

H. R. 1374

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 1997

Mr. DELLUMS introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committees on Ways and Means, the Judiciary, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

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

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

3 SHORT TITLE

SECTION 1. This Act may be cited as the “Josephine
Butler United States Health Service Act”.

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1 FINDINGS

2 SEC. 2. The Congress makes the following findings:

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

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

7 (3) Many of the Nation's people are unable
8 fully to exercise this right because of the inability of
9 the present health care delivery system to make high
10 quality health care available to all individuals re-
11 gardless of race, sex, age, national origin, income,

1 marital status, sexual orientation, religion, political
2 belief, place of residence, or previous health status.

3 (4) The present health care system has failed to
4 address the basic deterioration in occupational, envi-
5 ronmental, and social conditions affecting the health
6 of the people of this Nation.

7 (5) Unnecessary and excessive profits and ad-
8 ministrative expenses have inflated the cost of health
9 care.

10 (6) The health professions have failed to control
11 the cost of their services and the imbalance in the
12 number of health workers among geographic areas
13 or health care specialties.

14 (7) The present health care system has failed to
15 make full and efficient use of allied health workers.

16 (8) A United States Health Service is the best
17 means to implement the right to high quality health
18 care and to overcome the deficiencies in the present
19 health care delivery system.

20 PURPOSES

21 SEC. 3. The purposes of this Act are:

22 (1) To create a United States Health Service to
23 provide without charge to all residents, regardless of
24 race, sex, age, national origin, income, marital sta-
25 tus, sexual orientation, religion, political belief, place
26 of residence, or previous health status, comprehen-

1 sive health care services delivered by salaried health
2 workers and emphasizing the promotion and mainte-
3 nance of health as well as the treatment of illness.

4 (2) To establish representative and democratic
5 governance of the Service through community boards
6 chosen through community elections, district and re-
7 gional boards selected by the community and district
8 boards, respectively, and a National Health Board
9 selected by the regional boards, subject to the ap-
10 proval of the President.

11 (3) To provide health workers in the Service
12 with fair and reasonable compensation, secure em-
13 ployment, opportunities for full and equal participa-
14 tion in the governance of health facilities, and oppor-
15 tunities for advancement without regard to race, sex,
16 age, national origin, sexual orientation, religion, or
17 political belief.

18 (4) To increase the availability and continuity
19 of health care by linking local health care facilities
20 to hospitals and specialized care facilities.

21 (5) To implement local, regional, and national
22 planning for the establishing, equipping, and staffing
23 of health care facilities needed to overcome present
24 shortages and redistribute health resources, espe-
25 cially for currently deprived inner-city and rural pop-

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

9 SEC. 4. For the purposes of this Act, unless the con-
10 text implies otherwise:

(1) The term “Service” means the United States Health Service established in section 101.

14 National Health Board; Interim National Health
15 Board; Appropriate National Health Board

16 (2)(A) The term “National Health Board”
17 means the National Health Board of the Service.

(B) The term “Interim National Health Board” means the Interim National Health Board, appointed under section 102, of the Service.

21 (C) The term “appropriate National Health
22 Board” means—

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

1 (ii) the National Health Board, at and
2 after such meeting.

3 Health Board; Area Health Board

4 (3)(A) The term “health board” means the In-
5 terim National Health Board, National Health
6 Board, an interim regional health board, a regional
7 health board, a district health board, or a commu-
8 nity health board established under this Act.

9 (B) The term “area health board” means a re-
10 gional health board, a district health board, or a
11 community health board established under this Act.

12 Community; District; Region; Area

13 (4)(A) The term “community” means a health
14 care delivery community established under title I.

15 (B) The term “district” means a health care
16 delivery district established under title I.

17 (C) The term “region” means a health care de-
18 livery region established under title I.

19 (D) The term “area” means, with respect to an
20 area health board or an area health care facility—

21 (i) in the case of a community board or a
22 health care facility established by a community
23 board, the community for which such board is
24 established or in which the facility is located;

1 (ii) in the case of a district board or a
 2 health care facility established by a district
 3 board, the district for which such board is es-
 4 tablished or in which the facility is located; and

5 (iii) in the case of a regional board or a
 6 health care facility established by a regional
 7 board, the region for which such board is estab-
 8 lished or in which the facility is located.

9 Interim Regional Board; Regional Board; District
 10 Board; Community Board

11 (5)(A) The term “interim regional board”
 12 means an interim regional health board established
 13 in accordance with section 112.

14 (B) The term “regional board” means a re-
 15 gional health board established in accordance with
 16 title I.

17 (C) The term “district board” means a district
 18 health board established in accordance with title I.

19 (D) The term “community board” means a
 20 community health board established in accordance
 21 with title I.

22 Respective Regional and District Board

23 (6)(A) The terms “respective regional board”
 24 and “respective interim regional board” mean, with
 25 respect to a community board or a district board,

1 the regional board or interim regional board, respec-
2 tively, for the region which contains the community
3 or district for which such community board or dis-
4 trict board is established.

5 (B) The term “respective district board”
6 means, with respect to a community board, the dis-
7 trict board for the district which contains the com-
8 munity for which such community board is estab-
9 lished.

10 User; Registered User; Eligible User;

11 User Member

12 (7)(A) The term “user” means an individual
13 who is eligible under section 211 to receive health
14 care services from the Service under this Act.

15 (B) The term “registered user” means, with re-
16 spect to an area, a user who resides in the area and
17 is registered to vote in the area in general elections
18 for Federal, State, or local officials.

19 (C) The term “eligible user” means, for pur-
20 poses of sections 114 through 118, with respect to
21 a community, district, or region, an individual who
22 (i) is 18 years of age or older, (ii) resides in the
23 community, district, or region, respectively, and (iii)
24 is not a health worker (as defined in paragraph
25 (8)(A)), an indirect provider of health care (as de-

1 fined in subparagraph (E)), or a member of the im-
2 mediate family of such a worker or indirect provider.

3 (D) The term “user member” means, with re-
4 spect to a health board, an eligible user elected or
5 appointed by users or user members to the health
6 board under sections 114 through 118.

7 (E) The term “indirect provider of health care”
8 means an individual who—

9 (i) receives (either directly or through his
10 or her spouse) more than one-tenth of his or
11 her gross annual income from any one or com-
12 bination of—

13 (I) fees or other compensation for
14 provision of, research into, or instruction
15 in, the provision of health care,

16 (II) entities engaged in the provision
17 of health care or in such research or in-
18 struction,

19 (III) producing or supplying drugs or
20 other articles for individuals or entities for
21 use in the provision of or in research into
22 or instruction in the provision of health
23 care, or

24 (IV) entities engaged in producing
25 drugs or such other articles;

1 (ii) holds a fiduciary position with, or has
2 a fiduciary interest in, any entity described in
3 subclause (II) or (IV) of clause (i); or

4 (iii) is engaged in issuing any policy or
5 contract of individual or group health insurance
6 or hospital or medical service benefits.

7 Health Worker; Authorized Health Worker; Eligible
8 Health Worker; Worker Member

9 (8)(A) The term “health worker” includes—

10 (i) any employee of the Service; and

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

16 (B) The term “authorized health worker”
17 means, with respect to a specified health care serv-
18 ice, an individual who is an employee of the Service
19 and is authorized by a health board to deliver the
20 service.

21 (C) The term “eligible area health worker”
22 means, for purposes of sections 114 through 118
23 with respect to a community, district, or region, a
24 health worker who is employed by the community,
25 district, or regional health board (respectively) or, in

1 the case of sections 114 through 117, is scheduled
2 to be employed by such board on the effective date
3 of health services.

4 (D) The term “worker member” means, with
5 respect to a health board, an eligible area health
6 worker elected or appointed by health workers or
7 worker members to the health board under sections
8 114 through 118.

9 Health Care Facility; Area Health Care
10 Facility

11 (9)(A) The term “health care facility” means
12 an administrative unit composed of specified staff,
13 equipment, and premises and established by a health
14 board as an appropriate unit of organization for the
15 delivery of specified health care or supplemental
16 services under this Act.

17 (B) The term “area health care facility” means,
18 with respect to an area health board, a health care
19 facility established by the area health board.

20 Health Care Service; Supplemental Services

21 (10)(A) The term “health care services” means
22 the services described in paragraphs (1) through (5)
23 of section 213(a).

1 (B) The term “supplemental services” means
 2 the services described in paragraphs (1), (2), and
 3 (3) of section 213(b).

4 Number of Residents

5 (11) The term “number of residents” means
 6 the number of residents in a health care delivery
 7 area as determined by the most recent decennial na-
 8 tional census.

9 Effective Date of Health Services

10 (12) The term “effective date of health serv-
 11 ices” means the effective date of health services
 12 under this Act as specified in section 601.

13 TITLE I—ESTABLISHMENT AND OPERATION OF 14 THE UNITED STATES HEALTH SERVICE

15 PART A—INITIAL ORGANIZATION

16 ESTABLISHMENT OF THE SERVICE

17 SEC. 101. (a) There is established, as an independent
 18 establishment of the executive branch of the United
 19 States, the United States Health Service.

20 (b)(1) The authority of the Service shall be exercised
 21 by the appropriate National Health Board and, in accord-
 22 ance with this Act and guidelines established by such
 23 Board, by area health boards.

24 (2) The Service shall have the authority, under the
 25 power of eminent domain, to acquire by condemnation

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

4 APPOINTMENT OF INTERIM NATIONAL HEALTH BOARD

5 SEC. 102. (a) The President shall, no later than 30
6 days after the date of enactment of this Act, appoint 21
7 individuals—

8 (1) who are 18 years of age or older,

9 (2) who are concerned about the health care
10 problems of the Nation,

11 (3) who approximate the Nation's population by
12 race, sex, income, language, and region of residence,
13 and

14 (4) no more than seven of whom are or have
15 been health workers, indirect providers of health
16 care, or members of the immediate family of such
17 workers or indirect providers within 24 months of
18 the date of such nomination.

19 To serve as members of the Interim National Health
20 Board of the Service.

21 (b) The President shall, at the time of such appoint-
22 ments, designate two nominees to the Interim National
23 Health Board who are not and have not been health work-
24 ers, indirect providers of health care, or members of the
25 immediate family of such workers or indirect providers

1 within 24 months of the date of such appointment as
2 chairperson and vice chairperson of such Board.

3 POWERS AND DUTIES OF THE INTERIM NATIONAL
4 HEALTH BOARD

5 SEC. 103. (a) The members of the Interim National
6 Health Board shall serve as the National Health Board
7 of the Service until the National Health Board holds its
8 initial meeting in accordance with section 117(c)(2).

9 (b) The Interim National Health Board shall—

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

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

14 (3) assist interim regional health boards in the
15 performance of their functions;

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

18 (5) carry out such duties of the National
19 Health Board as it deems necessary and consistent
20 with the timetable given under this Act and the pur-
21 poses of the Service, except that no staff member
22 may be appointed and no employee may be hired by
23 the Interim National Health Board for a period ex-
24 tending beyond 90 days after the appointment of the
25 National Health Board under section 117.

1 (c) The Interim National Health Board shall operate
2 in a manner consistent with the provisions of part C.

3 (d) The Interim National Health Board shall submit
4 a report to Congress on its performance under this Act
5 no later than 30 days after the appointment of the Na-
6 tional Health Board under section 117.

7 AUTHORIZATION

8 SEC. 104. There are authorized to be appropriated
9 to the Service \$4,000,000,000 to carry out the provisions
10 of this Act with respect to the establishment of the Serv-
11 ice. Funds appropriated under this section shall remain
12 available until expended.

13 PART B—ORGANIZATION OF AREA HEALTH BOARDS

14 ESTABLISHMENT OF HEALTH CARE DELIVERY REGIONS

15 SEC. 111. (a) No later than 6 months after the ap-
16 pointment of members of the Interim National Health
17 Board, such Board shall establish, in accordance with this
18 section, health care delivery regions throughout the United
19 States.

20 (b) Each health care delivery region shall meet the
21 following requirements:

22 (1) The region shall be a contiguous geographic
23 area appropriate for the effective governance, plan-
24 ning, and delivery of all health care and supple-
25 mental services under this Act for residents of the
26 region.

1 (2) The region shall have a population of not
2 less than 500,000 and of not more than 3,000,000
3 individuals, except that—

4 (A) the population of a region may be
5 more than 3,000,000 if the region includes a
6 standard metropolitan statistical area (as deter-
7 mined by the Office of Management and Budg-
8 et) with a population of more than three mil-
9 lion; and

10 (B) the population of a region may be less
11 than 500,000 if the Interim National Health
12 Board determines that this is necessary to fa-
13 cilitate the delivery of health care and supple-
14 mental services or the effective governance of
15 the health program within such region.

16 (3) The boundaries of each region shall take
17 into account—

18 (A) any economic or geographic barrier to
19 the receipt of health care and supplemental
20 services in nonmetropolitan areas, and

21 (B) the differences in needs between non-
22 metropolitan and metropolitan areas in the
23 planning, development, and delivery of health
24 care and supplemental services.

1 (c) At least 60 days prior to the establishment of the
2 boundaries of any region, the Interim National Health
3 Board shall provide for—

4 (1) notice in the area which would be affected
5 by the establishment of such boundaries of the
6 boundaries proposed to be established, and of the
7 date, time, and location of the public hearing on
8 such establishment as provided in paragraph (2);
9 and

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

13 (d) The boundaries of regions shall be modified in
14 accordance with section 119.

15 APPOINTMENT OF INTERIM REGIONAL HEALTH BOARDS

16 SEC. 112. (a) No later than 60 days after the estab-
17 lishment of health care delivery regions under section 111,
18 the Interim National Health Board shall appoint an in-
19 terim regional board for each such region.

20 (b) Each interim regional board shall be composed
21 of nine members—

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

23 (2) who are concerned about the health care
24 problems of their region;

1 (3) who approximate the region’s population by
2 race, sex, income, and language; and

3 (4) no more than three of whom are or have
4 been health workers, indirect providers or health
5 care, or members of the immediate family of such
6 workers or indirect providers within 24 months of
7 the date of such appointment.

8 (c) The Interim National Health Board shall, at the
9 time of appointment of each interim regional board, des-
10 ignate two members of the board who are not and have
11 not been health workers, indirect providers of health care,
12 or members of the immediate family of such workers or
13 indirect providers within 24 months of the date of such
14 appointment as chairperson and vice chairperson of such
15 board.

16 (d) A vacancy in the membership of an interim re-
17 gional board shall be filled in the same manner as the
18 original appointment.

19 (e) The members of an interim regional board shall
20 serve until the certification of appointment of a regional
21 board in its region in accordance with section 116.

22 (f) Each interim regional board shall—

23 (1) establish the boundaries of health care de-
24 livery districts and of health care delivery commu-

1 nities within its region in accordance with section
2 113;

3 (2) conduct elections for voting members of
4 community boards within its region, in accordance
5 with section 114; and

6 (3) carry out such functions of a regional
7 board, set out under this Act, as the Interim Na-
8 tional Health Board deems appropriate for the pur-
9 poses of this Act.

10 (g) Each interim regional board shall operate in a
11 manner in accordance with part C of this title.

12 ESTABLISHMENT OF HEALTH CARE DELIVERY DISTRICTS

13 AND HEALTH CARE DELIVERY COMMUNITIES

14 SEC. 113. (a) No later than 6 months after its ap-
15 pointment under section 112, each interim regional board
16 shall establish, in accordance with this section, health care
17 delivery districts and health care delivery communities
18 throughout its region.

19 (b) Each region shall be divided into three or more
20 health care delivery districts. Each such district shall meet
21 the following requirements:

22 (1) The district shall be a contiguous geo-
23 graphic area appropriate for the effective govern-
24 ance, planning, and delivery of all health care serv-

1 ices, except for highly specialized health services, for
2 residents of such district.

3 (2) The district shall have a population of not
4 less than 100,000 and of not more than 500,000 in-
5 dividuals, except that a district may have a popu-
6 lation of less than 100,000 if the interim regional
7 board or regional board (as appropriate) determines
8 that a lesser population would facilitate the delivery
9 of health care and supplemental services or the ef-
10 fective governance of the health program within such
11 district or its region.

12 (c) Each district shall be divided into three or more
13 health care delivery communities. Each such community
14 shall meet the following requirements:

15 (1) The community shall be a contiguous geo-
16 graphic area appropriate for the effective govern-
17 ance, planning, and delivery of comprehensive pri-
18 mary health care services, described in section
19 221(a)(2), for residents of such community.

20 (2) The residents of the community shall, to the
21 maximum extent feasible, have a commonality of in-
22 terest, language, and ethnic and racial composition
23 sufficient to support and maintain a community
24 health program under this Act.

1 (3) The community shall have a population of
2 not less than 25,000 and of not more than 50,000
3 individuals, except in the case of Indian reservations
4 and, except that a community may have a population
5 of less than 25,000 if the interim regional board or
6 regional board (as appropriate) determines that a
7 lesser population would facilitate the delivery of
8 health care and supplemental services or the effective
9 governance of the health program within such
10 community or the district in which it is located.

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

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

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

24 (e) The boundaries of districts and communities shall
25 be modified in accordance with section 119.

1 ELECTION OF COMMUNITY HEALTH BOARDS

2 SEC. 114. (a)(1) The Interim National Health Board
3 shall arrange with State and local governments for the ini-
4 tial elections for user members of each community board
5 to be held on a date not later than 9 months after the
6 appointment of interim regional boards under section 112.

7 (2) Elections for worker members of each community
8 board shall first be held as soon as possible after the selec-
9 tion of health workers for employment by the user mem-
10 bers of such community boards. Such elections shall be
11 held, to the extent feasible, in accordance with subsection
12 (c)(2)(B).

13 (b)(1) The number of user members to be elected in
14 an election in a community under subsection (a) shall be
15 six, plus one user member for each 5,000 individuals resid-
16 ing in such community in excess of 30,000 residents.

17 (2) The number of worker members to be elected in
18 an election in a community under subsection (a) shall be
19 three, plus one member for each 10,000 individuals resid-
20 ing in such community in excess of 30,000 residents.

21 (c)(1) The Interim National Health Board shall es-
22 tablish procedures for the nomination and election under
23 this section of user members of community boards and
24 worker members of area health boards. Each interim re-
25 gional board shall conduct and supervise such nominations

1 and elections in its region in accordance with such proce-
2 dures.

3 (2)(A) Such procedures for election of user members
4 shall provide, except as otherwise provided in this part,
5 for—

6 (i) the nomination for election as a user mem-
7 ber to a community board of any eligible user, upon
8 presentation to the respective interim regional board
9 of a petition or petitions signed by at least one per-
10 cent of the registered users in the community;

11 (ii) the full disclosure by each nominee, at the
12 time of presentation of a petition or petitions under
13 clause (i), to the respective interim regional board of
14 any financial interest of the nominee and such nomi-
15 nee's family in the delivery of health care services,
16 in research on health or health care services, or in
17 the provision of drugs or medical supplies;

18 (iii) the opportunity, regardless of race, sex,
19 language, income level, or health condition, for all
20 registered users in each such community to nomi-
21 nate eligible users for, and for all eligible users in
22 each such community to run for and to serve as user
23 members of, such users' community board;

24 (iv) the right of all registered users in each
25 such community, regardless of race, sex, language,

1 income level, or health condition, to vote in elections
2 for user members of such users' community board,
3 and the right of registered users who are not phys-
4 ically or mentally capable of voting themselves to
5 designate other registered users to vote proxies on
6 their behalf;

7 (v) public meetings sponsored by the respective
8 interim regional board in each such community with-
9 in its region, at which all users nominated for elec-
10 tion to the community board in the community may
11 present their views;

12 (vi) the preparation and distribution within
13 each such community by the respective interim re-
14 gional board of literature presenting the qualifica-
15 tions and views of, and disclosing information de-
16 scribed in clause (ii) for, each nominee for election
17 as a user member of the community board in the
18 community; and

19 (vii) the election of the nominees receiving the
20 greatest number of votes.

21 (B) Such procedures for election of worker members
22 shall provide for—

23 (i) the nomination for election as a worker
24 member of an area health board of any eligible area
25 health worker, upon presentation to the respective

1 interim regional board of a petition (or petitions)
2 signed by at least 1 percent of the eligible area
3 health workers, and

4 (ii) the full participation of eligible area health
5 workers of all job categories and skill levels in the
6 nomination and election process.

7 (d)(1) Unless an election is set aside under section
8 402(d)(1) (relating to grievance procedures), individuals
9 who have been elected to a community board for a commu-
10 nity under this section, including user members until
11 worker members have been elected, shall be certified by
12 the interim regional board as constituting, on the date of
13 such certification, the community board for the commu-
14 nity.

15 (e) With respect to each group of individuals con-
16 stituting a community board under paragraph (1), the re-
17 spective interim regional board shall select a time, date,
18 and location within the community of such community
19 board for the holding of the initial meeting of such com-
20 munity board, which date shall not be later than 30 days
21 after the date of the election, and shall notify the newly
22 elected and approved members of such board and the resi-
23 dents of such community of the time, date, and location
24 of such meeting.

1 APPOINTMENT OF DISTRICT HEALTH BOARDS

2 SEC. 115. (a)(1) Not later than 60 days after the
3 initial meeting of each community board, called pursuant
4 to section 114(d)(2), the user members of each such board
5 shall appoint two eligible users in the community to serve
6 as user members of their respective district board.

7 (2) As soon as feasible, the worker members of each
8 such board shall appoint an eligible community health
9 worker to serve as a worker member of their respective
10 district board.

11 (3) As soon as feasible, the eligible district health
12 workers shall, in accordance with section 114(c)(2)(B),
13 elect an eligible district health worker to serve as a worker
14 member of their respective district board.

15 (4) The user and worker members of each such com-
16 munity board shall promptly notify their respective interim
17 regional board of appointments under this subsection.

18 (b)(1) Not later than 15 days after the date a major-
19 ity of the initial community boards within a district have
20 notified their respective interim regional board of the ap-
21 pointment of user members for their respective district
22 boards under subsection (a)(1), such interim regional
23 board shall certify the users so appointed as constituting,
24 on the date of such certification, the district board for the
25 district.

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

9 APPOINTMENT OF REGIONAL HEALTH BOARDS

10 SEC. 116. (a)(1) Not later than 60 days after the
11 initial meeting of each district board, called pursuant to
12 section 115(b)(2), the user members of each such board
13 shall appoint two eligible users in the district to serve as
14 user members of their respective regional board.

15 (2) As soon as feasible, the worker members of each
16 such board shall appoint an eligible district (or commu-
17 nity, in the district) health worker to serve as a worker
18 member of their respective regional board.

19 (3) As soon as feasible, the eligible regional health
20 workers shall, in accordance with section 114(c)(2)(B),
21 elect an eligible regional health worker to serve as a work-
22 er member of their respective regional board.

23 (4) The user and worker members of each such dis-
24 trict board shall promptly notify their respective interim

1 regional board and the Interim National Health Board of
2 such appointments.

3 (b) Not later than 15 days after the date a majority
4 of the initial certified district boards within a region have
5 notified their respective interim regional board of the ap-
6 pointment of user members for their respective regional
7 board under subsection (a)(1), such interim regional board
8 shall certify the users so appointed as constituting, on the
9 date of such certification, the regional board for the re-
10 gion.

11 (2) With respect to each regional board certified
12 under paragraph (1), the interim regional board that cer-
13 tified such board shall select a time, date, and location
14 within its region for the holding of the initial meeting of
15 such regional board, which date shall not be later than
16 15 days after the date of such certification, and shall no-
17 tify the appointed and approved members of such board
18 and the residents of its region of the time, date, and loca-
19 tion of such meeting.

20 APPOINTMENT OF THE NATIONAL HEALTH BOARD

21 SEC. 117. (a) The Interim National Health Board
22 shall, for purposes of appointing members of the National
23 Health Board, assign each region to one of three groups
24 of regions, each group having (to the extent possible) an

1 equal number and balanced geographic distribution of re-
2 gions.

3 (b)(1) Not later than 60 days after the initial meeting
4 of each regional board, called pursuant to section
5 116(b)(2), each such board for a region in the first two
6 groups of regions (established under subsection (a)) shall
7 appoint (subject to the approval of the President) an eligi-
8 ble user in the region to serve as a user member of the
9 National Health Board.

10 (2) As soon as feasible, each such board for any other
11 region shall appoint (subject to approval of the President)
12 an eligible regional (or community or district, in the re-
13 gion) health worker to serve as a worker member of the
14 National Health Board.

15 (3) Each regional board shall promptly notify the In-
16 terim National Health Board and the President of each
17 appointment under this subsection. The President shall
18 approve or disapprove the appointment of such a member
19 within the 10-day period beginning on the date of his noti-
20 fication of the appointment; and the appointment of such
21 a member shall be considered as having been approved by
22 the President unless he disapproves the appointment of
23 the member within such time period.

24 (c)(1) No later than 15 days after the date a majority
25 of the appointments under subsection (b)(1) by initially

1 certified regional boards have been approved by the Presi-
2 dent, the Interim National Health Board shall certify the
3 individuals so approved as constituting, on the date of
4 such certification, the National Health Board, and shall
5 promptly notify the President and the Congress of such
6 certification.

7 (2) The Interim National Health Board shall select
8 a time, date, and location for the holding of the initial
9 meeting of the National Health Board, which date shall
10 not be later than 15 days after the date of the certification
11 under paragraph (1), and shall notify appointed and ap-
12 proved members and the public of the time, date, and loca-
13 tion of such meeting.

14 SUBSEQUENT ELECTION AND APPOINTMENT OF
15 MEMBERS OF HEALTH BOARDS

16 SEC. 118. (a) Members of health boards elected or
17 appointed in accordance with sections 114 through 117
18 shall serve until their successors are certified in accord-
19 ance with this section.

20 (b)(1) The National Health Board shall arrange with
21 State and local governments for an election for user mem-
22 bers of each community board to be held on the date of,
23 and in conjunction with, each election for Members of the
24 United States House of Representatives that occurs after
25 the effective date of health services.

1 (2) An election for worker members of each commu-
2 nity board shall be held on or about the date of each elec-
3 tion specified in paragraph (1) and shall be held, to the
4 extent feasible and consistent with section 114(c)(2)(B),
5 in conjunction with the election under paragraph (1).

6 (3) The provisions of section 114 (other than sub-
7 section (a) thereof) shall apply to elections of members
8 of community boards under this subsection, except that
9 for purposes of this subsection—

10 (A) the term of each member elected under this
11 subsection shall be 4 years, except that, in the case
12 of the elections first held under this section, the
13 term of half of the user members and of half of the
14 worker members or, in the case of an odd number
15 of user or worker members, the term of half plus
16 one of such members shall be 2 years;

17 (B) the individuals whose term of office does
18 not expire following an election, as well as individ-
19 uals elected in the election, are deemed to constitute
20 the community board under section 114(d)(1); and

21 (C) any reference to an interim regional board
22 or to the Interim National Health Board in section
23 114 shall be considered as a reference to a regional
24 board or to the National Health Board.

1 (c)(1) Each regional board shall, for purposes of ap-
2 pointing worker members of district boards within its re-
3 gion, assign each community to one of two groups of com-
4 munities within each district, each group having (to the
5 extent possible) an equal number and balanced geographic
6 distribution of communities.

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

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

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

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

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

3 (B) in the case of a subsequent new certifi-
4 cation of such a board—

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

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

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

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

22 (3) Not later than 15 days after the date a majority
23 of the newly certified community boards within a district
24 have notified their respective regional board of the ap-
25 pointment or election of individuals for their respective

1 district boards under paragraph (2), such regional board
2 shall certify the users and workers whose term of office
3 does not expire at the time of such appointments or elec-
4 tions, as well as individuals newly appointed or elected,
5 as constituting, on the date of such certification, the dis-
6 trict board for the district.

7 (4) For each district board certified under paragraph
8 (3), the respective regional board shall select a time, date,
9 and location within the district of such district board for
10 the holding of the initial meeting of such new board, which
11 date shall be not later than 15 days after the date of such
12 certification, and shall notify the members of such board
13 appointed under this subsection and the residents of the
14 district of the time, date, and location of such meeting.

15 (d)(1) The National Health Board shall, for purposes
16 of appointing worker members of regional boards, assign
17 each district to one of two groups of districts within each
18 region, each group having (to the extent possible) an equal
19 number and balanced geographic distribution of districts.

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

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

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

6 (ii) worker members of each such board for
7 a district in the first group of districts (estab-
8 lished under paragraph (1)) shall appoint an el-
9 igible district (or community, within the dis-
10 trict) health worker to serve a 4-year term as
11 a worker member of their respective regional
12 board, and worker members of each such board
13 for a district in the second group of districts
14 shall appoint an eligible district (or community,
15 within the district) health worker to serve a 2-
16 year term on such board;

17 (B) in the case of a subsequent new certifi-
18 cation of such a board—

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

21 (ii) worker members of each such board for
22 a district in a group of districts that did not
23 appoint a worker member to serve a 4-year
24 term after the previous certification shall ap-
25 point an eligible district (or community, within

1 the district) health worker to serve a 4-year
2 term; and

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

9 The user and worker members of each such district board
10 shall promptly notify the National Health Board of such
11 appointments.

12 (3) Not later than 15 days after the date a majority
13 of the newly certified district boards within a region have
14 notified the National Health Board of the appointment or
15 election of individuals for their respective regional boards
16 under paragraph (2), the National Health Board shall cer-
17 tify the users and workers whose term of office does not
18 expire at the time of such appointments or elections, as
19 well as individuals newly appointed or elected, as con-
20 stituting, on the date of such certification, the regional
21 board for the region.

22 (4) For each regional board newly certified under
23 paragraph (3), the previously certified regional board shall
24 select a time, date, and location within the region for the
25 holding of the initial meeting of such new board, which

1 date shall not be later than 15 days after the date of such
2 certification, and shall notify the members of such board
3 appointed and approved under this subsection and the
4 residents of the region of the time, date, and location of
5 such meeting.

6 (e)(1) Not later than 60 days after the initial meeting
7 of each newly certified regional board, held pursuant to
8 subsection (d)(4)—

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

11 (i) each such board for a region in the first
12 group of regions (established under section
13 117(a)) shall appoint (subject to the approval of
14 the President) an eligible regional (or commu-
15 nity or district, in the region) health worker,
16 and

17 (ii) each such board for any other region
18 shall appoint (subject to the approval of the
19 President) an eligible user in the region,
20 to serve a 4-year term as a member of the National
21 Health Board; and

22 (B) in the case of a subsequent new certifi-
23 cation of such a board occurring when the terms of
24 office of members of the National Health Board are
25 expiring—

1 (i) each such board for a region in a group
2 of regions that has appointed an eligible user to
3 serve as a member of the National Board for
4 the previous two appointments under this sub-
5 section or section 117(b) shall appoint (subject
6 to the approval of the President) an eligible re-
7 gional (or community or district, in the region)
8 health worker, and

9 (ii) each such board for any other region
10 shall appoint (subject to the approval of the
11 President) an eligible user in the region,
12 to serve a 4-year term as a member of the National Health
13 Board. Each such board shall promptly notify the Na-
14 tional Health Board and the President of such appoint-
15 ment. The President shall approve or disapprove the ap-
16 pointment of such a member within the 10-day period be-
17 ginning on the date of his notification of the appointment;
18 and the appointment of such a member shall be considered
19 as having been approved by the President unless he dis-
20 approves the appointment of the member within such time
21 period.

22 (2) No later than 15 days after the date a majority
23 of the appointments under paragraph (1) by newly cer-
24 tified regional boards have been approved by the Presi-
25 dent, the National Health Board shall certify the individ-

1 uals so approved as constituting, on the date of such cer-
2 tification, the National Health Board and shall promptly
3 notify the President and Congress of such certification.

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

12 MODIFICATION OF THE BOUNDARIES OF HEALTH CARE

13 DELIVERY AREAS

14 SEC. 119. (a) No later than 2 years after each decen-
15 nial national census, and at such other times as it deems
16 necessary, the National Health Board shall review the ap-
17 propriateness of the boundaries of each health care deliv-
18 ery region and may, in accordance with subsection (b),
19 modify the boundary of any region in which there has been
20 a substantial shift of population justifying such modifica-
21 tion, if such modification is approved in a referendum of
22 registered users residing in an area whose regional identi-
23 fication would be changed by making such modification.

1 (b) At least 60 days before the modification by ref-
2 erendum of the boundary of any region, the National
3 Health Board shall provide for—

4 (1) notice in the area whose regional identifica-
5 tion would be changed by the modification of such
6 boundaries—

7 (A) of existing boundaries and of the pro-
8 posed modification, and

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

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

15 (c)(1) After the establishment of regional health
16 boards under section 116—

17 (A) no later than 2 years after each decennial
18 national census,

19 (B) upon receipt of a petition for modification
20 of a boundary of a district or community within the
21 region of such board, which petition is signed by not
22 less than 15 percent of the registered users residing
23 in an area whose district or community identification
24 would be changed by adoption of such petition, and

25 (C) at such other times as it deems appropriate,

1 each regional board shall review the appropriateness of the
2 boundaries of districts and communities within its region.

3 (2) Any review conducted under paragraph (1) shall
4 comply with the procedures of subsection (d) (relating to
5 open hearings and public participation).

6 (3) A regional board, after reviewing the boundaries
7 of a district or community within its region under para-
8 graph (1), may modify the boundary of any such district
9 or community if—

10 (A) there has been a substantial shift of popu-
11 lation justifying such modification, or

12 (B) such modification would better carry out
13 the purposes of this Act, and

14 if such modification is approved in a referendum, held
15 after notice and a public hearing in accordance with sub-
16 section (d), of registered users residing in an area whose
17 district or community identification would be changed by
18 adoption of the proposed modification.

19 (d) At least 60 days before the modification by ref-
20 erendum of the boundary of any district or community,
21 the respective regional board shall provide for—

22 (1) notice in the area whose district or commu-
23 nity identification would be changed by the modifica-
24 tion of such boundaries—

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

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

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

9 PART C—GENERAL PROVISIONS REGARDING HEALTH

10 BOARDS

11 DEFINITIONS

12 SEC. 121. As used in this part, the term “full mem-
13 ber” means, with respect to a health board, a member of
14 such board other than an associate member described in
15 section 122(a)(4).

16 MEMBERSHIP OF HEALTH BOARDS

17 SEC. 122. (a) Each health board shall be composed
18 of—

19 (1) members elected or appointed and approved
20 in accordance with this part B;

21 (2) one member—

22 (A) in the case of a community board, ap-
23 pointed by the occupational safety and health
24 action council established under section 412 for
25 such community, and

1 (B) in the case of a regional board, ap-
2 pointed by the occupational safety and health
3 action council established under section 413 for
4 such region;

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

16 (4) such nonvoting associate members as the
17 members of such board may determine from time to
18 time to be necessary to provide appropriate rep-
19 resentation of appropriate units of State, territorial,
20 and local government and of segments of the popu-
21 lation having special health needs; and in the case
22 of the Interim National Health Board and National
23 Health Board, to carry out the purposes of this Act.

24 (b)(1) Except as provided in paragraph (2), no indi-
25 vidual may serve as a full member of a health board in

1 a community, district, or region, or of the National Health
2 Board, for more than four consecutive years, exclusive of
3 any time that might be served as a member by election
4 or appointment (A) before the effective date of health serv-
5 ices, (B) for a 2-year term under section 118(b)(3)(A),
6 118(c)(2)(A), or 118(d)(2)(A), or (C) by appointment
7 under subsection (d) to fill a vacancy.

8 (2) Full members of a health board shall serve until
9 their successors are certified in accordance with this Act.

10 (c)(1)(A) Within 60 days of the date of the presen-
11 tation to the appropriate regional board of a petition,
12 signed by at least 15 percent of the number of registered
13 users residing in a community or of eligible area health
14 workers, requesting the recall of a user member or elected
15 worker member, respectively, of a board elected and ap-
16 proved in accordance with this title, such regional board
17 shall conduct an election on the recall of such member.

18 (B) The provisions of section 114 (except for sub-
19 section (a) thereof) and procedures established thereunder
20 regarding elections of user and worker members shall
21 apply with respect to recall elections conducted under this
22 paragraph, except that for the purposes of this paragraph,
23 any reference in such section to an interim regional board
24 or to the Interim National Health Board shall be consid-

1 ered as a reference to a regional board or to the National
2 Health Board, respectively.

3 (2) A member of a district or regional board or an
4 interim regional board appointed in accordance with this
5 title may be recalled from office by the affirmative vote
6 of two-thirds of the members of the health board which
7 appointed such member.

8 (3) A member of the Interim National Health Board
9 or National Health Board may be removed from office by
10 the President for inefficiency, neglect of duty, malfeasance
11 in office, or, in the case of the National Health Board,
12 upon recommendation by the affirmative vote of two-thirds
13 of the members of the regional board which nominated
14 such member.

15 (d)(1) A vacancy caused by the death, resignation,
16 or removal of a member (hereinafter in this subsection re-
17 ferred to as a “vacating member”) of a health board, elect-
18 ed or appointed in accordance with this title, before the
19 expiration of the term for which such vacating member
20 was elected or appointed, shall be filled not later than 60
21 days after the date of such vacancy—

22 (A) in the case of a member of a community
23 board, by election of an eligible individual, in accord-
24 ance with section 114 (except for subsection (a)
25 thereof);

1 (B) in the case of a member of a district or re-
2 gional board, an interim regional board, or the Na-
3 tional Health Board, by appointment or election
4 and, in the case of the National Health Board, Pres-
5 idential approval of an eligible individual by the
6 health board or workers which appointed or elected
7 such vacating member; and

8 (C) in the case of a member of the Interim Na-
9 tional Health Board, by appointment by the Presi-
10 dent.

11 (2) Any individual appointed to fill a vacancy under
12 this subsection shall serve only for the unexpired term of
13 office of the vacating member.

14 (3) For the purposes of this subsection, the term “eli-
15 gible individual” means, with respect to filling the place
16 of a vacating member, an individual who is eligible, under
17 the applicable provisions of this Act, to serve on a health
18 board in the capacity in which the vacating member was
19 elected or appointed.

20 MEETINGS AND RECORDS OF HEALTH BOARDS

21 SEC. 123. (a)(1) Each full member of a health board
22 shall have one vote in meetings of such board.

23 (2) A majority of the full members of each health
24 board shall constitute a quorum for the transaction of the

1 business of such board, and such board shall act upon the
2 vote of a majority of the full members present and voting.

3 (b)(1) Except as otherwise provided in this Act, the
4 full members of each health board shall, at the first meet-
5 ing following the certification of such board, elect a chair-
6 person and vice chairperson from among the full members
7 of such board.

8 (2) The chairperson of each health board shall be re-
9 sponsible for convening meetings of such board and for
10 such other duties as such board may assign. Upon the
11 written request of two full members of such board, the
12 chairperson shall convene a meeting of such board.

13 (3) The vice chairperson shall perform the duties of
14 the chairperson in the event that the chairperson is unable
15 to perform such functions.

16 (c)(1) Each health board shall provide for the record-
17 ing of the minutes of each of its meetings and each of
18 the meetings of its committees and advisory groups, and
19 shall make such records available to the public for inspec-
20 tion and copying.

21 (2) Meetings of each health board and each commit-
22 tee and advisory group thereof (except meetings that con-
23 cern an individual user or health worker, and such individ-
24 ual requests that the meeting be closed) shall be open to
25 the public and shall be held at such times and in such

1 places as the board determines to be convenient to attend-
2 ance by the public.

3 (3) Each health board shall establish a principal of-
4 fice within the area it serves.

5 (d) Each health board shall disseminate within the
6 area it serves full information regarding its activities, in-
7 cluding the furnishing of health care and supplemental
8 services.

9 (e)(1) Each health board may establish such rules,
10 consistent with this Act, as it finds necessary for the effec-
11 tive and expeditious transaction of its duties and func-
12 tions.

13 (2) Each health board may establish such committees
14 and advisory groups, and appoint to them such individuals
15 (including health workers), as it deems necessary to carry
16 out its duties and functions.

17 (f)(1) A full member of the Interim National Health
18 Board or National Health Board may receive compensa-
19 tion at a rate not to exceed the daily equivalent of the
20 annual rate of basic pay in effect for grade GS-18 of the
21 General Schedule for each day (including traveltime) dur-
22 ing which the member is engaged in the actual perform-
23 ance of such member's duties plus reimbursement for trav-
24 el, subsistence, and other necessary expenses incurred in
25 the performance of such member's duties.

SEC. 124. (a) In addition to guidelines and standards otherwise required to be established by this Act, the National Health Board shall establish such guidelines and standards as will facilitate the implementation of the objectives of this Act and as will encourage innovation and experimentation in the implementation of these objectives.

(c) The National Health Board and the regional boards shall establish programs that provide orientation, education, and technical assistance to members of area health boards in the use and application of guidelines and standards established by the National Health Board.

1 ASSISTANCE TO AREA HEALTH BOARD MEMBERS

2 SEC. 125. Each regional board shall provide orienta-
3 tion, education, and technical assistance to members of
4 district and community boards in its region, and the ap-
5 propriate National Health Board shall provide such sup-
6 port to members of regional boards, to insure that such
7 members are prepared to perform their duties as members
8 of such boards with maximum effectiveness.

9 TITLE II—DELIVERY OF HEALTH CARE AND
10 SUPPLEMENTAL SERVICES

11 PART A—PATIENTS' RIGHTS IN HEALTH CARE

12 DELIVERY

13 BASIC HEALTH RIGHTS

14 SEC. 201. The Service, in its delivery of health care
15 services to users, shall ensure that every such individual
16 is given the following basic health rights:

17 (1) The right to receive high quality health care
18 and supplemental services without charge and with-
19 out discrimination on account of race, sex, age, reli-
20 gion, language, income, marital status, sexual ori-
21 entation, dress, or previous health status.

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

1 (3) The right to have health care services deliv-
2 ered in a convenient and timely manner.

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

7 (5) The right of access to all information, in-
8 cluding the individual's health records and the medi-
9 cal dictionary produced under section 433(b), which
10 promotes an understanding of health, except when a
11 review committee (the majority of whose members
12 are users) established by the area health board
13 maintaining the information has determined that the
14 provision of the specific information would be harm-
15 ful to the individual.

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

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

22 (A) explanation of the indications, diag-
23 noses, benefits, side-effects, and risks involved
24 in the delivery of such service, and a description

1 of alternatives to such service (including no
2 treatment);

3 (B) answer to any question relating to
4 such health care service; and

5 (C) explanation of one's health rights de-
6 scribed in this part, and

7 the right to have such health care service delivered
8 only with the individual's prior, voluntary, written
9 consent.

10 (8) The right to refuse the initial or continuing
11 delivery of any health care service whenever such re-
12 fusal does not directly endanger the public health or,
13 in accordance with State law, of the individual if the
14 individual is dangerous to himself or herself.

15 (9) The right to have all individually identifi-
16 able information and documents treated confiden-
17 tially and not disclosed (except for statistical pur-
18 poses and for the control of communicable diseases,
19 drug abuse, and child abuse) without the individual's
20 prior, voluntary, and written consent.

21 (10) The right of access at all times to individ-
22 uals or groups for counseling, health information,
23 and assistance on health matters.

24 (11) The right to be accompanied and visited at
25 any time by a friend, relative, or independent advo-

11 (13) The right of access to a complaint and
12 grievance system and to legal assistance to enforce
13 these rights.

SEC. 202. (a) The Fair Labor Standards Act of 1938
is amended by inserting after section 7 (29 U.S.C. 207)
the following new section:

20 “SEC. 7A. Each employee of any employer who in any
21 workweek is engaged in commerce or in the production
22 of goods for commerce, or is employed in an enterprise
23 engaged in commerce or in the production of goods for
24 commerce, shall be entitled to receive from the employer,
25 for each 35 hours he is employed by the employer (not

1 counting more than 35 hours in any workweek), com-
2 pensation for one hour of employment at the regular rate
3 at which the employee is employed (as that term is used
4 in section 7 of this Act) for an hour (1) during the period
5 of 52 weeks beginning with the workweek with which the
6 entitlement is earned, and (2) during which the employee
7 is unable to work because of the need for the employee
8 (or a dependent of that employee) to receive necessary
9 health care services.”.

10 (b) The Fair Labor Standards Act of 1938 is further
11 amended—

12 (1) by striking out “sections 6 and 7” in sec-
13 tion 3(o) and inserting in lieu thereof “sections 6, 7,
14 and 7A”;

15 (2)(A) by striking out “and 7” in section 13(a)
16 before paragraph (1) and inserting in lieu thereof “,
17 7, and 7A”;

18 (B) by striking out “sections 6 and 7” in sec-
19 tion 13(a)(3) and inserting in lieu thereof “sections
20 6, 7, and 7A”;

21 (C) by inserting “7A,” in subsections (d) and
22 (f) of section 13 after “7,” each place it appears;

23 (3) by striking out “6 and 7” in section 14(d)
24 and inserting in lieu thereof “6, 7, and 7A”;

1 (4) by striking out “section 6 or section 7” in
2 section 15(a) and inserting in lieu thereof “section
3 6, 7, or 7A”;

4 (5)(A) by striking out “section 6 or section 7”
5 in section 16(b) and inserting in lieu thereof “sec-
6 tion 6, 7, or 7A”;

7 (B) by striking out “or their unpaid overtime
8 compensation” in section 16(b) and inserting in lieu
9 thereof “their unpaid overtime compensation, or
10 their unpaid health leave compensation”;

11 (C) by inserting “or of unpaid health leave com-
12 pensation” in section 16(b) after “amount of unpaid
13 overtime compensation”;

14 (D) by striking out “section 6 or 7” in the first
15 sentence of section 16(c) and inserting in lieu there-
16 of “section 6, 7, or 7A”;

17 (E) by striking out “unpaid overtime compensa-
18 tion” in the first sentence of section 16(c) and in-
19 serting in lieu thereof “, unpaid overtime compensa-
20 tion, or unpaid health leave compensation”;

21 (F) by striking out “or overtime compensation”
22 in the second sentence of section 16(c) and inserting
23 in lieu thereof “, overtime compensation, or health
24 leave compensation”;

1 (G) by striking out “or unpaid overtime com-
 2 pensation under sections 6 and 7” in the third sen-
 3 tence of section 16(c) and inserting in lieu thereof
 4 “, unpaid overtime compensation, or unpaid health
 5 leave compensation under sections 6, 7, and 7A”;

6 (6)(A) by inserting “or minimum health leave
 7 compensation higher than the minimum health leave
 8 compensation established under this Act” in the first
 9 sentence of section 18(a) before “, and no provi-
 10 sion”; and

11 (B) by inserting “, or justify any employer in
 12 reducing health leave compensation provided by him
 13 which is in excess of the applicable minimum health
 14 leave compensation under this Act” before the pe-
 15 riod at the end of the second sentence of section
 16 18(a).

17 PART B—ELIGIBILITY FOR, NATURE OF, AND SCOPE OF
 18 SERVICES PROVIDED BY THE SERVICE

19 ELIGIBILITY FOR SERVICES

20 SEC. 211. (a) All individuals while within the United
 21 States are eligible to receive health care and supplemental
 22 services under this Act.

23 (b) For purposes of this section, the term “United
 24 States” includes Indian reservations, the District of Co-

1 lumbia, the Commonwealth of Puerto Rico, the Virgin Is-
2 lands, Guam, Samoa, and the Northern Mariana Islands.

3 ENTITLEMENT TO SERVICES

4 SEC. 212. (a) Except as provided in subsection (b),
5 the Service shall, on and after the effective date of health
6 services, provide users with all health care services and
7 supplemental services described in section 213 which the
8 Service determines, in accordance with this title, to be nec-
9 essary or appropriate for the promotion and enhancement
10 of health, for the prevention of disease, and for the diag-
11 nosis and treatment of, and rehabilitation following, in-
12 jury, disability, or disease.

13 (b) Services provided under this Act shall not include
14 personal comfort or cosmetic services unless the area
15 health board providing the services determines that the
16 services are required for health-related reasons.

17 PROVISION OF HEALTH CARE AND SUPPLEMENTAL
18 SERVICES

19 SEC. 213. (a) The Service shall provide in the United
20 States the following health care services in or through fa-
21 cilities established by the Service—

22 (1) the promotion of health and well-being
23 through health education programs to be carried out
24 in facilities of the Service as well as in workplaces,
25 schools, and elsewhere utilizing all appropriate
26 media, and by assisting other Government agencies

1 in taking appropriate actions to promote health and
2 well-being;

3 (2) the prevention of illness, injury, and death
4 through education and advocacy addressed to the so-
5 cial, occupational, and environmental causes of ill-
6 health; through the provision of appropriate preven-
7 tive services including social, medical, occupational,
8 and environmental health services, on both an emer-
9 gency and sustained basis; through screening and
10 other early detection programs to identify and ame-
11 liorate the primary causes of ill-health; and, where
12 appropriate, through actions taken on an emergency
13 basis to halt environmental threats to life and
14 health;

15 (3) the diagnosis and treatment of illness and
16 injury, including emergency medical services, com-
17 prehensive outpatient and inpatient health care serv-
18 ices, occupational health services, mental health
19 services, dental care, long-term care, and home
20 health services;

21 (4) the rehabilitation of the sick and disabled,
22 including physical, psychological, occupational, and
23 other specialized therapies; and

24 (5) the provision of drugs, therapeutic devices,
25 appliances, equipment, and other medical supplies

1 (including eyeglasses, other visual aids, dental aids,
2 hearing aids, and prosthetic devices) certified effective in the National Pharmacy and Medical Supply
3 Formulary (published under section 432(a)) and furnished or prescribed by authorized health workers.

6 The Service may not provide such health care services in
7 a region, district, or community other than under the auspices of a regional, district, or community board established in accordance with this Act.

10 (b) The Service shall provide the following services
11 supplemental to the delivery of health care services in or
12 through health care facilities established by the Service—

13 (1) ambulance and other transportation services
14 to insure ready and timely access to necessary health
15 care;

16 (2) child care services for individuals who, during the time they receive outpatient health care services from the Service or are working in a health care facility of the Service, are responsible for a child's
19 care; and

21 (3) homemaking and home health services—

22 (A) to enable the provision of inpatient
23 health services at a health care facility of the
24 Service to an individual who has the sole responsibility for the care (i) of a child under 15

1 years of age, or (ii) of a physically or mentally
2 handicapped individual who requires the care of
3 another individual, and

4 (B) for the bedfast or severely handicapped
5 individual, when provision of such services
6 eliminates the need for the individual to receive
7 inpatient services; and

8 (4) such counseling and social service assistance
9 as will avoid the unnecessary provision of health care
10 services.

11 (c) The Service shall conduct the functions, especially
12 those related to environmental health and the prevention
13 of illness, currently performed by the departments of
14 health of the States and localities, to the extent consistent
15 with Federal, State, and local law, and shall cooperate
16 with State and local governments in its conduct of such
17 functions.

18 (d) The Service shall provide, at rates established by
19 the National Health Board, for reimbursement of the cost
20 of emergency health care services furnished in facilities
21 not operated by the Service or by health workers not em-
22 ployed by the Service, when an injury or acute illness re-
23 quires immediate medical attention under circumstances
24 making it medically impractical for the ill or injured indi-

1 vidual to receive care in a Service facility or by an em-
2 ployee of the Service.

3 PART C—HEALTH CARE FACILITIES AND DELIVERY OF
4 HEALTH CARE SERVICES

5 ESTABLISHMENT OF HEALTH CARE FACILITIES AND DIS-
6 TRIBUTION OF DELIVERY OF HEALTH CARE AND
7 OTHER SERVICES

8 SEC. 221. (a)(1) Each community board shall, not
9 later than the effective date of health services and to the
10 maximum extent feasible, establish and maintain in its
11 community such health care facilities as are necessary for
12 the efficient and effective delivery to individuals residing
13 in its community of comprehensive primary health care
14 services (defined in paragraph (2)), specialized health care
15 services (defined in paragraph (3)), special services (de-
16 fined in paragraph (4)) and community-oriented health
17 measures (defined in paragraph (5)). Such health care fa-
18 cilities shall be established and maintained in a manner
19 that, as soon as possible and to the greatest extent fea-
20 sible, provides services through a single comprehensive
21 health center.

22 (2) As used in paragraph (1), the term “comprehen-
23 sive primary health care services” means those basic out-
24 patient health care services typically needed for the pro-
25 motion of health and the prevention and treatment of com-

1 mon illnesses and includes the following health care serv-
2 ices—

3 (A) general primary medical and dental care,
4 including diagnosis and treatment, routine physical
5 examinations, laboratory, and radiologic services,
6 and home visits by health workers, as appropriate;

7 (B) preventive health services, including immu-
8 nizations, nutrition counseling and consultation, and
9 periodic screening and assessment services;

10 (C) children's health services, including assess-
11 ment of growth and development, education and
12 counseling on childrearing and child development,
13 and school and day-care center health services;

14 (D) obstetrical and gynecological services, in-
15 cluding family planning and contraceptive services,
16 pregnancy (prenatal and postnatal) and abortion
17 counseling and services;

18 (E) comprehensive geriatric services;

19 (F) vision and hearing examinations and provi-
20 sion of eyeglasses and other visual aids and hearing
21 aids;

22 (G) 24-hour emergency medical services;

23 (H) provision of pharmaceuticals and thera-
24 peutic devices, and medical appliances and equip-
25 ment;

1 (I) mental health services, including psycho-
2 logical and psychiatric counseling;

3 (J) home health services; and

4 (K) occupational safety and health services, in-
5 cluding screening, diagnosis, treatment, and edu-
6 cation.

7 (3) As used in paragraph (1), the term “specialized
8 health care services” means those health care services of
9 a specialized nature (whether delivered in an inpatient or
10 outpatient setting) which, applying guidelines established
11 by the National Health Board and by the respective re-
12 gional board, may be provided most effectively and
13 efficiently in a community setting.

14 (4) As used in paragraph (1), the term “special serv-
15 ices” means supportive services and the facilities (includ-
16 ing nursing homes and multiservice centers) in which such
17 services are provided for individuals who are physically or
18 mentally handicapped, mentally ill, infirm, or chronically
19 ill, so as to promote the integration and functioning of
20 such individuals within the community.

21 (5) As used in paragraph (1), the term “community-
22 oriented health measures” includes efforts to focus orga-
23 nized community activities upon the promotion of health
24 and the prevention of illness and injury, support for self-
25 help and mutual aid groups offering health promotion and

1 rehabilitative support programs; surveillance of potential
2 threats to community health, and prompt action to protect
3 against such threats, and includes outreach efforts to en-
4 sure that all residents are aware of and able to utilize the
5 health services of the Service, as needed.

6 (b) Each district board shall, not later than the effec-
7 tive date of health services, establish and maintain in its
8 district—

9 (1) a general hospital for the efficient and ef-
10 fective delivery of health care services to individuals
11 residing in the district requiring inpatient diagnosis,
12 treatment, care, and rehabilitation for injury or ill-
13 ness; and

14 (2) such other health care facilities as are nec-
15 essary, using guidelines established by the National
16 Health Board and by the respective regional board,
17 to promote the efficient and effective delivery of
18 health care services within its district.

19 In addition, each district board shall provide such health
20 care services of a specialized nature (whether delivered in
21 an inpatient or outpatient setting) as, taking into account
22 guidelines established by the National Health Board and
23 its respective regional board, may be provided most effec-
24 tively and efficiently at the district level.

1 (c) Each regional board shall, not later than the ef-
2 fective date of health services, establish and maintain in
3 its region—

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

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

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

21 (d) Each area health board, taking into account
22 guidelines established by the National Health Board, shall
23 provide the following through its health care facilities es-
24 tablished pursuant to this section:

1 (1) Health promotion through education on per-
2 sonal health matters, nutrition, the avoidance of ill-
3 ness, and the effective use of health care services
4 with particular emphasis on the appropriate and safe
5 use (discouraging the overuse) of drugs and medical
6 techniques.

7 (2) Maintenance and appropriate transmission
8 and transferral of personal health records for each
9 user of the services of the board consistent with sec-
10 tion 201(9).

11 (3) Referral services, including referrals, where
12 appropriate, to health care facilities established by
13 other boards.

14 (4) Supplemental services (described in section
15 213(b)), as appropriate.

16 (5) Assistance to individuals who, because of
17 language or cultural differences or educational or
18 other handicaps, are unable fully to utilize the serv-
19 ices available from and delivered by the board.

20 (6) Information (A) on the rights ensured
21 under this Act, (B) on the guidelines and standards
22 established by the appropriate National Health
23 Board, and (C) on how the area health board is im-
24 plementing such rights and applying such guidelines
25 and standards.

1 (7) Information on the grievance mechanisms
2 established pursuant to part A of title IV and on
3 legal services available to pursue grievances against
4 the board.

5 (8) Environmental health inspection and mon-
6 itoring services, including investigations relating to
7 the prevention of communicable diseases, in coopera-
8 tion with State and local authorities in the board's
9 area.

10 (9) Research and data-gathering on the leading
11 causes of ill-health in the board's area and on health
12 care delivery, in accordance with section 421.

13 (10) In the case of each inpatient health care
14 facility, discharge planning and followup services (A)
15 to identify patients who will need continuing care
16 after discharge from the facility and (B) to plan,
17 with the patient and the patient's family, arrange-
18 ments and referrals to meet such postdischarge
19 needs.

20 (e)(1) Each area health board shall, in establishing
21 health care facilities under this section, hire health work-
22 ers (including administrative personnel) in sufficient num-
23 bers and with appropriate qualifications to ensure that
24 such facilities provide the health care and other services
25 described in this section.

1 (2) In its establishment of health care facilities under
2 this section, each area health board shall purchase or lease
3 such premises as it deems necessary and suitable, utiliz-
4 ing, where appropriate, existing health facilities, including
5 health centers and clinics, hospitals, nursing homes, and
6 medical laboratories.

7 (3) In its establishment of health care facilities under
8 this section, each area health board shall seek to minimize
9 fragmentation and duplication in delivery of health care
10 and other services so as to promote the effective and effi-
11 cient delivery of such services.

12 (4) Each regional board, taking into account guide-
13 lines established by the National Health Board, shall pro-
14 vide for affiliation and coordination of the operation and
15 staff of the health care facilities in its region with the op-
16 eration and staff of other appropriate health care facilities
17 established within the region such board serves and within
18 adjacent regions.

19 (f) The National Health Board shall establish guide-
20 lines for distribution and coordination of the delivery of
21 health care and other services described in this section and
22 shall, before the effective date of health services, plan and
23 facilitate the transition to the new distribution of health
24 care facilities and health workers to be effected on and
25 after that date.

1 (g) In the case that a community or district board
2 fails, on the effective date of health services, to substan-
3 tially and materially provide health care and supplemental
4 services in accordance with this section, its respective re-
5 gional board shall take such steps as it deems necessary,
6 consistent with the provisions of section 402 (relating to
7 grievance proceedings), to provide health care and supple-
8 mental services to users in the community or district af-
9 fected. Such steps may include, in addition to appointment
10 of a trustee or trustee committee under section
11 402(d)(3)(D)—

12 (1) requiring that the community or district
13 board in an adjacent community or district provide
14 such services to users residing in the community or
15 district affected, or

16 (2) providing reimbursement for the provision
17 of specified health care services in accordance with
18 procedures and schedules in effect under title XVIII
19 of the Social Security Act immediately before the ef-
20 fective date of health services (except that only users
21 in the affected community or district shall be consid-
22 ered as entitled to receive such specified services
23 under such title).

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

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

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1 the health board, to assume the duties of the health board
2 with respect to the operation of the facility or facilities
3 involved.

4 (b) Such policies and plans shall provide for—

5 (1) the management of each facility by the
6 workers in such facilities through mechanisms which
7 provide full participation of health workers of all job
8 categories and skill levels employed in such facility;

9 (2) the elimination of dominance by health pro-
10 fessionals and the encouragement of cooperation and
11 mutual respect among all health workers; and

12 (3) regular accountability of the health workers
13 to the health board which established the facility for
14 the efficient and effective operation of the facility.

15 (c)(1) On and after 3 years after the effective date
16 of health services, a health board may not permit a health
17 care facility it has established to be used for the private
18 delivery of inpatient or outpatient health care services.

19 (2) No individual employed by a health board may
20 engage in the private delivery of health care services.

21 (3) For the purposes of this subsection, the term
22 “private delivery of health care services” means the deliv-
23 ery of health care services for which an individual, group,
24 or organization receives remuneration from any source

1 other than the Health Service Trust Fund established in
2 section 511.

3 (d) Each health board shall ensure that any health
4 care facility that it operates which provides health care
5 services on an outpatient basis is open during hours that
6 will permit all users to make use of such services.

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

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

15 (ii) provides adequate staff for its inpatients;

16 (iii) provides nutritional food for its inpatients;

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

19 (v) establishes and maintains a review commit-
20 tee in accordance with paragraph (2); and

21 (vi) informs an inpatient of all decisions involv-
22 ing the inpatient's health and well-being and permits
23 the inpatient (and the review committee upon the in-
24 patient's request) to participate fully in such deci-
25 sions;

1 (B) and does not—

2 (i) censor or harass communication be-
3 tween an inpatient and others by telephone, let-
4 ter, or in person;

5 (ii) confiscate personal property of an in-
6 patient, unless possession of such property
7 would interfere with the provision of health
8 care;

9 (iii) deny an inpatient the social and sexual
10 life of such individual's preference;

11 (iv) require that an inpatient work;

12 (v) pay an inpatient less than minimum
13 wage for work performed while receiving health
14 care services;

15 (vi) physically restrain an inpatient invol-
16 untarily for a period exceeding 72 hours with-
17 out the facility's review committee (described in
18 paragraph (2)) determining, within 72 hours of
19 its initiation and not less often than every 2
20 weeks during which such restraint is continued,
21 that such restraint is required for the physical
22 safety of the inpatient or of others; or

23 (vii) take punitive or discriminatory action
24 (including transfer between or within facilities,
25 changes in physical comforts and diets, changes

1 in opportunities for social interaction and com-
2 munication, or restriction of full participation in
3 recreational and creative activities) without the
4 prior approval, and renewed approval not less
5 often than every week thereafter, of the facili-
6 ty's review committee (described in paragraph
7 (2)).

8 (2)(A) Each health board shall provide that at least
9 once each year the inpatients at that time of each health
10 care facility it operates which provides (or is designed to
11 provide) health care services on an inpatient basis to indi-
12 viduals over a continuous period of 30 days or longer shall
13 elect, from among themselves and any representatives of
14 user associations which have a demonstrated interest in
15 the care of such inpatients, a review committee (herein-
16 after in this paragraph referred to as the "committee")
17 of not less than 3 members.

18 (B) Any member of the committee may be recalled
19 by a vote of two-thirds of the number of inpatients in the
20 facility.

21 (C) In any election or recall under this paragraph any
22 inpatient who is not able to vote for any reason shall be
23 permitted to appoint another individual to vote as proxy.

24 (f) In order to assure that quality care is provided
25 in health care facilities of the Service—

1 (1) each area health board shall conduct regu-
2 lar inspections of health care facilities it has estab-
3 lished,

4 (2) each regional board shall conduct regular
5 inspections of district and community health care fa-
6 cilities established in its region, and

7 (3) the National Health Board shall conduct
8 regular inspections of area and national health care
9 facilities,

10 and the results of such inspections of a facility shall be
11 reported to the appropriate area health board and users
12 of the facility and shall be made available to the public.

13 PROVISIONS OF HEALTH SERVICES RELATING TO

14 REPRODUCTION AND CHILDBEARING

15 SEC. 223. (a)(1) Area health boards, as appropriate,
16 shall provide the following services:

17 (A) Complete information on contraception and
18 provision of birth control materials or medication of
19 the individual's choosing.

20 (B) Complete and effective evaluation and
21 treatment of venereal diseases and diseases of the
22 reproductive organs.

23 (C) Complete information and counseling with
24 respect to pregnancy, childbearing, and possible out-
25 comes involving genetically induced anomalies.

1 (2) Area health boards, as appropriate, shall provide
2 the following services:

3 (A) Complete and effective pregnancy testing.

4 (B) Prenatal services, including physical exam-
5 ination, counseling, and instruction of expectant par-
6 ents in nutrition, childrearing, and children's health
7 care services.

8 (C) Safe, comfortable, and convenient abortion
9 services.

10 (D) Counseling by women in conjunction with
11 the provision of all gynecologic, female contraceptive,
12 and abortion services and counseling by men for
13 male fertility-related services.

14 (3) The services described in paragraphs (1) and (2)
15 shall be delivered without coercion or harassment, with
16 complete confidentiality, and without prior approval of in-
17 dividuals other than the individual receiving the services.

18 (4) An individual shall be permitted to be accom-
19 panied by a person of the individual's choice during the
20 provision of the services described in paragraphs (1) and
21 (2) to the extent this would not significantly increase the
22 medical risk to the individual.

23 (b) No area health board may perform upon an
24 individual a treatment or procedure (other than a treat-
25 ment or procedure required to preserve the life of the indi-

1 vidual) which could reasonably be expected to affect the
2 individual's capacity to reproduce children, unless (1) the
3 individual has given voluntary written consent to the treat-
4 ment or procedure after being given complete information
5 on the effect of the treatment or procedure on the individ-
6 ual's reproductive capacity, and on possible alternative
7 treatments and procedures, at least 30 days before begin-
8 ning the treatment or procedure, and (2) the individual
9 has, after such 30-day waiting period, again given written
10 consent to the performance of the treatment or procedure,
11 except that in the case of a woman who has given initial
12 written consent to a sterilization she may be sterilized in
13 less than 30 days following such consent (but in no case
14 in less than 72 hours) if (A) she had given initial written
15 consent at least 30 days before her anticipated delivery
16 date, she delivers before the anticipated date, and the ster-
17 ilization is performed at the time of delivery, or (B) she
18 undergoes emergency abdominal surgery within the 30-day
19 waiting period and the sterilization is concurrent with the
20 abdominal surgery.

21 (c) An area health board shall insure that, before a
22 mastectomy or other breast cancer treatment is performed
23 on a woman, the woman shall be provided with complete
24 information on the complete range of medical options
25 available for treatment of her condition and the risks and

1 side effects of each option and an opportunity to consult
2 individuals of her choice, and shall have given voluntary
3 written consent to such procedure.

4 (d) An area health board shall provide that a woman
5 giving birth to an infant shall have the right to choose
6 from a complete range of childbirth options including—

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

9 (2) the presence during childbirth of a person
10 or persons of her choosing;

11 (3) the position for labor and delivery which she
12 chooses;

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

14 (5) feeding her infant according to the method
15 and schedule of her choice; and

16 (6) selecting the birth attendant of her own
17 choice.

18 She shall be provided with information on the benefits,
19 risks, and side effects of each option and an opportunity
20 to consult individuals and groups of her choosing for infor-
21 mation and assistance on these options.

1 TITLE III—HEALTH LABOR FORCE

2 PART A—JOB CATEGORIES AND CERTIFICATION

3 EFFECT OF STATE LAW

4 SEC. 301. Notwithstanding any law of a State or po-
5 litical subdivision to the contrary, the Service, acting in
6 accordance with the provisions of this Act, shall be the
7 sole judge of the qualifications of its employees.

8 QUALIFICATIONS OF HEALTH WORKERS

9 SEC. 302. (a) Each area health board shall, taking
10 into account guidelines established by the National Health
11 Board, establish procedures which will ensure that, except
12 in emergency situations, any work which is classified
13 under a job category established under this part is per-
14 formed by a health worker who at the time of such work
15 was (1) certified (in accordance with this part) as com-
16 petent to perform the work under such job category, and
17 (2) authorized to perform such work by the area health
18 board which employs such worker.

19 (b) Each area health board that employs health work-
20 ers who perform work classified under a job category es-
21 tablished under this part shall provide for the periodic re-
22 view and assessment of the competency of such workers
23 to perform the work within such job category, and shall
24 provide opportunities for health workers to be assessed

1 and certified with respect to skills required for advance-
 2 ment to other job categories.

3 (c) In order to assure that health workers provide
 4 high quality health care services in the Service—

5 (1) each regional board shall provide for peri-
 6 odic review and assessment of the performance of
 7 health workers employed by district and community
 8 boards in its region, and

9 (2) the National Health Board shall provide for
 10 periodic review and assessment of the performance
 11 of health workers employed by regional boards and
 12 the National Health Board,

13 and the results of such examinations of health workers
 14 shall be reported to the appropriate area health board and
 15 the users residing in the areas in which the health workers
 16 are employed and shall be made available to the public.

17 ESTABLISHMENT OF JOB CATEGORIES AND

18 CERTIFICATION STANDARDS

19 SEC. 303. (a)(1) The National Health Board shall
 20 establish such guidelines for the classification, certifi-
 21 cation, and employment of health workers by job category
 22 as it determines to be necessary (A) to ensure that health
 23 workers who perform work for the Service which requires
 24 specialized skills have demonstrated that they possess such
 25 skills, (B) to expand the roles of health workers to enable

1 them to participate in health care delivery to the maxi-
2 mum extent consistent with their skills, and (C) to provide
3 for affiliation of health workers with health care facilities
4 at the community, district, and regional levels. These
5 guidelines shall permit alternative approaches to healing,
6 and practitioners skilled in such approaches, when these
7 approaches have not been demonstrated to be injurious
8 to health.

9 (2) In establishing guidelines under paragraph (1),
10 the National Health Board shall provide for (A) sufficient
11 flexibility to permit regional health boards to utilize health
12 workers most effectively to meet the health needs of the
13 region, and (B) sufficient uniformity to permit mobility
14 of health workers among the regions.

15 (3) In establishing guidelines under paragraph
16 (1)(C), and as appropriate to the job responsibilities of
17 the respective health workers, the National Health Board
18 shall require that each health worker employed by a com-
19 munity board must work part of the time in a health care
20 facility operated by the respective district or regional
21 board, and that each health worker (including the faculty
22 of health team schools) employed by a district or regional
23 board must work part of the time in a health care facility
24 operated by a community board within the district or re-
25 gion.

1 (4) The National Health Board shall periodically
2 evaluate the job categories and certification practices es-
3 tablished by area health boards under this section and
4 shall make such modifications to its guidelines as it deter-
5 mines will promote the delivery of quality health care serv-
6 ices.

7 (5) The National Health Board shall assist regional
8 boards in applying the guidelines established under this
9 subsection.

10 (b)(1) For each job category (other than a job cat-
11 egory determined by the National Health Board to involve
12 highly specialized skills requiring advanced specialty train-
13 ing), each regional health board shall, taking into account
14 the guidelines established under subsection (a), establish
15 certification standards which shall specify—

16 (A) the functions performed by a healthworker
17 employed in such job category;

18 (B) the skills required in the course of properly
19 performing work under such job category;

20 (C) the initial and continuing training, experi-
21 ence, and performance which must be undertaken or
22 demonstrated by a health worker to achieve and
23 maintain competency to perform the work within
24 such job category; and

1 (D) the curriculum which a health worker must
2 follow in studies in a health team school (established
3 under part B) to demonstrate sufficient competence
4 to satisfy the specification of subparagraph (C) for
5 such job category.

6 Each area health board within the region shall apply such
7 standards to all health workers employed by it. In applying
8 such standards, such boards shall recognize health worker
9 training, experience, and performance undertaken or dem-
10 onstrated before the establishment of health team schools
11 under part B, subject to such periodic review and assess-
12 ment and to such continuing training, experience, or per-
13 formance as may be required under this part.

14 (2) For each job category established and determined
15 by the National Health Board to involve highly specialized
16 skills requiring advanced specialty training, the National
17 Health Board shall make the specifications described in
18 subparagraphs (A) through (D) of paragraph (1), and
19 area health boards shall apply such certification standards
20 to all health workers employed by them in such job cat-
21 egories.

22 (3) A health board which establishes standards for
23 a job category under this subsection shall periodically re-
24 view such standards and shall supplement, modify, or

1 eliminate such standards as it determines will facilitate
2 the delivery of quality health care services under this Act.

3 PART B—EDUCATION OF HEALTH WORKERS

4 HEALTH TEAM SCHOOLS

5 SEC. 311. (a)(1) Except as provided in paragraph
6 (2), each regional board, in consultation with the commu-
7 nity and district boards in its region, shall establish a
8 health team school (hereinafter in this part referred to as
9 a “school”) in accordance with this section to provide pro-
10 grams of initial and continuing basic education in health
11 care delivery for health workers in all job categories, and
12 to provide initial continuing advanced education in health
13 care specialties and health science specialty fields. Each
14 school shall be established and functioning not later than
15 4 years after the effective date of health services unless
16 the National Health Board approves a plan, submitted by
17 the regional board, for the establishment of a school within
18 a reasonable time after such deadline.

19 (2) If a regional board determines, after consultation
20 with the community and district boards in its region, that
21 conducting particular educational programs within a
22 school in its region would be inefficient or otherwise inap-
23 propriate, it may collaborate with one or more regional
24 boards for adjacent regions conducting joint educational
25 programs. In the case of the establishment of such a joint

1 program, all further references in this part to a region
2 or a regional board with respect to a school offering a joint
3 program shall refer to the regions included within, and
4 the regional boards offering, the joint program.

5 (3) Schools shall be funded exclusively by the Service,
6 shall not charge nor accept tuition or fees for enrollment,
7 and shall provide each student with an adequate allowance
8 for living expenses, educational supplies, and any child
9 care expenses.

10 (4) The National Health Board shall assist regional
11 boards in the establishment and maintenance of schools.

12 (b) Schools shall be operated and maintained in ac-
13 cordance with the following principles:

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

17 (2) The number of students enrolled in each
18 educational program in a school shall be based on
19 the regional, district, and community boards' assess-
20 ments of the needs for health workers within such
21 region, districts, and communities.

22 (3) Schools shall integrate the education of
23 health workers in the different job categories (estab-
24 lished under part A) so as to permit health workers

1 to be educated and certified for successively higher
2 levels of health care work.

3 (4) Each school's admissions policies, curricu-
4 lum policies, faculty hiring procedures, and govern-
5 ance plan shall be established and implemented by
6 the regional board in accordance with subsections (c)
7 through (f), respectively, and with the fullest pos-
8 sible participation of the community and district
9 boards, health workers, staff, and students in its re-
10 gion.

11 (5) A school may not use individuals who are
12 from low-income populations or minority groups, or
13 who are women or confined in mental or penal insti-
14 tutions, as subjects for training or demonstration in
15 numbers that are disproportionate to their numbers
16 in the population of the region, and may not use any
17 individuals as subjects for training or demonstration
18 in a manner beyond that required for the immediate
19 purpose of the training or demonstration.

20 The National Board shall establish, not later than one
21 year after the effective date of health services, guidelines
22 for the application of these principles and for the phased
23 integration of health worker education programs, includ-
24 ing medical, dental, osteopathic, and nursing school pro-

1 grams, in existence on the date of enactment of this Act
2 into the schools established under this section.

3 (c) Each regional board shall establish and implement
4 admissions policies for education programs in its school.
5 Such policies shall—

6 (1) emphasize previous health-related work ex-
7 perience, as evaluated by health workers (including
8 peers), by individuals who have received health care
9 services from the applicant, and by faculty members;

10 (2) minimize the use of criteria of academic
11 performance other than such criteria as have been
12 shown to be significantly related to future work per-
13 formance;

14 (3) give preference to segments of the popu-
15 lation of the region under-represented among health
16 workers;

17 (4) to the extent consistent with paragraph (3),
18 provide for admission of individuals so that the stu-
19 dent body approximates the population of the region
20 by race, sex, family income, and language; and

21 (5) require that the applicant agree, if accepted
22 into the school, to perform health care services in ac-
23 cordance with section 312.

1 (d) Each regional board shall establish and imple-
2 ment curriculum policies for educational programs in its
3 school. Such policies shall—

4 (1) give priority in study and field work to the
5 leading causes of illness and death in the region, in-
6 cluding environmental, biological, and social deter-
7 minants of mortality and morbidity;

8 (2) give special consideration to studying the
9 social, as well as biological, causation and prevention
10 of illness and disease, and to the differing health
11 care needs of populations facing special health risks
12 and having special cultures and lifestyles within the
13 region;

14 (3) provide that all students shall take a com-
15 mon, initial sequence of courses and that students
16 preparing for more advanced types of health work
17 shall take studies that are progressively more spe-
18 cialized and differentiated;

19 (4) emphasize work-study experience in all
20 types of health care facilities in the region, including
21 community and workplace facilities, facilities for the
22 aged, mentally ill, and mentally retarded, health care
23 facilities in prisons and other correctional institu-
24 tions, alcohol and drug rehabilitation facilities, envi-
25 ronmental health facilities, and all other health care

1 facilities of the Service in communities and districts
2 in the region;

3 (5) emphasize the appropriate and safe use,
4 and discourage the overuse, of drugs and medical
5 techniques; and

6 (6) facilitate the development by all health
7 workers of skills in decisionmaking and assessment
8 of patient needs in cooperation with other health
9 workers and with patients.

10 (e) Each regional board shall establish and implement
11 faculty hiring procedures for its school. Such procedures
12 shall, to the maximum extent feasible, create a faculty
13 which approximates the population of the region by race,
14 sex, and language.

15 (f) Each regional board shall establish and implement
16 a governance plan for the management of its school. Such
17 plan shall give significant decisionmaking powers to staff
18 and students of the school.

19 SERVICE REQUIREMENT

20 SEC. 312. (a)(1) No individual may be enrolled by
21 a regional board in a school unless the individual agrees
22 to perform health care services as an employee of the Serv-
23 ice in the job category for which training is being provided
24 (A) for a period of time equal to the period of such
25 enrollement in the school but not less than 2 years, (B)

1 beginning not later than 1 year after the date of the indi-
 2 vidual's graduation from the school, and (C) for an area
 3 health board with the highest priority ranking under sub-
 4 section (c) that agrees to employ the individual.

5 (2) An individual's obligation to perform service
 6 under an agreement described in paragraph (1) shall be
 7 deferred only for a period during which the individual is
 8 physically or mentally incapable of performing such serv-
 9 ice.

10 (3) No health board may employ an individual who
 11 has made an agreement described in paragraph (1), other
 12 than in accordance with subsection (c), until the individual
 13 has completed the period of obligated service in accordance
 14 with this section.

15 (4) Except as provided in paragraph (5), if an indi-
 16 vidual breaches an agreement under paragraph (1) by fail-
 17 ing (for any reason) either to begin such individual's serv-
 18 ice obligation or to complete such service obligation, the
 19 Service shall be entitled to recover from the individual an
 20 amount determined in accordance with the formula

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

21 in which "A" is the amount the Service is entitled to re-
 22 cover; "φ" is an amount determined by the National
 23 Health Board to be the costs to the Service of the edu-

1 cation program and allowance received by the individual
2 and the interest on such costs which would be payable if
3 at the time the costs were undertaken they were loans
4 bearing interest at the maximum legal prevailing rate, as
5 determined by the Treasurer of the United States; “t” is
6 the total number of months in the individual’s period of
7 obligated service; and “s” is the number of months of such
8 period served by the individual. Any amount of damages
9 which the Service is entitled to recover under this para-
10 graph shall, within the 1-year period beginning on the date
11 of the breach of the agreement, be paid to the Service.

12 (5)(A) Any obligation of an individual under this sub-
13 section for service or payment of damages shall be can-
14 celed upon the death of the individual.

15 (B) The National Health Board shall provide for the
16 waiver or suspension of any obligation of service or pay-
17 ment by an individual under this part whenever compli-
18 ance by the individual is impossible or would involve ex-
19 treme hardship to the individual and if enforcement of
20 such obligation with respect to any individual would be
21 unconscionable.

22 (C) Any obligation of an individual under this part
23 for payment of damages may be released by a discharge
24 in bankruptcy under title 11 of the United States code
25 only if such discharge is granted after the expiration of

1 the 5-year period beginning on the first date that payment
2 of such damages is required.

3 (b) Each area health board shall periodically assess
4 the ratio of the number of health workers employed by
5 the board in each job category (established under part A)
6 to the number of residents in the area.

7 (c)(1) With respect to an individual obligated to per-
8 form service under this section as a result of completion
9 of an educational program for a job category in a school,
10 the priority ranking (referred to in subsection (a)(1)(C))
11 of area health boards for hiring the individual is as fol-
12 lows:

13 (A) The regional board for the region, or a dis-
14 trict or community board for a district or commu-
15 nity in the region, in which the program was com-
16 pleted, if the region, district, or community is a
17 health worker shortage area (as defined in para-
18 graph (2)) with respect to the job category for which
19 the individual received training.

20 (B) A regional, district, or community board
21 (other than one described in subparagraph (A)) for
22 a region, district, or community which is a health
23 worker shortage area with respect to the job cat-
24 egory for which the individual received training.

25 (C) Any other area health board.

1 (2) For the purposes of paragraph (1), the term
2 “health worker shortage area” means, with respect to a
3 job category for which an individual has received training
4 in a school, a region, district, or community which—

5 (A) has a ratio of the number of health workers
6 in the job category employed by the regional, district
7 or community board, respectively, to the number of
8 residents in the region, district, or community
9 (whichever is applicable) which is less than two-
10 thirds of the ratio of the total number of health
11 workers in the job category employed by all the re-
12 gional, district, or community boards, respectively, in
13 the Nation to the number of residents in the Nation,
14 and

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

17 (3) The National Health board shall establish a pro-
18 gram to match the locational preferences of graduates of
19 schools with the needs and preferences of regional, dis-
20 trict, and community boards.

21 PAYMENT FOR CERTAIN EDUCATIONAL LOANS

22 SEC. 313. (a) In the case of any individual who has
23 incurred any educational loan before the fourth year after
24 the effective date of health services and for the individual’s
25 costs for an educational program in health care delivery,

1 health care specialties, or health science specialty fields,
2 the National Health Board shall make payments, in ac-
3 cordance with subsection (b), for and on behalf of that
4 individual, on the principal of and interest on any such
5 loan which is outstanding on the date the individual begins
6 to work for the Service.

7 (b) The payments described in subsection (a) shall
8 be made by the National Health Board as follows:

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

16 (2) Upon completion by that individual of the
17 second year of such employment, the National
18 Health Board shall pay another 30 percent of the
19 principal of, and the interest on, each such loan.

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

24 (4) Upon completion by that individual of a
25 fourth year of such employment, the National

1 Health Board shall pay the remaining 15 percent of
2 the principal of, and all remaining interest on, each
3 such loan.

4 No payment may be made under this subsection with re-
5 spect to a loan unless the person on whose behalf the pay-
6 ment is to be made has submitted to the National Health
7 Board a certified copy of the agreement under which such
8 loan was made.

9 (c) Notwithstanding the requirement of completion of
10 employment specified in subsection (b), the National
11 Health Board shall on or before the due date thereof, pay
12 any loan or loan installment which may fall due within
13 the period of employment for which the borrower may re-
14 ceive payments under this section, upon the declaration
15 of such borrower, at such times and in such manner as
16 the National Health Board may prescribe (and supported
17 by such other evidence as the National Health Board may
18 reasonably require), that the borrower is then employed
19 as described in subsection (b) and that the borrower will
20 continue to be so engaged for the period required (in the
21 absence of this subsection) to entitle the borrower to have
22 made the payments provided by this section for such pe-
23 riod, except that not more than 85 percent of the principal
24 of any such loan shall be paid pursuant to this subsection.

1 PART C—EMPLOYMENT AND LABOR-MANAGEMENT
2 RELATIONS WITHIN THE SERVICE

3 EMPLOYMENT, TRANSFER, PROMOTION, AND RECEIPT OF
4 FEES

5 SEC. 321. (a) Health boards shall, in accordance with
6 this Act and taking into account guidelines and standards
7 established by the appropriate National Health Board,
8 employ, classify, and fix the salaries and benefits of all
9 employees of the Service employed in the Service's facili-
10 ties.

11 (b) The appropriate National Health Board, in estab-
12 lishing guidelines and standards under this part, shall, to
13 the extent feasible and consistent with the provisions of
14 this part, provide for—

15 (1) employment and promotion in the Service in
16 the same manner as is provided for employment and
17 promotion under the Federal civil service system;

18 (2) meaningful opportunities for career ad-
19 vancement;

20 (3) encouragement of health workers to use up
21 to 10 percent of their work time for continuing edu-
22 cation under part B without loss of pay or other job
23 rights; and

1 (4) full protection of employees' rights by pro-
2 viding an opportunity for a fair hearing on adverse
3 actions with representation of their own choosing.

4 (c) Health boards, in hiring employees to fill vacan-
5 cies in newly created positions, shall give preference to in-
6 dividuals who were employed as health workers, or self-
7 employed while delivering health services, before the date
8 of enactment of this Act. The National Health Board shall
9 ensure, through such steps as it deems necessary, that all
10 such individuals desiring to be employed within the Service
11 shall find appropriate employment in the Service.

12 (d) Employees of the Service shall be eligible for pro-
13 motion or transfer to any position in the Service for which
14 they are qualified. Each regional board shall establish and
15 maintain a job placement service to assist health workers
16 in its region in identifying suitable employment opportuni-
17 ties and in transferring between jobs with different area
18 health boards in the region. The authority given by this
19 subsection shall be used to provide a maximum degree of
20 career opportunities for employees and to ensure contin-
21 ued improvement of health care services.

22 (e) A community or district board may not hire an
23 individual to fill a job vacancy that is classified under part
24 A in a job category if—

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

SEC. 322. (a) Chapter 75 of title 5, United States Code (relating to adverse actions against employees), apply to employees of the Service (other than employees serving on the personal staff of members of health boards) except to the extent provided—

1 (1) in a collective-bargaining agreement negoti-
2 ated on behalf of and applicable to them; or

3 (2) in procedures established by the Service and
4 approved by the Office of Personnel Management.

5 (b) Employees of the Service are covered by sub-
6 chapter I of chapter 81 of title 5, United States Code (re-
7 lating to compensation for work injuries).

8 (c)(1) Chapter 83 of title 5, United States Code (re-
9 lating to civil service retirement), applies to employees of
10 the Service except to the extent provided in a collective-
11 bargaining agreement negotiated on behalf of and applica-
12 ble to them.

13 (2) The Service shall withhold from pay and shall pay
14 into the Civil Service Retirement and Disability Fund the
15 amounts specified in chapter 83 of title 5, United States
16 Code, as required under paragraph (1). The Service, upon
17 request of the Office of Personnel Management, but not
18 less frequently than annually, shall pay to the Office the
19 costs reasonably related to the administration of Fund ac-
20 tivities for employees of the Service.

21 (d) Sick and annual leave and compensatory time of
22 employees of the Service, whether accrued prior to or after
23 the commencement of operations of the Service, shall be
24 obligations of the Service.

1 (e)(1) Compensation, benefits, and other terms and
2 conditions of employment in effect on the effective date
3 of health services for employees of the Federal Govern-
4 ment performing functions that are provided under this
5 Act by the Service, shall apply to all employees of the
6 Service performing similar functions until changed by the
7 Service in accordance with this Act. Subject to the provi-
8 sions of this Act, the provisions of subchapter I of chapter
9 85 and chapter 87 of title 5, United States Code (relating
10 to unemployment compensation and life insurance), apply
11 to employees of the Service unless varied, added to, or sub-
12 stituted for in accordance with paragraph (2).

13 (2) No variation, addition, or substitution with re-
14 spect to fringe benefits shall result in a program of fringe
15 benefits which on the whole is less favorable to employees
16 of the Service than fringe benefits in effect for employees
17 of the Federal Government on the effective date of health
18 services. No variation, addition, or substitution with re-
19 spect to fringe benefits of employees for whom there is
20 a collective-bargaining representative shall be made except
21 by agreement between such representative and the Service.

22 APPLICABILITY OF FEDERAL LABOR-MANAGEMENT
23 RELATIONS LAWS

24 SEC. 323. (a)(1) The provisions of the National
25 Labor Relations Act (42 U.S.C. 141 et seq.) shall apply

1 to the Service and its employees to the extent, not incon-
2 sistent with subsection (b), to which such provisions apply
3 to employers (as defined in section 2(2) of such Act), ex-
4 cept that—

5 (A) the phrase “or any individual employed as
6 a supervisor” in section 2(3) of such Act shall not
7 apply (thereby making such Act apply, for these pur-
8 poses, to such individuals);

9 (B) section 9(b)(1) of such Act (providing for
10 separate treatment for professional and nonprofes-
11 sional employees) shall not apply;

12 (C) sections 206 through 210 of such Act (re-
13 lating to national emergencies) shall, for purposes of
14 this Act, have the phrases “the President of the
15 United States” and “the President”, wherever they
16 appear, replaced by the phrase “the National Health
17 Board (or a committee thereof to which it has dele-
18 gated such authority)” and the phrase “national
19 health or safety” replaced by the phrase “health or
20 safety of the residents of any region”; and

21 (D) section 213 (providing for intervention in a
22 strike or lockout by the Director of the Federal Me-
23 diation and Conciliation Service) shall not apply.

24 (2) Paragraphs (3) and (4) of section 7311 of title
25 5, United States Code (prohibiting participation in a

1 strike or an organization asserting the right to strike),
2 shall not apply to employees of the Service.

3 (b)(1) Collective-bargaining agreements between area
4 health boards and duly recognized bargaining representa-
5 tives of employees of the Service may include procedures
6 for resolution by the parties of grievances and adverse ac-
7 tions arising under the agreement, including procedures
8 culminating in binding third-party arbitration.

9 (2) Area health boards and duly recognized bargain-
10 ing representatives of employees of the Service may by
11 mutual agreement adopt procedures for the resolution by
12 the parties (A) of grievances and adverse actions arising
13 under collective-bargaining agreements, and (B) of dis-
14 putes or impasses arising in the negotiation of such agree-
15 ments.

16 (c) Section 3(e) of the Labor-Management Reporting
17 and Disclosure Act of 1959 (42 U.S.C. 402(e)) is amended
18 by inserting “the United States Health Service and” after
19 “and includes”.

20 DEFENSE OF CERTAIN MALPRACTICE AND NEGLIGENCE
21 SUITS

22 SEC. 324. (a) The remedy against the United States
23 provided by sections 1346(b) and 2672 of title 28, United
24 States Code, or by alternative benefits provided by the
25 United States where the availability of such benefits pre-

1 cludes a remedy under section 1346(b) of such title, for
2 damage for personal injury, including death, resulting
3 from the performance of medical, surgical, dental, or relat-
4 ed functions, including the conduct of clinical studies or
5 investigations, by any employee of the Service while acting
6 within the scope of the employee's employment, shall be
7 exclusive of any other civil action or proceeding by reason
8 of the same subject matter against the employee (or the
9 employee's estate) whose act or omission gave rise to the
10 claim.

11 (b) The Attorney General shall defend any civil action
12 or proceeding brought in any court against any person re-
13 ferred to in subsection (a) (or the person's estate) for any
14 such damage or injury. Any such person against whom
15 such civil action or proceeding is brought shall deliver
16 within such time after date of service or knowledge of serv-
17 ice as determined by the Attorney General, all process
18 served upon the person or an attested true copy thereof
19 to the person's immediate superior or to whomever was
20 designated by the appropriate National Health Board to
21 receive such papers and such person shall promptly fur-
22 nish copies of the pleading and process therein to the
23 United States attorney for the district embracing the place
24 wherein the proceeding is brought, to the Attorney Gen-
25 eral, and to the appropriate National Health Board.

1 (c)(1) Upon a certification by the Attorney General
2 that the defendant was acting in the scope of employment
3 at the time of the incident out of which the suit arose,
4 any such civil action or proceeding commenced in a State
5 court shall be removed without bond at any time before
6 trial by the Attorney General to the district court of the
7 United States of the district and division embracing the
8 place wherein it is pending and the proceeding deemed a
9 tort action brought against the United States under the
10 provision of title 28, United States Code, and all ref-
11 erences thereto.

12 (2) If a United States district court determines on
13 a hearing on a motion to remand held before a trial on
14 the merits that the case so removed is one in which a rem-
15 edy by suit within the meaning of subsection (a) is not
16 available against the United States, the case shall be re-
17 manded to the State court.

18 (3) Where a remedy by suit within the meaning of
19 subsection (a) is not available because of the availability
20 of a remedy through proceedings for compensation or
21 other benefits from the United States as provided by any
22 other law, the case shall be dismissed, but in the event
23 the running of any limitation of time for commencing, or
24 filing an application or claim in, such proceedings for com-
25 pensation or other benefits shall be deemed to have been

1 suspended during the pendency of the civil action or pro-
2 ceeding under this section.

3 (d) The Attorney General may compromise or settle
4 any claim asserted in such civil action or proceeding in
5 the manner provided in section 2677 of title 28, United
6 States Code, and with the same effect.

7 (e) For purposes of this section, the provisions of sec-
8 tion 2680(h) of title 28, United States Code, shall not
9 apply to assault or battery arising out of negligence in
10 the performance of medical, surgical, dental, or related
11 functions, including the conduct of clinical studies or in-
12 vestigations.

13 (f) The appropriate National Health Board may, to
14 the extent it deems appropriate, hold harmless or provide
15 liability insurance for any employee of the Service for
16 damage for personal injury, including death, negligently
17 caused by such employee while acting within the scope of
18 employment and as a result of the performance of medical,
19 surgical, dental, or related functions, including the con-
20 duct of clinical studies or investigations, if the employee
21 is assigned to a foreign country or detailed to a State or
22 political subdivision thereof or to a nonprofit institution,
23 and if the circumstances are such as are likely to preclude
24 the remedies of third persons against the United States

1 described in section 2679(b) of title 28, United States
2 Code, for such damage or injury.

3 TITLE IV—OTHER FUNCTIONS OF HEALTH

4 BOARDS

5 PART A—ADVOCACY, GRIEVANCE PROCEDURES, AND

6 TRUSTEESHIPS

7 ADVOCACY AND LEGAL SERVICES PROGRAM

8 SEC. 401. (a) Each area health board shall establish
9 a program of health advocacy to ensure the full realization
10 of the patient rights enumerated in part A of title II. Such
11 a program shall include—

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

14 (2) the presence of health advocates (A) in in-
15 patient health care facilities at all times, and (B) in
16 other health care facilities during the provision of
17 health care services;

18 (3) provision for health advocates to (A) in-
19 form, on an ongoing basis, users and health workers
20 of such patient rights and (B) report to the area
21 health board any infraction of such rights which is
22 not promptly corrected;

23 (4) provision for regular meetings between
24 health workers and health advocates, users, and any
25 user representatives to discuss ways of ensuring the

1 fulfillment of such rights through affirmative action
2 of such workers and the area health board; and

3 (5) appropriate action by the area health board
4 to ensure that infractions of such rights are prompt-
5 ly and sufficiently corrected.

6 (b)(1) The National Health Board shall establish a
7 health rights legal services program and shall provide such
8 program with sufficient legal and administrative person-
9 nel, funding, and facilities (A) to ensure that users and
10 health workers receive, free of charge, high quality legal
11 services (including representation in grievance proceedings
12 commenced under section 402) for legal problems related
13 to health rights and health care services, and (B) to im-
14 prove, through litigation and other activities, the health
15 care system and expand the rights of users and health
16 workers.

17 (2) The health rights legal services program shall
18 provide directly, by contract with the Legal Services Cor-
19 poration, or by contract with members of the private bar,
20 for—

21 (A) establishment of a legal services office in
22 each region to provide representation (other than
23 representation provided under subparagraph (B)) of
24 users, health workers, and voluntary associations

1 having a demonstrated interest in health care in pro-
2 ceedings and hearings under section 402; and

3 (B) establishment of legal services offices in
4 such communities and districts as are determined, in
5 accordance with guidelines established by the Na-
6 tional Health Board, to have inadequate legal serv-
7 ices to provide the legal services described in para-
8 graph (1)(A).

9 (3) The National Health Board may carry out the
10 functions described in paragraph (1)(B) directly, by con-
11 tract, or otherwise.

12 GRIEVANCE PROCEDURES AND TRUSTEESHIPS

13 SEC. 402. (a)(1) Each regional and interim regional
14 board shall provide, in accordance with this section, that
15 any user, health worker, or any user association having
16 a demonstrated interest in health care may commence a
17 grievance proceeding before such board (or a person or
18 committee designated by such board) with respect to an
19 alleged violation of this Act by a district or community
20 board within its region. Each regional and interim re-
21 gional board may commence a grievance proceeding before
22 itself (or a person or committee designated by such board)
23 with respect to an alleged violation of this Act by a district
24 or community board within its region.

1 (2) The appropriate National Health Board shall pro-
2 vide, in accordance with this section, that any user, health
3 worker, or any user association having a demonstrated in-
4 terest in health care may commence a grievance proceed-
5 ing before such Board (or a person or committee des-
6 igned by such Board) with respect to an alleged violation
7 of this Act by a regional or interim regional board. The
8 appropriate National Health Board may commence a
9 grievance proceeding before itself (or a person or commit-
10 tee designated by such Board) with respect to an alleged
11 violation of this Act by a regional or interim regional
12 board.

13 (b)(1) The appropriate National Health Board shall
14 provide, subject to paragraphs (3) and (4), for its review
15 (or a review by a person or committee designated by the
16 Board), by appeal to the Board by any party to a proceed-
17 ing described in subsection (a)(1) or on its own initiative,
18 of an adverse decision by a regional or interim regional
19 board in the proceeding.

20 (2) On and after the date a suit with respect to an
21 adverse determination in a grievance proceeding or review
22 proceeding is filed under subsection (e), no review proceed-
23 ing respecting such proceeding may be commenced by ap-
24 peal to the Board under paragraph (1), and any such re-
25 view proceeding which was commenced by appeal to the

1 Board under such paragraph before the date of filing of
2 such suit and is pending on such date shall promptly be
3 discontinued.

4 (3) No review of an adverse administrative decision
5 may be made by appeal or by initiative under this sub-
6 section unless the appeal is filed or notice of the initiative
7 is published (as the case may be) not later than 15 days
8 after the publication of the decision.

9 (c)(1) Whenever a grievance proceeding is com-
10 menced under subsection (a), the entity before which the
11 proceeding is held shall investigate the grievance.

12 (2) An entity before which a proceeding or review
13 proceeding is commenced under subsection (a) or (b)—

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

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

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

23 (B) may conduct such a hearing if the entity
24 determines that such hearing is in the public inter-
25 est.

1 (3) The entity that conducts a hearing under para-
2 graph (2) shall provide for timely notice to, and oppor-
3 tunity to be heard by, any party with a direct interest in
4 the grievance for which the hearing is conducted.

5 (4) As used in paragraph (1), the term “minimal
6 number of residents” means, with respect to a grievance
7 which concerns a health board which is—

8 (A) a community board, 100 individuals,

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

10 (C) a regional or interim regional board, 1,000
11 individuals,

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

14 (d)(1) With respect to a grievance proceeding begun
15 under subsection (a) relating to the conduct of an election
16 of a community board, if the entity before which such pro-
17 ceeding is commenced under such subsection, or is re-
18 viewed under subsection (b), determines that the election
19 (A) was not conducted substantially in compliance with
20 this Act or (B) has revealed the systematic failure of the
21 user members of such community board to approximate
22 the population of the community by race, sex, language,
23 and income level, the entity shall set aside the election
24 and, unless such determination is reviewed under sub-
25 section (b), the entity shall require that another election

1 for members of the community board be conducted, in ac-
2 cordance with this Act, not later than 60 days after the
3 date of such determination. If such election is conducted
4 because of a determination under clause (B), the election
5 shall be conducted (and subsequent elections may be con-
6 ducted) in such a manner, including the use of geographic
7 or other subdivisions for electoral purposes, as will facili-
8 tate the representation of significant elements of the popu-
9 lation of a community by race, sex, language, and income
10 level.

11 (2) With respect to a grievance proceeding begun
12 under subsection (a) relating to a grievance other than
13 the conduct of an election of a community board, if the
14 entity before which such proceeding is commenced under
15 such subsection, or is reviewed under subsection (b), deter-
16 mines that the grievance represents—

17 (A) a failure by a health board to comply sub-
18 stantially and materially with this Act, the entity
19 shall require that a new election or appointment, in
20 accordance with this Act, of members of the health
21 board be conducted or made within 60 days of the
22 date of such determination; or

23 (B) a failure by a health board to comply, but
24 not substantially and materially, with this Act, the
25 entity may require that a new election or appoint-

1 ment, in accordance with this Act, of members of
2 the health board be conducted or made if such fail-
3 ure is not corrected within a reasonable period of
4 time (specified by the entity) of the date of such
5 determination.

6 (3)(A) If an entity determines under paragraph (1)
7 or (2) that a community or district board has failed to
8 comply with this Act, the entity shall transfer to the re-
9 gional (or interim regional) board for such community or
10 district such functions of the community or district board
11 as it determines necessary to carry out this Act until a
12 new election or appointment is conducted or made.

13 (B) If an entity determines under paragraph (2) that
14 a regional or interim regional board has failed to comply
15 with this Act, the entity shall transfer to the appropriate
16 National Health Board such functions of the regional or
17 interim regional board as it determines necessary to carry
18 out this Act until a new regional or interim regional board
19 is appointed.

20 (C) If a health board is transferred the functions of
21 another health board under this paragraph, until a new
22 election or appointment of the other health board has been
23 certified, (i) the health board shall have the powers of the
24 other health board to conduct such functions, (ii) the
25 health board may appoint a trustee (or trustee committee)

1 to have such powers and carry out such functions, and
2 (iii) any expenses that are certified by the health board
3 (or by the trustee or trustee committee appointed by it)
4 as having been incurred by it in discharging the functions
5 transferred to it under this paragraph shall be paid from
6 funds allocated to the other health board.

7 (e) Any party to a grievance proceeding or review pro-
8 ceeding commenced under this section may bring suit in
9 the United States district court for the judicial district
10 in which such proceeding, or review proceeding, was
11 brought, for the review of an adverse determination in
12 such proceeding or review proceeding. Such court shall af-
13 firm such determination unless it finds that such deter-
14 mination is not supported by substantial evidence or is ar-
15 bitrary and capricious.

16 PART B—OCCUPATIONAL SAFETY AND HEALTH
17 PROGRAMS

18 FUNCTIONS OF THE NATIONAL HEALTH BOARD

19 SEC. 411. (a) On and after the effective date of
20 health services, the National Health Board shall oversee
21 occupational safety and health programs conducted at the
22 regional level, and shall participate in the establishment
23 and administration of occupational safety and health
24 standards under the Occupational Safety and Health Act
25 of 1970.

1 (b) In its participation in the establishment and ad-
2 ministration of occupational safety and health standards
3 under the Occupational Safety and Health Act of 1970,
4 the National Health Board shall seek the advice and com-
5 ments of regional occupational safety and health action
6 councils established under section 413.

7 (c)(1) To provide for participation of the National
8 Health Board in the establishment and administration of
9 occupational safety and health standards, the Occupa-
10 tional Safety and Health Act of 1970 (29 U.S.C. 651 et
11 seq.) is amended—

12 (A) by adding at the end of section 3 the fol-
13 lowing new paragraph:

14 “(15) The term ‘National Health Board’ means
15 the National Health Board of the United States
16 Health Services.”;

17 (B) by striking out “Secretary of Health and
18 Human Services” each place it appears (other than
19 in section 22(b)) and inserting in lieu thereof “Na-
20 tional Health Board”;

21 (C) by inserting “shall request the National
22 Health Board and” in the first sentence of section
23 6(b)(1) before “may request”;

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

4 (E) by striking out “An” in the third sentence
5 of section 6(b)(1) and inserting in lieu thereof “The
6 Board and an”;

7 (F) by striking out “its” each place it appears
8 in the third sentence of section 6(b)(1) and inserting
9 in lieu thereof “their”;

10 (G) by inserting “after consultation with the
11 National Health Board and” in the fourth sentence
12 of section 6(b)(6)(A) after “may be granted only”;

13 (H) by inserting “after consultation with the
14 National Health Board and” in the third sentence of
15 section 6(d) before “after opportunity for”;

16 (I) by striking out “The Secretary” and all that
17 follows through “shall each” in section 8(g)(2) and
18 inserting in lieu thereof “The Secretary shall”;

19 (J) by striking out “their” in section 8(g)(2)
20 and inserting in lieu thereof “his”;

21 (K) by inserting “after consultation with the
22 National Health Board and” in section 16 before
23 “after notice and opportunity”;

1 (L) by inserting “(after consultation with the
2 National Health Board)” in section 18(c) after “in
3 his judgment”;

4 (M) by inserting “and the National Health
5 Board” in section 19(d) after “Secretary” each
6 place it appears; and

7 (N) by striking out the first sentence of para-
8 graph (5) of section 20(a).

9 (2) The amendments made by paragraph (1) shall
10 take effect on the effective date of health services.

11 (f) The National Health Board shall establish guide-
12 lines—

13 (1) for its participation in the establishment
14 and administration of occupational safety and health
15 standards under the Occupational Safety and Health
16 Act of 1970;

17 (2) for the election of community occupational
18 safety and health action councils under section 412;

19 (3) for the establishment of regional occupa-
20 tional safety and health programs under section 413;

21 (4) for the establishment and operation of
22 workplace health facilities under section 414; and

23 (5) for the provision of assistance by regional
24 and community boards to regional and community
25 occupational safety and health councils, respectively,

1 and to workplace safety and health committees es-
2 tablished under section 415.

3 COMMUNITY OCCUPATIONAL SAFETY AND HEALTH
4 ACTIVITIES

5 SEC. 412. (a)(1) Each community board shall cooper-
6 ate with the appropriate regional board in the establish-
7 ment and implementation of an occupational safety and
8 health program for its region.

9 (2) Each community board shall provide for the orga-
10 nization and operation (including staff and support) in its
11 community of a community occupational safety and health
12 action council (hereinafter in this part referred to as a
13 “COSHAC”) in accordance with this section.

14 (b) The members of a COSHAC shall be elected by
15 individuals employed in the community as follows:

16 (1) Employees of each workplace in the commu-
17 nity which has 500 or more employees shall be enti-
18 tled to elect one member for each 500 such employ-
19 ees in such workplace.

20 (2) Employees of workplaces in the community
21 which have fewer than 500 employees shall be enti-
22 tled to vote in community-wide elections for a num-
23 ber of members equal to (A) the total number of em-
24 ployees in such workplaces divided by 500, (B)

1 rounded (if necessary) to the next highest whole
2 number.

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

6 (c) Each COSHAC shall—

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

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

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

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

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

1 REGIONAL OCCUPATIONAL SAFETY AND HEALTH
2 PROGRAMS

3 SEC. 413. (a)(1) Each regional board shall establish
4 an occupational health and safety program for its region
5 in accordance with this subsection and under guidelines
6 established by the National Health Board.

7 (2) A regional occupational health and safety pro-
8 gram shall, to the maximum extent feasible, use the facili-
9 ties and resources of community boards in the region
10 and shall include—

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

16 (B) facilitating communication among workers
17 employed in similar industries in the region and the
18 Nation with respect to occupational health and safe-
19 ty hazards they face in common;

20 (C) baseline and periodic biologic screening of
21 employees in the region;

22 (D) development and maintenance of environ-
23 mental monitoring programs to identify and isolate
24 hazardous workplaces and work areas in the region;

1 (E) the analysis of employment-related injuries
2 and illnesses occurring in the region; and

3 (F) staff and support for the operation of the
4 regional occupational safety and health action coun-
5 cil (hereinafter in this part referred to as the
6 “ROSHAC”) established in the region under this
7 section.

8 (b) Each ROSHAC shall—

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

12 (2) advise the regional board on, and oversee,
13 occupational safety and health programs in the re-
14 gion; and

15 (3) advise the National Health Board on the es-
16 tablishment and administration of occupational safe-
17 ty and health standards under the Occupational
18 Safety and Health Act of 1970.

19 WORKPLACE HEALTH FACILITIES

20 SEC. 414. (a) The employer in each workplace shall
21 establish and maintain a health facility in or near the
22 workplace to provide occupational and emergency health
23 care services to individuals employed in the workplace in
24 accordance with this section and guidelines and standards

1 for such facilities established by the National Health
2 Board.

3 (b) Each workplace health facility established pursu-
4 ant to subsection (a) shall, taking into account guidelines
5 established by the National Health Board—

6 (1) be organized in a manner so as to provide
7 an appropriate number of appropriately skilled
8 health workers to meet occupational and emergency
9 health care needs of employees in the workplace; and

10 (2) be operated by the community board for the
11 community in which the workplace is predominantly
12 located, or, where such board deems appropriate, by
13 the employer, with the cost in either case borne by
14 the employer in each workplace.

15 EMPLOYEE RIGHTS RELATING TO OCCUPATIONAL SAFETY
16 AND HEALTH

17 SEC. 415. (a)(1) Employees in each workplace having
18 25 or more employees shall have the right to establish
19 workplace occupational safety and health committees
20 (hereinafter in this subsection referred to as “commit-
21 tees”) with members of their choosing.

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

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

6 (B) be permitted to accompany any safety and
7 health inspectors during inspections of the work-
8 place.

9 (b) Employees in each workplace shall have the right,
10 without any loss of pay or other job rights—

11 (1) to monitor safety and health conditions in
12 their workplace whenever they reasonably deem it
13 necessary and with whatever reasonable scientific in-
14 struments and expert assistance they choose; and

15 (2) to remove themselves from the site of any
16 hazard to their safety or health until an authorized
17 inspector has certified that the hazard has been
18 eliminated.

19 (c) Employers shall adopt all feasible engineering
20 measures that will minimize occupational safety and
21 health hazards in the workplace. Where such measures are
22 not adequate to protect employees from such hazards, em-
23 ployers shall furnish their employees with, or reimburse
24 their employees for the reasonable cost of, equipment and

1 clothing needed to protect an employee from any residual
2 occupational safety and health hazards in the workplace.

3 (d) Employees or their duly chosen representatives
4 shall have the right to inspect all medical records main-
5 tained by their employers on the condition of their health,
6 and shall have the right to be assisted during such inspec-
7 tions by persons of their choosing.

8 (e) Employers shall provide their employees with cop-
9 ies of all reports, studies, and data concerning conditions
10 affecting the health and safety of employees within their
11 workplaces, with annual reports on the morbidity and
12 mortality experience of present and former employees, and
13 with timely notification of the presence within the work-
14 place of any materials, agents, or conditions which may
15 have a deleterious effect on the safety and health of their
16 employees, along with relevant information on hazards and
17 precautions, symptoms, remedies, and antidotes.

18 (f) Employees shall have the right to seek, through
19 collective bargaining, occupational safety and health
20 standards, including standards relating to physical and
21 mental stress and speed of work, more restrictive than
22 such standards established under the Occupational Safety
23 and Health Act of 1970.

SEC. 416. (a) For purposes of this part, the term “workplace” means the regular location where work is performed by one or more employees of an employer.

(b) For the purposes of sections 414 and 415, the terms “employer” and “employee” have the same meanings those terms have in section 3 of the Occupational Safety and Health Act of 1970 (42 U.S.C. 653).

RESEARCH

SEC. 421. (a) On and after the effective date of such services, the Service shall conduct a program of research concerning health and health care delivery. On and after 2 years after such date, such research program shall conform to the following principles:

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

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

1 (3) Priority shall be given in health research to
2 the prevention and correction of the leading causes
3 of illness and death, particularly environmental, oc-
4 cupational, nutritional, social, and economic causes.

5 (4) Priority shall be given in health care deliv-
6 ery research to improvement of the effectiveness and
7 efficiency of ambulatory and primary health care de-
8 livery, including research on alternative systems of
9 health care delivery and alternative conceptions of
10 health and health care.

11 (5) No experimentation to evaluate new preven-
12 tive, diagnostic, or therapeutic methods or agents
13 shall be undertaken upon human subjects until all
14 animal research which may effectively contribute to
15 evaluating such methods or agents has been under-
16 taken.

17 (6) No research shall be conducted on a human
18 subject without the subject's informed written con-
19 sent.

20 (7) No research shall be conducted on a human
21 subject while the subject is involuntarily confined to
22 an institution.

23 (8) Each health board, in planning and con-
24 ducting research under the program, shall cooperate
25 with appropriate officials conducting related re-

1 search in the Department of Health and Human
2 Services, the Environmental Protection Agency,
3 other Federal Government agencies, and agencies
4 and departments of State, territorial, and local gov-
5 ernments.

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

11 (b) The National Health Board shall establish guide-
12 lines for the conduct of research in conformance with the
13 principles described in subsection (a).

14 ESTABLISHMENT OF INSTITUTES

15 SEC. 422. On the effective date of health services, the
16 National Institutes of Health (established under title IV
17 of the Public Health Service Act) are transferred to the
18 National Health Board. In addition, the National Health
19 Board shall establish the following institutes:

20 (1) A National Institute of Epidemiology, which
21 shall—

22 (A) gather and analyze disease-related statistics
23 collected by the Service;

24 (B) plan, conduct, support, and assist in epi-
25 demiologic research conducted by the Service;

1 (C) conduct and support research on epidemio-
2 logic methodology and experimental epidemiology;

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

6 (E) assist in the formulation of policies to
7 eliminate or reduce the causes of illness and injury
8 and to prevent and curtail epidemics of these condi-
9 tions.

10 (2) A National Institute of Evaluative Clinical Re-
11 search, which shall—

12 (A) gather and analyze all evidence collected by
13 the Service dealing with the effectiveness of preven-
14 tive, diagnostic, and therapeutic measures and the
15 occurrence of iatrogenic illnesses;

16 (B) analyze evidence on newly-discovered or
17 proposed preventive, diagnostic, and therapeutic
18 methods and agents;

19 (C) plan and conduct clinical trials, in conform-
20 ance with the limitations of part A of title II; and

21 (D) assist the National Health Board, in co-
22 operation with other bodies, including the National
23 Institute of Pharmacy and Medical Supply, in devel-
24 oping guidelines and standards for the introduction

1 of new methods of prevention, diagnosis, and treat-
2 ment.

3 (3) A National Institute of Health Care Services,
4 which shall—

5 (A) analyze data and statistics on the health
6 care resources and needs of the Nation and on the
7 quality of present services;

8 (B) conduct comparative studies of health care
9 services in the various regions of the Nation, and
10 make recommendations for the improvement of
11 health care services in areas with inferior quality of
12 health care services;

13 (C) plan and conduct research on alternative
14 methods of health care delivery, on the functions,
15 tasks, performance and work relationships of various
16 kinds and categories of health workers, on patterns
17 of organization of health care, and on the effective-
18 ness and benefits of health care in relation to costs;
19 and

20 (D) assist the National Health Board in formu-
21 lating national policies to improve the quality of
22 health care services.

23 (4) A National Institute of Pharmacy and Medical
24 Supply, which shall—

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

5 (B) certify drugs, therapeutic devices, appli-
6 ances, and equipment for use in the health facilities
7 of the Service, and for furnishing to users of such
8 health facilities;

9 (C) assist the National Health Board in issuing
10 a National Pharmacy and Medical Supply For-
11 mulary; and

12 (D) conduct a comprehensive program of phar-
13 maceutical and medical supply research and utiliza-
14 tion education using, to the maximum extent pos-
15 sible, regional facilities operated in association with
16 the respective regional health boards.

17 (5) A National Institute of Sociology of Health and
18 Health Care, which shall—

19 (A) conduct ongoing analyses of the basic epis-
20 temological assumptions of health and health care;

21 (B) assess critically the effects of scientific
22 medicine and of divisions in institutional and tech-
23 nical skills in health care;

1 (C) evaluate the effects of health care measures
2 and policies upon population groups and subgroups
3 in the Nation;

4 (D) identify and analyze the social, occupa-
5 tional, and environmental factors in modern society
6 affecting health and well-being;

7 (E) analyze alternative, holistic approaches to
8 the human body, health, and causality of ill health
9 and the lack of social and psychological well-being;
10 and

11 (F) assist the National Health Board in formu-
12 lating national policies relating to the promotion of
13 health and the provision of health care.

14 PART D—HEALTH PLANNING, DISTRIBUTION OF DRUGS
15 AND OTHER MEDICAL SUPPLIES, AND MISCELLANE-
16 OUS FUNCTIONS

17 HEALTH PLANNING AND BUDGETING

18 SEC. 431. (a) Each area health board shall, under
19 guidelines established by the National Health Board, col-
20 lect data on the supply of and demand for health workers
21 in facilities under its supervision, and on the delivery of
22 health care and supplemental services in health care facili-
23 ties under its supervision, shall evaluate such data in rela-
24 tion to the health care needs of their respective area, and
25 shall transmit such data and evaluation—

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

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

5 and shall make available such data and evaluations to resi-
6 dents of its area.

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

13 (c) The National Health Board shall formulate a 1-
14 year and 5-year national health plan and budget, taking
15 into account the area plans and budgets prepared in ac-
16 cordance with section 522, to provide guidance and direc-
17 tion to area health boards.

18 DISTRIBUTION OF DRUGS AND OTHER MEDICAL SUPPLIES

19 SEC. 432. (a)(1) The National Health Board, after
20 consultation with the regional boards, shall, not later than
21 the effective date of health services, publish and dissemi-
22 nate to area health boards a National Pharmacy and Med-
23 ical Supply Formulary (hereinafter in this section referred
24 to as the “Formulary”).

1 (2) The Formulary shall contain a listing of drugs,
2 therapeutic devices, appliances, equipment, and other
3 medical supplies (including eyeglasses, other visual aids,
4 hearing aids, and prosthetic devices) (hereinafter in this
5 section referred to as “drugs and other medical supplies”).
6 For each item on such listing the Formulary shall contain
7 (A) the standards of quality for the production of such
8 item, (B) the medical conditions for which the item is cer-
9 tified as effective for purposes of the provision of health
10 care services under this Act, and (C) such other informa-
11 tion on such item as the National Health Board deter-
12 mines to be appropriate for the effective and efficient de-
13 livery of health care services under this Act.

14 (3) The National Health Board shall, at regular in-
15 tervals, update the contents of the Formulary and publish
16 a price list for items listed in the Formulary, which prices
17 shall reflect the actual costs of manufacture.

18 (b)(1) Each regional board shall establish a program,
19 in accordance with this subsection and under guidelines
20 established by the National Health Board, for the pur-
21 chase and distribution of drugs and other medical supplies
22 for use in health care facilities established by such board
23 or by a community or district board within its region.

24 (2) Such program shall provide for the purchase of
25 each drug or other medical supply item only (A) following

1 competitive bidding on such item or (B) based on the price
2 listed for such item in the price list published under sub-
3 section (a)(3).

4 (3) Such program shall provide for the distribution
5 of drugs (and their dispensing by community and district
6 boards in its region) under their generic names.

7 (4) For purposes of paragraph (3), the term “generic
8 names” means the established names, as defined in section
9 502(e)(2) of the Federal Food, Drug, and Cosmetic Act
10 (21 U.S.C. 352(e)(2)).

11 (c) The National Health Board is authorized to es-
12 tablish and operate drug and medical supply manufactur-
13 ing facilities, if it determines that such operation will re-
14 sult in reduced expenditures by the Service.

15 MISCELLANEOUS FUNCTIONS OF THE NATIONAL HEALTH
16 BOARD

17 SEC. 433. (a) The appropriate National Health
18 Board shall publish, not later than December 31 of each
19 year, a report presenting and evaluating operations of the
20 Service during the fiscal year ending in such year and sur-
21 veying the future health needs of the Nation and plans
22 the Board has for the Service to meet such needs.

23 (b) The National Health Board shall, not later than
24 the effective date of health services, prepare and dissemi-
25 nate to area health boards, for use by users, a comprehen-

1 sive dictionary of terms used in health care records and
 2 services maintained or provided by the Service. Such dic-
 3 tionary shall explain terms related to symptoms, signs, di-
 4 agnoses, etiologic agents and conditions, diagnostic proce-
 5 dures, and the treatment and prevention of, and rehabili-
 6 tation following, illnesses, and shall include extensive cita-
 7 tions of lay and professional sources which a user might
 8 consult for additional information on such terms.

9 TITLE V—FINANCING OF THE SERVICE

10 PART A—HEALTH SERVICE TAXES

11 INDIVIDUAL AND CORPORATE INCOME TAXES

12 SEC. 501. (a)(1) Subchapter A of chapter 1 of the
 13 Internal Revenue Code of 1954 (relating to normal taxes
 14 and surtaxes) is amended by adding at the end thereof
 15 the following new part:

16 **“PART VII—HEALTH SERVICE TAXES**

“Sec. 59. Tax imposed.

17 **“SEC. 59. TAX IMPOSED.**

18 “(a) INDIVIDUALS, ESTATES, AND TRUSTS.—In ad-
 19 dition to other taxes, there is hereby imposed for each tax-
 20 able year on the taxable income of every individual and
 21 of every estate and trust taxable under section 1(d), a tax
 22 in an amount equal to 10 percent of the total amount of
 23 the normal tax and surtax imposed by section 11 for such
 24 taxable year.”.

1 “(b) CORPORATION.—In addition to the other taxes,
2 there is hereby imposed for each taxable year on the tax-
3 able income of every corporation, a tax in an amount equal
4 to 90 percent of the total amount of the normal tax and
5 surtax imposed by section 11 for such taxable year.”.

6 (2) The table of parts of such subchapter A is amend-
7 ed by adding after the item relating to part VI the follow-
8 ing new item:

“Part VII. Health service taxes.”.

9 (b) Subsection (a) of section 3402 of the Internal
10 Revenue Code of 1954 (relating to income tax collected
11 at source) is amended by inserting after the third sentence
12 thereof the following sentence: “With respect to wages
13 paid on and after the effective date of health services
14 under the Health Service Act (as established in section
15 601 of such Act), the Secretary shall prescribe new tables
16 which shall be the same as the tables prescribed under
17 the previous sentence, except that such tables shall be
18 modified to the extent necessary to reflect the amendment
19 made to subchapter A of chapter 1 by section 501(a)(1)
20 of the Health Service Act.”.

21 (c) The amendments made in this section shall apply
22 to taxable years beginning on or after the effective date
23 of health services.

1 OTHER CHANGES IN THE INTERNAL REVENUE CODE OF
2 1954

3 SEC. 502. (a) DENIAL OF EXCLUSION FROM GROSS
4 INCOME FOR AMOUNTS PAID BY THIRD PARTIES FOR
5 MEDICAL CARE.—Section 105 of the Internal Revenue
6 Code of 1954 (relating to amounts received under accident
7 and health plans) is amended by striking out subsection
8 (b).

9 (b) DENIAL OF EXCLUSION FROM GROSS INCOME OF
10 CERTAIN CONTRIBUTIONS BY THE EMPLOYER TO
11 HEALTH PLANS.—Section 106 of such Code (relating to
12 contributions by employer to accident and health plans)
13 is amended to read as follows:

14 **“SEC. 106. CONTRIBUTIONS BY EMPLOYERS TO ACCIDENT**
15 **AND HEALTH PLANS.**

16 “Gross income does not include contributions by the
17 employer to accident or health plans for compensation
18 (through insurance or otherwise) to his employees for per-
19 sonal injuries or sickness to the extent that such contribu-
20 tions do not provide for health care and supplemental serv-
21 ices available to such employees under the Health Service
22 Act.”

23 (c) DENIAL OF DEDUCTION OF HEALTH CARE EX-
24 PENSES AS TRADE OR BUSINESS EXPENSES.—Section
25 162 of such Code (relating to trade or business expenses)

1 is amended by redesignating subsection (h) as subsection
2 (i) and by adding after subsection (g) the following new
3 subsection:

4 “(h) PAYMENTS FOR HEALTH CARE.—No deduction
5 shall be allowed under subsection (a) for any amount paid
6 for health care services (other than any amount of tax im-
7 posed by section 59 and paid by the employer on behalf
8 of his employees) which an individual was eligible to re-
9 ceive under title II of the Health Service Act.”.

10 (d) DENIAL OF DEDUCTION FOR CONTRIBUTIONS TO
11 CERTAIN MEDICAL AND HOSPITAL FACILITIES.—(1)
12 Paragraph (2) of section 170(c) of such Code (relating
13 to charitable, etc., contributions and gifts) is amended by
14 inserting “(other than an organization described in sub-
15 section (b)(1)(A)(iii))” after “(2) A corporation, trust, or
16 community chest, fund, or foundation”.

17 (2) Subsection (e) of section 501 of such Code (relat-
18 ing to cooperative hospital service organizations) is
19 amended by striking out the last sentence.

20 (e) DENIAL OF DEDUCTION FOR MEDICAL, DENTAL,
21 ETC., EXPENSES.—(1) Section 213 of such Code (relating
22 to medical, dental, etc., expenses) is repealed.

23 (2) The table of sections of part VII of subchapter
24 B of chapter 1 of subtitle A of such Code is amended by
25 striking out the item relating to section 213.

1 (f) HOSPITAL INSURANCE TAX.—(1) Subsection (b)
2 of section 1401 of such Code (relating to rate of tax on
3 self-employment income) is repealed.

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

7 (B) Section 3201 of such Code (relating to rate of
8 tax imposed on employees under the Railroad Retirement
9 Tax Act) is amended by striking out “(a) plus the rate
10 imposed by section 3101(b)”.

11 (C) Subsection (a) of section 3211 of such Code (re-
12 lating to rate of tax on employee representatives under
13 the Railroad Retirement Tax Act) is amended by striking
14 out “3101(a), 3101(b)” and inserting in lieu thereof
15 “3101(a)”.

16 (D) Subsection (e) of section 6051 of such Code (re-
17 lating to railroad employees) is repealed.

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

21 EXISTING EMPLOYER-EMPLOYEE HEALTH BENEFIT

22 PLANS

23 SEC. 503. No contractual or other nonstatutory obli-
24 gation of any employer to pay for or provide any health
25 care and supplemental service to his present and former

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

6 WORKERS COMPENSATION PROGRAMS

7 SEC. 504. No workers compensation program, wheth-
8 er established pursuant to Federal or State law or private
9 initiative, shall pay for or provide any health care and sup-
10 plemental services on and after the effective date of health
11 services, to the extent such health care and supplemental
12 services are available under this Act.

13 PART B—HEALTH SERVICE TRUST FUND

14 ESTABLISHMENT OF HEALTH SERVICE TRUST FUND

15 SEC. 511. (a) There is hereby created on the books
16 of the Treasury of the United States a trust fund to be
17 known as the Health Service Trust Fund (hereinafter in
18 this title referred to as the “Trust Fund”). The Trust
19 Fund shall consist of such gifts and bequests as may be
20 made to the Service and such amounts as may be depos-
21 ited in, or appropriated to, such fund as provided in this
22 part.

23 (b) There is hereby appropriated to the Trust Fund
24 for each fiscal year beginning in the fiscal year in which
25 the effective date of health services (as defined in title VI)

1 falls, and for each fiscal year thereafter, out of any moneys
2 in the Treasury not otherwise appropriated, an amount
3 equal to 100 percent of expected net receipts from the
4 taxes imposed by sections 59 and 3111(b) of the Internal
5 Revenue Code of 1954 (as estimated by the Secretary of
6 the Treasury). The amount appropriated by the preceding
7 sentence shall be transferred from time to time from the
8 general fund in the Treasury to the Trust Fund in such
9 smaller amounts to be determined on the basis of esti-
10 mates by the Secretary of the Treasury of the receipts
11 specified in the preceding sentence; and proper adjust-
12 ments shall be made in the amounts subsequently trans-
13 ferred to the extent prior estimates were in excess of or
14 were less than the receipts specified in such sentence.

15 TRANSFER OF FUNDS TO THE HEALTH SERVICE TRUST
16 FUND

17 SEC. 512. (a) On the effective date of health services,
18 there are transferred to the Trust Fund all of the assets
19 and liabilities of the Federal Hospital Insurance Trust
20 Fund and the Federal Supplementary Medical Insurance
21 Trust Fund.

22 (b) In addition to the sums appropriated by section
23 511(b), there is appropriated to the Trust Fund for each
24 fiscal year, out of any moneys in the Treasury not other-
25 wise appropriated, a governmental contribution equal to

1 40 percent of the sums appropriated by section 511(b) for
2 such fiscal year. There shall be deposited in the Trust
3 Fund all recoveries of overpayments, and all receipts
4 under loans or other agreements entered into, under this
5 Act.

6 ADMINISTRATION OF HEALTH SERVICE TRUST FUND

7 SEC. 513. (a) With respect to the Trust Fund, there
8 is hereby created a body to be known as the Board of
9 Trustees of the Trust Fund (hereinafter in this section
10 referred to as the “Board of Trustees”) composed of the
11 Secretary of the Treasury, the Secretary of Health and
12 Human Services, and the Chairperson of the National
13 Health Board, all ex officio. The Secretary of the Treasury
14 shall be the Managing Trustee of the Board of Trustees
15 (hereinafter in this section referred to as the “Managing
16 Trustee”). The Chairperson of the National Health Board
17 shall serve as the Secretary of the Board of Trustees. The
18 Board of Trustees shall meet not less frequently than once
19 each calendar year. It shall be the duty of the Board of
20 Trustees to—

- 21 (1) hold the Trust Fund;
- 22 (2) report to the Congress not later than the
23 first day of April of each year on the operation and
24 status of the Trust Fund during the preceding fiscal

1 year and on its expected operation and status during
2 the current fiscal year and the next 2 fiscal years;

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

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

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

20 (b) It shall be the duty of the Managing Trustee to
21 invest such portion of the Trust Fund as is not, in his
22 judgment, required to meet current withdrawals. Such in-
23 vestments may be made only in interest-bearing obliga-
24 tions of the United States or in obligations guaranteed as
25 to both principal and interest by the United States. For

1 such purpose such obligations may be acquired (1) on
2 original issue at the issue price, or (2) by purchase of out-
3 standing obligations at the market price. The purposes for
4 which obligations of the United States may be issued
5 under the Second Liberty Bond Act, as amended, are
6 hereby extended to authorize the issuance at par of public-
7 debt obligations for purchase by the Trust Fund.

8 (c) Any obligations acquired by the Trust Fund (ex-
9 cept public-debt obligations issued exclusively to the Trust
10 Fund) may be sold by the Managing Trustee at the mar-
11 ket price, and such public-debt obligations may be re-
12 deemed at par plus accrued interest.

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

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

19 PART C—PREPARATION OF PLANS AND BUDGETS

20 DETERMINATION OF FUND AVAILABILITY

21 SEC. 521. (a)(1) The National Health Board shall,
22 not later than January 1 of each year, initially fix the
23 maximum amount of funds which may (except as provided
24 in subsection (c)) be obligated during the fiscal year begin-

1 ning on October 1 of such year for expenditure from the
2 Trust Fund.

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

5 (A) 140 percent of the expected net receipts
6 during the fiscal year (as estimated by the Secretary
7 of the Treasury) from the taxes imposed by sections
8 59 and 3111(b) of the Internal Revenue Code of
9 1954;

10 (B) the amount of the aggregate obligations
11 that the National Health Board determines were (or
12 will be) incurred by the Service from the Trust Fund
13 during the previous fiscal year, adjusted to reflect
14 changes in the cost of living, in the number of users,
15 and in the capacity of the Service to provide services
16 under this Act, as such changes are reflected in the
17 plans and budgets prepared and submitted by area
18 health boards under this part; or

19 (C) the amount fixed under subsection (b).

20 (3) The National Health Board may at any time refix
21 such amount to reflect changes (A) of one percent or more
22 in the expected net tax receipts (described in paragraph
23 (2)(A)), or (B) of five percent or more in the cost of living,
24 number of users, or the capacity of the Service to provide
25 services under this Act. The National Health Board shall

1 promptly report to Congress any increase made in such
2 amount and the reasons therefor.

3 (b) The National Health Board shall fix in a fiscal
4 year an amount, which the maximum amount described
5 in subsection (a)(1) may not exceed in the fiscal year,
6 which is less than the amount described in subsection
7 (a)(2)(A) if the Board determines that—

8 (1) restriction of the amount to be made avail-
9 able for obligation will not materially impair the ade-
10 quacy or quality of health care and supplemental
11 services provided to users, or

12 (2) improvement in the organization, delivery,
13 or utilization of such services has lessened their ag-
14 gregate cost (or increase in such cost).

15 (c) The National Health Board may obligate for ex-
16 penditure from the Trust Fund, in addition to the maxi-
17 mum amount which may be obligated in a fiscal year
18 under subsection (a), such funds as are necessary to pro-
19 vide health care and supplemental services needed because
20 of an epidemic, disaster, or other occurrence which was
21 not, and could not have been, reasonably planned for by
22 the Board and for which the contingency fund provided
23 in section 534(b)(6) is insufficient. The National Health
24 Board shall promptly report to Congress any obligation
25 made pursuant to this subsection and the reasons therefor.

1 (d) In addition to the maximum amounts which may
2 be obligated pursuant to subsection (a), the National
3 Health Board may allocate funds borrowed in accordance
4 with section 541 for such purposes as it deems necessary
5 and appropriate.

6 PREPARATION OF AREA PLANS AND BUDGETS

7 SEC. 522. (a) Each community board shall, not later
8 than January 1 of each year, submit to its respective dis-
9 trict board a plan and budget for the fiscal year beginning
10 on October 1 of such year. In preparing such plan and
11 budget, each community board shall consult with users
12 and health workers in the community to assure effective
13 and coordinated planning for the efficient use of resources
14 in its community.

15 (b) Each district board shall, not later than February
16 1 of each year, submit to its respective regional board a
17 plan and budget for the fiscal year beginning on October
18 1 of such year. In preparing such plan and budget, each
19 district board shall consult with the users, health workers,
20 and community boards in its district to assure effective
21 and coordinated planning for the efficient use of resources
22 in its district.

23 (c) Each regional board shall, not later than March
24 1 of each year, submit to the National Health Board a
25 plan and budget for the fiscal year beginning on October

1 1 of such year. In preparing such plan and budget, each
2 regional board shall consult with the users, health work-
3 ers, and district boards in its region to assure effective
4 and coordinated planning for the efficient use of resources
5 in its region.

6 (d) In preparing the budgets required by this section,
7 each area health board shall specify its operating, preven-
8 tion, capital, and research expenses anticipated for the fis-
9 cal year covered by the budget and for the 5-year period
10 beginning with such fiscal year.

11 PART D—ALLOCATION AND DISTRIBUTION OF FUNDS

12 NATIONAL BUDGET

13 SEC. 531. (a) The National Health Board shall pre-
14 pare, taking into consideration the budgets submitted
15 under section 522(c), and, as soon after April 1 of each
16 year as is practicable, shall transmit to the regional boards
17 a national health budget for the fiscal year beginning on
18 October 1 of such year. Such budget shall divide the total
19 funds available for obligation in such year, as determined
20 under section 521, into—

21 (1) funds for ordinary operating expenses,
22 which shall be further divided into funds for use by
23 the National Health Board, and funds to be allo-
24 cated (in accordance with subsection (b)) to the re-

1 regional boards for use by the regional boards and the
2 district and community boards within their regions;

3 (2) funds for preventive health measures, which
4 shall be further divided into funds for use by the
5 National Health Board and funds to be allocated (in
6 accordance with subsection (b)) to the regional
7 boards for use by the regional boards and the dis-
8 trict and community boards within their regions;

9 (3) funds for capital expenses, which shall be
10 further divided into funds for use by the National
11 Health Board and funds to be allocated (in accord-
12 ance with subsection (c)) to the regional boards for
13 use by the regional boards and district and commu-
14 nity boards within their regions;

15 (4) funds for research expenses, which shall be
16 further divided into funds for the conduct of re-
17 search under the supervision of the National Health
18 Board and funds to be allocated (in accordance with
19 subsection (b)) to the regional boards for the con-
20 duct of research under the supervision of the re-
21 gional, district, and community boards; and

22 (5) funds for special operating expenses, as de-
23 scribed in section 534.

24 (b) Funds for ordinary operating expenses, for pre-
25 ventive health measures, and for research expenses which

1 are allocated to the regional boards under subsection (a)
2 shall be divided among the regions in the proportion which
3 the number of residents in each region bears to the total
4 population of the Nation.

5 (c) Funds for capital expenses which are allocated to
6 the regional boards under subsection (a) shall be allocated,
7 to the extent consistent with the efficient and equitable
8 use of resources, to the regional boards in accordance with
9 the budgets for capital expenses submitted by such boards
10 to the National Health Board under section 522(c), except
11 that during the first 10 fiscal years following the effective
12 date of health services, priority shall be given to regions
13 lacking adequate health care facilities on such effective
14 date.

15 (d) A budget submitted to the regional boards under
16 subsection (a) shall be adopted upon the approval of such
17 budget by a majority of such regional boards.

18 REGIONAL BUDGETS

19 SEC. 532. (a) Each regional board shall prepare, tak-
20 ing into consideration the budgets submitted under section
21 522 (b), and, as soon as may be practicable after the adop-
22 tion under section 531 of the national health budget for
23 any fiscal year, shall transmit a regional budget, covering
24 operating, prevention, capital, and research expenses for
25 such fiscal year, to each district board in its region. Such

1 regional budget shall be adopted upon the approval of such
2 budget by a majority of such district boards.

3 (b) Funds for capital expenses shall be allocated, to
4 the extent consistent with the efficient and equitable use
5 of resources, to the district boards in a region in accord-
6 ance with the budgets for capital expenses submitted by
7 such boards to the regional board under section 522(b),
8 except that during the first 10 fiscal years following the
9 effective date of health services, priority shall be given to
10 districts lacking adequate health care facilities on such ef-
11 fective date.

12 (c) Funds to be allocated to district boards for ordi-
13 nary operating expenses, preventive health measures, and
14 research expenses shall be allocated to each district board
15 in the same proportion as the number of residents in such
16 district bears to the number of residents in the respective
17 region.

18 DISTRICT BUDGETS

19 SEC. 533. (a) Each district board shall prepare, tak-
20 ing into consideration the budgets submitted under section
21 522 (a), and, as soon as may be practicable after the adop-
22 tion under section 532 of the regional health budget for
23 any fiscal year for the respective region, shall transmit a
24 district budget, covering operating, prevention, capital,
25 and research expenses for such fiscal year, to each commu-

1 nity board in its district. Such district budget shall be
2 adopted upon the approval of such budget by a majority
3 of such community boards.

4 (b) Funds for capital expenses shall be allocated, to
5 the extent consistent with the efficient and equitable use
6 of resources, to the community boards in a district in ac-
7 cordance with the budgets for capital expenses submitted
8 by such boards to the district board under section 522(a),
9 except that during the first 10 fiscal years following the
10 effective date of health services, priority shall be given to
11 communities lacking adequate health care facilities on
12 such effective date.

13 (c) Funds to be allocated to community boards for
14 ordinary operating expenses, preventive health measures,
15 and research expenses shall be allocated to each commu-
16 nity board in the same proportion as the number of resi-
17 dents in such community bears to the number of residents
18 in the respective district.

19 SPECIAL OPERATING EXPENSE FUND

20 SEC. 534. (a) A fund for special operating expenses
21 shall be incorporated into each budget prepared by the Na-
22 tional Health Board. For the purposes of this title, the
23 term “special operating expenses” means operating ex-
24 penses associated with—

1 (1) the care and treatment of users 65 years of
2 age or older;

3 (2) the care and treatment of persons confined
4 to full-time residential care institutions, including
5 nursing homes and facilities for the treatment of
6 mental illness;

7 (3) the special health care needs of low-income
8 users;

9 (4) the special health care needs of residents of
10 rural areas;

11 (5) special health care needs arising from envi-
12 ronmental or occupational health conditions;

13 (6) special health care needs arising from unex-
14 pected occurrences, including epidemics and natural
15 disasters; and

16 (7) the conduct of environmental health inspec-
17 tion and monitoring services.

18 (b) The special operating expense fund shall be allo-
19 cated as follows:

20 (1) Funds for the additional operating expenses
21 associated with the care and treatment of users 65
22 years of age or older shall be allocated to district
23 and community boards and shall consist of uniform
24 basic capitation amounts multiplied by the number
25 of residents 65 years of age or older in the respec-

1 tive districts and communities. The basic capitation
2 amounts for districts and for communities shall be
3 determined by the National Health Board, based
4 upon studies of the additional operating expenses as-
5 sociated with the care and treatment of such resi-
6 dents in such districts and communities.

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

21 (3) Funds shall be allocated to community
22 boards for the additional operating expenses associ-
23 ated with the special health care needs of low-income
24 persons. Such payments shall be allocated to com-
25 munity boards in proportion to the number of resi-

1 dents in their communities having incomes below the
2 poverty level (as defined by the Secretary of Com-
3 merce). The total funds allocated for this purpose
4 shall be no less than 2 percent of the ordinary oper-
5 ating expense funds allocated in accordance with
6 section 531(a).

7 (4) Funds for the additional operating expenses
8 associated with the special health care needs of resi-
9 dents of rural areas shall be allocated to district and
10 community boards serving areas of low population
11 density and shall consist of basic capitation amounts
12 multiplied by the number of residents in the respec-
13 tive districts and communities. The basic capitation
14 amounts shall be determined by the National Health
15 Board based upon studies of the additional operat-
16 ing expenses associated with the provision of health
17 care in areas of low population density.

18 (5) Funds for the additional operating expenses
19 associated with special regional health care needs
20 arising from environmental and occupational health
21 problems shall be allocated to regional boards by the
22 National Health Board in accordance with its deter-
23 mination of such special needs. The total funds allo-
24 cated for this purpose shall be no greater than one-

1 half of 1 percent of the ordinary operating expense
2 funds allocated in accordance with section 531(a).

3 (6) Funds for the additional operating expenses
4 associated with special health care needs arising
5 from unexpected occurrences shall be retained by the
6 National Health Board in a contingency fund and
7 shall be allocated by the National Health Board in
8 accordance with its determination of such needs.
9 The total funds retained for this purpose in any one
10 fiscal year shall be no greater than one-half of 1 per-
11 cent of the ordinary operating expense funds allo-
12 cated in such year in accordance with section
13 531(a).

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

19 DISTRIBUTION OF FUNDS

20 SEC. 535. (a) Funds allocated under the national
21 health budget shall be distributed by the National Health
22 Board from the Trust Fund. No health board may request
23 or receive funds from any other source.

24 (b) All payments shall be made to area health boards,
25 and shall be expended by such boards, in accordance with

1 the budgets adopted under sections 531 through 533. If
2 the budget for any area health board for a fiscal year is
3 not adopted before the beginning of the fiscal year, until
4 such budget is adopted such area health board shall con-
5 tinue to receive ordinary operating expense funds, preven-
6 tion expense funds, and research expense funds at the rate
7 at which it was receiving such funds during the preceding
8 fiscal year, and it shall receive special operating expense
9 funds in accordance with section 534.

10 (c) Each area health board shall maintain separate
11 accounts for—

12 (1) funds for operating expenses, including or-
13 dinary operating expenses and special operating ex-
14 penses;

15 (2) funds for preventive health measures;

16 (3) funds for capital expenses; and

17 (4) funds for research expenses.

18 Funds in a capital expense account shall be expended only
19 for capital expenses. Funds in a research expense account
20 shall be expended only for operations, equipment, and fa-
21 cilities for health and health care delivery research con-
22 ducted in accordance with part C of title IV. Separate ac-
23 counts shall not be required for funds for ordinary operat-
24 ing expenses and for special operating expenses.

1 (d) Area health boards shall be paid at such time or
2 times as the National Health Board finds appropriate.

3 (e) Before and during any fiscal year, supplementary
4 funds may be allocated to any area health board if the
5 National Health Board finds that such funds are required
6 by events occurring or information acquired after the ini-
7 tial allocations to such health board were made.

8 (f) Area health boards may retain funds received
9 from the National Health Board for 2 years following the
10 receipt of such funds. Any funds which are unexpended
11 after such time shall be returned to the National Health
12 Board for deposit in the Trust Fund.

13 ANNUAL STATEMENT, RECORDS, AND AUDITS

14 SEC. 536. (a) Each area health board shall prepare
15 annually and transmit to the National Health Board a
16 statement which shall accurately show the financial oper-
17 ations of such board and the facilities supervised by it for
18 the year for which such statement is prepared.

19 (b) Each area health board shall keep such records
20 as the National Health Board determines to be necessary
21 for the purposes of this Act, including for the facilitation
22 of audits.

23 (c) The National Health Board and the Comptroller
24 General of the United States, or their duly authorized rep-
25 resentatives, shall, for the purpose of audits, have access

1 to any books, documents, papers, and records which in
2 their opinion are related or pertinent to the operation of
3 the Service.

4 PART E—GENERAL PROVISIONS

5 ISSUANCE OF OBLIGATIONS

6 SEC. 541. (a) The National Health Board is author-
7 ized to borrow money and to issue and sell such obliga-
8 tions as it determines necessary to carry out the purposes
9 of this Act, but only in such amounts as may be specified
10 from time to time in appropriation Acts. The aggregate
11 amount of any such obligations outstanding at any one
12 time shall not exceed \$10,000,000,000.

13 (b) The National Health Board may pledge the assets
14 of the Trust Fund and pledge and use its revenues and
15 receipts for the payment of the principal of or interest on
16 such obligations, for the purchase or redemption thereof,
17 and for other purposes incidental thereto. The National
18 Health Board is authorized to enter into binding cov-
19 enants with the holders of such obligations, and with the
20 trustee, if any, under any agreement entered into in con-
21 nection with the issuance thereof with respect to the estab-
22 lishment of reserve, sinking, and other funds, stipulations
23 concerning the issuance of obligations or the execution of
24 leases or lease purchases relating to properties of the Serv-
25 ice and such other matters as the National Health Board

1 deems necessary or desirable to enhance the marketability
2 of such obligations.

3 (c) Obligations issued by the Service under this sec-
4 tion—

5 (1) shall be in such forms and denominations;

6 (2) shall be sold at such times and in such
7 amounts;

8 (3) shall mature at such time or times;

9 (4) shall be sold at such prices;

10 (5) shall bear such rates of interest;

11 (6) may be redeemable before maturity in such
12 manner, at such times, and at such redemption pre-
13 miums;

14 (7) may be entitled to such relative priorities of
15 claim on the assets of the Service with respect to
16 principal and interest payments; and

17 (8) shall be subject to other terms and condi-
18 tions, as the National Health Board determines.

19 (d) Obligations issued by the Service under this sec-
20 tion shall—

21 (1) be negotiable or nonnegotiable and bearer
22 or registered instruments, as specified therein and in
23 any indenture or covenant relating thereto;

24 (2) contain a recital that they are issued under
25 this section, and such recital shall be conclusive evi-

1 dence of the regularity of the issuance and sale of
2 such obligations and of their validity;

3 (3) be lawful investments and may be accepted
4 as security for all fiduciary, trust, and public funds,
5 the investment or deposit of which shall be under
6 the authority or control of any officer or agency of
7 the Government of the United States, and the Sec-
8 retary of the Treasury or any other officer or agency
9 having authority over or control of any such fidu-
10 ciary, trust, or public funds, may at any time sell
11 any of the obligations of the Service acquired under
12 this section;

13 (4) be exempt both as to principal and interest
14 from all taxation now or hereafter imposed by any
15 State or local taxing authority except estate, inherit-
16 ance, and gift taxes; and

17 (5) not be obligations of, nor shall payment of
18 the principal thereof or interest thereon be guaran-
19 teed by, the Government of the United States, ex-
20 cept as provided in subsection (g).

21 (e) At least 15 days before selling any issue of obliga-
22 tions, the National Health Board shall advise the Sec-
23 retary of the Treasury of the amount, proposed date of
24 sale, maturities, terms and conditions, and expected maxi-
25 mum rates of interest of the proposed issue in appropriate

1 detail and shall consult with him or his designee thereon.
2 The Secretary may elect to purchase such obligations
3 under such terms, including rates of interest, as he and
4 the National Health Board may agree, but at a rate of
5 yield no less than the prevailing yield on outstanding mar-
6 ketable Treasury securities of comparable maturity, as de-
7 termined by the Secretary. If the Secretary does not pur-
8 chase such obligations, the National Health Board may
9 proceed to issue and sell them to a party or parties other
10 than the Secretary upon notice to the Secretary and upon
11 consultation as to the date of issuance, maximum rates
12 of interest, and other terms and conditions.

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

22 (g) Notwithstanding subsection (d)(5), obligations is-
23 sued by the Service shall be obligations of the Government
24 of the United States, and payment of principal and inter-
25 est thereon shall be fully guaranteed by the Government

(1) the National Health Board requests the Secretary of the Treasury to pledge the full faith and credit of the Government of the United States for the payment of principal and interest thereon; and

8 (2) the Secretary, in his discretion, determines
9 that it would be in the public interest to do so.

(h) For the purpose of any purchase of the obligations of the Service, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the obligations of the Service under this part. The Secretary of the Treasury may, at any time, sell any of the obligations of the Service acquired by him under this chapter. All redemptions, purchases, and sales by the Secretary of the obligations of the Service shall be treated as public debt transactions of the United States.

24 DEFINITIONS

25 SEC. 542. For purposes of this title:

1 (1) The term “operating expenses” means the
2 cost of providing, planning, operating, and maintain-
3 ing services, facilities, programs, and boards (other
4 than those associated with research) established or
5 furnished under this Act, and of capital buildings
6 and equipment (other than those associated with re-
7 search) costing less than \$100,000, except for funds
8 associated with the conduct of preventive health
9 measures and research.

10 (2) The term “capital expenses” means ex-
11 penses which under generally accepted accounting
12 principles are not properly chargeable as expenses of
13 operation and maintenance, which exceed \$100,000,
14 and which are not associated primarily with the con-
15 duct of research.

16 TITLE VI—MISCELLANEOUS PROVISIONS

17 EFFECTIVE DATE OF HEALTH SERVICES

18 SEC. 601. The effective date of health services under
19 this Act is January 1 of the fourth calendar year after
20 the year in which this Act is enacted.

21 REPEAL OF PROVISIONS

22 SEC. 602. (a) Effective on the effective date of health
23 services, the following provisions of law are repealed:

24 (1) The Public Health Service Act, except for—

1 (A) title I (relating to short title and defini-
2 tions), parts F and G of title III (relating to licens-
3 ing and quarantine authority), and title XIV (relat-
4 ing to safety of public water systems); and

5 (B) titles VII and VIII, which shall remain ef-
6 fective, during the period beginning on such effective
7 date and ending on the date occurring 4 years after
8 such effective date, with respect to the provision of
9 assistance to educational institutions, and students
10 thereof, in areas which have not established health
11 team schools under part A of title III of this Act.

12 (2) Titles V, XVIII, and XIX of the Social Security
13 Act (relating to the maternal and child health and crippled
14 children's services, Medicare, and Medicaid); part B of
15 title XI of such Act (relating to professional standards re-
16 view); sections 226, 1121 through 1124, and 1126 of such
17 Act (relating to entitlement to hospital insurance benefits,
18 uniform health reporting systems, limitation on Federal
19 participation for capital expenditures, program for deter-
20 mining qualification for certain health care personnel, dis-
21 closure of ownership and related information, and dislo-
22 sure of certain convictions); and so much of title XX of
23 such Act (relating to grants to States for services) as pro-
24 vides for payments to States for health care and supple-
25 mental services.

1 (3) Chapter 89 of title 5, United States Code (relat-
2 ing to health insurance for Federal employees).

3 (4) Chapters 17, 73, and 81 and section 1506 of title
4 38, United States Code (relating to medical benefits and
5 programs relating to veterans).

6 (5) Sections 1079 through 1083 and section 1086 of
7 title 10, United States Code (relating to the civilian health
8 and medical program of the uniformed services).

9 (6) The Comprehensive Alcohol Abuse and Alcohol-
10 ism Prevention, Treatment, and Rehabilitation Act of
11 1970; the Comprehensive Alcohol Abuse and Alcoholism
12 Prevention, Treatment, and Rehabilitation Act Amend-
13 ments of 1974; and section 4 of the Comprehensive Drug
14 Abuse Prevention and Control Act of 1970 (relating to
15 medical treatment of narcotic addiction).

16 (7) Public Law 83–568 (42 U.S.C. 2001–2004b) (re-
17 lating to hospital and other health facilities for Indians)
18 and Public Law 85–151 (42 U.S.C. 2005–2005f) (relating
19 to community hospitals for Indians).

20 (8) The District of Columbia Medical Facilities Con-
21 struction Act of 1968 and the District of Columbia Medi-
22 cal and Dental Manpower Act of 1970.

23 (9) Sections 232 and 242 and title XI of the National
24 Housing Act (relating to mortgage insurance for nursing
25 homes, hospitals, and group practice facilities).

1 (10) The Mental Retardation Facilities and Commu-
2 nity Mental Health Centers Construction Act of 1963.

3 (11) The Family Planning Services and Population
4 Research Act of 1970.

5 (12) The National Arthritis Act of 1974 and the Na-
6 tional Diabetes Mellitus Research and Education Act.

7 (13) Titles I and II and section 301 of the Lead-
8 Based Paint Poisoning Prevention Act (42 U.S.C. 4801,
9 4811, 4821) (relating to grant programs for lead-based
10 paint poisoning prevention).

11 (14) The Act of March 2, 1897 (21 U.S.C. 41–50)
12 (relating to tea importation).

13 (15) Subsection (e) of section 20 and section 22 of
14 the Occupational Safety and Health Act of 1970 (relating
15 to the National Institute for Occupational Safety and
16 Health).

17 (b)(1) Not later than three years after the date of
18 enactment of this Act, the President shall prepare, in con-
19 sultation with the appropriate National Health Board, and
20 transmit to Congress legislation (A) to repeal or amend
21 such provisions of law as are inconsistent with the pur-
22 poses of this Act or the provision of health care and sup-
23 plemental services by the Service under this Act, and (B)
24 to make such conforming and technical amendments in
25 provisions of law as may be necessary to properly effect

1 the repeal of provisions described in subsection (a) and
2 the repeal or amendment of provisions described in clause
3 (A) of this paragraph.

4 (2) Such legislation shall include the transfers of such
5 authority of the Secretary of Health and Human Services
6 under the provisions of—

7 (A) the Controlled Substances Act;

8 (B) chapter 175 of title 28, United States Code
9 (relating to civil commitment and rehabilitation of
10 narcotics addicts);

11 (C) chapter 314 of title 18, United States Code
12 (relating to sentencing of narcotic addicts to com-
13 mitment for treatment);

14 (D) the Narcotic Addict Rehabilitation Act of
15 1966;

16 (E) the Drug Abuse Office and Treatment Act
17 of 1972;

18 (F) the Occupational Safety and Health Act of
19 1970;

20 (G) the Lead-Based Paint Poisoning Prevention
21 Act;

22 (H) the Federal Cigarette Labeling and Adver-
23 tising Act;

24 (I) the Federal Food, Drug, and Cosmetic Act;

25 (J) the Fair Packaging and Labeling Act;

1 (K) the Act of March 4, 1923 (21 U.S.C. 61–
2 64) (relating to filled milk);

3 (L) the Act of February 15, 1927 (21 U.S.C.
4 141–149) (relating to milk importation);

5 (M) the Federal Caustic Poison Act;

6 (N) the Federal Coal Mine Health and Safety
7 Act of 1969 (other than title IV thereof); and

8 (O) the Solid Waste Disposal Act,

9 to the Service as the President determines, after consulta-
10 tion with the National Health Board, to be appropriate.

11 (c)(1) The National Health Board shall, immediately
12 upon its initial appointment, and in consultation with the
13 Secretary of Health and Human Services, review the pro-
14 grams conducted under the specified provisions of the
15 Public Health Service Act and the other Acts described
16 in section 602(a) and shall determine how the Service shall
17 carry out the purposes of such programs.

18 (2) Not later than one year after the effective date
19 of health services, the National Health Board shall report
20 to the President and to the Congress on how the Service
21 is carrying out the purposes of the programs authorized
22 to be conducted under provisions of law which are repealed
23 by subsection (a) (other than paragraph (1)(B) thereof).

24 (3) Not later than 5 years after the effective date
25 of health services, the National Health Board shall report

1 to the President and to the Congress on how the Service
2 is carrying out the purposes of programs described in sub-
3 section (a)(1)(B).

4 (d) Not later than 2 years after the effective date of
5 health services, the National Health Board shall transmit
6 to Congress a proposed codification of all the provisions
7 of law which contain functions that are transferred or re-
8 late to the Service.

9 TRANSITION PROVISIONS

10 SEC. 603. (a) Amounts appropriated to carry out the
11 purposes of any provisions of law repealed by this Act and
12 available on the effective date of such repeal shall be
13 transferred on such date to the Health Service Trust Fund
14 (established under section 511 of this Act).

15 (b) The President is authorized to transfer so much
16 of the positions, personnel, assets, liabilities, contracts,
17 property, and records employed, held, used, arising from,
18 available to or made available in connection with the func-
19 tions or programs repealed by this Act to the Service as
20 may be agreed upon by the President and the National
21 Health Board.

22 (c) In the case where the authority for the establish-
23 ment of any office or agency, or all the functions of such
24 office or agency, are repealed under section 602, such of-
25 fice or agency shall lapse.

1 (d) The amendments made by section 602—

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

5 (2) shall not affect (A) any right or obligation
6 arising out of any matter occurring before the effec-
7 tive date of such amendments, or (B) any adminis-
8 trative or judicial proceeding (whether or not initi-
9 ated before that date) for the adjudication or en-
10 forcement of any such right or obligation.

11 AMENDMENT TO BUDGET AND ACCOUNTING ACT

12 SEC. 604. (a) Section 201 of the Budget and Ac-
13 counting Act, 1921 (31 U.S.C. 11) is amended by insert-
14 ing after subsection (j) the following new subsection:

15 “(k) The Budget transmitted pursuant to subsection
16 (a) shall set forth the items enumerated in paragraphs (4)
17 through (9) and (12) of subsection (a) with respect to ex-
18 penditures from and appropriations to the Health Service
19 Trust Fund (established under section 511 of the Health
20 Service Act) separately from such items with respect to
21 expenditures and appropriations relating to other oper-
22 ations of the Government.”.

23 (b) The amendment made by subsection (a) shall
24 apply with respect to fiscal years beginning more than 1
25 year after the date of enactment of this Act.

1 SEPARABILITY

2 SEC. 605. If any provision of this Act, or the applica-
3 tion of such provision to any person or circumstance, shall
4 be held invalid, the remainder of this Act, or the applica-
5 tion of such provision to persons or circumstances other
6 than those as to which it is held invalid, shall not be af-
7 fected thereby.

○