

116TH CONGRESS  
1ST SESSION

# S. 2411

To amend the Public Health Service Act to establish a rural health center innovation awards program and a rural health department enhancement program, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JULY 31, 2019

Mrs. BLACKBURN (for herself and Ms. MURKOWSKI) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To amend the Public Health Service Act to establish a rural health center innovation awards program and a rural health department enhancement program, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Health Innova-  
5 tion Act of 2019”.

1 **SEC. 2. RURAL HEALTH CENTER INNOVATION AWARDS**  
 2 **PROGRAM.**

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

6 **“SEC. 330N. RURAL HEALTH CENTER INNOVATION AWARDS**  
 7 **PROGRAM.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) COVERED RURAL AREA.—The term ‘cov-  
 10 ered rural area’ means a rural area—

11 “(A) that is located not less than 30 min-  
 12 utes by automobile from the nearest emergency  
 13 department, using the speed limit of the most  
 14 direct route to such emergency department; or

15 “(B) from which an individual cannot ac-  
 16 cess an emergency department by road.

17 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-  
 18 tity’ means an entity that—

19 “(A) is a Federally qualified health center;

20 “(B) is a rural health clinic; or

21 “(C) agrees (as a condition of receiving a  
 22 grant under this section) to establish such a  
 23 center or clinic, including a hospital that agrees  
 24 (as such a condition) to convert to a Federally  
 25 qualified health center.

1           “(3) FEDERALLY QUALIFIED HEALTH CEN-  
2           TER.—The term ‘Federally qualified health center’  
3           has the meaning given such term in section  
4           1861(aa) of the Social Security Act.

5           “(4) RURAL AREA.—The term ‘rural area’ has  
6           the meaning given such term in section 330J(e).

7           “(5) RURAL HEALTH CLINIC.—The term ‘rural  
8           health clinic’ has the meaning given such term in  
9           section 1861(aa) of the Social Security Act.

10          “(b) ESTABLISHMENT.—

11           “(1) IN GENERAL.—The Secretary, acting  
12           through the Administrator of the Health Resources  
13           and Services Administration, shall establish a grant  
14           program to be known as the ‘Rural Health Center  
15           Innovation Awards program’ to award grants to eli-  
16           gible entities that submit an application in accord-  
17           ance with subsection (c) to enable such entities to  
18           establish or maintain a Federally qualified health  
19           center or rural health clinic that—

20           “(A) serves individuals in a covered rural  
21           area as a walk-in urgent care center and as a  
22           triage center or staging facility for necessary  
23           air or ambulance transport to an emergency de-  
24           partment; and

25           “(B) includes—

1           “(i) professional clinical staff, includ-  
2           ing physicians, physician interns, residents,  
3           nurse practitioners, physician assistants,  
4           nurse midwives, or other health care pro-  
5           viders providing walk-in urgent care and  
6           emergency triage; and

7           “(ii) resources, including laboratories,  
8           x-ray machines, and cardiac monitors.

9           “(2) PERMISSIBLE USES OF FUNDS.—The  
10          funds of a grant awarded under this section may be  
11          used to—

12           “(A) expand the hours of operation of a  
13          Federally qualified health center or rural health  
14          clinic;

15           “(B) pay for the costs of construction and  
16          renovation of a Federally qualified health center  
17          or rural health clinic; or

18           “(C) carry out any other activity for the  
19          purposes described in paragraph (1).

20          “(c) APPLICATIONS AND SELECTION.—

21           “(1) IN GENERAL.—An eligible entity seeking a  
22          grant under this section shall submit to the Sec-  
23          retary an application at such time, in such manner,  
24          and containing such information as the Secretary  
25          may reasonably require.

1           “(2) START UP CENTERS AND CLINICS.—An  
2 application submitted under paragraph (1) by an eli-  
3 gible entity that is not a Federally qualified health  
4 center, or a rural health clinic, on the date on which  
5 the entity submits the application under paragraph  
6 (1) shall include in such application a demonstration  
7 of the costs of the equipment and staffing needed to  
8 establish the center or clinic.

9           “(3) EXPEDITED REVIEW.—The Secretary shall  
10 establish a process for expediting the review of any  
11 application submitted under paragraph (1) for a  
12 grant under this section from an eligible entity that  
13 plans to use the funds of the grant to serve individ-  
14 uals in a covered rural area in which a hospital has  
15 closed in the 7 years preceding the date on which  
16 the entity submitted the application.

17           “(d) GRANT PERIOD AND AMOUNTS.—

18           “(1) PERIOD.—Each grant awarded under this  
19 section shall be for a period of 5 years.

20           “(2) AMOUNT.—

21           “(A) IN GENERAL.—A grant awarded  
22 under this section to an eligible entity shall not  
23 exceed—

24           “(i) for the first year of the grant—

1                   “(I) \$500,000 if the entity is a  
2                   Federally qualified health center, or a  
3                   rural health clinic, on the date on  
4                   which the award is made; and

5                   “(II) \$750,000 if the entity is  
6                   using the grant to establish a Feder-  
7                   ally qualified health center or a rural  
8                   health clinic; and

9                   “(ii) for each of the third through  
10                  fifth years of the grant, \$500,000.

11                  “(B) CONSIDERATIONS.—In determining  
12                  the amount of a grant under this section for an  
13                  eligible entity for each year after the first year  
14                  in which the grant is awarded, the Secretary  
15                  shall, subject to subparagraph (A)(ii), consider  
16                  the number of patients treated, and the type of  
17                  treatment provided, by the entity in the prior  
18                  year.

19                  “(e) REPORTING.—

20                  “(1) IN GENERAL.—Not later than 3 years  
21                  after the date of enactment of this section, the Sec-  
22                  retary shall report to the committees described in  
23                  paragraph (2) on the grant program under this sec-  
24                  tion, including—

1           “(A) an assessment of the success of the  
2           program, challenges with respect to the pro-  
3           gram, and any action for regulatory flexibility  
4           or legislative authority needed to improve the  
5           program;

6           “(B) any savings to Federal health care  
7           programs;

8           “(C) any increase in access to care; and

9           “(D) any increase in utilization of health  
10          services in covered rural areas.

11          “(2) COMMITTEES.—The committees described  
12          in this paragraph are—

13                 “(A) the Committee on Health, Education,  
14                 Labor, and Pensions, and the Committee on Fi-  
15                 nance, of the Senate; and

16                 “(B) the Committee on Energy and Com-  
17                 merce, and the Committee on Ways and Means,  
18                 of the House of Representatives.

19          “(f) AUTHORIZATION OF APPROPRIATIONS.—There  
20          is authorized to be appropriated to carry out this section  
21          \$25,000,000 for each of fiscal years 2020 through 2024.”.

22          **SEC. 3. RURAL HEALTH DEPARTMENT ENHANCEMENT PRO-**  
23                                 **GRAM.**

24          Subpart I of part D of title III of the Public Health  
25          Service Act (42 U.S.C. 254b et seq.), as amended by sec-

1 tion 2, is further amended by adding at the end the fol-  
2 lowing:

3 **“SEC. 3300. RURAL HEALTH DEPARTMENT ENHANCEMENT**  
4 **PROGRAM.**

5 “(a) DEFINITIONS.—In this section:

6 “(1) COVERED RURAL AREA.—The term ‘cov-  
7 ered rural area’ has the meaning given the term in  
8 section 330N(a).

9 “(2) RURAL HEALTH DEPARTMENT.—The term  
10 ‘rural health department’ means a health depart-  
11 ment that is located in a covered rural area.

12 “(b) ESTABLISHMENT.—The Secretary, acting  
13 through the Administrator of the Health Resources and  
14 Services Administration, shall award grants, on a competi-  
15 tive basis, to rural health departments that submit an ap-  
16 plication in accordance with subsection (c) to enhance  
17 such departments and enable them to provide individuals  
18 in covered rural areas with emergency services, triage and  
19 transport to emergency departments, primary care serv-  
20 ices, and other services similar to services provided by  
21 emergency departments.

22 “(c) APPLICATIONS.—A rural health department  
23 seeking a grant under this section shall submit an applica-  
24 tion to the Secretary at such time, in such manner, and

1 containing such information as the Secretary may reason-  
2 ably require, including—

3 “(1) an indication of the estimated cost of the  
4 equipment and staffing needed by the department  
5 for the first year of the award to set up the activities  
6 and services under this section;

7 “(2) a demonstration that the department has,  
8 on the date on which the application is submitted,  
9 a facility operating that is located in a covered rural  
10 area; and

11 “(3) a demonstration that, on the date on  
12 which the application is submitted, the depart-  
13 ment—

14 “(A) has a nursing staff and medical  
15 equipment; and

16 “(B) agrees to use such staff and equip-  
17 ment towards providing the services and car-  
18 rying out the activities under this section.

19 “(d) GRANTS.—

20 “(1) ANNUAL AWARDS.—The funds awarded  
21 through a grant under this section to a rural health  
22 department shall be awarded on an annual basis for  
23 each of 5 years.

24 “(2) MAXIMUM AMOUNTS.—The funds awarded  
25 through a grant under this section to a rural health

1 department shall be in an amount that for a year  
2 does not exceed \$500,000.

3 “(3) CONSIDERATIONS.—The Secretary shall  
4 determine the amount awarded to a rural health de-  
5 partment through a grant under this section for a  
6 year in accordance with the following:

7 “(A) For the first year of the award, the  
8 amount shall be based on the amount the rural  
9 health department estimates for the cost of  
10 equipment and staffing needed to set up the ac-  
11 tivities and services supported under this sec-  
12 tion, as specified in the application under sub-  
13 section (c).

14 “(B) For the second through fifth years of  
15 the award, the amount shall be based on the  
16 number of patients treated, and the type of  
17 treatment provided, by the department in the  
18 prior year.

19 “(e) USE OF FUNDS.—

20 “(1) IN GENERAL.—A rural health department  
21 receiving a grant under this section shall use the  
22 funds awarded through the grant to provide the  
23 services and carry out the activities described in sub-  
24 section (b) at a facility that is located in a covered  
25 rural area, including by—

1           “(A) obtaining additional medical equip-  
2           ment and resources necessary for providing the  
3           services and activities described in subsection  
4           (b), such as laboratories, x-ray machines, and  
5           cardiac monitors;

6           “(B) hiring additional providers to provide  
7           the services and carry out the activities de-  
8           scribed in subsection (b), such as physician in-  
9           terns, residents, nurse practitioners, physician  
10          assistants, and nurse midwives, which hiring  
11          may be through a partnership described in  
12          paragraph (2)(A); and

13          “(C) providing outreach to the community  
14          regarding the services and activities of the rural  
15          health department as supported under this sec-  
16          tion.

17          “(2) LIMITATIONS.—

18                 “(A) PARTNERSHIPS.—Not more than 3  
19                 percent of the funds awarded through a grant  
20                 under this section for a year may be used to-  
21                 wards the rural health department entering into  
22                 a partnership with an academic medical center  
23                 to assist with the hiring described in paragraph  
24                 (1)(B).

1           “(B) COMMUNITY OUTREACH.—For each  
2           of the first 2 years of a grant awarded under  
3           this section, not more than 3 percent of the  
4           funds may be used by the rural health depart-  
5           ment receiving the grant for the outreach de-  
6           scribed in paragraph (1)(C).

7           “(f) AUTHORIZATION OF APPROPRIATIONS.—There  
8           are authorized to be appropriated to carry out this section  
9           \$25,000,000 for each of fiscal years 2020 through 2024.”.

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