106TH CONGRESS
1ST SESSION

H. R. 3000

To establish a United States Health Service to provide high quality comprehensive health care for all Americans and to overcome the deficiencies in the present system of health care delivery.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 1, 1999

Ms. LEE (for herself, Mrs. CHRISTENSEN, and Mr. JACKSON of Illinois) introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To establish a United States Health Service to provide high quality comprehensive health care for all Americans and to overcome the deficiencies in the present system of health care delivery.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 "Josephine Butler United States Health Service Act".

1 (b) TABLE OF CONTENTS.—The table of contents of
2 this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Purposes.
Sec. 4. Definitions.

TITLE I—ESTABLISHMENT AND OPERATION OF THE UNITED STATES HEALTH SERVICE

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Sec. 101. Establishment of the Service.
Sec. 102. Appointment of Interim National Health Board.
Sec. 103. Powers and duties of the Interim National Health Board.
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Subtitle B—Organization of Area Health Boards

Sec. 111. Establishment of health care delivery regions.
Sec. 112. Appointment of interim regional health boards.
Sec. 113. Establishment of health care delivery districts and health care delivery communities.
Sec. 114. Election of community health boards.
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Sec. 118. Subsequent election and appointment of members of health boards.
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Subtitle C—General Provisions Regarding Health Boards

Sec. 121. Definitions.
Sec. 122. Membership of health boards.
Sec. 123. Meetings and records of health boards.
Sec. 124. Procedures for establishment of national guidelines and standards.
Sec. 125. Assistance to area health board members.
Sec. 126. Public accountability and financial disclosure by health board members.
Sec. 127. Inspector General for Health Services.

TITLE II—DELIVERY OF HEALTH CARE AND SUPPLEMENTAL SERVICES

Subtitle A—Patients' Rights in Health Care Delivery

Sec. 201. Basic health rights.
Sec. 202. Right to paid leave to receive health care services.

Subtitle B—Eligibility for, Nature of, and Scope of Services Provided by the Service

Sec. 211. Eligibility for services.
Sec. 212. Entitlement to services.
Sec. 213. Provision of health care and supplemental services.

Subtitle C—Health Care Facilities and Delivery of Health Care Services

Sec. 221. Establishment of health care facilities and distribution of delivery of health care and other services.
Sec. 222. Operation and inspection of health care facilities.
Sec. 223. Provision of health services relating to reproduction and childbearing.

TITLE III—HEALTH LABOR FORCE

Subtitle A—Job Categories and Certification

Sec. 301. Effect of State law.
Sec. 302. Qualifications of health workers.
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Subtitle B—Education of Health Workers

Sec. 311. Health team schools.
Sec. 312. Service requirement.
Sec. 313. Payment for certain educational loans.

Subtitle C—Employment and Labor-Management Relations Within the Service

Sec. 321. Employment, transfer, promotion, and receipt of fees.
Sec. 322. Applicability of laws relating to Federal employees.
Sec. 323. Applicability of Federal labor-management relations laws.
Sec. 324. Defense of certain malpractice and negligence suits.

TITLE IV—OTHER FUNCTIONS OF HEALTH BOARDS

Subtitle A—Advocacy, Grievance Procedures, and Trusteeships

Sec. 401. Advocacy and legal services program.
Sec. 402. Grievance procedures and trusteeships.

Subtitle B—Occupational Safety and Health Programs

Sec. 411. Functions of the National Health Board.
Sec. 412. Community occupational safety and health activities.
Sec. 413. Regional occupational safety and health programs.
Sec. 414. Workplace health facilities.
Sec. 415. Employee rights relating to occupational safety and health.
Sec. 416. Definitions.

Subtitle C—Health and Health Care Delivery Research, Quality Assurance, and Health Equity

Sec. 421. Principles and guidelines for research.
Sec. 422. Establishment of institutes.

Subtitle D—Health Planning, Distribution of Drugs and Other Medical Supplies, and Miscellaneous Functions

Sec. 431. Health planning and budgeting.
Sec. 432. Distribution of drugs and other medical supplies.
Sec. 433. Miscellaneous functions of the National Health Board.

TITLE V—FINANCING OF THE SERVICE

Subtitle A—Health Service Taxes

Sec. 501. Individual and corporate income taxes.
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Subtitle C—Preparation of Plans and Budgets

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Sec. 532. Regional budgets.
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TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601. Effective date of health services.
Sec. 602. Repeal of provisions.
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Sec. 604. Amendment to Budget and Accounting Act.
Sec. 605. Separability.

1 **SEC. 2. FINDINGS.**

2 The Congress makes the following findings:

3 (1) The health of the Nation's people is a foun-
4 dation of their well-being.

5 (2) High quality health care is a right of all
6 people.

7 (3) Many of the Nation's people are unable
8 fully to exercise this right because of the inability of

1 the present health care delivery system to make high
2 quality health care available to all individuals re-
3 gardless of race, sex, age, national origin, income,
4 marital status, sexual orientation, religion, political
5 belief, place of residence, employment status, or pre-
6 vious health status.

7 (4) The present health care system has failed to
8 provide financial coverage for health care services
9 for more than forty million Americans, and the per-
10 cent lacking such coverage grows each year.

11 (5) The present health care system has failed to
12 provide for sufficient effective preventive measures
13 that would address the deterioration in occupational,
14 environmental, and social conditions affecting the
15 health of the people of this Nation.

16 (6) Unnecessary and excessive profits and ad-
17 ministrative expenses have inflated the cost of health
18 care.

19 (7) The growth of for-profit medical care and
20 for-profit managed care is making it difficult for
21 health care personnel to provide, and users to re-
22 ceive, the full range of health services they believe to
23 be necessary, appropriate, and desirable.

24 (8) The health professions have failed to control
25 the cost of their services and the imbalance in the

1 number of health workers among geographic areas
2 or health care specialties.
3 (9) The present health care system has failed to
4 make full and efficient use of allied health workers.
5 (10) A United States Health Service is the best
6 means to implement the right to high quality health
7 care and to overcome the deficiencies in the present
8 health care delivery system.

9 **SEC. 3. PURPOSES.**

10 The purposes of this Act are:
11 (1) To create a United States Health Service to
12 provide without charge to all residents, regardless of
13 race, sex, age, national origin, income, marital sta-
14 tus, sexual orientation, religion, political belief, place
15 of residence, employment status, or previous health
16 status, comprehensive health care services delivered
17 by salaried health workers and emphasizing the pro-
18 motion and maintenance of health as well as the
19 treatment of illness.
20 (2) To establish representative and democratic
21 governance of the Service through community boards
22 chosen through community elections, district and re-
23 gional boards selected by the community and district
24 boards, respectively, and a National Health Board

1 selected by the regional boards, subject to the ap-
2 proval of the President.

3 (3) To provide health workers in the Service
4 with fair and reasonable compensation, secure em-
5 ployment, opportunities for full and equal participa-
6 tion in the governance of health facilities, and oppor-
7 tunities for advancement without regard to race, sex,
8 age, national origin, sexual orientation, religion, or
9 political belief.

10 (4) To increase the availability and continuity
11 of health care by linking local health care facilities
12 to hospitals and specialized care facilities.

13 (5) To implement local, regional, and national
14 planning for the establishing, equipping, and staffing
15 of health care facilities needed to overcome present
16 shortages and redistribute health resources, espe-
17 cially for currently deprived inner-city and rural pop-
18 ulations, minority groups, prisoners, and occupa-
19 tional groups.

20 (6) To finance the Service through progressive
21 taxation of individuals and employer contributions,
22 and to distribute these revenues on a capitation
23 basis, supplemented by allocations to meet special
24 health care needs.

1 **SEC. 4. DEFINITIONS.**

2 For the purposes of this Act, unless the context im-
3 plies otherwise:

4 (1) SERVICE.—The term ''Service'' means the
5 United States Health Service established in section
6 101.

7 (2) NATIONAL HEALTH BOARD-RELATED
8 TERMS.—

9 (A) NATIONAL HEALTH BOARD.—The term
10 ''National Health Board'' means the National
11 Health Board of the Service.

12 (B) INTERIM NATIONAL HEALTH BOARD.—
13 The term ''Interim National Health Board''
14 means the Interim National Health Board, ap-
15 pointed under section 102, of the Service.

16 (C) APPROPRIATE NATIONAL HEALTH
17 BOARD.—The term ''appropriate National
18 Health Board'' means—

19 (i) the Interim National Health
20 Board, prior to the initial meeting of the
21 National Health Board under section 117,
22 and

23 (ii) the National Health Board, at and
24 after such meeting.

25 (3) HEALTH BOARD-RELATED TERMS.—

1 (A) HEALTH BOARD.—The term ''health
2 board'' means the Interim National Health
3 Board, National Health Board, an interim re-
4 gional health board, a regional health board, a
5 district health board, or a community health
6 board established under this Act.
7 (B) AREA HEALTH BOARD.—The term
8 ''area health board'' means a regional health
9 board, a district health board, or a community
10 health board established under this Act.
11 (4) AREA-RELATED TERMS.—
12 (A) COMMUNITY.—The term ''community''
13 means a health care delivery community estab-
14 lished under title I.
15 (B) DISTRICT.—The term ''district''
16 means a health care delivery district established
17 under title I.
18 (C) REGION.—The term ''region'' means a
19 health care delivery region established under
20 title I.
21 (D) AREA.—The term ''area'' means, with
22 respect to an area health board or an area
23 health care facility—
24 (i) in the case of a community board
25 or a health care facility established by a

1 community board, the community for
2 which such board is established or in which
3 the facility is located;
4 (ii) in the case of a district board or
5 a health care facility established by a dis-
6 trict board, the district for which such
7 board is established or in which the facility
8 is located; and
9 (iii) in the case of a regional board or
10 a health care facility established by a re-
11 gional board, the region for which such
12 board is established or in which the facility
13 is located.
14 (5) LOCAL BOARD-RELATED TERMS.—
15 (A) INTERIM REGIONAL BOARD.—The
16 term ''interim regional board'' means an in-
17 terim regional health board established in ac-
18 cordance with section 112.
19 (B) REGIONAL BOARD.—The term ''re-
20 gional board'' means a regional health board es-
21 tablished in accordance with title I.
22 (C) DISTRICT BOARD.—The term ''district
23 board'' means a district health board estab-
24 lished in accordance with title I.

1 (D) COMMUNITY BOARD.—The term ''com-
2 munity board'' means a community health
3 board established in accordance with title I.
4 (6) REGIONAL AND DISTRICT BOARDS.—
5 (A) RESPECTIVE REGIONAL BOARD.—The
6 terms ''respective regional board'' and ''respec-
7 tive interim regional board'' mean, with respect
8 to a community board or a district board, the
9 regional board or interim regional board, re-
10 spectively, for the region which contains the
11 community or district for which such commu-
12 nity board or district board is established.
13 (B) RESPECTIVE DISTRICT BOARD.—The
14 term ''respective district board'' means, with re-
15 spect to a community board, the district board
16 for the district which contains the community
17 for which such community board is established.
18 (7) USER-RELATED TERMS.—
19 (A) USER.—The term ''user'' means an in-
20 dividual who is eligible under section 211 to re-
21 ceive health care services from the Service
22 under this Act.
23 (B) REGISTERED USER.—The term ''reg-
24 istered user'' means, with respect to an area, a
25 user who resides in the area and is registered

1 to vote in the area in general elections for Fed-
2 eral, State, or local officials.
3 (C) ELIGIBLE USER.—The term ‘‘eligible
4 user’’ means, for purposes of sections 114
5 through 118, with respect to a community, dis-
6 trict, or region, an individual who (i) is 18
7 years of age or older, (ii) resides in the commu-
8 nity, district, or region, respectively, and (iii) is
9 not a health worker (as defined in paragraph
10 (8)(A)), an indirect provider of health care (as
11 defined in subparagraph (E)), or a member of
12 the immediate family of such a worker or indi-
13 rect provider.
14 (D) USER MEMBER.—The term ‘‘user
15 member’’ means, with respect to a health board,
16 an eligible user elected or appointed by users or
17 user members to the health board under sec-
18 tions 114 through 118.
19 (E) INDIRECT PROVIDER OF HEALTH
20 CARE.—The term ‘‘indirect provider of health
21 care’’ means an individual who—
22 (i) receives (either directly or through
23 his or her spouse) more than one-tenth of
24 his or her gross annual income from any
25 one or combination of—

1 (I) fees or other compensation
2 for provision of, research into, or in-
3 struction in, the provision of health
4 care,
5 (II) entities engaged in the provi-
6 sion of health care or in such research
7 or instruction,
8 (III) producing or supplying
9 drugs, medical equipment, or other ar-
10 ticles for individuals or entities for use
11 in the provision of or in research into
12 or instruction in the provision of
13 health care, or
14 (IV) entities engaged in pro-
15 ducing drugs, medical equipment, or
16 such other articles;
17 (ii) holds a fiduciary position with, or
18 has a fiduciary interest in, any entity de-
19 scribed in subclause (II) or (IV) of clause
20 (i); or
21 (iii) is engaged in issuing any policy
22 or contract of individual or group health
23 insurance or hospital or medical service
24 benefits.
25 (8) WORKER-RELATED TERMS.—

(A) HEALTH WORKER.—The term ''health worker'' includes—

(i) any employee of the Service; and

(ii) any individual who for remuneration delivers, administers any program in, provides supporting services for, teaches the subject matter of, or performs research in, health care services.

(B) AUTHORIZED HEALTH WORKER.—The term ''authorized health worker'' means, with respect to a specified health care service, an individual who is an employee of the Service and is authorized by a health board to deliver the service.

(C) ELIGIBLE AREA HEALTH WORKER.—The term ''eligible area health worker'' means, for purposes of sections 114 through 118 with respect to a community, district, or region, a health worker who is employed by the community, district, or regional health board (respectively) or, in the case of sections 114 through 117, is scheduled to be employed by such board on the effective date of health services.

(D) WORKER MEMBER.—The term ''worker member'' means, with respect to a health

1 board, an eligible area health worker elected or
2 appointed by health workers or worker members
3 to the health board under sections 114 through
4 118.
5 (9) FACILITY-RELATED TERMS.—
6 (A) HEALTH CARE FACILITY.—The term
7 ''health care facility'' means an administrative
8 unit composed of specified staff, equipment,
9 and premises and established by a health board
10 as an appropriate unit of organization for the
11 delivery of specified health care or supplemental
12 services under this Act.
13 (B) AREA HEALTH CARE FACILITY.—The
14 term ''area health care facility'' means, with re-
15 spect to an area health board, a health care fa-
16 cility established by the area health board.
17 (10) SERVICE-RELATED TERMS.—
18 (A) HEALTH CARE SERVICES.—The term
19 ''health care services'' means the services de-
20 scribed in paragraphs (1) through (5) of section
21 213(a).
22 (B) SUPPLEMENTAL SERVICES.—The term
23 ''supplemental services'' means the services de-
24 scribed in paragraphs (1), (2), and (3) of sec-
25 tion 213(b).

(11) NUMBER OF RESIDENTS.—The term "number of residents" means the number of residents in a health care delivery area as determined by the most recent decennial national census.

(12) EFFECTIVE DATE OF HEALTH SERVICES.—The term "effective date of health services" means the effective date of health services under this Act as specified in section 601.

TITLE I—ESTABLISHMENT AND OPERATION OF THE UNITED STATES HEALTH SERVICE

Subtitle A—Initial Organization

SEC. 101. ESTABLISHMENT OF THE SERVICE.

(a) IN GENERAL.—There is established, as an independent establishment of the executive branch of the United States, the United States Health Service.

(b) AUTHORITY.—

(1) NATIONAL HEALTH BOARD.—The authority of the Service shall be exercised by the appropriate National Health Board and, in accordance with this Act and guidelines established by such Board, by area health boards.

(2) EMINENT DOMAIN AUTHORITY.—The Service shall have the authority, under the power of eminent domain, to acquire by condemnation under ju-

1 dicial process real estate for the Service for public
2 purposes whenever it is necessary or advantageous
3 to do so.

4 **SEC. 102. APPOINTMENT OF INTERIM NATIONAL HEALTH**
5 **BOARD.**

6 (a) IN GENERAL.—The President shall, no later than
7 30 days after the date of the enactment of this Act, ap-
8 point 21 individuals—
9 (1) who are 18 years of age or older;
10 (2) who are concerned about the health care
11 problems of the Nation;
12 (3) who approximate the Nation's population by
13 race, sex, income, language, and region of residence,
14 and approximate the percentage of rural and fron-
15 tier populations; and
16 (4) no more than seven of whom are or have
17 been health workers, indirect providers of health
18 care, or members of the immediate family of such
19 workers or indirect providers within 24 months of
20 the date of such nomination.
21 To serve as members of the Interim National Health
22 Board of the Service.
23 (b) DESIGNATION OF CHAIRPERSON AND VICE
24 CHAIRPERSON.—The President shall, at the time of such
25 appointments, designate two nominees to the Interim Na-

1 tional Health Board who are not and have not been health
2 workers, indirect providers of health care, or members of
3 the immediate family of such workers or indirect providers
4 within 24 months of the date of such appointment as
5 chairperson and vice chairperson of such Board.

6 **SEC. 103. POWERS AND DUTIES OF THE INTERIM NATIONAL**
7 **HEALTH BOARD.**

8 (a) TERM.—The members of the Interim National
9 Health Board shall serve as the National Health Board
10 of the Service until the National Health Board holds its
11 initial meeting in accordance with section 117(c)(2).

12 (b) DUTIES.—The Interim National Health Board
13 shall—

14 (1) establish the boundaries of health care de-
15 livery regions, in accordance with section 111;

16 (2) select interim regional health boards in ac-
17 cordance with section 111;

18 (3) assist interim regional health boards in the
19 performance of their functions;

20 (4) coordinate the initial election of community
21 health boards, under section 114; and

22 (5) carry out such duties of the National
23 Health Board as it deems necessary and consistent
24 with the timetable given under this Act and the pur-
25 poses of the Service, except that no staff member

1 may be appointed and no employee may be hired by
2 the Interim National Health Board for a period ex-
3 tending beyond 90 days after the appointment of the
4 National Health Board under section 117.

5 (c) APPLICATION OF REQUIREMENTS.—The Interim
6 National Health Board shall operate in a manner con-
7 sistent with the provisions of subtitle C.

8 (d) INITIAL REPORT.—The Interim National Health
9 Board shall submit a report to Congress on its perform-
10 ance under this Act no later than 30 days after the ap-
11 pointment of the National Health Board under section
12 117.

13 **SEC. 104. AUTHORIZATION.**

14 There are authorized to be appropriated to the Serv-
15 ice $4,000,000,000 to carry out the provisions of this Act
16 with respect to the establishment of the Service. Funds
17 appropriated under this section shall remain available
18 until expended.

19 Subtitle B—Organization of Area 20 Health Boards

21 **SEC. 111. ESTABLISHMENT OF HEALTH CARE DELIVERY RE-**
22 **GIONS.**

23 (a) ESTABLISHMENT OF HEALTH CARE DELIVERY
24 REGIONS.—No later than 6 months after the appointment
25 of members of the Interim National Health Board, such

1 Board shall establish, in accordance with this section,
2 health care delivery regions throughout the United States.
3 (b) REQUIREMENTS FOR DELIVERY REGIONS.—Each
4 health care delivery region shall meet the following re-
5 quirements:
6 (1) The region shall be a contiguous geographic
7 area appropriate for the effective governance, plan-
8 ning, and delivery of all health care and supple-
9 mental services under this Act for residents of the
10 region.
11 (2) The region shall have a population of not
12 less than 500,000 and of not more than 3,000,000
13 individuals, except that—
14 (A) the population of a region may be
15 more than 3,000,000 if the region includes a
16 standard metropolitan statistical area (as deter-
17 mined by the Office of Management and Budg-
18 et) with a population of more than three mil-
19 lion; and
20 (B) the population of a region may be less
21 than 500,000 if the Interim National Health
22 Board determines that this is necessary to fa-
23 cilitate the delivery of health care and supple-
24 mental services or the effective governance of
25 the health program within such region.

1 A region under subparagraph (B) may be a sparsely
2 populated frontier area which consists of a very
3 large or multi-state geographic area.
4 (3) The boundaries of each region shall take
5 into account—
6 (A) any economic or geographic barrier to
7 the receipt of health care and supplemental
8 services in nonmetropolitan areas, and
9 (B) the differences in needs between non-
10 metropolitan and metropolitan areas in the
11 planning, development, and delivery of health
12 care and supplemental services.
13 (c) PROCESS.—At least 60 days prior to the estab-
14 lishment of the boundaries of any region, the Interim Na-
15 tional Health Board shall provide for—
16 (1) notice in the area which would be affected
17 by the establishment of such boundaries of the
18 boundaries proposed to be established, and of the
19 date, time, and location of the public hearing on
20 such establishment as provided in paragraph (2);
21 and
22 (2) a public hearing at which individuals can
23 speak or present written statements relating to the
24 establishment of such boundaries.

1 (d) MODIFICATION OF BOUNDARIES.—The bound-
2 aries of regions shall be modified in accordance with sec-
3 tion 119.

4 **SEC. 112. APPOINTMENT OF INTERIM REGIONAL HEALTH**
5 **BOARDS.**

6 (a) APPOINTMENT OF INTERIM REGIONAL
7 BOARDS.—No later than 60 days after the establishment
8 of health care delivery regions under section 111, the In-
9 terim National Health Board shall appoint an interim re-
10 gional board for each such region.

11 (b) COMPOSITION.—Each interim regional board
12 shall be composed of nine members—

13 (1) who are 18 years of age or older;

14 (2) who are concerned about the health care
15 problems of their region;

16 (3) who approximate the region's population by
17 race, sex, income, and language; and

18 (4) no more than three of whom are or have
19 been health workers, indirect providers or health
20 care, or members of the immediate family of such
21 workers or indirect providers within 24 months of
22 the date of such appointment.

23 (c) DESIGNATION OF CHAIRPERSON AND VICE
24 CHAIRPERSON.—The Interim National Health Board
25 shall, at the time of appointment of each interim regional

1 board, designate two members of the board who are not
2 and have not been health workers, indirect providers of
3 health care, or members of the immediate family of such
4 workers or indirect providers within 24 months of the date
5 of such appointment as chairperson and vice chairperson
6 of such board.

7 (d) VACANCIES.—A vacancy in the membership of an
8 interim regional board shall be filled in the same manner
9 as the original appointment.

10 (e) TERM.—The members of an interim regional
11 board shall serve until the certification of appointment of
12 a regional board in its region in accordance with section
13 116.

14 (f) DUTIES.—Each interim regional board shall—

15 (1) establish the boundaries of health care de-
16 livery districts and of health care delivery commu-
17 nities within its region in accordance with section
18 113;

19 (2) conduct elections for voting members of
20 community boards within its region, in accordance
21 with section 114; and

22 (3) carry out such functions of a regional
23 board, set out under this Act, as the Interim Na-
24 tional Health Board deems appropriate for the pur-
25 poses of this Act.

(g) OPERATIONAL REQUIREMENTS.—Each interim regional board shall operate in a manner in accordance with subtitle C of this title.

SEC. 113. ESTABLISHMENT OF HEALTH CARE DELIVERY DISTRICTS AND HEALTH CARE DELIVERY COMMUNITIES.

(a) IN GENERAL.—No later than 6 months after its appointment under section 112, each interim regional board shall establish, in accordance with this section, health care delivery districts and health care delivery communities throughout its region.

(b) DIVISION INTO DISTRICTS.—Each region shall be divided into three or more health care delivery districts. Each such district shall meet the following requirements:

(1) The district shall be a contiguous geographic area appropriate for the effective governance, planning, and delivery of all health care services, except for highly specialized health services, for residents of such district.

(2) The district shall have a population of not less than 100,000 and of not more than 500,000 individuals, except that a district may have a population of less than 100,000 if the interim regional board or regional board (as appropriate) determines that a lesser population would facilitate the delivery

1 of health care and supplemental services or the ef-
2 fective governance of the health program within such
3 district or its region.

4 (c) DIVISION OF DISTRICTS INTO COMMUNITIES.—
5 Each district shall be divided into three or more health
6 care delivery communities. Each such community shall
7 meet the following requirements:

8 (1) The community shall be a contiguous geo-
9 graphic area appropriate for the effective govern-
10 ance, planning, and delivery of comprehensive pri-
11 mary health care services, described in section
12 221(a)(2), for residents of such community.

13 (2) The residents of the community shall, to the
14 maximum extent feasible, have a commonality of in-
15 terest, language, and ethnic and racial composition
16 sufficient to support and maintain a community
17 health program under this Act.

18 (3) The community shall have a population of
19 not less than 25,000 and of not more than 50,000
20 individuals, except in the case of Indian reservations
21 and, except that a community may have a population
22 of less than 25,000 if the interim regional board or
23 regional board (as appropriate) determines that a
24 lesser population would facilitate the delivery of
25 health care and supplemental services or the effec-

tive governance of the health program within such community or the district in which it is located.

(d) PROCESS.—At least 60 days prior to the establishment of the boundaries of any district or community within its region, the interim regional board shall provide for—

(1) notice in the district or community which would be affected by the establishment of such boundaries of the boundaries proposed to be established and of the date, time, and location of the public hearing on such establishment as provided in paragraph (2); and

(2) a public hearing at which individuals residing within the region can speak or present written statements relating to the establishment of such boundaries.

(e) PROCESS FOR MODIFICATION OF BOUNDARIES.—The boundaries of districts and communities shall be modified in accordance with section 119.

SEC. 114. ELECTION OF COMMUNITY HEALTH BOARDS.

(a) IN GENERAL.—

(1) USER MEMBERS.—The Interim National Health Board shall arrange with State and local governments for the initial elections for user members of each community board to be held on a date

not later than 9 months after the appointment of interim regional boards under section 112.

(2) WORKER MEMBERS.—Elections for worker members of each community board shall first be held as soon as possible after the selection of health workers for employment by the user members of such community boards. Such elections shall be held, to the extent feasible, in accordance with subsection (c)(2)(B).

(b) NUMBER.—

(1) USER MEMBERS.—The number of user members to be elected in an election in a community under subsection (a) shall be six, plus one user member for each 5,000 individuals residing in such community in excess of 30,000 residents.

(2) WORKER MEMBERS.—The number of worker members to be elected in an election in a community under subsection (a) shall be three, plus one member for each 10,000 individuals residing in such community in excess of 30,000 residents.

(c) NOMINATION AND ELECTION PROCEDURES.—

(1) IN GENERAL.—The Interim National Health Board shall establish procedures for the nomination and election under this section of user members of community boards and worker members

1 of area health boards. Each interim regional board
2 shall conduct and supervise such nominations and
3 elections in its region in accordance with such proce-
4 dures.
5 (2) NOMINATION PROCESS.—
6 (A) USER MEMBERS.—Such procedures for
7 election of user members shall provide, except
8 as otherwise provided in this subtitle, for—
9 (i) the nomination for election as a
10 user member to a community board of any
11 eligible user, upon presentation to the re-
12 spective interim regional board of a peti-
13 tion or petitions signed by at least one per-
14 cent of the registered users in the commu-
15 nity;
16 (ii) the full disclosure by each nomi-
17 nee, at the time of presentation of a peti-
18 tion or petitions under clause (i), to the re-
19 spective interim regional board of any fi-
20 nancial interest of the nominee and such
21 nominee's family in the delivery of health
22 care services, in research on health or
23 health care services, or in the provision of
24 drugs or medical supplies;

1 (iii) the opportunity, regardless of
2 race, sex, language, income level, or health
3 condition, for all registered users in each
4 such community to nominate eligible users
5 for, and for all eligible users in each such
6 community to run for and to serve as user
7 members of, such users' community board;
8 (iv) the right of all registered users in
9 each such community, regardless of race,
10 sex, language, income level, or health con-
11 dition, to vote in elections for user mem-
12 bers of such users' community board, and
13 the right of registered users who are not
14 physically or mentally capable of voting
15 themselves to designate other registered
16 users to vote proxies on their behalf;
17 (v) public meetings sponsored by the
18 respective interim regional board in each
19 such community within its region, at which
20 all users nominated for election to the
21 community board in the community may
22 present their views;
23 (vi) the preparation and distribution
24 within each such community by the respec-
25 tive interim regional board of literature

1 presenting the qualifications and views of,
2 and disclosing information described in
3 clause (ii) for, each nominee for election as
4 a user member of the community board in
5 the community; and
6 (vii) the election of the nominees re-
7 ceiving the greatest number of votes.
8 (B) WORKER MEMBERS.—Such procedures
9 for election of worker members shall provide
10 for—
11 (i) the nomination for election as a
12 worker member of an area health board of
13 any eligible area health worker, upon pres-
14 entation to the respective interim regional
15 board of a petition (or petitions) signed by
16 at least 1 percent of the eligible area
17 health workers, and
18 (ii) the full participation of eligible
19 area health workers of all job categories
20 and skill levels in the nomination and elec-
21 tion process.
22 (d) CERTIFICATION.—
23 (1) IN GENERAL.—Unless an election is set
24 aside under section 402(d)(1) (relating to grievance
25 procedures), individuals who have been elected to a

1 community board for a community under this sec-
2 tion, including user members until worker members
3 have been elected, shall be certified by the interim
4 regional board as constituting, on the date of such
5 certification, the community board for the commu-
6 nity.

7 (2) INITIAL MEETING.—With respect to each
8 group of individuals constituting a community board
9 under paragraph (1), the respective interim regional
10 board shall select a time, date, and location within
11 the community of such community board for the
12 holding of the initial meeting of such community
13 board, which date shall not be later than 30 days
14 after the date of the election, and shall notify the
15 newly elected and approved members of such board
16 and the residents of such community of the time,
17 date, and location of such meeting.

18 **SEC. 115. APPOINTMENT OF DISTRICT HEALTH BOARDS.**

19 (a) INITIAL APPOINTMENT.—

20 (1) USER MEMBERS.—Not later than 60 days
21 after the initial meeting of each community board,
22 called pursuant to section 114(d)(2), the user mem-
23 bers of each such board shall appoint two eligible
24 users in the community to serve as user members of
25 their respective district board.

1 (2) WORKER MEMBERS.—As soon as feasible,
2 the worker members of each such board shall ap-
3 point an eligible community health worker to serve
4 as a worker member of their respective district
5 board.
6 (3) WORKER MEMBERS.—As soon as feasible,
7 the eligible district health workers shall, in accord-
8 ance with section 114(c)(2)(B), elect an eligible dis-
9 trict health worker to serve as a worker member of
10 their respective district board.
11 (4) NOTICE OF APPOINTMENT.—The user and
12 worker members of each such community board shall
13 promptly notify their respective interim regional
14 board of appointments under this subsection.
15 (b) CERTIFICATION.—
16 (1) IN GENERAL.—Not later than 15 days after
17 the date a majority of the initial community boards
18 within a district have notified their respective in-
19 terim regional board of the appointment of user
20 members for their respective district boards under
21 subsection (a)(1), such interim regional board shall
22 certify the users so appointed as constituting, on the
23 date of such certification, the district board for the
24 district.

1 (2) INITIAL MEETING.—With respect to each
2 district board certified under paragraph (1), its re-
3 spective interim regional board shall select a time,
4 date, and location within the district of such district
5 board for the holding of the initial meeting of such
6 district board, which date shall not be later than 15
7 days after the date of such certification, and shall
8 notify the approved members of such board and the
9 residents of such district of the time, date, and loca-
10 tion of such meeting.

11 **SEC. 116. APPOINTMENT OF REGIONAL HEALTH BOARDS.**

12 (a) IN GENERAL.—

13 (1) USER MEMBERS.—Not later than 60 days
14 after the initial meeting of each district board, called
15 pursuant to section 115(b)(2), the user members of
16 each such board shall appoint two eligible users in
17 the district to serve as user members of their respec-
18 tive regional board.

19 (2) APPOINTMENT OF WORKER MEMBER.—As
20 soon as feasible, the worker members of each such
21 board shall appoint an eligible district (or commu-
22 nity, in the district) health worker to serve as a
23 worker member of their respective regional board.

24 (3) ELECTION OF WORKER MEMBER.—As soon
25 as feasible, the eligible regional health workers shall,

in accordance with section 114(c)(2)(B), elect an eligible regional health worker to serve as a worker member of their respective regional board.

(4) NOTICE.—The user and worker members of each such district board shall promptly notify their respective interim regional board and the Interim National Health Board of such appointments.

(b) CERTIFICATION.—

(1) IN GENERAL.—Not later than 15 days after the date a majority of the initial certified district boards within a region have notified their respective interim regional board of the appointment of user members for their respective regional board under subsection (a)(1), such interim regional board shall certify the users so appointed as constituting, on the date of such certification, the regional board for the region.

(2) INITIAL MEETING.—With respect to each regional board certified under paragraph (1), the interim regional board that certified such board shall select a time, date, and location within its region for the holding of the initial meeting of such regional board, which date shall not be later than 15 days after the date of such certification, and shall notify the appointed and approved members of such board

and the residents of its region of the time, date, and location of such meeting.

SEC. 117. APPOINTMENT OF THE NATIONAL HEALTH BOARD.

(a) ASSIGNMENT OF REGIONS.—The Interim National Health Board shall, for purposes of appointing members of the National Health Board, assign each region to one of three groups of regions, each group having (to the extent possible) an equal number and balanced geographic distribution of regions.

(b) APPOINTMENT OF MEMBERS.—

(1) USER MEMBER.—Not later than 60 days after the initial meeting of each regional board, called pursuant to section 116(b)(2), each such board for a region in the first two groups of regions (established under subsection (a)) shall appoint (subject to the approval of the President) an eligible user in the region to serve as a user member of the National Health Board.

(2) WORKER MEMBER.—As soon as feasible, each such board for any other region shall appoint (subject to approval of the President) an eligible regional (or community or district, in the region) health worker to serve as a worker member of the National Health Board.

1 (3) NOTICE AND REVIEW.—Each regional board
2 shall promptly notify the Interim National Health
3 Board and the President of each appointment under
4 this subsection. The President shall approve or dis-
5 approve the appointment of such a member within
6 the 10-day period beginning on the date of his noti-
7 fication of the appointment; and the appointment of
8 such a member shall be considered as having been
9 approved by the President unless he disapproves the
10 appointment of the member within such time period.
11 (c) CERTIFICATION.—
12 (1) IN GENERAL.—No later than 15 days after
13 the date a majority of the appointments under sub-
14 section (b)(1) by initially certified regional boards
15 have been approved by the President, the Interim
16 National Health Board shall certify the individuals
17 so approved as constituting, on the date of such cer-
18 tification, the National Health Board, and shall
19 promptly notify the President and the Congress of
20 such certification.
21 (2) INITIAL MEETING.—The Interim National
22 Health Board shall select a time, date, and location
23 for the holding of the initial meeting of the National
24 Health Board, which date shall not be later than 15
25 days after the date of the certification under para-

1 graph (1), and shall notify appointed and approved
2 members and the public of the time, date, and loca-
3 tion of such meeting.

4 **SEC. 118. SUBSEQUENT ELECTION AND APPOINTMENT OF**
5 **MEMBERS OF HEALTH BOARDS.**

6 (a) TERMS.—Members of health boards elected or ap-
7 pointed in accordance with sections 114 through 117 shall
8 serve until their successors are certified in accordance with
9 this section.

10 (b) ELECTIONS.—

11 (1) USER MEMBERS.—The National Health
12 Board shall arrange with State and local govern-
13 ments for an election for user members of each com-
14 munity board to be held on the date of, and in con-
15 junction with, each election for Members of the
16 United States House of Representatives that occurs
17 after the effective date of health services.

18 (2) WORKER MEMBERS.—An election for work-
19 er members of each community board shall be held
20 on or about the date of each election specified in
21 paragraph (1) and shall be held, to the extent fea-
22 sible and consistent with section 114(c)(2)(B), in
23 conjunction with the election under paragraph (1).

24 (3) PROCESS.—The provisions of section 114
25 (other than subsection (a) thereof) shall apply to

1 elections of members of community boards under
2 this subsection, except that for purposes of this
3 subsection—

4 (A) the term of each member elected under
5 this subsection shall be 4 years, except that, in
6 the case of the elections first held under this
7 section, the term of half of the user members
8 and of half of the worker members or, in the
9 case of an odd number of user or worker mem-
10 bers, the term of half plus one of such members
11 shall be 2 years;

12 (B) the individuals whose term of office
13 does not expire following an election, as well as
14 individuals elected in the election, are deemed
15 to constitute the community board under sec-
16 tion 114(d)(1); and

17 (C) any reference to an interim regional
18 board or to the Interim National Health Board
19 in section 114 shall be considered as a reference
20 to a regional board or to the National Health
21 Board.

22 (c) COMMUNITIES.—

23 (1) ASSIGNMENT.—Each regional board shall,
24 for purposes of appointing worker members of dis-
25 trict boards within its region, assign each commu-

1 nity to one of two groups of communities within
2 each district, each group having (to the extent pos-
3 sible) an equal number and balanced geographic dis-
4 tribution of communities.

5 (2) APPOINTMENT.—Not later than 60 days
6 after the initial meeting of each community board
7 (newly certified after an election under subsection
8 (b))—

9 (A) in the case of the first new certifi-
10 cation of such a board—

11 (i) user members of each such board
12 shall appoint two eligible users in the com-
13 munity, one of whom shall serve a 4-year
14 term as a user member of their respective
15 district board and the other a 2-year term
16 on such board; and

17 (ii) worker members of each such
18 board for a community in the first group
19 of communities (established under para-
20 graph (1)) shall appoint an eligible com-
21 munity health worker to serve a 4-year
22 term as a worker member of their respec-
23 tive district board, and worker members of
24 each such board for a community in the
25 second group of communities shall appoint

an eligible community health worker to serve a 2-year term on such board;

(B) in the case of a subsequent new certification of such a board—

(i) user members of each such board shall appoint an eligible user for a 4-year term; and

(ii) worker members of each such board for a community in a group of communities that did not appoint a worker member to serve a 4-year term after the previous certification shall appoint an eligible community health worker to serve a 4-year term; and

(C) beginning with the first new certification of such a board, and every 4 years thereafter, the eligible district health workers shall, in accordance with section 114(c)(2)(B), elect an eligible district health worker to serve a 4-year term as a worker member of their respective district board.

The user and worker members of each such community board shall promptly notify their respective regional board of such appointments.

1 (3) CERTIFICATION.—Not later than 15 days
2 after the date a majority of the newly certified com-
3 munity boards within a district have notified their
4 respective regional board of the appointment or elec-
5 tion of individuals for their respective district boards
6 under paragraph (2), such regional board shall cer-
7 tify the users and workers whose term of office does
8 not expire at the time of such appointments or elec-
9 tions, as well as individuals newly appointed or elect-
10 ed, as constituting, on the date of such certification,
11 the district board for the district.
12 (4) INITIAL MEETING.—For each district board
13 certified under paragraph (3), the respective regional
14 board shall select a time, date, and location within
15 the district of such district board for the holding of
16 the initial meeting of such new board, which date
17 shall be not later than 15 days after the date of
18 such certification, and shall notify the members of
19 such board appointed under this subsection and the
20 residents of the district of the time, date, and loca-
21 tion of such meeting.
22 (d) DISTRICTS.—
23 (1) ASSIGNMENT.—The National Health Board
24 shall, for purposes of appointing worker members of
25 regional boards, assign each district to one of two

groups of districts within each region, each group having (to the extent possible) an equal number and balanced geographic distribution of districts.

(2) APPOINTMENT.—Not later than 60 days after the initial meeting of each newly certified district board (held pursuant to subsection (c)(4))—

(A) in the case of the first new certification of such a board—

(i) user members of each such board shall appoint two eligible users in the district, one of whom shall serve a 4-year term as a user member of their respective regional board and the other a 2-year term on such board; and

(ii) worker members of each such board for a district in the first group of districts (established under paragraph (1)) shall appoint an eligible district (or community, within the district) health worker to serve a 4-year term as a worker member of their respective regional board, and worker members of each such board for a district in the second group of districts shall appoint an eligible district (or com-

1 munity, within the district) health worker
2 to serve a 2-year term on such board;
3 (B) in the case of a subsequent new certifi-
4 cation of such a board—
5 (i) user members of each such board shall
6 appoint an eligible user for a 4-year term; and
7 (ii) worker members of each such
8 board for a district in a group of districts
9 that did not appoint a worker member to
10 serve a 4-year term after the previous cer-
11 tification shall appoint an eligible district
12 (or community, within the district) health
13 worker to serve a 4-year term; and
14 (C) beginning with the first new certifi-
15 cation of such a board, and every 4 years there-
16 after, the eligible regional health workers shall,
17 in accordance with section 114(c)(2)(B), elect
18 an eligible regional healthworker to serve a 4-
19 year term as a worker member of their respec-
20 tive regional board.
21 The user and worker members of each such district
22 board shall promptly notify the National Health
23 Board of such appointments.
24 (3) CERTIFICATION.—Not later than 15 days
25 after the date a majority of the newly certified dis-

1 trict boards within a region have notified the Na-
2 tional Health Board of the appointment or election
3 of individuals for their respective regional boards
4 under paragraph (2), the National Health Board
5 shall certify the users and workers whose term of of-
6 fice does not expire at the time of such appoint-
7 ments or elections, as well as individuals newly ap-
8 pointed or elected, as constituting, on the date of
9 such certification, the regional board for the region.
10 (4) INITIAL MEETING.—For each regional
11 board newly certified under paragraph (3), the pre-
12 viously certified regional board shall select a time,
13 date, and location within the region for the holding
14 of the initial meeting of such new board, which date
15 shall not be later than 15 days after the date of
16 such certification, and shall notify the members of
17 such board appointed and approved under this sub-
18 section and the residents of the region of the time,
19 date, and location of such meeting.
20 (e) NATIONAL HEALTH BOARD.—
21 (1) APPOINTMENTS.—Not later than 60 days
22 after the initial meeting of each newly certified re-
23 gional board, held pursuant to subsection (d)(4)—
24 (A) in the case of the first new certifi-
25 cation of such a board—

1 (i) each such board for a region in the
2 first group of regions (established under
3 section 117(a)) shall appoint (subject to
4 the approval of the President) an eligible
5 regional (or community or district, in the
6 region) health worker, and
7 (ii) each such board for any other re-
8 gion shall appoint (subject to the approval
9 of the President) an eligible user in the re-
10 gion,
11 to serve a 4-year term as a member of the Na-
12 tional Health Board; and
13 (B) in the case of a subsequent new certifi-
14 cation of such a board occurring when the
15 terms of office of members of the National
16 Health Board are expiring—
17 (i) each such board for a region in a
18 group of regions that has appointed an eli-
19 gible user to serve as a member of the Na-
20 tional Board for the previous two appoint-
21 ments under this subsection or section
22 117(b) shall appoint (subject to the ap-
23 proval of the President) an eligible regional
24 (or community or district, in the region)
25 health worker, and

1 (ii) each such board for any other re-
2 gion shall appoint (subject to the approval
3 of the President) an eligible user in the re-
4 gion,
5 to serve a 4-year term as a member of the Na-
6 tional Health Board.
7 Each such board shall promptly notify the National
8 Health Board and the President of such appoint-
9 ment. The President shall approve or disapprove the
10 appointment of such a member within the 10-day
11 period beginning on the date of his notification of
12 the appointment; and the appointment of such a
13 member shall be considered as having been approved
14 by the President unless he disapproves the appoint-
15 ment of the member within such time period.
16 (2) CERTIFICATION.—No later than 15 days
17 after the date a majority of the appointments under
18 paragraph (1) by newly certified regional boards
19 have been approved by the President, the National
20 Health Board shall certify the individuals so ap-
21 proved as constituting, on the date of such certifi-
22 cation, the National Health Board and shall prompt-
23 ly notify the President and Congress of such certifi-
24 cation.

1 (3) INITIAL MEETING.—The previously certified
2 National Health Board shall select a time, date, and
3 location for the holding of the initial meeting of the
4 new National Health Board, which date shall not be
5 later than 15 days after the date of certification of
6 such Board under paragraph (2), and shall notify
7 the members appointed and approved under this
8 subsection and the public of the time, date, and loca-
9 tion of such meeting.

10 **SEC. 119. MODIFICATION OF THE BOUNDARIES OF HEALTH**
11 **CARE DELIVERY AREAS.**

12 (a) IN GENERAL.—No later than 2 years after each
13 decennial national census, and at such other times as it
14 deems necessary, the National Health Board shall review
15 the appropriateness of the boundaries of each health care
16 delivery region and may, in accordance with subsection
17 (b), modify the boundary of any region in which there has
18 been a substantial shift of population justifying such modi-
19 fication, if such modification is approved in a referendum
20 of registered users residing in an area whose regional iden-
21 tification would be changed by making such modification.

22 (b) PROCESS.—At least 60 days before the modifica-
23 tion by referendum of the boundary of any region, the Na-
24 tional Health Board shall provide for—

1 (1) notice in the area whose regional identifica-
2 tion would be changed by the modification of such
3 boundaries—
4 (A) of existing boundaries and of the pro-
5 posed modification, and
6 (B) of the date, time, and location of the
7 public hearing on such modification, as required
8 in paragraph (2), and
9 (2) a public hearing at which individuals can
10 speak or present written statements relating to the
11 modification of such boundaries.
12 (c) REVIEW OF APPROPRIATENESS.—
13 (1) IN GENERAL.—After the establishment of
14 regional health boards under section 116—
15 (A) no later than 2 years after each decen-
16 nial national census,
17 (B) upon receipt of a petition for modifica-
18 tion of a boundary of a district or community
19 within the region of such board, which petition
20 is signed by not less than 15 percent (or 10
21 percent, in the case of a region where more
22 than one-third of the geographic area includes
23 frontier communities, of the residents residing
24 in the frontier portion of the region) of the reg-
25 istered users residing in an area whose district

1 or community identification would be changed
2 by adoption of such petition, and
3 (C) at such other times as it deems appro-
4 priate,
5 each regional board shall review the appropriateness
6 of the boundaries of districts and communities with-
7 in its region.
8 (2) PROCESS.—Any review conducted under
9 paragraph (1) shall comply with the procedures of
10 subsection (d) (relating to open hearings and public
11 participation).
12 (3) STANDARDS FOR MODIFICATION.—A re-
13 gional board, after reviewing the boundaries of a dis-
14 trict or community within its region under para-
15 graph (1), may modify the boundary of any such
16 district or community if—
17 (A) there has been a substantial shift of
18 population justifying such modification, or
19 (B) such modification would better carry
20 out the purposes of this Act, and
21 if such modification is approved in a referendum,
22 held after notice and a public hearing in accordance
23 with subsection (d), of registered users residing in
24 an area whose district or community identification

would be changed by adoption of the proposed modification.

(d) PROCESS.—At least 60 days before the modification by referendum of the boundary of any district or community, the respective regional board shall provide for—

(1) notice in the area whose district or community identification would be changed by the modification of such boundaries—

(A) of existing boundaries and of the boundaries proposed to be modified, and

(B) of the date, time, and location of the public hearing on such modification, as required in paragraph (2), and

(2) a public hearing at which individuals can speak or present written statements relating to the modification of such boundaries.

Subtitle C—General Provisions Regarding Health Boards

SEC. 121. DEFINITIONS.

As used in this subtitle, the term ''full member'' means, with respect to a health board, a member of such board other than an associate member described in section 122(a)(4).

SEC. 122. MEMBERSHIP OF HEALTH BOARDS.

(a) COMPOSITION.—Each health board shall be composed of—

(1) members elected or appointed and approved in accordance with this subtitle B;

(2) one member—

(A) in the case of a community board, appointed by the occupational safety and health action council established under section 412 for such community, and

(B) in the case of a regional board, appointed by the occupational safety and health action council established under section 413 for such region;

(3) such voting user members as the members of the board described in paragraphs (1) and (2) may determine from time to time (in consultation with elements of the population from which the members are being selected) to be necessary in order to ensure that (A) the user members of the board approximate the population within its area by race, sex, income level, and language and (B) segments of the population having special health needs (such as the physically and mentally handicapped and the aged) are appropriately represented; and

1 (4) such nonvoting associate members as the
2 members of such board may determine from time to
3 time to be necessary to provide appropriate rep-
4 resentation of appropriate units of State, territorial,
5 and local government and of segments of the popu-
6 lation having special health needs; and in the case
7 of the Interim National Health Board and National
8 Health Board, to carry out the purposes of this Act.
9 (b) TERM LIMITS.—
10 (1) IN GENERAL.—Except as provided in para-
11 graph (2), no individual may serve as a full member
12 of a health board in a community, district, or region,
13 or of the National Health Board, for more than four
14 consecutive years, exclusive of any time that might
15 be served as a member by election or appointment
16 (A) before the effective date of health services, (B)
17 for a 2-year term under section 118(b)(3)(A),
18 118(c)(2)(A), or 118(d)(2)(A), or (C) by appoint-
19 ment under subsection (d) to fill a vacancy.
20 (2) EXCEPTION.—Full members of a health
21 board shall serve until their successors are certified
22 in accordance with this Act.
23 (c) .—
24 (1) RECALL ELECTIONS.—

(A) IN GENERAL.—Within 60 days of the date of the presentation to the appropriate regional board of a petition, signed by at least 15 percent of the number of registered users residing in a community or of eligible area health workers, requesting the recall of a user member or elected worker member, respectively, of a board elected and approved in accordance with this title, such regional board shall conduct an election on the recall of such member.

(B) PROCESS.—The provisions of section 114 (except for subsection (a) thereof) and procedures established thereunder regarding elections of user and worker members shall apply with respect to recall elections conducted under this paragraph, except that for the purposes of this paragraph, any reference in such section to an interim regional board or to the Interim National Health Board shall be considered as a reference to a regional board or to the National Health Board, respectively.

(2) VOTE REQUIRED.—A member of a district or regional board or an interim regional board appointed in accordance with this title may be recalled from office by the affirmative vote of two-thirds of

1 the members of the health board which appointed
2 such member.

3 (3) REMOVAL OF NATIONAL HEALTH BOARD
4 MEMBER.—A member of the Interim National
5 Health Board or National Health Board may be re-
6 moved from office by the President for neglect of
7 duty, malfeasance in office, or, in the case of the
8 National Health Board, upon recommendation by
9 the affirmative vote of two-thirds of the members of
10 the regional board which nominated such member.

11 (d) VACANCIES.—

12 (1) IN GENERAL.—A vacancy caused by the
13 death, resignation, or removal of a member (in this
14 subsection referred to as a ''vacating member'') of a
15 health board, elected or appointed in accordance
16 with this title, before the expiration of the term for
17 which such vacating member was elected or ap-
18 pointed, shall be filled not later than 60 days after
19 the date of such vacancy—

20 (A) in the case of a member of a commu-
21 nity board, by election of an eligible individual,
22 in accordance with section 114 (except for sub-
23 section (a) thereof);

24 (B) in the case of a member of a district
25 or regional board, an interim regional board, or

1 the National Health Board, by appointment or
2 election and, in the case of the National Health
3 Board, Presidential approval of an eligible indi-
4 vidual by the health board or workers which ap-
5 pointed or elected such vacating member; and
6 (C) in the case of a member of the Interim
7 National Health Board, by appointment by the
8 President.
9 (2) TERM OF VACANCY APPOINTMENT.—Any
10 individual appointed to fill a vacancy under this sub-
11 section shall serve only for the unexpired term of of-
12 fice of the vacating member.
13 (3) ELIGIBLE INDIVIDUAL DEFINED.—For the
14 purposes of this subsection, the term ''eligible indi-
15 vidual'' means, with respect to filling the place of a
16 vacating member, an individual who is eligible,
17 under the applicable provisions of this Act, to serve
18 on a health board in the capacity in which the
19 vacating member was elected or appointed.
20 **SEC. 123. MEETINGS AND RECORDS OF HEALTH BOARDS.**
21 (a) FULL MEMBER RIGHTS.—
22 (1) VOTING.—Each full member of a health
23 board shall have one vote in meetings of such board.
24 (2) QUORUM.—A majority of the full members
25 of each health board shall constitute a quorum for

1 the transaction of the business of such board, and
2 such board shall act upon the vote of a majority of
3 the full members present and voting.
4 (b) CHAIRPERSON.—
5 (1) ELECTION.—Except as otherwise provided
6 in this Act, the full members of each health board
7 shall, at the first meeting following the certification
8 of such board, elect a chairperson and vice chair-
9 person from among the full members of such board.
10 (2) RESPONSIBILITIES.—The chairperson of
11 each health board shall be responsible for convening
12 meetings of such board and for such other duties as
13 such board may assign. Upon the written request of
14 two full members of such board, the chairperson
15 shall convene a meeting of such board.
16 (3) VICE CHAIRPERSON.—The vice chairperson
17 shall perform the duties of the chairperson in the
18 event that the chairperson is unable to perform such
19 functions.
20 (c) RECORDS.—
21 (1) IN GENERAL.—Each health board shall pro-
22 vide for the recording of the minutes of each of its
23 meetings and each of the meetings of its committees
24 and advisory groups, and shall make such records
25 available to the public for inspection and copying.

1 (2) ACCESS.—Meetings of each health board
2 and each committee and advisory group thereof (ex-
3 cept meetings that concern an individual user or
4 health worker, and such individual requests that the
5 meeting be closed) shall be open to the public and
6 shall be held at such times and in such places as
7 the board determines to be convenient to attendance
8 by the public.
9 (3) OFFICE.—Each health board shall establish
10 a principal office within the area it serves.
11 (d) DISSEMINATION OF INFORMATION.—Each health
12 board shall disseminate within the area it serves full infor-
13 mation regarding its activities, including the furnishing of
14 health care and supplemental services.
15 (e) RULES.—
16 (1) IN GENERAL.—Each health board may es-
17 tablish such rules, consistent with this Act, as it
18 finds necessary for the effective and expeditious
19 transaction of its duties and functions.
20 (2) COMMITTEES.—Each health board may es-
21 tablish such committees and advisory groups, and
22 appoint to them such individuals (including health
23 workers), as it deems necessary to carry out its du-
24 ties and functions.
25 (f) COMPENSATION.—

1 (1) NATIONAL BOARD.—A full member of the
2 Interim National Health Board or National Health
3 Board may receive compensation at a rate not to ex-
4 ceed the daily equivalent of the annual rate of basic
5 pay in effect for grade GS–18 of the General Sched-
6 ule for each day (including traveltime) during which
7 the member is engaged in the actual performance of
8 such member's duties plus reimbursement for travel,
9 subsistence, and other necessary expenses incurred
10 in the performance of such member's duties.
11 (2) OTHER HEALTH BOARDS.—A full member
12 of a health board, other than the Interim National
13 Health Board of the National Health Board, may
14 receive such amounts per diem when engaged in the
15 actual performance of such member's duties, or such
16 annual salary, plus reimbursement for travel, sub-
17 sistence, and other necessary expenses incurred in
18 the performance of such member's duties, as the ap-
19 propriate National Health Board may establish.

20 **SEC. 124. PROCEDURES FOR ESTABLISHMENT OF NA-**
21 **TIONAL GUIDELINES AND STANDARDS.**

22 (a) IN GENERAL.—In addition to guidelines and
23 standards otherwise required to be established by this Act,
24 the National Health Board shall establish by regulation
25 (after notice and opportunity for public comment) such

1 guidelines and standards as will facilitate the implementa-
2 tion of the objectives of this Act and as will encourage
3 innovation and experimentation in the implementation of
4 these objectives.

5 (b) REVIEW.—The National Health Board shall sub-
6 mit, at least 90 days before the date of publishing a pro-
7 posed guideline or standard under this Act, each such
8 guideline or standard to regional boards for their review
9 and comments.

10 (c) TECHNICAL ASSISTANCE.—The National Health
11 Board and the regional boards shall establish programs
12 that provide orientation, education, and technical assist-
13 ance (including support staff) to members of area health
14 boards in the use and application of guidelines and stand-
15 ards established by the National Health Board.

16 **SEC. 125. ASSISTANCE TO AREA HEALTH BOARD MEMBERS.**

17 Each regional board shall provide orientation, edu-
18 cation, and technical assistance to members of district and
19 community boards in its region, and the appropriate Na-
20 tional Health Board shall provide such support to mem-
21 bers of regional boards, to insure that such members are
22 prepared to perform their duties as members of such
23 boards with maximum effectiveness.

1 **SEC. 126. PUBLIC ACCOUNTABILITY AND FINANCIAL DIS-**
2 **CLOSURE BY HEALTH BOARD MEMBERS.**

3 (a) PROHIBITION OF CONFLICTS OF INTEREST.—
4 (1) IN GENERAL.—Individuals with direct or in-
5 direct conflicts of interest shall not serve on health
6 boards at any level. Subject to paragraph (2), such
7 conflicts may consist of ownership of, employment
8 in, or other financial affiliation with any industry in
9 a position to profit or otherwise benefit from the ac-
10 tivities of the health board.
11 (2) EXCEPTION.—Paragraph (1) shall not
12 apply to employment as a health worker by the Serv-
13 ice as specified in this Act.
14 (b) DISCLOSURE.—Candidates for health boards at
15 any level shall fully disclose any such potential conflicts
16 of interest, and if elected shall sever any affiliations that
17 could result in a conflict. The severing of such ties shall
18 be documented and reported to the National Health
19 Board, which shall be accountable for monitoring and en-
20 forcing the provisions of this section.

21 **SEC. 127. INSPECTOR GENERAL FOR HEALTH SERVICES.**

22 Within the United States Health Service there shall
23 be an Office of the Inspector General, to be headed by
24 an Inspector General for Health Services, that shall have
25 authority to ensure the effective operation of the health
26 boards pursuant to this Act and to investigate and pursue

any grievances against such boards. The Inspector General shall have the same authority as an Inspector General has under the Inspector General Act of 1978.

TITLE II—DELIVERY OF HEALTH CARE AND SUPPLEMENTAL SERVICES

Subtitle A—Patients' Rights in Health Care Delivery

SEC. 201. BASIC HEALTH RIGHTS.

The Service, in its delivery of health care services to users, shall ensure that every such individual is given the following basic health rights:

(1) The right to receive high quality health care and supplemental services from any facility within the Service capable of providing such services without charge and without discrimination on account of race, sex, age, religion, language, income, marital status, sexual orientation, dress, or previous health status.

(2) The right to humane, respectful, dignified, and comforting health care, and to the reduction of pain and distressful symptoms.

(3) The right to have all medically necessary or appropriate health services delivered in a convenient and timely manner. Any decision to deny or post-

1 pone such necessary or appropriate care shall be
2 made only on the basis of temporary and reasonable
3 limitations in the availability of service personnel
4 and physical facilities. Users shall have the oppor-
5 tunity for timely and effective appeal of any decision
6 to deny or postpone care.

7 (4) The right to choose the health workers who
8 shall be responsible for, and the health facilities in
9 which to receive, the individual's health care serv-
10 ices.

11 (5) The right of access to all information, in-
12 cluding the individual's health records and the med-
13 ical dictionary produced under section 433(b), which
14 promotes an understanding of health.

15 (6) The right to have all health care informa-
16 tion, reports, and educational materials translated
17 into the individual's primary language.

18 (7) The right to receive, prior to the delivery of
19 any health care service, a careful, prompt, and intel-
20 ligible—

21 (A) explanation of the indications, diag-
22 noses, benefits, side-effects, and risks involved
23 in the delivery of such service, and a description
24 of all medically necessary or appropriate alter-
25 natives to such service (including no treatment);

1 (B) answer to any question relating to
2 such health care service; and
3 (C) explanation of one's health rights de-
4 scribed in this subtitle, and
5 the right to have such health care service delivered
6 only with the individual's prior, voluntary, written
7 consent.
8 (8) The right to refuse the initial or continuing
9 delivery of any health care service whenever such re-
10 fusal does not directly endanger the public health or,
11 in accordance with State law, the health of the indi-
12 vidual if the individual is dangerous to himself or
13 herself.
14 (9) The right to have all individually identifi-
15 able information and documents treated confiden-
16 tially and not disclosed (except for statistical pur-
17 poses and for the control of communicable diseases,
18 drug abuse, and child abuse) without the individual's
19 prior, voluntary, and written consent.
20 (10) The right of access at all times to individ-
21 uals or groups for counseling, health information,
22 and assistance on health matters, including access to
23 user advocates who shall—
24 (A) assist users in choosing the most ap-
25 propriate sites from which to receive health

1 services and the most appropriate health work-
2 ers from whom to receive such services;
3 (B) provide counseling and assistance to
4 users in filing complaints; and
5 (C) investigate instances of poor quality
6 services or improper treatment of users and
7 bring such instances to the attention of the ap-
8 plicable authority.
9 (11) The right to be accompanied and visited at
10 any time by a friend, relative, or independent advo-
11 cate of the individual's choosing, and the right to
12 have routine services, such as feeding, bathing,
13 dressing, and bedding changes, performed by a
14 friend or relative, if the individual so chooses.
15 (12) The right, in the event of terminal illness,
16 to die with a maximum degree of dignity, to be pro-
17 vided all necessary symptom relief, to be provided
18 (and for the individual's family to be provided) coun-
19 seling and comfort, and to be allowed (if desired) to
20 die at home.
21 (13) The right of access to a complaint and
22 grievance system and to legal assistance to enforce
23 these rights.

1 **SEC. 202. RIGHT TO PAID LEAVE TO RECEIVE HEALTH**
2 **CARE SERVICES.**

3 (a) AMENDMENT TO FAIR LABOR STANDARDS
4 ACT.—The Fair Labor Standards Act of 1938 is amended
5 by inserting after section 7 (29 U.S.C. 207) the following
6 new section:

7 ''MINIMUM HEALTH LEAVE COMPENSATION

8 ''SEC. 7A. Each employee of any employer who in any
9 workweek is engaged in commerce or in the production
10 of goods for commerce, or is employed in an enterprise
11 engaged in commerce or in the production of goods for
12 commerce, shall be entitled to receive from the employer,
13 for each 35 hours he is employed by the employer (not
14 counting more than 35 hours in any workweek), com-
15 pensation for one hour of employment at the regular rate
16 at which the employee is employed (as that term is used
17 in section 7 of this Act) for an hour (1) during the period
18 of 52 weeks beginning with the workweek with which the
19 entitlement is earned, and (2) during which the employee
20 is unable to work because of the need for the employee
21 (or a dependent of that employee) to receive necessary
22 health care services.''.

23 (b) CONFORMING AMENDMENTS.—The Fair Labor
24 Standards Act of 1938 is further amended—

25 (1) by striking ''sections 6 and 7'' in section
26 3(o) and inserting ''sections 6, 7, and 7A'';

1 (2)(A) by striking ‘‘and 7’’ in section 13(a) be-
2 fore paragraph (1) and inserting ‘‘, 7, and 7A’’;
3 (B) by striking ‘‘sections 6 and 7’’ in section
4 13(a)(3) and inserting ‘‘sections 6, 7, and 7A’’;
5 (C) by inserting ‘‘7A,’’ in subsections (d) and
6 (f) of section 13 after ‘‘7,’’ each place it appears;
7 (3) by striking ‘‘6 and 7’’ in section 14(d) and
8 inserting ‘‘6, 7, and 7A’’;
9 (4) by striking ‘‘section 6 or section 7’’ in sec-
10 tion 15(a) and inserting ‘‘section 6, 7, or 7A’’;
11 (5)(A) by striking ‘‘section 6 or section 7’’ in
12 section 16(b) and inserting ‘‘section 6, 7, or 7A’’;
13 (B) by striking ‘‘or their unpaid overtime com-
14 pensation’’ in section 16(b) and inserting ‘‘their un-
15 paid overtime compensation, or their unpaid health
16 leave compensation’’;
17 (C) by inserting ‘‘or of unpaid health leave com-
18 pensation’’ in section 16(b) after ‘‘amount of unpaid
19 overtime compensation’’;
20 (D) by striking ‘‘section 6 or 7’’ in the first
21 sentence of section 16(c) and inserting ‘‘section 6, 7,
22 or 7A’’;
23 (E) by striking ‘‘unpaid overtime compensa-
24 tion’’ in the first sentence of section 16(c) and in-

1 serting '', unpaid overtime compensation, or unpaid
2 health leave compensation'';
3 (F) by striking ''or overtime compensation'' in
4 the second sentence of section 16(c) and inserting '',
5 overtime compensation, or health leave compensa-
6 tion'';
7 (G) by striking ''or unpaid overtime compensa-
8 tion under sections 6 and 7'' in the third sentence
9 of section 16(c) and inserting '', unpaid overtime
10 compensation, or unpaid health leave compensation
11 under sections 6, 7, and 7A'';
12 (6)(A) by inserting ''or minimum health leave
13 compensation higher than the minimum health leave
14 compensation established under this Act'' in the first
15 sentence of section 18(a) before '', and no provi-
16 sion''; and
17 (B) by inserting '', or justify any employer in
18 reducing health leave compensation provided by him
19 which is in excess of the applicable minimum health
20 leave compensation under this Act'' before the pe-
21 riod at the end of the second sentence of section
22 18(a).

Subtitle B—Eligibility for, Nature of, and Scope of Services Provided by the Service

SEC. 211. ELIGIBILITY FOR SERVICES.

(a) IN GENERAL.—All individuals while within the United States are eligible to receive health care and supplemental services under this Act.

(b) UNITED STATES DEFINED.—For purposes of this section, the term ''United States'' includes Indian reservations, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, Samoa, and the Northern Mariana Islands.

SEC. 212. ENTITLEMENT TO SERVICES.

(a) IN GENERAL.—Except as provided in subsection (b), the Service shall, on and after the effective date of health services, provide users with all health care services and supplemental services described in section 213 which the Service determines, in accordance with this title, to be necessary or appropriate for the promotion and enhancement of health, for the prevention of disease, and for the diagnosis and treatment of, and rehabilitation following, injury, disability, or disease.

(b) EXCLUSION.—Services provided under this Act shall not include personal comfort or cosmetic services unless the area health board providing the services deter-

1 mines that the services are required for health-related rea-
2 sons.

3 **SEC. 213. PROVISION OF HEALTH CARE AND SUPPLE-**
4 **MENTAL SERVICES.**

5 (a) IN GENERAL.—The Service shall provide in the
6 United States the following health care services in or
7 through facilities established by the Service—

8 (1) the promotion of health and well-being
9 through health education programs to be carried out
10 in facilities of the Service as well as in workplaces,
11 schools, and elsewhere utilizing all appropriate
12 media, and by assisting other Government agencies
13 in taking appropriate actions to promote health and
14 well-being;

15 (2) the prevention of illness, injury, and death
16 through education and advocacy addressed to the so-
17 cial, occupational, and environmental causes of ill-
18 health; through the provision of appropriate preven-
19 tive services including social, medical, occupational,
20 and environmental health services, on both an emer-
21 gency and sustained basis; through screening and
22 other early detection programs to identify and ame-
23 liorate the primary causes of ill-health; and, where
24 appropriate, through actions taken on an emergency

1 basis to halt environmental threats to life and
2 health;
3 (3) the diagnosis and treatment of illness and
4 injury, including emergency medical services, com-
5 prehensive outpatient and inpatient health care serv-
6 ices, occupational health services, mental health
7 services, dental care, long-term care, and home
8 health services;
9 (4) the rehabilitation of the sick and disabled,
10 including physical, psychological, occupational, and
11 other specialized therapies; and
12 (5) the provision of drugs, therapeutic devices,
13 appliances, equipment, and other medical supplies
14 (including eyeglasses, other visual aids, dental aids,
15 hearing aids, and prosthetic devices) certified effec-
16 tive in the National Pharmacy and Medical Supply
17 Formulary (published under section 432(a)) and fur-
18 nished or prescribed by authorized health workers.
19 The Service may not provide such health care services in
20 a region, district, or community other than under the aus-
21 pices of a regional, district, or community board estab-
22 lished in accordance with this Act.
23 (b) SUPPLEMENTAL SERVICES.—The Service shall
24 provide the following services supplemental to the delivery

1 of health care services in or through health care facilities
2 established by the Service—
3 (1) ambulance and other transportation services
4 to insure ready and timely access to necessary health
5 care;
6 (2) child care services for individuals who, dur-
7 ing the time they receive outpatient health care serv-
8 ices from the Service or are working in a health care
9 facility of the Service, are responsible for a child's
10 care; and
11 (3) homemaking and home health services—
12 (A) to enable the provision of inpatient
13 health services at a health care facility of the
14 Service to an individual who has the sole re-
15 sponsibility for the care (i) of a child under 15
16 years of age, or (ii) of a physically or mentally
17 handicapped individual who requires the care of
18 another individual, and
19 (B) for the bedfast or severely handicapped
20 individual; and
21 (4) such counseling and social service assistance
22 as will avoid the unnecessary provision of health care
23 services.
24 (c) LOCAL PUBLIC HEALTH SERVICES.—The Service
25 shall conduct the functions, especially those related to en-

vironmental health and the prevention of illness, currently performed by the departments of health of the States and localities, to the extent consistent with Federal, State, and local law, and shall cooperate with State and local governments in its conduct of such functions.

(d) EMERGENCY HEALTH CARE SERVICES.—The Service shall provide, at rates established by the National Health Board, for reimbursement of the cost of emergency health care services furnished in facilities not operated by the Service or by health workers not employed by the Service, when an injury or acute illness requires immediate medical attention under circumstances making it medically impractical for the ill or injured individual to receive care in a Service facility or by an employee of the Service.

Subtitle C—Health Care Facilities and Delivery of Health Care Services

SEC. 221. ESTABLISHMENT OF HEALTH CARE FACILITIES AND DISTRIBUTION OF DELIVERY OF HEALTH CARE AND OTHER SERVICES.

(a) COMMUNITY FACILITIES.—

(1) IN GENERAL.—Each community board shall, not later than the effective date of health services and to the maximum extent feasible, establish and maintain in its community such health care fa-

1 cilities as are necessary for the efficient and effective
2 delivery to individuals residing in its community of
3 comprehensive primary health care services (defined
4 in paragraph (2)), specialized health care services
5 (defined in paragraph (3)), special services (defined
6 in paragraph (4)) and community-oriented health
7 measures (defined in paragraph (5)). Such health
8 care facilities shall be established and maintained in
9 a manner that, as soon as possible and to the great-
10 est extent feasible, provides services through a single
11 comprehensive health center.

12 (2) COMPREHENSIVE PRIMARY HEALTH CARE
13 SERVICES DEFINED.—As used in paragraph (1), the
14 term ''comprehensive primary health care services''
15 means those basic outpatient health care services
16 typically needed for the promotion of health and the
17 prevention and treatment of common illnesses and
18 includes the following health care services—

19 (A) general primary medical and dental
20 care, including diagnosis and treatment, routine
21 physical examinations, laboratory, and
22 radiologic services, and home visits by health
23 workers, as appropriate;

24 (B) preventive health services, including at
25 least immunizations, nutrition counseling and

1 consultation, and periodic screening and assess-
2 ment services;
3 (C) children's health services, including as-
4 sessment of growth and development, education
5 and counseling on childrearing and child devel-
6 opment, and school and day-care center health
7 services;
8 (D) obstetrical and gynecological services,
9 including family planning and contraceptive
10 services, pregnancy (prenatal and postnatal)
11 and abortion counseling and services;
12 (E) comprehensive geriatric services;
13 (F) vision and hearing examinations and
14 provision of eyeglasses and other visual aids
15 and hearing aids;
16 (G) 24-hour emergency medical services;
17 (H) provision of pharmaceuticals and
18 therapeutic devices, and medical appliances and
19 equipment;
20 (I) mental health services, including psy-
21 chological and psychiatric counseling;
22 (J) home health services; and
23 (K) occupational safety and health serv-
24 ices, including screening, diagnosis, treatment,
25 and education.

1 (3) SPECIALIZED HEALTH CARE SERVICES DE-
2 FINED.—As used in paragraph (1), the term ''spe-
3 cialized health care services'' means those health
4 care services of a specialized nature (whether deliv-
5 ered in an inpatient or outpatient setting) which, ap-
6 plying guidelines established by the National Health
7 Board and by the respective regional board, may be
8 provided most effectively and efficiently in a commu-
9 nity setting.
10 (4) SPECIAL SERVICES DEFINED.—As used in
11 paragraph (1), the term ''special services'' means
12 supportive services and the facilities (including nurs-
13 ing homes and multiservice centers) in which such
14 services are provided for individuals who are phys-
15 ically or mentally handicapped, mentally ill, infirm,
16 or chronically ill, so as to promote the integration
17 and functioning of such individuals within the com-
18 munity.
19 (5) COMMUNITY-ORIENTED HEALTH MEASURES
20 DEFINED.—As used in paragraph (1), the term
21 ''community-oriented health measures'' includes ef-
22 forts to focus organized community activities upon
23 the promotion of health and the prevention of illness
24 and injury, support for self-help and mutual aid
25 groups offering health promotion and rehabilitative

1 support programs; surveillance of potential threats
2 to community health, and prompt action to protect
3 against such threats, and includes outreach efforts
4 to ensure that all residents are aware of and able to
5 utilize the health services of the Service, as needed.
6 (b) DISTRICT RESPONSIBILITIES.—Each district
7 board shall periodically determine the necessity to estab-
8 lish and maintain in its district inpatient and other spe-
9 cialized health care facilities. Where found appropriate, it
10 shall establish and maintain in its district—
11 (1) a general hospital for the efficient and ef-
12 fective delivery of health care services to individuals
13 residing in the district requiring inpatient diagnosis,
14 treatment, care, and rehabilitation for injury or ill-
15 ness; and
16 (2) such other health care facilities as are nec-
17 essary, using guidelines established by the National
18 Health Board and by the respective regional board,
19 to promote the efficient and effective delivery of
20 health care services within its district.
21 In addition, each district board shall provide such health
22 care services of a specialized nature (whether delivered in
23 an inpatient or outpatient setting) as, taking into account
24 guidelines established by the National Health Board and

1 its respective regional board, may be provided most effec-
2 tively and efficiently at the district level.

3 (c) REGIONAL RESPONSIBILITIES.—Each regional
4 board shall, not later than the effective date of health serv-
5 ices, establish and maintain in its region—

6 (1) a regional medical facility for the efficient
7 and effective delivery of highly specialized health
8 care services, using guidelines established by the Na-
9 tional Health Board, to individuals residing in the
10 region requiring highly specialized treatment, care,
11 and rehabilitation for injury or illness;

12 (2) health care and supplemental services for
13 individuals whose health care needs otherwise cannot
14 be met by community or district boards because of
15 occupational or other factors, including individuals
16 residing within the region on a temporary or sea-
17 sonal basis (including migratory agricultural work-
18 ers) and individuals confined to prisons and other
19 correctional institutions; and

20 (3) such other health care facilities as are nec-
21 essary to promote the efficient and effective delivery
22 of health care services within its region.

23 (d) AREA HEALTH BOARD RESPONSIBILITIES.—
24 Each area health board, taking into account guidelines es-
25 tablished by the National Health Board, shall provide the

1 following through its health care facilities established pur-
2 suant to this section:
3 (1) Health promotion through education on per-
4 sonal health matters, nutrition, the avoidance of ill-
5 ness, and the effective use of health care services
6 with particular emphasis on the appropriate and safe
7 use (discouraging the overuse) of drugs and medical
8 techniques.
9 (2) Maintenance and appropriate transmission
10 and transferal of personal health records for each
11 user of the services of the board consistent with sec-
12 tion 201(9).
13 (3) Referral services, including referrals, where
14 appropriate, to health care facilities established by
15 other boards.
16 (4) Supplemental services (described in section
17 213(b)), as appropriate.
18 (5) Assistance to individuals who, because of
19 language or cultural differences or educational or
20 other handicaps, are unable fully to utilize the serv-
21 ices available from and delivered by the board.
22 (6) Information (A) on the rights ensured
23 under this Act, (B) on the guidelines and standards
24 established by the appropriate National Health
25 Board, and (C) on how the area health board is im-

1 plementing such rights and applying such guidelines
2 and standards.
3 (7) Information on the grievance mechanisms
4 established pursuant to subtitle A of title IV and on
5 legal services available to pursue grievances against
6 the board.
7 (8) Environmental health inspection and moni-
8 toring services, including investigations relating to
9 the prevention of communicable diseases, in coopera-
10 tion with State and local authorities in the board's
11 area.
12 (9) Research and data-gathering on the leading
13 causes of ill-health and injury in the board's area
14 and on health care delivery, in accordance with sec-
15 tion 421.
16 (10) In the case of each inpatient health care
17 facility, discharge planning and followup services (A)
18 to identify patients who will need continuing care
19 after discharge from the facility and (B) to plan,
20 with the patient and the patient's family, arrange-
21 ments and referrals to meet such postdischarge
22 needs.
23 (e) AUTHORITIES.—
24 (1) EMPLOYMENT OF WORKERS.—Each area
25 health board shall, in establishing health care facili-

1 ties under this section, hire health workers (includ-
2 ing administrative personnel) in sufficient numbers
3 and with appropriate qualifications to ensure that
4 such facilities provide the health care and other serv-
5 ices described in this section. The regional board
6 shall be consulted in the hiring of all senior adminis-
7 trative and clinical personnel.

8 (2) FACILITIES.—In its establishment of health
9 care facilities under this section, each area health
10 board shall purchase or lease such premises as it
11 deems necessary and suitable, utilizing, where appro-
12 priate, existing health facilities, including health cen-
13 ters and clinics, hospitals, nursing homes, and med-
14 ical laboratories. The regional board shall be con-
15 sulted in the purchase or leasing of such facilities.

16 (3) EFFECTIVE DELIVERY.—In its establish-
17 ment of health care facilities under this section, each
18 area health board shall seek to minimize fragmenta-
19 tion and duplication in delivery of health care and
20 other services so as to promote the effective and effi-
21 cient delivery of such services.

22 (4) COORDINATION.—Each regional board, tak-
23 ing into account guidelines established by the Na-
24 tional Health Board, shall provide for affiliation and
25 coordination of the operation and staff of the health

care facilities in its region with the operation and staff of other appropriate health care facilities established within the region such board serves and within adjacent regions.

(5) ASSISTANCE TO COMMUNITY AND DISTRICT HEALTH BOARDS.—Each regional board shall assist the community and district health boards in its region in establishing and operating services. This shall include providing for the education of health workers under section 311, assistance in hiring all health workers for the region, and assistance in purchasing or leasing of such premises as it deems necessary and suitable, in consultation with the appropriate community and district health boards in its region.

(6) ASSURING AVAILABILITY AND ACCESSIBILITY OF SERVICES.—Each regional board shall, taking into account guidelines established by the National Health Board, take whatever additional steps are necessary to ensure that all of the health services required under this title are available and accessible in a timely manner to adults, infants, children, and individuals with disabilities in its region. Toward that end, it shall—

1 (A) ensure that users within its region
2 have access to a sufficient number of each cat-
3 egory of health worker, including primary care
4 providers, specialists, and other health care pro-
5 fessionals, in a manner so that, to the max-
6 imum extent possible, such providers are geo-
7 graphically accessible to all residences and
8 workplaces within the region and are culturally
9 and linguistically appropriate;
10 (B) ensure that services are available in a
11 manner which ensures continuity of care, avail-
12 ability within reasonable hours of operation,
13 and include emergency and urgent care services
14 which shall be accessible at all times within the
15 service area;
16 (C) ensure that any process established to
17 coordinate care shall ensure ongoing direct ac-
18 cess to relevant specialists and shall not impose
19 an undue burden on users with chronic health
20 conditions;
21 (D) ensure that appropriate steps are
22 taken to eliminate any transportation or other
23 barriers to the timely receipt of services;
24 (E) ensure that a user who has a severe,
25 complex, or chronic condition shall have access

1 to the most appropriate health care coordinator
2 (as defined in paragraph (7)(A)); and
3 (F) ensure that priorities in the use of
4 services and facilities shall be set by the appro-
5 priate health care professionals using criteria of
6 medical necessity and that any limitations or
7 delay in access to services shall be based only
8 on limits of available service personnel and
9 physical facilities.
10 (7) DEFINITIONS.—For purposes of this sub-
11 section:
12 (A) HEALTH CARE COORDINATOR.—The
13 ''health care coordinator'' means a health work-
14 er who performs case management (as defined
15 in subparagraph (B)) functions in consultation
16 with the health care team, the patient, family,
17 and community.
18 (B) CASE MANAGEMENT.—The term ''case
19 management'' means a coordinated set of activi-
20 ties conducted for the management of an indi-
21 vidual user's serious, complicated, protracted or
22 chronic health conditions in order to ensure
23 cost-effective and benefit-maximizing treatment.
24 (f) GUIDELINES.—The National Health Board shall
25 establish guidelines for distribution and coordination of

1 the delivery of health care and other services described in
2 this section and shall, before the effective date of health
3 services, plan and facilitate the transition to the new dis-
4 tribution of health care facilities and health workers to
5 be effected on and after that date.

6 (g) USE OF EVIDENCE-BASED CLINICAL DECISION
7 CRITERIA.—

8 (1) IN GENERAL.—The National Health Board
9 shall authorize the National Institute of Evaluative
10 Clinical Research described in section 422 to estab-
11 lish evidence-based clinical decision criteria, where
12 feasible, that shall apply throughout the Nation.

13 (2) CLINICAL DECISION CRITERIA DEFINED.—
14 For purposes of this section, the term ''clinical deci-
15 sion criteria'' means the recorded (written or other-
16 wise) screening procedures, decision abstracts, clin-
17 ical protocols, and practice guidelines used as an im-
18 portant basis to determine the necessity and appro-
19 priateness of health care services, in combination
20 with the facts of particular cases, the judgment of
21 health care professionals, and the preferences of
22 users. Such criteria shall be clearly documented and
23 available to all health workers and shall include a
24 mechanism for periodically updating such criteria.

1 (h) NOTICE OF DETERMINATIONS.—Each health
2 board shall provide users with timely notice of any deter-
3 mination to provide, deny, or delay provision of a service,
4 and information about the relevant clinical decision cri-
5 teria upon which such determination is based, if any. Such
6 notification shall include information concerning the ap-
7 propriate procedure to appeal such decision.

8 (i) ACCOUNTABILITY.—In the case that a community
9 or district board fails, on the effective date of health serv-
10 ices, to substantially and materially provide health care
11 and supplemental services in accordance with this section,
12 its respective regional board shall take such steps as it
13 deems necessary, consistent with the provisions of section
14 402 (relating to grievance proceedings), to provide health
15 care and supplemental services to users in the community
16 or district affected. Such steps may include, in addition
17 to appointment of a trustee or trustee committee under
18 section 402(d)(3)(D)—

19 (1) requiring that the community or district
20 board in an adjacent community or district provide
21 such services to users residing in the community or
22 district affected, or

23 (2) providing reimbursement for the provision
24 of specified health care services in accordance with
25 procedures and schedules in effect under title XVIII

of the Social Security Act immediately before the effective date of health services (except that only users in the affected community or district shall be considered as entitled to receive such specified services under such title).

Paragraph (2) shall not apply on and after three years after the effective date of health services.

SEC. 222. OPERATION AND INSPECTION OF HEALTH CARE FACILITIES.

(a) ESTABLISHMENT OF POLICIES.—

(1) IN GENERAL.—Each health board, with respect to each health care facility it has established, shall establish policies and organizational plans consistent with this section and with parts A and C of title III (relating to the health labor force) for the operation of such facility and shall establish procedures to ensure that the facility is operated in accordance with such policies and plans.

(2) INPUT.—In establishing, implementing, and modifying such policies and plans, each health board shall seek the fullest possible participation of health workers who are employed in, and users who receive health care services from, health care facilities affected by such policies and plans.

1 (3) HEALTH FACILITY BOARDS.—If a health
2 board that has established more than one health
3 care facility determines that it cannot itself effec-
4 tively manage the operation of all such facilities or
5 if a facility serves principally a population with spe-
6 cial health needs which is not appropriately rep-
7 resented on the health board, the health board may
8 provide for the establishment of a health care facility
9 board or boards, composed of users and health work-
10 ers (or representatives of users or workers of a facil-
11 ity or facilities) in an appropriate number and in a
12 proportion approximating that on the health board,
13 to assume the duties of the health board with re-
14 spect to the operation of the facility or facilities in-
15 volved.
16 (b) GENERAL POLICY.—Such policies and plans shall
17 provide for—
18 (1) the management of each facility by the
19 workers in such facilities through mechanisms which
20 provide full participation of health workers of all job
21 categories and skill levels employed in such facility;
22 (2) the elimination of dominance by health pro-
23 fessionals and the encouragement of cooperation and
24 mutual respect among all health workers; and

1 (3) regular accountability of the health workers
2 to the health board which established the facility for
3 the efficient and effective operation of the facility.
4 (c) PRIVATE DELIVERY.—
5 (1) RESTRICTIONS.—On and after 3 years after
6 the effective date of health services, a health board
7 may not permit a health care facility it has estab-
8 lished to be used for the private delivery of inpatient
9 or outpatient health care services.
10 (2) EMPLOYMENT RESTRICTIONS.—No indi-
11 vidual employed by a health board may engage in
12 the private delivery of health care services.
13 (3) PRIVATE DELIVERY OF HEALTH CARE
14 SERVICES DEFINED.—For the purposes of this sub-
15 section, the term "private delivery of health care
16 services" means the delivery of health care services
17 for which an individual, group, or organization re-
18 ceives remuneration from any source other than the
19 Health Service Trust Fund established in section
20 511.
21 (d) HOURS OF OPERATION.—Each health board shall
22 ensure that any health care facility that it operates which
23 provides health care services on an outpatient basis is open
24 during hours that will permit all users to make use of such
25 services.

(e) INPATIENT SERVICES.—

(1) ADEQUATE CARE.—Each health board shall ensure that any health care facility that it operates which provides (or is designed to provide) substantial health care services on an inpatient basis to individuals over a continuous period of 30 days or longer—

(A)(i) provides comfortable living quarters for inpatients that are clean and adequately heated, cooled, and ventilated;

(ii) provides adequate staff for its inpatients;

(iii) provides nutritional food for its inpatients;

(iv) provides inpatients with opportunities for creative activity and recreation;

(v) establishes and maintains a review committee in accordance with paragraph (2); and

(vi) informs an inpatient of all decisions involving the inpatient's health and well-being and permits the inpatient (and the review committee upon the inpatient's request) to participate fully in such decisions;

(B) and does not—

1 (i) censor or harass communication
2 between an inpatient and others by tele-
3 phone, letter, or in person;
4 (ii) confiscate personal property of an
5 inpatient, unless possession of such prop-
6 erty would interfere with the provision of
7 health care;
8 (iii) deny an inpatient the social and
9 sexual life of such individual's preference;
10 (iv) require that an inpatient work;
11 (v) pay an inpatient less than min-
12 imum wage for work performed while re-
13 ceiving health care services;
14 (vi) physically restrain an inpatient
15 involuntarily for a period exceeding 72
16 hours without the facility's review com-
17 mittee (described in paragraph (2)) deter-
18 mining, within 72 hours of its initiation
19 and not less often than every 2 weeks dur-
20 ing which such restraint is continued, that
21 such restraint is required for the physical
22 safety of the inpatient or of others; or
23 (vii) take punitive or discriminatory
24 action (including transfer between or with-
25 in facilities, changes in physical comforts

1 and diets, changes in opportunities for so-
2 cial interaction and communication, or re-
3 striction of full participation in rec-
4 reational and creative activities) without
5 the prior approval, and renewed approval
6 not less often than every week thereafter,
7 of the facility's review committee (de-
8 scribed in paragraph (2)).

9 (2) INPATIENT REPRESENTATIVES.—

10 (A) ELECTION.—Each health board shall
11 provide that at least once each year the inpa-
12 tients at that time of each health care facility
13 it operates which provides (or is designed to
14 provide) health care services on an inpatient
15 basis to individuals over a continuous period of
16 30 days or longer shall elect, from among them-
17 selves and any representatives of user associa-
18 tions which have a demonstrated interest in the
19 care of such inpatients, a review committee (in
20 this paragraph referred to as the "committee")
21 of not less than 3 members.

22 (B) RECALL.—Any member of the com-
23 mittee may be recalled by a vote of two-thirds
24 of the number of inpatients in the facility.

1 (C) VOTING.—In the case of any election
2 or recall under this paragraph any inpatient
3 who is not able to vote for any reason shall be
4 permitted to appoint another individual to vote
5 as proxy.
6 (f) INSPECTIONS.—In order to assure that quality
7 care is provided in health care facilities of the Service—
8 (1) each area health board shall conduct reg-
9 ular inspections of health care facilities it has estab-
10 lished,
11 (2) each regional board shall conduct regular
12 inspections of district and community health care fa-
13 cilities established in its region, and
14 (3) the National Health Board shall conduct
15 regular inspections of area and national health care
16 facilities,
17 and the results of such inspections of a facility shall be
18 reported to the appropriate area health board and users
19 of the facility and shall be made available to the public.
20 **SEC. 223. PROVISION OF HEALTH SERVICES RELATING TO**
21 **REPRODUCTION AND CHILDBEARING.**
22 (a) PROVISION OF SERVICES.—
23 (1) FAMILY PLANNING.—Area health boards, as
24 appropriate, shall provide the following services:

1 (A) Complete information on contraception
2 and provision of birth control materials or
3 medication of the individual's choosing.
4 (B) Complete and effective evaluation and
5 treatment of venereal diseases and diseases of
6 the reproductive organs.
7 (C) Complete information and counseling
8 with respect to pregnancy, childbearing, and
9 possible outcomes involving genetically induced
10 anomalies.
11 (2) PREGNANCY.—Area health boards, as ap-
12 propriate, shall provide the following services:
13 (A) Complete and effective pregnancy test-
14 ing.
15 (B) Prenatal services, including physical
16 examination, counseling, and instruction of ex-
17 pectant parents in nutrition, childrearing, and
18 children's health care services.
19 (C) Safe, comfortable, and convenient
20 abortion services.
21 (D) Counseling for women in conjunction
22 with the provision of all gynecologic, female
23 contraceptive, and abortion services and coun-
24 seling for men on male fertility-related services.

1 (3) VOLUNTARY.—The services described in
2 paragraphs (1) and (2) shall be delivered without co-
3 ercion or harassment, with complete confidentiality,
4 and without prior approval of individuals other than
5 the individual receiving the services.
6 (4) ACCOMPANIMENT.—An individual shall be
7 permitted to be accompanied by a person of the indi-
8 vidual's choice during the provision of the services
9 described in paragraphs (1) and (2) to the extent
10 this would not significantly increase the medical risk
11 to the individual.
12 (b) VOLUNTARY CONSENT.—No area health board
13 may perform upon an individual a treatment or procedure
14 (other than a treatment or procedure required to preserve
15 the life of the individual) which could reasonably be ex-
16 pected to affect the individual's capacity to reproduce chil-
17 dren, unless—
18 (1) the individual has given voluntary written
19 consent to the treatment or procedure after being
20 given complete information on the effect of the
21 treatment or procedure on the individual's reproduc-
22 tive capacity, and on possible alternative treatments
23 and procedures, at least 30 days before beginning
24 the treatment or procedure, and

1 (2) the individual has, after such 30-day wait-
2 ing period, again given written consent to the per-
3 formance of the treatment or procedure, except that
4 in the case of a woman who has given initial written
5 consent to a sterilization she may be sterilized in
6 less than 30 days following such consent (but in no
7 case in less than 72 hours)—
8 (A) if she had given initial written consent
9 at least 30 days before her anticipated delivery
10 date, she delivers before the anticipated date,
11 and the sterilization is performed at the time of
12 delivery;
13 (B) if she undergoes emergency abdominal
14 surgery within the 30-day waiting period and
15 the sterilization is concurrent with the abdom-
16 inal surgery; or
17 (C) in the case of an elective sterilization
18 procedure, such as tubal ligation or vasectomy,
19 that is scheduled and performed separately
20 from the act of childbirth, where prior informed
21 consent is provided and the procedure is per-
22 formed at the next subsequent or any later
23 medical visit after informed consent is obtained.
24 (c) BREAST CANCER TREATMENT.—An area health
25 board shall insure that, before a mastectomy or other

1 breast cancer treatment is performed on a woman, the
2 woman shall be provided with complete information on the
3 complete range of medical options available for treatment
4 of her condition and the risks and side effects of each op-
5 tion and an opportunity to consult individuals of her
6 choice, and shall have given voluntary written consent to
7 such procedure.

8 (d) BIRTHING OPTIONS.—An area health board shall
9 provide that a woman giving birth to an infant shall have
10 the right to choose from a complete range of childbirth
11 options including—

12 (1) giving birth at home, in a birth center (if
13 available), or in a hospital;

14 (2) the presence during childbirth of a person
15 or persons of her choosing;

16 (3) the position for labor and delivery which she
17 chooses;

18 (4) caring for her infant at her bedside;

19 (5) feeding her infant according to the method
20 and schedule of her choice; and

21 (6) selecting the birth attendant of her own
22 choice.

23 She shall be provided with information on the benefits,
24 risks, and side effects of each option and an opportunity

to consult individuals and groups of her choosing for information and assistance on these options.

TITLE III—HEALTH LABOR FORCE

Subtitle A—Job Categories and Certification

SEC. 301. EFFECT OF STATE LAW.

Notwithstanding any law of a State or political subdivision to the contrary, the Service, acting in accordance with the provisions of this Act, shall be the sole judge of the qualifications of its employees.

SEC. 302. QUALIFICATIONS OF HEALTH WORKERS.

(a) CERTIFICATION OF COMPETENCE.—Each area health board shall, taking into account guidelines established by the National Health Board, establish procedures which will ensure that, except in emergency situations, any work which is classified under a job category established under this subtitle is performed by a health worker who at the time of such work was—

(1) certified (in accordance with this subtitle) as competent to perform the work under such job category, and

(2) authorized to perform such work by the area health board which employs such worker.

1 (b) PERIODIC ASSESSMENTS.—Each area health
2 board that employs health workers who perform work clas-
3 sified under a job category established under this subtitle
4 shall provide for the periodic review and assessment of the
5 competency of such workers to perform the work within
6 such job category, and shall provide opportunities for
7 health workers to be assessed and certified with respect
8 to skills required for advancement to other job categories.
9 (c) OTHER PERIODIC REVIEWS.—In order to assure
10 that health workers provide high quality health care serv-
11 ices in the Service—
12 (1) each regional board shall provide for peri-
13 odic review and assessment of the performance of
14 health workers employed by district and community
15 boards in its region, and
16 (2) the National Health Board shall provide for
17 periodic review and assessment of the performance
18 of health workers employed by regional boards and
19 the National Health Board,
20 and the results of such examinations of health workers
21 shall be reported to the appropriate area health board and
22 the users residing in the areas in which the health workers
23 are employed and shall be made available to the public.

1 **SEC. 303. ESTABLISHMENT OF JOB CATEGORIES AND CER-**
2 **TIFICATION STANDARDS.**
3 (a) IN GENERAL.—
4 (1) CLASSIFICATION.—The National Health
5 Board shall establish such guidelines for the classi-
6 fication, certification, and employment of health
7 workers by job category as it determines to be
8 necessary—
9 (A) to ensure that health workers who per-
10 form work for the Service which requires spe-
11 cialized skills have demonstrated that they pos-
12 sess such skills,
13 (B) to expand the roles of health workers
14 to enable them to participate in health care de-
15 livery to the maximum extent consistent with
16 their skills, and
17 (C) to provide for affiliation of health
18 workers with health care facilities at the com-
19 munity, district, and regional levels.
20 These guidelines shall permit alternative approaches
21 to healing, and practitioners skilled in such ap-
22 proaches, when these approaches have not been dem-
23 onstrated to be injurious to health.
24 (2) CONSIDERATIONS.—In establishing guide-
25 lines under paragraph (1), the National Health
26 Board shall provide for (A) sufficient flexibility to

1 permit regional health boards to utilize health work-
2 ers most effectively to meet the health needs of the
3 region, and (B) sufficient uniformity to permit mo-
4 bility of health workers among the regions.

5 (3) LOCAL EMPLOYMENT.—In establishing
6 guidelines under paragraph (1)(C), and as appro-
7 priate to the job responsibilities of the respective
8 health workers, the National Health Board shall re-
9 quire that each health worker employed by a com-
10 munity board must work part of the time in a health
11 care facility operated by the respective district or re-
12 gional board, and that each health worker (including
13 the faculty of health team schools) employed by a
14 district or regional board must work part of the time
15 in a health care facility operated by a community
16 board within the district or region.

17 (4) PERIODIC EVALUATION.—The National
18 Health Board shall periodically evaluate the job cat-
19 egories and certification practices established by
20 area health boards under this section and shall make
21 such modifications to its guidelines as it determines
22 will promote the delivery of quality health care serv-
23 ices.

24 (5) NATIONAL BOARD ASSISTANCE.—The Na-
25 tional Health Board shall assist regional boards in

1 applying the guidelines established under this sub-
2 section.
3 (b) CERTIFICATION STANDARDS.—
4 (1) ESTABLISHMENT.—For each job category
5 (other than a job category determined by the Na-
6 tional Health Board to involve highly specialized
7 skills requiring advanced specialty training), each re-
8 gional health board shall, taking into account the
9 guidelines established under subsection (a), establish
10 certification standards which shall specify—
11 (A) the functions performed by a
12 healthworker employed in such job category;
13 (B) the skills required in the course of
14 properly performing work under such job cat-
15 egory;
16 (C) the initial and continuing training, ex-
17 perience, and performance which must be un-
18 dertaken or demonstrated by a health worker to
19 achieve and maintain competency to perform
20 the work within such job category; and
21 (D) the curriculum which a health worker
22 must follow in studies in a health team school
23 (established under subtitle B) to demonstrate
24 sufficient competence to satisfy the specification
25 of subparagraph (C) for such job category.

Each area health board within the region shall apply such standards to all health workers employed by it. In applying such standards, such boards shall recognize health worker training, experience, and performance undertaken or demonstrated before the establishment of health team schools under subtitle B, subject to such periodic review and assessment and to such continuing training, experience, or performance as may be required under this subtitle.

(2) SPECIFICATIONS.—For each job category established and determined by the National Health Board to involve highly specialized skills requiring advanced specialty training, the National Health Board shall make the specifications described in subparagraphs (A) through (D) of paragraph (1), and area health boards shall apply such certification standards to all health workers employed by them in such job categories.

(3) PERIODIC REVIEW.—A health board which establishes standards for a job category under this subsection shall periodically review such standards and shall supplement, modify, or eliminate such standards as it determines will facilitate the delivery of quality health care services under this Act.

(4) QUALITY PROTECTION.—

(A) PROHIBITION OF DOWNGRADES OF LEVELS.—No individual health facility administrator is authorized to downgrade the level of skill, license or certification required to perform duties delineated by the Board.

(B) REVIEW.—

(i) REVIEW OF STAFFING CHANGES.—Upon enactment of this Act, the Board shall convene a national level task force to review the impact on the safety and health of patients and workers of downgrading and deskilling of health care job categories by replacing licensed with unlicensed workers during the 1990s, particularly in the nursing area, and to recommend remedies as appropriate.

(ii) WHISTLEBLOWER PROTECTION.—Health care workers who report compromises in the quality of care shall not be subjected to recriminations.

(C) WORKFORCE STAFFING LEVELS.—The Board may establish health workforce staffing levels, or delegate that power to regional or district health boards, as it determines will promote the delivery of quality health care services.

Subtitle B—Education of Health Workers

SEC. 311. HEALTH TEAM SCHOOLS.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Except as provided in paragraph (2), each regional board, in consultation with the community and district boards in its region, shall establish a health team school (hereinafter in this subtitle referred to as a ‘‘school’’) in accordance with this section to provide programs of initial and continuing basic education in health care delivery for health workers in all job categories, and to provide initial continuing advanced education in health care specialties and health science specialty fields. Each school shall be established and functioning not later than 4 years after the effective date of health services unless the National Health Board approves a plan, submitted by the regional board, for the establishment of a school within a reasonable time after such deadline.

(2) SUBSTITUTION OF COLLABORATION.—If a regional board determines, after consultation with the community and district boards in its region, that conducting particular educational programs within a school in its region would be inefficient or otherwise

1 inappropriate, it may collaborate with one or more
2 regional boards for adjacent regions conducting joint
3 educational programs. In the case of the establish-
4 ment of such a joint program, all further references
5 in this subtitle to a region or a regional board with
6 respect to a school offering a joint program shall
7 refer to the regions included within, and the regional
8 boards offering, the joint program.

9 (3) USE OF FUNDS.—Schools shall be funded
10 exclusively by the Service, shall not charge nor ac-
11 cept tuition or fees for enrollment, and shall provide
12 each student with an adequate allowance for living
13 expenses, educational supplies, and any child care
14 expenses.

15 (4) NATIONAL BOARD ASSISTANCE.—The Na-
16 tional Health Board shall assist regional boards in
17 the establishment and maintenance of schools.

18 (b) OPERATIONAL PRINCIPLES.—Schools shall be op-
19 erated and maintained in accordance with the following
20 principles:

21 (1) The activities of each school shall be de-
22 signed to meet the health needs of the region, dis-
23 tricts, and communities which it serves.

24 (2) The number of students enrolled in each
25 educational program in a school shall be based on

1 the regional, district, and community boards' assess-
2 ments of the needs for health workers within such
3 region, districts, and communities.
4 (3) Schools shall integrate the education of
5 health workers in the different job categories (estab-
6 lished under subtitle A) so as to permit health work-
7 ers to be educated and certified for successively
8 higher levels of health care work.
9 (4) Each school's admissions policies, cur-
10 riculum policies, faculty hiring procedures, and gov-
11 ernance plan shall be established and implemented
12 by the regional board in accordance with subsections
13 (c) through (f), respectively, and with the fullest
14 possible participation of the community and district
15 boards, health workers, staff, and students in its re-
16 gion.
17 (5) A school may not use individuals who are
18 from low-income populations or minority groups, or
19 who are women or confined in mental or penal insti-
20 tutions, as subjects for training or demonstration in
21 numbers that are disproportionate to their numbers
22 in the population of the region, and may not use any
23 individuals as subjects for training or demonstration
24 in a manner beyond that required for the immediate

1 purpose of the training or demonstration or without
2 their explicit consent.
3 The National Board shall establish, not later than one
4 year after the effective date of health services, guidelines
5 for the application of these principles and for the phased
6 integration of health worker education programs, includ-
7 ing medical, dental, osteopathic, and nursing school pro-
8 grams, in existence on the date of enactment of this Act
9 into the schools established under this section.
10 (c) ADMISSIONS POLICIES.—Each regional board
11 shall establish and implement admissions policies for edu-
12 cation programs in its school. Such policies shall—
13 (1) emphasize previous health-related work ex-
14 perience, as evaluated by health workers (including
15 peers), by individuals who have received health care
16 services from the applicant, and by faculty members;
17 (2) minimize the use of criteria of academic
18 performance other than such criteria as have been
19 shown to be significantly related to future work per-
20 formance;
21 (3) give preference to segments of the popu-
22 lation of the region under-represented among health
23 workers;
24 (4) to the extent consistent with paragraph (3),
25 provide for admission of individuals so that the stu-

1 dent body approximates the population of the region
2 by race, sex, family income, and language; and
3 (5) require that the applicant agree, if accepted
4 into the school, to perform health care services in ac-
5 cordance with section 312.
6 (d) CURRICULUM POLICIES.—Each regional board
7 shall establish and implement curriculum policies for edu-
8 cational programs in its school. Such policies shall—
9 (1) give priority in study and field work to the
10 leading causes of illness and death in the region, in-
11 cluding environmental, biological, and social deter-
12 minants of mortality and morbidity;
13 (2) give special consideration to studying the
14 social, as well as biological, causation and prevention
15 of illness and disease, and to the differing health
16 care needs of populations facing special health risks
17 and having special cultures and lifestyles within the
18 region;
19 (3) provide that all students shall take a com-
20 mon, initial sequence of courses and that students
21 preparing for more advanced types of health work
22 shall take studies that are progressively more spe-
23 cialized and differentiated;
24 (4) emphasize work-study experience in all
25 types of health care facilities in the region, including

1 community and workplace facilities, facilities for the
2 aged, mentally ill, and mentally retarded, health care
3 facilities in prisons and other correctional institu-
4 tions, alcohol and drug rehabilitation facilities, envi-
5 ronmental health facilities, and all other health care
6 facilities of the Service in communities and districts
7 in the region;
8 (5) emphasize the appropriate and safe use,
9 and discourage the overuse, of drugs and medical
10 techniques; and
11 (6) facilitate the development by all health
12 workers of skills in decisionmaking and assessment
13 of user needs in cooperation with other health work-
14 ers and with users.
15 (e) FACULTY HIRING PROCEDURES.—Each regional
16 board shall establish and implement faculty hiring proce-
17 dures for its school. Such procedures shall, to the max-
18 imum extent feasible, create a faculty which approximates
19 the population of the region by race, sex, and language.
20 (f) GOVERNANCE PLANS.—Each regional board shall
21 establish and implement a governance plan for the man-
22 agement of its school. Such plan shall give significant deci-
23 sionmaking powers to staff and students of the school.

24 **SEC. 312. SERVICE REQUIREMENT.**

25 (a) SERVICE REQUIREMENT.—

1 (1) IN GENERAL.—No individual may be en-
2 rolled by a regional board in a school unless the in-
3 dividual agrees to perform health care services as an
4 employee of the Service in the job category for which
5 training is being provided—
6 (A) for a period of time equal to the period
7 of such enrollment in the school but not less
8 than 2 years;
9 (B) beginning not later than 1 year after
10 the date of the individual's graduation from the
11 school; and
12 (C) for an area health board with the high-
13 est priority ranking under subsection (c) that
14 agrees to employ the individual.
15 (2) DEFERRAL.—An individual's obligation to
16 perform service under an agreement described in
17 paragraph (1) shall be deferred only for a period
18 during which the individual is physically or mentally
19 incapable of performing such service.
20 (3) COMPLETION OF SERVICE REQUIRED.—No
21 health board may employ an individual who has
22 made an agreement described in paragraph (1),
23 other than in accordance with subsection (c), until
24 the individual has completed the period of obligated
25 service in accordance with this section.

1 (4) PENALTY FOR BREACH OF AGREEMENT.—
2 Except as provided in paragraph (5), if an individual
3 breaches an agreement under paragraph (1) by fail-
4 ing (for any reason) either to begin such individual's
5 service obligation or to complete such service obliga-
6 tion, the Service shall be entitled to recover from the
7 individual an amount determined in accordance with
8 the formula

$$A=\phi\left(1-\frac{s}{t}\right)$$

.

9 in which ''A'' is the amount the Service is entitled
10 to recover; ''ϕ'' is an amount determined by the Na-
11 tional Health Board to be the costs to the Service
12 of the education program and allowance received by
13 the individual and the interest on such costs which
14 would be payable if at the time the costs were under-
15 taken they were loans bearing interest at the max-
16 imum legal prevailing rate, as determined by the
17 Treasurer of the United States; ''t'' is the total
18 number of months in the individual's period of obli-
19 gated service; and ''s'' is the number of months of
20 such period served by the individual. Any amount of
21 damages which the Service is entitled to recover
22 under this paragraph shall, within the 1-year period

1 beginning on the date of the breach of the agree-
2 ment, be paid to the Service.
3 (5) CANCELLATION.—
4 (A) UPON DEATH.—Any obligation of an
5 individual under this subsection for service or
6 payment of damages shall be canceled upon the
7 death of the individual.
8 (B) EXTREME HARDSHIP EXCEPTION.—
9 The National Health Board shall provide for
10 the waiver or suspension of any obligation of
11 service or payment by an individual under this
12 subtitle whenever compliance by the individual
13 is impossible or would involve extreme hardship
14 to the individual and if enforcement of such ob-
15 ligation with respect to any individual would be
16 unconscionable.
17 (C) LIMITATION ON DISCHARGE IN BANK-
18 RUPTCY.—Any obligation of an individual under
19 this subtitle for payment of damages may be re-
20 leased by a discharge in bankruptcy under title
21 11 of the United States Code only if such dis-
22 charge is granted after the expiration of the 5-
23 year period beginning on the first date that
24 payment of such damages is required.

1 (b) PERIODIC REASSESSMENT OF WORKER RA-
2 TIOS.—Each area health board shall periodically assess
3 the ratio of the number of health workers employed by
4 the board in each job category (established under subtitle
5 A) to the number of residents in the area.
6 (c) PRIORITY RANKING.—
7 (1) IN GENERAL.—With respect to an indi-
8 vidual obligated to perform service under this section
9 as a result of completion of an educational program
10 for a job category in a school, the priority ranking
11 (referred to in subsection (a)(1)(C)) of area health
12 boards for hiring the individual is as follows:
13 (A) The regional board for the region, or
14 a district or community board for a district or
15 community in the region, in which the program
16 was completed, if the region, district, or com-
17 munity is a health worker shortage area (as de-
18 fined in paragraph (2)) with respect to the job
19 category for which the individual received train-
20 ing.
21 (B) A regional, district, or community
22 board (other than one described in subpara-
23 graph (A)) for a region, district, or community
24 which is a health worker shortage area with re-

spect to the job category for which the individual received training.

(C) Any other area health board.

(2) HEALTH WORKER SHORTAGE AREA DEFINED.—For the purposes of paragraph (1), the term "health worker shortage area" means, with respect to a job category for which an individual has received training in a school, a region, district, or community which—

(A) has a ratio of the number of health workers in the job category employed by the regional, district or community board, respectively, to the number of residents in the region, district, or community (whichever is applicable) which is less than two-thirds of the ratio of the total number of health workers in the job category employed by all the regional, district, or community boards, respectively, in the Nation to the number of residents in the Nation, and

(B) has plans and a budget which provide for the hiring of an individual in the job category.

(3) WORKER MATCHES.—The National Health Board shall establish a program to match the locational preferences of graduates of schools with the

needs and preferences of regional, district, and community boards.

SEC. 313. PAYMENT FOR CERTAIN EDUCATIONAL LOANS.

(a) LOAN PAYMENT PROGRAM.—In the case of any individual who has incurred any educational loan before the fourth year after the effective date of health services and for the individual's costs for an educational program in health care delivery, health care specialties, or health science specialty fields, the National Health Board shall make payments, in accordance with subsection (b), for and on behalf of that individual, on the principal of and interest on any such loan which is outstanding on the date the individual begins to work for the Service.

(b) MAKING OF PAYMENT.—The payments described in subsection (a) shall be made by the National Health Board as follows:

(1) Upon completion by the individual for whom the payments are to be made of the first year of employment with the Service, the National Health Board shall pay 30 percent of the principal of, and the interest on, each loan described in subsection (a) which is outstanding on the date he began such employment.

(2) Upon completion by that individual of the second year of such employment, the National

Health Board shall pay another 30 percent of the principal of, and the interest on, each such loan.

(3) Upon completion by that individual of a third year of such employment, the National Health Board shall pay another 25 percent of the principal of, and the interest on, each such loan.

(4) Upon completion by that individual of a fourth year of such employment, the National Health Board shall pay the remaining 15 percent of the principal of, and all remaining interest on, each such loan.

No payment may be made under this subsection with respect to a loan unless the person on whose behalf the payment is to be made has submitted to the National Health Board a certified copy of the agreement under which such loan was made.

(c) PAYMENT DURING EMPLOYMENT.—Notwithstanding the requirement of completion of employment specified in subsection (b), the National Health Board shall on or before the due date thereof, pay any loan or loan installment which may fall due within the period of employment for which the borrower may receive payments under this section, upon the declaration of such borrower, at such times and in such manner as the National Health Board may prescribe (and supported by such other evi-

1 dence as the National Health Board may reasonably re-
2 quire), that the borrower is then employed as described
3 in subsection (b) and that the borrower will continue to
4 be so engaged for the period required (in the absence of
5 this subsection) to entitle the borrower to have made the
6 payments provided by this section for such period, except
7 that not more than 85 percent of the principal of any such
8 loan shall be paid pursuant to this subsection.

9 Subtitle C—Employment and 10 Labor-Management Relations 11 Within the Service

12 SEC. 321. EMPLOYMENT, TRANSFER, PROMOTION, AND RE- 13 CEIPT OF FEES.

14 (a) SERVICE EMPLOYEES.—Health boards shall, in
15 accordance with this Act and taking into account guide-
16 lines and standards established by the appropriate Na-
17 tional Health Board, employ, classify, and fix the salaries
18 and benefits of all employees of the Service employed in
19 the Service's facilities.

20 (b) POLICIES.—The appropriate National Health
21 Board, in establishing guidelines and standards under this
22 subtitle, shall, to the extent feasible and consistent with
23 the provisions of this subtitle, provide for—

1 (1) employment and promotion in the Service in
2 the same manner as is provided for employment and
3 promotion under the Federal civil service system;
4 (2) meaningful opportunities for career ad-
5 vancement;
6 (3) encouragement of health workers to use up
7 to 10 percent of their work time for continuing edu-
8 cation under subtitle B without loss of pay or other
9 job rights; and
10 (4) full protection of employees' rights by pro-
11 viding an opportunity for a fair hearing on adverse
12 actions with representation of their own choosing.
13 (c) HIRING PREFERENCES.—Health boards, in hiring
14 employees to fill vacancies in newly created positions, shall
15 give preference to individuals who were employed as health
16 workers, or self-employed while delivering health services,
17 before the date of enactment of this Act. The National
18 Health Board shall ensure, through such steps as it deems
19 necessary, that all such individuals desiring to be em-
20 ployed within the Service shall find appropriate employ-
21 ment in the Service.
22 (d) PROMOTION AND TRANSFER.—Employees of the
23 Service shall be eligible for promotion or transfer to any
24 position in the Service for which they are qualified. Each
25 regional board shall establish and maintain a job place-

1 ment service to assist health workers in its region in iden-
2 tifying suitable employment opportunities and in transfer-
3 ring between jobs with different area health boards in the
4 region. The authority given by this subsection shall be
5 used to provide a maximum degree of career opportunities
6 for employees and to ensure continued improvement of
7 health care services.

8 (e) VACANCIES.—A community or district board may
9 not hire an individual to fill a job vacancy that is classified
10 under subtitle A in a job category if—

11 (1) the community or district board, respec-
12 tively, has a ratio of the number of health workers
13 in the job category employed by such board to the
14 number of residents in the community or district
15 (whichever is applicable) which is greater than four-
16 thirds of the ratio of the total number of health
17 workers in the job category employed by all the com-
18 munity or district boards, respectively, in its region
19 to the number of residents in such region; and

20 (2) there is a community or district within its
21 region which is a health worker shortage area (as
22 defined in section 312(c)(2)) with respect to the job
23 category.

24 (f) NO UNDUE FINANCIAL INCENTIVES.—No health
25 worker should benefit financially from the provision or de-

nial of services to individual patients, beyond their regular remuneration.

(g) SOLE EMPLOYER.—An employee of the Service may not receive any fee or perquisite on account of duties performed by virtue of such employment, except from a health board established under this Act.

(h) GRANDFATHER CLAUSE.—The National Board shall support alternative procedures to assure that health care professionals meet required standards, particularly those currently practicing in health professional shortage areas in inner cities and in rural communities.

(i) TRANSITIONAL EMPLOYMENT.—Up to 1 percent of the budget of the United States Health Service for each of its first 2 years may be expended for the retraining and hiring of sales, administrative, clerical, and service employees displaced as a result of this Act, including those in the health insurance industry.

SEC. 322. APPLICABILITY OF LAWS RELATING TO FEDERAL EMPLOYEES.

(a) IN GENERAL.—Chapter 75 of title 5, United States Code (relating to adverse actions against employees), apply to employees of the Service (other than employees serving on the personal staff of members of health boards) except to the extent provided—

1 (1) in a collective-bargaining agreement nego-
2 tiated on behalf of and applicable to them; or
3 (2) in procedures established by the Service and
4 approved by the Office of Personnel Management.
5 (b) COVERAGE UNDER WORKERS COMPENSATION.—
6 Employees of the Service are covered by subchapter I of
7 chapter 81 of title 5, United States Code (relating to com-
8 pensation for work injuries).
9 (c) CIVIL SERVICE.—
10 (1) APPLICATION OF CIVIL SERVICE RETIRE-
11 MENT.—Chapter 83 of title 5, United States Code
12 (relating to civil service retirement), applies to em-
13 ployees of the Service except to the extent provided
14 in a collective-bargaining agreement negotiated on
15 behalf of and applicable to them.
16 (2) WITHHOLDING.—The Service shall withhold
17 from pay and shall pay into the Civil Service Retire-
18 ment and Disability Fund the amounts specified in
19 chapter 83 of title 5, United States Code, as re-
20 quired under paragraph (1). The Service, upon re-
21 quest of the Office of Personnel Management, but
22 not less frequently than annually, shall pay to the
23 Office the costs reasonably related to the adminis-
24 tration of Fund activities for employees of the Serv-
25 ice.

1 (d) ACCRUAL OF SICK AND ANNUAL LEAVE.—Sick
2 and annual leave and compensatory time of employees of
3 the Service, whether accrued prior to or after the com-
4 mencement of operations of the Service, shall be obliga-
5 tions of the Service.

6 (e) APPLICATION OF CONDITIONS.—

7 (1) TERMS OF EMPLOYMENT.—Compensation,
8 benefits, and other terms and conditions of employ-
9 ment in effect on the effective date of health services
10 for employees of the Federal Government performing
11 functions that are provided under this Act by the
12 Service, shall apply to all employees of the Service
13 performing similar functions until changed by the
14 Service in accordance with this Act. Subject to the
15 provisions of this Act, the provisions of subchapter
16 I of chapter 85 and chapter 87 of title 5, United
17 States Code (relating to unemployment compensa-
18 tion and life insurance), apply to employees of the
19 Service unless varied, added to, or substituted for in
20 accordance with paragraph (2).

21 (2) LIMITATION ON VARIATION.—No variation,
22 addition, or substitution with respect to fringe bene-
23 fits shall result in a program of fringe benefits which
24 on the whole is less favorable to employees of the
25 Service than fringe benefits in effect for employees

1 of the Federal Government on the effective date of
2 health services. No variation, addition, or substi-
3 tution with respect to fringe benefits of employees
4 for whom there is a collective-bargaining representa-
5 tive shall be made except by agreement between such
6 representative and the Service.

7 **SEC. 323. APPLICABILITY OF FEDERAL LABOR-MANAGE-**
8 **MENT RELATIONS LAWS.**

9 (a) APPLICATION OF NLRA.—
10 (1) IN GENERAL.—The provisions of the Na-
11 tional Labor Relations Act (42 U.S.C. 141 et seq.)
12 shall apply to the Service and its employees to the
13 extent, not inconsistent with subsection (b), to which
14 such provisions apply to employers (as defined in
15 section 2(2) of such Act), except that—
16 (A) the phrase ''or any individual employed
17 as a supervisor'' in section 2(3) of such Act
18 shall not apply (thereby making such Act apply,
19 for these purposes, to such individuals);
20 (B) section 9(b)(1) of such Act (providing
21 for separate treatment for professional and
22 nonprofessional employees) shall not apply;
23 (C) sections 206 through 210 of such Act
24 (relating to national emergencies) shall, for pur-
25 poses of this Act, have the phrases ''the Presi-

1 dent of the United States'' and ''the Presi-
2 dent'', wherever they appear, replaced by the
3 phrase ''the National Health Board (or a com-
4 mittee thereof to which it has delegated such
5 authority)'' and the phrase ''national health or
6 safety'' replaced by the phrase ''health or safety
7 of the residents of any region''; and

8 (D) section 213 (providing for intervention
9 in a strike or lockout by the Director of the
10 Federal Mediation and Conciliation Service)
11 shall not apply.

12 (2) STRIKES PERMITTED.—Paragraphs (3) and
13 (4) of section 7311 of title 5, United States Code
14 (prohibiting participation in a strike or an organiza-
15 tion asserting the right to strike), shall not apply
16 to employees of the Service.

17 (b) NEUTRALITY IN UNION MATTERS.—The Na-
18 tional Health Board shall adopt as a matter of general
19 policy that governing boards at each level of the Service,
20 and employers acting as agents of these boards, agree to
21 determine employee preference on the subject of labor
22 union representation, and to determine which one if union
23 representation is preferred, by a card check procedure con-
24 ducted by a neutral third party in lieu of a formal election.

25 (c) COLLECTIVE BARGAINING.—

1 (1) IN GENERAL.—Collective-bargaining agree-
2 ments between area health boards and duly recog-
3 nized bargaining representatives of employees of the
4 Service may include procedures for resolution by the
5 parties of grievances and adverse actions arising
6 under the agreement, including procedures culmi-
7 nating in binding third-party arbitration.
8 (2) ALTERNATIVE PROCEDURES.—Area health
9 boards and duly recognized bargaining representa-
10 tives of employees of the Service may by mutual
11 agreement adopt procedures for the resolution by the
12 parties—
13 (A) of grievances and adverse actions aris-
14 ing under collective-bargaining agreements, and
15 (B) of disputes or impasses arising in the
16 negotiation of such agreements.
17 (d) CONFORMING AMENDMENT.—Section 3(e) of the
18 Labor-Management Reporting and Disclosure Act of 1959
19 (42 U.S.C. 402(e)) is amended by inserting ''the United
20 States Health Service and'' after ''and includes''.

21 **SEC. 324. DEFENSE OF CERTAIN MALPRACTICE AND NEG-**
22 **LIGENCE SUITS.**

23 (a) EXCLUSIVE REMEDY.—The remedy against the
24 United States provided by sections 1346(b) and 2672 of
25 title 28, United States Code, or by alternative benefits

provided by the United States where the availability of such benefits precludes a remedy under section 1346(b) of such title, for damage for personal injury, including death, resulting from the performance of medical, surgical, dental, or related functions, including the conduct of clinical studies or investigations, by any employee of the Service while acting within the scope of the employee's employment, shall be exclusive of any other civil action or proceeding by reason of the same subject matter against the employee (or the employee's estate) whose act or omission gave rise to the claim.

(b) DEFENSE.—The Attorney General shall defend any civil action or proceeding brought in any court against any person referred to in subsection (a) (or the person's estate) for any such damage or injury. Any such person against whom such civil action or proceeding is brought shall deliver within such time after date of service or knowledge of service as determined by the Attorney General, all process served upon the person or an attested true copy thereof to the person's immediate superior or to whomever was designated by the appropriate National Health Board to receive such papers and such person shall promptly furnish copies of the pleading and process therein to the United States attorney for the district embracing the place wherein the proceeding is brought, to the Attor-

1 ney General, and to the appropriate National Health
2 Board.
3 (c) PROCEDURE.—
4 (1) REMOVAL FROM STATE COURTS.—Upon a
5 certification by the Attorney General that the de-
6 fendant was acting in the scope of employment at
7 the time of the incident out of which the suit arose,
8 any such civil action or proceeding commenced in a
9 State court shall be removed without bond at any
10 time before trial by the Attorney General to the dis-
11 trict court of the United States of the district and
12 division embracing the place wherein it is pending
13 and the proceeding deemed a tort action brought
14 against the United States under the provision of
15 title 28, United States Code, and all references
16 thereto.
17 (2) MOTIONS TO REMAND.—If a United States
18 district court determines on a hearing on a motion
19 to remand held before a trial on the merits that the
20 case so removed is one in which a remedy by suit
21 within the meaning of subsection (a) is not available
22 against the United States, the case shall be re-
23 manded to the State court.
24 (3) EFFECT OF ALTERNATIVE REMEDIES.—
25 Where a remedy by suit within the meaning of sub-

1 section (a) is not available because of the availability
2 of a remedy through proceedings for compensation
3 or other benefits from the United States as provided
4 by any other law, the case shall be dismissed, but in
5 the event the running of any limitation of time for
6 commencing, or filing an application or claim in,
7 such proceedings for compensation or other benefits
8 shall be deemed to have been suspended during the
9 pendency of the civil action or proceeding under this
10 section.

11 (d) SETTLEMENT.—The Attorney General may com-
12 promise or settle any claim asserted in such civil action
13 or proceeding in the manner provided in section 2677 of
14 title 28, United States Code, and with the same effect.

15 (e) LIMITATION.—For purposes of this section, the
16 provisions of section 2680(h) of title 28, United States
17 Code, shall not apply to assault or battery arising out of
18 negligence in the performance of medical, surgical, dental,
19 or related functions, including the conduct of clinical stud-
20 ies or investigations.

21 (f) LIABILITY INSURANCE.—The appropriate Na-
22 tional Health Board may, to the extent it deems appro-
23 priate, hold harmless or provide liability insurance for any
24 employee of the Service for damage for personal injury,
25 including death, negligently caused by such employee while

acting within the scope of employment and as a result of the performance of medical, surgical, dental, or related functions, including the conduct of clinical studies or investigations, if the employee is assigned to a foreign country or detailed to a State or political subdivision thereof or to a nonprofit institution, and if the circumstances are such as are likely to preclude the remedies of third persons against the United States described in section 2679(b) of title 28, United States Code, for such damage or injury.

TITLE IV—OTHER FUNCTIONS OF HEALTH BOARDS

Subtitle A—Advocacy, Grievance Procedures, and Trusteeships

SEC. 401. ADVOCACY AND LEGAL SERVICES PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—Each area health board shall establish a program of health advocacy to ensure the full realization of the patient rights enumerated in subtitle A of title II. Such a program shall include—

(1) the employment of individuals having basic legal knowledge and skills as health advocates;

(2) the presence of health advocates—

(A) in inpatient health care facilities at all times; and

1 (B) in other health care facilities during
2 the provision of health care services;
3 (3) provision for health advocates to (A) in-
4 form, on an ongoing basis, users and health workers
5 of such patient rights and (B) report to the area
6 health board any infraction of such rights which is
7 not promptly corrected;
8 (4) provision for regular meetings between
9 health workers and health advocates, users, and any
10 user representatives to discuss ways of ensuring the
11 fulfillment of such rights through affirmative action
12 of such workers and the area health board; and
13 (5) appropriate action by the area health board
14 to ensure that infractions of such rights are prompt-
15 ly and sufficiently corrected.
16 (b) HEALTH RIGHTS LEGAL SERVICES.—
17 (1) ESTABLISHMENT OF PROGRAM.—The Na-
18 tional Health Board shall establish a health rights
19 legal services program and shall provide such pro-
20 gram with sufficient legal and administrative per-
21 sonnel, funding, and facilities (A) to ensure that
22 users and health workers receive, free of charge,
23 high quality legal services (including representation
24 in grievance proceedings commenced under section
25 402) for legal problems related to health rights and

1 health care services, and (B) to improve, through
2 litigation and other activities, the health care system
3 and expand the rights of users and health workers.
4 (2) SERVICES.—The health rights legal services
5 program shall provide directly, by contract with the
6 Legal Services Corporation, or by contract with
7 members of the private bar, for—
8 (A) establishment of a legal services office
9 in each region to provide representation (other
10 than representation provided under subpara-
11 graph (B)) of users, health workers, and vol-
12 untary associations having a demonstrated in-
13 terest in health care in proceedings and hear-
14 ings under sections 324 and 402; and
15 (B) establishment of legal services offices
16 in such communities and districts as are deter-
17 mined, in accordance with guidelines established
18 by the National Health Board, to have inad-
19 equate legal services to provide the legal serv-
20 ices described in paragraph (1)(A).
21 (3) USE OF CONTRACTS.—The National Health
22 Board may carry out the functions described in
23 paragraph (1)(B) directly, by contract, or otherwise.
24 **SEC. 402. GRIEVANCE PROCEDURES AND TRUSTEESHIPS.**
25 (a) GRIEVANCE PROCEEDINGS.—

1 (1) BEFORE REGIONAL BOARDS.—Each re-
2 gional and interim regional board shall provide, in
3 accordance with this section, that any user, health
4 worker, or any user association having a dem-
5 onstrated interest in health care may commence a
6 grievance proceeding before such board (or a person
7 or committee designated by such board) with respect
8 to an alleged violation of this Act by a district or
9 community board within its region. Each regional
10 and interim regional board may commence a griev-
11 ance proceeding before itself (or a person or com-
12 mittee designated by such board) with respect to an
13 alleged violation of this Act by a district or commu-
14 nity board within its region.
15 (2) BEFORE NATIONAL BOARD.—The appro-
16 priate National Health Board shall provide, in ac-
17 cordance with this section, that any user, health
18 worker, or any user association having a dem-
19 onstrated interest in health care may commence a
20 grievance proceeding before such Board (or a person
21 or committee designated by such Board) with re-
22 spect to an alleged violation of this Act by a regional
23 or interim regional board. The appropriate National
24 Health Board may commence a grievance proceeding
25 before itself (or a person or committee designated by

1 such Board) with respect to an alleged violation of
2 this Act by a regional or interim regional board.
3 (b) REVIEW.—
4 (1) BY NATIONAL BOARD.—The appropriate
5 National Health Board shall provide, subject to
6 paragraphs (2) and (3), for its review (or a review
7 by a person or committee designated by the Board),
8 by appeal to the Board by any party to a proceeding
9 described in subsection (a)(1) or on its own initia-
10 tive, of an adverse decision by a regional or interim
11 regional board in the proceeding.
12 (2) LIMITATION ONCE SUIT COMMENCED.—On
13 and after the date a suit with respect to an adverse
14 determination in a grievance proceeding or review
15 proceeding is filed under subsection (e), no review
16 proceeding respecting such proceeding may be com-
17 menced by appeal to the Board under paragraph (1),
18 and any such review proceeding which was com-
19 menced by appeal to the Board under such para-
20 graph before the date of filing of such suit and is
21 pending on such date shall promptly be discon-
22 tinued.
23 (3) TIME LIMIT.—No review of an adverse ad-
24 ministrative decision may be made by appeal or by
25 initiative under this subsection unless the appeal is

1 filed or notice of the initiative is published (as the
2 case may be) not later than 15 days after the publi-
3 cation of the decision.

4 (c) INVESTIGATION.—

5 (1) IN GENERAL.—Whenever a grievance pro-
6 ceeding is commenced under subsection (a), the enti-
7 ty before which the proceeding is held shall inves-
8 tigate the grievance.

9 (2) HEARING.—An entity before which a pro-
10 ceeding or review proceeding is commenced under
11 subsection (a) or (b)—

12 (A) shall conduct a full and open public
13 hearing on the grievance as part of such
14 proceeding—

15 (i) if the grievance is supported by a
16 petition signed by a minimal number of
17 residents (as defined in paragraph (4)); or

18 (ii) before the entity (or the body
19 which designated it) may set aside an elec-
20 tion or transfer any functions of a health
21 board under subsection (d); and

22 (B) may conduct such a hearing if the en-
23 tity determines that such hearing is in the pub-
24 lic interest.

1 (3) NOTICE.—The entity that conducts a hear-
2 ing under paragraph (2) shall provide for timely no-
3 tice to, and opportunity to be heard by, any party
4 with a direct interest in the grievance for which the
5 hearing is conducted.

6 (4) MINIMAL NUMBER OF RESIDENTS DE-
7 FINED.—As used in paragraph (1), the term "mini-
8 mal number of residents" means, with respect to a
9 grievance which concerns a health board which is—

10 (A) a community board, 100 individuals,

11 (B) a district board, 300 individuals, and

12 (C) a regional or interim regional board,
13 1,000 individuals,

14 who are 18 years of age or older and who reside in
15 the area served by the board.

16 (d) ACTIONS UPON GRIEVANCES.—

17 (1) ELECTION GRIEVANCES.—With respect to a
18 grievance proceeding begun under subsection (a) re-
19 lating to the conduct of an election of a community
20 board, if the entity before which such proceeding is
21 commenced under such subsection, or is reviewed
22 under subsection (b), determines that the election—

23 (A) was not conducted substantially in
24 compliance with this Act, or

1 (B) has revealed the systematic failure of
2 the user members of such community board to
3 approximate the population of the community
4 by race, sex, language, and income level,
5 the entity shall set aside the election and, unless
6 such determination is reviewed under subsection (b),
7 the entity shall require that another election for
8 members of the community board be conducted, in
9 accordance with this Act, not later than 60 days
10 after the date of such determination. If such election
11 is conducted because of a determination under sub-
12 paragraph (B), the election shall be conducted (and
13 subsequent elections may be conducted) in such a
14 manner, including the use of geographic or other
15 subdivisions for electoral purposes, as will facilitate
16 the representation of significant elements of the pop-
17 ulation of a community by race, sex, language, and
18 income level.
19 (2) OTHER GRIEVANCES.—With respect to a
20 grievance proceeding begun under subsection (a) re-
21 lating to a grievance other than the conduct of an
22 election of a community board, if the entity before
23 which such proceeding is commenced under such
24 subsection, or is reviewed under subsection (b), de-
25 termines that the grievance represents—

1 (A) a failure by a health board to comply
2 substantially and materially with this Act, the
3 entity shall require that a new election or ap-
4 pointment, in accordance with this Act, of mem-
5 bers of the health board be conducted or made
6 within 60 days of the date of such determina-
7 tion; or

8 (B) a failure by a health board to comply,
9 but not substantially and materially, with this
10 Act, the entity may require that a new election
11 or appointment, in accordance with this Act, of
12 members of the health board be conducted or
13 made if such failure is not corrected within a
14 reasonable period of time (specified by the enti-
15 ty) of the date of such determination.

16 (3) TRANSFER OF FUNCTIONS.—

17 (A) TO REGIONAL BOARDS.—If an entity
18 determines under paragraph (1) or (2) that a
19 community or district board has failed to com-
20 ply with this Act, the entity shall transfer to
21 the regional (or interim regional) board for
22 such community or district such functions of
23 the community or district board as it deter-
24 mines necessary to carry out this Act until a

1 new election or appointment is conducted or
2 made.

3 (B) TO NATIONAL BOARD.—If an entity
4 determines under paragraph (2) that a regional
5 or interim regional board has failed to comply
6 with this Act, the entity shall transfer to the
7 appropriate National Health Board such func-
8 tions of the regional or interim regional board
9 as it determines necessary to carry out this Act
10 until a new regional or interim regional board
11 is appointed.

12 (C) TRANSITIONAL AUTHORITY.—If a
13 health board is transferred the functions of an-
14 other health board under this paragraph, until
15 a new election or appointment of the other
16 health board has been certified—

17 (i) the health board shall have the
18 powers of the other health board to con-
19 duct such functions;

20 (ii) the health board may appoint a
21 trustee (or trustee committee) to have such
22 powers and carry out such functions; and

23 (iii) any expenses that are certified by
24 the health board (or by the trustee or
25 trustee committee appointed by it) as hav-

ing been incurred by it in discharging the functions transferred to it under this paragraph shall be paid from funds allocated to the other health board.

(e) RIGHT TO SUE.—Any party to a grievance proceeding or review proceeding commenced under this section may bring suit in the United States district court for the judicial district in which such proceeding, or review proceeding, was brought, for the review of an adverse determination in such proceeding or review proceeding. Such court shall affirm such determination unless it finds that such determination is not supported by substantial evidence or is arbitrary and capricious.

Subtitle B—Occupational Safety and Health Programs

SEC. 411. FUNCTIONS OF THE NATIONAL HEALTH BOARD.

(a) OVERSIGHT AUTHORITY.—On and after the effective date of health services, the National Health Board shall oversee occupational safety and health programs conducted at the regional level, and shall participate in the establishment and administration of occupational safety and health standards under the Occupational Safety and Health Act of 1970.

(b) SEEKING ADVICE.—In its participation in the establishment and administration of occupational safety and

health standards under the Occupational Safety and Health Act of 1970, the National Health Board shall seek the advice and comments of regional occupational safety and health action councils established under section 413.

(c) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—To provide for participation of the National Health Board in the establishment and administration of occupational safety and health standards, the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) is amended—

(A) by adding at the end of section 3 the following new paragraph:

''(15) The term 'National Health Board' means the National Health Board of the United States Health Services.'';

(B) by striking ''Secretary of Health and Human Services'' each place it appears (other than in section 22(b)) and inserting ''National Health Board'';

(C) by inserting ''shall request the National Health Board and'' in the first sentence of section 6(b)(1) before ''may request'';

(D) by inserting ''the Board and'' in the second sentence of section 6(b)(1) after ''The Secretary shall provide'';

1 (E) by striking ''An'' in the third sentence
2 of section 6(b)(1) and inserting ''The Board
3 and an'';
4 (F) by striking ''its'' each place it appears
5 in the third sentence of section 6(b)(1) and in-
6 serting ''their'';
7 (G) by inserting ''after consultation with
8 the National Health Board and'' in the fourth
9 sentence of section 6(b)(6)(A) after ''may be
10 granted only'';
11 (H) by inserting ''after consultation with
12 the National Health Board and'' in the third
13 sentence of section 6(d) before ''after oppor-
14 tunity for'';
15 (I) by striking ''The Secretary'' and all
16 that follows through ''shall each'' in section
17 8(g)(2) and inserting ''The Secretary shall'';
18 (J) by striking ''their'' in section 8(g)(2)
19 and inserting ''his'';
20 (K) by inserting ''after consultation with
21 the National Health Board and'' in section 16
22 before ''after notice and opportunity'';
23 (L) by inserting ''(after consultation with
24 the National Health Board)'' in section 18(c)
25 after ''in his judgment'';

1 (M) by inserting "and the National Health
2 Board" in section 19(d) after "Secretary" each
3 place it appears; and
4 (N) by striking the first sentence of para-
5 graph (5) of section 20(a).
6 (2) EFFECTIVE DATE.—The amendments made
7 by paragraph (1) shall take effect on the effective
8 date of health services.
9 (f) GUIDELINES.—The National Health Board shall
10 establish guidelines—
11 (1) for its participation in the establishment
12 and administration of occupational safety and health
13 standards under the Occupational Safety and Health
14 Act of 1970;
15 (2) for the election of community occupational
16 safety and health action councils under section 412;
17 (3) for the establishment of regional occupa-
18 tional safety and health programs under section 413;
19 (4) for the establishment and operation of
20 workplace health facilities under section 414; and
21 (5) for the provision of assistance by regional
22 and community boards to regional and community
23 occupational safety and health councils, respectively,
24 and to workplace safety and health committees es-
25 tablished under section 415.

1 **SEC. 412. COMMUNITY OCCUPATIONAL SAFETY AND**
2 **HEALTH ACTIVITIES.**

3 (a) DESCRIPTION OF ACTIVITIES.—

4 (1) COOPERATION WITH REGIONAL BOARD.—
5 Each community board shall cooperate with the ap-
6 propriate regional board in the establishment and
7 implementation of an occupational safety and health
8 program for its region.

9 (2) ESTABLISHMENT OF COMMUNITY OCCUPA-
10 TIONAL SAFETY AND HEALTH ACTION COUNCIL
11 (COSHAC).—Each community board shall provide for
12 the organization and operation (including staff and
13 support) in its community of a community occupa-
14 tional safety and health action council (hereinafter
15 in this subtitle referred to as a ''COSHAC'') in ac-
16 cordance with this section.

17 (b) MEMBERS OF COSHAC.—The members of a
18 COSHAC shall be elected by individuals employed in the
19 community as follows:

20 (1) Employees of each workplace in the commu-
21 nity which has 500 or more employees shall be enti-
22 tled to elect one member for each 500 such employ-
23 ees in such workplace.

24 (2) Employees of workplaces in the community
25 which have fewer than 500 employees shall be enti-
26 tled to vote in community-wide elections for a num-

1 ber of members equal to (A) the total number of
2 employees in such workplaces divided by 500, (B)
3 rounded (if necessary) to the next highest whole
4 number.

5 The elections of COSHAC members shall be conducted by
6 the community board for such COSHAC under guidelines
7 established by the National Board.

8 (c) DUTIES OF COSHAC.—Each COSHAC shall—

9 (1) appoint one individual to serve, at its pleas-
10 ure, as a member of the community board for such
11 COSHAC;

12 (2) appoint one individual to serve, at its pleas-
13 ure, as a member of the regional occupational safety
14 and health action council for its region;

15 (3) advise the community board on, and over-
16 see, occupational safety and health programs in the
17 community;

18 (4) promote and assist in the establishment of
19 workplace occupational safety and health committees
20 in workplaces in the community, and advise and fa-
21 cilitate such committees' actions relating to safety
22 and health hazards in workplaces in the community;
23 and

(5) assist employees in determining methods of, and requirements for, inspections of workplaces in the community for safety and health hazards.

SEC. 413. REGIONAL OCCUPATIONAL SAFETY AND HEALTH PROGRAMS.

(a) REGIONAL PROGRAMS.—

(1) ESTABLISHMENT.—Each regional board shall establish an occupational health and safety program for its region in accordance with this subsection and under guidelines established by the National Health Board.

(2) USE OF COMMUNITY FACILITIES.—A regional occupational health and safety program shall, to the maximum extent feasible, use the facilities and resources of community boards in the region and shall include—

(A) training programs to enhance the ability of employees in the region to monitor safety and health conditions in their workplaces and to assist safety and health inspectors in the conduct of workplace inspections;

(B) facilitating communication among workers employed in similar industries in the region and the Nation with respect to occupa-

1 tional health and safety hazards they face in
2 common;
3 (C) baseline and periodic biologic screening
4 of employees in the region;
5 (D) development and maintenance of envi-
6 ronmental monitoring programs to identify and
7 isolate hazardous workplaces and work areas in
8 the region;
9 (E) the analysis of employment-related in-
10 juries and illnesses occurring in the region; and
11 (F) staff and support for the operation of
12 the regional occupational safety and health ac-
13 tion council (hereinafter in this subtitle referred
14 to as the ''ROSHAC'') established in the region
15 under this section.
16 (b) DUTIES OF REGIONAL OCCUPATIONAL SAFETY
17 AND HEALTH ACTION COUNCILS (ROSHACS).—Each
18 ROSHAC shall—
19 (1) appoint one individual to serve, at its pleas-
20 ure, as a member of the regional board for such
21 ROSHAC;
22 (2) advise the regional board on, and oversee,
23 occupational safety and health programs in the re-
24 gion; and

1 (3) advise the National Health Board on the es-
2 tablishment and administration of occupational safe-
3 ty and health standards under the Occupational
4 Safety and Health Act of 1970.

5 **SEC. 414. WORKPLACE HEALTH FACILITIES.**

6 (a) ESTABLISHMENT.—Each Community Health
7 Board shall establish worksite health facilities, distributed
8 to make available occupational and emergency health care
9 services to individuals employed in the workplace in ac-
10 cordance with this section and guidelines and standards
11 for such facilities established by the National Health
12 Board. Such facilities shall be maintained by each em-
13 ployer where the facility is located, or by the group of em-
14 ployers covered by a facility if the Community Health
15 Board determines that a shared site is optimal.

16 (b) APPLICATION OF GUIDELINES.—Each workplace
17 health facility established pursuant to subsection (a) shall,
18 taking into account guidelines established by the National
19 Health Board—

20 (1) be organized in a manner so as to provide
21 an appropriate number of appropriately skilled
22 health workers to meet occupational and emergency
23 health care needs of employees in the workplace; and

24 (2) be operated by the community board for the
25 community in which the workplace is predominantly

located, or, where such board deems appropriate, by the employer, with the cost in either case borne by the employer in each workplace.

SEC. 415. EMPLOYEE RIGHTS RELATING TO OCCUPATIONAL SAFETY AND HEALTH.

(a) WORKPLACE COMMITTEES.—

(1) ESTABLISHMENT.—Employees in each workplace having 25 or more employees shall have the right to establish workplace occupational safety and health committees (hereinafter in this subsection referred to as ''committees'') with members of their choosing.

(2) MEMBERSHIP.—Members of committees (composed of the greater of 3 members or one member for each 100 employees in the workplace) shall, without any loss of pay or other job rights—

(A) be permitted to spend eight hours of each month inspecting their workplace and conducting such other functions relating to occupational safety and health as are determined by the employees in the workplace; and

(B) be permitted to accompany any safety and health inspectors during inspections of the workplace.

1 (b) SAFETY-RELATED RIGHTS.—Employees in each
2 workplace shall have the right, without any loss of pay
3 or other job rights—

4 (1) to monitor safety and health conditions in
5 their workplace whenever they reasonably deem it
6 necessary and with whatever reasonable scientific in-
7 struments and expert assistance they choose; and

8 (2) to remove themselves from the site of any
9 hazard to their safety or health until an authorized
10 inspector has certified that the hazard has been
11 eliminated.

12 (c) SAFE WORKPLACES.—Employers shall adopt all
13 feasible engineering measures that will minimize occupa-
14 tional safety and health hazards in the workplace. Where
15 such measures are not adequate to protect employees from
16 such hazards, employers shall furnish their employees
17 with, or reimburse their employees for the reasonable cost
18 of, equipment and clothing needed to protect an employee
19 from any residual occupational safety and health hazards
20 in the workplace.

21 (d) RIGHT TO INSPECT MEDICAL RECORDS.—Em-
22 ployees or their duly chosen representatives shall have the
23 right to inspect all medical records maintained by their
24 employers on the condition of their health, and shall have

the right to be assisted during such inspections by persons of their choosing.

(e) COPIES OF REPORTS.—Employers shall provide their employees with copies of all reports, studies, and data concerning conditions affecting the health and safety of employees within their workplaces, with annual reports on the morbidity and mortality experience of present and former employees, and with timely notification of the presence within the workplace of any materials, agents, or conditions which may have a deleterious effect on the safety and health of their employees, along with relevant information on hazards and precautions, symptoms, remedies, and antidotes.

(f) RIGHT TO NEGOTIATE STANDARDS.—Employees shall have the right to seek, through collective bargaining, occupational safety and health standards, including standards relating to physical and mental stress and speed of work, more restrictive than such standards established under the Occupational Safety and Health Act of 1970.

SEC. 416. DEFINITIONS.

(a) WORKPLACE.—For purposes of this subtitle, the term ''workplace'' means the regular location where work is performed by one or more employees of an employer.

(b) EMPLOYER; EMPLOYEE.—For the purposes of sections 414 and 415, the terms ''employer'' and ''em-

ployee'' have the same meanings those terms have in section 3 of the Occupational Safety and Health Act of 1970 (42 U.S.C. 653).

Subtitle C—Health and Health Care Delivery Research, Quality Assurance, and Health Equity

SEC. 421. PRINCIPLES AND GUIDELINES FOR RESEARCH.

(a) CONDUCT.—On and after the effective date of health services, the Service shall conduct a program of research concerning health and health care delivery. On and after 2 years after such date, such research program shall conform to the following principles:

(1) The research shall, to the maximum extent possible, be performed under the direction of, and in association with, community, district, and regional boards.

(2) No research shall be conducted within, or using the resources of, an area health facility until it has been reviewed and approved by the area health board responsible for such facility.

(3) Priority shall be given in health research to the prevention and correction of the leading causes of illness and death, particularly environmental, occupational, nutritional, social, and economic causes.

1 (4) Priority shall be given in health care deliv-
2 ery research to improvement of the effectiveness and
3 efficiency of ambulatory and primary health care de-
4 livery, including research on alternative systems of
5 health care delivery and alternative conceptions of
6 health and health care.
7 (5) The National Health Board shall encourage
8 and support the conduct of clinical trials that may
9 improve the health of the public. Any clinical trial
10 conducted with the intention of evaluating new pre-
11 ventive, diagnostic, or therapeutic methods or agents
12 shall be conducted only in accordance with estab-
13 lished ethical procedures that protect subjects from
14 undue harm. If benefit becomes apparent, by sci-
15 entific consensus, before the scheduled conclusion of
16 any clinical trial, such trial shall nevertheless be ter-
17 minated, and the benefit made available to trial par-
18 ticipants and the public at large.
19 (6) No research shall be conducted on a human
20 subject without the subject's informed written con-
21 sent.
22 (7) No research shall be conducted on a human
23 subject while the subject is involuntarily confined to
24 an institution.

1 (8) Each health board, in planning and con-
2 ducting research under the program, shall cooperate
3 with appropriate officials conducting related re-
4 search in the Federal Government and agencies and
5 departments of State, territorial, and local govern-
6 ments.

7 (9) The results of research shall be dissemi-
8 nated to the public and to area health boards in a
9 manner that will most readily permit the use of such
10 results to improve the health of users and the deliv-
11 ery of health care services.

12 (b) GUIDELINES.—The National Health Board shall
13 establish guidelines for the conduct of research in con-
14 formance with the principles described in subsection (a).

15 **SEC. 422. ESTABLISHMENT OF INSTITUTES.**

16 On the effective date of health services, the National
17 Institutes of Health (established under title IV of the Pub-
18 lic Health Service Act) are transferred to the National
19 Health Board. In addition, the National Health Board
20 shall establish the following institutes:

21 (1) NATIONAL INSTITUTE OF EPIDEMIOLOGY.—
22 A National Institute of Epidemiology, which shall—
23 (A) gather and analyze disease-related sta-
24 tistics collected by the Service;

(B) plan, conduct, support, and assist in epidemiologic research conducted by the Service;

(C) conduct and support research on epidemiologic methodology and experimental epidemiology;

(D) establish and maintain an early warning system for the detection of new diseases and epidemics; and

(E) assist in the formulation of policies to eliminate or reduce the causes of illness and injury and to prevent and curtail epidemics of these conditions.

(2) NATIONAL INSTITUTE OF EVALUATIVE CLINICAL RESEARCH.—A National Institute of Evaluative Clinical Research, which shall—

(A) create a uniform electronic data base for research on quality improvement in clinical care and the organization and delivery of services, and for research on outcomes of care;

(B) assess and analyze evidence on newly-discovered or proposed preventive, diagnostic, and therapeutic methods and agents, including new technologies, and assist the National Health Board, in cooperation with other bodies,

1 including the National Institute of Pharmacy
2 and Medical Supply, in developing guidelines
3 and standards for their introduction;
4 (C) analyze evidence on newly-discovered
5 or proposed preventive, diagnostic, and thera-
6 peutic methods and agents;
7 (D) plan and conduct clinical trials, in con-
8 formance with the limitations of subtitle A of
9 title II;
10 (E) assist the National Health Board, in
11 cooperation with other bodies, including the Na-
12 tional Institute of Pharmacy and Medical Sup-
13 ply, in developing guidelines and standards for
14 the introduction of new methods of prevention,
15 diagnosis, and treatment;
16 (F)(i) regularly assess and recommend
17 measures to improve the health status of the
18 population, which methods shall include anal-
19 ysis of the national health data base, regular
20 surveys of the population regarding their expe-
21 rience and evaluation of their health and health
22 services, and such other methods as designated
23 by the Institute;
24 (ii) identify the most effective methods of
25 prevention, diagnosis and treatment, as deter-

1 mined by the most recent evidence, and assist
2 the National Health Board, in cooperation with
3 other bodies, in establishing guidelines to im-
4 prove clinical practice, including clinical deci-
5 sion criteria per section 221(f);

6 (iii): regularly monitor and report to the
7 National Health Board for further action the
8 extent of inappropriate care, including under-
9 service and overservice, and its consequences;

10 (iv) develop additional methods of quality
11 improvement for implementation by the Na-
12 tional Health Board and other entities, includ-
13 ing systematic review of patterns of practice
14 that compromise the quality of care and rec-
15 ommendations to redress such practices, edu-
16 cation for health care workers to improve the
17 quality of care, and guidelines for the optimal
18 organization of health services and the use of
19 tertiary care facilities;

20 (G) administer the periodic convening of
21 the U.S. Preventive Health Services Task
22 Force, which shall recommend to the National
23 Board a schedule for preventive health services
24 based on age and sex, which schedule shall re-
25 flect the most recent medical evidence; and

1 (H) provide education for users on clinical
2 effectiveness guidelines and the most effective
3 preventive, diagnostic, and treatment practices.
4 (3) NATIONAL INSTITUTE OF HEALTH CARE
5 SERVICES.—A National Institute of Health Care
6 Services, which shall—
7 (A) analyze data and statistics on the
8 health care resources and needs of the Nation
9 and on the quality of present services;
10 (B) conduct comparative studies of health
11 care services in the various regions of the Na-
12 tion, and make recommendations for the im-
13 provement of health care services in areas with
14 inferior quality of health care services;
15 (C) plan and conduct research on alter-
16 native methods of health care delivery, on the
17 functions, tasks, performance and work rela-
18 tionships of various kinds and categories of
19 health workers, on patterns of organization of
20 health care, and on the effectiveness and bene-
21 fits of health care in relation to costs; and
22 (D) assist the National Health Board in
23 formulating national policies to improve the
24 quality of health care services.

(4) NATIONAL INSTITUTE OF PHARMACY AND MEDICAL SUPPLY.—A National Institute of Pharmacy and Medical Supply, which shall—

(A) recommend to the National Health Board standards regarding the quality, distribution, and price of all drugs, therapeutic devices, appliances and equipment to be used by the Service;

(B) certify drugs, therapeutic devices, appliances, and equipment for use in the health facilities of the Service, and for furnishing to users of such health facilities;

(C) assist the National Health Board in issuing a National Pharmacy and Medical Supply Formulary; and

(D) conduct a comprehensive program of pharmaceutical and medical supply research and utilization education using, to the maximum extent possible, regional facilities operated in association with the respective regional health boards.

(5) NATIONAL INSTITUTE OF SOCIOLOGY OF HEALTH AND HEALTH CARE.—A National Institute of Sociology of Health and Health Care, which shall—

1 (A) conduct ongoing analyses of the basic
2 epistemological assumptions of health and
3 health care;
4 (B) assess critically the effects of scientific
5 medicine and of divisions in institutional and
6 technical skills in health care;
7 (C) evaluate the effects of health care
8 measures and policies upon population groups
9 and subgroups in the Nation;
10 (D) identify and analyze the social, eco-
11 nomic, occupational, distributional, and environ-
12 mental factors in modern society affecting
13 health and well-being;
14 (E) analyze alternative, holistic approaches
15 to the human body, health, and causality of ill
16 health and the lack of social and psychological
17 well-being; and
18 (F) assist the National Health Board in
19 formulating national policies relating to the pro-
20 motion of health and the provision of health
21 care.

Subtitle D—Health Planning, Distribution of Drugs and Other Medical Supplies, and Miscellaneous Functions

SEC. 431. HEALTH PLANNING AND BUDGETING.

(a) IN GENERAL.—Each area health board shall, under guidelines established by the National Health Board, collect data on the supply of and demand for health workers in facilities under its supervision, and on the delivery of health care and supplemental services in health care facilities under its supervision, shall evaluate such data in relation to the health care needs of their respective area, and shall transmit such data and evaluation—

(1) to its respective regional board, in the case of a district or community board, and

(2) to the National Health Board, in the case of a regional board,

and shall make available such data and evaluations to residents of its area.

(b) COORDINATION.—Each regional board shall coordinate the planning and administration of the delivery of health care services, health worker education, and health research in its region, and shall facilitate the planning and administration of such programs by district and community boards in its region.

(c) PLANS.—The National Health Board shall formulate a 1-year and 5-year national health plan and budget, taking into account the area plans and budgets prepared in accordance with section 522, to provide guidance and direction to area health boards.

SEC. 432. DISTRIBUTION OF DRUGS AND OTHER MEDICAL SUPPLIES.

(a) NATIONAL FORMULARY.—

(1) PUBLICATION.—The National Health Board, after consultation with the regional boards, shall, not later than the effective date of health services, publish and disseminate to area health boards a National Pharmacy and Medical Supply Formulary (in this section referred to as the ''Formulary'').

(2) CONTENTS.—The Formulary shall contain a listing of drugs, therapeutic devices, appliances, equipment, and other medical supplies (including eyeglasses, other visual aids, hearing aids, and prosthetic devices) (in this section referred to as ''drugs and other medical supplies''). For each item on such listing the Formulary shall contain (A) the standards of quality for the production of such item, (B) the medical conditions for which the item is certified as effective for purposes of the provision of health

1 care services under this Act, and (C) such other in-
2 formation on such item as the National Health
3 Board determines to be appropriate for the effective
4 and efficient delivery of health care services under
5 this Act.

6 (3) UPDATING.—The National Health Board
7 shall, at regular intervals, update the contents of the
8 Formulary and publish a price list for items listed
9 in the Formulary, which prices shall reflect the ac-
10 tual costs of manufacture.

11 (b) DRUG PURCHASE PROGRAMS.—

12 (1) IN GENERAL.—Each regional board shall
13 establish a program, in accordance with this sub-
14 section and under guidelines established by the Na-
15 tional Health Board, for the purchase and distribu-
16 tion of drugs and other medical supplies for use in
17 health care facilities established by such board or by
18 a community or district board within its region.

19 (2) PRICING.—Such program shall provide for
20 the purchase of each drug or other medical supply
21 item only (A) following competitive bidding on such
22 item or (B) based on the price listed for such item
23 in the price list published under subsection (a)(3).

24 (3) GENERIC DISTRIBUTION.—Such program
25 shall provide for the distribution of drugs (and their

1 dispensing by community and district boards in its
2 region) under their generic names.
3 (4) GENERIC NAMES DEFINED.—For purposes
4 of paragraph (3), the term ''generic names'' means
5 the established names, as defined in section
6 502(e)(2) of the Federal Food, Drug, and Cosmetic
7 Act (21 U.S.C. 352(e)(2)).
8 (c) AUTHORITY TO MANUFACTURE.—The National
9 Health Board is authorized to establish and operate drug
10 and medical supply manufacturing facilities, if it deter-
11 mines that such operation will result in reduced expendi-
12 tures by the Service.

13 **SEC. 433. MISCELLANEOUS FUNCTIONS OF THE NATIONAL**
14 **HEALTH BOARD.**

15 SEC. 433. (a) ANNUAL REPORT.—The appropriate
16 National Health Board shall publish, not later than De-
17 cember 31 of each year, a report presenting and evalu-
18 ating operations of the Service during the fiscal year end-
19 ing in such year and surveying the future health needs
20 of the Nation and plans the Board has for the Service
21 to meet such needs.
22 (b) DISSEMINATION.—The National Health Board
23 shall, not later than the effective date of health services,
24 prepare and disseminate to area health boards, for use by
25 users, information about health and health services

deemed essential to ensure users' active and informed participation in the health care system, including information that is culturally appropriate for each area's principal cultural and ethnic groupings, a comprehensive dictionary of terms used in health care records and services maintained or provided by the Service. Such dictionary shall explain terms related to symptoms, signs, diagnoses, etiologic agents and conditions, diagnostic procedures, and the treatment and prevention of, and rehabilitation following, illnesses, and shall include extensive citations of lay and professional sources which a user might consult for additional information on such terms.

TITLE V—FINANCING OF THE SERVICE

Subtitle A—Health Service Taxes

SEC. 501. INDIVIDUAL AND CORPORATE INCOME TAXES.

(a) HEALTH SERVICE TAXES.—

(1) IN GENERAL.—Subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to normal taxes and surtaxes) is amended by adding at the end the following new part:

"PART VIII—HEALTH SERVICE TAXES

"Sec. 59B. Tax imposed.

1 **"SEC. 59B. TAX IMPOSED.**

2 "(a) INDIVIDUALS, ESTATES, AND TRUSTS.—In ad-
3 dition to other taxes, there is hereby imposed for each tax-
4 able year on the taxable income of every individual and
5 of every estate and trust taxable under section 1(d), a tax
6 in an amount equal to 10 percent of the total tax imposed
7 by section 1 for such taxable year.

8 "(b) CORPORATION.—In addition to the other taxes,
9 there is hereby imposed for each taxable year on the tax-
10 able income of every corporation, a tax in an amount equal
11 to 90 percent of the total amount of the normal tax and
12 surtax imposed by section 11 for such taxable year."

13 (2) CLERICAL AMENDMENT.—The table of
14 parts of such subchapter A is amended by adding
15 after the item relating to part VII the following new
16 item:

"Part VIII. Health service taxes.".

17 (c) EFFECTIVE DATE.—The amendments made in
18 this section shall apply to taxable years beginning on or
19 after the effective date of health services.

20 **SEC. 502. OTHER CHANGES IN THE INTERNAL REVENUE**
21 **CODE OF 1986.**

22 (a) DENIAL OF EXCLUSION FROM GROSS INCOME
23 FOR AMOUNTS PAID BY THIRD PARTIES FOR MEDICAL
24 CARE.—Section 105 of the Internal Revenue Code of 1986

1 (relating to amounts received under accident and health
2 plans) is amended by striking subsection (b).

3 (b) DENIAL OF EXCLUSION FROM GROSS INCOME OF
4 CERTAIN CONTRIBUTIONS BY THE EMPLOYER TO
5 HEALTH PLANS.—Subsection (a) of section 106 of such
6 Code (relating to contributions by employer to accident
7 and health plans) is amended to read as follows:

8 "(a) GENERAL RULE.—Except as otherwise provided
9 in this section, gross income does not include contributions
10 by the employer to accident or health plans for compensa-
11 tion (through insurance or otherwise) to his employees for
12 personal injuries or sickness to the extent that such con-
13 tributions do not provide for health care and supplemental
14 services available to such employees under the Josephine
15 Butler United States Health Service Act."

16 (c) DENIAL OF DEDUCTION OF HEALTH CARE EX-
17 PENSES AS TRADE OR BUSINESS EXPENSES.—Section
18 162 of such Code (relating to trade or business expenses)
19 is amended by redesignating subsection (p) as subsection
20 (q) and by adding after subsection (o) the following new
21 subsection:

22 "(p) PAYMENTS FOR HEALTH CARE.—No deduction
23 shall be allowed under subsection (a) for any amount paid
24 for health care services (other than any amount of tax im-
25 posed by section 59B and paid by the employer on behalf

1 of his employees) which an individual was eligible to re-
2 ceive under title II of the Josephine Butler United States
3 Health Service Act.''.

4 (d) DENIAL OF DEDUCTION FOR CONTRIBUTIONS TO
5 CERTAIN MEDICAL AND HOSPITAL FACILITIES.—

6 (1) Paragraph (2) of section 170(c) of such
7 Code (relating to charitable, etc., contributions and
8 gifts) is amended by inserting ''(other than an orga-
9 nization described in subsection (b)(1)(A)(iii))'' after
10 ''(2) A corporation, trust, or community chest, fund,
11 or foundation''.

12 (2) Subsection (e) of section 501 of such Code
13 (relating to cooperative hospital service organiza-
14 tions) is amended by striking the last sentence.

15 (e) DENIAL OF DEDUCTION FOR MEDICAL, DENTAL,
16 ETC., EXPENSES.—

17 (1) Section 213 of such Code (relating to med-
18 ical, dental, etc., expenses) is repealed.

19 (2) The table of sections of part VII of sub-
20 chapter B of chapter 1 of such Code is amended by
21 striking the item relating to section 213.

22 (f) HOSPITAL INSURANCE TAX.—

23 (1) Subsection (b) of section 1401 of such Code
24 (relating to rate of tax on self-employment income)
25 is repealed.

(A) Subsection (b) of section 3101 of such Code (relating to rate of tax on employees under the Federal Insurance Contributions Act) is repealed.

(B) Section 3201(a) of such Code (relating to rate of tax imposed on employees under the Railroad Retirement Tax Act) is amended by striking ''subsections (a) and (b)'' and inserting ''subsection (a)''.

(C) Section 3211(a)(1) of such Code (relating to rate of tax on employee representatives under the Railroad Retirement Tax Act) is amended by striking ''subsections (a) and (b)'' and inserting ''subsection (a)''.

(D) Subsection (e) of section 6051 of such Code (relating to railroad employees) is repealed.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning on or after the effective date of health services.

SEC. 503. EXISTING EMPLOYER-EMPLOYEE HEALTH BENEFIT PLANS.

No contractual or other nonstatutory obligation of any employer to pay for or provide any health care and supplemental service to his present and former employees

and their dependents and survivors, or to any of such persons, shall apply on and after the effective date of health services to the extent such individuals are eligible to receive such health care and supplemental services under this Act.

SEC. 504. WORKERS COMPENSATION PROGRAMS.

No workers compensation program, whether established pursuant to Federal or State law or private initiative, shall pay for or provide any health care and supplemental services on and after the effective date of health services, to the extent such health care and supplemental services are available under this Act.

Subtitle B—Health Service Trust Fund

SEC. 511. ESTABLISHMENT OF HEALTH SERVICE TRUST FUND.

(a) ESTABLISHMENT.—There is hereby created on the books of the Treasury of the United States a trust fund to be known as the Health Service Trust Fund (in this title referred to as the ''Trust Fund''). The Trust Fund shall consist of such gifts and bequests as may be made to the Service and such amounts as may be deposited in, or appropriated to, such fund as provided in this subtitle.

(b) APPROPRIATION.—There is hereby appropriated to the Trust Fund for each fiscal year beginning in the fiscal year in which the effective date of health services (as defined in title VI) falls, and for each fiscal year thereafter, out of any moneys in the Treasury not otherwise appropriated, an amount equal to 100 percent of expected net receipts from the taxes imposed by sections 59B and 3111(b) of the Internal Revenue Code of 1986 (as estimated by the Secretary of the Treasury). The amount appropriated by the preceding sentence shall be transferred from time to time from the general fund in the Treasury to the Trust Fund in such smaller amounts to be determined on the basis of estimates by the Secretary of the Treasury of the receipts specified in the preceding sentence; and proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or were less than the receipts specified in such sentence.

SEC. 512. TRANSFER OF FUNDS TO THE HEALTH SERVICE TRUST FUND.

(a) OF MEDICARE TRUST FUNDS.—On the effective date of health services, there are transferred to the Trust Fund all of the assets and liabilities of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund.

1 (b) ADDITIONAL AMOUNTS.—In addition to the sums
2 appropriated by section 511(b), there is appropriated to
3 the Trust Fund for each fiscal year, out of any moneys
4 in the Treasury not otherwise appropriated, a govern-
5 mental contribution equal to 40 percent of the sums ap-
6 propriated by section 511(b) for such fiscal year. There
7 shall be deposited in the Trust Fund all recoveries of over-
8 payments, and all receipts under loans or other agree-
9 ments entered into, under this Act.

10 **SEC. 513. ADMINISTRATION OF HEALTH SERVICE TRUST**
11 **FUND.**

12 (a) BOARD OF TRUSTEES.—With respect to the
13 Trust Fund, there is hereby created a body to be known
14 as the Board of Trustees of the Trust Fund (in this sec-
15 tion referred to as the ''Board of Trustees'') composed of
16 the Secretary of the Treasury, the Secretary of Health and
17 Human Services, and the Chairperson of the National
18 Health Board, all ex officio. The Secretary of the Treasury
19 shall be the Managing Trustee of the Board of Trustees
20 (in this section referred to as the ''Managing Trustee'').
21 The Chairperson of the National Health Board shall serve
22 as the Secretary of the Board of Trustees. The Board of
23 Trustees shall meet not less frequently than once each cal-
24 endar year. It shall be the duty of the Board of Trustees
25 to—

1 (1) hold the Trust Fund;

2 (2) report to the Congress not later than the
3 first day of April of each year on the operation and
4 status of the Trust Fund during the preceding fiscal
5 year and on its expected operation and status during
6 the current fiscal year and the next 2 fiscal years;

7 (3) report immediately to the Congress when-
8 ever the Board is of the opinion that the amount of
9 the Trust Fund is unduly small; and

10 (4) review the general policies followed in man-
11 aging the Trust Fund, and recommend changes in
12 such policies, including necessary changes in the
13 provisions of law which govern the way in which the
14 Trust Fund is to be managed.

15 The report provided for in paragraph (2) shall include a
16 statement of the assets of, and the disbursements made
17 from, the Trust Fund during the preceding fiscal year,
18 an estimate of the expected income to, and disbursements
19 to be made from, the Trust Fund during the current fiscal
20 year and each of the next 2 fiscal years, and a statement
21 of the actuarial status of the Trust Fund. Such report
22 shall be printed as a House document of the session of
23 the Congress to which the report is made.

24 (b) INVESTMENT.—It shall be the duty of the Man-
25 aging Trustee to invest such portion of the Trust Fund

as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the Trust Fund.

(c) ISSUANCE OF OBLIGATIONS.—Any obligations acquired by the Trust Fund (except public-debt obligations issued exclusively to the Trust Fund) may be sold by the Managing Trustee at the market price, and such public-debt obligations may be redeemed at par plus accrued interest.

(d) PAYMENT OF INTEREST.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(e) PAYMENTS.—The Managing Trustee shall pay from time to time from the Trust Fund such amounts as the National Health Board certifies are necessary to carry out this Act.

Subtitle C—Preparation of Plans and Budgets

SEC. 521. DETERMINATION OF FUND AVAILABILITY.

(a) MAXIMUM FUNDS.—

(1) FIXING.—The National Health Board shall, not later than January 1 of each year, initially fix the maximum amount of funds which may (except as provided in subsection (c)) be obligated during the fiscal year beginning on October 1 of such year for expenditure from the Trust Fund.

(2) LIMITATION.—Such amount shall not exceed for a fiscal year the lesser of—

(A) 140 percent of the expected net receipts during the fiscal year (as estimated by the Secretary of the Treasury) from the taxes imposed by sections 59 and 3111(b) of the Internal Revenue Code of 1986;

(B) the amount of the aggregate obligations that the National Health Board determines were (or will be) incurred by the Service from the Trust Fund during the previous fiscal year, adjusted to reflect changes in the cost of living, in the number of users, and in the capacity of the Service to provide services under this Act, as such changes are reflected in the plans

1 and budgets prepared and submitted by area
2 health boards under this subtitle; or
3 (C) the amount fixed under subsection (b).
4 (3) REFIXING.—The National Health Board
5 may at any time refix such amount to reflect
6 changes—
7 (A) of one percent or more in the expected
8 net tax receipts (described in paragraph
9 (2)(A)); or
10 (B) of five percent or more in the cost of
11 living, number of users, or the capacity of the
12 Service to provide services under this Act.
13 The National Health Board shall promptly report to
14 Congress any increase made in such amount and the
15 reasons therefor.
16 (b) LESSER AMOUNT.—The National Health Board
17 shall fix in a fiscal year an amount, which the maximum
18 amount described in subsection (a)(1) may not exceed in
19 the fiscal year, which is less than the amount described
20 in subsection (a)(2)(A) if the Board determines that—
21 (1) restriction of the amount to be made avail-
22 able for obligation will not materially impair the ade-
23 quacy or quality of health care and supplemental
24 services provided to users, or

(2) improvement in the organization, delivery, or utilization of such services has lessened their aggregate cost (or increase in such cost).

(c) OBLIGATION.—The National Health Board may obligate for expenditure from the Trust Fund, in addition to the maximum amount which may be obligated in a fiscal year under subsection (a), such funds as are necessary to provide health care and supplemental services needed because of an epidemic, disaster, or other occurrence which was not, and could not have been, reasonably planned for by the Board and for which the contingency fund provided in section 534(b)(6) is insufficient. The National Health Board shall promptly report to Congress any obligation made pursuant to this subsection and the reasons therefor.

(d) OBLIGATION OF BORROWED AMOUNTS.—In addition to the maximum amounts which may be obligated pursuant to subsection (a), the National Health Board may allocate funds borrowed in accordance with section 541 for such purposes as it deems necessary and appropriate.

SEC. 522. PREPARATION OF AREA PLANS AND BUDGETS.

(a) COMMUNITY BOARDS.—Each community board shall, not later than January 1 of each year, submit to its respective district board a plan and budget for the fis-

1 cal year beginning on October 1 of such year. In preparing
2 such plan and budget, each community board shall consult
3 with users and health workers in the community to assure
4 effective and coordinated planning for the efficient use of
5 resources in its community.

6 (b) DISTRICT BOARDS.—Each district board shall,
7 not later than February 1 of each year, submit to its re-
8 spective regional board a plan and budget for the fiscal
9 year beginning on October 1 of such year. In preparing
10 such plan and budget, each district board shall consult
11 with the users, health workers, and community boards in
12 its district to assure effective and coordinated planning for
13 the efficient use of resources in its district.

14 (c) REGIONAL BOARDS.—Each regional board shall,
15 not later than March 1 of each year, submit to the Na-
16 tional Health Board a plan and budget for the fiscal year
17 beginning on October 1 of such year. In preparing such
18 plan and budget, each regional board shall consult with
19 the users, health workers, and district boards in its region
20 to assure effective and coordinated planning for the effi-
21 cient use of resources in its region.

22 (d) BUDGET BREAKDOWNS.—In preparing the budg-
23 ets required by this section, each area health board shall
24 specify its operating, prevention, capital, and research ex-
25 penses anticipated for the fiscal year covered by the budg-

1 et and for the 5-year period beginning with such fiscal
2 year.

3 Subtitle D—Allocation and
4 Distribution of Funds

5 **SEC. 531. NATIONAL BUDGET.**

6 (a) PREPARATION.—The National Health Board
7 shall prepare, taking into consideration the budgets sub-
8 mitted under section 522(c), and, as soon after April 1
9 of each year as is practicable, shall transmit to the re-
10 gional boards a national health budget for the fiscal year
11 beginning on October 1 of such year. Such budget shall
12 divide the total funds available for obligation in such year,
13 as determined under section 521, into—

14 (1) funds for ordinary operating expenses,
15 which shall be further divided into funds for use by
16 the National Health Board, and funds to be allo-
17 cated (in accordance with subsection (b)) to the re-
18 gional boards for use by the regional boards and the
19 district and community boards within their regions;

20 (2) funds for preventive health measures, which
21 shall be further divided into funds for use by the
22 National Health Board and funds to be allocated (in
23 accordance with subsection (b)) to the regional
24 boards for use by the regional boards and the dis-
25 trict and community boards within their regions,

and which measures shall include primary prevention to improve the conditions under which people live that affect health status;

(3) funds for capital expenses, which shall be further divided into funds for use by the National Health Board and funds to be allocated (in accordance with subsection (c)) to the regional boards for use by the regional boards and district and community boards within their regions;

(4) funds for research expenses, which shall be further divided into funds for the conduct of research under the supervision of the National Health Board and funds to be allocated (in accordance with subsection (b)) to the regional boards for the conduct of research under the supervision of the regional, district, and community boards; and

(5) funds for special operating expenses, as described in section 534.

(b) ORDINARY OPERATING EXPENSES.—Funds for ordinary operating expenses, for preventive health measures, and for research expenses which are allocated to the regional boards under subsection (a) shall be divided among the regions in the proportion which the number of residents in each region bears to the total population of the Nation.

1 (c) CAPITAL EXPENSES.—Funds for capital expenses
2 which are allocated to the regional boards under sub-
3 section (a) shall be allocated, to the extent consistent with
4 the efficient and equitable use of resources, to the regional
5 boards in accordance with the budgets for capital expenses
6 submitted by such boards to the National Health Board
7 under section 522(c), except that during the first 10 fiscal
8 years following the effective date of health services, pri-
9 ority shall be given to regions lacking adequate health care
10 facilities on such effective date.
11 (d) ADOPTION.—A budget submitted to the regional
12 boards under subsection (a) shall be adopted upon the ap-
13 proval of such budget by a majority of such regional
14 boards.
15 **SEC. 532. REGIONAL BUDGETS.**
16 (a) PREPARATION.—Each regional board shall pre-
17 pare, taking into consideration the budgets submitted
18 under section 522(b), and, as soon as may be practicable
19 after the adoption under section 531 of the national health
20 budget for any fiscal year, shall transmit a regional budg-
21 et, covering operating, prevention, capital, and research
22 expenses for such fiscal year, to each district board in its
23 region. Such regional budget shall be adopted upon the
24 approval of such budget by a majority of such district
25 boards.

1 (b) CAPITAL EXPENSES.—Funds for capital expenses
2 shall be allocated, to the extent consistent with the effi-
3 cient and equitable use of resources, to the district boards
4 in a region in accordance with the budgets for capital ex-
5 penses submitted by such boards to the regional board
6 under section 522(b), except that during the first 10 fiscal
7 years following the effective date of health services, pri-
8 ority shall be given to districts lacking adequate health
9 care facilities on such effective date.
10 (c) DISTRICT ALLOCATIONS.—Funds to be allocated
11 to district boards for ordinary operating expenses, preven-
12 tive health measures, and research expenses shall be allo-
13 cated to each district board in the same proportion as the
14 number of residents in such district bears to the number
15 of residents in the respective region.
16 **SEC. 533. DISTRICT BUDGETS.**
17 (a) PREPARATION.—Each district board shall pre-
18 pare, taking into consideration the budgets submitted
19 under section 522 (a), and, as soon as may be practicable
20 after the adoption under section 532 of the regional health
21 budget for any fiscal year for the respective region, shall
22 transmit a district budget, covering operating, prevention,
23 capital, and research expenses for such fiscal year, to each
24 community board in its district. Such district budget shall

1 be adopted upon the approval of such budget by a majority
2 of such community boards.

3 (b) CAPITAL EXPENSES.—Funds for capital expenses
4 shall be allocated, to the extent consistent with the effi-
5 cient and equitable use of resources, to the community
6 boards in a district in accordance with the budgets for
7 capital expenses submitted by such boards to the district
8 board under section 522(a), except that during the first
9 10 fiscal years following the effective date of health serv-
10 ices, priority shall be given to communities lacking ade-
11 quate health care facilities on such effective date.

12 (c) ALLOCATION FOR COMMUNITY BOARDS.—Funds
13 to be allocated to community boards for ordinary oper-
14 ating expenses, preventive health measures, and research
15 expenses shall be allocated to each community board in
16 the same proportion as the number of residents in such
17 community bears to the number of residents in the respec-
18 tive district.

19 **SEC. 534. SPECIAL OPERATING EXPENSE FUND.**

20 (a) IN GENERAL.—A fund for special operating ex-
21 penses shall be incorporated into each budget prepared by
22 the National Health Board. For the purposes of this title,
23 the term ''special operating expenses'' means operating ex-
24 penses associated with—

1 (1) the care and treatment of users 65 years of
2 age or older;
3 (2) the care and treatment of persons confined
4 to full-time residential care institutions, including
5 nursing homes and facilities for the treatment of
6 mental illness;
7 (3) the special health care needs of low-income
8 users;
9 (4) the special health care needs of communities
10 of color that experience disparities in health status
11 compared to white populations;
12 (5) the special health care needs of residents of
13 rural or frontier areas, or non-contiguous states and
14 territories;
15 (6) special health care needs arising from envi-
16 ronmental or occupational health conditions;
17 (7) special health care needs arising from unex-
18 pected occurrences, including epidemics and natural
19 disasters; and
20 (8) the conduct of environmental health inspec-
21 tion and monitoring services.
22 (b) ALLOCATION.—The special operating expense
23 fund shall be allocated as follows:
24 (1) Funds for the additional operating expenses
25 associated with the care and treatment of users 65

1 years of age or older shall be allocated to district
2 and community boards and shall consist of uniform
3 basic capitation amounts multiplied by the number
4 of residents 65 years of age or older in the respec-
5 tive districts and communities. The basic capitation
6 amounts for districts and for communities shall be
7 determined by the National Health Board, based
8 upon studies of the additional operating expenses as-
9 sociated with the care and treatment of such resi-
10 dents in such districts and communities.

11 (2) Funds for the additional operating expenses
12 associated with the care and treatment of persons
13 confined to full-time residential care institutions
14 shall be allocated to the district and community
15 boards responsible for such institutions and shall
16 consist of a uniform basic capitation amount for
17 each kind of institution, multiplied by the number of
18 residents in such institutions in the respective dis-
19 tricts and communities. The basic capitation
20 amounts shall be determined by the National Health
21 Board, based upon studies of the additional oper-
22 ating expenses associated with the care and treat-
23 ment of such persons and the maintenance of such
24 institutions.

1 (3) Funds shall be allocated to community
2 boards for the additional operating expenses associ-
3 ated with the special health care needs of low-income
4 persons. Such payments shall be allocated to com-
5 munity boards in proportion to the number of resi-
6 dents in their communities having incomes below the
7 poverty level (as defined by the Secretary of Com-
8 merce). The total funds allocated for this purpose
9 shall be no less than 2 percent of the ordinary oper-
10 ating expense funds allocated in accordance with
11 section 531(a).

12 (4) Funds shall be allocated to community
13 boards for the additional operating expenses associ-
14 ated with the special health care needs of commu-
15 nities of color to the extent that they experience dis-
16 parities in health status compared to white popu-
17 lations. The basic capitation amounts shall be deter-
18 mined by the National Health Board, based upon
19 studies of the additional operating expenses associ-
20 ated with providing the necessary or appropriate
21 health services for communities of color, and the ad-
22 ditional expenses associated with eliminating such
23 disparities in health status.

24 (5) Funds for the additional operating expenses
25 associated with the special health care needs of resi-

1 dents of rural or frontier areas, or non-contiguous
2 states and territories, shall be allocated to district
3 and community boards serving areas of low popu-
4 lation density and shall consist of basic capitation
5 amounts multiplied by the number of residents in
6 the respective districts and communities. The basic
7 capitation amounts shall be determined by the Na-
8 tional Health Board based upon studies of the addi-
9 tional operating expenses associated with the provi-
10 sion of health care in areas of low population density
11 or extreme geographic access barriers, or both.
12 (6) Funds for the additional operating expenses
13 associated with special regional health care needs
14 arising from environmental and occupational health
15 problems shall be allocated to regional boards by the
16 National Health Board in accordance with its deter-
17 mination of such special needs. The total funds allo-
18 cated for this purpose shall be no greater than one-
19 half of 1 percent of the ordinary operating expense
20 funds allocated in accordance with section 531(a).
21 (7) Funds for the additional operating expenses
22 associated with special health care needs arising
23 from unexpected occurrences shall be retained by the
24 National Health Board in a contingency fund and
25 shall be allocated by the National Health Board in

accordance with its determination of such needs. The total funds retained for this purpose in any one fiscal year shall be no greater than one-half of 1 percent of the ordinary operating expense funds allocated in such year in accordance with section 531(a).

(8) Funds for the additional operating expenses associated with the conduct of environmental health inspection and monitoring services shall be allocated by the National Health Board to the area health boards providing such services.

SEC. 535. DISTRIBUTION OF FUNDS.

(a) IN GENERAL.—Funds allocated under the national health budget shall be distributed by the National Health Board from the Trust Fund. No health board may request or receive funds from any other source.

(b) PAYMENTS AND EXPENDITURES.—All payments shall be made to area health boards, and shall be expended by such boards, in accordance with the budgets adopted under sections 531 through 533. If the budget for any area health board for a fiscal year is not adopted before the beginning of the fiscal year, until such budget is adopted such area health board shall continue to receive ordinary operating expense funds, prevention expense funds, and research expense funds at the rate at which it was

1 receiving such funds during the preceding fiscal year, and
2 it shall receive special operating expense funds in accord-
3 ance with section 534.

4 (c) ACCOUNTS.—Each area health board shall main-
5 tain separate accounts for—

6 (1) funds for operating expenses, including or-
7 dinary operating expenses and special operating ex-
8 penses;

9 (2) funds for preventive health measures;

10 (3) funds for capital expenses; and

11 (4) funds for research expenses.

12 Funds in a capital expense account shall be expended only
13 for capital expenses. Funds in a research expense account
14 shall be expended only for operations, equipment, and fa-
15 cilities for health and health care delivery research con-
16 ducted in accordance with subtitle C of title IV. Separate
17 accounts shall not be required for funds for ordinary oper-
18 ating expenses and for special operating expenses.

19 (d) PAYMENT FREQUENCY.—Area health boards
20 shall be paid at such time or times as the National Health
21 Board finds appropriate.

22 (e) ALLOCATION OF SUPPLEMENTARY PAYMENTS.—
23 Before and during any fiscal year, supplementary funds
24 may be allocated to any area health board if the National
25 Health Board finds that such funds are required by events

1 occurring or information acquired after the initial alloca-
2 tions to such health board were made.

3 (f) USE OF FUNDS.—Area health boards may retain
4 funds received from the National Health Board for 2 years
5 following the receipt of such funds. Any funds which are
6 unexpended after such time shall be returned to the Na-
7 tional Health Board for deposit in the Trust Fund.

8 **SEC. 536. ANNUAL STATEMENT, RECORDS, AND AUDITS.**

9 (a) ANNUAL STATEMENT.—Each area health board
10 shall prepare annually and transmit to the National
11 Health Board a statement which shall accurately show the
12 financial operations of such board and the facilities super-
13 vised by it for the year for which such statement is pre-
14 pared.

15 (b) RECORD KEEPING.—Each area health board
16 shall keep such records as the National Health Board de-
17 termines to be necessary for the purposes of this Act, in-
18 cluding for the facilitation of audits.

19 (c) AUDITS.—The National Health Board and the
20 Comptroller General of the United States, or their duly
21 authorized representatives, shall, for the purpose of au-
22 dits, have access to any books, documents, papers, and
23 records which in their opinion are related or pertinent to
24 the operation of the Service.

Subtitle E—General Provisions

SEC. 541. ISSUANCE OF OBLIGATIONS.

(a) BORROWING AUTHORITY.—The National Health Board is authorized to borrow money and to issue and sell such obligations as it determines necessary to carry out the purposes of this Act, but only in such amounts as may be specified from time to time in appropriation Acts. The aggregate amount of any such obligations outstanding at any one time shall not exceed $10,000,000,000.

(b) PLEDGING OF ASSETS.—The National Health Board may pledge the assets of the Trust Fund and pledge and use its revenues and receipts for the payment of the principal of or interest on such obligations, for the purchase or redemption thereof, and for other purposes incidental thereto. The National Health Board is authorized to enter into binding covenants with the holders of such obligations, and with the trustee, if any, under any agreement entered into in connection with the issuance thereof with respect to the establishment of reserve, sinking, and other funds, stipulations concerning the issuance of obligations or the execution of leases or lease purchases relating to properties of the Service and such other matters as the National Health Board deems necessary or desirable to enhance the marketability of such obligations.

1 (c) FORM OF OBLIGATIONS.—Obligations issued by
2 the Service under this section—
3 (1) shall be in such forms and denominations;
4 (2) shall be sold at such times and in such
5 amounts;
6 (3) shall mature at such time or times;
7 (4) shall be sold at such prices;
8 (5) shall bear such rates of interest;
9 (6) may be redeemable before maturity in such
10 manner, at such times, and at such redemption pre-
11 miums;
12 (7) may be entitled to such relative priorities of
13 claim on the assets of the Service with respect to
14 principal and interest payments; and
15 (8) shall be subject to other terms and condi-
16 tions, as the National Health Board determines.
17 (d) CHARACTER OF OBLIGATIONS.—Obligations
18 issued by the Service under this section shall—
19 (1) be negotiable or nonnegotiable and bearer
20 or registered instruments, as specified therein and in
21 any indenture or covenant relating thereto;
22 (2) contain a recital that they are issued under
23 this section, and such recital shall be conclusive evi-
24 dence of the regularity of the issuance and sale of
25 such obligations and of their validity;

1 (3) be lawful investments and may be accepted
2 as security for all fiduciary, trust, and public funds,
3 the investment or deposit of which shall be under
4 the authority or control of any officer or agency of
5 the Government of the United States, and the Sec-
6 retary of the Treasury or any other officer or agency
7 having authority over or control of any such fidu-
8 ciary, trust, or public funds, may at any time sell
9 any of the obligations of the Service acquired under
10 this section;
11 (4) be exempt both as to principal and interest
12 from all taxation now or hereafter imposed by any
13 State or local taxing authority except estate, inherit-
14 ance, and gift taxes; and
15 (5) not be obligations of, nor shall payment of
16 the principal thereof or interest thereon be guaran-
17 teed by, the Government of the United States, ex-
18 cept as provided in subsection (g).
19 (e) CONSULTATION WITH TREASURY.—At least 15
20 days before selling any issue of obligations, the National
21 Health Board shall advise the Secretary of the Treasury
22 of the amount, proposed date of sale, maturities, terms
23 and conditions, and expected maximum rates of interest
24 of the proposed issue in appropriate detail and shall con-
25 sult with him or his designee thereon. The Secretary may

1 elect to purchase such obligations under such terms, in-
2 cluding rates of interest, as he and the National Health
3 Board may agree, but at a rate of yield no less than the
4 prevailing yield on outstanding marketable Treasury secu-
5 rities of comparable maturity, as determined by the Sec-
6 retary. If the Secretary does not purchase such obliga-
7 tions, the National Health Board may proceed to issue
8 and sell them to a party or parties other than the Sec-
9 retary upon notice to the Secretary and upon consultation
10 as to the date of issuance, maximum rates of interest, and
11 other terms and conditions.

12 (f) PURCHASE OF OBLIGATIONS.—Subject to the
13 conditions of subsection (e), the National Health Board
14 may require the Secretary of the Treasury to purchase ob-
15 ligations of the Service in such amounts as will not cause
16 the holding by the Secretary of the Treasury resulting
17 from such required purchases to exceed $2,000,000,000
18 at any one time. This subsection shall not be construed
19 as limiting the authority of the Secretary to purchase obli-
20 gations of the Service in excess of such amount.

21 (g) FULL FAITH AND CREDIT.—Notwithstanding
22 subsection (d)(5), obligations issued by the Service shall
23 be obligations of the Government of the United States,
24 and payment of principal and interest thereon shall be
25 fully guaranteed by the Government of the United States,

1 such guaranty being expressed on the face thereof, if and
2 to the extent that—
3 (1) the National Health Board requests the
4 Secretary of the Treasury to pledge the full faith
5 and credit of the Government of the United States
6 for the payment of principal and interest thereon;
7 and
8 (2) the Secretary, in his discretion, determines
9 that it would be in the public interest to do so.
10 (h) PUBLIC DEBT TRANSACTION.—For the purpose
11 of any purchase of the obligations of the Service, the Sec-
12 retary of the Treasury is authorized to use as a public
13 debt transaction the proceeds from the sale of any securi-
14 ties issued under the Second Liberty Bond Act, as now
15 or hereafter in force, and the purposes for which securities
16 may be issued under the Second Liberty Bond Act, as now
17 or hereafter in force, are extended to include any pur-
18 chases of the obligations of the Service under this subtitle.
19 The Secretary of the Treasury may, at any time, sell any
20 of the obligations of the Service acquired by him under
21 this chapter. All redemptions, purchases, and sales by the
22 Secretary of the obligations of the Service shall be treated
23 as public debt transactions of the United States.
24 **SEC. 542. DEFINITIONS.**
25 For purposes of this title:

1 (1) OPERATING EXPENSES.—The term ''oper-
2 ating expenses'' means the cost of providing, plan-
3 ning, operating, and maintaining services, facilities,
4 programs, and boards (other than those associated
5 with research) established or furnished under this
6 Act, and of capital buildings and equipment (other
7 than those associated with research) costing less
8 than $100,000, except for funds associated with the
9 conduct of preventive health measures and research.
10 (2) CAPITAL EXPENSES.—The term ''capital ex-
11 penses'' means expenses which under generally ac-
12 cepted accounting principles are not properly charge-
13 able as expenses of operation and maintenance,
14 which exceed $100,000, and which are not associ-
15 ated primarily with the conduct of research.

16 TITLE VI—MISCELLANEOUS 17 PROVISIONS

18 SEC. 601. EFFECTIVE DATE OF HEALTH SERVICES.

19 The effective date of health services under this Act
20 is January 1 of the fourth calendar year after the year
21 in which this Act is enacted.

22 SEC. 602. REPEAL OF PROVISIONS.

23 (a) IN GENERAL.—Effective on the effective date of
24 health services, the following provisions of law are re-
25 pealed:

1 (1) The Public Health Service Act, except for—
2 (A) title I (relating to short title and defi-
3 nitions), parts F and G of title III (relating to
4 licensing and quarantine authority), and title
5 XIV (relating to safety of public water sys-
6 tems); and
7 (B) titles VII and VIII, which shall remain
8 effective, during the period beginning on such
9 effective date and ending on the date occurring
10 4 years after such effective date, with respect to
11 the provision of assistance to educational insti-
12 tutions, and students thereof, in areas which
13 have not established health team schools under
14 subtitle A of title III of this Act.
15 (2) Titles V, XVIII, and XIX of the Social Se-
16 curity Act (relating to the maternal and child health
17 and crippled children's services, Medicare, and Med-
18 icaid); part B of title XI of such Act (relating to
19 professional standards review); sections 226, 1121
20 through 1124, and 1126 of such Act (relating to en-
21 titlement to hospital insurance benefits, uniform
22 health reporting systems, limitation on Federal par-
23 ticipation for capital expenditures, program for de-
24 termining qualification for certain health care per-
25 sonnel, disclosure of ownership and related informa-

1 tion, and disclosure of certain convictions); and so
2 much of title XX of such Act (relating to grants to
3 States for services) as provides for payments to
4 States for health care and supplemental services.
5 (3) Chapter 89 of title 5, United States Code
6 (relating to health insurance for Federal employees).
7 (4) Chapters 17, 73, and 81 and section 1506
8 of title 38, United States Code (relating to medical
9 benefits and programs relating to veterans).
10 (5) Sections 1079 through 1083 and section
11 1086 of title 10, United States Code (relating to the
12 civilian health and medical program of the uni-
13 formed services).
14 (6) The Comprehensive Alcohol Abuse and Al-
15 coholism Prevention, Treatment, and Rehabilitation
16 Act of 1970; the Comprehensive Alcohol Abuse and
17 Alcoholism Prevention, Treatment, and Rehabilita-
18 tion Act Amendments of 1974; and section 4 of the
19 Comprehensive Drug Abuse Prevention and Control
20 Act of 1970 (relating to medical treatment of nar-
21 cotic addiction).
22 (7) Public Law 83–568 (42 U.S.C. 2001–
23 2004b) (relating to hospital and other health facili-
24 ties for Indians) and Public Law 85–151 (42 U.S.C.

1 2005–2005f) (relating to community hospitals for
2 Indians).
3 (8) The District of Columbia Medical Facilities
4 Construction Act of 1968 and the District of Colum-
5 bia Medical and Dental Manpower Act of 1970.
6 (9) Sections 232 and 242 and title XI of the
7 National Housing Act (relating to mortgage insur-
8 ance for nursing homes, hospitals, and group prac-
9 tice facilities).
10 (10) The Mental Retardation Facilities and
11 Community Mental Health Centers Construction Act
12 of 1963.
13 (11) The Family Planning Services and Popu-
14 lation Research Act of 1970.
15 (12) The National Arthritis Act of 1974 and
16 the National Diabetes Mellitus Research and Edu-
17 cation Act.
18 (13) Titles I and II and section 301 of the
19 Lead-Based Paint Poisoning Prevention Act (42
20 U.S.C. 4801, 4811, 4821) (relating to grant pro-
21 grams for lead-based paint poisoning prevention).
22 (14) The Act of March 2, 1897 (21 U.S.C. 41–
23 50) (relating to tea importation).
24 (15) Subsection (e) of section 20 and section 22
25 of the Occupational Safety and Health Act of 1970

(relating to the National Institute for Occupational Safety and Health).

(b) PREPARATION OF ADDITIONAL LIST.—

(1) IN GENERAL.—Not later than three years after the date of enactment of this Act, the President shall prepare, in consultation with the appropriate National Health Board, and transmit to Congress legislation—

(A) to repeal or amend such provisions of law as are inconsistent with the purposes of this Act or the provision of health care and supplemental services by the Service under this Act; and

(B) to make such conforming and technical amendments in provisions of law as may be necessary to properly effect the repeal of provisions described in subsection (a) and the repeal or amendment of provisions described in subparagraph (A) of this paragraph.

(2) TRANSFER AUTHORITY.—Such legislation shall include the transfers of such authority of the Secretary of Health and Human Services under the provisions of—

(A) the Controlled Substances Act;

1 (B) chapter 175 of title 28, United States
2 Code (relating to civil commitment and rehabili-
3 tation of narcotics addicts);
4 (C) chapter 314 of title 18, United States
5 Code (relating to sentencing of narcotic addicts
6 to commitment for treatment);
7 (D) the Narcotic Addict Rehabilitation Act
8 of 1966;
9 (E) the Drug Abuse Office and Treatment
10 Act of 1972;
11 (F) the Occupational Safety and Health
12 Act of 1970;
13 (G) the Lead-Based Paint Poisoning Pre-
14 vention Act;
15 (H) the Federal Cigarette Labeling and
16 Advertising Act;
17 (I) the Federal Food, Drug, and Cosmetic
18 Act;
19 (J) the Fair Packaging and Labeling Act;
20 (K) the Act of March 4, 1923 (21 U.S.C.
21 61–64) (relating to filled milk);
22 (L) the Act of February 15, 1927 (21
23 U.S.C. 141–149) (relating to milk importation);
24 (M) the Federal Caustic Poison Act;

1 (N) the Federal Coal Mine Health and
2 Safety Act of 1969 (other than title IV there-
3 of); and
4 (O) the Solid Waste Disposal Act,
5 to the Service as the President determines, after
6 consultation with the National Health Board, to be
7 appropriate.
8 (c) REVIEW OF PROGRAMS.—
9 (1) IN GENERAL.—The National Health Board
10 shall, immediately upon its initial appointment, and
11 in consultation with the Secretary of Health and
12 Human Services, review the programs conducted
13 under the specified provisions of the Public Health
14 Service Act and the other Acts described in section
15 602(a) and shall determine how the Service shall
16 carry out the purposes of such programs.
17 (2) INITIAL REPORT.—Not later than one year
18 after the effective date of health services, the Na-
19 tional Health Board shall report to the President
20 and to the Congress on how the Service is carrying
21 out the purposes of the programs authorized to be
22 conducted under provisions of law which are re-
23 pealed by subsection (a) (other than paragraph
24 (1)(B) thereof).

1 (3) LATER REPORT.—Not later than 5 years
2 after the effective date of health services, the Na-
3 tional Health Board shall report to the President
4 and to the Congress on how the Service is carrying
5 out the purposes of programs described in subsection
6 (a)(1)(B).

7 (d) CODIFICATION PROPOSAL.—Not later than 2
8 years after the effective date of health services, the Na-
9 tional Health Board shall transmit to Congress a proposed
10 codification of all the provisions of law which contain func-
11 tions that are transferred or relate to the Service.

12 **SEC. 603. TRANSITION PROVISIONS.**

13 (a) TRANSFER OF APPROPRIATIONS.—Amounts ap-
14 propriated to carry out the purposes of any provisions of
15 law repealed by this Act and available on the effective date
16 of such repeal shall be transferred on such date to the
17 Health Service Trust Fund (established under section 511
18 of this Act).

19 (b) TRANSFER OF PERSONNEL, ASSETS, ETC.—The
20 President is authorized to transfer so much of the posi-
21 tions, personnel, assets, liabilities, contracts, property, and
22 records employed, held, used, arising from, available to or
23 made available in connection with the functions or pro-
24 grams repealed by this Act to the Service as may be

1 agreed upon by the President and the National Health
2 Board.

3 (c) LAPSES OF OFFICES.—In the case where the au-
4 thority for the establishment of any office or agency, or
5 all the functions of such office or agency, are repealed
6 under section 602, such office or agency shall lapse.

7 (d) APPLICATION OF AMENDMENTS.—The amend-
8 ments made by section 602—

9 (1) shall not apply with respect to any contract
10 entered into before the effective date of such amend-
11 ments, and

12 (2) shall not affect (A) any right or obligation
13 arising out of any matter occurring before the effec-
14 tive date of such amendments, or (B) any adminis-
15 trative or judicial proceeding (whether or not initi-
16 ated before that date) for the adjudication or en-
17 forcement of any such right or obligation.

18 **SEC. 604. AMENDMENT TO BUDGET AND ACCOUNTING ACT.**

19 (a) HEALTH SERVICE BUDGET.—Section 1105 of
20 title 31, United States Code, is amended by adding at the
21 end the following new subsection:

22 "(h) The Budget transmitted pursuant to subsection
23 (a) shall set forth the items enumerated in paragraphs (4)
24 through (9) and (12) of subsection (a) with respect to ex-
25 penditures from and appropriations to the Health Service

1 Trust Fund (established under section 511 of the Jose-
2 phine Butler United States Health Service Act) separately
3 from such items with respect to expenditures and appro-
4 priations relating to other operations of the Government.''.
5 (b) EFFECTIVE DATE.—The amendment made by
6 subsection (a) shall apply with respect to fiscal years be-
7 ginning more than 1 year after the date of enactment of
8 this Act.

9 **SEC. 605. SEPARABILITY.**

10 If any provision of this Act, or the application of such
11 provision to any person or circumstance, shall be held in-
12 valid, the remainder of this Act, or the application of such
13 provision to persons or circumstances other than those as
14 to which it is held invalid, shall not be affected thereby.

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