sentence  
9           of this paragraph), establishes general poli-  
10          cies for the center; and

11           “(iii) in the case of an application for  
12          a second or subsequent grant for a public  
13          center, has approved the application or if  
14          the governing body has not approved the  
15          application, the failure of the governing  
16          body to approve the application was unrea-  
17          sonable;

18          except that, upon a showing of good cause the  
19          Secretary shall waive all or part of the require-  
20          ments of this subparagraph in the case of a  
21          health center that receives a grant pursuant to  
22          subsection (f), (g), (h), or (o);

23           “(H) the center has developed—

1           “(i) an overall plan and budget that  
2           meets the requirements of the Secretary;  
3           and

4           “(ii) an effective procedure for compil-  
5           ing and reporting to the Secretary such  
6           statistics and other information as the Sec-  
7           retary may require relating to—

8                   “(I) the costs of its operations;

9                   “(II) the patterns of use of its  
10                  services;

11                  “(III) the availability, accessibil-  
12                  ity, and acceptability of its services;  
13                  and

14                  “(IV) such other matters relating  
15                  to operations of the applicant as the  
16                  Secretary may require;

17           “(I) the center will review periodically its  
18           catchment area to—

19                   “(i) ensure that the size of such area  
20                   is such that the services to be provided  
21                   through the center (including any satellite)  
22                   are available and accessible to the resi-  
23                   dents of the area promptly and as appro-  
24                   priate;

1           “(ii) ensure that the boundaries of  
2           such area conform, to the extent prac-  
3           ticable, to relevant boundaries of political  
4           subdivisions, school districts, and Federal  
5           and State health and social service pro-  
6           grams; and

7           “(iii) ensure that the boundaries of  
8           such area eliminate, to the extent possible,  
9           barriers to access to the services of the  
10          center, including barriers resulting from  
11          the area’s physical characteristics, its resi-  
12          dential patterns, its economic and social  
13          grouping, and available transportation;

14          “(J) in the case of a center which serves  
15          a population including a substantial proportion  
16          of individuals of limited English-speaking abil-  
17          ity, the center has—

18                 “(i) developed a plan and made ar-  
19                 rangements responsive to the needs of such  
20                 population for providing services to the ex-  
21                 tent practicable in the language and cul-  
22                 tural context most appropriate to such in-  
23                 dividuals; and

24                 “(ii) identified an individual on its  
25                 staff who is fluent in both that language

1 and in English and whose responsibilities  
2 shall include providing guidance to such in-  
3 dividuals and to appropriate staff members  
4 with respect to cultural sensitivities and  
5 bridging linguistic and cultural differences;  
6 and

7 “(K) the center, has developed an ongoing  
8 referral relationship with one or more hospitals.  
9 For purposes of subparagraph (G), the term ‘public  
10 center’ means a health center funded (or to be fund-  
11 ed) through a grant under this section to a public  
12 agency.

13 “(4) APPROVAL OF NEW OR EXPANDED SERV-  
14 ICE APPLICATIONS.—The Secretary shall approve  
15 applications for grants under subparagraph (A) or  
16 (B) of subsection (d)(1) for health centers which—

17 “(A) have not received a previous grant  
18 under such subsection; or

19 “(B) have applied for such a grant to ex-  
20 pand their services;

21 in such a manner that the ratio of the medically un-  
22 derserved populations in rural areas which may be  
23 expected to use the services provided by such centers  
24 to the medically underserved populations in urban  
25 areas which may be expected to use the services pro-

1 vided by such centers is not less than two to three  
2 or greater than three to two.

3 “(5) NEW CONSTRUCTION.—The Secretary may  
4 make a grant under subsection (c) or (d) for the  
5 construction of new buildings for a health center  
6 only if the Secretary determines that appropriate fa-  
7 cilities are not available through acquiring, mod-  
8 ernizing, or expanding existing buildings and that  
9 the entity to which the grant will be made has made  
10 reasonable efforts to secure from other sources  
11 funds, in lieu of the grant, to construct such facili-  
12 ties.

13 “(j) TECHNICAL AND OTHER ASSISTANCE.—The  
14 Secretary may provide (either through the Department of  
15 Health and Human Services or by grant or contract) all  
16 necessary technical and other nonfinancial assistance (in-  
17 cluding fiscal and program management assistance and  
18 training in such management) to any public or private  
19 nonprofit entity to assist entities in developing plans for,  
20 or operating as, health centers, and in meeting the re-  
21 quirements of subsection (i)(2).

22 “(k) AUTHORIZATION OF APPROPRIATIONS.—

23 “(1) IN GENERAL.—For the purpose of carry-  
24 ing out this section there are authorized to be appro-  
25 priated \$756,000,000 for fiscal year 1996, and such

1 sums as may be necessary for each of the fiscal  
2 years 1997 through 2000.

3 “(2) SPECIAL PROVISIONS.—The Secretary may  
4 not expend in any fiscal year, for grants under this  
5 section to public centers (as defined in the second  
6 sentence of subsection (i)(3)) the governing boards  
7 of which (as described in subsection (i)(3)(G)(ii)) do  
8 not establish general policies for such centers, an  
9 amount which exceeds 5 percent of the amounts ap-  
10 propriated under this section for that fiscal year.  
11 For purposes of applying the preceding sentence, the  
12 term ‘public centers’ shall not include health centers  
13 that receive grants pursuant to subsection (g) or (h).

14 “(3) FUNDING REPORT.—The Secretary shall  
15 annually prepare and submit to the appropriate com-  
16 mittees of Congress a report concerning the distribu-  
17 tion of funds under this section that are provided to  
18 meet the health care needs of medically underserved  
19 populations, including the homeless, residents of  
20 public housing, and migratory and seasonal agricul-  
21 tural workers, and the appropriateness of the deliv-  
22 ery systems involved in responding to the needs of  
23 the particular populations. Such report shall include  
24 an assessment of the relative health care access  
25 needs of the targeted populations and the rationale

1 for any substantial changes in the distribution of  
2 funds.

3 “(l) MEMORANDUM OF AGREEMENT.—In carrying  
4 out this section, the Secretary may enter into a memoran-  
5 dum of agreement with a State. Such memorandum may  
6 include, where appropriate, provisions permitting such  
7 State to—

8 “(1) analyze the need for primary health serv-  
9 ices for medically underserved populations within  
10 such State;

11 “(2) assist in the planning and development of  
12 new health centers;

13 “(3) review and comment upon annual program  
14 plans and budgets of health centers, including com-  
15 ments upon allocations of health care resources in  
16 the State;

17 “(4) assist health centers in the development of  
18 clinical practices and fiscal and administrative sys-  
19 tems through a technical assistance plan which is re-  
20 sponsive to the requests of health centers; and

21 “(5) share information and data relevant to the  
22 operation of new and existing health centers.

23 “(m) RECORDS.—

1           “(1) IN GENERAL.—Each entity which receives  
2 a grant under subsection (d) shall establish and  
3 maintain such records as the Secretary shall require.

4           “(2) AVAILABILITY.—Each entity which is re-  
5 quired to establish and maintain records under this  
6 subsection shall make such books, documents, pa-  
7 pers, and records available to the Secretary or the  
8 Comptroller General of the United States, or any of  
9 their duly authorized representatives, for examina-  
10 tion, copying or mechanical reproduction on or off  
11 the premises of such entity upon a reasonable re-  
12 quest therefore. The Secretary and the Comptroller  
13 General of the United States, or any of their duly  
14 authorized representatives, shall have the authority  
15 to conduct such examination, copying, and reproduc-  
16 tion.

17           “(n) DELEGATION OF AUTHORITY.—The Secretary  
18 may delegate the authority to administer the programs au-  
19 thorized by this section to any office within the Service,  
20 except that the authority to enter into, modify, or issue  
21 approvals with respect to grants or contracts may be dele-  
22 gated only within the Health Resources and Services Ad-  
23 ministration.

24           “(o) SPECIAL CONSIDERATION.—In making grants  
25 under this section, the Secretary shall give special consid-

1 eration to the unique needs of sparsely populated rural  
2 areas, including priority in the awarding of grants for new  
3 health centers under subsections (c) and (d), and the  
4 granting of waivers as appropriate and permitted under  
5 subsections (b)(1)(B)(i) and (i)(3)(G).”.

6 **SEC. 3. RURAL HEALTH OUTREACH, NETWORK DEVELOP-**  
7 **MENT, AND TELEMEDICINE GRANT PRO-**  
8 **GRAM.**

9 (a) IN GENERAL.—Subpart I of part D of title III  
10 of the Public Health Service Act (42 U.S.C. 254b et seq.)  
11 (as amended by section 2) is further amended by adding  
12 at the end thereof the following new section:

13 **“SEC. 330A. RURAL HEALTH OUTREACH, NETWORK DEVEL-**  
14 **OPMENT, AND TELEMEDICINE GRANT PRO-**  
15 **GRAM.**

16 “(a) ADMINISTRATION.—The rural health services  
17 outreach demonstration grant program established under  
18 section 301 shall be administered by the Office of Rural  
19 Health Policy (of the Health Resources and Services Ad-  
20 ministration), in consultation with State rural health of-  
21 fices or other appropriate State governmental entities.

22 “(b) GRANTS.—Under the program referred to in  
23 subsection (a), the Secretary, acting through the Director  
24 of the Office of Rural Health Policy, may award grants  
25 to expand access to, coordinate, restrain the cost of, and

1 improve the quality of essential health care services, in-  
2 cluding preventive and emergency services, through the  
3 development of integrated health care delivery systems or  
4 networks in rural areas and regions.

5 “(c) ELIGIBLE NETWORKS.—

6 “(1) OUTREACH NETWORKS.—To be eligible to  
7 receive a grant under this section, an entity shall—

8 “(A) be a rural public or nonprofit private  
9 entity that is or represents a network or poten-  
10 tial network that includes three or more health  
11 care providers or other entities that provide or  
12 support the delivery of health care services; and

13 “(B) in consultation with the State office  
14 of rural health or other appropriate State en-  
15 tity, prepare and submit to the Secretary an ap-  
16 plication, at such time, in such manner, and  
17 containing such information as the Secretary  
18 may require, including—

19 “(i) a description of the activities  
20 which the applicant intends to carry out  
21 using amounts provided under the grant;

22 “(ii) a plan for continuing the project  
23 after Federal support is ended;

24 “(iii) a description of the manner in  
25 which the activities funded under the grant

1 will meet health care needs of underserved  
2 rural populations within the State; and

3 “(iv) a description of how the local  
4 community or region to be served by the  
5 network or proposed network will be in-  
6 volved in the development and ongoing op-  
7 erations of the network.

8 “(2) FOR-PROFIT ENTITIES.—An eligible net-  
9 work may include for-profit entities so long as the  
10 network grantee is a nonprofit entity.

11 “(3) TELEMEDICINE NETWORKS.—

12 “(A) IN GENERAL.—An entity that is a  
13 health care provider and a member of an exist-  
14 ing or proposed telemedicine network, or an en-  
15 tity that is a consortium of health care provid-  
16 ers that are members of an existing or proposed  
17 telemedicine network shall be eligible for a  
18 grant under this section.

19 “(B) REQUIREMENT.—A telemedicine net-  
20 work referred to in subparagraph (A) shall, at  
21 a minimum, be composed of—

22 “(i) a multispecialty entity that is lo-  
23 cated in an urban or rural area, which can  
24 provide 24-hour a day access to a range of  
25 specialty care; and

1           “(ii) at least two rural health care fa-  
2           cilities, which may include rural hospitals,  
3           rural physician offices, rural health clinics,  
4           rural community health clinics, and rural  
5           nursing homes.

6           “(d) PREFERENCE.—In awarding grants under this  
7 section, the Secretary shall give preference to applicant  
8 networks that include—

9           “(1) a majority of the health care providers  
10          serving in the area or region to be served by the net-  
11          work;

12          “(2) any federally qualified health centers, rural  
13          health clinics, and local public health departments  
14          serving in the area or region;

15          “(3) outpatient mental health providers serving  
16          in the area or region; or

17          “(4) appropriate social service providers, such  
18          as agencies on aging, school systems, and providers  
19          under the women, infants, and children program, to  
20          improve access to and coordination of health care  
21          services.

22          “(e) USE OF FUNDS.—

23          “(1) IN GENERAL.—Amounts provided under  
24          grants awarded under this section shall be used—

1           “(A) for the planning and development of  
2 integrated self-sustaining health care networks;  
3 and

4           “(B) for the initial provision of services.

5           “(2) EXPENDITURES IN RURAL AREAS.—

6           “(A) IN GENERAL.—In awarding a grant  
7 under this section, the Secretary shall ensure  
8 that not less than 50 percent of the grant  
9 award is expended in a rural area or to provide  
10 services to residents of rural areas.

11           “(B) TELEMEDICINE NETWORKS.—An en-  
12 tity described in subsection (c)(3) may not use  
13 in excess of—

14           “(i) 40 percent of the amounts pro-  
15 vided under a grant under this section to  
16 carry out activities under paragraph  
17 (3)(A)(iii); and

18           “(ii) 20 percent of the amounts pro-  
19 vided under a grant under this section to  
20 pay for the indirect costs associated with  
21 carrying out the purposes of such grant.

22           “(3) TELEMEDICINE NETWORKS.—

23           “(A) IN GENERAL.—An entity described in  
24 subsection (c)(3), may use amounts provided  
25 under a grant under this section to—

1           “(i) demonstrate the use of  
2           telemedicine in facilitating the development  
3           of rural health care networks and for im-  
4           proving access to health care services for  
5           rural citizens;

6           “(ii) provide a baseline of information  
7           for a systematic evaluation of telemedicine  
8           systems serving rural areas;

9           “(iii) purchase or lease and install  
10          equipment; and

11          “(iv) operate the telemedicine system  
12          and evaluate the telemedicine system.

13          “(B) LIMITATIONS.—An entity described  
14          in subsection (c)(3), may not use amounts pro-  
15          vided under a grant under this section—

16               “(i) to build or acquire real property;

17               “(ii) purchase or install transmission  
18               equipment (such as laying cable or tele-  
19               phone lines, microwave towers, satellite  
20               dishes, amplifiers, and digital switching  
21               equipment); or

22               “(iii) for construction, except that  
23               such funds may be expended for minor  
24               renovations relating to the installation of  
25               equipment;

1       “(f) TERM OF GRANTS.—Funding may not be pro-  
2       vided to a network under this section for in excess of a  
3       3-year period.

4       “(g) AUTHORIZATION OF APPROPRIATIONS.—For the  
5       purpose of carrying out this section there are authorized  
6       to be appropriated \$36,000,000 for fiscal year 1996, and  
7       such sums as may be necessary for each of the fiscal years  
8       1997 through 2000.”.

9       (b) TRANSITION.—The Secretary of Health and  
10       Human Services shall ensure the continued funding of  
11       grants made, or contracts or cooperative agreements en-  
12       tered into, under subpart I of part D of title III of the  
13       Public Health Service Act (42 U.S.C. 254b et seq.) (as  
14       such subpart existed on the day prior to the date of enact-  
15       ment of this Act), until the expiration of the grant period  
16       or the term of the contract or cooperative agreement. Such  
17       funding shall be continued under the same terms and con-  
18       ditions as where in effect on the date on which the grant,  
19       contract or cooperative agreement was awarded, subject  
20       to the availability of appropriations.

21       **SEC. 4. TECHNICAL AND CONFORMING AMENDMENTS.**

22       (a) IN GENERAL.—The Public Health Service Act is  
23       amended—

1 (1) in section 224(g)(4) (42 U.S.C. 233(g)(4))  
2 by striking “under” and all that follows through the  
3 end thereof and inserting “under section 330.”;

4 (2) in section 340C(a)(2) (42 U.S.C. 256c) by  
5 striking “diseases” and all that follows through the  
6 end thereof and inserting “with assistance provided  
7 under section 330.”; and

8 (3) by repealing subparts V and VI of part D  
9 of title III (42 U.S.C. 256 et seq.).

10 (b) SOCIAL SECURITY ACT.—The Social Security Act  
11 is amended—

12 (1) in clauses (i) and (ii)(I) of section  
13 1861(aa)(4)(A) (42 U.S.C. 1395x(aa)(4)(A)(i) and  
14 (ii)(I)) by striking “section 329, 330, or 340” and  
15 inserting “section 330 (other than subsection (h))”;  
16 and

17 (2) in clauses (i) and (ii)(II) of section  
18 1905(l)(2)(B) (42 U.S.C. 1396d(l)(2)(B)(i) and  
19 (ii)(II)) by striking “section 329, 330, 340, or  
20 340A” and inserting “section 330”.

21 (c) REFERENCES.—Whenever any reference is made  
22 in any provision of law, regulation, rule, record, or docu-  
23 ment to a community health center, migrant health center,  
24 public housing health center, or homeless health center,

1 such reference shall be considered a reference to a health  
2 center.

3 (d) ADDITIONAL AMENDMENTS.—After consultation  
4 with the appropriate committees of the Congress, the Sec-  
5 retary of Health and Human Services shall prepare and  
6 submit to the Congress a legislative proposal in the form  
7 of an implementing bill containing technical and conform-  
8 ing amendments to reflect the changes made by this Act.

9 **SEC. 5. EFFECTIVE DATE.**

10 This Act and the amendments made by this Act shall  
11 become effective on October 1, 1995.

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S 1044 IS—3

S 1044 IS—4