

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 980

To amend the Public Health Service Act and the Social Security Act to protect and improve the availability, quality and affordability of health care in rural areas, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JUNE 28 (legislative day, JUNE 19), 1995

Mr. HARKIN introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Public Health Service Act and the Social Security Act to protect and improve the availability, quality and affordability of health care in rural areas, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Health Care  
5 Protection and Improvement Act of 1995”.

1 **SEC. 2. IMPROVING HEALTH CARE ACCESS AND REDUCING**  
2 **HEALTH CARE COSTS THROUGH**  
3 **TELEMEDICINE.**

4 (a) IN GENERAL.—Title XVII of the Public Health  
5 Service Act (42 U.S.C. 300u et seq.) is amended—

6 (1) in the title heading by striking out “AND  
7 HEALTH PROMOTION” and inserting “,  
8 HEALTH PROMOTION AND TELEMEDICINE  
9 DEVELOPMENT”;

10 (2) by inserting after the title heading the fol-  
11 lowing:

12 “PART A—HEALTH INFORMATION AND HEALTH  
13 PROMOTION”; AND

14 (3) by adding at the end thereof the following  
15 new part:

16 “PART B—TELEMEDICINE DEVELOPMENT  
17 **“SEC. 1711. GRANT PROGRAM FOR PROMOTING THE DEVEL-**  
18 **OPMENT OF RURAL TELEMEDICINE NET-**  
19 **WORKS.**

20 “(a) ESTABLISHMENT.—The Secretary shall estab-  
21 lish a program to award grants to eligible entities in ac-  
22 cordance with this subsection to promote the development  
23 of rural telemedicine networks.

24 “(b) GRANTS FOR DEVELOPMENT OF RURAL  
25 TELEMEDICINE.—The Secretary of Health and Human  
26 Services, acting through the Office of Rural Health Policy,

1 shall award grants to eligible entities that have applica-  
2 tions approved under subsection (d) for the purpose of ex-  
3 panding access to health care services for individuals in  
4 rural areas through the use of telemedicine. Grants shall  
5 be awarded under this section to—

6           “(1) encourage the initial development of rural  
7 telemedicine networks;

8           “(2) expand existing networks;

9           “(3) link existing networks together; or

10           “(4) link such networks to existing fiber optic  
11 telecommunications systems.

12           “(c) ELIGIBLE ENTITY DEFINED.—For the purposes  
13 of this section the term ‘eligible entity’ means hospitals  
14 and other health care providers operating in a health care  
15 network of community-based providers that includes at  
16 least three of the following—

17           “(1) community or migrant health centers;

18           “(2) local health departments;

19           “(3) community mental health centers;

20           “(4) nonprofit hospitals;

21           “(5) private practice health professionals, in-  
22 cluding rural health clinics; or

23           “(6) other publicly funded health or social serv-  
24 ices agencies.

1       “(d) APPLICATION.—To be eligible to receive a grant  
2 under this section an eligible entity shall prepare and sub-  
3 mit to the Secretary an application at such time, in such  
4 manner and containing such information as the Secretary  
5 may require, including a description of—

6               “(1) the need of the entity for the grant;

7               “(2) the use to which the entity would apply  
8 any amounts received under such grant;

9               “(3) the source and amount of non-Federal  
10 funds that the entity will pledge for the project  
11 funded under the grant; and

12               “(4) the long-term viability of the project and  
13 evidence of the providers commitment to the net-  
14 work.

15       “(e) PREFERENCE IN AWARDING GRANTS.—In  
16 awarding grants under this section, the Secretary shall  
17 give preference to applicants that—

18               “(1) are health care providers operating in  
19 rural health care networks or that propose to form  
20 such networks with the majority of the providers in  
21 such networks being located in a medically  
22 undeserved area or health professional shortage  
23 area;

1           “(2) can demonstrate broad geographic cov-  
2           erage in the rural areas of the State, or States in  
3           which the applicant is located; and

4           “(3) propose to use funds received under the  
5           grant to develop plans for, or to establish,  
6           telemedicine systems that will link rural hospitals  
7           and rural health care providers to other hospitals  
8           and health care providers;

9           “(4) will use the amounts provided under the  
10          grant for a range of health care applications and to  
11          promote greater efficiency in the use of health care  
12          resources;

13          “(5) demonstrate the long-term viability of  
14          projects through use of local matching funds (in  
15          cash or in-kind); and

16          “(6) demonstrate financial, institutional, and  
17          community support and the long-range viability of  
18          the network.

19          “(f) USE OF AMOUNTS.—Amounts received under a  
20          grant awarded under this section shall be utilized for the  
21          development of telemedicine networks. Such amounts may  
22          be used to cover the costs associated with the development  
23          of telemedicine networks and the acquisition of  
24          telemedicine equipment and modifications or improve-  
25          ments of telecommunications facilities, including—

1           “(1) the development and acquisition through  
2           lease or purchase of computer hardware and soft-  
3           ware, audio and visual equipment, computer network  
4           equipment, modification or improvements to tele-  
5           communications transmission facilities, telecommuni-  
6           cations terminal equipment, interactive video equip-  
7           ment, data terminal equipment, and other facilities  
8           and equipment that would further the purposes of  
9           this section;

10           “(2) the provision of technical assistance and  
11           instruction for the development and use of such pro-  
12           gramming equipment or facilities;

13           “(3) the development and acquisition of instruc-  
14           tional programming;

15           “(4) the development of projects for teaching or  
16           training medical students, residents, and other  
17           health professions students in rural training sites  
18           about the application of telemedicine;

19           “(5) transmission costs, maintenance of equip-  
20           ment, and compensation of specialists and referring  
21           practitioners;

22           “(6) the development of projects to use  
23           telemedicine to facilitate collaboration between  
24           health care providers; and

1           “(7) such other uses that are consistent with  
2           achieving the purposes of this section as approved by  
3           the Secretary.

4           “(g) PROHIBITED USE OF AMOUNTS.—Amounts re-  
5           ceived under a grant awarded under this section shall not  
6           be used for—

7           “(1) expenditures to purchase or lease equip-  
8           ment to the extent the expenditures would exceed  
9           more than 60 percent of the total grant funds; or

10          “(2) expenditures for indirect costs (as deter-  
11          mined by the Secretary) to the extent the expendi-  
12          tures would exceed more than 10 percent of the total  
13          grant funds.

14          “(h) AUTHORIZATION OF APPROPRIATIONS.—There  
15          are authorized to be appropriated such sums as may be  
16          necessary to carry out this section.

17          “(i) DEFINITION.—For the purposes of this section,  
18          the term ‘rural health care network’ means a group of  
19          rural hospitals or other rural health care providers (includ-  
20          ing clinics, physicians and non-physicians primary care  
21          providers) that have entered into a relationship with each  
22          other or with nonrural hospitals and health care providers  
23          for the purpose of strengthening the delivery of health care  
24          services in rural areas or specifically to improve their pa-  
25          tients’ access to telemedicine services. At least 75 percent

1 of hospitals and other health care providers participating  
2 in the network shall be located in rural areas.

3 “(j) REGULATIONS ON REIMBURSEMENT OF  
4 TELEMEDICINE.—Not later than July 1, 1996, the Sec-  
5 retary, in consultation with the Office of Rural Health and  
6 the Health Care Financing Administration, shall issue  
7 regulations regarding reimbursement for telemedicine  
8 services provided under title XVIII of the Social Security  
9 Act.”.

10 **SEC. 3. ESTABLISHMENT OF RURAL HEALTH OUTREACH**  
11 **GRANT PROGRAM.**

12 Title III of the Public Health Service Act (42 U.S.C.  
13 241 et seq.) is amended by adding at the end thereof the  
14 following new part:

15 “PART O—RURAL HEALTH OUTREACH GRANTS

16 **“SEC. 3990. RURAL HEALTH OUTREACH GRANT PROGRAM.**

17 “(a) IN GENERAL.—The Secretary may make grants  
18 to demonstrate the effectiveness of outreach to populations  
19 in rural areas that do not normally seek or do not have  
20 access to health or mental health services. Grants shall  
21 be awarded to enhance linkages, integration, and coopera-  
22 tion in order to provide health or mental health services,  
23 to enhance services, or increase access to or utilization of  
24 health or mental health services.

1       “(b) MISSION OF THE OUTREACH PROJECTS.—  
2 Projects funded under subsection (a) should be designed  
3 to facilitate the integration and coordination of services  
4 in or among rural communities in order to address the  
5 needs of populations living in rural or frontier commu-  
6 nities.

7       “(c) COMPOSITION OF PROGRAM.—

8               “(1) CONSORTIUM ARRANGEMENT.—To be eli-  
9 gible to participate in the grant program established  
10 under subsection (a), an applicant entity shall be a  
11 consortium of three or more separate and distinct  
12 entities formed to carry out an outreach project  
13 under subsection (b).

14               “(2) CERTAIN REQUIREMENTS.—A consortium  
15 under paragraph (1) shall be composed of three or  
16 more public or private nonprofit health care or social  
17 service providers. Consortium members may include  
18 local health departments, community or migrant  
19 health centers, community mental health centers,  
20 hospitals or private practices, or other publicly fund-  
21 ed health or social service agencies.

22       “(d) AUTHORIZATION OF APPROPRIATIONS.—For the  
23 purpose of carrying out this section, there are authorized  
24 to be appropriated \$30,000,000 for fiscal year 1996, and

1 such sums as may be necessary for each of the fiscal years  
2 1997 through 2000.”.

3 **SEC. 4. EXTENSION OF CERTAIN PAYMENT PROVISIONS**  
4 **FOR MEDICARE DEPENDENT SMALL RURAL**  
5 **HOSPITALS.**

6 (a) IN GENERAL.—Section 1886(d)(5)(G)(i) of the  
7 Social Security Act (42 U.S.C. 1395ww(d)(5)(G)(i)) is  
8 amended by striking “October 1, 1994” and inserting  
9 “October 1, 1999”.

10 (b) PAYMENT.—Section 1886(b)(3)(D) of such Act  
11 (42 U.S.C. 1395ww(b)(3)(D)) is amended by striking  
12 “September 30, 1994” and inserting “September 30,  
13 1999”.

14 (C) EFFECTIVE DATE.—The amendments made by  
15 this section shall take effect as if enacted on October 1,  
16 1994.

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