

Public Law 95-210
95th Congress

An Act

To amend titles XVIII and XIX of the Social Security Act to provide payment for rural health clinic services, and for other purposes.

Dec. 13, 1977

[H.R. 8422]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Social Security Act, amendment.

MEDICARE AMENDMENTS

SECTION 1. (a) Section 1832(a) of the Social Security Act is amended— 42 USC 1395k.

(1) by striking out “paragraph (2) (B)” in paragraph (1) and inserting in lieu thereof “subparagraphs (B) and (D) of paragraph (2)”; and

(2) by striking out the period at the end of paragraph (2) (C) and inserting in lieu thereof “; and” and by adding the following new subparagraph at the end of paragraph (2):

“(D) rural health clinic services.”

(b) Section 1833(a) of such Act is amended— 42 USC 1395l.

(1) by striking out “and” at the end of paragraph (1);

(2) by inserting “(except those services described in subparagraph (D) of section 1832(a)(2))” in paragraph (2) after “1832(a)(2)”; *Supra.*

(3) by striking out the period at the end of paragraph (2) and inserting in lieu thereof “, and”; and

(4) by inserting the following new paragraph after paragraph (2):

“(3) in the case of services described in section 1832(a)(2)(D), 80 percent of costs which are reasonable and related to the cost of furnishing such services or on such other tests of reasonableness as the Secretary may prescribe in regulations, including those authorized under section 1861(v)(1)(A).” 42 USC 1395x.

(c) The Secretary of Health, Education, and Welfare (hereinafter in this Act referred to as the “Secretary”) shall conduct a study of the feasibility and desirability of imposing a copayment for each visit to a rural health clinic for rural health clinic services under part B of title XVIII of the Social Security Act, instead of the deductible and coinsurance amounts otherwise required under section 1833 of such Act with respect to the provision of such services. The Secretary shall report to the appropriate committees of Congress, not later than one year after the date of enactment of this Act, on such study and on any recommendations he may have for changes in the provisions of part B of title XVIII of the Social Security Act to reflect the findings of such study. *Study.*
42 USC 1395l note.

(d) Section 1861 of such Act is amended by adding at the end thereof the following new subsection: *42 USC 1395j.*
Supra.
Report to congressional committees.

“Rural Health Clinic Services

“(aa) (1) The term ‘rural health clinic services’ means—

“(A) physicians’ services and such services and supplies as are covered under section 1861(s)(2)(A) if furnished as an incident to a physician’s professional service, *Definitions.*
42 USC 1395x.

“(B) such services furnished by a physician assistant or by a nurse practitioner and such services and supplies furnished as an incident to his service as would otherwise be covered if furnished by a physician or as an incident to a physician’s service, and

“(C) in the case of a rural health clinic located in an area in which there exists a shortage of home health agencies, part-time or intermittent nursing care and related medical supplies (other than drugs and biologicals) furnished by a registered professional nurse or licensed practical nurse to a homebound individual under a written plan of treatment (i) established and periodically reviewed by a physician described in paragraph (2) (B), or (ii) established by a nurse practitioner or physician assistant and periodically reviewed and approved by a physician described in paragraph (2) (B),

when furnished to an individual as an outpatient of a rural health clinic.

“(2) The term ‘rural health clinic’ means a facility which—

“(A) is primarily engaged in furnishing to outpatients services described in subparagraphs (A) and (B) of paragraph (1);

“(B) in the case of a facility which is not a physician-directed clinic, has an arrangement (consistent with the provisions of State and local law relative to the practice, performance, and delivery of health services) with one or more physicians (as defined in subsection (r) (1)) under which provision is made for the periodic review by such physicians of covered services furnished by physician assistants and nurse practitioners, the supervision and guidance by such physicians of physician assistants and nurse practitioners, the preparation by such physicians of such medical orders for care and treatment of clinic patients as may be necessary, and the availability of such physicians for such referral of and consultation for patients as is necessary and for advice and assistance in the management of medical emergencies; and, in the case of a physician-directed clinic, has one or more of its staff physicians perform the activities accomplished through such an arrangement;

“(C) maintains clinical records on all patients;

“(D) has arrangements with one or more hospitals, having agreements in effect under section 1866, for the referral and admission of patients requiring inpatient services or such diagnostic or other specialized services as are not available at the clinic;

“(E) has written policies, which are developed with the advice of (and with provision for review of such policies from time to time by) a group of professional personnel, including one or more physicians and one or more physician assistants or nurse practitioners, to govern those services described in paragraph (1) which it furnishes;

“(F) has a physician, physician assistant, or nurse practitioner responsible for the execution of policies described in subparagraph (E) and relating to the provision of the clinic’s services;

“(G) directly provides routine diagnostic services, including clinical laboratory services, as prescribed in regulations by the Secretary, and has prompt access to additional diagnostic services from facilities meeting requirements under this title;

“(H) in compliance with State and Federal law, has available for administering to patients of the clinic at least such drugs and biologicals as are determined by the Secretary to be necessary for the treatment of emergency cases (as defined in regulations) and

has appropriate procedures or arrangements for storing, administering, and dispensing any drugs and biologicals;

“(I) has appropriate procedures for review of utilization of clinic services to the extent that the Secretary determines to be necessary and feasible; and

“(J) meets such other requirements as the Secretary may find necessary in the interest of the health and safety of the individuals who are furnished services by the clinic.

For the purposes of this title, such term includes only a facility which (i) is located in an area that is not an urbanized area (as defined by the Bureau of the Census) and that is designated by the Secretary either (I) as an area with a shortage of personal health services under section 1302(7) of the Public Health Service Act or (II) as a health manpower shortage area described in section 332(a)(1)(A) of that Act because of its shortage of primary medical care manpower, (ii) has filed an agreement with the Secretary by which it agrees not to charge any individual or other person for items or services for which such individual is entitled to have payment made under this title, except for the amount of any deductible or coinsurance amount imposed with respect to such items or services (not in excess of the amount customarily charged for such items and services by such clinic), pursuant to subsections (a) and (b) of section 1833, (iii) employs a physician assistant or nurse practitioner, and (iv) is not a rehabilitation agency or a facility which is primarily for the care and treatment of mental diseases. A facility that is in operation and qualifies as a rural health clinic under this title or title XIX and that subsequently fails to satisfy the requirement of clause (i) shall be considered, for purposes of this title and title XIX, as still satisfying the requirement of such clause.

42 USC 300e-1.
42 USC 254e.

Ante, p. 1485.

42 USC 1396.

“(3) The term ‘physician assistant’ and the term ‘nurse practitioner’ mean, for the purposes of paragraphs (1) and (2), a physician assistant or nurse practitioner who performs such services as such individual is legally authorized to perform (in the State in which the individual performs such services) in accordance with State law (or the State regulatory mechanism provided by State law), and who meets such training, education, and experience requirements (or any combination thereof) as the Secretary may prescribe in regulations.”

(e) Any private, nonprofit health care clinic that—

42 USC 1395x
note.

(1) on July 1, 1977, was operating and located in an area which on that date (A) was not an urbanized area (as defined by the Bureau of the Census) and (B) had a supply of physicians insufficient to meet the needs of the area (as determined by the Secretary), and

(2) meets the definition of a rural health clinic under section 1861(aa)(2) or section 1905(1) of the Social Security Act, except for clause (i) of section 1861(aa)(2),

Ante, p. 1485.
Post, p. 1488.

shall be considered, for the purposes of title XVIII or XIX, respectively, of the Social Security Act, as satisfying the definition of a rural health clinic under such section.

42 USC 1395.

(f) Section 1862(a)(3) of such Act is amended by striking out “in such cases” and inserting in lieu thereof “in the case of rural health clinic services, as defined in section 1861(aa)(1), and in such other cases”.

42 USC 1395y.

Ante, p. 1485.

(g) Section 1861(s)(2) of such Act is amended—

42 USC 1395x.

(1) by striking out “and” at the end of subparagraph (C)(ii);

(2) by inserting “and” at the end of subparagraph (D); and

(3) by adding the following new subparagraph at the end thereof:

“(E) rural health clinic services;”.

42 USC 1395x.

(h) The second sentence of section 1861(s) of such Act is amended by inserting “, a rural health clinic,” after “physician’s office”.

42 USC 1395aa.

(i) Section 1864(a) of such Act is amended—

Ante, p. 1485.

(1) by inserting “or whether a facility therein is a rural health clinic as defined in section 1861(aa) (2),” in the first sentence after “home health agency;”;

(2) by inserting “rural health clinic,” in the second sentence after “nursing facility;”;

(3) by inserting “rural health clinic,” in the last sentence after “facility,” the first and second times it appears; and

(4) by striking out “such facility” in the last sentence and inserting in lieu thereof “such health care facility, rural health clinic”.

Effective date.
42 USC 1395k
note.

(j) The amendments made by this section shall apply to services rendered on or after the first day of the third calendar month which begins after the date of enactment of this Act.

MEDICAID AMENDMENTS

42 USC 1396d.

SEC. 2. (a) Paragraph (2) of section 1905(a) of the Social Security Act is amended to read as follows:

“(2) (A) outpatient hospital services, and (B) consistent with State law permitting such services, rural health clinic services (as defined in subsection (1)) and any other ambulatory services which are offered by a rural health clinic (as defined in subsection (1)) and which are otherwise included in the plan;”.

“Rural health
clinic services”
and “rural health
clinic.”

(b) Section 1905 of such Act is amended by adding after subsection (k) the following new subsection:

“(1) The terms ‘rural health clinic services’ and ‘rural health clinic’ have the meanings given such terms in section 1861(aa), except that (1) clause (ii) of section 1861(aa) (2) shall not apply to such terms, and (2) the physician arrangement required under section 1861(aa) (2)(B) shall only apply with respect to rural health clinic services and, with respect to other ambulatory care services, the physician arrangement required shall be only such as may be required under the State plan for those services.”.

42 USC 1396a.

(c) Section 1902(a) of such Act is amended—

(1) by striking out the semicolon at the end of paragraph (13) and inserting in lieu thereof “; and”, and by adding at the end of such paragraph the following new subparagraph:

“(F) for payment for services described in section 1905(a) (2)(B) provided by a rural health clinic under the plan of 100 percent of costs which are reasonable and related to the cost of furnishing such services or based on such other tests of reasonableness, as the Secretary may prescribe in regulations under section 1833(a) (3), or, in the case of services to which those regulations do not apply, on such tests of reasonableness as the Secretary may prescribe in regulations under this subparagraph;” and

Ante, p. 1485.

(2) by inserting “, or by reason of the fact that the plan provides for payment for rural health clinic services only if those services are provided by a rural health clinic” before the semicolon at the end of paragraph (23).

(d) Section 1910 of such Act is amended—

42 USC 1396i.

(1) by amending the heading to read as follows: "CERTIFICATION AND APPROVAL OF SKILLED NURSING FACILITIES AND OF RURAL HEALTH CLINICS";

(2) by striking out "(a)" and inserting in lieu thereof "(a)(1)";

(3) by striking out "(b)" and inserting in lieu thereof "(2)"; and

(4) by adding at the end thereof the following new subsection: "(b)(1) Whenever the Secretary certifies a facility in a State to be qualified as a rural health clinic under title XVIII, such facility shall be deemed to meet the standards for certification as a rural health clinic for purposes of providing rural health clinic services under this title.

Certification.

42 USC 1395.

"(2) The Secretary shall notify the State agency administering the medical assistance plan of his approval or disapproval of any facility in that State which has applied for certification by him as a qualified rural health clinic."

Approval.

(e) Section 1866(c)(2) of such Act is amended by striking out "section 1910" and inserting in lieu thereof "section 1910(a)".

42 USC 1395cc.

(f) (1) The amendments made by this section shall (except as otherwise provided in paragraph (2)) apply to medical assistance provided, under a State plan approved under title XIX of the Social Security Act, on and after the first day of the first calendar quarter that begins more than six months after the date of enactment of this Act.

Effective date.

42 USC 1395cc note.

42 USC 1396.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act.

DEMONSTRATION PROJECTS FOR PHYSICIAN-DIRECTED CLINICS IN URBAN MEDICALLY UNDERSERVED AREAS

SEC. 3. (a) The Secretary shall provide, through demonstration projects, reimbursement on a cost basis for services provided by physician-directed clinics in urban medically underserved areas for which payment may be made under title XVIII of the Social Security Act and, notwithstanding any other provision of such title, for services provided by a physician assistant or nurse practitioner employed by such clinics which would otherwise be covered under such title if provided by a physician.

42 USC 1395b-1 note.

(b) The demonstration projects developed under subsection (a) shall be of sufficient scope and carried out on a broad enough scale to allow the Secretary to evaluate fully—

Evaluation.

(1) the relative advantages and disadvantages of reimbursement on the basis of costs and fee-for-service for physician-directed clinics employing a physician assistant or nurse practitioner;

(2) the appropriate method of determining the compensation for physician services on a cost basis for the purposes of reimbursement of services provided in such clinics;

(3) the appropriate definition for such clinics;

- (4) the appropriate criteria to use for the purposes of designating urban medically underserved areas; and
- 42 USC 1395. (5) such other possible changes in the provisions of title XVIII of the Social Security Act as might be appropriate for the efficient and cost-effective reimbursement of services provided in such clinics.
- Expenditures. (c) Grants, payments under contracts, and other expenditures made for demonstration projects under this section shall be made in appropriate part from the Federal Hospital Insurance Trust Fund (established by section 1817 of the Social Security Act) and the Federal Supplementary Medical Insurance Trust Fund (established by section 1841 of the Social Security Act). Grants and payments under contracts may be made either in advance or by way of reimbursement, as may be determined by the Secretary, and shall be made in such installments and on such conditions as the Secretary finds necessary to carry out the purpose of this section. With respect to any such grant, payment, or other expenditure, the amount to be paid from each trust fund shall be determined by the Secretary giving due regard to the purposes of the demonstration projects.
- 42 USC 1395i. 42 USC 1395t. (d) The Secretary shall submit to the Congress, no later than January 1, 1981, a complete, detailed report on the demonstration projects conducted under subsection (b). Such report shall include any recommendations for legislative changes which the Secretary finds necessary or desirable as a result of carrying out such demonstration projects.
- Report to Congress. (e) As used in this section, the terms "physician assistant" and "nurse practitioner" have the meanings given such terms in section 1861(aa)(3) of the Social Security Act.
- Definitions. *Ante*, p. 1485.

REPORT BY THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE ON
MENTAL HEALTH AND OTHER CENTERS

42 USC 1395//
note.

SEC. 4. (a) The Secretary shall submit to the Congress, no later than six months after the date of enactment of this Act, a report on the advantages and disadvantages of extending coverage under title XVIII of the Social Security Act to urban or rural comprehensive mental health centers and to centers for treatment of alcoholism and drug abuse.

(b) The report submitted under subsection (a) shall include evaluations of—

- (1) the need for coverage under such title of services provided by such centers;
- (2) the extent of present utilization of such centers by individuals eligible for benefits under such title;
- (3) alternatives to services provided by such centers presently available to individuals eligible for benefits under such title;
- (4) the appropriate definition for such centers;
- (5) the types of treatment provided by such centers;
- (6) present Federal and State funding for such centers;
- (7) the extent of coverage by private insurance plans for services provided by such centers;
- (8) present and projected costs of services provided by such centers;
- (9) available methods for assuring proper utilization of such centers;
- (10) the effect of allowing coverage for services provided by such centers on other providers and practitioners; and

(11) the need for any demonstration projects for further evaluation of the need for coverage for services provided by such centers.

ACCESS TO CERTAIN TAX RETURN INFORMATION BY THE NATIONAL
INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH

SEC. 5. Subsection (m) of section 6103 of the Internal Revenue Code of 1954 (relating to disclosure of taxpayer identity information) is amended to read as follows: 26 USC 6103.

“(m) DISCLOSURE OF TAXPAYER IDENTITY INFORMATION.—

“(1) TAX REFUNDS.—The Secretary may disclose taxpayer identity information to the press and other media for purposes of notifying persons entitled to tax refunds when the Secretary, after reasonable effort and lapse of time, has been unable to locate such persons.

“(2) FEDERAL CLAIMS.—Upon written request, the Secretary may disclose the mailing address of a taxpayer to officers and employees of an agency personally and directly engaged in, and solely for their use in, preparation for any administrative or judicial proceeding (or investigation which may result in such a proceeding) pertaining to the collection or compromise of a Federal claim against such taxpayer in accordance with the provisions of section 3 of the Federal Claims Collection Act of 1966. 31 USC 952.

“(3) NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH.—Upon written request, the Secretary may disclose the mailing address of taxpayers to officers and employees of the National Institute for Occupational Safety and Health solely for the purpose of locating individuals who are, or may have been, exposed to occupational hazards in order to determine the status of their health or to inform them of the possible need for medical care and treatment.”

TRANSFER OF PUBLIC HEALTH SERVICE HOSPITAL IN TEXAS

SEC. 6. If the Secretary acquires the Space Center Memorial Hospital in Nassau Bay, Texas, for the purpose of transferring to it the activities and functions of the Public Health Service hospital in Galveston, Texas, the Secretary may close the Public Health Service hospital in Galveston, Texas.

Approved December 13, 1977.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-548, pt. I (Comm. on Ways and Means), No. 95-548, pt. II (Comm. on Interstate and Foreign Commerce), and No. 95-790 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 123 (1977):

Oct. 17, considered and passed House.

Oct. 19, considered and passed Senate, amended.

Nov. 29, House and Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 13, No. 51:

Dec. 13, Presidential statement.