Public Law 90-174

AN ACT

To amend the Public Health Service Act to extend and expand the authorizations for grants for comprehensive health planning and services, to broaden and improve the authorization for research and demonstrations relating to the delivery of health services, to improve the performance of clinical laboratories, and to authorize cooperative activities between the Public Health Service hospitals and community facilities, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the “Partnership for Health Amendments of 1967”.

GRANTS FOR COMPREHENSIVE HEALTH PLANNING AND PUBLIC HEALTH SERVICES

SEC. 2. (a) (1) Subsection (a) (1) of section 314 of the Public Health Service Act (42 U.S.C. 246, as amended by section 3 of the Comprehensive Health Planning and Public Health Services Amendments of 1966, Public Law 89–749) is amended (1) by striking out “1968” the first time it appears and inserting in lieu thereof “1970” and (2) by striking out “and $5,000,000 for the fiscal year ending June 30, 1968” and inserting in lieu thereof “$7,000,000 for the fiscal year ending June 30, 1968, $10,000,000 for the fiscal year ending June 30, 1969, and $15,000,000 for the fiscal year ending June 30, 1970”.

(2) Subsection (a) (2) of such section is amended by redesignating subparagraphs (I) and (J) as subparagraphs (J) and (K), respectively, and by inserting after subparagraph (H) the following new paragraph:

“(I) effective July 1, 1968, (i) provide for assisting each health care facility in the State to develop a program for capital expenditures for replacement, modernization, and expansion which is consistent with an overall State plan developed in accordance with criteria established by the Secretary after consultation with the State which will meet the needs of the State for health care facilities, equipment, and services without duplication and otherwise in the most efficient and economical manner, and (ii) provide that the State agency furnishing such assistance will periodically review the program (developed pursuant to clause (i)) of each health care facility in the State and recommend appropriate modification thereof;”.

(3) The last sentence of subsection (a) (4) of such section is amended by inserting before the period at the end thereof “, except that in the case of the allotments for the fiscal year ending June 30, 1970, it shall not exceed 75 per centum of such cost”.

(b) (1) Subsection (b) of such section is amended by striking out “1968” the first time it appears and inserting in lieu thereof “1970” and by striking out “and $7,500,000 for the fiscal year ending June 30, 1968”, and inserting in lieu thereof “$7,500,000 for the fiscal year ending June 30, 1968, $10,000,000 for the fiscal year ending June 30, 1969, and $15,000,000 for the fiscal year ending June 30, 1970”.

(2) Such subsection (b) is further amended by inserting immediately after “project grants to any other public or nonprofit private agency or organization” the following: “(but with appropriate representation of the interests of local government where the recipient of the grant is not a local government or combination thereof or an agency of such government or combination)”.

(c) Subsection (c) of such section is amended by striking out “1968” the first time it appears and inserting in lieu thereof “1970” and by
Section 304 (42 U.S.C. 242b) of the Public Health Service Act is amended to read as follows:

"RESEARCH AND DEMONSTRATIONS RELATING TO HEALTH FACILITIES AND SERVICES

Sec. 3. (a) The Secretary is authorized—

(1) to make grants to States, political subdivisions, universities, hospitals, and other public or nonprofit private agencies, institutions, or organizations for projects for the conduct of research, experiments, or demonstrations (and related training), and

(2) to make contracts with public or private agencies, institutions, or organizations for the conduct of research, experiments, or demonstrations (and related training),

relating to the development, utilization, quality, organization, and financing of services, facilities, and resources of hospitals, facilities for long-term care, or other medical facilities (including, for purposes of this section, facilities for the mentally retarded, as defined in the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963), agencies, institutions, or organizations or to development of new methods or improvement of existing methods for the fiscal year ending June 30, 1970."
of organization, delivery, or financing of health services, including, among others—

"(A) projects for the construction of units of hospitals, facilities for long-term care, or other medical facilities which involve experimental architectural designs or functional layout or use of new materials or new methods of construction, the efficiency of which can be tested and evaluated, or which involve the demonstration of such efficiency, particularly projects which also involve research, experiments, or demonstrations relating to delivery of health services, and

"(B) projects for development and testing of new equipment and systems, including automated equipment, and other new technology systems or concepts for the delivery of health services, and

"(C) projects for research and demonstration in new careers in health manpower and new ways of educating and utilizing health manpower.

"(b) Except where the Secretary determines that unusual circumstances make a larger percentage necessary in order to effectuate the purposes of this section, a grant or contract under this section with respect to any project for construction of a facility or for acquisition of equipment may not provide for payment of more than 50 per centum of so much of the cost of the facility or equipment as the Secretary determines is reasonably attributable to research, experimental, or demonstration purposes. The provisions of clause (5) of the third sentence of section 603(a) and such other conditions as the Secretary may determine shall apply with respect to grants or contracts under this section for projects for construction of a facility or for acquisition of equipment.

"(c) Payments of any grants or under any contracts under this section may be made in advance or by way of reimbursement, and in such installments and on such conditions as the Secretary deems necessary to carry out the purposes of this section.

"(d) There are authorized to be appropriated for payment of grants or under contracts under this section $20,000,000 for the fiscal year ending June 30, 1968, $40,000,000 for the fiscal year ending June 30, 1969, and $60,000,000 for the fiscal year ending June 30, 1970; except that, for any fiscal year ending after June 30, 1968, such portions of such sums as the Secretary may determine, but not exceeding 1 per centum thereof, shall be available to the Secretary for evaluation (directly or by grants or contracts) of the program authorized by this section."

(b) Effective with respect to appropriations for fiscal years ending after June 30, 1967—

(1) section 624 of such Act is repealed; and

(2) the first sentence of section 314(e) of such Act is amended by inserting "or" at the end of clause (1), by striking out clause (3), by striking out "or" at the end of clause (2), by inserting "including related training)" after "providing services" in clause (1), and by amending clause (2) to read: "(2) developing and supporting for an initial period new programs of health services (including related training)."

Any sums appropriated for the fiscal year ending June 30, 1968, for carrying out such sections 624 and 314(e) which remain unobligated on the date of enactment of this Act shall be available for carrying out section 304 of the Public Health Service Act, and the total of such sums (and any portion of the appropriations for such year for such purpose obligated prior to such date of enactment in carrying out such sections) shall be deducted from the authorization for such year contained in such section 304.
COOPERATION WITH STATES IN EMERGENCIES

Sec. 4. Section 311 of the Public Health Service Act (42 U.S.C. 243) is amended by inserting at the end thereof the following new subsection:

"(c) The Secretary may enter into agreements providing for cooperative planning between Public Health Service medical facilities and community health facilities to cope with health problems resulting from disasters, and for participation by Public Health Service medical facilities in carrying out such planning. He may also, at the request of the appropriate State or local authority, extend temporary (not in excess of forty-five days) assistance to States or localities in meeting health emergencies of such a nature as to warrant Federal assistance. The Secretary may require such reimbursement of the United States for aid (other than planning) under the preceding sentences of this subsection as he may determine to be reasonable under the circumstances. Any reimbursement so paid shall be credited to the applicable appropriation of the Public Health Service for the year in which such reimbursement is received."

CLINICAL LABORATORIES IMPROVEMENT

Sec. 5. (a) Part F of title III of the Public Health Service Act (42 U.S.C. 262-3) is amended by changing the title to read: "LICENSING—BIOLOGICAL PRODUCTS AND CLINICAL LABORATORIES", and by adding after section 352 (42 U.S.C. 263) the following new section:

"LICENSING OF LABORATORIES

"Sec. 353. (a) As used in this section—

"(1) the term 'laboratory' or 'clinical laboratory' means a facility for the biological, microbiological, serological, chemical, immuno-hematological, hematological, biophysical, cytological, pathological, or other examination of materials derived from the human body, for the purpose of providing information for the diagnosis, prevention, or treatment of any disease or impairment of, or the assessment of the health of, man;

"(2) The term 'interstate commerce' means trade, traffic, commerce, transportation, transmission, or communication between any State or possession of the United States, the Commonwealth of Puerto Rico, or the District of Columbia, and any place outside thereof, or within the District of Columbia.

"(b) (1) No person may solicit or accept in interstate commerce, directly or indirectly, any specimen for laboratory examination or other laboratory procedures, unless there is in effect a license for such laboratory issued by the Secretary under this section applicable to such procedures.

"(2) The Secretary shall by regulation exempt from the provisions of this section laboratories whose operations are so small or infrequent as not to constitute a significant threat to the public health.

"(c) A license issued by the Secretary under this section may be applicable to all laboratory procedures or only to specified laboratory procedures or categories of laboratory procedures.

"(d) (1) A license shall not be issued in the case of any clinical laboratory unless (A) the application therefor contains or is accompanied by such information as the Secretary finds necessary, and (B) the applicant agrees and the Secretary determines that such laboratory will be operated in accordance with standards found necessary by the Secretary to carry out the purposes of this section. Such standards shall be designed to assure consistent performance by the laboratories.
of accurate laboratory procedures and services, and shall include, among others, standards to assure—

"(i) maintenance of a quality control program adequate and appropriate for accuracy of the laboratory procedures and services;

"(ii) maintenance of records, equipment, and facilities necessary to proper and effective operation of the laboratory;

"(iii) qualifications of the director of the laboratory and other supervisory professional personnel necessary for adequate and effective professional supervision of the operation of the laboratory (which shall include criteria relating to the extent to which training and experience shall be substituted for education); and

"(iv) participation in a proficiency testing program established by the Secretary.

"(2) A license issued under this section shall be valid for a period of three years, or such shorter period as the Secretary may establish for any clinical laboratory or any class or classes thereof; and may be renewed in such manner as the Secretary may prescribe. The provisions of this section requiring licensing shall not apply to a clinical laboratory in a hospital accredited by the Joint Commission on the Accreditation of Hospitals or by the American Osteopathic Association, or a laboratory which has been inspected and accredited by such commission or association, by the Commission on Inspection and Accreditation of the College of American Pathologists, or by any other national accreditation body approved for the purpose by the Secretary, but only if the standards applied by such commission, association, or other body in determining whether or not to accredit such hospital or laboratory are equal to or more stringent than the provisions of this section and the rules and regulations issued under this section, and only if there is adequate provision for assuring that such standards continue to be met by such hospital or laboratory; provided that any such laboratory shall be treated as a licensed laboratory for all other purposes of this section.

"(3) The Secretary may require payment of fees for the issuance and renewal of licenses, but the amount of any such fee shall not exceed $125 per annum.

"(e) A laboratory license may be revoked, suspended, or limited if the Secretary finds, after reasonable notice and opportunity for hearing to the owner or operator of the laboratory, that such owner or operator or any employee of the laboratory—

"(1) has been guilty of misrepresentation in obtaining the license;

"(2) has engaged or attempted to engage or represented himself as entitled to perform any laboratory procedure or category of procedures not authorized in the license;

"(3) has failed to comply with the standards with respect to laboratories and laboratory personnel prescribed by the Secretary pursuant to this section;

"(4) has failed to comply with reasonable requests of the Secretary for any information or materials, or work on materials, he deems necessary to determine the laboratory's continued eligibility for its license hereunder or continued compliance with the Secretary's standards hereunder;

"(5) has refused a request of the Secretary or any Federal officer or employee duly designated by him for permission to inspect the laboratory and its operations and pertinent records at any reasonable time; or

"(6) has violated or aided and abetted in the violation of any provisions of this section or of any rule or regulation promulgated thereunder.
"(f) Whenever the Secretary has reason to believe that continuation of any activity by a laboratory licensed under this section would constitute an imminent hazard to the public health, he may bring suit in the district court for the district in which such laboratory is situated to enjoin continuation of such activity and, upon proper showing, a temporary injunction or restraining order against continuation of such activity pending issuance of a final order under this section shall be granted without bond by such court.

"(g) (1) Any party aggrieved by any final action taken under subsection (e) of this section may at any time within sixty days after the date of such action file a petition with the United States court of appeals for the circuit wherein such person resides or has his principal place of business, for judicial review of such action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary or other officer designated by him for that purpose. The Secretary thereupon shall file in the court the record on which the action of the Secretary is based, as provided in section 2112 of title 28, United States Code.

"(2) If the petitioner applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Secretary, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Secretary, and to be adduced upon the hearing in such manner and upon such terms and conditions as the court may deem proper. The Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken, and he shall file such modified or new findings, and his recommendations, if any, for the modification or setting aside of his original action, with the return of such additional evidence.

"(3) Upon the filing of the petition referred to in paragraph (1) of this subsection, the court shall have jurisdiction to affirm the action, or to set it aside in whole or in part, temporarily or permanently. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive.

"(4) The judgment of the court affirming or setting aside, in whole or in part, any such action of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(h) Any person who willfully violates any provision of this section or any rule or regulation promulgated thereunder shall be guilty of a misdemeanor and shall on conviction thereof be subject to imprisonment for not more than one year, or a fine of not more than $1,000, or both such imprisonment and fine.

"(i) The provisions of this section shall not apply to any clinical laboratory operated by a licensed physician, osteopath, dentist, or podiatrist, or group thereof, who performs or perform laboratory tests or procedures, personally or through his or their employees, solely as an adjunct to the treatment of his or their own patients; nor shall such provisions apply to any laboratory with respect to tests or other procedures made by it for any person engaged in the business of insurance if made solely for purposes of determining whether to write an insurance contract or of determining eligibility or continued eligibility for payments thereunder.

"(j) In carrying out his functions under this section, the Secretary is authorized, pursuant to agreement, to utilize the services or facilities of any Federal or State or local public agency or nonprofit private agency or organization, and may pay therefor in advance or by way of reimbursement, and in such installments, as he may determine.
“(k) Nothing in this section shall be construed as affecting the power of any State to enact and enforce laws relating to the matters covered by this section to the extent that such laws are not inconsistent with the provisions of this section or with the rules and regulations issued under this section.

“(l) Where a State has enacted or hereafter enacts laws relating to matters covered by this section, which provide for standards equal to or more stringent than the provisions of this section or than the rules and regulations issued under this section, the Secretary may exempt clinical laboratories in that State from compliance with this section.”

(b) The amendment made by subsection (a) shall become effective on the first day of the thirteenth month after the month in which it is enacted, except that the Secretary of Health, Education, and Welfare may postpone such effective date for such additional period as he finds necessary, but not beyond the first day of the 19th month after such month in which the amendment is enacted.

(c) This section may be cited as the “Clinical Laboratories Improvement Act of 1967”.

VOLUNTEER SERVICES

SEC. 6. Title II of the Public Health Service Act is amended by adding after section 222 (42 U.S.C. 217a) the following new section:

“VOLUNTEER SERVICES

"Sec. 223. Subject to regulations, volunteer and uncompensated services may be accepted by the Secretary, or by any other officer or employee of the Department of Health, Education, and Welfare designated by him, for use in the operation of any health care facility or in the provision of health care."

COOPERATION AS TO MEDICAL CARE FACILITIES AND RESOURCES

SEC. 7. Part C of title III of the Public Health Service Act is amended by adding after section 327 (42 U.S.C. 254) the following new section:

“SHARING OF MEDICAL CARE FACILITIES AND RESOURCES

"Sec. 328. (a) For purposes of this section—

“(1) the term ‘specialized health resources’ means health care resources (whether equipment, space, or personnel) which, because of cost, limited availability, or unusual nature, are either unique in the health care community or are subject to maximum utilization only through mutual use;

“(2) the term ‘hospital’, unless otherwise specified, includes (in addition to other hospitals), any Federal hospital.

“(b) For the purpose of maintaining or improving the quality of care in Public Health Service facilities and to provide a professional environment therein which will help to attract and retain highly qualified and talented health personnel, to encourage mutually beneficial relationships between Public Health Service facilities and hospitals and other health facilities in the health care community, and to promote the full utilization of hospitals and other health facilities and resources, the Secretary may—

“(1) enter into agreements or arrangements with schools of medicine, and with other health schools, agencies, or institutions, for such interchange or cooperative use of facilities and services on a reciprocal or reimbursable basis, as will be of benefit to the
training or research programs of the participating agencies; and
“(2) enter into agreements or arrangements with hospitals and
other health care facilities for the mutual use or the exchange of
use of specialized health resources, and providing for reciprocal
reimbursement.

Any reimbursement pursuant to any such agreement or arrangement
shall be based on charges covering the reasonable cost of such utilization,
including normal depreciation and amortization costs of equip­
ment. Any proceeds to the Government under this subsection shall be
credited to the applicable appropriation of the Public Health Service
for the year in which such proceeds are received.”

**PROGRAM EVALUATION**

Sec. 8. (a) Paragraph (1) of section 314(d) of the Public Health
Service Act is amended by inserting before the period at the end
thereof the following: “, except that, for any fiscal year ending after
June 30, 1968, such portion of such sums as the Secretary may deter­
mine, but not exceeding 1 per centum thereof, shall be available to the
Secretary for evaluation (directly or by grants or contracts) of the
program authorized by this subsection and the amount available for
allocations hereunder shall be reduced accordingly”.

(b) Section 314(e) of such Act is amended by inserting at the end
thereof the following new sentence: “For any fiscal year ending after
June 30, 1968, such portion of the appropriations for grants under this
subsection as the Secretary may determine, but not exceeding 1 per
centum thereof, shall be available to the Secretary for evaluation
(directly or by grants or contracts) of the program authorized by this
subsection.”

(c) Section 309(c) of such Act is amended by inserting ““(1)” after
“except that” and by inserting before the period at the end thereof
the following: “, and (2) for any fiscal year ending after June 30,
1968, such portions of the funds made available under this subsection
as the Secretary may determine, but not exceeding 1 per centum
thereof, shall be available to the Secretary for evaluation (directly or
by grants or contracts) of the program authorized by this subsection”.

**RESEARCH CONTRACT AUTHORITY**

Sec. 9. Paragraph (h) of section 301 of the Public Health Service
Act (42 U.S.C. 241) is amended by striking out “two succeeding fiscal
years” and by inserting in lieu thereof “five succeeding fiscal years”.

**MEDICAL CARE FOR FEDERAL EMPLOYEES AT REMOTE STATIONS OF THE
SERVICE**

Sec. 10. (a) Section 324 of the Public Health Service Act (42
U.S.C. 251) is amended by inserting ““(a)” immediately after “Sec.
324.” and by redesignating clauses (a) through (d) of such section,
and references thereto, as clauses (1) through (4).

(b) Section 324 of such Act is further amended by adding at the end
thereof the following new subsection:

“(b) The Secretary is authorized to provide medical, surgical, and
dental treatment and hospitalization and optometric care for Federal
employees (as defined in section 8901(1) of title 5 of the United States
Code) and their dependents at remote medical facilities of the Public
Health Service where such care and treatment are not otherwise avail­
able. Such employees and their dependents who are not entitled to this
care and treatment under any other provision of law shall be charged
for it at rates established by the Secretary to reflect the reasonable cost
of providing the care and treatment. Any payments pursuant to the preceding sentence shall be credited to the applicable appropriation to the Public Health Service for the year in which such payments are received."

(c) Paragraph (7) of subsection (a) of section 322 of such Act is amended to read as follows:

"(7) Seamen-trainees, while participating in maritime training programs to develop or enhance their employability in the maritime industry; and"

PROJECTS FOR HOSPITAL EXPERIMENTATION, LOANS FOR INCREASED COSTS

SEC. 11. Title VI of the Public Health Service Act is amended by inserting immediately after section 623 the following new section:

"LOANS FOR CERTAIN HOSPITAL EXPERIMENTATION PROJECTS

"SEC. 623A. (a) In order to alleviate hardship on any recipient of a grant under section 636 of this title (as in effect immediately before the enactment of the Hospital and Medical Facilities Amendments of 1964) for a project for the construction of an experimental or demonstration facility having as its specific purpose the application of novel means for the reduction of hospital costs with respect to which there has been a substantial increase in the cost of such construction (over the estimated cost of such project on the basis of which such grant was made) through no fault of such recipient; the Secretary is authorized to make a loan to such recipient not exceeding 66% per centum of such increased costs, as determined by the Secretary, if the Secretary determines that such recipient is unable to obtain such amount for such purpose from other public or private sources.

(b) Any such loan shall be made only on the basis of an application submitted to the Secretary in such form and containing such information and assurances as he may prescribe.

(c) Each such loan shall bear interest at the rate of 21\(\frac{1}{2}\) per centum per annum on the unpaid balance thereof and shall be repayable over a period determined by the Secretary to be appropriate, but not exceeding fifty years.

(d) There are hereby authorized to be appropriated $3,500,000 to carry out the provisions of this section."

MINOR OR TECHNICAL AMENDMENTS

SEC. 12. (a) Section 806(c) (1) of the Public Health Service Act (42 U.S.C. 296e(c) (1)) is amended by inserting after "from a loan fund established pursuant to section 822" the following: "or from sums paid by the Secretary from the revolving fund created by section 827(d), or a nursing educational opportunity grant payment made pursuant to section 862."

(b) The second sentence of section 312 of such Act (42 U.S.C. 244) is amended by inserting "and officials of other State or local public or private agencies, institutions, or organizations" after "such health authorities".

(c) Section 725(a) of such Act (42 U.S.C. 293e(a)) is amended by striking out "twelve" and inserting in lieu thereof "thirteen".

(d) Section 314(f) of such Act is amended by—

1. inserting "for" before "the expenses of travel" in paragraph (5);
2. striking out "Service" and inserting in lieu thereof "Department" in paragraphs (6) and (8).
(e) Section 795(1)(A)(ii) of such Act is amended to read as follows: "(ii) of education in optometric technology, dental hygiene, or curriculums as are specified by regulation, and",  

(f) The amendment made by subsection (a) shall be effective as of November 3, 1966.

COMPREHENSIVE SURVEY

Sec. 14. The Secretary of Health, Education, and Welfare, in consultation and cooperation with other officials of the Federal Government and of the States, shall make a comprehensive survey of the incidence and location of serious hunger and malnutrition and health problems incident thereto in the United States and shall report his findings and recommendations for dealing with these conditions to the Congress within six months from the date of enactment of this section.

MEANING OF SECRETARY

Sec. 15. As used in the amendments made by this Act, the term "Secretary" means the Secretary of Health, Education, and Welfare.

Approved December 5, 1967.

Public Law 90-175

To amend further the Peace Corps Act (75 Stat. 612), as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(b) of the Peace Corps Act, as amended, which authorizes appropriations to carry out the purposes of that Act, is amended by striking out "1967" and "$110,000,000" and substituting "1968" and "$115,700,000", respectively.

Approved December 5, 1967.

Public Law 90-176

To amend the Act of September 8, 1960, relating to the Washington Channel waterfront.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (1) the first sentence of section 4(b) of the Act entitled "An Act to authorize the Commissioners of the District of Columbia on behalf of the United States to transfer from the United States to the District of Columbia Redevelopment Land Agency title to certain real property in said District", approved September 8, 1960 (74 Stat. 872), is amended by striking out "by reason of the enactment of the joint resolution approved August 28, 1958 (72 Stat. 983; Public Law 85-821). ", (2) The second sentence of section 4(b) of such Act is amended by striking out "by reason of the operation of such joint resolution approved August 28, 1958.", (3) Section 4(b) of such Act is amended by inserting after the first sentence thereof the following: "The priority of opportunity created by this section is a personal right of the owners of businesses displaced. In the event of the death of any such owner of any such displaced business, the spouse of such owner, or, if there is no spouse,