

104TH CONGRESS
2^D SESSION

S. 1044

AN ACT

To amend title III of the Public Health Service Act to consolidate and reauthorize provisions relating to health centers, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Health Centers Con-
5 solidation Act of 1996”.

1 **SEC. 2. CONSOLIDATION AND REAUTHORIZATION OF PRO-**
2 **VISIONS.**

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

6 “Subpart I—Health Centers

7 **“SEC. 330. HEALTH CENTERS.**

8 “(a) DEFINITION OF HEALTH CENTER.—

9 “(1) IN GENERAL.—For purposes of this sec-
10 tion, the term ‘health center’ means an entity that
11 serves a population that is medically underserved, or
12 a special medically underserved population com-
13 prised of migratory and seasonal agricultural work-
14 ers, the homeless, and residents of public housing,
15 by providing, either through the staff and supporting
16 resources of the center or through contracts or coop-
17 erative arrangements—

18 “(A) required primary health services (as
19 defined in subsection (b)(1)); and

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

1 for all residents of the area served by the center
 2 (hereafter referred to in this section as the
 3 ‘catchment area’).

4 “(2) LIMITATION.—The requirement in para-
 5 graph (1) to provide services for all residents within
 6 a catchment area shall not apply in the case of a
 7 health center receiving a grant only under subsection
 8 (g), (h), or (i).

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

10 “(1) REQUIRED PRIMARY HEALTH SERVICES.—

11 “(A) IN GENERAL.—The term ‘required
 12 primary health services’ means—

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

15 “(I) health services related to
 16 family medicine, internal medicine, pe-
 17 diatrics, obstetrics, or gynecology that
 18 are furnished by physicians and where
 19 appropriate, physician assistants,
 20 nurse practitioners, and nurse mid-
 21 wives;

22 “(II) diagnostic laboratory and
 23 radiologic services;

24 “(III) preventive health services,
 25 including—

1 “(aa) prenatal and perinatal
2 services;

3 “(bb) screening for breast
4 and cervical cancer;

5 “(cc) well-child services;

6 “(dd) immunizations against
7 vaccine-preventable diseases;

8 “(ee) screenings for elevated
9 blood lead levels, communicable
10 diseases, and cholesterol;

11 “(ff) pediatric eye, ear, and
12 dental screenings to determine
13 the need for vision and hearing
14 correction and dental care;

15 “(gg) voluntary family plan-
16 ning services; and

17 “(hh) preventive dental serv-
18 ices;

19 “(IV) emergency medical serv-
20 ices; and

21 “(V) pharmaceutical services as
22 may be appropriate for particular cen-
23 ters;

24 “(ii) referrals to providers of medical
25 services and other health-related services

1 (including substance abuse and mental
2 health services);

3 “(iii) patient case management serv-
4 ices (including counseling, referral, and fol-
5 low-up services) and other services de-
6 signed to assist health center patients in
7 establishing eligibility for and gaining ac-
8 cess to Federal, State, and local programs
9 that provide or financially support the pro-
10 vision of medical, social, educational, or
11 other related services;

12 “(iv) services that enable individuals
13 to use the services of the health center (in-
14 cluding outreach and transportation serv-
15 ices and, if a substantial number of the in-
16 dividuals in the population served by a cen-
17 ter are of limited English-speaking ability,
18 the services of appropriate personnel fluent
19 in the language spoken by a predominant
20 number of such individuals); and

21 “(v) education of patients and the
22 general population served by the health
23 center regarding the availability and prop-
24 er use of health services.

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

5 “(i) waive the requirement that the
6 center provide all required primary health
7 services under this paragraph; and

8 “(ii) approve, as appropriate, the pro-
9 vision of certain required primary health
10 services only during certain periods of the
11 year.

12 “(2) ADDITIONAL HEALTH SERVICES.—The
13 term ‘additional health services’ means services that
14 are not included as required primary health services
15 and that are appropriate to meet the health needs
16 of the population served by the health center in-
17 volved. Such term may include—

18 “(A) environmental health services, includ-
19 ing—

20 “(i) the detection and alleviation of
21 unhealthful conditions associated with
22 water supply;

23 “(ii) sewage treatment;

24 “(iii) solid waste disposal;

25 “(iv) rodent and parasitic infestation;

1 “(v) field sanitation;

2 “(vi) housing; and

3 “(vii) other environmental factors re-
4 lated to health; and

5 “(B) in the case of health centers receiving
6 grants under subsection (g), special occupation-
7 related health services for migratory and sea-
8 sonal agricultural workers, including—

9 “(i) screening for and control of infec-
10 tious diseases, including parasitic diseases;
11 and

12 “(ii) injury prevention programs, in-
13 cluding prevention of exposure to unsafe
14 levels of agricultural chemicals including
15 pesticides.

16 “(3) MEDICALLY UNDERSERVED POPU-
17 LATIONS.—

18 “(A) IN GENERAL.—The term ‘medically
19 underserved population’ means the population
20 of an urban or rural area designated by the
21 Secretary as an area with a shortage of per-
22 sonal health services or a population group des-
23 ignated by the Secretary as having a shortage
24 of such services.

1 “(B) CRITERIA.—In carrying out subpara-
2 graph (A), the Secretary shall prescribe criteria
3 for determining the specific shortages of per-
4 sonal health services of an area or population
5 group. Such criteria shall—

6 “(i) take into account comments re-
7 ceived by the Secretary from the chief ex-
8 ecutive officer of a State and local officials
9 in a State; and

10 “(ii) include factors indicative of the
11 health status of a population group or resi-
12 dents of an area, the ability of the resi-
13 dents of an area or of a population group
14 to pay for health services and their acces-
15 sibility to them, and the availability of
16 health professionals to residents of an area
17 or to a population group.

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

1 “(i) the chief executive officer of such
2 State;

3 “(ii) local officials in such State; and

4 “(iii) the organization, if any, which
5 represents a majority of health centers in
6 such State.

7 “(D) PERMISSIBLE DESIGNATION.—The
8 Secretary may designate a medically under-
9 served population that does not meet the cri-
10 teria established under subparagraph (B) if the
11 chief executive officer of the State in which
12 such population is located and local officials of
13 such State recommend the designation of such
14 population based on unusual local conditions
15 which are a barrier to access to or the availabil-
16 ity of personal health services.

17 “(c) PLANNING GRANTS.—

18 “(1) IN GENERAL.—

19 “(A) CENTERS.—The Secretary may make
20 grants to public and nonprofit private entities
21 for projects to plan and develop health centers
22 which will serve medically underserved popu-
23 lations. A project for which a grant may be
24 made under this subsection may include the
25 cost of the acquisition and lease of buildings

1 and equipment (including the costs of amortiz-
2 ing the principal of, and paying the interest on,
3 loans) and shall include—

4 “(i) an assessment of the need that
5 the population proposed to be served by
6 the health center for which the project is
7 undertaken has for required primary
8 health services and additional health serv-
9 ices;

10 “(ii) the design of a health center pro-
11 gram for such population based on such
12 assessment;

13 “(iii) efforts to secure, within the pro-
14 posed catchment area of such center, fi-
15 nancial and professional assistance and
16 support for the project;

17 “(iv) initiation and encouragement of
18 continuing community involvement in the
19 development and operation of the project;
20 and

21 “(v) proposed linkages between the
22 center and other appropriate provider enti-
23 ties, such as health departments, local hos-
24 pitals, and rural health clinics, to provide

1 better coordinated, higher quality, and
2 more cost-effective health care services.

3 “(B) COMPREHENSIVE SERVICE DELIVERY
4 NETWORKS AND PLANS.—The Secretary may
5 make grants to health centers that receive as-
6 sistance under this section to enable the centers
7 to plan and develop a network or plan for the
8 provision of health services, which may include
9 the provision of health services on a prepaid
10 basis or through another managed care ar-
11 rangement, to some or to all of the individuals
12 which the centers serve. Such a grant may only
13 be made for such a center if—

14 “(i) the center has received grants
15 under subsection (e)(1)(A) for at least 2
16 consecutive years preceding the year of the
17 grant under this subparagraph or has oth-
18 erwise demonstrated, as required by the
19 Secretary, that such center has been pro-
20 viding primary care services for at least
21 the 2 consecutive years immediately pre-
22 ceding such year; and

23 “(ii) the center provides assurances
24 satisfactory to the Secretary that the pro-
25 vision of such services on a prepaid basis,

1 or under another managed care arrange-
2 ment, will not result in the diminution of
3 the level or quality of health services pro-
4 vided to the medically underserved popu-
5 lation served prior to the grant under this
6 subparagraph.

7 Any such grant may include the acquisition and
8 lease of buildings and equipment which may in-
9 clude data and information systems (including
10 the costs of amortizing the principal of, and
11 paying the interest on, loans), and providing
12 training and technical assistance related to the
13 provision of health services on a prepaid basis
14 or under another managed care arrangement,
15 and for other purposes that promote the devel-
16 opment of managed care networks and plans.

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

21 “(d) MANAGED CARE LOAN GUARANTEE PRO-
22 GRAM.—

23 “(1) ESTABLISHMENT.—

24 “(A) IN GENERAL.—The Secretary shall
25 establish a program under which the Secretary

1 may, in accordance with this subsection and to
2 the extent that appropriations are provided in
3 advance for such program, guarantee the prin-
4 cipal and interest on loans made by non-Fed-
5 eral lenders to health centers funded under this
6 section for the costs of developing and operat-
7 ing managed care networks or plans.

8 “(B) USE OF FUNDS.—Loan funds guar-
9 anteed under this subsection may be used—

10 “(i) to establish reserves for the fur-
11 nishing of services on a pre-paid basis; or

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

18 “(C) PUBLICATION OF GUIDANCE.—Prior
19 to considering an application submitted under
20 this subsection, the Secretary shall publish
21 guidelines to provide guidance on the implemen-
22 tation of this section. The Secretary shall make
23 such guidelines available to the universe of par-
24 ties affected under this subsection, distribute
25 such guidelines to such parties upon the request

1 of such parties, and provide a copy of such
2 guidelines to the appropriate committees of
3 Congress.

4 “(2) PROTECTION OF FINANCIAL INTERESTS.—

5 “(A) IN GENERAL.—The Secretary may
6 not approve a loan guarantee for a project
7 under this subsection unless the Secretary de-
8 termines that—

9 “(i) the terms, conditions, security (if
10 any), and schedule and amount of repay-
11 ments with respect to the loan are suffi-
12 cient to protect the financial interests of
13 the United States and are otherwise rea-
14 sonable, including a determination that the
15 rate of interest does not exceed such per-
16 cent per annum on the principal obligation
17 outstanding as the Secretary determines to
18 be reasonable, taking into account the
19 range of interest rates prevailing in the
20 private market for similar loans and the
21 risks assumed by the United States, except
22 that the Secretary may not require as se-
23 curity any center asset that is, or may be,
24 needed by the center or centers involved to
25 provide health services;

1 “(ii) the loan would not be available
2 on reasonable terms and conditions with-
3 out the guarantee under this subsection;
4 and

5 “(iii) amounts appropriated for the
6 program under this subsection are suffi-
7 cient to provide loan guarantees under this
8 subsection.

9 “(B) RECOVERY OF PAYMENTS.—

10 “(i) IN GENERAL.—The United States
11 shall be entitled to recover from the appli-
12 cant for a loan guarantee under this sub-
13 section the amount of any payment made
14 pursuant to such guarantee, unless the
15 Secretary for good cause waives such right
16 of recovery (subject to appropriations re-
17 maining available to permit such a waiver)
18 and, upon making any such payment, the
19 United States shall be subrogated to all of
20 the rights of the recipient of the payments
21 with respect to which the guarantee was
22 made. Amounts recovered under this clause
23 shall be credited as reimbursements to the
24 financing account of the program.

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

13 “(iii) INCONTESTABILITY.—Any loan
14 guarantee made by the Secretary under
15 this subsection shall be incontestable—

16 “(I) in the hands of an applicant
17 on whose behalf such guarantee is
18 made unless the applicant engaged in
19 fraud or misrepresentation in securing
20 such guarantee; and

21 “(II) as to any person (or succes-
22 sor in interest) who makes or con-
23 tracts to make a loan to such appli-
24 cant in reliance thereon unless such
25 person (or successor in interest) en-

1 gaged in fraud or misrepresentation in
2 making or contracting to make such
3 loan.

4 “(iv) FURTHER TERMS AND CONDI-
5 TIONS.—Guarantees of loans under this
6 subsection shall be subject to such further
7 terms and conditions as the Secretary de-
8 termines to be necessary to assure that the
9 purposes of this section will be achieved.

10 “(3) LOAN ORIGINATION FEES.—

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

15 “(B) AMOUNT.—The amount of a loan
16 origination fee collected by the Secretary under
17 subparagraph (A) shall be equal to the esti-
18 mated long term cost of the loan guarantees in-
19 volved to the Federal Government (excluding
20 administrative costs), calculated on a net
21 present value basis, after taking into account
22 any appropriations that may be made for the
23 purpose of offsetting such costs, and in accord-
24 ance with the criteria used to award loan guar-
25 antees under this subsection.

1 “(C) WAIVER.—The Secretary may waive
2 the loan origination fee for a health center ap-
3 plicant who demonstrates to the Secretary that
4 the applicant will be unable to meet the condi-
5 tions of the loan if the applicant incurs the ad-
6 ditional cost of the fee.

7 “(4) DEFAULTS.—

8 “(A) IN GENERAL.—Subject to the re-
9 quirements of the Credit Reform Act of 1990
10 (2 U.S.C. 661 et seq.), the Secretary may take
11 such action as may be necessary to prevent a
12 default on a loan guaranteed under this sub-
13 section, including the waiver of regulatory con-
14 ditions, deferral of loan payments, renegotiation
15 of loans, and the expenditure of funds for tech-
16 nical and consultative assistance, for the tem-
17 porary payment of the interest and principal on
18 such a loan, and for other purposes. Any such
19 expenditure made under the preceding sentence
20 on behalf of a health center or centers shall be
21 made under such terms and conditions as the
22 Secretary shall prescribe, including the imple-
23 mentation of such organizational, operational,
24 and financial reforms as the Secretary deter-
25 mines are appropriate and the disclosure of

1 such financial or other information as the Sec-
2 retary may require to determine the extent of
3 the implementation of such reforms.

4 “(B) FORECLOSURE.—The Secretary may
5 take such action, consistent with State law re-
6 specting foreclosure procedures and, with re-
7 spect to reserves required for furnishing serv-
8 ices on a prepaid basis, subject to the consent
9 of the affected States, as the Secretary deter-
10 mines appropriate to protect the interest of the
11 United States in the event of a default on a
12 loan guaranteed under this subsection, except
13 that the Secretary may only foreclose on assets
14 offered as security (if any) in accordance with
15 paragraph (2)(A)(i).

16 “(5) LIMITATION.—Not more than one loan
17 guarantee may be made under this subsection for
18 the same network or plan, except that upon a show-
19 ing of good cause the Secretary may make additional
20 loan guarantees.

21 “(6) ANNUAL REPORT.—Not later than April 1,
22 1998, and each April 1 thereafter, the Secretary
23 shall prepare and submit to the appropriate commit-
24 tees of Congress a report concerning loan guarantees

1 provided under this subsection. Such report shall in-
2 clude—

3 “(A) a description of the number, amount,
4 and use of funds received under each loan guar-
5 antee provided under this subsection;

6 “(B) a description of any defaults with re-
7 spect to such loans and an analysis of the rea-
8 sons for such defaults, if any; and

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

12 “(7) PROGRAM EVALUATION.—Not later than
13 June 30, 1999, the Secretary shall prepare and sub-
14 mit to the appropriate committees of Congress a re-
15 port containing an evaluation of the program au-
16 thorized under this subsection. Such evaluation shall
17 include a recommendation with respect to whether or
18 not the loan guarantee program under this sub-
19 section should be continued and, if so, any modifica-
20 tions that should be made to such program.

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

24 “(e) OPERATING GRANTS.—

25 “(1) AUTHORITY.—

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

6 “(B) ENTITIES THAT FAIL TO MEET CER-
7 TAIN REQUIREMENTS.—The Secretary may
8 make grants, for a period of not to exceed 2-
9 years, for the costs of the operation of public
10 and nonprofit private entities which provide
11 health services to medically underserved popu-
12 lations but with respect to which the Secretary
13 is unable to make each of the determinations
14 required by subsection (j)(3).

15 “(2) USE OF FUNDS.—The costs for which a
16 grant may be made under subparagraph (A) or (B)
17 of paragraph (1) may include the costs of acquiring
18 and leasing buildings and equipment (including the
19 costs of amortizing the principal of, and paying in-
20 terest on, loans), and the costs of providing training
21 related to the provision of required primary health
22 services and additional health services and to the
23 management of health center programs.

24 “(3) CONSTRUCTION.—The Secretary may
25 award grants which may be used to pay the costs as-

1 sociated with expanding and modernizing existing
2 buildings or constructing new buildings (including
3 the costs of amortizing the principal of, and paying
4 the interest on, loans) for projects approved prior to
5 October 1, 1996.

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

9 “(5) AMOUNT.—

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

16 “(i) State, local, and other operational
17 funding provided to the center; and

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

22 “(B) PAYMENTS.—Payments under grants
23 under subparagraph (A) or (B) of paragraph
24 (1) shall be made in advance or by way of reim-
25 bursement and in such installments as the Sec-

1 retary finds necessary and adjustments may be
2 made for overpayments or underpayments.

3 “(C) USE OF NONGRANT FUNDS.—
4 Nongrant funds described in clauses (i) and (ii)
5 of subparagraph (A), including any such funds
6 in excess of those originally expected, shall be
7 used as permitted under this section, and may
8 be used for such other purposes as are not spe-
9 cifically prohibited under this section if such
10 use furthers the objectives of the project.

11 “(f) INFANT MORTALITY GRANTS.—

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

15 “(A) providing comprehensive health care
16 and support services for the reduction of—

17 “(i) the incidence of infant mortality;
18 and

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

21 “(B) developing and coordinating service
22 and referral arrangements between health cen-
23 ters and other entities for the health manage-
24 ment of pregnant women and children described
25 in subparagraph (A).

1 “(2) PRIORITY.—In making grants under this
2 subsection the Secretary shall give priority to health
3 centers providing services to any medically under-
4 served population among which there is a substantial
5 incidence of infant mortality or among which there
6 is a significant increase in the incidence of infant
7 mortality.

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

11 “(A) the center will coordinate the provi-
12 sion of services under the grant to each of the
13 recipients of the services;

14 “(B) such services will be continuous for
15 each such recipient;

16 “(C) the center will provide follow-up serv-
17 ices for individuals who are referred by the cen-
18 ter for services described in paragraph (1);

19 “(D) the grant will be expended to supple-
20 ment, and not supplant, the expenditures of the
21 center for primary health services (including
22 prenatal care) with respect to the purpose de-
23 scribed in this subsection; and

24 “(E) the center will coordinate the provi-
25 sion of services with other maternal and child

1 health providers operating in the catchment
2 area.

3 “(g) MIGRATORY AND SEASONAL AGRICULTURAL
4 WORKERS.—

5 “(1) IN GENERAL.—The Secretary may award
6 grants for the purposes described in subsections (c),
7 (e), and (f) for the planning and delivery of services
8 to a special medically underserved population com-
9 prised of—

10 “(A) migratory agricultural workers, sea-
11 sonal agricultural workers, and members of the
12 families of such migratory and seasonal agricul-
13 tural workers who are within a designated
14 catchment area; and

15 “(B) individuals who have previously been
16 migratory agricultural workers but who no
17 longer meet the requirements of subparagraph
18 (A) of paragraph (3) because of age or disabil-
19 ity and members of the families of such individ-
20 uals who are within such catchment area.

21 “(2) ENVIRONMENTAL CONCERNS.—The Sec-
22 retary may enter into grants or contracts under this
23 subsection with public and private entities to—

24 “(A) assist the States in the implementa-
25 tion and enforcement of acceptable environ-

1 mental health standards, including enforcement
2 of standards for sanitation in migratory agricul-
3 tural worker labor camps, and applicable Fed-
4 eral and State pesticide control standards; and

5 “(B) conduct projects and studies to assist
6 the several States and entities which have re-
7 ceived grants or contracts under this section in
8 the assessment of problems related to camp and
9 field sanitation, exposure to unsafe levels of ag-
10 ricultural chemicals including pesticides, and
11 other environmental health hazards to which
12 migratory agricultural workers and members of
13 their families are exposed.

14 “(3) DEFINITIONS.—For purposes of this sub-
15 section:

16 “(A) MIGRATORY AGRICULTURAL WORK-
17 ER.—The term ‘migratory agricultural worker’
18 means an individual whose principal employ-
19 ment is in agriculture on a seasonal basis, who
20 has been so employed within the last 24
21 months, and who establishes for the purposes of
22 such employment a temporary abode.

23 “(B) SEASONAL AGRICULTURAL WORK-
24 ER.—The term ‘seasonal agricultural worker’
25 means an individual whose principal employ-

1 ment is in agriculture on a seasonal basis and
2 who is not a migratory agricultural worker.

3 “(C) AGRICULTURE.—The term ‘agri-
4 culture’ means farming in all its branches, in-
5 cluding—

6 “(i) cultivation and tillage of the soil;

7 “(ii) the production, cultivation, grow-
8 ing, and harvesting of any commodity
9 grown on, in, or as an adjunct to or part
10 of a commodity grown in or on, the land;
11 and

12 “(iii) any practice (including prepara-
13 tion and processing for market and deliv-
14 ery to storage or to market or to carriers
15 for transportation to market) performed by
16 a farmer or on a farm incident to or in
17 conjunction with an activity described in
18 clause (ii).

19 “(h) HOMELESS POPULATION.—

20 “(1) IN GENERAL.—The Secretary may award
21 grants for the purposes described in subsections (c),
22 (e), and (f) for the planning and delivery of services
23 to a special medically underserved population com-
24 prised of homeless individuals, including grants for
25 innovative programs that provide outreach and com-

1 preprehensive primary health services to homeless chil-
2 dren and children at risk of homelessness.

3 “(2) REQUIRED SERVICES.—In addition to re-
4 quired primary health services (as defined in sub-
5 section (b)(1)), an entity that receives a grant under
6 this subsection shall be required to provide sub-
7 stance abuse services as a condition of such grant.

8 “(3) SUPPLEMENT NOT SUPPLANT REQUIRE-
9 MENT.—A grant awarded under this subsection shall
10 be expended to supplement, and not supplant, the
11 expenditures of the health center and the value of in-
12 kind contributions for the delivery of services to the
13 population described in paragraph (1).

14 “(4) DEFINITIONS.—For purposes of this sec-
15 tion:

16 “(A) HOMELESS INDIVIDUAL.—The term
17 ‘homeless individual’ means an individual who
18 lacks housing (without regard to whether the
19 individual is a member of a family), including
20 an individual whose primary residence during
21 the night is a supervised public or private facil-
22 ity that provides temporary living accommoda-
23 tions and an individual who is a resident in
24 transitional housing.

1 “(B) SUBSTANCE ABUSE.—The term ‘sub-
2 stance abuse’ has the same meaning given such
3 term in section 534(4).

4 “(C) SUBSTANCE ABUSE SERVICES.—The
5 term ‘substance abuse services’ includes detoxi-
6 fication and residential treatment for substance
7 abuse provided in settings other than hospitals.

8 “(i) RESIDENTS OF PUBLIC HOUSING.—

9 “(1) IN GENERAL.—The Secretary may award
10 grants for the purposes described in subsections (c),
11 (e), and (f) for the planning and delivery of services
12 to a special medically underserved population com-
13 prised of residents of public housing (such term, for
14 purposes of this subsection, shall have the same
15 meaning given such term in section 3(b)(1) of the
16 United States Housing Act of 1937) and individuals
17 living in areas immediately accessible to such public
18 housing.

19 “(2) SUPPLEMENT NOT SUPPLANT.—A grant
20 awarded under this subsection shall be expended to
21 supplement, and not supplant, the expenditures of
22 the health center and the value of in kind contribu-
23 tions for the delivery of services to the population
24 described in paragraph (1).

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

5 “(A) has consulted with the residents in
6 the preparation of the application for the grant;
7 and

8 “(B) agrees to provide for ongoing con-
9 sultation with the residents regarding the plan-
10 ning and administration of the program carried
11 out with the grant.

12 “(j) APPLICATIONS.—

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

19 “(2) DESCRIPTION OF NEED.—An application
20 for a grant under subparagraph (A) or (B) of sub-
21 section (e)(1) for a health center shall include—

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

24 “(B) a demonstration by the applicant that
25 the area or the population group to be served

1 by the applicant has a shortage of personal
2 health services; and

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

8 Such a demonstration shall be made on the basis of
9 the criteria prescribed by the Secretary under sub-
10 section (b)(3) or on any other criteria which the Sec-
11 retary may prescribe to determine if the area or pop-
12 ulation group to be served by the applicant has a
13 shortage of personal health services. In considering
14 an application for a grant under subparagraph (A)
15 or (B) of subsection (e)(1), the Secretary may re-
16 quire as a condition to the approval of such applica-
17 tion an assurance that the applicant will provide any
18 health service defined under paragraphs (1) and (2)
19 of subsection (b) that the Secretary finds is needed
20 to meet specific health needs of the area to be served
21 by the applicant. Such a finding shall be made in
22 writing and a copy shall be provided to the appli-
23 cant.

24 “(3) REQUIREMENTS.—Except as provided in
25 subsection (e)(1)(B), the Secretary may not approve

1 an application for a grant under subparagraph (A)
2 or (B) of subsection (e)(1) unless the Secretary de-
3 termines that the entity for which the application is
4 submitted is a health center (within the meaning of
5 subsection (a)) and that—

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

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

16 “(C) the center will have an ongoing qual-
17 ity improvement system that includes clinical
18 services and management, and that maintains
19 the confidentiality of patient records;

20 “(D) the center will demonstrate its finan-
21 cial responsibility by the use of such accounting
22 procedures and other requirements as may be
23 prescribed by the Secretary;

24 “(E) the center—

1 “(i) has or will have a contractual or
2 other arrangement with the agency of the
3 State, in which it provides services, which
4 administers or supervises the administra-
5 tion of a State plan approved under title
6 XIX of the Social Security Act for the pay-
7 ment of all or a part of the center’s costs
8 in providing health services to persons who
9 are eligible for medical assistance under
10 such a State plan; or

11 “(ii) has made or will make every rea-
12 sonable effort to enter into such an ar-
13 rangement;

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

24 “(G) the center—

1 “(i) has prepared a schedule of fees or
2 payments for the provision of its services
3 consistent with locally prevailing rates or
4 charges and designed to cover its reason-
5 able costs of operation and has prepared a
6 corresponding schedule of discounts to be
7 applied to the payment of such fees or pay-
8 ments, which discounts are adjusted on the
9 basis of the patient’s ability to pay;

10 “(ii) has made and will continue to
11 make every reasonable effort—

12 “(I) to secure from patients pay-
13 ment for services in accordance with
14 such schedules; and

15 “(II) to collect reimbursement for
16 health services to persons described in
17 subparagraph (F) on the basis of the
18 full amount of fees and payments for
19 such services without application of
20 any discount; and

21 “(iii) has submitted to the Secretary
22 such reports as the Secretary may require
23 to determine compliance with this subpara-
24 graph;

1 “(H) the center has established a govern-
2 ing board which except in the case of an entity
3 operated by an Indian tribe or tribal or Indian
4 organization under the Indian Self-Determina-
5 tion Act or an urban Indian organization under
6 the Indian Health Care Improvement Act (25
7 U.S.C. 1651 et seq.)—

8 “(i) is composed of individuals, a ma-
9 jority of whom are being served by the cen-
10 ter and who, as a group, represent the in-
11 dividuals being served by the center;

12 “(ii) meets at least once a month, se-
13 lects the services to be provided by the cen-
14 ter, schedules the hours during which such
15 services will be provided, approves the cen-
16 ter’s annual budget, approves the selection
17 of a director for the center, and, except in
18 the case of a governing board of a public
19 center (as defined in the second sentence
20 of this paragraph), establishes general poli-
21 cies for the center; and

22 “(iii) in the case of an application for
23 a second or subsequent grant for a public
24 center, has approved the application or if
25 the governing body has not approved the

1 application, the failure of the governing
2 body to approve the application was unrea-
3 sonable;

4 except that, upon a showing of good cause the
5 Secretary shall waive, for the length of the
6 project period, all or part of the requirements
7 of this subparagraph in the case of a health
8 center that receives a grant pursuant to sub-
9 section (g), (h), (i), or (p);

10 “(I) the center has developed—

11 “(i) an overall plan and budget that
12 meets the requirements of the Secretary;
13 and

14 “(ii) an effective procedure for compil-
15 ing and reporting to the Secretary such
16 statistics and other information as the Sec-
17 retary may require relating to—

18 “(I) the costs of its operations;

19 “(II) the patterns of use of its
20 services;

21 “(III) the availability, accessibil-
22 ity, and acceptability of its services;
23 and

1 “(IV) such other matters relating
2 to operations of the applicant as the
3 Secretary may require;

4 “(J) the center will review periodically its
5 catchment area to—

6 “(i) ensure that the size of such area
7 is such that the services to be provided
8 through the center (including any satellite)
9 are available and accessible to the resi-
10 dents of the area promptly and as appro-
11 priate;

12 “(ii) ensure that the boundaries of
13 such area conform, to the extent prac-
14 ticable, to relevant boundaries of political
15 subdivisions, school districts, and Federal
16 and State health and social service pro-
17 grams; and

18 “(iii) ensure that the boundaries of
19 such area eliminate, to the extent possible,
20 barriers to access to the services of the
21 center, including barriers resulting from
22 the area’s physical characteristics, its resi-
23 dential patterns, its economic and social
24 grouping, and available transportation;

1 “(K) in the case of a center which serves
2 a population including a substantial proportion
3 of individuals of limited English-speaking abil-
4 ity, the center has—

5 “(i) developed a plan and made ar-
6 rangements responsive to the needs of such
7 population for providing services to the ex-
8 tent practicable in the language and cul-
9 tural context most appropriate to such in-
10 dividuals; and

11 “(ii) identified an individual on its
12 staff who is fluent in both that language
13 and in English and whose responsibilities
14 shall include providing guidance to such in-
15 dividuals and to appropriate staff members
16 with respect to cultural sensitivities and
17 bridging linguistic and cultural differences;
18 and

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

21 For purposes of subparagraph (H), the term ‘public
22 center’ means a health center funded (or to be fund-
23 ed) through a grant under this section to a public
24 agency.

1 “(4) APPROVAL OF NEW OR EXPANDED SERV-
2 ICE APPLICATIONS.—The Secretary shall approve
3 applications for grants under subparagraph (A) or
4 (B) of subsection (e)(1) for health centers which—

5 “(A) have not received a previous grant
6 under such subsection; or

7 “(B) have applied for such a grant to ex-
8 pand their services;

9 in such a manner that the ratio of the medically un-
10 derserved populations in rural areas which may be
11 expected to use the services provided by such centers
12 to the medically underserved populations in urban
13 areas which may be expected to use the services pro-
14 vided by such centers is not less than two to three
15 or greater than three to two.

16 “(k) TECHNICAL AND OTHER ASSISTANCE.—The
17 Secretary may provide (either through the Department of
18 Health and Human Services or by grant or contract) all
19 necessary technical and other nonfinancial assistance (in-
20 cluding fiscal and program management assistance and
21 training in such management) to any public or private
22 nonprofit entity to assist entities in developing plans for,
23 or operating as, health centers, and in meeting the re-
24 quirements of subsection (j)(2).

25 “(l) AUTHORIZATION OF APPROPRIATIONS.—

1 “(1) IN GENERAL.—For the purpose of carry-
2 ing out this section, in addition to the amounts au-
3 thorized to be appropriated under subsection (d),
4 there are authorized to be appropriated
5 \$802,124,000 for fiscal year 1997, and such sums
6 as may be necessary for each of the fiscal years
7 1998 through 2001.

8 “(2) SPECIAL PROVISIONS.—

9 “(A) PUBLIC CENTERS.—The Secretary
10 may not expend in any fiscal year, for grants
11 under this section to public centers (as defined
12 in the second sentence of subsection (j)(3)) the
13 governing boards of which (as described in sub-
14 section (j)(3)(G)(ii)) do not establish general
15 policies for such centers, an amount which ex-
16 ceeds 5 percent of the amounts appropriated
17 under this section for that fiscal year. For pur-
18 poses of applying the preceding sentence, the
19 term ‘public centers’ shall not include health
20 centers that receive grants pursuant to sub-
21 section (h) or (i).

22 “(B) DISTRIBUTION OF GRANTS.—

23 “(i) FISCAL YEAR 1997.—For fiscal
24 year 1997, the Secretary, in awarding
25 grants under this section shall ensure that

1 the amounts made available under each of
2 subsections (g), (h), and (i) in such fiscal
3 year bears the same relationship to the
4 total amount appropriated for such fiscal
5 year under paragraph (1) as the amounts
6 appropriated for fiscal year 1996 under
7 each of sections 329, 340, and 340A (as
8 such sections existed one day prior to the
9 date of enactment of this section) bears to
10 the total amount appropriated under sec-
11 tions 329, 330, 340, and 340A (as such
12 sections existed one day prior to the date
13 of enactment of this section) for such fiscal
14 year.

15 “(ii) FISCAL YEARS 1998 AND
16 1999.—For each of the fiscal years 1998
17 and 1999, the Secretary, in awarding
18 grants under this section shall ensure that
19 the proportion of the amounts made avail-
20 able under each of subsections (g), (h),
21 and (i) is equal to the proportion of
22 amounts made available under each such
23 subsection for the previous fiscal year, as
24 such amounts relate to the total amounts
25 appropriated for the previous fiscal year

1 involved, increased or decreased by not
2 more than 10 percent.

3 “(3) FUNDING REPORT.—The Secretary shall
4 annually prepare and submit to the appropriate com-
5 mittees of Congress a report concerning the distribu-
6 tion of funds under this section that are provided to
7 meet the health care needs of medically underserved
8 populations, including the homeless, residents of
9 public housing, and migratory and seasonal agricul-
10 tural workers, and the appropriateness of the deliv-
11 ery systems involved in responding to the needs of
12 the particular populations. Such report shall include
13 an assessment of the relative health care access
14 needs of the targeted populations and the rationale
15 for any substantial changes in the distribution of
16 funds.

17 “(m) MEMORANDUM OF AGREEMENT.—In carrying
18 out this section, the Secretary may enter into a memoran-
19 dum of agreement with a State. Such memorandum may
20 include, where appropriate, provisions permitting such
21 State to—

22 “(1) analyze the need for primary health serv-
23 ices for medically underserved populations within
24 such State;

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

3 “(3) review and comment upon annual program
4 plans and budgets of health centers, including com-
5 ments upon allocations of health care resources in
6 the State;

7 “(4) assist health centers in the development of
8 clinical practices and fiscal and administrative sys-
9 tems through a technical assistance plan which is re-
10 sponsive to the requests of health centers; and

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

13 “(n) RECORDS.—

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

17 “(2) AVAILABILITY.—Each entity which is re-
18 quired to establish and maintain records under this
19 subsection shall make such books, documents, pa-
20 pers, and records available to the Secretary or the
21 Comptroller General of the United States, or any of
22 their duly authorized representatives, for examina-
23 tion, copying or mechanical reproduction on or off
24 the premises of such entity upon a reasonable re-
25 quest therefore. The Secretary and the Comptroller

1 General of the United States, or any of their duly
2 authorized representatives, shall have the authority
3 to conduct such examination, copying, and reproduc-
4 tion.

5 “(o) DELEGATION OF AUTHORITY.—The Secretary
6 may delegate the authority to administer the programs au-
7 thorized by this section to any office, except that the au-
8 thority to enter into, modify, or issue approvals with re-
9 spect to grants or contracts may be delegated only within
10 the central office of the Health Resources and Services
11 Administration.

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

19 “(q) AUDITS.—

20 “(1) IN GENERAL.—Each entity which receives
21 a grant under this section shall provide for an inde-
22 pendent annual financial audit of any books, ac-
23 counts, financial records, files, and other papers and
24 property which relate to the disposition or use of the
25 funds received under such grant and such other

1 funds received by or allocated to the project for
2 which such grant was made. For purposes of assur-
3 ing accurate, current, and complete disclosure of the
4 disposition or use of the funds received, each such
5 audit shall be conducted in accordance with gen-
6 erally accepted accounting principles. Each audit
7 shall evaluate—

8 “(A) the entity’s implementation of the
9 guidelines established by the Secretary respect-
10 ing cost accounting,

11 “(B) the processes used by the entity to
12 meet the financial and program reporting re-
13 quirements of the Secretary, and

14 “(C) the billing and collection procedures
15 of the entity and the relation of the procedures
16 to its fee schedule and schedule of discounts
17 and to the availability of health insurance and
18 public programs to pay for the health services
19 it provides.

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

23 “(2) RECORDS.—Each entity which receives a
24 grant under this section shall establish and maintain
25 such records as the Secretary shall by regulation re-

1 quire to facilitate the audit required by paragraph
2 (1). The Secretary may specify by regulation the
3 form and manner in which such records shall be es-
4 tablished and maintained.

5 “(3) AVAILABILITY OF RECORDS.—Each entity
6 which is required to establish and maintain records
7 or to provide for and audit under this subsection
8 shall make such books, documents, papers, and
9 records available to the Secretary or the Comptroller
10 General of the United States, or any of their duly
11 authorized representatives, for examination, copying
12 or mechanical reproduction on or off the premises of
13 such entity upon a reasonable request therefore. The
14 Secretary and the Comptroller General of the United
15 States, or any of their duly authorized representa-
16 tives, shall have the authority to conduct such exam-
17 ination, copying, and reproduction.

18 “(4) WAIVER.—The Secretary may, under ap-
19 propriate circumstances, waive the application of all
20 or part of the requirements of this subsection with
21 respect to an entity.”.

1 **SEC. 3. RURAL HEALTH OUTREACH, NETWORK DEVELOP-**
2 **MENT, AND TELEMEDICINE GRANT PRO-**
3 **GRAM.**

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

8 **“SEC. 330A. RURAL HEALTH OUTREACH, NETWORK DEVEL-**
9 **OPMENT, AND TELEMEDICINE GRANT PRO-**
10 **GRAM.**

11 “(a) ADMINISTRATION.—The rural health services
12 outreach demonstration grant program established under
13 section 301 shall be administered by the Office of Rural
14 Health Policy (of the Health Resources and Services Ad-
15 ministration), in consultation with State rural health of-
16 fices or other appropriate State governmental entities.

17 “(b) GRANTS.—Under the program referred to in
18 subsection (a), the Secretary, acting through the Director
19 of the Office of Rural Health Policy, may award grants
20 to expand access to, coordinate, restrain the cost of, and
21 improve the quality of essential health care services, in-
22 cluding preventive and emergency services, through the
23 development of integrated health care delivery systems or
24 networks in rural areas and regions.

25 “(c) ELIGIBLE NETWORKS.—

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

3 “(A) be a rural public or nonprofit private
4 entity that is or represents a network or poten-
5 tial network that includes three or more health
6 care providers or other entities that provide or
7 support the delivery of health care services; and

8 “(B) in consultation with the State office
9 of rural health or other appropriate State en-
10 tity, prepare and submit to the Secretary an ap-
11 plication, at such time, in such manner, and
12 containing such information as the Secretary
13 may require, including—

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

17 “(ii) a plan for continuing the project
18 after Federal support is ended;

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

23 “(iv) a description of how the local
24 community or region to be served by the
25 network or proposed network will be in-

1 involved in the development and ongoing op-
2 erations of the network.

3 “(2) FOR-PROFIT ENTITIES.—An eligible net-
4 work may include for-profit entities so long as the
5 network grantee is a nonprofit entity.

6 “(3) TELEMEDICINE NETWORKS.—

7 “(A) IN GENERAL.—An entity that is a
8 health care provider and a member of an exist-
9 ing or proposed telemedicine network, or an en-
10 tity that is a consortium of health care provid-
11 ers that are members of an existing or proposed
12 telemedicine network shall be eligible for a
13 grant under this section.

14 “(B) REQUIREMENT.—A telemedicine net-
15 work referred to in subparagraph (A) shall, at
16 a minimum, be composed of—

17 “(i) a multispecialty entity that is lo-
18 cated in an urban or rural area, which can
19 provide 24-hour a day access to a range of
20 specialty care; and

21 “(ii) at least two rural health care fa-
22 cilities, which may include rural hospitals,
23 rural physician offices, rural health clinics,
24 rural community health clinics, and rural
25 nursing homes.

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

4 “(1) a majority of the health care providers
5 serving in the area or region to be served by the net-
6 work;

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

10 “(3) outpatient mental health providers serving
11 in the area or region; or

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

17 “(e) USE OF FUNDS.—

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

20 “(A) for the planning and development of
21 integrated self-sustaining health care networks;
22 and

23 “(B) for the initial provision of services.

24 “(2) EXPENDITURES IN RURAL AREAS.—

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

6 “(B) TELEMEDICINE NETWORKS.—An en-
7 tity described in subsection (c)(3) may not use
8 in excess of—

9 “(i) 40 percent of the amounts pro-
10 vided under a grant under this section to
11 carry out activities under paragraph
12 (3)(A)(iii); and

13 “(ii) 20 percent of the amounts pro-
14 vided under a grant under this section to
15 pay for the indirect costs associated with
16 carrying out the purposes of such grant.

17 “(3) TELEMEDICINE NETWORKS.—

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

21 “(i) demonstrate the use of telemedi-
22 cine in facilitating the development of rural
23 health care networks and for improving ac-
24 cess to health care services for rural citi-
25 zens;

1 “(ii) provide a baseline of information
2 for a systematic evaluation of telemedicine
3 systems serving rural areas;

4 “(iii) purchase or lease and install
5 equipment; and

6 “(iv) operate the telemedicine system
7 and evaluate the telemedicine system.

8 “(B) LIMITATIONS.—An entity described
9 in subsection (c)(3), may not use amounts pro-
10 vided under a grant under this section—

11 “(i) to build or acquire real property;

12 “(ii) purchase or install transmission
13 equipment (such as laying cable or tele-
14 phone lines, microwave towers, satellite
15 dishes, amplifiers, and digital switching
16 equipment); or

17 “(iii) for construction, except that
18 such funds may be expended for minor
19 renovations relating to the installation of
20 equipment;

21 “(f) TERM OF GRANTS.—Funding may not be pro-
22 vided to a network under this section for in excess of a
23 3-year period.

24 “(g) AUTHORIZATION OF APPROPRIATIONS.—For the
25 purpose of carrying out this section there are authorized

1 to be appropriated \$36,000,000 for fiscal year 1997, and
2 such sums as may be necessary for each of the fiscal years
3 1998 through 2001.”.

4 (b) TRANSITION.—The Secretary of Health and
5 Human Services shall ensure the continued funding of
6 grants made, or contracts or cooperative agreements en-
7 tered into, under subpart I of part D of title III of the
8 Public Health Service Act (42 U.S.C. 254b et seq.) (as
9 such subpart existed on the day prior to the date of enact-
10 ment of this Act), until the expiration of the grant period
11 or the term of the contract or cooperative agreement. Such
12 funding shall be continued under the same terms and con-
13 ditions as were in effect on the date on which the grant,
14 contract or cooperative agreement was awarded, subject
15 to the availability of appropriations.

16 **SEC. 4. TECHNICAL AND CONFORMING AMENDMENTS.**

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

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

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

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

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

5 (1) in clauses (i) and (ii)(I) of section
6 1861(aa)(4)(A) (42 U.S.C. 1395x(aa)(4)(A)(i) and
7 (ii)(I)) by striking “section 329, 330, or 340” and
8 inserting “section 330 (other than subsection (h))”;
9 and

10 (2) in clauses (i) and (ii)(II) of section
11 1905(l)(2)(B) (42 U.S.C. 1396d(l)(2)(B)(i) and
12 (ii)(II)) by striking “section 329, 330, 340, or
13 340A” and inserting “section 330”.

14 (c) REFERENCES.—Whenever any reference is made
15 in any provision of law, regulation, rule, record, or docu-
16 ment to a community health center, migrant health center,
17 public housing health center, or homeless health center,
18 such reference shall be considered a reference to a health
19 center.

20 (d) FTCA CLARIFICATION.—For purposes of section
21 224(k)(3) of the Public Health Service Act (42 U.S.C.
22 233(k)(3)), transfers from the fund described in such sec-
23 tion for fiscal year 1996 shall be deemed to have occurred
24 prior to December 31, 1995.

1 (e) ADDITIONAL AMENDMENTS.—After consultation
2 with the appropriate committees of the Congress, the Sec-
3 retary of Health and Human Services shall prepare and
4 submit to the Congress a legislative proposal in the form
5 of an implementing bill containing technical and conform-
6 ing amendments to reflect the changes made by this Act.

7 **SEC. 5. EFFECTIVE DATE.**

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

Passed the Senate September 20, 1996.

Attest:

Secretary.

104TH CONGRESS
2^D SESSION

S. 1044

AN ACT

To amend title III of the Public Health Service Act to consolidate and reauthorize provisions relating to health centers, and for other purposes.