

107TH CONGRESS  
1ST SESSION

# S. 1281

To amend the Public Health Service Act to reauthorize and strengthen the health centers program and the National Health Service Corps, and to establish the Healthy Communities Access Program, which will help coordinate services for the uninsured and underinsured, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JULY 31, 2001

Mr. KENNEDY (for himself and Mr. FRIST) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To amend the Public Health Service Act to reauthorize and strengthen the health centers program and the National Health Service Corps, and to establish the Healthy Communities Access Program, which will help coordinate services for the uninsured and underinsured, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Health Care Safety Net Amendments of 2001”.

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

Sec. 1. Short title; table of contents.

#### TITLE I—CONSOLIDATED HEALTH CENTER PROGRAM AMENDMENTS

Sec. 101. Health centers.

#### TITLE II—RURAL HEALTH

Subtitle A—Rural Health Services Outreach, Rural Health Network Development, and Small Health Care Provider Quality Improvement Grant Programs

Sec. 201. Grant programs.

#### Subtitle B—Telehealth Grant Consolidation

Sec. 211. Short title.

Sec. 212. Consolidation and reauthorization of provisions.

#### TITLE III—NATIONAL HEALTH SERVICE CORPS PROGRAM

Sec. 301. National Health Service Corps.

Sec. 302. Designation of health professional shortage areas.

Sec. 303. Assignment of corps personnel.

Sec. 304. Priorities in assignment of Corps personnel.

Sec. 305. Cost-sharing.

Sec. 306. Eligibility for Federal funds.

Sec. 307. Facilitation of effective provision of Corps services.

Sec. 308. Authorization of appropriations.

Sec. 309. National Health Service Corps Scholarship Program.

Sec. 310. National Health Service Corps Loan Repayment Program.

Sec. 311. Obligated service.

Sec. 312. Private practice.

Sec. 313. Breach of scholarship contract or loan repayment contract.

Sec. 314. Authorization of appropriations.

Sec. 315. Grants to States for loan repayment programs.

Sec. 316. Demonstration grants to States for community scholarship programs.

Sec. 317. Demonstration project.

#### TITLE IV—HEALTHY COMMUNITIES ACCESS PROGRAM ACT

Sec. 401. Purpose.

Sec. 402. Creation of Healthy Communities Access Program.

#### TITLE V—RURAL HEALTH CLINICS

Sec. 501. Exemptions for rural health clinics.

#### TITLE VI—CONFORMING AMENDMENTS

Sec. 601. Conforming amendments.

1 **TITLE I—CONSOLIDATED**  
 2 **HEALTH CENTER PROGRAM**  
 3 **AMENDMENTS**

4 **SEC. 101. HEALTH CENTERS.**

5 Section 330 of the Public Health Service Act (42  
 6 U.S.C. 254b) is amended—

7 (1) in subsection (b)(1)(A)—

8 (A) in clause (i)(III)(bb), by striking  
 9 “screening for breast and cervical cancer” and  
 10 inserting “appropriate cancer screening”;

11 (B) in clause (ii), by inserting “(including  
 12 specialty referral when medically indicated)”  
 13 after “medical services”; and

14 (C) in clause (iii), by inserting “housing,”  
 15 after “social,”;

16 (2) in subsection (b)(2)—

17 (A) in subparagraph (A)—

18 (i) in clause (vi), by striking “and”;

19 (ii) by redesignating clause (vii) as  
 20 clause (x); and

21 (iii) by inserting after clause (vi) the  
 22 following:

23 “(vii) the detection and alleviation of  
 24 chemical and pesticide exposures;

1 “(viii) the promotion of indoor and  
2 outdoor air quality;

3 “(ix) the detection and remediation of  
4 lead exposures; and”;

5 (B) by redesignating subparagraphs (A) and  
6 (B) as subparagraphs (D) and (E), respectively; and

7 (C) by inserting before subparagraph (D) (as  
8 redesignated by subparagraph (B)) the following:

9 “(A) behavioral and mental health and  
10 substance abuse services;

11 “(B) recuperative care services;

12 “(C) public health services;”;

13 (3) in subsection (c)(1)—

14 (A) in subparagraph (B)—

15 (i) in the heading, by striking “COM-  
16 PREHENSIVE SERVICE DELIVERY” and in-  
17 serting “MANAGED CARE”;

18 (ii) in the matter preceding clause (i),  
19 by striking “network or plan” and all that  
20 follows to the period and inserting “man-  
21 aged care network or plan”; and

22 (iii) in the matter following clause (ii),  
23 by striking “Any such grant may include”  
24 and all that follows through the period;  
25 and

1 (B) by adding at the end the following:

2 “(C) PRACTICE MANAGEMENT NET-  
3 WORKS.—The Secretary may make grants to  
4 health centers that receive assistance under this  
5 section to enable the centers to plan and de-  
6 velop practice management networks that will  
7 enable the centers to—

8 “(i) reduce costs associated with the  
9 provision of health care services;

10 “(ii) improve access to, and avail-  
11 ability of, health care services provided to  
12 individuals served by the centers;

13 “(iii) enhance the quality and coordi-  
14 nation of health care services; or

15 “(iv) improve the health status of  
16 communities.

17 “(D) USE OF FUNDS.—The activities for  
18 which a grant may be made under subpara-  
19 graph (B) or (C) of this paragraph may include  
20 the purchase or lease of equipment, which may  
21 include data and information systems (including  
22 the costs of amortizing the principal of, and  
23 paying the interest on, loans for equipment),  
24 the provision of training and technical assist-  
25 ance related to the provision of health services

on a prepaid basis or under another managed care arrangement, and other activities that promote the development of practice management or managed care networks and plans.”;

(4) in subsection (d)—

(A) in paragraph (1)—

(i) in subparagraph (B)—

(I) in clause (i), by striking “or”;

(II) in clause (ii), by striking the period and inserting “; or”; and

(III) by adding at the end the following:

“(iii) to refinance a loan to the center or centers, if the Secretary determines that—

“(I) such refinancing will result in more favorable terms;

“(II) the savings resulting from the refinancing will be beneficial to both the center (or centers) and the Government; and

“(III) the center (or centers) can demonstrate an ability to repay the refinanced loan equal to or greater than the ability of the center (or cen-

1                   ters) to repay the original loan, on the  
2                   date the original loan was made.”;  
3                   and

4                   (ii) by adding at the end the fol-  
5                   lowing:

6                   “(D)     LOAN     GUARANTEES.—Notwith-  
7                   standing any other provision of law, the fol-  
8                   lowing funds shall be made available until ex-  
9                   pended for loan guarantees under this sub-  
10                  section:

11                  “(i) Funds appropriated for fiscal  
12                  year 1997 under the Departments of  
13                  Labor, Health and Human Services, and  
14                  Education, and Related Agencies Appro-  
15                  priations Act, 1997, which were made  
16                  available for loan guarantees for loans  
17                  made by non-Federal lenders for construc-  
18                  tion, renovation, and modernization of  
19                  buildings or medical facilities that are  
20                  owned and operated by health centers and  
21                  for loan guarantees for loans to health cen-  
22                  ters for the costs of developing and oper-  
23                  ating managed care networks or plans and  
24                  which have not been expended.

“(ii) Funds appropriated for fiscal year 1998 under the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1998, which were made available for loan guarantees for loans made by non-Federal lenders for the construction, renovation, and modernization of buildings and for loan guarantees for loans for health centers.

“(E) PROVISION DIRECTLY TO NETWORKS OR PLANS.—At the request of health centers receiving assistance under this section, loan guarantees provided under this paragraph may be made directly to networks or plans at least majority controlled and, as applicable, at least majority owned by those health centers.

“(F) FEDERAL CREDIT REFORM.—The requirements of the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.) shall apply with respect to loans refinanced under subparagraph (B)(iii).”; and

(B) by striking paragraphs (6) and (7) and redesignating paragraph (8) as paragraph (6); (5) in subsection (e)—



1 (A) in paragraph (1)—

2 (i) in subparagraph (B), by striking  
3 “subsection (j)(3)” and inserting “sub-  
4 section (k)(3)”; and

5 (ii) by adding at the end the fol-  
6 lowing:

7 “(C) OPERATION OF NETWORKS AND  
8 PLANS.—The Secretary may make grants to  
9 health centers that receive assistance under this  
10 section, or at the request of the health center  
11 or centers, directly to a network or plan (as de-  
12 scribed in subparagraphs (B) and (C) of sub-  
13 section (c)(1)) that is at least majority con-  
14 trolled and, as applicable, at least majority  
15 owned by such health center or centers receiv-  
16 ing assistance under this section, for the costs  
17 associated with the operation of such network  
18 or plan, including the purchase or lease of  
19 equipment (including the costs of amortizing  
20 the principal of, and paying the interest on,  
21 loans for equipment).”; and

22 (B) in paragraph (5)—

23 (i) in subparagraph (A), by inserting  
24 “subparagraphs (A) and (B) of” after  
25 “any fiscal year under”;

1 (ii) by redesignating subparagraphs  
 2 (B) and (C) as subparagraphs (C) and  
 3 (D), respectively; and

4 (iii) by inserting after subparagraph  
 5 (A) the following:

6 “(B) NETWORKS AND PLANS.—The total  
 7 amount of grant funds made available for any  
 8 fiscal year under paragraph (1)(C) and sub-  
 9 paragraphs (B) and (C) of subsection (c)(1) to  
 10 a health center or to a network at least major-  
 11 ity controlled and as applicable at least majority  
 12 owned by health centers shall be determined by  
 13 the Secretary, but may not exceed 2 percent of  
 14 the total amount appropriated under this sec-  
 15 tion for such fiscal year.”;

16 (6) in subsection (h)—

17 (A) in paragraph (1), by striking “home-  
 18 less children and children at risk of homeless-  
 19 ness” and inserting “homeless children and  
 20 youth and children and youth at risk of home-  
 21 lessness”;

22 (B)(i) by redesignating paragraph (4) as  
 23 paragraph (5); and

24 (ii) by inserting after paragraph (3) the  
 25 following:

1           “(4) TEMPORARY CONTINUED PROVISION OF  
 2           SERVICES TO CERTAIN FORMER HOMELESS INDIVID-  
 3           UALS.—If any grantee under subsection (h) has pro-  
 4           vided services described in this section to a homeless  
 5           individual, any such grantee may, notwithstanding  
 6           that the individual is no longer homeless as a result  
 7           of becoming a resident in permanent housing, ex-  
 8           pend the grant to continue to provide such services  
 9           to the individual for not more than 12 months.”;  
 10          and

11                   (C) in paragraph (5)(C) (as redesignated  
 12                   by subparagraph (B)), by striking “and residen-  
 13                   tial treatment” and inserting “, harm reduc-  
 14                   tion, outpatient treatment, residential treat-  
 15                   ment, and rehabilitation”;

16          (7) in subsection (j)(3)—

17                   (A) in subparagraph (E)—

18                           (i) in clause (i), by striking “plan; or”  
 19                           and inserting “plan; and”; and

20                           (ii) by striking clause (ii) and insert-  
 21                           ing the following:

22                                   “(ii) has or will have a contractual or  
 23                                   other arrangement with the State agency  
 24                                   administering the program under title XXI  
 25                                   of such Act with respect to individuals who

are State children’s health insurance program beneficiaries; or

“(iii) has made or will make every reasonable effort to enter into such arrangements under clauses (i) and (ii);”;

(B) in subparagraph (G)—

(i) in clause (ii), by striking “; and” and inserting “;”;

(ii) by redesignating clause (iii) as clause (iv); and

(iii) inserting after clause (ii) the following:

“(iii)(I) will assure that no patient is denied health care services due to an individual’s inability to pay for such services; and

“(II) will assure that any fees or payments required by the center for such services shall be reduced or waived to enable the center to fulfill the assurance described in subclause (I); and”;

(C) in subparagraph (H)—

(i) in clause (ii), by inserting “approves any internal outreach plans for spe-

1                   cific subpopulations served by the center,”  
 2                   after “such services will be provided,”; and  
 3                   (ii) in the matter following clause (iii),  
 4                   by striking “or (p)” and inserting “or  
 5                   (q)”;

6                   (8)(A) by redesignating subsections (j) through  
 7                   (q) as subsections (k) through (r), respectively; and  
 8                   (B) by inserting after subsection (i) the fol-  
 9                   lowing:

10           “(j) ENVIRONMENTAL CONCERNS.—The Secretary  
 11   may make grants to health centers for the purpose of as-  
 12   sisting such centers in identifying and detecting environ-  
 13   mental factors and conditions, and providing services, in-  
 14   cluding environmental health services described in sub-  
 15   section (b)(2)(D), to reduce the disease burden related to  
 16   environmental factors and exposure of populations to such  
 17   factors, and alleviate environmental conditions that affect  
 18   the health of individuals and communities served by health  
 19   centers funded under this section.”;

20                   (9) by striking subsection (l) (as redesignated  
 21           by paragraph (8)(A)) and inserting the following:

22           “(l) TECHNICAL ASSISTANCE.—The Secretary shall  
 23   establish a program through which the Secretary shall  
 24   provide technical and other assistance to eligible entities  
 25   to assist such entities to meet the requirements of sub-

1 section (k)(2). Services provided through the program may  
 2 include necessary technical and nonfinancial assistance,  
 3 including fiscal and program management assistance,  
 4 training in program management, operational and admin-  
 5 istrative support, and the provision of information to the  
 6 entities of the variety of resources available under this title  
 7 and how those resources can be best used to meet the  
 8 health needs of the communities served by the entities.”;

9 (10) in subsection (m) (as redesignated by  
 10 paragraph (8)(A))—

11 (A) in paragraph (1), by striking  
 12 “\$802,124,000” and all that follows to the pe-  
 13 riod and inserting “\$1,369,000,000 for fiscal  
 14 year 2002 and such sums as may be necessary  
 15 for each of the fiscal years 2003 through  
 16 2006”; and

17 (B) in paragraph (2)—

18 (i) in subparagraph (A)—

19 (I) by striking “(j)(3))” and in-  
 20 serting “(k)(3))”; and

21 (II) by striking “(j)(3)(G)(ii)”  
 22 and inserting “(k)(3)(H)”; and

23 (ii) by striking subparagraph (B) and  
 24 inserting the following:

1           “(B) DISTRIBUTION OF GRANTS.—For fis-  
 2           cal year 2002 and each of the following fiscal  
 3           years, the Secretary, in awarding grants under  
 4           this section, shall ensure that the proportion of  
 5           the amounts made available under each of sub-  
 6           sections (g), (h), and (i), relative to the total  
 7           amount appropriated to carry out this section  
 8           for that fiscal year, is equal to the proportion  
 9           of the amounts made available under that sub-  
 10          section for fiscal year 2001, relative to the total  
 11          amount appropriated to carry out this section  
 12          for fiscal year 2001.”;

13          (11) in subsection (q), by striking “(j)(3)(G)”  
 14          and inserting “(k)(3)(G)”; and

15          (12) by adding at the end the following:

16          “(r) LINGUISTIC ACCESS GRANTS.—

17               “(1) IN GENERAL.—The Administrator of the  
 18               Health Resources and Services Administration (re-  
 19               ferred to in this subsection as the ‘Administrator’)  
 20               may award grants to eligible health centers to pro-  
 21               vide translation, interpretation, and other such serv-  
 22               ices for clients of the centers for whom English is  
 23               a second language.

24               “(2) ELIGIBLE HEALTH CENTER.—The term  
 25               ‘eligible health center’ means an entity that—

1           “(A) is a health center as defined under  
2           subsection (a); and

3           “(B) provides health services for clients for  
4           whom English is a second language.

5           “(3) GRANT AMOUNT.—The amount of a grant  
6           awarded to a center under this subsection shall be  
7           determined by the Administrator. Such determina-  
8           tion of such amount shall be based on the number  
9           of clients for whom English is a second language  
10          that is served by such center, and larger grant  
11          amounts shall be awarded to centers serving a larger  
12          number of such clients.

13          “(4) USE OF FUNDS.—An eligible health center  
14          that receives a grant under this subsection may use  
15          funds received through such grant to—

16               “(A) provide translation and interpretation  
17               services for clients for whom English is a sec-  
18               ond language, including hiring professional  
19               translation and interpretation services; and

20               “(B) compensate bilingual or multilingual  
21               staff for language assistance services provided  
22               by the staff for such clients.

23          “(5) APPLICATION.—An eligible health center  
24          desiring a grant under this subsection shall submit  
25          an application to the Administrator at such time, in



1       such manner, and containing such information as  
2       the Administrator may reasonably require,  
3       including—

4               “(A) an estimate of the number of clients  
5               that the center serves for whom English is a  
6               second language;

7               “(B) the ratio of the number of clients for  
8               whom English is a second language to the total  
9               number of clients served by the center; and

10              “(C) a description of any language-assist-  
11              ing services that the center proposes to provide  
12              to aid clients for whom English is a second lan-  
13              guage.

14              “(6) AUTHORIZATION OF APPROPRIATIONS.—  
15       There is authorized to be appropriated to carry out  
16       this subsection, in addition to any funds authorized  
17       to be appropriated or appropriated for health centers  
18       under this section, \$10,000,000 for fiscal year 2002,  
19       and such sums as may be necessary for each of fis-  
20       cal years 2003 through 2006.”.

1       **TITLE II—RURAL HEALTH**  
 2       **Subtitle A—Rural Health Services**  
 3       **Outreach, Rural Health Net-**  
 4       **work Development, and Small**  
 5       **Health Care Provider Quality**  
 6       **Improvement Grant Programs**

7       **SEC. 201. GRANT PROGRAMS.**

8       Section 330A of the Public Health Service Act (42  
 9       U.S.C. 254c) is amended to read as follows:

10      **“SEC. 330A. RURAL HEALTH SERVICES OUTREACH, RURAL**  
 11                           **HEALTH NETWORK DEVELOPMENT, AND**  
 12                           **SMALL HEALTH CARE PROVIDER QUALITY**  
 13                           **IMPROVEMENT GRANT PROGRAMS.**

14      “(a) PURPOSE.—The purpose of this section is to  
 15      provide grants for expanded delivery of health services in  
 16      rural areas, for the planning and implementation of inte-  
 17      grated health care networks in rural areas, and for the  
 18      planning and implementation of small health care provider  
 19      quality improvement activities.

20      “(b) DEFINITIONS.—

21              “(1) DIRECTOR.—The term ‘Director’ means  
 22      the Director specified in subsection (d).

23              “(2) FEDERALLY QUALIFIED HEALTH CENTER;  
 24      RURAL HEALTH CLINIC.—The terms ‘Federally  
 25      qualified health center’ and ‘rural health clinic’ have

1 the meanings given the terms in section 1861(aa) of  
 2 the Social Security Act (42 U.S.C. 1395x(aa)).

3 “(3) HEALTH PROFESSIONAL SHORTAGE  
 4 AREA.—The term ‘health professional shortage area’  
 5 means a health professional shortage area des-  
 6 ignated under section 332.

7 “(4) MEDICALLY UNDERSERVED COMMUNITY.—  
 8 The term ‘medically underserved community’ has the  
 9 meaning given the term ‘medically underserved area’  
 10 in section 799B.

11 “(5) MEDICALLY UNDERSERVED POPU-  
 12 LATION.—The term ‘medically underserved popu-  
 13 lation’ has the meaning given the term in section  
 14 330(b)(3).

15 “(c) PROGRAM.—The Secretary shall establish, under  
 16 section 301, a small health care provider quality improve-  
 17 ment grant program.

18 “(d) ADMINISTRATION.—

19 “(1) PROGRAMS.—The rural health services  
 20 outreach, rural health network development, and  
 21 small health care provider quality improvement  
 22 grant programs established under section 301 shall  
 23 be administered by the Director of the Office of  
 24 Rural Health Policy of the Health Resources and  
 25 Services Administration, in consultation with State

1 offices of rural health or other appropriate State  
2 government entities.

3 “(2) GRANTS.—

4 “(A) IN GENERAL.—In carrying out the  
5 programs described in paragraph (1), the Di-  
6 rector may award grants under subsections (e),  
7 (f), and (g) to expand access to, coordinate, and  
8 improve the quality of essential health services,  
9 and enhance the delivery of health care, in rural  
10 areas.

11 “(B) TYPES OF GRANTS.—The Director  
12 may award the grants—

13 “(i) to promote expanded delivery of  
14 health services in rural areas under sub-  
15 section (e);

16 “(ii) to provide for the planning and  
17 implementation of integrated health care  
18 networks in rural areas under subsection  
19 (f); and

20 “(iii) to provide for the planning and  
21 implementation of small health care pro-  
22 vider quality improvement activities under  
23 subsection (g).

24 “(e) RURAL HEALTH SERVICES OUTREACH  
25 GRANTS.—

1           “(1) GRANTS.—The Director may award grants  
2           to eligible entities to promote rural health services  
3           outreach by expanding the delivery of health services  
4           to include new and enhanced services in rural areas.  
5           The Director may award the grants for periods of  
6           not more than 3 years.

7           “(2) ELIGIBILITY.—To be eligible to receive a  
8           grant under this subsection for a project, an  
9           entity—

10               “(A) shall be a rural public or rural non-  
11               profit private entity;

12               “(B) shall represent a consortium com-  
13               posed of members—

14                   “(i) that include 3 or more health  
15                   care providers or providers of services; and

16                   “(ii) that may be nonprofit or for-  
17                   profit entities; and

18               “(C) shall not previously have received a  
19               grant under this subsection for the same or a  
20               similar project, unless the entity is proposing to  
21               expand the scope of the project or the area that  
22               will be served through the project.

23           “(3) APPLICATIONS.—To be eligible to receive a  
24           grant under this subsection, an eligible entity, in  
25           consultation with the appropriate State office of

1 rural health or another appropriate State entity,  
 2 shall prepare and submit to the Secretary an appli-  
 3 cation, at such time, in such manner, and containing  
 4 such information as the Secretary may require,  
 5 including—

6 “(A) a description of the project that the  
 7 applicant will carry out using the funds pro-  
 8 vided under the grant;

9 “(B) a description of the manner in which  
 10 the project funded under the grant will meet  
 11 the health care needs of rural underserved pop-  
 12 ulations in the local community or region to be  
 13 served;

14 “(C) a description of how the local commu-  
 15 nity or region to be served will be involved in  
 16 the development and ongoing operations of the  
 17 project;

18 “(D) a plan for sustainability of the  
 19 project after Federal support for the project  
 20 has ended; and

21 “(E) a description of how the project will  
 22 be evaluated.

23 “(f) RURAL HEALTH NETWORK DEVELOPMENT  
 24 GRANTS.—

25 “(1) GRANTS.—

1           “(A) IN GENERAL.—The Director may  
2           award rural health network development grants  
3           to eligible entities to promote, through planning  
4           and implementation, the development of inte-  
5           grated health care networks that have combined  
6           the functions of the entities participating in the  
7           networks in order to—

8                   “(i) achieve efficiencies;

9                   “(ii) expand access to, coordinate, and  
10           improve the quality of essential health  
11           services; and

12                   “(iii) strengthen the rural health care  
13           system as a whole.

14           “(B) GRANT PERIODS.—The Director may  
15           award such a rural health network development  
16           grant for implementation activities for a period  
17           of 3 years. The Director may also award such  
18           a rural health network development grant for  
19           planning activities for a period of 1 year, to as-  
20           sist in the development of an integrated health  
21           care network, if the proposed participants in  
22           the network do not have a history of collabo-  
23           rative efforts and a 3-year grant would be inap-  
24           propriate.

1           “(2) ELIGIBILITY.—To be eligible to receive a  
2       grant under this subsection, an entity—

3           “(A) shall be a rural public or rural non-  
4       profit private entity;

5           “(B) shall represent a network composed  
6       of members—

7           “(i) that include 3 or more health  
8       care providers or providers of services; and

9           “(ii) that may be nonprofit or for-  
10      profit entities; and

11          “(C) shall not previously have received a  
12      grant under this subsection (other than a grant  
13      for planning activities) for the same or a simi-  
14      lar project.

15          “(3) APPLICATIONS.—To be eligible to receive a  
16      grant under this subsection, an eligible entity, in  
17      consultation with the appropriate State office of  
18      rural health or another appropriate State entity,  
19      shall prepare and submit to the Secretary an appli-  
20      cation, at such time, in such manner, and containing  
21      such information as the Secretary may require,  
22      including—

23          “(A) a description of the project that the  
24      applicant will carry out using the funds pro-  
25      vided under the grant;



1           “(B) an explanation of the reasons why  
2       Federal assistance is required to carry out the  
3       project;

4           “(C) a description of—

5               “(i) the history of collaborative activi-  
6       ties carried out by the participants in the  
7       network;

8               “(ii) the degree to which the partici-  
9       pants are ready to integrate their func-  
10      tions; and

11              “(iii) how the local community or re-  
12      gion to be served will benefit from and be  
13      involved in the activities carried out by the  
14      network;

15           “(D) a description of how the local com-  
16      munity or region to be served will experience in-  
17      creased access to quality health services across  
18      the continuum of care as a result of the inte-  
19      gration activities carried out by the network;

20           “(E) a plan for sustainability of the  
21      project after Federal support for the project  
22      has ended; and

23           “(F) a description of how the project will  
24      be evaluated.

1 “(g) SMALL HEALTH CARE PROVIDER QUALITY IM-  
2 PROVEMENT GRANTS.—

3 “(1) GRANTS.—The Director may award grants  
4 to provide for the planning and implementation of  
5 small health care provider quality improvement ac-  
6 tivities. The Director may award the grants for peri-  
7 ods of 1 to 3 years.

8 “(2) ELIGIBILITY.—In order to be eligible for a  
9 grant under this subsection, an entity—

10 “(A)(i) shall be a rural public or rural non-  
11 profit private health care provider or provider  
12 of health services, such as a critical access hos-  
13 pital or a rural health clinic; or

14 “(ii) shall be another rural provider or net-  
15 work of small rural providers identified by the  
16 Secretary as a key source of local care; and

17 “(B) shall not previously have received a  
18 grant under this subsection for the same or a  
19 similar project.

20 “(3) APPLICATIONS.—To be eligible to receive a  
21 grant under this subsection, an eligible entity, in  
22 consultation with the appropriate State office of  
23 rural health, another appropriate State entity, or a  
24 hospital association, shall prepare and submit to the  
25 Secretary an application, at such time, in such man-

ner, and containing such information as the Secretary may require, including—

“(A) a description of the project that the applicant will carry out using the funds provided under the grant;

“(B) an explanation of the reasons why Federal assistance is required to carry out the project;

“(C) a description of the manner in which the project funded under the grant will assure continuous quality improvement in the provision of services by the entity;

“(D) a description of how the local community or region to be served will experience increased access to quality health services across the continuum of care as a result of the activities carried out by the entity;

“(E) a plan for sustainability of the project after Federal support for the project has ended; and

“(F) a description of how the project will be evaluated.

“(4) EXPENDITURES FOR SMALL HEALTH CARE PROVIDER QUALITY IMPROVEMENT GRANTS.—In awarding a grant under this subsection, the Director

1       shall ensure that the funds made available through  
 2       the grant will be used to provide services to resi-  
 3       dents of rural areas. The Director shall award not  
 4       less than 50 percent of the funds made available  
 5       under this subsection to providers located in and  
 6       serving rural areas.

7       “(h) GENERAL REQUIREMENTS.—

8               “(1) PROHIBITED USES OF FUNDS.—An entity  
 9       that receives a grant under this section may not use  
 10      funds provided through the grant—

11               “(A) to build or acquire real property; or

12               “(B) for construction, except that such  
 13      funds may be expended for minor renovations  
 14      relating to the installation of equipment.

15       “(2) COORDINATION WITH OTHER AGENCIES.—

16      The Secretary shall coordinate activities carried out  
 17      under grant programs described in this section, to  
 18      the extent practicable, with Federal and State agen-  
 19      cies and nonprofit organizations that are operating  
 20      similar grant programs, to maximize the effect of  
 21      public dollars in funding meritorious proposals.

22       “(3) PREFERENCE.—In awarding grants under  
 23      this section, the Secretary shall give preference to  
 24      entities that—

1           “(A) are located in health professional  
 2 shortage areas or medically underserved com-  
 3 munities, or serve medically underserved popu-  
 4 lations; or

5           “(B) propose to develop projects with a  
 6 focus on primary care, and wellness and preven-  
 7 tion strategies.

8           “(i) REPORT.—Not later than September 30, 2005,  
 9 the Secretary shall prepare and submit to the appropriate  
 10 committees of Congress a report on the progress and ac-  
 11 complishments of the grant programs described in sub-  
 12 sections (e), (f), and (g).

13           “(j) AUTHORIZATION OF APPROPRIATIONS.—There  
 14 are authorized to be appropriated to carry out this section  
 15 \$40,000,000 for fiscal year 2002, and such sums as may  
 16 be necessary for each of fiscal years 2003 through 2006.”.

## 17           **Subtitle B—Telehealth Grant** 18                           **Consolidation**

### 19   **SEC. 211. SHORT TITLE.**

20           This subtitle may be cited as the “Telehealth Grant  
 21 Consolidation Act of 2001”.

1 **SEC. 212. CONSOLIDATION AND REAUTHORIZATION OF**  
 2 **PROVISIONS.**

3 Subpart I of part D of title III of the Public Health  
 4 Service Act (42 U.S.C. 254b et seq) is amended by adding  
 5 at the end the following:

6 **“SEC. 330I. TELEHEALTH NETWORK AND TELEHEALTH RE-**  
 7 **SOURCE CENTERS GRANT PROGRAMS.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) DIRECTOR; OFFICE.—The terms ‘Director’  
 10 and ‘Office’ mean the Director and Office specified  
 11 in subsection (c).

12 “(2) FEDERALLY QUALIFIED HEALTH CENTER  
 13 AND RURAL HEALTH CLINIC.—The term ‘Federally  
 14 qualified health center’ and ‘rural health clinic’ have  
 15 the meanings given the terms in section 1861(aa) of  
 16 the Social Security Act (42 U.S.C. 1395x(aa)).

17 “(3) FRONTIER COMMUNITY.—The term ‘fron-  
 18 tier community’ means a community that has a pop-  
 19 ulation of less than 6 per square mile.

20 “(4) MEDICALLY UNDERSERVED AREA.—The  
 21 term ‘medically underserved area’ has the meaning  
 22 given the term in section 799B.

23 “(5) MEDICALLY UNDERSERVED POPU-  
 24 LATION.—The term ‘medically underserved popu-  
 25 lation’ has the meaning given the term in section  
 26 330(b)(3).

1           “(6) TELEHEALTH SERVICES.—The term ‘tele-  
2       health services’ means services provided through  
3       telehealth technologies.

4           “(7) TELEHEALTH TECHNOLOGIES.—The term  
5       ‘telehealth technologies’ means technologies relating  
6       to the use of electronic information, and tele-  
7       communications technologies, to support and pro-  
8       mote, at a distance, health care, patient and profes-  
9       sional health-related education, health administra-  
10      tion, and public health.

11          “(b) PROGRAMS.—The Secretary shall establish,  
12      under section 301, telehealth network and telehealth re-  
13      source centers grant programs.

14          “(c) ADMINISTRATION.—

15               “(1) ESTABLISHMENT.—There is established in  
16      the Health and Resources and Services Administra-  
17      tion an Office for the Advancement of Telehealth.  
18      The Office shall be headed by a Director.

19               “(2) DUTIES.—The telehealth network and tele-  
20      health resource centers grant programs established  
21      under section 301 shall be administered by the Di-  
22      rector, in consultation with the State offices of rural  
23      health, State offices concerning primary care, or  
24      other appropriate State government entities.

25          “(d) GRANTS.—

1           “(1) TELEHEALTH NETWORK GRANTS.—The  
2       Director may, in carrying out the telehealth network  
3       grant program referred to in subsection (b), award  
4       grants to eligible entities for projects to demonstrate  
5       how telehealth technologies can be used through tele-  
6       health networks in rural areas, frontier communities,  
7       and medically underserved areas, and for medically  
8       underserved populations, to—

9           “(A) expand access to, coordinate, and im-  
10       prove the quality of health services;

11          “(B) improve and expand the training of  
12       health care providers; and

13          “(C) expand and improve the quality of  
14       health information available to health care pro-  
15       viders, and patients and their families, for deci-  
16       sionmaking.

17          “(2) TELEHEALTH RESOURCE CENTERS  
18       GRANTS.—The Director may, in carrying out the  
19       telehealth resource center grant program referred to  
20       in subsection (b), award grants to eligible entities  
21       for projects to demonstrate how telehealth tech-  
22       nologies can be used in the areas and communities,  
23       and for the populations, described in paragraph (1),  
24       to establish telehealth resource centers.



1       “(e) GRANT PERIODS.—The Director may provide  
 2 grants under this section for periods of not more than 4  
 3 years.

4       “(f) ELIGIBLE ENTITIES.—

5           “(1) TELEHEALTH NETWORK GRANTS.—

6               “(A) GRANT RECIPIENT.—To be eligible to  
 7 receive a grant under subsection (d)(1), an enti-  
 8 ty shall be a nonprofit entity.

9               “(B) TELEHEALTH NETWORKS.—

10               “(i) IN GENERAL.—To be eligible to  
 11 receive a grant under subsection (d)(1), an  
 12 entity shall demonstrate that the entity  
 13 will provide services through a telehealth  
 14 network.

15               “(ii) NATURE OF ENTITIES.—Each  
 16 entity participating in the telehealth net-  
 17 work may be a nonprofit or for-profit enti-  
 18 ty.

19               “(iii) COMPOSITION OF NETWORK.—  
 20 The telehealth network shall include at  
 21 least 2 of the following entities (at least 1  
 22 of which shall be a community-based  
 23 health care provider):

1                   “(I) Community or migrant  
2 health centers or other Federally  
3 qualified health centers.

4                   “(II) Health care providers, in-  
5 cluding pharmacists, in private prac-  
6 tice.

7                   “(III) Entities operating clinics,  
8 including rural health clinics.

9                   “(IV) Local health departments.

10                  “(V) Nonprofit hospitals, includ-  
11 ing community access hospitals.

12                  “(VI) Other publicly funded  
13 health or social service agencies.

14                  “(VII) Long-term care providers.

15                  “(VIII) Providers of health care  
16 services in the home.

17                  “(IX) Providers of outpatient  
18 mental health services and entities op-  
19 erating outpatient mental health fa-  
20 cilities.

21                  “(X) Local or regional emergency  
22 health care providers.

23                  “(XI) Institutions of higher edu-  
24 cation.

1                   “(XII) Entities operating dental  
2                   clinics.

3                   “(2) TELEHEALTH RESOURCE CENTERS  
4           GRANTS.—To be eligible to receive a grant under  
5           subsection (d)(2), an entity shall be a nonprofit enti-  
6           ty.

7           “(g) APPLICATIONS.—To be eligible to receive a  
8           grant under subsection (d), an eligible entity, in consulta-  
9           tion with the appropriate State office of rural health or  
10          another appropriate State entity, shall prepare and submit  
11          to the Secretary an application, at such time, in such man-  
12          ner, and containing such information as the Secretary may  
13          require, including—

14                  “(1) a description of the project that the appli-  
15                  cant will carry out using the funds provided under  
16                  the grant;

17                  “(2) a description of the manner in which the  
18                  project funded under the grant will meet the health  
19                  care needs of rural or other populations to be served  
20                  through the project, or improve the access to serv-  
21                  ices of, and the quality of the services received by,  
22                  those populations;

23                  “(3) evidence of local support for the project,  
24                  and a description of how the areas, communities, or

1 populations to be served will be involved in the devel-  
2 opment and ongoing operations of the project;

3 “(4) a plan for sustainability of the project  
4 after Federal support for the project has ended;

5 “(5) information on the source and amount of  
6 non-Federal funds that the entity will provide for  
7 the project;

8 “(6) information demonstrating the long-term  
9 viability of the project, and other evidence of institu-  
10 tional commitment of the entity to the project; and

11 “(7) in the case of an application for a project  
12 involving a telehealth network, information dem-  
13 onstrating how the project will promote the integra-  
14 tion of telehealth technologies into the operations of  
15 health care providers, to avoid redundancy, and im-  
16 prove access to and the quality of care.

17 “(h) TERMS; CONDITIONS; MAXIMUM AMOUNT OF  
18 ASSISTANCE.—The Secretary shall establish the terms  
19 and conditions of each grant program described in sub-  
20 section (b) and the maximum amount of a grant to be  
21 awarded to an individual recipient for each fiscal year  
22 under this section. The Secretary shall publish, in a publi-  
23 cation of the Health Resources and Services Administra-  
24 tion, notice of the application requirements for each grant  
25 program described in subsection (b) for each fiscal year.

1 “(i) PREFERENCES.—

2 “(1) TELEHEALTH NETWORKS.—In awarding  
3 grants under subsection (d)(1) for projects involving  
4 telehealth networks, the Secretary shall give pref-  
5 erence to an applicant that meets at least 1 of the  
6 following requirements:

7 “(A) ORGANIZATION.— The applicant is a  
8 rural community-based organization or another  
9 community-based organization.

10 “(B) SERVICES.—The applicant proposes  
11 to use Federal funds made available through  
12 such a grant to develop plans for, or to estab-  
13 lish, telehealth networks that provide mental  
14 health, public health, long-term care, home  
15 care, preventive, or case management services.

16 “(C) COORDINATION.—The applicant dem-  
17 onstrates how the project to be carried out  
18 under the grant will be coordinated with other  
19 relevant federally funded projects in the areas,  
20 communities, and populations to be served  
21 through the grant.

22 “(D) NETWORK.—The applicant dem-  
23 onstrates that the project involves a telehealth  
24 network that includes an entity that—

1 “(i) provides clinical health care serv-  
2 ices, or educational services for health care  
3 providers and for patients or their families;  
4 and

5 “(ii) is—

6 “(I) a public school;

7 “(II) a public library;

8 “(III) an institution of higher  
9 education; or

10 “(IV) a local government entity.

11 “(E) CONNECTIVITY.—The applicant pro-  
12 poses a project that promotes local connectivity  
13 within areas, communities, or populations to be  
14 served through the project.

15 “(F) INTEGRATION.—The applicant dem-  
16 onstrates that health care information has been  
17 integrated into the project.

18 “(2) TELEHEALTH RESOURCE CENTERS.—In  
19 awarding grants under subsection (d)(2) for projects  
20 involving telehealth resource centers, the Secretary  
21 shall give preference to an applicant that meets at  
22 least 1 of the following requirements:

23 “(A) PROVISION OF SERVICES.—The appli-  
24 cant has a record of success in the provision of

1 telehealth services to medically underserved  
2 areas or medically underserved populations.

3 “(B) COLLABORATION AND SHARING OF  
4 EXPERTISE.—The applicant has a demonstrated  
5 record of collaborating and sharing expertise  
6 with providers of telehealth services at the na-  
7 tional, regional, State, and local levels.

8 “(C) BROAD RANGE OF TELEHEALTH  
9 SERVICES.—The applicant has a record of pro-  
10 viding a broad range of telehealth services,  
11 which may include—

12 “(i) a variety of clinical specialty serv-  
13 ices;

14 “(ii) patient or family education;

15 “(iii) health care professional edu-  
16 cation; and

17 “(iv) rural residency support pro-  
18 grams.

19 “(j) DISTRIBUTION OF FUNDS.—

20 “(1) IN GENERAL.—In awarding grants under  
21 this section, the Director shall ensure, to the great-  
22 est extent possible, that such grants are equitably  
23 distributed among the geographical regions of the  
24 United States.

1           “(2) TELEHEALTH NETWORKS.—In awarding  
2       grants under subsection (d)(1) for a fiscal year, the  
3       Director shall ensure that—

4           “(A) not less than 50 percent of the funds  
5       awarded shall be awarded for projects in rural  
6       areas; and

7           “(B) the total amount of funds awarded  
8       for such projects for that fiscal year shall be  
9       not less than the total amount of funds award-  
10      ed for such projects for fiscal year 2001 under  
11      section 330A (as in effect on the day before the  
12      date of enactment of the Health Care Safety  
13      Net Amendments of 2001).

14       “(k) USE OF FUNDS.—

15           “(1) TELEHEALTH NETWORK PROGRAM.—The  
16      recipient of a grant under subsection (d)(1) may use  
17      funds received through such grant for salaries,  
18      equipment, and operating or other costs, including  
19      the cost of—

20           “(A) developing and delivering clinical tele-  
21      health services that enhance access to commu-  
22      nity-based health care services in rural areas,  
23      frontier communities, or medically underserved  
24      areas, or for medically underserved populations;



1           “(B) developing and acquiring, through  
2           lease or purchase, computer hardware and soft-  
3           ware, audio and video equipment, computer net-  
4           work equipment, interactive equipment, data  
5           terminal equipment, and other equipment that  
6           further the objectives of the telehealth network  
7           grant program;

8           “(C)(i) developing and providing distance  
9           education, in a manner that enhances access to  
10          care in rural areas, frontier communities, or  
11          medically underserved areas, or for medically  
12          underserved populations; or

13          “(ii) mentoring, precepting, or supervising  
14          health care providers and students seeking to  
15          become health care providers, in a manner that  
16          enhances access to care in the areas and com-  
17          munities, or for the populations, described in  
18          clause (i);

19          “(D) developing and acquiring instruc-  
20          tional programming;

21          “(E)(i) providing for transmission of med-  
22          ical data, and maintenance of equipment; and

23          “(ii) providing for compensation (including  
24          travel expenses) of specialists, and referring  
25          health care providers, providing telehealth serv-

1           ices through the telehealth network, if no third  
2           party payment is available for the telehealth  
3           services delivered through the telehealth net-  
4           work;

5           “(F) developing projects to use telehealth  
6           technology to facilitate collaboration between  
7           health care providers;

8           “(G) collecting and analyzing usage statis-  
9           tics and data to document the cost-effectiveness  
10          of the telehealth services; and

11          “(H) carrying out such other activities as  
12          are consistent with achieving the objectives of  
13          this section, as determined by the Secretary.

14          “(2) TELEHEALTH RESOURCE CENTERS.—The  
15          recipient of a grant under subsection (d)(2) may use  
16          funds received through such grant for salaries,  
17          equipment, and operating or other costs for—

18               “(A) providing technical assistance, train-  
19               ing, and support, and providing for travel ex-  
20               penses, for health care providers and a range of  
21               health care entities that provide or will provide  
22               telehealth services;

23               “(B) disseminating information and re-  
24               search findings related to telehealth services;

1           “(C) promoting effective collaboration  
2 among telehealth resource centers and the Of-  
3 fice;

4           “(D) conducting evaluations to determine  
5 the best utilization of telehealth technologies to  
6 meet health care needs;

7           “(E) promoting the integration of the tech-  
8 nologies used in clinical information systems  
9 with other telehealth technologies;

10          “(F) fostering the use of telehealth tech-  
11 nologies to provide health care information and  
12 education for health care providers and con-  
13 sumers in a more effective manner; and

14          “(G) implementing special projects or  
15 studies under the direction of the Office.

16          “(I) PROHIBITED USES OF FUNDS.—An entity that  
17 receives a grant under this section may not use funds  
18 made available through the grant—

19           “(1) to acquire real property;

20           “(2) for expenditures to purchase or lease  
21 equipment, to the extent that the expenditures would  
22 exceed 40 percent of the total grant funds;

23           “(3) in the case of a project involving a tele-  
24 health network, to purchase or install transmission  
25 equipment (such as laying cable or telephone lines,

1 or purchasing or installing microwave towers, sat-  
2 ellite dishes, amplifiers, or digital switching equip-  
3 ment), except on the premises of an entity partici-  
4 pating in the telehealth network;

5 “(4) to pay for any equipment or transmission  
6 costs not directly related to the purposes for which  
7 the grant is awarded;

8 “(5) to purchase or install general purpose  
9 voice telephone systems;

10 “(6) for construction, except that such funds  
11 may be expended for minor renovations relating to  
12 the installation of equipment; or

13 “(7) for expenditures for indirect costs (as de-  
14 termined by the Secretary), to the extent that the  
15 expenditures would exceed 20 percent of the total  
16 grant funds.

17 “(m) COLLABORATION.—In providing services under  
18 this section, an eligible entity shall collaborate, if feasible,  
19 with entities that—

20 “(1)(A) are private or public organizations, that  
21 receive Federal or State assistance; or

22 “(B) public or private entities that operate cen-  
23 ters, or carry out programs, that receive Federal or  
24 State assistance; and

1           “(2) provide telehealth services or related activi-  
2       ties.

3           “(n) COORDINATION WITH OTHER AGENCIES.—The  
4 Secretary shall coordinate activities carried out under  
5 grant programs described in subsection (b), to the extent  
6 practicable, with Federal and State agencies and nonprofit  
7 organizations that are operating similar programs, to  
8 maximize the effect of public dollars in funding meri-  
9 torious proposals.

10          “(o) OUTREACH ACTIVITIES.—The Secretary shall  
11 establish and implement procedures to carry out outreach  
12 activities to advise potential end users of telehealth serv-  
13 ices in rural areas, frontier communities, medically under-  
14 served areas, and medically underserved populations in  
15 each State about the grant programs described in sub-  
16 section (b).

17          “(p) TELEHEALTH.—It is the sense of Congress that,  
18 for purposes of this section, States should develop reci-  
19 procity agreements so that a provider of services under  
20 this section who is a licensed or otherwise authorized  
21 health care provider under the law of 1 or more States,  
22 and who, through telehealth technology, consults with a  
23 licensed or otherwise authorized health care provider in  
24 another State, is exempt, with respect to such consulta-  
25 tion, from any State law of the other State that prohibits

1 such consultation on the basis that the first health care  
 2 provider is not a licensed or authorized health care pro-  
 3 vider under the law of that State.

4 “(q) REPORT.—Not later than September 30, 2005,  
 5 the Secretary shall prepare and submit to the appropriate  
 6 committees of Congress a report on the progress and ac-  
 7 complishments of the grant programs described in sub-  
 8 section (b).

9 “(r) AUTHORIZATION OF APPROPRIATIONS.—There  
 10 are authorized to be appropriated to carry out this  
 11 section—

12 “(1) for grants under subsection (d)(1),  
 13 \$40,000,000 for fiscal year 2002, and such sums as  
 14 may be necessary for each of fiscal years 2003  
 15 through 2006; and

16 “(2) for grants under subsection (d)(2),  
 17 \$20,000,000 for fiscal year 2002, and such sums as  
 18 may be necessary for each of fiscal years 2003  
 19 through 2006.

20 **“SEC. 330J. TELEHOMECARE DEMONSTRATION PROJECT.**

21 “(a) DEFINITIONS.—In this section:

22 “(1) DISTANT SITE.—The term ‘distant site’  
 23 means a site at which a certified home care provider  
 24 is located at the time at which a health service (in-

1 cluding a health care item) is provided through a  
2 telecommunications system.

3 “(2) TELEHOMECARE.—The term  
4 ‘telehomecare’ means the provision of health services  
5 through technology relating to the use of electronic  
6 information, or through telemedicine or tele-  
7 communication technology, to support and promote,  
8 at a distant site, the monitoring and management of  
9 home health services for a resident of a rural area.

10 “(b) ESTABLISHMENT.—Not later than 9 months  
11 after the date of enactment of the Health Care Safety Net  
12 Amendments of 2001, the Secretary may establish and  
13 carry out a telehomecare demonstration project.

14 “(c) GRANTS.—In carrying out the demonstration  
15 project referred to in subsection (b), the Secretary shall  
16 make not more than 5 grants to eligible certified home  
17 care providers, individually or as part of a network of  
18 home health agencies, for the provision of telehomecare  
19 to improve patient care, prevent health care complications,  
20 improve patient outcomes, and achieve efficiencies in the  
21 delivery of care to patients who reside in rural areas.

22 “(d) PERIODS.—The Secretary shall make the grants  
23 for periods of not more than 3 years.

24 “(e) APPLICATIONS.—To be eligible to receive a grant  
25 under this section, a certified home care provider shall

1 submit an application to the Secretary at such time, in  
 2 such manner, and containing such information as the Sec-  
 3 retary may require.

4 “(f) USE OF FUNDS.—A provider that receives a  
 5 grant under this section shall use the funds made available  
 6 through the grant to carry out objectives that include—

7 “(1) improving access to care for home care pa-  
 8 tients served by home health care agencies, improv-  
 9 ing the quality of that care, increasing patient satis-  
 10 faction with that care, and reducing the cost of that  
 11 care through direct telecommunications links that  
 12 connect the provider with information networks;

13 “(2) developing effective care management  
 14 practices and educational curricula to train home  
 15 care registered nurses and increase their general  
 16 level of competency through that training; and

17 “(3) developing curricula to train health care  
 18 professionals, particularly registered nurses, serving  
 19 home care agencies in the use of telecommuni-  
 20 cations.

21 “(g) COVERAGE.—Nothing in this section shall be  
 22 construed to supercede or modify the provisions relating  
 23 to exclusion of coverage under section 1862(a) of the So-  
 24 cial Security Act (42 U.S.C 1395y(a)), or the provisions



1 relating to the amount payable to a home health agency  
 2 under section 1895 of that Act (42 U.S.C. 1395fff).

3 “(h) REPORT.—

4 “(1) INTERIM REPORT.—The Secretary shall  
 5 submit to Congress an interim report describing the  
 6 results of the demonstration project.

7 “(2) FINAL REPORT.—Not later than 6 months  
 8 after the end of the last grant period for a grant  
 9 made under this section, the Secretary shall submit  
 10 to Congress a final report—

11 “(A) describing the results of the dem-  
 12 onstration project; and

13 “(B) including an evaluation of the impact  
 14 of the use of telehomecare, including telemedi-  
 15 cine and telecommunications, on—

16 “(i) access to care for home care pa-  
 17 tients; and

18 “(ii) the quality of, patient satisfac-  
 19 tion with, and the cost of, that care.

20 “(i) AUTHORIZATION OF APPROPRIATIONS.—There  
 21 are authorized to be appropriated to carry out this section  
 22 such sums as may be necessary for each of fiscal years  
 23 2002 through 2006.”.

1     **TITLE III—NATIONAL HEALTH**  
2     **SERVICE CORPS PROGRAM**

3     **SEC. 301. NATIONAL HEALTH SERVICE CORPS.**

4         Section 331 of the Public Health Service Act (42  
5     U.S.C. 254d) is amended—

6             (1) by adding at the end of subsection (a)(3)  
7     the following:

8             “(E) The term ‘graduate programs of behav-  
9     ioral and mental health’ means programs that train  
10    health service psychologists, licensed clinical social  
11    workers, licensed professional counselors, marriage  
12    and family therapists, psychiatric nurse specialists,  
13    and psychiatrists.”;

14            (2) in subsection (b)—

15                (A) in paragraph (1), by striking “health  
16            professions,” and inserting “health professions,  
17            including schools at which graduate programs  
18            of behavioral and mental health are offered,”;  
19            and

20                (B) in paragraph (2), by inserting “behav-  
21            ioral and mental health professionals,” after  
22            “dentists,”; and

23            (3) by striking subsection (c) and inserting the  
24    following:

1       “(c)(1) The Secretary may reimburse an applicant  
2 for a position in the Corps (including an individual consid-  
3 ering entering into a written agreement pursuant to sec-  
4 tion 338D) for actual and reasonable expenses incurred  
5 in traveling to and from the applicant’s place of residence  
6 to an eligible site to which the applicant may be assigned  
7 under section 333 for the purpose of evaluating such site  
8 with regard to being assigned at such site. The Secretary  
9 may establish a maximum total amount that may be paid  
10 to an individual as reimbursement for such expenses.

11       “(2) The Secretary may also reimburse the actual  
12 and reasonable expenses incurred for the travel of 1 family  
13 member to accompany the applicant to such site. The Sec-  
14 retary may establish a maximum total amount that may  
15 be paid to an individual as reimbursement for such ex-  
16 penses.

17       “(3) In the case of an individual who has entered into  
18 a contract for obligated service under the Scholarship Pro-  
19 gram or under the Loan Repayment Program, the Sec-  
20 retary may reimburse such individual for all or part of  
21 the actual and reasonable expenses incurred in trans-  
22 porting the individual, the individual’s family, and the  
23 family’s possessions to the individual’s assignment under  
24 section 333. The Secretary may establish a maximum total

1 amount that may be paid to an individual as reimburse-  
 2 ment for such expenses.”.

3 **SEC. 302. DESIGNATION OF HEALTH PROFESSIONAL**  
 4 **SHORTAGE AREAS.**

5 (a) IN GENERAL.—Section 332 of the Public Health  
 6 Service Act (42 U.S.C. 254e) is amended—

7 (1) in subsection (a)—

8 (A) in paragraph (1)(C), by striking “de-  
 9 termines has such a shortage.” and inserting  
 10 “determines has such a shortage. All Federally  
 11 qualified health centers and rural health clinics,  
 12 as defined by section 1861(aa) of the Social Se-  
 13 curity Act, that meet the requirements of sec-  
 14 tion 334 shall be automatically designated, on  
 15 the date of enactment of the Health Care Safe-  
 16 ty Net Amendments of 2001, as having such a  
 17 shortage. Not later than 3 years after such date  
 18 of enactment, and every 3 years thereafter,  
 19 each such center or clinic shall demonstrate  
 20 that the center or clinic meets the applicable re-  
 21 quirements of any Federal regulation, issued  
 22 after the date of enactment of this Act, that re-  
 23 vises the definition of a health professional  
 24 shortage area for purposes of this section.”;  
 25 and

1 (B) in paragraph (3), by striking “340(r)”  
 2 and inserting “330(h)(4), seasonal and migra-  
 3 tory agricultural workers (as defined in section  
 4 330(g)(3)), and residents of public housing (as  
 5 defined in section 3(b)(1) of the United States  
 6 Housing Act of 1937)”;

7 (2) in subsection (b)(2), by striking “with spe-  
 8 cial consideration to the indicators of” and all that  
 9 follows through “services.”; and

10 (3) in subsection (c)(2)(B), by striking “XVIII  
 11 or XIX” and inserting “XVIII, XIX, or XXI”.

12 (b) REGULATIONS.—

13 (1) REPORT.—

14 (A) IN GENERAL.—The Secretary shall  
 15 submit the report described in subparagraph  
 16 (B) if the Secretary, acting through the Admin-  
 17 istrator of the Health Resources and Services  
 18 Administration, issues—

19 (i) a regulation that revises the defini-  
 20 tion of a health professional shortage area  
 21 for purposes of section 332 of the Public  
 22 Health Service Act (42 U.S.C. 254e); or

23 (ii) a regulation that revises the  
 24 standards concerning priority of such an

1 area under section 333A of that Act (42  
2 U.S.C. 254f–1).

3 (B) REPORT.—On issuing a regulation de-  
4 scribed in subparagraph (A), the Secretary shall  
5 prepare and submit to the Committee on En-  
6 ergy and Commerce of the House of Represent-  
7 atives and the Committee on Health, Edu-  
8 cation, Labor, and Pensions of the Senate a re-  
9 port that describes the regulation.

10 (2) EFFECTIVE DATE.—Each regulation de-  
11 scribed in paragraph (1)(A) shall take effect 180  
12 days after the committees described in paragraph  
13 (1)(B) receive a report referred to in paragraph  
14 (1)(B) describing the regulation.

15 **SEC. 303. ASSIGNMENT OF CORPS PERSONNEL.**

16 Section 333 of the Public Health Service Act (42  
17 U.S.C. 254f) is amended—

18 (1) in subsection (a)—

19 (A) in paragraph (1)—

20 (i) in the matter before subparagraph  
21 (A), by striking “(specified in the agree-  
22 ment described in section 334)”;

23 (ii) in subparagraph (A), by striking  
24 “nonprofit”; and

1 (iii) by striking subparagraph (C) and  
 2 inserting the following:

3 “(C) the entity agrees to comply with the  
 4 requirements of section 334; and”; and

5 (B) in paragraph (3), by adding at the end  
 6 “In approving such applications, the Secretary  
 7 shall give preference to applications in which a  
 8 nonprofit entity or public entity shall serve as  
 9 a placement site.”; and  
 10 (2) in subsection (d)—

11 (A) in paragraphs (1), (2), and (4), by  
 12 striking “nonprofit” each place it appears; and

13 (B) in paragraph (1)—

14 (i) in the first sentence, by striking  
 15 “may” and inserting “shall”;

16 (ii) in the second sentence—

17 (I) in subparagraph (C), by strik-  
 18 ing “and” at the end; and

19 (II) by striking the period and  
 20 inserting “, and (E) developing long-  
 21 term plans for addressing health pro-  
 22 fessional shortages and improving ac-  
 23 cess to health care.”; and

24 (iii) by adding at the end the fol-  
 25 lowing: “The Secretary shall encourage en-

1           tities that receive technical assistance  
 2           under this paragraph to communicate with  
 3           other communities, State Offices of Rural  
 4           Health, State Primary Care Associations  
 5           and Offices, and other entities concerned  
 6           with site development and community  
 7           needs assessment.”.

8 **SEC. 304. PRIORITIES IN ASSIGNMENT OF CORPS PER-**  
 9 **SONNEL.**

10       Section 333A of the Public Health Service Act (42  
 11 U.S.C. 254f–1) is amended—

12           (1) by striking subsection (b);

13           (2) in subsection (d)—

14               (A) by redesignating paragraphs (1)  
 15           through (3) as paragraphs (2) through (4), re-  
 16           spectively;

17               (B) by inserting before paragraph (2) (as  
 18           redesignated by subparagraph (A)) the fol-  
 19           lowing:

20           “(1) PROPOSED LIST.—The Secretary shall pre-  
 21           pare and publish a proposed list of health profes-  
 22           sional shortage areas and entities that would receive  
 23           priority under subsection (a)(1) in the assignment of  
 24           Corps members. The list shall contain the informa-  
 25           tion described in paragraph (2), and the relative



1 scores and relative priorities of the entities submit-  
 2 ting applications under section 333, in a proposed  
 3 format. All entities that have submitted applications  
 4 under section 333 shall have 30 days after the date  
 5 of publication of the list to provide additional data  
 6 and information in support of inclusion on the list  
 7 or in support of a higher priority determination and  
 8 the Secretary shall reasonably consider such data  
 9 and information in preparing the final list under  
 10 paragraph (2).”;

11 (C) in paragraph (2) (as redesignated by  
 12 subparagraph (A)), in the matter before sub-  
 13 paragraph (A)—

14 (i) by striking “paragraph (2)” and  
 15 inserting “paragraph (3)”;

16 (ii) by striking “prepare a list of  
 17 health professional shortage areas” and in-  
 18 serting “prepare and, as appropriate, up-  
 19 date a list of health professional shortage  
 20 areas and entities”; and

21 (iii) by striking “for the period appli-  
 22 cable under subsection (f)”;

23 (D) by striking paragraph (3) (as redesign-  
 24 ated by subparagraph (A)) and inserting the  
 25 following:

1 “(3) NOTIFICATION OF AFFECTED PARTIES.—

2 “(A) ENTITIES.—Not later than 30 days  
3 after the Secretary has added to a list under  
4 paragraph (2) an entity specified as described  
5 in subparagraph (A) of such paragraph, the  
6 Secretary shall notify such entity that the entity  
7 has been provided an authorization to receive  
8 assignments of Corps members in the event  
9 that Corps members are available for the as-  
10 signments.

11 “(B) INDIVIDUALS.—In the case of an in-  
12 dividual obligated to provide service under the  
13 Scholarship Program, not later than 3 months  
14 before the date described in section 338C(b)(5),  
15 the Secretary shall provide to such individual  
16 the names of each of the entities specified as  
17 described in paragraph (2)(B)(i) that is appro-  
18 priate for the individual’s medical specialty and  
19 discipline.”; and

20 (E) by striking paragraph (4) (as redesign-  
21 nated by subparagraph (A)) and inserting the  
22 following:

23 “(4) REVISIONS.—If the Secretary proposes to  
24 make a revision in the list under paragraph (2), and  
25 the revision would adversely alter the status of an

1       entity with respect to the list, the Secretary shall no-  
 2       tify the entity of the revision. Any entity adversely  
 3       affected by such a revision shall be notified in writ-  
 4       ing by the Secretary of the reasons for the revision  
 5       and shall have 30 days to file a written appeal of the  
 6       determination involved which shall be reasonably  
 7       considered by the Secretary before the revision to  
 8       the list becomes final. The revision to the list shall  
 9       be effective with respect to assignment of Corps  
 10      members beginning on the date that the revision be-  
 11      comes final.”;

12           (3) by striking subsection (e) and inserting the  
 13      following:

14      “(e) LIMITATION ON NUMBER OF ENTITIES OF-  
 15      FERED AS ASSIGNMENT CHOICES IN SCHOLARSHIP PRO-  
 16      GRAM.—

17           “(1) DETERMINATION OF AVAILABLE CORPS  
 18      MEMBERS.—By April 1 of each calendar year, the  
 19      Secretary shall determine the number of participants  
 20      in the Scholarship Program who will be available for  
 21      assignments under section 333 during the program  
 22      year beginning on July 1 of that calendar year.

23           “(2) DETERMINATION OF NUMBER OF ENTI-  
 24      TIES.—At all times during a program year, the

1       number of entities specified under subsection  
2       (c)(2)(B)(i) shall be—

3               “(A) not less than the number of partici-  
4               pants identified with respect to that program  
5               year in paragraph (1); and

6               “(B) not greater than twice the number of  
7               participants identified with respect to that pro-  
8               gram year in paragraph (1).”;

9               (4) by striking subsection (f); and

10              (5) by redesignating subsections (c), (d), and  
11              (e) as subsections (b), (c), and (d) respectively.

12   **SEC. 305. COST-SHARING.**

13       Subpart II of part D of title III of the Public Health  
14   Service Act (42 U.S.C. 254d et seq.) is amended by strik-  
15   ing section 334 and inserting the following:

16   **“SEC. 334. CHARGES FOR SERVICES BY ENTITIES USING**  
17               **CORPS MEMBERS.**

18       “(a) AVAILABILITY OF SERVICES REGARDLESS OF  
19   ABILITY TO PAY OR PAYMENT SOURCE.—An entity to  
20   which a Corps member is assigned shall not deny re-  
21   quested health services, and shall not discriminate in the  
22   provision of services to an individual—

23              “(1) because the individual is unable to pay for  
24              the services; or

1           “(2) because payment for the services would be  
2       made under—

3           “(A) the medicare program under title  
4       XVIII of the Social Security Act;

5           “(B) a medicaid plan under title XIX of  
6       such Act; or

7           “(C) the State children’s health insurance  
8       program under title XXI of such Act.

9       “(b) CHARGES FOR SERVICES.—The following rules  
10   shall apply to charges for services provided by an entity  
11   to which a Corps member is assigned:

12           “(1) IN GENERAL.—Except as provided in para-  
13       graphs (2) and (3), the entity shall charge the usual  
14       and customary rate for such services that is pre-  
15       vailing in the area in which the services are pro-  
16       vided.

17           “(2) SERVICES TO BENEFICIARIES OF FEDERAL  
18       AND FEDERALLY-ASSISTED PROGRAMS.—In the case  
19       of health services furnished to an individual who is  
20       a beneficiary of a program or plan listed in sub-  
21       section (a)(2), the entity—

22           “(A) shall accept an assignment pursuant  
23       to section 1842(b)(3)(B)(ii) of the Social Secu-  
24       rity Act with respect to an individual who is a  
25       medicare beneficiary; and

1           “(B) shall enter into an appropriate agree-  
2           ment with—

3                   “(i) the State agency administering  
4                   the program under title XIX of such Act  
5                   with respect to individuals who are med-  
6                   icaid beneficiaries; and

7                   “(ii) the State agency administering  
8                   the program under title XXI of such Act  
9                   with respect to individuals who are State  
10                  children’s health insurance program bene-  
11                  ficiaries.

12               “(3) INDIVIDUALS UNABLE TO PAY.—In the  
13               case of health services furnished to an individual  
14               who is unable, as determined under regulations pro-  
15               mulgated by the Secretary, to pay the charge as-  
16               sessed in accordance with paragraph (1), the entity  
17               shall, as prescribed by such regulations, waive or re-  
18               duce such charges.

19               “(4) COLLECTION OF PAYMENTS.—The entity  
20               shall take reasonable and appropriate steps to collect  
21               all payments due for health services provided by the  
22               entity, including payments from any third party (in-  
23               cluding a Federal, State, or local government agency  
24               and any other third party) that is responsible for  
25               part or all of the charge for such services.”.

1 **SEC. 306. ELIGIBILITY FOR FEDERAL FUNDS.**

2 Section 335(e)(1)(B) of the Public Health Service  
3 Act (42 U.S.C. 254h(e)(1)(B)) is amended by striking  
4 “XVIII or XIX” and inserting “XVIII, XIX, or XXI”.

5 **SEC. 307. FACILITATION OF EFFECTIVE PROVISION OF**  
6 **CORPS SERVICES.**

7 Section 336 of the Public Health Service Act (42  
8 U.S.C. 254h–1) is amended—

9 (1) in subsection (c), by striking “health man-  
10 power” and inserting “health professional”; and

11 (2) in subsection (f)(1), by striking “health  
12 manpower” and inserting “health professional”.

13 **SEC. 308. AUTHORIZATION OF APPROPRIATIONS.**

14 Section 338(a) of the Public Health Service Act (42  
15 U.S.C. 254k(a)) is amended—

16 (1) by striking “(1) For” and inserting “For”;

17 (2) by striking “1991 through 2000” and in-  
18 serting “2002 through 2006”; and

19 (3) by striking paragraph (2).

20 **SEC. 309. NATIONAL HEALTH SERVICE CORPS SCHOLAR-**  
21 **SHIP PROGRAM.**

22 Section 338A of the Public Health Service Act (42  
23 U.S.C. 254l) is amended—

24 (1) in subsection (a)(1), by inserting “mental  
25 and behavioral health professionals,” after “den-  
26 tists,”;

1           (2) in subsection (b)(1)(B), by inserting “, or  
2           an appropriate degree from a graduate program in  
3           mental and behavioral health” after “other health  
4           profession”;

5           (3) in subsection (c)(1)—

6                 (A) in subparagraph (A), by striking  
7                 “338D” and inserting “338E”; and

8                 (B) in subparagraph (B), by striking  
9                 “338C” and inserting “338D”;

10          (4) in subsection (d)(1)—

11                 (A) in subparagraph (A), by striking  
12                 “and” at the end;

13                 (B) by redesignating subparagraph (B) as  
14                 subparagraph (C); and

15                 (C) by inserting after subparagraph (A)  
16                 the following:

17                         “(B) the Secretary, in considering applica-  
18                         tions from individuals accepted for enrollment  
19                         or enrolled in dental school, shall consider ap-  
20                         plications from all individuals accepted for en-  
21                         rollment or enrolled in any accredited dental  
22                         school in a State; and”;

23          (5) in subsection (f)—

24                 (A) in paragraph (1)(B)—



1 (i) in clause (iii), by striking “and”  
 2 after the semicolon;

3 (ii) by redesignating clause (iv) as  
 4 clause (v); and

5 (iii) by inserting after clause (iii) the  
 6 following new clause:

7 “(iv) if pursuing a degree from a  
 8 school of medicine or osteopathic medicine,  
 9 to complete a residency in a specialty that  
 10 the Secretary determines is consistent with  
 11 the needs of the Corps; and”; and

12 (B) in paragraph (3), by striking “338D”  
 13 and inserting “338E”; and

14 (6) by striking subsection (i).

15 **SEC. 310. NATIONAL HEALTH SERVICE CORPS LOAN REPAY-**  
 16 **MENT PROGRAM.**

17 Section 338B of the Public Health Service Act (42  
 18 U.S.C. 2541–1) is amended—

19 (1) in subsection (a)—

20 (A) in paragraph (1), by inserting “mental  
 21 and behavioral health professionals,” after  
 22 “dentists,”; and

23 (B) in paragraph (2), by striking “(includ-  
 24 ing mental health professionals)”;

1           (2) in subsection (b)(1), by striking subpara-  
2           graph (A) and inserting the following:

3           “(A) have a degree in medicine, osteopathic  
4           medicine, dentistry, or other health profession, or an  
5           appropriate degree from a graduate program in  
6           mental and behavioral health, or be certified as a  
7           nurse midwife, nurse practitioner, or physician as-  
8           sistant;”;

9           (3) in subsection (e), by striking “(1) IN GEN-  
10          ERAL.—”; and

11          (4) by striking subsection (i).

12 **SEC. 311. OBLIGATED SERVICE.**

13          Section 338C of the Public Health Service Act (42  
14          U.S.C. 254m) is amended—

15          (1) in subsection (b)—

16                 (A) in paragraph (1), in the matter pre-  
17                 ceding subparagraph (A), by striking “section  
18                 338A(f)(1)(B)(iv)” and inserting “section  
19                 338A(f)(1)(B)(v)”; and

20                 (B) in paragraph (5)—

21                         (i) by striking all that precedes sub-  
22                         paragraph (C) and inserting the following:

23           “(5)(A) In the case of the Scholarship Program, the  
24          date referred to in paragraphs (1) through (4) shall be  
25          the date on which the individual completes the training

1 required for the degree for which the individual receives  
 2 the scholarship, except that—

3 “(i) for an individual receiving such a degree  
 4 after September 30, 2000, from a school of medicine  
 5 or osteopathic medicine, such date shall be the date  
 6 the individual completes a residency in a specialty  
 7 that the Secretary determines is consistent with the  
 8 needs of the Corps; and

9 “(ii) at the request of an individual, the Sec-  
 10 retary may, consistent with the needs of the Corps,  
 11 defer such date until the end of a period of time re-  
 12 quired for the individual to complete advanced train-  
 13 ing (including an internship or residency).”;

14 (ii) by striking subparagraph (D);

15 (iii) by redesignating subparagraphs  
 16 (C) and (E) as subparagraphs (B) and  
 17 (C), respectively; and

18 (iv) in clause (i) of subparagraph (C)  
 19 (as redesignated by clause (iii)) by striking  
 20 “subparagraph (A), (B), or (D)” and in-  
 21 serting “subparagraph (A)”; and

22 (2) by striking subsection (e).

1 **SEC. 312. PRIVATE PRACTICE.**

2 Section 338D of the Public Health Service Act (42  
3 U.S.C. 254n) is amended by striking subsection (b) and  
4 inserting the following:

5 “(b)(1) The written agreement described in sub-  
6 section (a) shall—

7 “(1) provide that during the period of private  
8 practice by an individual pursuant to the agreement  
9 that the individual complies with section 334; and

10 “(2) contain such additional provisions as the  
11 Secretary may require to carry out the purposes of  
12 this section.

13 “(2) The Secretary shall take such action as may be  
14 appropriate to ensure that the conditions of the written  
15 agreement prescribed by this subsection are adhered to.”.

16 **SEC. 313. BREACH OF SCHOLARSHIP CONTRACT OR LOAN**  
17 **REPAYMENT CONTRACT.**

18 (a) IN GENERAL.—Section 338E of the Public  
19 Health Service Act (42 U.S.C. 254o) is amended—

20 (1) in subsection (a)(1)—

21 (A) in subparagraph (A), by striking the  
22 comma and inserting a semicolon;

23 (B) in subparagraph (B), by striking the  
24 comma and inserting “; or”;

25 (C) in subparagraph (C), by striking “or”  
26 at the end; and

1 (D) by striking subparagraph (D);

2 (2) in subsection (b)—

3 (A) in paragraph (1)(A)—

4 (i) by striking “338F(d)” and insert-  
5 ing “338G(d)”;

6 (ii) by striking “either”;

7 (iii) by striking “338D or” and insert-  
8 ing “338D,”; and

9 (iv) by inserting “or to complete a re-  
10 quired residency as specified in section  
11 338A(f)(1)(B)(iv),” before “the United  
12 States”; and

13 (B) by adding at the end the following new  
14 paragraph:

15 “(3) The Secretary may terminate a contract with an  
16 individual under section 338A if, not later than 30 days  
17 before the end of the school year to which the contract  
18 pertains, the individual—

19 “(A) submits a written request for such termi-  
20 nation; and

21 “(B) repays all amounts paid to, or on behalf  
22 of, the individual under section 338A(g).”;

23 (3) in subsection (c)—

24 (A) in paragraph (1)—

1 (i) in the matter preceding subpara-  
2 graph (A), by striking “338F(d)” and in-  
3 serting “338G(d)”; and

4 (ii) by striking subparagraphs (A)  
5 through (C) and inserting the following:

6 “(A) the total of the amounts paid by the  
7 United States under section 338B(g)(2) on be-  
8 half of the individual for any period of obligated  
9 service not served;

10 “(B) an amount equal to the product of  
11 the number of months of obligated service that  
12 were not completed by the individual, multiplied  
13 by \$7,500; and

14 “(C) the interest on the amounts described  
15 in subparagraphs (A) and (B), at the maximum  
16 legal prevailing rate, as determined by the  
17 Treasurer of the United States, from the date  
18 of the breach.”;

19 (B) by striking paragraphs (2) and (3) and  
20 inserting the following:

21 “(2) The Secretary may terminate a contract with an  
22 individual under section 338B if, not later than 45 days  
23 before the end of the fiscal year in which the contract was  
24 entered into, the individual—

1           “(A) submits a written request for such termi-  
2 nation; and

3           “(B) repays all amounts paid on behalf of the  
4 individual under section 338B(g).”; and

5           (C) by redesignating paragraph (4) as  
6 paragraph (3);

7           (4) in subsection (d)(3)(A), by striking “only if  
8 such discharge is granted after the expiration of the  
9 five-year period” and inserting “only if such dis-  
10 charge is granted after the expiration of the 7-year  
11 period”; and

12          (5) by adding at the end the following new sub-  
13 section:

14          “(e) Notwithstanding any other provision of Federal  
15 or State law, there shall be no limitation on the period  
16 within which suit may be filed, a judgment may be en-  
17 forced, or an action relating to an offset or garnishment,  
18 or other action, may be initiated or taken by the Secretary,  
19 the Attorney General, or the head of another Federal  
20 agency, as the case may be, for the repayment of the  
21 amount due from an individual under this section.”.

22          (b) EFFECTIVE DATE.—The amendment made by  
23 subsection (a)(4) shall apply to any obligation for which  
24 a discharge in bankruptcy has not been granted before the

1 date that is 31 days after the date of enactment of this  
2 Act.

3 **SEC. 314. AUTHORIZATION OF APPROPRIATIONS.**

4 Section 338H of the Public Health Service Act (42  
5 U.S.C. 254q) is amended by striking subsections (a) and  
6 (b) and inserting the following:

7 “(a) **AUTHORIZATION OF APPROPRIATIONS.**—For the  
8 purposes of carrying out this subpart, there are authorized  
9 to be appropriated \$146,250,000 for fiscal year 2002, and  
10 such sums as may be necessary for each of the fiscal years  
11 2003 through 2006.

12 “(b) **SCHOLARSHIPS FOR NEW PARTICIPANTS.**—Of  
13 the amounts appropriated under subsection (a) for a fiscal  
14 year, the Secretary shall obligate not less than 30 percent  
15 for the purpose of providing contracts for scholarships  
16 under this subpart to individuals who have not previously  
17 received such scholarships.

18 “(c) **SCHOLARSHIPS AND LOAN REPAYMENTS.**—With  
19 respect to certification as a nurse practitioner, nurse mid-  
20 wife, or physician assistant, the Secretary shall, from  
21 amounts appropriated under subsection (a) for a fiscal  
22 year, obligate not less than a total of 10 percent for con-  
23 tracts for both scholarships under the Scholarship Pro-  
24 gram under section 338A and loan repayments under the  
25 Loan Repayment Program under section 338B to individ-



1 uals who are entering the first year of study or programs  
 2 described in section 338A(b)(1)(B) that lead to such a cer-  
 3 tification or individuals who are eligible for the loan repay-  
 4 ment program as outlined in section 338B(b).”.

5 **SEC. 315. GRANTS TO STATES FOR LOAN REPAYMENT PRO-**  
 6 **GRAMS.**

7 Section 338I of the Public Health Service Act (42  
 8 U.S.C. 254q-1) is amended—

9 (1) in subsection (a), by striking paragraph (1)  
 10 and inserting the following:

11 “(1) **AUTHORITY FOR GRANTS.**—The Secretary,  
 12 acting through the Administrator of the Health Re-  
 13 sources and Services Administration may make  
 14 grants to States for the purpose of assisting the  
 15 States in operating programs described in paragraph  
 16 (2) in order to provide for the increased availability  
 17 of primary health services in health professional  
 18 shortage areas. The National Advisory Council es-  
 19 tablished under section 337 shall advise the Admin-  
 20 istrator regarding the program under this section.”;

21 (2) in subsection (e), by striking paragraph (1)  
 22 and inserting the following:

23 “(1) to submit to the Secretary reports regard-  
 24 ing their loan repayment program, as determined  
 25 appropriate by the Secretary; and”; and

1 (3) in subsection (i), by striking paragraph (1)  
 2 and inserting the following:

3 “(1) IN GENERAL.—For the purpose of making  
 4 grants under subsection (a), there is authorized to  
 5 be appropriated \$12,000,000 for fiscal year 2002  
 6 and such sums as may be necessary for each of the  
 7 fiscal years 2003 through 2006.”.

8 **SEC. 316. DEMONSTRATION GRANTS TO STATES FOR COM-**  
 9 **MUNITY SCHOLARSHIP PROGRAMS.**

10 Subpart III of part D of title III of the Public Health  
 11 Service Act (42 U.S.C. 254l et seq.) is amended by strik-  
 12 ing section 338L.

13 **SEC. 317. DEMONSTRATION PROJECT.**

14 (a) FINDINGS.—Congress makes the following find-  
 15 ings:

16 (1) Chiropractic doctors are skilled at providing  
 17 a wide range of primary health care services.

18 (2) Chiropractic doctors are often the only pro-  
 19 viders available to provide health care in many rural  
 20 communities.

21 (b) AMENDMENT TO PHSA.—Subpart III of part D  
 22 of title III of the Public Health Service Act (42 U.S.C.  
 23 254l et seq.) is amended by adding at the end the fol-  
 24 lowing:

1 **“SEC. 338L. DEMONSTRATION PROJECT.**

2       “(a) PROGRAM AUTHORIZED.—The Secretary shall  
3 establish a demonstration project to provide for the par-  
4 ticipation of individuals who are seeking a chiropractic de-  
5 gree in the Scholarship Program described in section 338A  
6 and for the participation of individuals who are chiro-  
7 practic doctors in the Loan Repayment Program described  
8 in section 338B.

9       “(b) PROCEDURE.—An individual that receives as-  
10 sistance under this section with regard to the programs  
11 described in sections 338A and 338B shall comply with  
12 all rules and requirements described in such sections in  
13 order to receive assistance under this section.

14       “(c) LIMITATIONS.—The demonstration project de-  
15 scribed in subsection (a) shall provide for the participation  
16 of individuals who shall provide services in both rural and  
17 urban areas, and shall also provide for the participation  
18 of enough individuals to allow the Secretary to properly  
19 analyze the effectiveness of such project.

20       “(d) REPORT.—The Secretary shall prepare and sub-  
21 mit a report describing how the project described in sub-  
22 section (a) has effected access to health care, patient satis-  
23 faction, and quality of care, especially how the project has  
24 effected health services in traditionally underserved popu-  
25 lations, to—

1           “(1) the Committee on Health, Education,  
2           Labor, and Pensions of the Senate;

3           “(2) the Subcommittee on Labor, Health and  
4           Human Services, and Education of the Committee  
5           on Appropriations of the Senate;

6           “(3) the Committee on Energy and Commerce  
7           of the House of Representatives; and

8           “(4) the Subcommittee on Labor, Health and  
9           Human Services, and Education of the Committee  
10          on Appropriations of the House of Representatives.

11          “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
12          is authorized to be appropriated to carry out this section,  
13          such sums as may be necessary for the fiscal years 2002  
14          through 2005.”.

15       **TITLE    IV—HEALTHY    COMMU-**  
16       **NITIES    ACCESS    PROGRAM**  
17       **ACT**

18       **SEC. 401. PURPOSE.**

19          The purpose of this title is to provide assistance to  
20          communities and consortia of health care providers and  
21          others, to develop or strengthen integrated community  
22          health care delivery systems that coordinate health serv-  
23          ices for individuals who are uninsured and underinsured  
24          and to develop or strengthen activities related to providing

1 coordinated care for individuals who are uninsured and  
2 underinsured with chronic conditions, through the—

3 (1) coordination of services to allow individuals  
4 to receive efficient and higher quality care and to  
5 gain entry into and receive services from a com-  
6 prehensive system of care;

7 (2) development of the infrastructure for a  
8 health care delivery system characterized by effective  
9 collaboration, information sharing, and clinical and  
10 financial coordination among all providers of care in  
11 the community; and

12 (3) provision of new Federal resources that do  
13 not supplant funding for existing Federal categorical  
14 programs that support entities providing services to  
15 low-income populations.

16 **SEC. 402. CREATION OF HEALTHY COMMUNITIES ACCESS**  
17 **PROGRAM.**

18 Part D of title III of the Public Health Service Act  
19 (42 U.S.C. 254b et seq.) is amended by inserting after  
20 subpart IV the following new subpart:

1    **“Subpart V—Healthy Communities Access Program**

2    **“SEC. 340. GRANTS TO STRENGTHEN THE EFFECTIVENESS,**  
 3                   **EFFICIENCY, AND COORDINATION OF SERV-**  
 4                   **ICES FOR THE UNINSURED AND UNDER-**  
 5                   **INSURED.**

6           “(a) IN GENERAL.—The Secretary may award grants  
 7 to eligible entities to assist in the development of inte-  
 8 grated health care delivery systems to serve communities  
 9 of individuals who are uninsured and individuals who are  
 10 underinsured—

11           “(1) to improve the efficiency and coordination  
 12 among the providers services through such systems;

13           “(2) to assist communities in developing pro-  
 14 grams targeted toward preventing and managing  
 15 chronic diseases; and

16           “(3) to expand and enhance the services pro-  
 17 vided.

18           “(b) ELIGIBLE ENTITIES.—To be eligible to receive  
 19 a grant under this section, an entity must be a public or  
 20 nonprofit entity that—

21           “(1) represents a consortium—

22                   “(A) whose principal purpose is to provide  
 23 a broad range of coordinated health care serv-  
 24 ices for a community defined in the entity’s  
 25 grant application; and

1           “(B) that includes health care providers  
2           that serve the community and that have tradi-  
3           tionally provided care to uninsured and under-  
4           insured individuals without regard to the indi-  
5           viduals’ ability to pay (including federally quali-  
6           fied health centers (as defined in section  
7           1861(aa) of the Social Security Act (42 U.S.C.  
8           1395x(aa))), public hospitals, public health de-  
9           partments, and private health care providers  
10          and organizations);

11          “(2) submits to the Secretary an application, in  
12          such form and manner as the Secretary shall pre-  
13          scribe, that—

14               “(A) defines a community of uninsured  
15               and underinsured individuals that consists of all  
16               such individuals—

17                   “(i) in a specified geographical area,  
18                   such as a rural area; or

19                   “(ii) in a specified population within  
20                   such an area, such as American Indians,  
21                   Native Alaskans, Native Hawaiians, home-  
22                   less individuals, migrant and seasonal  
23                   farmworkers, individuals with disabilities,  
24                   and public housing residents;

1           “(B) identifies the providers who will par-  
2           ticipate in the consortium’s program under the  
3           grant, and specifies each one’s contribution to  
4           the care of uninsured and underinsured individ-  
5           uals in the community, including the volume of  
6           care it provides to medicare, medicaid, and  
7           State child health insurance program (SCHIP)  
8           beneficiaries and to privately paid patients;

9           “(C) describes the activities that the appli-  
10          cant and the consortium propose to perform  
11          under the grant to further the purposes of this  
12          section;

13          “(D) demonstrates the consortium’s ability  
14          to build on the current system for serving unin-  
15          sured and underinsured individuals by involving  
16          providers who have traditionally provided a sig-  
17          nificant volume of care for that community;

18          “(E) demonstrates the consortium’s ability  
19          to develop coordinated systems of care that ei-  
20          ther directly provide or ensure the prompt pro-  
21          vision of a broad range of high-quality, acces-  
22          sible services, including, as appropriate, pri-  
23          mary, secondary, and tertiary services, as well  
24          as substance abuse treatment and mental



1 health services in a manner which assures con-  
2 tinuity of care in the community;

3 “(F) demonstrates the consortium’s ability  
4 to create comprehensive programs to address  
5 the prevention and management of chronic dis-  
6 eases of high importance within their commu-  
7 nities where applicable;

8 “(G) provides evidence of community in-  
9 volvement in the development, implementation,  
10 and direction of the program that it proposes to  
11 operate;

12 “(H) demonstrates the consortium’s ability  
13 to ensure that individuals participating in the  
14 program are enrolled in public insurance pro-  
15 grams for which they are eligible;

16 “(I) presents a plan for leveraging other  
17 sources of revenue, which may include State  
18 and local sources and private grant funds, and  
19 integrating current and proposed new funding  
20 sources in a way to assure long-term sustain-  
21 ability;

22 “(J) describes a plan for evaluation of the  
23 activities carried out under the grant, including  
24 measurement of progress toward the goals and

1 objectives of the program and the use of evalua-  
2 tion findings to improve program performance;

3 “(K) demonstrates fiscal responsibility  
4 through the use of appropriate accounting pro-  
5 cedures and appropriate management systems;

6 “(L) demonstrates the consortium’s com-  
7 mitment to serve the community without regard  
8 to the ability of the individual or family to pay  
9 by arranging for or providing free or reduced  
10 charge care for the poor; and

11 “(M) includes such other information as  
12 the Secretary may prescribe;

13 “(3) agrees along with each of the participating  
14 providers that each one will commit to use grant  
15 monies awarded under this section to supplement,  
16 not supplant, any other sources of funding available  
17 to cover the expenditures (including the value of any  
18 in-kind contributions) of the consortium and of its  
19 participating providers in carrying out the activities  
20 for which the grant would be awarded; and

21 “(4) has established or will establish before the  
22 receipt of any grant under this section, a decision-  
23 making body that has full and complete authority to  
24 determine and oversee all the activities undertaken  
25 by the consortium with funds made available through

1       such grant and that includes at least 1 representa-  
 2       tive of each participating provider identified under  
 3       paragraph (2)(B).

4       “(c) PRIORITIES.—In awarding grants under this  
 5 section, the Secretary—

6           “(1) shall accord priority to applicants that  
 7       demonstrate the extent of unmet need in the com-  
 8       munity involved for a more coordinated system of  
 9       care; and

10          “(2) may accord priority to applicants that best  
 11       promote the purposes of this section, taking into  
 12       consideration the extent to which the application  
 13       involved—

14           “(A) identifies a community whose geo-  
 15       graphical area has a high or increasing percent-  
 16       age of individuals who are uninsured;

17           “(B) includes in its consortium providers,  
 18       support systems, and programs that have a tra-  
 19       dition of serving uninsured individuals and  
 20       underinsured individuals in the community;

21           “(C) shows evidence that the program  
 22       would expand utilization of preventive and pri-  
 23       mary care services for uninsured and under-  
 24       insured individuals and families in the commu-  
 25       nity, including mental and behavioral health

1 services, oral health services, or substance  
2 abuse services;

3 “(D) proposes a program that would im-  
4 prove coordination between health care pro-  
5 viders and appropriate social service providers,  
6 including local and regional human services  
7 agencies, school systems, and agencies on aging;

8 “(E) demonstrates collaboration with State  
9 and local governments;

10 “(F) makes use of non-Federal contribu-  
11 tions to the greatest extent possible; or

12 “(G) demonstrates a likelihood that the  
13 proposed program will continue after support  
14 under this section ceases.

15 “(d) USE OF FUNDS.—

16 “(1) USE BY GRANTEES.—

17 “(A) IN GENERAL.—Except as provided in  
18 paragraphs (2) and (3), a grantee may use  
19 amounts provided under this section only for—

20 “(i) direct expenses associated with  
21 planning, developing, and operating the  
22 greater integration of a health care deliv-  
23 ery system so that it either directly pro-  
24 vides or ensures the provision of a broad  
25 range of services, as appropriate, including

1 primary, secondary, and tertiary services,  
2 as well as substance abuse treatment and  
3 mental health services; and

4 “(ii) direct patient care and service  
5 expansions to fill identified or documented  
6 gaps within an integrated delivery system.

7 “(B) SPECIFIC USES.—The following are  
8 examples of purposes for which a grantee may  
9 use grant funds, when such use meets the con-  
10 ditions stated in subparagraph (A):

11 “(i) Increase in outreach activities.

12 “(ii) Improvements to case manage-  
13 ment.

14 “(iii) Improvements to coordination of  
15 transportation to health care facilities.

16 “(iv) Development of provider net-  
17 works and other innovative models to en-  
18 gage physicians in voluntary efforts to  
19 serve the medically underserved within a  
20 community.

21 “(v) Recruitment, training, and com-  
22 pensation of necessary personnel.

23 “(vi) Acquisition of technology, such  
24 as telehealth technologies to increase ac-  
25 cess to tertiary care.

1 “(vii) Identifying and closing gaps in  
2 services being provided.

3 “(viii) Improvements to provider com-  
4 munication, including implementation of  
5 shared information systems or shared clin-  
6 ical systems.

7 “(ix) Development of common proc-  
8 esses for determining eligibility for the pro-  
9 grams, including creating common identi-  
10 fication cards and single ‘sliding fee’ dis-  
11 counts.

12 “(x) Creation of a triage system to co-  
13 ordinate referrals and to screen and route  
14 individuals to appropriate locations of pri-  
15 mary, specialty, and inpatient care.

16 “(xi) Development of specific preven-  
17 tion and disease management tools and  
18 processes, including—

19 “(I) carrying out a protocol or  
20 plan for each individual patient about  
21 what needs to be done, at what inter-  
22 vals, and by whom;

23 “(II) redesigning practice to in-  
24 corporate regular patient contact, col-  
25 lection of critical data on health and

1 disease status, and strategies to meet  
2 the educational and psychosocial  
3 needs of patients who may need to  
4 make lifestyle and other changes to  
5 manage their disease;

6 “(III) the promotion of the avail-  
7 ability of specialized expertise through  
8 the use of—

9 “(aa) teams of providers  
10 with specialized knowledge;

11 “(bb) collaborative care ar-  
12 rangements;

13 “(cc) computer decision sup-  
14 port services; or

15 “(dd) telehealth tech-  
16 nologies.

17 “(IV) providing patient edu-  
18 cational and support tools that are  
19 culturally competent and demonstrate  
20 appropriate health literacy and lit-  
21 eracy requirements; and

22 “(V) the collection of data re-  
23 lated to patient care and outcomes.

24 “(xii) Carrying out other activities  
25 that may be appropriate to a community

1           that would increase access to the unin-  
2           sured such as access initiatives for which  
3           private entities provide non-Federal con-  
4           tributions to supplement the Federal funds  
5           provided through the grants for the initia-  
6           tives.

7           “(2) DIRECT PATIENT CARE LIMITATION.—No  
8           more than 15 percent of the funds provided under  
9           a grant may be used for providing direct patient  
10          care and services.

11          “(3) RESERVATION OF FUNDS FOR NATIONAL  
12          PROGRAM PURPOSES.—The Secretary may use not  
13          more than 3 percent of funds appropriated to carry  
14          out this section for technical assistance to grantees,  
15          obtaining assistance of experts and consultants,  
16          meetings, development of tools, dissemination of in-  
17          formation, evaluation, and activities that will extend  
18          the benefits of funded programs to communities  
19          other than the one funded.

20          “(e) GRANTEE REQUIREMENTS.—The recipient of a  
21          grant under this section shall—

22                 “(1) report to the Secretary annually  
23                 regarding—



1           “(A) progress in meeting the goals and  
2           measurable objectives stated in its grant appli-  
3           cation; and

4           “(B) such additional information as the  
5           Secretary may require, and the Secretary may  
6           not renew an annual grant under this section  
7           unless the Secretary is satisfied that the consor-  
8           tium has made reasonable and demonstrable  
9           progress in meeting the goals and measurable  
10          objectives set forth in its grant application for  
11          the preceding year; and

12          “(2) provide for an independent annual finan-  
13          cial audit of all records that relate to the disposition  
14          of funds received through this grant.

15          “(f) TECHNICAL ASSISTANCE.—The Secretary may,  
16          either directly or by grant or contract, provide any funded  
17          entity with technical and other nonfinancial assistance  
18          necessary to meet the requirements of this section.

19          “(g) REPORT.—Not later than September 30, 2005,  
20          the Secretary shall prepare and submit to the appropriate  
21          committees of Congress a report on the progress and ac-  
22          complishments of the grant programs described in this  
23          section.

24          “(h) AUTHORIZATION OF APPROPRIATIONS.—For the  
25          purpose of carrying out this section, there are authorized

1 to be appropriated such sums as may be necessary for  
2 each of fiscal years 2002 through 2006.”.

3 **TITLE V—RURAL HEALTH**  
4 **CLINICS**

5 **SEC. 501. EXEMPTIONS FOR RURAL HEALTH CLINICS.**

6 (a) EXEMPTIONS FROM COPAYMENT REQUIRE-  
7 MENTS.—Section 1128B(b)(3)(D) of the Social Security  
8 Act (42 U.S.C.1320a–7b(b)(3)(D)) is amended by striking  
9 “a Federally qualified health care center” and inserting  
10 “a Federally qualified health center or rural health clinic,  
11 as defined in section 1861(aa) of the Social Security  
12 Act,”.

13 (b) EXEMPTIONS FROM DEDUCTIBLE REQUIRE-  
14 MENTS.—Section 1833(b)(4) of the Social Security Act  
15 (42 U.S.C. 1395l(b)(4)) is amended by striking “such de-  
16 ductible shall not apply to Federally qualified health cen-  
17 ter services,” and inserting “such deductible shall not  
18 apply to Federally qualified health center services or rural  
19 health clinic services, as defined in section 1861(aa) of the  
20 Social Security Act, provided to an individual who quali-  
21 fies for subsidized services under the Public Health Serv-  
22 ice Act,”.

1           **TITLE VI—CONFORMING**  
2                   **AMENDMENTS**

3   **SEC. 601. CONFORMING AMENDMENTS.**

4           (a)           HOMELESS           PROGRAMS.—Subsections  
5   (g)(1)(G)(ii), (k)(2), and (n)(1)(C) of section 224, and  
6   sections 317A(a)(2), 317E(c), 318A(e), 332(a)(2)(C),  
7   340D(c)(5), 799B(6)(B), 1313, and 2652(2) of the Public  
8   Health Service Act (42 U.S.C. 233, 247b–1(a)(2), 247b–  
9   6(c), 247c–1(e), 254e(a)(2)(C), 256d(c)(5), 295p(6)(B),  
10   300e–12, and 300ff–52(2)) are amended by striking  
11   “340” and inserting “330(h)”.

12          (b) HOMELESS INDIVIDUAL.—Section 534(2) of the  
13   Public Health Service Act (42 U.S.C. 290cc–34(2)) is  
14   amended by striking “340(r)” and inserting “330(h)(5)”.

○