So I am constrained to object to the unanimous-consent request the Senator is now offering.

The PRESIDING OFFICER. Objection is heard.

MEASURE READ THE FIRST TIME—S. 2100

Mr. LOTT. Mr. President, I understand that S. 2100, introduced today by Senator HATCH, is at the desk. I ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2100) to provide for the extension of certain authority for the Marshal of the Supreme Court and the Supreme Court police.

Mr. LOTT. I now ask for a second reading and would object to my own request on behalf of Senators on the Democratic side of the aisle.

The PRESIDING OFFICER. Objection is heard.

HEALTH CENTERS CONSOLIDATION ACT OF 1995

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 279, S. 1044.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1044) to amend title III of the Public Health Service Act to consolidate and reauthorize provisions relating to health centers, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 1044

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Health Centers Consolidation Act of 1995''.

SEC. 2. CONSOLIDATION AND REAUTHORIZATION OF PROVISIONS.

Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) is amended to read as follows:

''Subpart I—Health Centers

''SEC. 330. HEALTH CENTERS.

''(a) DEFINITION OF HEALTH CENTER.—

''(1) IN GENERAL.—For purposes of this section, the term 'health center' means an entity that serves a population that is medically underserved, or a special medically underserved population comprised of migratory and seasonal agricultural workers, the homeless, and residents of public housing, by providing, either through the staff and supporting resources of the center or through contracts or cooperative arrangements—

''(A) required primary health services (as defined in subsection (b)(1)); and

''(B) as may be appropriate for particular centers, additional health services (as defined in subsection (b)(2)) necessary for the adequate support of the primary health services required under subparagraph (A);

for all residents of the area served by the center (hereafter referred to in this section as the 'catchment area').

''(2) LIMITATION.—The requirement in paragraph (1) to provide services for all residents within a catchment area shall not apply in the case of a health center receiving a grant only under subsection (f), (g), or (h).

''(b) DEFINITIONS.—For purposes of this section:

''(1) REQUIRED PRIMARY HEALTH SERVICES.—

''(A) IN GENERAL.—The term 'required primary health services' means—

''(i) basic health services which, for purposes of this section, shall consist of—

''(I) health services related to family medicine, internal medicine, pediatrics, obstetrics, or gynecology that are furnished by physicians and where appropriate, physician assistants, nurse practitioners, and nurse midwives;

''(II) diagnostic laboratory and radiologic services;

''(III) preventive health services, including—

''(aa) prenatal and perinatal services;

''(bb) screening for breast and cervical cancer;

''(cc) well-child services;

''(dd) immunizations against vaccine-preventable diseases;

''(ee) screenings for elevated blood lead levels, communicable diseases, and cholesterol;

''(ff) pediatric eye, ear, and dental screenings to determine the need for vision and hearing correction and dental care;

''(gg) voluntary family planning services; and

''(hh) preventive dental services;

''(IV) emergency medical services; and

''(V) pharmaceutical services as may be appropriate for particular centers;

''(ii) referrals to providers of medical services and other health-related services (including substance abuse and mental health services);

''(iii) patient case management services (including counseling, referral, and follow-up services) and other services designed to assist health center patients in establishing eligibility for and gaining access to Federal, State, and local programs that provide or financially support the provision of medical, social, educational, or other related services;

''(iv) services that enable individuals to use the services of the health center (including outreach and transportation services and, if a substantial number of the individuals in the population served by a center are of limited English-speaking ability, the services of appropriate personnel fluent in the language spoken by a predominant number of such individuals); and

''(v) education of patients and the general population served by the health center regarding the availability and proper use of health services.

''(B) EXCEPTION.—With respect to a health center that receives a grant only under subsection (f), the Secretary, upon a showing of good cause, shall—

''(i) waive the requirement that the center provide all required primary health services under this paragraph; and

''(ii) approve, as appropriate, the provision of certain required primary health services only during certain periods of the year.

''(2) ADDITIONAL HEALTH SERVICES.—The term 'additional health services' means services that are not included as required primary health services and that are appropriate to meet the health needs of the population served by the health center involved. Such term may include—

''(A) environmental health services, including—

''(i) the detection and alleviation of unhealthful conditions associated with water supply;

''(ii) sewage treatment;

''(iii) solid waste disposal;

''(iv) rodent and parasitic infestation;

''(v) field sanitation;

''(vi) housing; and

''(vii) other environmental factors related to health; and

''(B) in the case of health centers receiving grants under subsection (f), special occupation-related health services for migratory and seasonal agricultural workers, including—

''(i) screening for and control of infectious diseases, including parasitic diseases; and

''(ii) injury prevention programs, including prevention of exposure to unsafe levels of agricultural chemicals including pesticides.

''(3) MEDICALLY UNDERSERVED POPULATIONS.—

''(A) IN GENERAL.—The term 'medically underserved population' means the population of an urban or rural area designated by the Secretary as an area with a shortage of personal health services or a population group designated by the Secretary as having a shortage of such services.

''(B) CRITERIA.—In carrying out subparagraph (A), the Secretary shall prescribe criteria for determining the specific shortages of personal health services of an area or population group. Such criteria shall—

''(i) take into account comments received by the Secretary from the chief executive officer of a State and local officials in a State; and

''(ii) include factors indicative of the health status of a population group or residents of an area, the ability of the residents of an area or of a population group to pay for health services and their accessibility to them, and the availability of health professionals to residents of an area or to a population group.

''(C) LIMITATION.—The Secretary may not designate a medically underserved population in a State or terminate the designation of such a population unless, prior to such designation or termination, the Secretary provides reasonable notice and opportunity for comment and consults with—

''(i) the chief executive officer of such State;

''(ii) local officials in such State; and

''(iii) the organization, if any, which represents a majority of health centers in such State.

''(D) PERMISSIBLE DESIGNATION.—The Secretary may designate a medically underserved population that does not meet the criteria established under subparagraph (B) if the chief executive officer of the State in which such population is located and local officials of such State recommend the designation of such population based on unusual local conditions which are a barrier to access to or the availability of personal health services.

''(c) PLANNING GRANTS.—

''(1) IN GENERAL.—

''(A) CENTERS.—The Secretary may make grants to public and nonprofit private entities for projects to plan and develop health centers which will serve medically underserved populations. A project for which a grant may be made under this subsection

may include the cost of the acquisition, expansion, and modernization of existing buildings and construction of new buildings (including the costs of amortizing the principal of, and paying the interest on, loans) and shall include—

''(i) an assessment of the need that the population proposed to be served by the health center for which the project is undertaken has for required primary health services and additional health services;

''(ii) the design of a health center program for such population based on such assessment;

''(iii) efforts to secure, within the proposed catchment area of such center, financial and professional assistance and support for the project;

''(iv) initiation and encouragement of continuing community involvement in the development and operation of the project; and

''(v) proposed linkages between the center and other appropriate provider entities, such as health departments, local hospitals, and rural health clinics, to provide better coordinated, higher quality, and more cost-effective health care services.

''(B) COMPREHENSIVE SERVICE DELIVERY NETWORKS AND PLANS.—The Secretary may make grants to health centers that receive assistance under this section to enable the centers to plan and develop a network or plan for the provision of health services, which may include the provision of health services on a prepaid basis or through another managed care arrangement, to some or to all of the individuals which the centers serve. Such a grant may only be made for such a center if—

''(i) the center has received grants under subsection (d)(1)(A) for at least 2 consecutive years preceding the year of the grant under this subparagraph or has otherwise demonstrated, as required by the Secretary, that such center has been providing primary care services for at least the 2 consecutive years immediately preceding such year; and

''(ii) the center provides assurances satisfactory to the Secretary that the provision of such services on a prepaid basis, or under another managed care arrangement, will not result in the diminution of the level or quality of health services provided to the medically underserved population served prior to the grant under this subparagraph.

Any such grant may include the acquisition and lease, expansion, and modernization of existing buildings, construction of new buildings, acquisition or lease of equipment which may include data and information systems, and providing training and technical assistance related to the provision of health services on a prepaid basis or under another managed care arrangement, and for other purposes that promote the development of managed care networks and plans.

''(2) LIMITATION.—Not more than two grants may be made under this subsection for the same project, except that upon a showing of good cause, the Secretary may make additional grant awards.

''(d) OPERATING GRANTS.—

''(1) AUTHORITY.—

''(A) IN GENERAL.—The Secretary may make grants for the costs of the operation of public and nonprofit private health centers that provide health services to medically underserved populations.

''(B) ENTITIES THAT FAIL TO MEET CERTAIN REQUIREMENTS.—The Secretary may make grants, for a period of not to exceed 2-years, for the costs of the operation of public and nonprofit private entities which provide health services to medically underserved populations but with respect to which the Secretary is unable to make each of the determinations required by subsection [(j)](*i*)(3).

''(2) USE OF FUNDS.—The costs for which a grant may be made under subparagraph (A) or (B) of paragraph (1) may include the costs of acquiring, expanding, and modernizing existing buildings and constructing new buildings (including the costs of amortizing the principal of, and paying interest on, loans), the costs of repaying loans for buildings, and the costs of providing training related to the provision of required primary health services and additional health services and to the management of health center programs.

''(3) LIMITATION.—Not more than two grants may be made under subparagraph (B) of paragraph (1) for the same entity.

''(4) AMOUNT.—

''(A) IN GENERAL.—The amount of any grant made in any fiscal year under paragraph (1) to a health center shall be determined by the Secretary, but may not exceed the amount by which the costs of operation of the center in such fiscal year exceed the total of—

''(i) State, local, and other operational funding provided to the center; and

''(ii) the fees, premiums, and third-party reimbursements, which the center may reasonably be expected to receive for its operations in such fiscal year.

''(B) PAYMENTS.—Payments under grants under subparagraph (A) or (B) of paragraph (1) shall be made in advance or by way of reimbursement and in such installments as the Secretary finds necessary and adjustments may be made for overpayments or underpayments.

''(C) USE OF NONGRANT FUNDS.—Nongrant funds described in clauses (i) and (ii) of subparagraph (A), including any such funds in excess of those originally expected, shall be used as permitted under this section, and may be used for such other purposes as are not specifically prohibited under this section if such use furthers the objectives of the project.

''(e) INFANT MORTALITY GRANTS.—

''(1) IN GENERAL.—The Secretary may make grants to health centers for the purpose of assisting such centers in—

''(A) providing comprehensive health care and support services for the reduction of—

''(i) the incidence of infant mortality; and

''(ii) morbidity among children who are less than 3 years of age; and

''(B) developing and coordinating service and referral arrangements between health centers and other entities for the health management of pregnant women and children described in subparagraph (A).

''(2) PRIORITY.—In making grants under this subsection the Secretary shall give priority to health centers providing services to any medically underserved population among which there is a substantial incidence of infant mortality or among which there is a significant increase in the incidence of infant mortality.

''(3) REQUIREMENTS.—The Secretary may make a grant under this subsection only if the health center involved agrees that—

''(A) the center will coordinate the provision of services under the grant to each of the recipients of the services;

''(B) such services will be continuous for each such recipient;

''(C) the center will provide follow-up services for individuals who are referred by the center for services described in paragraph (1);

''(D) the grant will be expended to supplement, and not supplant, the expenditures of the center for primary health services (including prenatal care) with respect to the purpose described in this subsection; and

''(E) the center will coordinate the provision of services with other maternal and child health providers operating in the catchment area.

''(f) MIGRATORY AND SEASONAL AGRICULTURAL WORKERS.—

''(1) IN GENERAL.—The Secretary may award grants for the purposes described in subsections (c), (d), and (e) for the planning and delivery of services to a special medically underserved population comprised of—

''(A) migratory agricultural workers, seasonal agricultural workers, and members of the families of such migratory and seasonal agricultural workers who are within a designated catchment area; and

''(B) individuals who have previously been migratory agricultural workers but who no longer meet the requirements of subparagraph (A) of paragraph (4) because of age or disability and members of the families of such individuals who are within such catchment area.

''(2) ENVIRONMENTAL CONCERNS.—The Secretary may enter into grants or contracts under this subsection with public and private entities to—

''(A) assist the States in the implementation and enforcement of acceptable environmental health standards, including enforcement of standards for sanitation in migratory agricultural worker labor camps, and applicable Federal and State pesticide control standards; and

''(B) conduct projects and studies to assist the several States and entities which have received grants or contracts under this section in the assessment of problems related to camp and field sanitation, exposure to unsafe levels of agricultural chemicals including pesticides, and other environmental health hazards to which migratory agricultural workers and members of their families are exposed.

''(3) DEFINITIONS.—For purposes of this subsection:

''(A) MIGRATORY AGRICULTURAL WORKER.—The term 'migratory agricultural worker' means an individual whose principal employment is in agriculture on a seasonal basis, who has been so employed within the last 24 months, and who establishes for the purposes of such employment a temporary abode.

''(B) SEASONAL AGRICULTURAL WORKER.—The term 'seasonal agricultural worker' means an individual whose principal employment is in agriculture on a seasonal basis and who is not a migratory agricultural worker.

''(C) AGRICULTURE.—The term 'agriculture' means farming in all its branches, including—

''(i) cultivation and tillage of the soil;

''(ii) the production, cultivation, growing, and harvesting of any commodity grown on, in, or as an adjunct to or part of a commodity grown in or on, the land; and

''(iii) any practice (including preparation and processing for market and delivery to storage or to market or to carriers for transportation to market) performed by a farmer or on a farm incident to or in conjunction with an activity described in clause (ii).

''(g) HOMELESS POPULATION.—

''(1) IN GENERAL.—The Secretary may award grants for the purposes described in subsections (c), (d), and (e) for the planning and delivery of services to a special medically underserved population comprised of homeless individuals, including grants for innovative programs that provide outreach and comprehensive primary health services to homeless children and children at risk of homelessness.

''(2) REQUIRED SERVICES.—In addition to required primary health services (as defined in subsection (b)(1)), an entity that receives a grant under this subsection shall be required to provide substance abuse services as a condition of such grant.

''(3) SUPPLEMENT NOT SUPPLANT REQUIREMENT.—A grant awarded under this subsection shall be expended to supplement, and not supplant, the expenditures of the health center and the value of in kind contributions for the delivery of services to the population described in paragraph (1).

''(4) DEFINITIONS.—For purposes of this section:

''(A) HOMELESS INDIVIDUAL.—The term 'homeless individual' means an individual who lacks housing (without regard to whether the individual is a member of a family), including an individual whose primary residence during the night is a supervised public or private facility that provides temporary living accommodations and an individual who is a resident in transitional housing.

''(B) SUBSTANCE ABUSE.—The term 'substance abuse' has the same meaning given such term in section 534(4).

''(C) SUBSTANCE ABUSE SERVICES.—The term 'substance abuse services' includes detoxification and residential treatment for substance abuse provided in settings other than hospitals.

''(h) RESIDENTS OF PUBLIC HOUSING.—

''(1) IN GENERAL.—The Secretary may award grants for the purposes described in subsections (c), (d), and (e) for the planning and delivery of services to a special medically underserved population comprised of residents of public housing (such term, for purposes of this subsection, shall have the same meaning given such term in section 3(b)(1) of the United States Housing Act of 1937) and individuals living in areas immediately accessible to such public housing.

''(2) SUPPLEMENT NOT SUPPLANT.—A grant awarded under this subsection shall be expended to supplement, and not supplant, the expenditures of the health center and the value of in kind contributions for the delivery of services to the population described in paragraph (1).

''(3) CONSULTATION WITH RESIDENTS.—The Secretary may not make a grant under paragraph (1) unless, with respect to the residents of the public housing involved, the applicant for the grant—

''(A) has consulted with the residents in the preparation of the application for the grant; and

''(B) agrees to provide for ongoing consultation with the residents regarding the planning and administration of the program carried out with the grant.

''(i) APPLICATIONS.—

''(1) SUBMISSION.—No grant may be made under this section unless an application therefore is submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and manner and shall contain such information as the Secretary shall prescribe.

''(2) DESCRIPTION OF NEED.—An application for a grant under subparagraph (A) or (B) of subsection (d)(1) for a health center shall include—

''(A) a description of the need for health services in the catchment area of the center;

''(B) a demonstration by the applicant that the area or the population group to be served by the applicant has a shortage of personal health services; and

''(C) a demonstration that the center will be located so that it will provide services to the greatest number of individuals residing in the catchment area or included in such population group.

Such a demonstration shall be made on the basis of the criteria prescribed by the Secretary under subsection (b)(3) or on any other criteria which the Secretary may prescribe to determine if the area or population group to be served by the applicant has a shortage of personal health services. In considering an application for a grant under subparagraph (A) or (B) of subsection (d)(1), the Secretary may require as a condition to the approval of such application an assurance that the applicant will provide any health service defined under paragraphs (1) and (2) of subsection (b) that the Secretary finds is needed to meet specific health needs of the area to be served by the applicant. Such a finding shall be made in writing and a copy shall be provided to the applicant.

''(3) REQUIREMENTS.—Except as provided in subsection (d)(1)(B), the Secretary may not approve an application for a grant under subparagraph (A) or (B) of subsection (d)(1) unless the Secretary determines that the entity for which the application is submitted is a health center (within the meaning of subsection (a)) and that—

''(A) the required primary health services of the center will be available and accessible in the catchment area of the center promptly, as appropriate, and in a manner which assures continuity;

''(B) the center will have an ongoing quality improvement system that includes clinical services and management, and that maintains the confidentiality of patient records;

''(C) the center will demonstrate its financial responsibility by the use of such accounting procedures and other requirements as may be prescribed by the Secretary;

''(D) the center—

''(i) has or will have a contractual or other arrangement with the agency of the State, in which it provides services, which administers or supervises the administration of a State plan approved under title XIX of the Social Security Act for the payment of all or a part of the center's costs in providing health services to persons who are eligible for medical assistance under such a State plan; or

''(ii) has made or will make every reasonable effort to enter into such an arrangement;

''(E) the center has made or will make and will continue to make every reasonable effort to collect appropriate reimbursement for its costs in providing health services to persons who are entitled to insurance benefits under title XVIII of the Social Security Act, to medical assistance under a State plan approved under title XIX of such Act, or to assistance for medical expenses under any other public assistance program or private health insurance program;

''(F) the center—

''(i) has prepared a schedule of fees or payments for the provision of its services consistent with locally prevailing rates or charges and designed to cover its reasonable costs of operation and has prepared a corresponding schedule of discounts to be applied to the payment of such fees or payments, which discounts are adjusted on the basis of the patient's ability to pay;

''(ii) has made and will continue to make every reasonable effort—

''(I) to secure from patients payment for services in accordance with such schedules; and

''(II) to collect reimbursement for health services to persons described in subparagraph (E) on the basis of the full amount of fees and payments for such services without application of any discount; and

''(iii) has submitted to the Secretary such reports as the Secretary may require to determine compliance with this subparagraph;

''(G) the center has established a governing board which except in the case of an entity operated by an Indian tribe or tribal or Indian organization under the Indian Self-Determination Act—

''(i) is composed of individuals, a majority of whom are being served by the center and who, as a group, represent the individuals being served by the center;

''(ii) meets at least once a month, selects the services to be provided by the center, schedules the hours during which such services will be provided, approves the center's annual budget, approves the selection of a director for the center, and, except in the case of a governing board of a public center (as defined in the second sentence of this paragraph), establishes general policies for the center; and

''(iii) in the case of an application for a second or subsequent grant for a public center, has approved the application or if the governing body has not approved the application, the failure of the governing body to approve the application was unreasonable;

except that, upon a showing of good cause the Secretary shall waive all or part of the requirements of this subparagraph in the case of a health center that receives a grant pursuant to subsection (f), (g), (h), or (o);

''(H) the center has developed—

''(i) an overall plan and budget that meets the requirements of the Secretary; and

''(ii) an effective procedure for compiling and reporting to the Secretary such statistics and other information as the Secretary may require relating to—

''(I) the costs of its operations;

''(II) the patterns of use of its services;

''(III) the availability, accessibility, and acceptability of its services; and

''(IV) such other matters relating to operations of the applicant as the Secretary may require;

''(I) the center will review periodically its catchment area to—

''(i) ensure that the size of such area is such that the services to be provided through the center (including any satellite) are available and accessible to the residents of the area promptly and as appropriate;

''(ii) ensure that the boundaries of such area conform, to the extent practicable, to relevant boundaries of political subdivisions, school districts, and Federal and State health and social service programs; and

''(iii) ensure that the boundaries of such area eliminate, to the extent possible, barriers to access to the services of the center, including barriers resulting from the area's physical characteristics, its residential patterns, its economic and social grouping, and available transportation;

''(J) in the case of a center which serves a population including a substantial proportion of individuals of limited English-speaking ability, the center has—

''(i) developed a plan and made arrangements responsive to the needs of such population for providing services to the extent practicable in the language and cultural context most appropriate to such individuals; and

''(ii) identified an individual on its staff who is fluent in both that language and in English and whose responsibilities shall include providing guidance to such individuals and to appropriate staff members with respect to cultural sensitivities and bridging linguistic and cultural differences; and

''(K) the center, has developed an ongoing referral relationship with one or more hospitals.

For purposes of subparagraph (G), the term 'public center' means a health center funded (or to be funded) through a grant under this section to a public agency.

''(4) APPROVAL OF NEW OR EXPANDED SERVICE APPLICATIONS.—The Secretary shall approve applications for grants under subparagraph (A) or (B) of subsection (d)(1) for health centers which—

''(A) have not received a previous grant under such subsection; or

''(B) have applied for such a grant to expand their services;

in such a manner that the ratio of the medically underserved populations in rural areas which may be expected to use the services provided by such centers to the medically underserved populations in urban areas which may be expected to use the services provided by such centers is not less than two to three or greater than three to two.

''(5) NEW CONSTRUCTION.—The Secretary may make a grant under subsection (c) or (d) for the construction of new buildings for a health center only if the Secretary determines that appropriate facilities are not available through acquiring, modernizing, or expanding existing buildings and that the entity to which the grant will be made has made reasonable efforts to secure from other sources funds, in lieu of the grant, to construct such facilities.

''(j) TECHNICAL AND OTHER ASSISTANCE.—The Secretary may provide (either through the Department of Health and Human Services or by grant or contract) all necessary technical and other nonfinancial assistance (including fiscal and program management assistance and training in such management) to any public or private nonprofit entity to assist entities in developing plans for, or operating as, health centers, and in meeting the requirements of subsection (i)(2).

''(k) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—For the purpose of carrying out this section there are authorized to be appropriated **[**$756,000,000**]** *$756,518,000* for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000.

[''(2) SPECIAL PROVISIONS.—The**]**

''(2) SPECIAL PROVISIONS.—

''(A) PUBLIC CENTERS.—The Secretary may not expend in any fiscal year, for grants under this section to public centers (as defined in the second sentence of subsection (i)(3)) the governing boards of which (as described in subsection (i)(3)(G)(ii)) do not establish general policies for such centers, an amount which exceeds 5 percent of the amounts appropriated under this section for that fiscal year. For purposes of applying the preceding sentence, the term 'public centers' shall not include health centers that receive grants pursuant to subsection (g) or (h).

''(B) DISTRIBUTION OF GRANTS.—

''(i) FISCAL YEAR 1996.—For fiscal year 1996, the Secretary, in awarding grants under this section shall ensure that the amounts made available under each of subsections (f), (g), and (h) in such fiscal year bears the same relationship to the total amount appropriated for such fiscal year under paragraph (1) as the amounts appropriated for fiscal year 1995 under each of sections 329, 340, and 340A (as such sections existed one day prior to the date of enactment of this section) bears to the total amount appropriated under sections 329, 330, 340, and 340A (as such sections existed one day prior to the date of enactment of this section) for such fiscal year.

''(ii) FISCAL YEARS 1997 AND 1998.—For each of the fiscal years 1997 and 1998, the Secretary, in awarding grants under this section shall ensure that the proportion of the amounts made available under each of subsections (f), (g), and (h) is equal to the proportion of amounts made available under each such subsection for the previous fiscal year, as such amounts relate to the total amounts appropriated for the previous fiscal year involved, increased or decreased by not more than 10 percent.

''(3) FUNDING REPORT.—The Secretary shall annually prepare and submit to the appropriate committees of Congress a report concerning the distribution of funds under this section that are provided to meet the health care needs of medically underserved populations, including the homeless, residents of public housing, and migratory and seasonal agricultural workers, and the appropriateness of the delivery systems involved in responding to the needs of the particular populations. Such report shall include an assessment of the relative health care access needs of the targeted populations and the rationale for any substantial changes in the distribution of funds.

''(l) MEMORANDUM OF AGREEMENT.—In carrying out this section, the Secretary may enter into a memorandum of agreement with a State. Such memorandum may include, where appropriate, provisions permitting such State to—

''(1) analyze the need for primary health services for medically underserved populations within such State;

''(2) assist in the planning and development of new health centers;

''(3) review and comment upon annual program plans and budgets of health centers, including comments upon allocations of health care resources in the State;

''(4) assist health centers in the development of clinical practices and fiscal and administrative systems through a technical assistance plan which is responsive to the requests of health centers; and

''(5) share information and data relevant to the operation of new and existing health centers.

''(m) RECORDS.—

''(1) IN GENERAL.—Each entity which receives a grant under subsection (d) shall establish and maintain such records as the Secretary shall require.

''(2) AVAILABILITY.—Each entity which is required to establish and maintain records under this subsection shall make such books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying or mechanical reproduction on or off the premises of such entity upon a reasonable request therefore. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have the authority to conduct such examination, copying, and reproduction.

''(n) DELEGATION OF AUTHORITY.—The Secretary may delegate the authority to administer the programs authorized by this section to any office within the Service, except that the authority to enter into, modify, or issue approvals with respect to grants or contracts may be delegated only within the Health Resources and Services Administration.

''(o) SPECIAL CONSIDERATION.—In making grants under this section, the Secretary shall give special consideration to the unique needs of sparsely populated rural areas, including priority in the awarding of grants for new health centers under subsections (c) and (d), and the granting of waivers as appropriate and permitted under subsections (b)(1)(B)(i) and (i)(3)(G).''.

SEC. 3. RURAL HEALTH OUTREACH, NETWORK DEVELOPMENT, AND TELEMEDICINE GRANT PROGRAM.

(a) IN GENERAL.—Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) (as amended by section 2) is further amended by adding at the end thereof the following new section:

''SEC. 330A. RURAL HEALTH OUTREACH, NETWORK DEVELOPMENT, AND TELEMEDICINE GRANT PROGRAM.

''(a) ADMINISTRATION.—The rural health services outreach demonstration grant program established under section 301 shall be administered by the Office of Rural Health Policy (of the Health Resources and Services Administration), in consultation with State rural health offices or other appropriate State governmental entities.

''(b) GRANTS.—Under the program referred to in subsection (a), the Secretary, acting through the Director of the Office of Rural Health Policy, may award grants to expand access to, coordinate, restrain the cost of, and improve the quality of essential health care services, including preventive and emergency services, through the development of integrated health care delivery systems or networks in rural areas and regions.

''(c) ELIGIBLE NETWORKS.—

''(1) OUTREACH NETWORKS.—To be eligible to receive a grant under this section, an entity shall—

''(A) be a rural public or nonprofit private entity that is or represents a network or potential network that includes three or more health care providers or other entities that provide or support the delivery of health care services; and

''(B) in consultation with the State office of rural health or other appropriate State entity, prepare and submit to the Secretary an application, at such time, in such manner, and containing such information as the Secretary may require, including—

''(i) a description of the activities which the applicant intends to carry out using amounts provided under the grant;

''(ii) a plan for continuing the project after Federal support is ended;

''(iii) a description of the manner in which the activities funded under the grant will meet health care needs of underserved rural populations within the State; and

''(iv) a description of how the local community or region to be served by the network or proposed network will be involved in the development and ongoing operations of the network.

''(2) FOR-PROFIT ENTITIES.—An eligible network may include for-profit entities so long as the network grantee is a nonprofit entity.

''(3) TELEMEDICINE NETWORKS.—

''(A) IN GENERAL.—An entity that is a health care provider and a member of an existing or proposed telemedicine network, or an entity that is a consortium of health care providers that are members of an existing or proposed telemedicine network shall be eligible for a grant under this section.

''(B) REQUIREMENT.—A telemedicine network referred to in subparagraph (A) shall, at a minimum, be composed of—

''(i) a multispecialty entity that is located in an urban or rural area, which can provide 24-hour a day access to a range of specialty care; and

''(ii) at least two rural health care facilities, which may include rural hospitals, rural physician offices, rural health clinics, rural community health clinics, and rural nursing homes.

''(d) PREFERENCE.—In awarding grants under this section, the Secretary shall give preference to applicant networks that include—

''(1) a majority of the health care providers serving in the area or region to be served by the network;

''(2) any federally qualified health centers, rural health clinics, and local public health departments serving in the area or region;

''(3) outpatient mental health providers serving in the area or region; or

''(4) appropriate social service providers, such as agencies on aging, school systems, and providers under the women, infants, and children program, to improve access to and coordination of health care services.

''(e) USE OF FUNDS.—

''(1) IN GENERAL.—Amounts provided under grants awarded under this section shall be used—

''(A) for the planning and development of integrated self-sustaining health care networks; and

''(B) for the initial provision of services.

''(2) EXPENDITURES IN RURAL AREAS.—

''(A) IN GENERAL.—In awarding a grant under this section, the Secretary shall ensure that not less than 50 percent of the grant award is expended in a rural area or to provide services to residents of rural areas.

''(B) TELEMEDICINE NETWORKS.—An entity described in subsection (c)(3) may not use in excess of—

''(i) 40 percent of the amounts provided under a grant under this section to carry out activities under paragraph (3)(A)(iii); and

''(ii) 20 percent of the amounts provided under a grant under this section to pay for the indirect costs associated with carrying out the purposes of such grant.

''(3) TELEMEDICINE NETWORKS.—

''(A) IN GENERAL.—An entity described in subsection (c)(3), may use amounts provided under a grant under this section to—

''(i) demonstrate the use of telemedicine in facilitating the development of rural health care networks and for improving access to health care services for rural citizens;

''(ii) provide a baseline of information for a systematic evaluation of telemedicine systems serving rural areas;

''(iii) purchase or lease and install equipment; and

''(iv) operate the telemedicine system and evaluate the telemedicine system.

''(B) LIMITATIONS.—An entity described in subsection (c)(3), may not use amounts provided under a grant under this section—

''(i) to build or acquire real property;

''(ii) purchase or install transmission equipment (such as laying cable or telephone lines, microwave towers, satellite dishes, amplifiers, and digital switching equipment); or

''(iii) for construction, except that such funds may be expended for minor renovations relating to the installation of equipment;

''(f) TERM OF GRANTS.—Funding may not be provided to a network under this section for in excess of a 3-year period.

''(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section there are authorized to be appropriated $36,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000.''.

(b) TRANSITION.—The Secretary of Health and Human Services shall ensure the continued funding of grants made, or contracts or cooperative agreements entered into, under subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) (as such subpart existed on the day prior to the date of enactment of this Act), until the expiration of the grant period or the term of the contract or cooperative agreement. Such funding shall be continued under the same terms and conditions as were in effect on the date on which the grant, contract or cooperative agreement was awarded, subject to the availability of appropriations.

SEC. 4. TECHNICAL AND CONFORMING AMENDMENTS.

(a) IN GENERAL.—The Public Health Service Act is amended—

(1) in section 224(g)(4) (42 U.S.C. 233(g)(4)) by striking ''under'' and all that follows through the end thereof and inserting ''under section 330.'';

(2) in section 340C(a)(2) (42 U.S.C. 256c) by striking **[**''diseases''**]** *''Under''* and all that follows through the end thereof and inserting ''with assistance provided under section 330.''; and

(3) by repealing subparts V and VI of part D of title III (42 U.S.C. 256 et seq.).

(b) SOCIAL SECURITY ACT.—The Social Security Act is amended—

(1) in clauses (i) and (ii)(I) of section 1861(aa)(4)(A) (42 U.S.C. 1395x(aa)(4)(A)(i) and (ii)(I)) by striking ''section 329, 330, or 340'' and inserting ''section 330 (other than subsection (h))''; and

(2) in clauses (i) and (ii)(II) of section 1905(l)(2)(B) (42 U.S.C. 1396d(l)(2)(B)(i) and (ii)(II)) by striking ''section 329, 330, 340, or 340A'' and inserting ''section 330''.

(c) REFERENCES.—Whenever any reference is made in any provision of law, regulation, rule, record, or document to a community health center, migrant health center, public housing health center, or homeless health center, such reference shall be considered a reference to a health center.

(d) ADDITIONAL AMENDMENTS.—After consultation with the appropriate committees of the Congress, the Secretary of Health and Human Services shall prepare and submit to the Congress a legislative proposal in the form of an implementing bill containing technical and conforming amendments to reflect the changes made by this Act.

SEC. 5. EFFECTIVE DATE.

This Act and the amendments made by this Act shall become effective on October 1, 1995.

AMENDMENT NO. 5397

(Purpose: To provide for a substitute amendment)

Mr. LOTT. Senator KASSEBAUM has a substitute amendment at desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT], for Mrs. KASSEBAUM proposes an amendment numbered 5397.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. KENNEDY. Mr. President, community and migrant health centers play a vital role in bringing affordable and accessible community-based primary care to millions of Americans in underserved areas. Since its beginning in 1966, the Community Health Center Program has been the backbone of Federal efforts to bring quality health care to needy persons and areas throughout the country. In inner cities and isolated rural areas, these health centers have served millions of uninsured and underinsured people, including the elderly, women and children at risk, and those with other special needs. Nationwide, over 2,400 health centers provide basic services to over 9 million persons a year.

In addition to basic care, these centers provide many other services, including health education, public health screening, laboratory services, preventive dental care, emergency care, pharmacy services, substance abuse counseling, and social services. Many centers maintain extended hours for working families. They offer care at multiple sites, and use mobile clinics to reach rural patients. They employ multilingual staff to reduce barriers to care. They stay in touch with community needs by working closely with local groups.

A key feature of the health centers is their strong emphasis on preventive care. For the high risk populations they serve, the centers reduce the demand for costly emergency and in-patient hospital care by emphasizing prevention, early intervention, and case management with good followup. One of the many vital missions of the centers is to reduce infant mortality and low birthweight, by reaching out and helping pregnant women and their infants receive timely care.

In Massachusetts, these health centers provide vital services to communities across the State. Over 800,000 persons receive primary and preventive health care through the centers. This care would otherwise be delayed or unavailable for those without access to other assistance. In western Massachusetts, health centers have mobilized to address complex problems such as high teenage birth rates, increasing rates of HIV infection, and the high incidence of drug abuse and alcohol-related problems. In areas hard hit by the recent recession, the centers provide a real opportunity for uninsured and struggling families to receive comprehensive care.

Community health centers are becoming even more important as the number of people who lack insurance continues to rise. Every year, approximately 1 million more individuals, most of them children, lose their insurance coverage. Today, over 41 million Americans are uninsured. Current projections estimate that the number will reach 50 million by the year 2000.

Medicare and Medicaid, together with grants under this program, make up almost 75 percent of the revenues that support these centers. Reductions in this support would mean serious financial difficulty for all community health centers.

The centers already face a changing health landscape that brings with it both opportunities and threats to the future viability of the centers. Some centers are responding creatively, but others are having great difficulty. In particular, the trend toward managed care raises serious concerns about the ability of these health centers to continue to provide their communities with high quality, cost-effective preventive care and primary care services. Several provisions in this bill are designed to strengthen the centers and help them compete in the changing marketplace.

The Health Centers Consolidation Act consolidates and reauthorizes the four health center programs—the Community Health Center Program, the Migrant Health Center Program, the Health Services for the Homeless Program, and the Health Services for Residents of Public Housing Program. Consolidating these programs will eliminate duplication while maintaining their unique features that have made them so effective.

In addition, the bill helps health centers to address one of the biggest problems they face—obtaining funds to develop and operate their own managed

care networks or plans. Testimony before the Senate Labor and Human Resources Committee concluded that participation in such networks was vital to the future of the program, as States move more rapidly to place their Medicaid population into managed care.

Health centers need to be able to form networks and managed care plans to serve their patients effectively. But since centers are public or nonprofit corporations, they have limited revenues and relatively few assets. As a result, they are often unable to secure loans, especially for the purpose of establishing risk reserves.

The bill addresses this problem in two ways, by network planning grants and a Federal loan guarantee program. The grants will help centers begin the initial phase of setting up links with other health facilities and health providers. The loan guarantee program will enable centers to take the next steps in owning and operating a network by leveraging private dollars to help cover the developmental and initial operating costs, which can range up to several million dollars.

The loan guarantee for network development establishes a program to guarantee the principal and interest on loans made by non-Federal lenders to health centers for the costs of developing and operating managed care networks. The guarantees are subject to all of the requirements of the 1990 Federal Credit Reform Act. The Congressional Budget Office has estimated a 10-percent subsidy rate for the loan program, which means that every dollar guaranteed by the Federal Government would support $10 in loans to health centers.

Loans secured through the loan guarantee fund will be used for activities needed to develop networks, such as establishing risk reserves, acquiring or leasing buildings and equipment, and purchasing management information systems. The cost of the program to the Federal Government will be offset by loan origination fees.

This legislation recognizes the need to concentrate grant funds on health services. The bill authorizes the Secretary of HHS to award grants to pay for the costs associated with construction of new buildings or the renovation of existing buildings—but only if the projects are approved prior to October 1, 1996. Such approved projects must be undertaken pursuant to the statutory and contractual terms, conditions, and assurances in effect at the time Federal assistance for the project was approved by the Secretary, even though the actual grant will not be award until after October 1, 1996.

Because of the need to concentrate limited grant funds on providing services, health centers need more flexibility in the use of their nongrant funds. This bill enhances local health center decisionmaking in the use of non-Federal grant revenues, thereby strengthening the ability of health centers to respond to the changing environment and compete more effectively as businesses in the health marketplace.

Through the leadership of Senator KASSEBAUM, this bill helps rural health centers remove many of the barriers to health care in rural America by authorizing grants for Rural Health Outreach, Network Development, and Telemedicine. These grant funds will enable rural health centers to improve the quality of essential health care services.

In sum, this legislation is a significant step toward enabling local health centers to compete and thrive in the changing health marketplace. The centers are providing quality health care to needy persons and areas throughout the country, and their ability to do so will be preserved and strengthened by this important bipartisan legislation. I urge the Senate to approve it.

RURAL PRIMARY CARE

Mr. THOMAS. Mr. President, as Senator KASSEBAUM knows, many areas of Wyoming, Kansas, and other rural States in the Midwest and West suffer from severe shortages of primary care providers and services. I appreciate the opportunity to work with you on S. 1044, legislation reauthorizing the community health center program, to ensure that this program is a viable option for rural communities in the Midwest and West.

One solution that will help preserve and strengthen access to primary care services in rural areas is a change in the governing board criteria for the health centers. For a number of reasons related to such factors as geography and population density, rural hospitals and other rural providers have had difficulty qualifying for the community health center program because they cannot meet all of the program's strict governing board requirements. It is my understanding that the legislation we are considering today requires the Secretary of Health and Human Services to waive some or all of these requirements if rural providers can show that it is not feasible or practicable for them to meet the requirements. This will certainly make it easier for rural hospitals and other rural providers who would otherwise qualify to participate in the program.

Mrs. KASSEBAUM. The Senator is correct. Following up on your suggestion, S. 1044 provides the Secretary with this waiver authority. The bill has been modified to ensure that this waiver will be in effect for the length of the community health center grant. Rural providers will not be required to repeatedly make their case to the Secretary over the period of the grant. It is also the committee's intention that the process for obtaining this waiver be simple, straightforward, and short. Our rural providers, who are already stretched so thinly, should not be forced to go through a time-consuming, resource-consuming paperwork exercise to obtain a waiver.

Mr. THOMAS. I am also pleased that S. 1044 includes a provision requiring the Secretary to give special consideration to the unique needs of sparsely populated rural areas and to give priority to such areas in the awarding of health center planning and operating grants. These provisions will give greater weight in the awarding of grants to such factors as the severe shortages of primary care providers and geographic barriers inhibiting access to care that are characteristic of many areas in the Midwest and West.

Mrs. KASSEBAUM. I would also note that S. 1044 continues an authority in current law that permits the Secretary to designate a population as ''medically underserved'' if the chief executive officer of a State and local officials recommend that designation based on unusual local conditions which are a barrier to access to care. I would hope that this authority will also be used to address the unique needs of sparsely populated rural areas.

I also wanted to assure the Senator from Wyoming that this bill incorporates your suggestion for improving the coordination of services in rural communities through collaborative relationships between community health centers and other rural providers in the center's service area. As a condition of eligibility for a health center planning or operating grant, the center must demonstrate its efforts to develop and maintain such relationships.

SECTIONS 329, 330, 340, 340A

Mr. KENNEDY. The Health Centers Consolidation Act goes a long way in making many improvements to the health center program. One of these important improvements is to consolidate and streamline sections 329, 330, 340 and 340A of the Public Health Service Act. What remains clear is that all centers under the new, consolidated section 330(a) will have to continue to provide required primary health services to all residents in the health center's service area. Consistent with the history of these centers, that means the centers provide the health services regardless of an individual's ability to pay.

Mrs. KASSEBAUM. Mr. President, I agree, that requirement goes to the fundamental nature and purpose of these important safety net providers. All of the health centers must serve all residents of the area served by the center, regardless of an individual's ability to pay for the services they receive.

PUBLICATION OF GUIDELINES

Mr. KENNEDY. As part of the loan guarantee program authorized under S. 1044, we are requiring the Secretary of Health and Human Services to publish guidance explaining how the requirements and other provisions of the loan guarantee program will be administered. It is normal for agencies to put out guidance to the universe of affected entities, including health centers, primary care associations, and other entities with which the agency has cooperative agreements when funding is available to them. The guidance includes things such as what is required

in the application, the criteria that will be used to evaluate the application, and documentation that will be required if the funding is to be granted, or, in this case, a loan guaranteed for health center networks or plans.

The requirement to publish guidance is not intended to delay the implementaton of the loan guarantee program, and the distribution of the guidance to the appropriate committees of Congress is meant for informational purposes. It is my understanding that the Committee does not intend that the publication of guidance required under S. 1044 to be subject to the provisions of the Administrative Procedures Act.

Mrs. KASSEBAUM. That is correct. I understand how important the loan guarantee provisions of S. 1044 are to the health centers. The States are rapidly moving to managed care systems for Medicaid recipients. In order to continue serving these individuals and other low-income, uninsured individuals, centers must have the ability to form viable, competitive networks and plans. The loan guarantee program will benefit centers across the country, including rural centers who are now trying to position themselves for the movement of managed care into rural areas.

Mr. LOTT. Mr. President, I ask unanimous consent to have printed in the RECORD a summary of S. 1044 and the manager's amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF S. 1044, the Health Centers Consolidation Act and the Floor Manager's Amendment in the Nature of a Substitute

I. SUMMARY OF S. 1044

S. 1044, reported unanimously by the Senate Committee on Labor and Human Resources on July 20, 1995, consolidates and streamlines four separate Public Health Service Act (PHSA) programs under one authority, a rewritten section 330 of the PHSA. The consolidated programs are the Migrant Health Center program (section 329 of the PHSA), the Community Health Center program (section 330 of the PHSA), the Health Care for the Homeless program (section 340 of the PHSA), and the Health Services for Residents of Public Housing program (section 340A of the PHSA). For these consolidated programs, S. 1044 authorizes $756.518 million in fiscal year 1996 and ''such sums'' for fiscal years 1997 through 2000.

In addition, the bill formally authorizes as new section 330A of the Public Health Service Act the ''Rural Health Outreach, Network Development, and Telemedicine Grant'' program. This program consolidates and reforms several currently funded, discretionary rural health programs. This program is authorized at $36 million in fiscal year 1996 (current spending) and at ''such sums'' for fiscal years 1997 through 2000.

II. SUMMARY OF THE MANAGER'S AMENDMENT

The manager's amendment makes a number of technical corrections to S. 1044 as reported. In addition, it makes several policy changes:

A. Loan guarantee program

It replaces the Secretary's authority under S. 1044 to provide grants for facility construction and modernization with a loan guarantee fund to provide health centers with the ability to leverage private-sector resources for the development and initial operation of health networks and plans. This permits federal dollars to be focused on the provision of services, rather than on ''bricks and mortar.''

B. Changes in authorization period and authorization level

Reflecting the fact that fiscal year 1996 is nearly at an end, the manager's amendment updates the authorization period from fiscal years 1996 through 2000 to fiscal years 1997 through 2001. Reflecting the appropriation provided for the health center programs in the House-passed appropriations bill, the manager's amendment updates the funding level to $802.124 million in fiscal year 1997 and ''such sums'' in the out years.

Mr. LOTT. Mr. President, I ask unanimous consent the amendment be agreed to, the bill be deemed read a third time and passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at this point in the RECORD. I have some statements for the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 5397) was agreed to.

The bill (S. 1044), as amended, was deemed read a third time and passed, as follows:

S. 1044

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Health Centers Consolidation Act of 1996''.

SEC. 2. CONSOLIDATION AND REAUTHORIZATION OF PROVISIONS.

Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) is amended to read as follows:

''Subpart I—Health Centers

''SEC. 330. HEALTH CENTERS.

''(a) DEFINITION OF HEALTH CENTER.—

''(1) IN GENERAL.—For purposes of this section, the term 'health center' means an entity that serves a population that is medically underserved, or a special medically underserved population comprised of migratory and seasonal agricultural workers, the homeless, and residents of public housing, by providing, either through the staff and supporting resources of the center or through contracts or cooperative arrangements—

''(A) required primary health services (as defined in subsection (b)(1)); and

''(B) as may be appropriate for particular centers, additional health services (as defined in subsection (b)(2)) necessary for the adequate support of the primary health services required under subparagraph (A);

for all residents of the area served by the center (hereafter referred to in this section as the 'catchment area').

''(2) LIMITATION.—The requirement in paragraph (1) to provide services for all residents within a catchment area shall not apply in the case of a health center receiving a grant only under subsection (g), (h), or (i).

''(b) DEFINITIONS.—For purposes of this section:

''(1) REQUIRED PRIMARY HEALTH SERVICES.—

''(A) IN GENERAL.—The term 'required primary health services' means—

''(i) basic health services which, for purposes of this section, shall consist of—

''(I) health services related to family medicine, internal medicine, pediatrics, obstetrics, or gynecology that are furnished by physicians and where appropriate, physician assistants, nurse practitioners, and nurse midwives;

''(II) diagnostic laboratory and radiologic services;

''(III) preventive health services, including—

''(aa) prenatal and perinatal services;

''(bb) screening for breast and cervical cancer;

''(cc) well-child services;

''(dd) immunizations against vaccine-preventable diseases;

''(ee) screenings for elevated blood lead levels, communicable diseases, and cholesterol;

''(ff) pediatric eye, ear, and dental screenings to determine the need for vision and hearing correction and dental care;

''(gg) voluntary family planning services; and

''(hh) preventive dental services;

''(IV) emergency medical services; and

''(V) pharmaceutical services as may be appropriate for particular centers;

''(ii) referrals to providers of medical services and other health-related services (including substance abuse and mental health services);

''(iii) patient case management services (including counseling, referral, and follow-up services) and other services designed to assist health center patients in establishing eligibility for and gaining access to Federal, State, and local programs that provide or financially support the provision of medical, social, educational, or other related services;

''(iv) services that enable individuals to use the services of the health center (including outreach and transportation services and, if a substantial number of the individuals in the population served by a center are of limited English-speaking ability, the services of appropriate personnel fluent in the language spoken by a predominant number of such individuals); and

''(v) education of patients and the general population served by the health center regarding the availability and proper use of health services.

''(B) EXCEPTION.—With respect to a health center that receives a grant only under subsection (g), the Secretary, upon a showing of good cause, shall—

''(i) waive the requirement that the center provide all required primary health services under this paragraph; and

''(ii) approve, as appropriate, the provision of certain required primary health services only during certain periods of the year.

''(2) ADDITIONAL HEALTH SERVICES.—The term 'additional health services' means services that are not included as required primary health services and that are appropriate to meet the health needs of the population served by the health center involved. Such term may include—

''(A) environmental health services, including—

''(i) the detection and alleviation of unhealthful conditions associated with water supply;

''(ii) sewage treatment;

''(iii) solid waste disposal;

''(iv) rodent and parasitic infestation;

''(v) field sanitation;

''(vi) housing; and

''(vii) other environmental factors related to health; and

''(B) in the case of health centers receiving grants under subsection (g), special occupation-related health services for migratory and seasonal agricultural workers, including—

''(i) screening for and control of infectious diseases, including parasitic diseases; and

''(ii) injury prevention programs, including prevention of exposure to unsafe levels of agricultural chemicals including pesticides.

''(3) MEDICALLY UNDERSERVED POPULATIONS.—

''(A) IN GENERAL.—The term 'medically underserved population' means the population of an urban or rural area designated by the Secretary as an area with a shortage of personal health services or a population group designated by the Secretary as having a shortage of such services.

''(B) CRITERIA.—In carrying out subparagraph (A), the Secretary shall prescribe criteria for determining the specific shortages of personal health services of an area or population group. Such criteria shall—

''(i) take into account comments received by the Secretary from the chief executive officer of a State and local officials in a State; and

''(ii) include factors indicative of the health status of a population group or residents of an area, the ability of the residents of an area or of a population group to pay for health services and their accessibility to them, and the availability of health professionals to residents of an area or to a population group.

''(C) LIMITATION.—The Secretary may not designate a medically underserved population in a State or terminate the designation of such a population unless, prior to such designation or termination, the Secretary provides reasonable notice and opportunity for comment and consults with—

''(i) the chief executive officer of such State;

''(ii) local officials in such State; and

''(iii) the organization, if any, which represents a majority of health centers in such State.

''(D) PERMISSIBLE DESIGNATION.—The Secretary may designate a medically underserved population that does not meet the criteria established under subparagraph (B) if the chief executive officer of the State in which such population is located and local officials of such State recommend the designation of such population based on unusual local conditions which are a barrier to access to or the availability of personal health services.

''(c) PLANNING GRANTS.—

''(1) IN GENERAL.—

''(A) CENTERS.—The Secretary may make grants to public and nonprofit private entities for projects to plan and develop health centers which will serve medically underserved populations. A project for which a grant may be made under this subsection may include the cost of the acquisition and lease of buildings and equipment (including the costs of amortizing the principal of, and paying the interest on, loans) and shall include—

''(i) an assessment of the need that the population proposed to be served by the health center for which the project is undertaken has for required primary health services and additional health services;

''(ii) the design of a health center program for such population based on such assessment;

''(iii) efforts to secure, within the proposed catchment area of such center, financial and professional assistance and support for the project;

''(iv) initiation and encouragement of continuing community involvement in the development and operation of the project; and

''(v) proposed linkages between the center and other appropriate provider entities, such as health departments, local hospitals, and rural health clinics, to provide better coordinated, higher quality, and more cost-effective health care services.

''(B) COMPREHENSIVE SERVICE DELIVERY NETWORKS AND PLANS.—The Secretary may make grants to health centers that receive assistance under this section to enable the centers to plan and develop a network or plan for the provision of health services, which may include the provision of health services on a prepaid basis or through another managed care arrangement, to some or to all of the individuals which the centers serve. Such a grant may only be made for such a center if—

''(i) the center has received grants under subsection (e)(1)(A) for at least 2 consecutive years preceding the year of the grant under this subparagraph or has otherwise demonstrated, as required by the Secretary, that such center has been providing primary care services for at least the 2 consecutive years immediately preceding such year; and

''(ii) the center provides assurances satisfactory to the Secretary that the provision of such services on a prepaid basis, or under another managed care arrangement, will not result in the diminution of the level or quality of health services provided to the medically underserved population served prior to the grant under this subparagraph.

Any such grant may include the acquisition and lease of buildings and equipment which may include data and information systems (including the costs of amortizing the principal of, and paying the interest on, loans), and providing training and technical assistance related to the provision of health services on a prepaid basis or under another managed care arrangement, and for other purposes that promote the development of managed care networks and plans.

''(2) LIMITATION.—Not more than two grants may be made under this subsection for the same project, except that upon a showing of good cause, the Secretary may make additional grant awards.

''(d) MANAGED CARE LOAN GUARANTEE PROGRAM.—

''(1) ESTABLISHMENT.—

''(A) IN GENERAL.—The Secretary shall establish a program under which the Secretary may, in accordance with this subsection and to the extent that appropriations are provided in advance for such program, guarantee the principal and interest on loans made by non-Federal lenders to health centers funded under this section for the costs of developing and operating managed care networks or plans.

''(B) USE OF FUNDS.—Loan funds guaranteed under this subsection may be used—

''(i) to establish reserves for the furnishing of services on a pre-paid basis; or

''(ii) for costs incurred by the center or centers, otherwise permitted under this section, as the Secretary determines are necessary to enable a center or centers to develop, operate, and own the network or plan.

''(C) PUBLICATION OF GUIDANCE.—Prior to considering an application submitted under this subsection, the Secretary shall publish guidelines to provide guidance on the implementation of this section. The Secretary shall make such guidelines available to the universe of parties affected under this subsection, distribute such guidelines to such parties upon the request of such parties, and provide a copy of such guidelines to the appropriate committees of Congress.

''(2) PROTECTION OF FINANCIAL INTERESTS.—

''(A) IN GENERAL.—The Secretary may not approve a loan guarantee for a project under this subsection unless the Secretary determines that—

''(i) the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such percent per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States, except that the Secretary may not require as security any center asset that is, or may be, needed by the center or centers involved to provide health services;

''(ii) the loan would not be available on reasonable terms and conditions without the guarantee under this subsection; and

''(iii) amounts appropriated for the program under this subsection are sufficient to provide loan guarantees under this subsection.

''(B) RECOVERY OF PAYMENTS.—

''(i) IN GENERAL.—The United States shall be entitled to recover from the applicant for a loan guarantee under this subsection the amount of any payment made pursuant to such guarantee, unless the Secretary for good cause waives such right of recovery (subject to appropriations remaining available to permit such a waiver) and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made. Amounts recovered under this clause shall be credited as reimbursements to the financing account of the program.

''(ii) MODIFICATION OF TERMS AND CONDITIONS.—To the extent permitted by clause (iii) and subject to the requirements of section 504(e) of the Credit Reform Act of 1990 (2 U.S.C. 661c(e)), any terms and conditions applicable to a loan guarantee under this subsection (including terms and conditions imposed under clause (iv)) may be modified or waived by the Secretary to the extent the Secretary determines it to be consistent with the financial interest of the United States.

''(iii) INCONTESTABILITY.—Any loan guarantee made by the Secretary under this subsection shall be incontestable—

''(I) in the hands of an applicant on whose behalf such guarantee is made unless the applicant engaged in fraud or misrepresentation in securing such guarantee; and

''(II) as to any person (or successor in interest) who makes or contracts to make a loan to such applicant in reliance thereon unless such person (or successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

''(iv) FURTHER TERMS AND CONDITIONS.—Guarantees of loans under this subsection shall be subject to such further terms and conditions as the Secretary determines to be necessary to assure that the purposes of this section will be achieved.

''(3) LOAN ORIGINATION FEES.—

''(A) IN GENERAL.—The Secretary shall collect a loan origination fee with respect to loans to be guaranteed under this subsection, except as provided in subparagraph (C).

''(B) AMOUNT.—The amount of a loan origination fee collected by the Secretary under subparagraph (A) shall be equal to the estimated long term cost of the loan guarantees involved to the Federal Government (excluding administrative costs), calculated on a net present value basis, after taking into account any appropriations that may be made for the purpose of offsetting such costs, and in accordance with the criteria used to award loan guarantees under this subsection.

''(C) WAIVER.—The Secretary may waive the loan origination fee for a health center applicant who demonstrates to the Secretary that the applicant will be unable to meet the conditions of the loan if the applicant incurs the additional cost of the fee.

''(4) DEFAULTS.—

''(A) IN GENERAL.—Subject to the requirements of the Credit Reform Act of 1990 (2 U.S.C. 661 et seq.), the Secretary may take such action as may be necessary to prevent a default on a loan guaranteed under this subsection, including the waiver of regulatory conditions, deferral of loan payments, renegotiation of loans, and the expenditure of funds for technical and consultative assistance, for the temporary payment of the interest and principal on such a loan, and for other purposes. Any such expenditure made under the preceding sentence on behalf of a health center or centers shall be made under such terms and conditions as the Secretary shall prescribe, including the implementation of such organizational, operational, and financial reforms as the Secretary determines are appropriate and the disclosure of such financial or other information as the Secretary may require to determine the extent of the implementation of such reforms.

''(B) FORECLOSURE.—The Secretary may take such action, consistent with State law respecting foreclosure procedures and, with respect to reserves required for furnishing services on a prepaid basis, subject to the consent of the affected States, as the Secretary determines appropriate to protect the interest of the United States in the event of a default on a loan guaranteed under this subsection, except that the Secretary may only foreclose on assets offered as security (if any) in accordance with paragraph (2)(A)(i).

''(5) LIMITATION.—Not more than one loan guarantee may be made under this subsection for the same network or plan, except that upon a showing of good cause the Secretary may make additional loan guarantees.

''(6) ANNUAL REPORT.—Not later than April 1, 1998, and each April 1 thereafter, the Secretary shall prepare and submit to the appropriate committees of Congress a report concerning loan guarantees provided under this subsection. Such report shall include—

''(A) a description of the number, amount, and use of funds received under each loan guarantee provided under this subsection;

''(B) a description of any defaults with respect to such loans and an analysis of the reasons for such defaults, if any; and

''(C) a description of the steps that may have been taken by the Secretary to assist an entity in avoiding such a default.

''(7) PROGRAM EVALUATION.—Not later than June 30, 1999, the Secretary shall prepare and submit to the appropriate committees of Congress a report containing an evaluation of the program authorized under this subsection. Such evaluation shall include a recommendation with respect to whether or not the loan guarantee program under this subsection should be continued and, if so, any modifications that should be made to such program.

''(8) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as may be necessary.

''(e) OPERATING GRANTS.—

''(1) AUTHORITY.—

''(A) IN GENERAL.—The Secretary may make grants for the costs of the operation of public and nonprofit private health centers that provide health services to medically underserved populations.

''(B) ENTITIES THAT FAIL TO MEET CERTAIN REQUIREMENTS.—The Secretary may make grants, for a period of not to exceed 2-years, for the costs of the operation of public and nonprofit private entities which provide health services to medically underserved populations but with respect to which the Secretary is unable to make each of the determinations required by subsection (j)(3).

''(2) USE OF FUNDS.—The costs for which a grant may be made under subparagraph (A) or (B) of paragraph (1) may include the costs of acquiring and leasing buildings and equipment (including the costs of amortizing the principal of, and paying interest on, loans), and the costs of providing training related to the provision of required primary health services and additional health services and to the management of health center programs.

''(3) CONSTRUCTION.—The Secretary may award grants which may be used to pay the costs associated with expanding and modernizing existing buildings or constructing new buildings (including the costs of amortizing the principal of, and paying the interest on, loans) for projects approved prior to October 1, 1996.

''(4) LIMITATION.—Not more than two grants may be made under subparagraph (B) of paragraph (1) for the same entity.

''(5) AMOUNT.—

''(A) IN GENERAL.—The amount of any grant made in any fiscal year under paragraph (1) to a health center shall be determined by the Secretary, but may not exceed the amount by which the costs of operation of the center in such fiscal year exceed the total of—

''(i) State, local, and other operational funding provided to the center; and

''(ii) the fees, premiums, and third-party reimbursements, which the center may reasonably be expected to receive for its operations in such fiscal year.

''(B) PAYMENTS.—Payments under grants under subparagraph (A) or (B) of paragraph (1) shall be made in advance or by way of reimbursement and in such installments as the Secretary finds necessary and adjustments may be made for overpayments or underpayments.

''(C) USE OF NONGRANT FUNDS.—Nongrant funds described in clauses (i) and (ii) of subparagraph (A), including any such funds in excess of those originally expected, shall be used as permitted under this section, and may be used for such other purposes as are not specifically prohibited under this section if such use furthers the objectives of the project.

''(f) INFANT MORTALITY GRANTS.—

''(1) IN GENERAL.—The Secretary may make grants to health centers for the purpose of assisting such centers in—

''(A) providing comprehensive health care and support services for the reduction of—

''(i) the incidence of infant mortality; and

''(ii) morbidity among children who are less than 3 years of age; and

''(B) developing and coordinating service and referral arrangements between health centers and other entities for the health management of pregnant women and children described in subparagraph (A).

''(2) PRIORITY.—In making grants under this subsection the Secretary shall give priority to health centers providing services to any medically underserved population among which there is a substantial incidence of infant mortality or among which there is a significant increase in the incidence of infant mortality.

''(3) REQUIREMENTS.—The Secretary may make a grant under this subsection only if the health center involved agrees that—

''(A) the center will coordinate the provision of services under the grant to each of the recipients of the services;

''(B) such services will be continuous for each such recipient;

''(C) the center will provide follow-up services for individuals who are referred by the center for services described in paragraph (1);

''(D) the grant will be expended to supplement, and not supplant, the expenditures of the center for primary health services (including prenatal care) with respect to the purpose described in this subsection; and

''(E) the center will coordinate the provision of services with other maternal and child health providers operating in the catchment area.

''(g) MIGRATORY AND SEASONAL AGRICULTURAL WORKERS.—

''(1) IN GENERAL.—The Secretary may award grants for the purposes described in subsections (c), (e), and (f) for the planning and delivery of services to a special medically underserved population comprised of—

''(A) migratory agricultural workers, seasonal agricultural workers, and members of the families of such migratory and seasonal agricultural workers who are within a designated catchment area; and

''(B) individuals who have previously been migratory agricultural workers but who no longer meet the requirements of subparagraph (A) of paragraph (3) because of age or disability and members of the families of such individuals who are within such catchment area.

''(2) ENVIRONMENTAL CONCERNS.—The Secretary may enter into grants or contracts under this subsection with public and private entities to—

''(A) assist the States in the implementation and enforcement of acceptable environmental health standards, including enforcement of standards for sanitation in migratory agricultural worker labor camps, and applicable Federal and State pesticide control standards; and

''(B) conduct projects and studies to assist the several States and entities which have received grants or contracts under this section in the assessment of problems related to camp and field sanitation, exposure to unsafe levels of agricultural chemicals including pesticides, and other environmental health hazards to which migratory agricultural workers and members of their families are exposed.

''(3) DEFINITIONS.—For purposes of this subsection:

''(A) MIGRATORY AGRICULTURAL WORKER.—The term 'migratory agricultural worker' means an individual whose principal employment is in agriculture on a seasonal basis, who has been so employed within the last 24 months, and who establishes for the purposes of such employment a temporary abode.

''(B) SEASONAL AGRICULTURAL WORKER.—The term 'seasonal agricultural worker' means an individual whose principal employment is in agriculture on a seasonal basis and who is not a migratory agricultural worker.

''(C) AGRICULTURE.—The term 'agriculture' means farming in all its branches, including—

''(i) cultivation and tillage of the soil;

''(ii) the production, cultivation, growing, and harvesting of any commodity grown on, in, or as an adjunct to or part of a commodity grown in or on, the land; and

''(iii) any practice (including preparation and processing for market and delivery to storage or to market or to carriers for transportation to market) performed by a farmer or on a farm incident to or in conjunction with an activity described in clause (ii).

''(h) HOMELESS POPULATION.—

''(1) IN GENERAL.—The Secretary may award grants for the purposes described in subsections (c), (e), and (f) for the planning and delivery of services to a special medically underserved population comprised of homeless individuals, including grants for innovative programs that provide outreach and comprehensive primary health services to homeless children and children at risk of homelessness.

''(2) REQUIRED SERVICES.—In addition to required primary health services (as defined in subsection (b)(1)), an entity that receives a grant under this subsection shall be required to provide substance abuse services as a condition of such grant.

''(3) SUPPLEMENT NOT SUPPLANT REQUIREMENT.—A grant awarded under this subsection shall be expended to supplement, and not supplant, the expenditures of the health center and the value of in kind contributions for the delivery of services to the population described in paragraph (1).

''(4) DEFINITIONS.—For purposes of this section:

''(A) HOMELESS INDIVIDUAL.—The term 'homeless individual' means an individual who lacks housing (without regard to whether the individual is a member of a family), including an individual whose primary residence during the night is a supervised public or private facility that provides temporary living accommodations and an individual who is a resident in transitional housing.

''(B) SUBSTANCE ABUSE.—The term 'substance abuse' has the same meaning given such term in section 534(4).

''(C) SUBSTANCE ABUSE SERVICES.—The term 'substance abuse services' includes detoxification and residential treatment for substance abuse provided in settings other than hospitals.

''(i) RESIDENTS OF PUBLIC HOUSING.—

''(1) IN GENERAL.—The Secretary may award grants for the purposes described in subsections (c), (e), and (f) for the planning and delivery of services to a special medically underserved population comprised of residents of public housing (such term, for purposes of this subsection, shall have the same meaning given such term in section 3(b)(1) of the United States Housing Act of 1937) and individuals living in areas immediately accessible to such public housing.

''(2) SUPPLEMENT NOT SUPPLANT.—A grant awarded under this subsection shall be expended to supplement, and not supplant, the expenditures of the health center and the value of in kind contributions for the delivery of services to the population described in paragraph (1).

''(3) CONSULTATION WITH RESIDENTS.—The Secretary may not make a grant under paragraph (1) unless, with respect to the residents of the public housing involved, the applicant for the grant—

''(A) has consulted with the residents in the preparation of the application for the grant; and

''(B) agrees to provide for ongoing consultation with the residents regarding the planning and administration of the program carried out with the grant.

''(j) APPLICATIONS.—

''(1) SUBMISSION.—No grant may be made under this section unless an application therefore is submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and manner and shall contain such information as the Secretary shall prescribe.

''(2) DESCRIPTION OF NEED.—An application for a grant under subparagraph (A) or (B) of subsection (e)(1) for a health center shall include—

''(A) a description of the need for health services in the catchment area of the center;

''(B) a demonstration by the applicant that the area or the population group to be served by the applicant has a shortage of personal health services; and

''(C) a demonstration that the center will be located so that it will provide services to the greatest number of individuals residing in the catchment area or included in such population group.

Such a demonstration shall be made on the basis of the criteria prescribed by the Secretary under subsection (b)(3) or on any other criteria which the Secretary may prescribe to determine if the area or population group to be served by the applicant has a shortage of personal health services. In considering an application for a grant under subparagraph (A) or (B) of subsection (e)(1), the Secretary may require as a condition to the approval of such application an assurance that the applicant will provide any health service defined under paragraphs (1) and (2) of subsection (b) that the Secretary finds is needed to meet specific health needs of the area to be served by the applicant. Such a finding shall be made in writing and a copy shall be provided to the applicant.

''(3) REQUIREMENTS.—Except as provided in subsection (e)(1)(B), the Secretary may not approve an application for a grant under subparagraph (A) or (B) of subsection (e)(1) unless the Secretary determines that the entity for which the application is submitted is a health center (within the meaning of subsection (a)) and that—

''(A) the required primary health services of the center will be available and accessible in the catchment area of the center promptly, as appropriate, and in a manner which assures continuity;

''(B) the center has made and will continue to make every reasonable effort to establish and maintain collaborative relationships with other health care providers in the catchment area of the center;

''(C) the center will have an ongoing quality improvement system that includes clinical services and management, and that maintains the confidentiality of patient records;

''(D) the center will demonstrate its financial responsibility by the use of such accounting procedures and other requirements as may be prescribed by the Secretary;

''(E) the center—

''(i) has or will have a contractual or other arrangement with the agency of the State, in which it provides services, which administers or supervises the administration of a State plan approved under title XIX of the Social Security Act for the payment of all or a part of the center's costs in providing health services to persons who are eligible for medical assistance under such a State plan; or

''(ii) has made or will make every reasonable effort to enter into such an arrangement;

''(F) the center has made or will make and will continue to make every reasonable effort to collect appropriate reimbursement for its costs in providing health services to persons who are entitled to insurance benefits under title XVIII of the Social Security Act, to medical assistance under a State plan approved under title XIX of such Act, or to assistance for medical expenses under any other public assistance program or private health insurance program;

''(G) the center—

''(i) has prepared a schedule of fees or payments for the provision of its services consistent with locally prevailing rates or charges and designed to cover its reasonable costs of operation and has prepared a corresponding schedule of discounts to be applied to the payment of such fees or payments, which discounts are adjusted on the basis of the patient's ability to pay;

''(ii) has made and will continue to make every reasonable effort—

''(I) to secure from patients payment for services in accordance with such schedules; and

''(II) to collect reimbursement for health services to persons described in subparagraph (F) on the basis of the full amount of fees and payments for such services without application of any discount; and

''(iii) has submitted to the Secretary such reports as the Secretary may require to determine compliance with this subparagraph;

''(H) the center has established a governing board which except in the case of an entity operated by an Indian tribe or tribal or Indian organization under the Indian Self-Determination Act or an urban Indian organization under the Indian Health Care Improvement Act (25 U.S.C. 1651 et seq.)—

''(i) is composed of individuals, a majority of whom are being served by the center and who, as a group, represent the individuals being served by the center;

''(ii) meets at least once a month, selects the services to be provided by the center, schedules the hours during which such services will be provided, approves the center's annual budget, approves the selection of a director for the center, and, except in the case of a governing board of a public center (as defined in the second sentence of this paragraph), establishes general policies for the center; and

''(iii) in the case of an application for a second or subsequent grant for a public center, has approved the application or if the governing body has not approved the application, the failure of the governing body to approve the application was unreasonable;

except that, upon a showing of good cause the Secretary shall waive, for the length of the project period, all or part of the requirements of this subparagraph in the case of a health center that receives a grant pursuant to subsection (g), (h), (i), or (p);

''(I) the center has developed—

''(i) an overall plan and budget that meets the requirements of the Secretary; and

''(ii) an effective procedure for compiling and reporting to the Secretary such statistics and other information as the Secretary may require relating to—

''(I) the costs of its operations;

''(II) the patterns of use of its services;

''(III) the availability, accessibility, and acceptability of its services; and

''(IV) such other matters relating to operations of the applicant as the Secretary may require;

''(J) the center will review periodically its catchment area to—

''(i) ensure that the size of such area is such that the services to be provided through the center (including any satellite) are available and accessible to the residents of the area promptly and as appropriate;

''(ii) ensure that the boundaries of such area conform, to the extent practicable, to relevant boundaries of political subdivisions, school districts, and Federal and State health and social service programs; and

''(iii) ensure that the boundaries of such area eliminate, to the extent possible, barriers to access to the services of the center, including barriers resulting from the area's physical characteristics, its residential patterns, its economic and social grouping, and available transportation;

''(K) in the case of a center which serves a population including a substantial proportion of individuals of limited English-speaking ability, the center has—

''(i) developed a plan and made arrangements responsive to the needs of such population for providing services to the extent practicable in the language and cultural context most appropriate to such individuals; and

''(ii) identified an individual on its staff who is fluent in both that language and in English and whose responsibilities shall include providing guidance to such individuals and to appropriate staff members with respect to cultural sensitivities and bridging linguistic and cultural differences; and

''(L) the center, has developed an ongoing referral relationship with one or more hospitals.

For purposes of subparagraph (H), the term 'public center' means a health center funded (or to be funded) through a grant under this section to a public agency.

''(4) APPROVAL OF NEW OR EXPANDED SERVICE APPLICATIONS.—The Secretary shall approve applications for grants under subparagraph (A) or (B) of subsection (e)(1) for health centers which—

''(A) have not received a previous grant under such subsection; or

''(B) have applied for such a grant to expand their services;

in such a manner that the ratio of the medically underserved populations in rural areas which may be expected to use the services provided by such centers to the medically underserved populations in urban areas which may be expected to use the services provided by such centers is not less than two to three or greater than three to two.

''(k) TECHNICAL AND OTHER ASSISTANCE.—The Secretary may provide (either through the Department of Health and Human Services or by grant or contract) all necessary technical and other nonfinancial assistance (including fiscal and program management assistance and training in such management) to any public or private nonprofit entity to assist entities in developing plans for, or operating as, health centers, and in meeting the requirements of subsection (j)(2).

''(l) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—For the purpose of carrying out this section, in addition to the amounts authorized to be appropriated under subsection (d), there are authorized to be appropriated $802,124,000 for fiscal year 1997, and such sums as may be necessary for each of the fiscal years 1998 through 2001.

''(2) SPECIAL PROVISIONS.—

''(A) PUBLIC CENTERS.—The Secretary may not expend in any fiscal year, for grants under this section to public centers (as defined in the second sentence of subsection (j)(3)) the governing boards of which (as described in subsection (j)(3)(G)(ii)) do not establish general policies for such centers, an amount which exceeds 5 percent of the amounts appropriated under this section for that fiscal year. For purposes of applying the preceding sentence, the term 'public centers' shall not include health centers that receive grants pursuant to subsection (h) or (i).

''(B) DISTRIBUTION OF GRANTS.—

''(i) FISCAL YEAR 1997.—For fiscal year 1997, the Secretary, in awarding grants under this section shall ensure that the amounts made available under each of subsections (g), (h), and (i) in such fiscal year bears the same relationship to the total amount appropriated for such fiscal year under paragraph (1) as the amounts appropriated for fiscal year 1996 under each of sections 329, 340, and 340A (as such sections existed one day prior to the date of enactment of this section) bears to the total amount appropriated under sections 329, 330, 340, and 340A (as such sections existed one day prior to the date of enactment of this section) for such fiscal year.

''(ii) FISCAL YEARS 1998 AND 1999.—For each of the fiscal years 1998 and 1999, the Secretary, in awarding grants under this section shall ensure that the proportion of the amounts made available under each of subsections (g), (h), and (i) is equal to the proportion of amounts made available under each such subsection for the previous fiscal year, as such amounts relate to the total amounts appropriated for the previous fiscal year involved, increased or decreased by not more than 10 percent.

''(3) FUNDING REPORT.—The Secretary shall annually prepare and submit to the appropriate committees of Congress a report concerning the distribution of funds under this section that are provided to meet the health care needs of medically underserved populations, including the homeless, residents of public housing, and migratory and seasonal agricultural workers, and the appropriateness of the delivery systems involved in responding to the needs of the particular populations. Such report shall include an assessment of the relative health care access needs of the targeted populations and the rationale for any substantial changes in the distribution of funds.

''(m) MEMORANDUM OF AGREEMENT.—In carrying out this section, the Secretary may enter into a memorandum of agreement with a State. Such memorandum may include, where appropriate, provisions permitting such State to—

''(1) analyze the need for primary health services for medically underserved populations within such State;

''(2) assist in the planning and development of new health centers;

''(3) review and comment upon annual program plans and budgets of health centers, including comments upon allocations of health care resources in the State;

''(4) assist health centers in the development of clinical practices and fiscal and administrative systems through a technical assistance plan which is responsive to the requests of health centers; and

''(5) share information and data relevant to the operation of new and existing health centers.

''(n) RECORDS.—

''(1) IN GENERAL.—Each entity which receives a grant under subsection (e) shall establish and maintain such records as the Secretary shall require.

''(2) AVAILABILITY.—Each entity which is required to establish and maintain records under this subsection shall make such books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying or mechanical reproduction on or off the premises of such entity upon a reasonable request therefore. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have the authority to conduct such examination, copying, and reproduction.

''(o) DELEGATION OF AUTHORITY.—The Secretary may delegate the authority to administer the programs authorized by this section to any office, except that the authority to enter into, modify, or issue approvals with respect to grants or contracts may be delegated only within the central office of the Health Resources and Services Administration.

''(p) SPECIAL CONSIDERATION.—In making grants under this section, the Secretary shall give special consideration to the unique needs of sparsely populated rural areas, including giving priority in the awarding of grants for new health centers under subsections (c) and (e), and the granting of waivers as appropriate and permitted under subsections (b)(1)(B)(i) and (j)(3)(G).

''(q) AUDITS.—

''(1) IN GENERAL.—Each entity which receives a grant under this section shall provide for an independent annual financial audit of any books, accounts, financial records, files, and other papers and property which relate to the disposition or use of the funds received under such grant and such other funds received by or allocated to the project for which such grant was made. For purposes of assuring accurate, current, and complete disclosure of the disposition or use of the funds received, each such audit shall be conducted in accordance with generally accepted accounting principles. Each audit shall evaluate—

''(A) the entity's implementation of the guidelines established by the Secretary respecting cost accounting,

''(B) the processes used by the entity to meet the financial and program reporting requirements of the Secretary, and

''(C) the billing and collection procedures of the entity and the relation of the procedures to its fee schedule and schedule of discounts and to the availability of health insurance and public programs to pay for the health services it provides.

A report of each such audit shall be filed with the Secretary at such time and in such manner as the Secretary may require.

''(2) RECORDS.—Each entity which receives a grant under this section shall establish and maintain such records as the Secretary shall by regulation require to facilitate the audit required by paragraph (1). The Secretary may specify by regulation the form and manner in which such records shall be established and maintained.

''(3) AVAILABILITY OF RECORDS.—Each entity which is required to establish and maintain records or to provide for and audit under this subsection shall make such books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying or mechanical reproduction on or off the premises of such entity upon a reasonable request therefore. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have the authority to conduct such examination, copying, and reproduction.

''(4) WAIVER.—The Secretary may, under appropriate circumstances, waive the application of all or part of the requirements of this subsection with respect to an entity.''.

SEC. 3. RURAL HEALTH OUTREACH, NETWORK DEVELOPMENT, AND TELEMEDICINE GRANT PROGRAM.

(a) IN GENERAL.—Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) (as amended by section 2) is further amended by adding at the end thereof the following new section:

''SEC. 330A. RURAL HEALTH OUTREACH, NETWORK DEVELOPMENT, AND TELEMEDICINE GRANT PROGRAM.

''(a) ADMINISTRATION.—The rural health services outreach demonstration grant program established under section 301 shall be administered by the Office of Rural Health Policy (of the Health Resources and Services Administration), in consultation with State rural health offices or other appropriate State governmental entities.

''(b) GRANTS.—Under the program referred to in subsection (a), the Secretary, acting through the Director of the Office of Rural Health Policy, may award grants to expand access to, coordinate, restrain the cost of, and improve the quality of essential health care services, including preventive and emergency services, through the development of integrated health care delivery systems or networks in rural areas and regions.

''(c) ELIGIBLE NETWORKS.—

''(1) OUTREACH NETWORKS.—To be eligible to receive a grant under this section, an entity shall—

''(A) be a rural public or nonprofit private entity that is or represents a network or potential network that includes three or more health care providers or other entities that provide or support the delivery of health care services; and

''(B) in consultation with the State office of rural health or other appropriate State

entity, prepare and submit to the Secretary an application, at such time, in such manner, and containing such information as the Secretary may require, including—

''(i) a description of the activities which the applicant intends to carry out using amounts provided under the grant;

''(ii) a plan for continuing the project after Federal support is ended;

''(iii) a description of the manner in which the activities funded under the grant will meet health care needs of underserved rural populations within the State; and

''(iv) a description of how the local community or region to be served by the network or proposed network will be involved in the development and ongoing operations of the network.

''(2) FOR-PROFIT ENTITIES.—An eligible network may include for-profit entities so long as the network grantee is a nonprofit entity.

''(3) TELEMEDICINE NETWORKS.—

''(A) IN GENERAL.—An entity that is a health care provider and a member of an existing or proposed telemedicine network, or an entity that is a consortium of health care providers that are members of an existing or proposed telemedicine network shall be eligible for a grant under this section.

''(B) REQUIREMENT.—A telemedicine network referred to in subparagraph (A) shall, at a minimum, be composed of—

''(i) a multispecialty entity that is located in an urban or rural area, which can provide 24-hour a day access to a range of specialty care; and

''(ii) at least two rural health care facilities, which may include rural hospitals, rural physician offices, rural health clinics, rural community health clinics, and rural nursing homes.

''(d) PREFERENCE.—In awarding grants under this section, the Secretary shall give preference to applicant networks that include—

''(1) a majority of the health care providers serving in the area or region to be served by the network;

''(2) any federally qualified health centers, rural health clinics, and local public health departments serving in the area or region;

''(3) outpatient mental health providers serving in the area or region; or

''(4) appropriate social service providers, such as agencies on aging, school systems, and providers under the women, infants, and children program, to improve access to and coordination of health care services.

''(e) USE OF FUNDS.—

''(1) IN GENERAL.—Amounts provided under grants awarded under this section shall be used—

''(A) for the planning and development of integrated self-sustaining health care networks; and

''(B) for the initial provision of services.

''(2) EXPENDITURES IN RURAL AREAS.—

''(A) IN GENERAL.—In awarding a grant under this section, the Secretary shall ensure that not less than 50 percent of the grant award is expended in a rural area or to provide services to residents of rural areas.

''(B) TELEMEDICINE NETWORKS.—An entity described in subsection (c)(3) may not use in excess of—

''(i) 40 percent of the amounts provided under a grant under this section to carry out activities under paragraph (3)(A)(iii); and

''(ii) 20 percent of the amounts provided under a grant under this section to pay for the indirect costs associated with carrying out the purposes of such grant.

''(3) TELEMEDICINE NETWORKS.—

''(A) IN GENERAL.—An entity described in subsection (c)(3), may use amounts provided under a grant under this section to—

''(i) demonstrate the use of telemedicine in facilitating the development of rural health care networks and for improving access to health care services for rural citizens;

''(ii) provide a baseline of information for a systematic evaluation of telemedicine systems serving rural areas;

''(iii) purchase or lease and install equipment; and

''(iv) operate the telemedicine system and evaluate the telemedicine system.

''(B) LIMITATIONS.—An entity described in subsection (c)(3), may not use amounts provided under a grant under this section—

''(i) to build or acquire real property;

''(ii) purchase or install transmission equipment (such as laying cable or telephone lines, microwave towers, satellite dishes, amplifiers, and digital switching equipment); or

''(iii) for construction, except that such funds may be expended for minor renovations relating to the installation of equipment;

''(f) TERM OF GRANTS.—Funding may not be provided to a network under this section for in excess of a 3-year period.

''(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section there are authorized to be appropriated $36,000,000 for fiscal year 1997, and such sums as may be necessary for each of the fiscal years 1998 through 2001.''.

(b) TRANSITION.—The Secretary of Health and Human Services shall ensure the continued funding of grants made, or contracts or cooperative agreements entered into, under subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) (as such subpart existed on the day prior to the date of enactment of this Act), until the expiration of the grant period or the term of the contract or cooperative agreement. Such funding shall be continued under the same terms and conditions as were in effect on the date on which the grant, contract or cooperative agreement was awarded, subject to the availability of appropriations.

SEC. 4. TECHNICAL AND CONFORMING AMENDMENTS.

(a) IN GENERAL.—The Public Health Service Act is amended—

(1) in section 224(g)(4) (42 U.S.C. 233(g)(4)), by striking ''under'' and all that follows through the end thereof and inserting ''under section 330.'';

(2) in section 340C(a)(2) (42 U.S.C. 256c) by striking ''under'' and all that follows through the end thereof and inserting ''with assistance provided under section 330.''; and

(3) by repealing subparts V and VI of part D of title III (42 U.S.C. 256 et seq.).

(b) SOCIAL SECURITY ACT.—The Social Security Act is amended—

(1) in clauses (i) and (ii)(I) of section 1861(aa)(4)(A) (42 U.S.C. 1395x(aa)(4)(A)(i) and (ii)(I)) by striking ''section 329, 330, or 340'' and inserting ''section 330 (other than subsection (h))''; and

(2) in clauses (i) and (ii)(II) of section 1905(l)(2)(B) (42 U.S.C. 1396d(l)(2)(B)(i) and (ii)(II)) by striking ''section 329, 330, 340, or 340A'' and inserting ''section 330''.

(c) REFERENCES.—Whenever any reference is made in any provision of law, regulation, rule, record, or document to a community health center, migrant health center, public housing health center, or homeless health center, such reference shall be considered a reference to a health center.

(d) FTCA CLARIFICATION.—For purposes of section 224(k)(3) of the Public Health Service Act (42 U.S.C. 233(k)(3)), transfers from the fund described in such section for fiscal year 1996 shall be deemed to have occurred prior to December 31, 1995.

(e) ADDITIONAL AMENDMENTS.—After consultation with the appropriate committees of the Congress, the Secretary of Health and Human Services shall prepare and submit to the Congress a legislative proposal in the form of an implementing bill containing technical and conforming amendments to reflect the changes made by this Act.

SEC. 5. EFFECTIVE DATE.

This Act and the amendments made by this Act shall become effective on October 1, 1997.

Mr. DORGAN. Mr. President, I wonder if the Senator from Mississippi will yield?

Mr. LOTT. I will be glad to yield.

FEDERAL JUDGES

Mr. DORGAN. I ask the Senator whether any of the unanimous consent requests he is intending to propound would include the clearing of any judgeships. If so, we would certainly be favorably disposed to not object to that. If not, I am wondering if just in this moment I might learn whether we would have an opportunity to clear any additional judges that are now waiting clearance?

Mr. LOTT. Mr. President, I do not believe there are any judges on this list that have been cleared tonight. There is—hope springs eternal. I know the Judiciary Committee had a meeting this week. There was some discussion about some of the judges that are pending. I believe there are only six judges that are on the calendar before the Senate at this time, four circuit judges and two district judges.

None of those have been cleared through the process at this point.

Mr. DORGAN. If the Senator will further yield, I want to make the point there are 22 additional judges awaiting action by the Judiciary Committee. I heard from some that there is no intention of clearing additional judges. My hope is that would not be the case.

I wonder if the Senator expects we might be clearing additional judges?

Mr. LOTT. I am not on the Judiciary Committee. I have discussed it with the chairman and other members of the committee. I don't think any decision has been made yet on whether or not they might report some more. I know they are looking at some of them. I will note 4 years ago at this time, I believe there were 50 Federal judges that had been nominated that were left either in the committee or on the Calendar.

Numberwise, I think we are probably in much better shape than the situation was 4 years ago. And I must say, I am pleased that I was able to work with Members on both sides of the aisle in July, for the most part, and early August. We cleared 17 judges, some of whom had been pending on the Calendar for 6 or 7 months—17 out of 23.

So we did pretty good work. Some of them were controversial, and it took more than one try. In fact, I think I tried 3 times on a block of 9 judges, but we did get 17 of them done. I thought that was good progress.

Mr. DORGAN. If I might, Mr. President, with the consent of the Senator from Mississippi, observe, he deserves