§ 124.607 Agreements with State agencies.

(a) Where the Secretary finds that it will promote the purposes of this subpart, and the State agency is able and willing to do so, he may enter into an agreement with the State agency for the State agency to assist him in administering this subpart in the State.

(b) Under an agreement, the State agency will provide the Secretary with any assistance he requests in any one or more of the following areas, as set out in the agreement:

1. Investigation of complaints of noncompliance;
2. Monitoring the compliance of facilities with the requirements of this subpart;
3. Review of affirmative action plans submitted under §124.606(b); and
4. Review of reports submitted under §124.605;

5. Making initial decisions for the Secretary with respect to compliance, subject to appeal by any party to the Secretary or review by the Secretary on his own initiative; and

6. Application of any sanctions available to it under State law (such as license revocation or termination of State assistance) against facilities determined to be out of compliance with the requirements of this subpart.

Appendix to Subpart G of Part 124—Interim Procedures and Criteria for Review by Health Systems Agencies of Applications Under Section 1625 of the Public Health Service Act

In performing reviews under section 1513 (e) of the Public Health Service Act (42 U.S.C. 3001–2(c)) of applications for grants under section 1625 of the Act, health systems agencies shall use the procedures and criteria stated below. A health systems agency
may not conduct such reviews until the procedures and criteria to be used in conducting the reviews have been adopted by the agency and published in newspapers of general circulation within the health service area or other public information channels.

PROCEDURES

The procedures adopted and utilized by a health systems agency for conducting reviews of applications for grants under section 1625 of the Act shall include at least the following: 1. Except as provided below, notification of the beginning of a review within seven days of the receipt by the health systems agency of the application. Where the application was received by the health systems agency prior to publication of this subpart in the Federal Register, notification must be made within seven days of the date on which the health systems agency adopts its procedures and criteria. The notification shall include the proposed schedule for the review, the period within which a public hearing during the course of the review may be requested (which must be a reasonable period from the transmittal of the written notification required above), and the manner in which notification will be provided of the time and place of any hearings so requested. Written notification to members of the public may be provided through newspapers of general circulation in the area and public information channels. Notification to the applicant whose application is being reviewed and all other applicants for assistance under section 1625 of the Act providing health services in the health service area shall be by mail (which may be as part of a newsletter). The health systems agency must simultaneously notify the Federal funding agency of the beginning of the review.

2. Schedules for reviews which provide that such reviews shall not exceed 60 days from the date of notification made in accordance with paragraph 1 of this section to the date of the written findings made in accordance with paragraph 4 of this section. This does not preclude a health systems agency from conducting its review in less than 60 days.

3. Provision for applicants to submit to the health systems agency (in such form and manner as the agency shall require) such information as the agency deems necessary in order to conduct its review.

4. Written findings which state the basis for the approval or disapproval of the application by the health systems agency. Such findings shall be sent to the applicant, the State health planning and development agency (or agencies), and the Secretary, and shall be available to other upon request.

5. Access by the general public to all such applications reviewed by the health systems agency and to all other written materials pertinent to the agency review.

6. Public hearings in the course of agency review, if requested by one or more persons directly affected by the review. For purposes of this paragraph, a “person directly affected by the review” is as defined in 42 CFR 122.306(a)(7).

CRITERIA

The specific criteria adopted and utilized by a health systems agency to conduct reviews of applications for grants under section 1625 of the Act shall include at least the following:

1. The relationship of the health services of the facility to the applicable health systems plan and annual implementation plan.

2. The relationship of the health services of the facility to the long-range development plan (if any) of the applicant.

3. The need that the population served or to be served by the facility has for health services of such facility.

4. The availability of alternative, less costly, or more effective methods of providing the health services which the facility provides.

5. The relationship of the health services provided by the facility to the existing health care system of the area.

6. The availability of resources (including health manpower, management personnel, and funds for capital and operating needs) for the provision of services by the facility and the availability of alternative uses of such resources for the provision of other health services.

7. The special needs and circumstances of those entities which provide a substantial portion of their services or resources, or both, to individuals not residing in the health service area in which the entities are located or in adjacent health service areas. Such entities may include medical and other health professions schools, multidisciplinary clinics, and other specialty centers.

8. The special needs and circumstances of health maintenance organizations for which assistance may be provided under title XIII.

9. The costs and methods of the proposed construction or modernization, including the costs and methods of energy provision.

10. The probable impact of the project reviewed on the applicant’s costs of providing health services.

Subpart H—Recovery of Grant Funds

AUTHORITY: Secs. 609 and 1622 of the Public Health Service Act as amended 98 Stat. 112 (42 U.S.C. 291i and 300s–1a).

SOURCE: 51 FR 7939, Mar. 7, 1986, unless otherwise noted.