

/* Title III of the Health Security Act follows. */

Title III
PUBLIC HEALTH INITIATIVES
Table of Contents

Subtitle A Workforce Priorities Under Federal Payments

Part 1 Institutional Costs of Graduate Medical Education;
Workforce Priorities

Sub Part A NATIONAL COUNCIL REGARDING WORKFORCE
PRIORITIES

Section 3001 National Council on Graduate Medical
Education

Sub Part B AUTHORIZED POSITIONS IN SPECIALTY TRAINING

Section 3011 Cooperation regarding approved physician
training programs

Section 3012 Annual authorization of number of
specialty positions; requirements regarding primary health care

Section 3013 Allocations among specialities and
programs

Sub Part C INSTITUTIONAL COSTS OF GRADUATE MEDICAL
EDUCATION

Section 3031 Federal formula payments to approved
physician training programs

Section 3032 Application for payments

Section 3033 Availability of funds for payments;
annual amount of payments

Section 3034 Additional funding provisions

Sub Part D GENERAL PROVISIONS

Section 3041 Definitions

Sub Part E TRANSITIONAL PROVISIONS

Section 3051 Transitional payments to institutions

Part 2 Institutional Costs of Graduate Nursing Education;
Workforce Priorities

Section 3061 National council; authorized graduate
nurse training positions; institutional costs

Section 3062 Applicability of part 1 provisions

Section 3063 Funding

Part 3 Related Programs

Section 3071 Programs of the Secretary of Health and
Human Services

Section 3072 Programs of the Secretary of Labor

Section 3073 National Institute for Health Care
Workforce Development

Section 3074 Requirement for certain programs
regarding redeployment of health care workers

Subtitle B Academic Health Centers

Part 1 Formula Payments

Section 3101 Federal formula payments to academic
health centers

Section 3102 Request for payments

Section 3103 Availability of funds for payments;
annual amount of payments

Section 3104 Additional funding provisions

Part 2 Access of Patients to Academic Health Centers

Section 3131 Contracts for ensuring access to centers

Section 3132 Discretionary grants regarding access to
centers

Subtitle C Health Research Initiatives

Part 1 Programs for Certain Agencies

Section 3201 Biomedical and behavioral research on health promotion and disease prevention

Section 3202 Health services research

Part 2 Funding for Programs

Section 3211 Authorizations of appropriations

Subtitle D Core Functions of Public Health Programs; National Initiatives Regarding Preventive Health

Part 1 Funding

Section 3301 Authorizations of appropriations

Part 2 Core Functions of Public Health Programs

Section 3311 Purposes
Section 3312 Grants to States for core health functions

Section 3313 Submission of information

Section 3314 Reports

Section 3315 Application for grant

Section 3316 General provisions

Section 3317 Allocations for certain activities

Section 3318 Definitions

Part 3 National Initiatives Regarding Health Promotion and Disease Prevention

Section 3331 Grants for national prevention initiatives

Section 3332 Priorities

Section 3333 Submission of information

Section 3334 Application for grant

Subtitle E Health Services for Medically Underserved
Populations

Part 1 Community and Migrant Health Centers

Section 3401 Authorizations of appropriations

Section 3402 Use of funds

Part 2 Initiatives for Access to Health Care

Sub Part A PURPOSES; FUNDING

Section 3411 Purposes

Section 3412 Authorizations of appropriations

Sub Part B DEVELOPMENT OF QUALIFIED COMMUNITY HEALTH
PLANS AND PRACTICE NETWORKS

Section 3421 Grants and contracts for development of
plans and networks

Section 3422 Preferences in making awards of
assistance

Section 3423 Certain uses of awards

Section 3424 Accessibility of services

Section 3425 Additional agreements

Section 3426 Submission of certain information

Section 3427 Reports; audits

Section 3428 Application for assistance

Section 3429 General provisions

Sub Part C CAPITAL COST OF DEVELOPMENT OF QUALIFIED
COMMUNITY HEALTH PLANS AND PRACTICE NETWORKS

Section 3441 Loans and loan guarantees regarding
plans and networks

Section 3442 Certain requirements

Section 3443 Defaults; right of recovery

Section 3444 Provisions regarding construction or
expansion of facilities

Section 3445 Application for assistance

Section 3446 Administration of programs

Sub Part D ENABLING SERVICES

Section 3461 Grants and contracts for enabling
services

Section 3462 Authorizations of appropriations

Part 3 National Health Service Corps

Section 3471 Authorizations of appropriations

Section 3472 Allocation for participation of nurses
in scholarship and loan repayment programs

Part 4 Payments to Hospitals Serving Vulnerable Populations

Section 3481 Payments to hospitals

Section 3482 Identification of eligible hospitals

Section 3483 Amount of payments

Section 3484 Base year

Subtitle F Mental Health; Substance Abuse

Part 1 Financial Assistance

Section 3501 Authorizations of appropriations

Section 3502 Supplemental formula grants for States regarding activities under part B of title XIX of Public Health Service Act

Section 3503 Capital costs of development of certain centers and clinics

Part 2 Authorities Regarding Participating States

Sub Part A REPORT

Section 3511 Report on integration of mental health systems

Sub Part B PILOT PROGRAM

Section 3521 Pilot program

Subtitle G Comprehensive School Health Education; School-Related Health Services

Part 1 General Provisions

Section 3601 Purposes

Section 3602 Definitions

Part 2 School Health Education; General Provisions

Section 3611 Authorizations of appropriations

Section 3612 Waivers of statutory and regulatory requirements

Part 3 School Health Education; Grants to State Education Agencies

Sub Part A PLANNING GRANTS FOR STATE EDUCATION AGENCIES

Section 3621 Application for grant

Section 3622 Approval of Secretary

Section 3623 Amount of grant

Section 3624 Authorized activities

Sub Part B IMPLEMENTATION GRANTS FOR STATE EDUCATION AGENCIES

Section 3631 Application for grant

Section 3632 Selection of grantees

Section 3633 Amount of grant

Section 3634 Authorized activities; limitation on administrative costs

Section 3635 Subgrants to local educational agencies

Sub Part C STATE AND LOCAL REPORTS

Section 3641 State and local reports

Part 4 School Health Education; Grants to Certain Local Educational Agencies

Sub Part A ELIGIBILITY

Section 3651 Substantial need of area served by agency

Sub Part B PLANNING GRANTS FOR LOCAL EDUCATION AGENCIES

Section 3661 Application for grant

Section 3662 Selection of grantees

Section 3663 Amount of grant

Section 3664 Authorized activities

Sub Part C IMPLEMENTATION GRANTS FOR LOCAL EDUCATIONAL AGENCIES

Section 3671 Application for grant

Section 3672 Selection of grantees

Section 3673 Amount of grant

Section 3674 Authorized activities

Section 3675 Reports

Part 5 School-related Health Services

Sub Part A DEVELOPMENT AND OPERATION OF PROJECTS

Section 3681 Authorizations of appropriations

Section 3682 Eligibility for development and
operation grants

Section 3683 Preferences

Section 3684 Grants for development of projects

Section 3685 Grants for operation of projects

Section 3686 Federal administrative costs

Sub Part B CAPITAL COSTS OF DEVELOPING PROJECTS

Section 3691 Loans and loan guarantees regarding
projects

Section 3692 Funding

Subtitle H Public Health Service Initiative

Section 3701 Public health service initiative

Subtitle I Coordination With COBRA Continuation Coverage

Section 3801 Public Health Service Act; coordination
with COBRA continuation coverage

Subtitle A Workforce Priorities Under Federal Payments

Part 1 INSTITUTIONAL COSTS OF GRADUATE MEDICAL EDUCATION;
WORKFORCE PRIORITIES

Subpart A National Council Regarding Workforce
Priorities

Section 3001 NATIONAL COUNCIL ON GRADUATE MEDICAL
EDUCATION.

(a) In General. There is established within the Department of Health and Human Services a council to be known as the National Council on Graduate Medical Education.

(b) Duties. The Secretary shall carry out subpart B acting through the National Council.

(c) Composition.

(1) In general. The membership of the National Council shall include individuals who are appointed to the Council from among individuals who are not officers or employees of the United States. Such individuals shall be appointed by the Secretary, and shall include individuals from each of the following categories:

(A) Consumers of health care services.

(B) Physicians who are faculty members of medical schools.

(C) Physicians in private practice who are not physicians described in subparagraph (B).

(D) Officers or employees of regional and corporate health alliances.

(E) Officers or employees of health care plans that participate in such alliances.

(F) Such other individuals as the Secretary determines to be appropriate.

(2) Ex officio members; other federal officers or employees. The membership of the National Council shall include individuals designated by the Secretary to serve as members of the Council from among Federal officers or employees who are appointed by the President, or by the Secretary or other Federal officers who are appointed by the President with the advice and consent of the Senate.

(d) Chair. The Secretary shall, from among members of the National Council appointed under subsection (c)(1), designate an individual to serve as the Chair of the Council.

(e) Definitions. For purposes of this subtitle:

(1) The term "medical school" means a school of medicine (as defined in section 799 of the Public Health Service Act) or a school of osteopathic medicine (as defined in such section).

(2) The term "National Council" means the council established in subsection (a).

Subpart B Authorized Positions in Specialty Training

Section 3011 COOPERATION REGARDING APPROVED
PHYSICIAN TRAINING PROGRAMS.

(a) In General. With respect to an approved physician training program in a medical specialty, a funding agreement for payments under section 3031 for a calendar year is that the program will ensure that the number of individuals enrolled in the program in the subsequent academic year is in accordance with this subpart.

(b) Definitions.

(1) Approved program. For purposes of this subtitle:

(A) The term "approved physician training program", with respect to the medical speciality involved, means a residency or other postgraduate program that trains physicians and meets the following conditions:

(i) Participation in the program may be counted toward certification in the medical specialty.

(ii) The program is accredited by the Accreditation Council on Graduate Medical Education, or approved by the Council on Postgraduate Training of the American Osteopathic Association.

(B) The term "approved physician training program" includes any postgraduate program described in subparagraph (A) that provides health services in an ambulatory setting, without regard to whether the program provides inpatient hospital services.

(C) The term "approved physician training program" includes any postgraduate program described in subparagraph (A), whether operated by academic health centers, teaching hospitals, multispecialty group practices, ambulatory care providers, prepaid health plans, or other entities.

(2) Eligible program; subpart definition. For purposes of this subpart, the term "eligible program", with respect to an academic year, means an approved physician training program that receives payments under subpart C for the calendar year in which the academic year begins.

(3) Other definitions. For purposes of this subtitle:

(A) (i) The term "academic year" means the 1-year period beginning on July 1. The academic year beginning July 1, 1993, is academic year 1993-94.

(ii) With respect to the funding agreement described in subsection (a), the term "subsequent academic year" means the academic year beginning July 1 of the calendar year for which payments are to be made under the agreement.

(B) The term "funding agreement", with respect to payments under section 3031 to an eligible program, means that the Secretary may make the payments only if the program makes the agreement involved.

(C) The term "medical specialty" includes all medical, surgical, and other physician specialties and subspecialties.

Section 3012 ANNUAL AUTHORIZATION OF NUMBER OF SPECIALTY POSITIONS; REQUIREMENTS REGARDING PRIMARY HEALTH CARE.

(a) Annual Authorization of Number of Positions. In the case of each medical specialty, the National Council shall, pursuant to section 3011, designate for each academic year the number of individuals nationwide who are authorized to be enrolled in eligible programs. The preceding sentence is subject to subsection (c) (2).

(b) Primary Health Care.

(1) In general. Subject to paragraph (2), in carrying out

subsection (a) for an academic year, the National Council shall ensure that, of the class of training participants entering eligible programs for academic year 1998-99 or any subsequent academic year, the percentage of such class that completes eligible programs in primary health care is not less than 55 percent (without regard to the academic year in which the members of the class complete the programs).

(2) Rule of construction. The requirement of paragraph (1) regarding a percentage applies in the aggregate to training participants entering eligible programs for the academic year involved, and not individually to any eligible program.

(c) Designations Regarding 3-Year Periods.

(1) Designation periods. For each medical specialty, the National Council shall make the annual designations under subsection (a) for periods of 3 academic years.

(2) Initial period. The first designation period established by the National Council after the date of the enactment of this Act shall be the academic years 1998-99 through 2000-01.

(d) Certain Considerations in Designating Annual Numbers.

(1) In general. Factors considered by the National Council in designating the annual number of specialty positions for an academic year for a medical specialty shall include the extent to which there is a need for additional practitioners in the speciality, as indicated by the following:

(A) The incidence and prevalence (in the general population and in various other populations) of the diseases, disorders, or other health conditions with which the specialty is concerned.

(B) The number of physicians who will be practicing in the specialty in the academic year.

(C) The number of physicians who will be practicing in the specialty at the end of the 5-year period beginning on the first day of the academic year.

(2) Recommendations of private organizations. In designating the annual number of specialty positions for an

academic year for a medical specialty, the National Council shall consider the recommendations of organizations representing physicians in the specialty and the recommendations of organizations representing consumers of the services of such physicians.

(3) Total of respective annual numbers.

(A) Subject to subparagraph (B), for academic year 1998-99 and subsequent academic years, the National Council shall ensure that the total of the respective annual numbers designated under subsection (a) for an academic year is a total that

(i) bears a relationship to the number of individuals who graduated from medical schools in the United States in the preceding academic year; and

(ii) is consistent with the purposes of this subpart.

(B) For each of the academic years 1998-99 through 2002-03, the total determined under subparagraph (A) shall be reduced by a percentage determined by the National Council.

(e) Definitions. For purposes of this subtitle:

(1) The term "annual number of specialty positions", with respect to a medical specialty, means the number designated by the National Council under subsection (a) for eligible programs for the academic year involved.

(2) The term "designation period" means a 3-year period under subsection (c)(1) for which designations under subsection (a) are made by the National Council.

(3) The term "primary health care" means the following medical specialties: Family medicine, general internal medicine, general pediatrics, and obstetrics and gynecology.

(4) The term "specialty position" means a position as a training participant.

(5) The term "training participant" means an individual who is enrolled in an approved physician training program.

Section 3013 ALLOCATIONS AMONG SPECIALITIES AND PROGRAMS.

(a) In General. For each academic year, the National Council shall for each medical specialty make allocations among eligible programs of the annual number of specialty positions that the Council has designated for such year. The preceding sentence is subject to subsection (b) (3).

(b) Allocations Regarding 3-Year Period.

(1) In general. For each medical specialty, the National Council shall make the annual allocations under subsection (a) for periods of 3 academic years.

(2) Advance notice to programs. With respect to the first academic year of an allocation period established by the National Council, the National Council shall, not later than July 1 of the preceding academic year, notify each eligible program of the allocations made for the program for each of the academic years of the period.

(3) Initial period. The first allocation period established by the National Council after the date of the enactment of this Act shall be the academic years 1998-99 through 2000-01.

(c) Certain Considerations.

(1) Geographic areas; quality of programs. In making allocations under subsection (a) for eligible programs of the various geographic areas, the National Council shall include among the factors considered the historical distribution among the areas of approved physician training programs, and the quality of such programs.

(2) Underrepresentation of minority groups. In making an allocation under subsection (a) for an eligible program, the National Council shall include among the factors considered the following:

(A) The extent to which the population of training participants in the program includes training participants who are members of racial or ethnic minority groups.

(B) With respect to a racial or ethnic group represented among the training participants, the extent to which the group is underrepresented in the field of medicine generally

and in the various medical specialities.

(3) Recommendations of private organizations. In making allocations under subsection (a) for eligible programs, the National Council shall consider the recommendations of organizations representing physicians in the medical specialties and the recommendations of organizations representing consumers of the services of such physicians.

(d) Definitions. For purposes of this subtitle, the term "allocation period" means a 3-year period under subsection (b) (1) for which allocations under subsection (a) are made by the National Council.

Subpart C Institutional Costs of Graduate Medical Education

Section 3031 FEDERAL FORMULA PAYMENTS TO APPROVED PHYSICIAN TRAINING PROGRAMS.

(a) In General. In the case of an approved physician training program that in accordance with section 3032 submits to the Secretary an application for calendar year 1996 or any subsequent calendar year, the Secretary shall make payments for such year to the program for the purpose specified in subsection (b). The Secretary shall make the payments in an amount determined in accordance with section 3033, and may administer the payments as a contract, grant, or cooperative agreement.

(b) Payments for Operation of Approved Physician Training Programs. The purpose of payments under subsection (a) is to assist an eligible program with the costs of operation. A funding agreement for such payments is that the approved physician training program involved will expend the payments only for such purpose.

(c) Eligible Program; Subpart Definition. For purposes of this subpart, the term "eligible program", with respect to the calendar year involved, means an approved physician training program that submits to the Secretary an application for such year in accordance with section 3032.

Section 3032 APPLICATION FOR PAYMENTS.

(a) In General. For purposes of section 3031(a), an application for payments under such section for a calendar year

is in accordance with this section if

(1) the approved physician training program involved submits the application not later than the date specified by the Secretary;

(2) the application demonstrates that the condition described in subsection (b) is met with respect to the program;

(3) the application contains each funding agreement described in this part and the application provides such assurances of compliance with the agreements as the Secretary may require; and

(4) the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this part.

(b) Certain Conditions. An approved physician training program meets the condition described in this subsection for receiving payments under section 3031 for a calendar year if the institution within which the program operates agrees that such payments will be made by the Secretary directly to the program (and such agreement is included in the application under subsection (a)), and the Secretary shall ensure that such institution is permitted to participate as a provider in a regional or corporate alliance health plan during such year only if each of the approved physician training programs of the institution meets the requirements for receiving payments under such section for such year.

Section 3033 AVAILABILITY OF FUNDS FOR PAYMENTS;
ANNUAL AMOUNT OF PAYMENTS.

(a) Annual Health Professions Workforce Account.

(1) In general. Subject to paragraph (2) and section 3034, the amount available for a calendar year for making payments under sections 3031 and 3051 (constituting an account to be known as the annual health professions workforce account) is the following, as applicable to the calendar year:

(A) In the case of calendar year 1996,
\$3,200,000,000.

(B) In the case of calendar year 1997,
\$3,550,000,000.

(C) In the case of calendar year 1998,
\$4,800,000,000.

(D) In the case of each of the calendar years 1999
and 2000, \$5,800,000,000.

(E) In the case of each subsequent calendar year, the
amount specified in subparagraph (D) increased by the product of
such amount and the general health care inflation factor for such
year (as defined in subsection (d)).

(2) Transitional provision.

(A) With respect to making payments under sections
3031 and 3051 for calendar year 1996 or 1997, the Secretary shall
first make payments under section 3031 to eligible programs
described in subparagraph (B) in the amount determined for the
programs under subsection (b) for such year, and then, from such
amounts as remain available in the annual health professions
workforce account for such year, shall make payments under
section 3031 to other eligible programs and shall make payments
under section 3051.

(B) An eligible program described in this
subparagraph is such a program that is operated in a State that
is a participating State under title I.

(b) Amount of Payments for Individual Eligible Programs.

(1) In general. Subject to the annual health professions
workforce account available for a calendar year, the amount of
payments required in section 3031 to be made to an eligible
program for the calendar year is an amount equal to the product
of

(A) the number of full-time equivalent training
participants in the program; and

(B) the national average of the costs of such
programs in training such a participant, as determined by
consideration of the following factors (and as adjusted under
paragraph (2)):

(i) The national average salary of training participants.

(ii) The national average costs of such programs in providing for faculty supervision of training participants and for related activities.

(2) Additional provisions regarding national average cost.

(A) The Secretary shall in accordance with paragraph (1)(B) determine, for academic year 1992-93, an amount equal to the national average described in such paragraph with respect to training a participant in an approved physician training program in the medical specialty involved. The national average applicable under such paragraph for a calendar year for such programs is, subject to subparagraph (B), the amount determined under the preceding sentence increased by the amount necessary to offset the effects of inflation occurring since academic year 1992-93, as determined through use of the consumer price index.

(B) The national average determined under subparagraph (A) and applicable to a calendar year shall, in the case of the eligible program involved, be adjusted by a factor to reflect regional differences in the applicable wage and wage-related costs.

(c) Limitation. If, subject to subsection (a)(2), the annual health professions workforce account available for a calendar year is insufficient for providing each eligible program with the amount of payments determined under subsection (b) for the program for such year, the Secretary shall make such pro rata reductions in the amounts so determined as may be necessary to ensure that the total of payments made under section 3031 for such year equals the total of such account.

(d) Definitions. For purposes of this subtitle:

(1) The term "annual health professions workforce account" means the account established pursuant to subsection (a)(1).

(2) The term "consumer price index" has the meaning given such term in section 1902.

(3) The term "general health care inflation factor", with respect to a year, has the meaning given such term in section

6001(a) (3) for such year.

Section 3034 ADDITIONAL FUNDING PROVISIONS.

(a) Sources of Funds for Annual Health Professions Workforce Account. The amount specified in section 3033(a)(1) for the annual health professions workforce account for a calendar year shall be derived from the sources specified in subsection (b).

(b) Contributions From Medicare Trust Funds, Regional Alliances, and Corporate Alliances. For purposes of subsection (a), the sources specified in this subsection for a calendar year are the following:

(1) Transfers made by the Secretary under section 4051.

(2) Payments made by regional alliances under section 1353 and

(A) in the case of each of the calendar years 1996 and 1997, transferred in an amount equal to 50 percent of such payments made for the calendar year involved; and

(B) in the case of calendar year 1998 and each subsequent calendar year, transferred in an amount equal to the aggregate regional alliance portion determined under subsection (c) (2) (A).

(3) The transfer made under subsection (d) (1).

(c) Contributions From Regional and Corporate Alliances.

(1) Determination of aggregate regional and corporate alliance amount. For purposes regarding the provision of funds for the annual health professions workforce account for a calendar year (other than calendar year 1996 or 1997), the Secretary shall determine an aggregate regional and corporate alliance amount, which amount is to be paid by such alliances pursuant to paragraphs (2) (B) and (3) of subsection (b), respectively, and which amount shall be equal to the difference between

(A) the amount specified in section 3033(a)(1) for the annual health professions workforce account for such year; and

(B) the amount transferred under section 4051 for the year.

(2) Allocation of amount among regional and corporate alliances. With respect to the aggregate regional and corporate alliance amount determined under paragraph (1) for a calendar year (other than calendar year 1996 or 1997)

(A) the aggregate regional alliance portion of such amount is the product of such amount and the percentage constituted by the ratio of the total plan payments of regional alliances to the combined total plan payments of regional alliances and corporate alliances; and

(B) the aggregate corporate alliance portion of such amount is the product of such amount and the percentage constituted by the ratio of the total plan payments of corporate alliances to such combined total plan payments.

(d) Compliance Regarding Corporate Alliances.

(1) In general. Effective January 15 of calendar year 1996 and each subsequent calendar year, there is hereby transferred to the Secretary, out of any money in the Treasury not otherwise appropriated

(A) in the case of each of the calendar years 1996 and 1997, an amount equal to the difference between

(i) the amount specified in section 3033(a)(1) for the annual health professions workforce account for the calendar year involved; and

(ii) the sum of the amount transferred under section 4051 for such year and the amount transferred under subsection (b)(2)(A) for such year; and

(B) in the case of calendar year 1998 and each subsequent calendar year, an amount equal to the aggregate corporate alliance portion determined under subsection (c)(2)(B) for the calendar year involved.

(2) Manner of compliance. The payment by corporate alliances of the tax imposed under section 3461 of the Internal Revenue Code of 1986 (as added by section 7121 of this Act), together with the transfer made in paragraph (1)(B) for the

calendar year involved, is deemed to be the payment required pursuant to subsection (c)(1) for corporate alliances for such year.

(3) Graduate nurse education. Effective January 15 of calendar year 1996 and each subsequent calendar year, there is hereby transferred to the Secretary, out of any money in the Treasury not otherwise appropriated, 50 percent of the amount specified in section 3063(b) with respect to the annual graduate nurse training account.

(e) Definitions. For purposes of this subtitle, the term "plan payments" with respect to a regional or corporate alliance, means the amount paid to health plans by the alliance.

Subpart D General Provisions

Section 3041 DEFINITIONS.

For purposes of this subtitle:

(1) The term "academic year" has the meaning given such term in section 3011(b).

(2) The term "allocation period" has the meaning given such term in section 3013(d).

(3) The term "annual health professions workforce account" has the meaning given such term in section 3033(d).

(4) The term "annual number of specialty positions" has the meaning given such term in section 3012(e).

(5) The term "approved physician training program" has the meaning given such term in section 3011(b).

(6) The term "consumer price index" has the meaning given such term in section 3033(d).

(7) The term "designation period" has the meaning given such term in section 3012(e).

(8) The term "eligible program" has the meaning given such term in section 3011(b), in the case of subpart B; and has the meaning given such term in section 3031(c), in the case of subpart C.

(9) The term "funding agreement" has the meaning given such term in section 3011(b).

(10) The term "general health care inflation factor" has the meaning given such term in section 3033(d).

(11) The term "medical school" has the meaning given such term in section 3001(e).

(12) The term "medical specialty" has the meaning given such term in section 3011(b).

(13) The term "National Council" has the meaning given such term in section 3001(e).

(14) The term "plan payments" has the meaning given such term in section 3034(e).

(15) The term "primary health care" has the meaning given such term in section 3012(e).

(16) The term "specialty position" has the meaning given such term in section 3012(e).

(17) The term "training participant" has the meaning given such term in section 3012(e).

Subpart E Transitional Provisions

Section 3051 TRANSITIONAL PAYMENTS TO INSTITUTIONS.

(a) Payments Regarding Effects of Subpart B Allocations. For each of the four calendar years specified in subsection (b)(2), in the case of an institution that submits to the Secretary an application for such year in accordance with subsection (d), the Secretary shall make payments for the year to the institution for the purpose specified in subsection (c). The Secretary shall make the payments in an amount determined in accordance with subsection (e), and may administer the payments as a contract, grant, or cooperative agreement.

(b) Institutions Losing Specialty Positions; Relevant Years Regarding Payments.

(1) Institutions losing specialty positions. The

Secretary may make payments under subsection (a) to an institution only if, with respect to the calendar year involved, the institution meets the following conditions:

(A) The institution operates one or more programs that

(i) are approved physician training programs; and

(ii) are receiving payments under section 3031 for such year.

(B) The aggregate number of speciality positions in such programs (in the medical specialities with respect to which such payments are made) is below the aggregate number of such positions at the institution for academic year 1993-94 as a result of allocations under subpart B.

(2) Relevant years. The Secretary may make payments under subsection (a) to an institution only for the first four calendar years after calendar 1997 for which the institution meets the conditions described in paragraph (1).

(3) Eligible institution. For purposes of this section, the term "eligible institution" means an institution that submits to the Secretary an application in accordance with subsection (d).

(c) Purpose of Payments. The purpose of payments under subsection (a) is to assist an eligible institution with the costs of operation. A funding agreement for such payments is that the institution involved will expend the payments only for such purpose.

(d) Application for Payments. For purposes of subsection (a), an application for payments under such subsection is in accordance with this subsection if the institution involved submits the application not later than the date specified by the Secretary; the application demonstrates that the institution meets the conditions described in subsection (b)(1) and that the institution has cooperated with the approved physician training programs of the institution in meeting the condition described in section 3032(b); the application contains each funding agreement described in this subpart and the application provides such assurances of compliance with the agreements as the Secretary may require; and the application is in such form, is made in such manner, and contains such agreements, assurances, and information

as the Secretary determines to be necessary to carry out this subpart.

(e) Amount of Payments.

(1) In general. Subject to the annual health professions workforce account available for the calendar year involved, the amount of payments required in subsection (a) to be made to an eligible institution for such year is the product of the amount determined under paragraph (2) and the applicable percentage specified in paragraph (3).

(2) Number of specialty positions lost; national average salary. For purposes of paragraph (1), the amount determined under this paragraph for an eligible institution for the calendar year involved is the product of

(A) an amount equal to the aggregate number of full-time equivalent specialty positions lost; and

(B) the national average salary of training participants.

(3) Applicable percentage. For purposes of paragraph (1), the applicable percentage for a calendar year is the following, as applicable to such year:

(A) For the first calendar year after calendar 1997 for which the eligible institution involved meets the conditions described in subsection (b)(1), 100 percent.

(B) For the second such year, 75 percent.

(C) For the third such year, 50 percent.

(D) For the fourth such year, 25 percent.

(4) Determination of specialty positions lost.

(A) For purposes of this subsection, the aggregate number of specialty positions lost, with respect to a calendar year, is the difference between

(i) the aggregate number of specialty positions described in subparagraph (B) that are estimated for the eligible institution involved for the academic year beginning in such calendar year;

and

(ii) the aggregate number of such specialty positions at the institution for academic year 1993-94.

(B) For purposes of subparagraph (A), the specialty positions described in this subparagraph are specialty positions in the medical specialties with respect to which payments under section 3031 are made to the approved physician training programs of the eligible institution involved.

(5) Additional provision regarding national average salary.

(A) The Secretary shall determine, for academic year 1992-93, an amount equal to the national average described in paragraph (2) (B). The national average applicable under such paragraph for a calendar year is, subject to subparagraph (B), the amount determined under the preceding sentence increased by an amount necessary to offset the effects of inflation occurring since academic year 1992-93, as determined through use of the consumer price index.

(B) The national average determined under subparagraph (A) and applicable to a calendar year shall, in the case of the eligible institution involved, be adjusted by a factor to reflect regional differences in the applicable wage and wage-related costs.

Part 2 INSTITUTIONAL COSTS OF GRADUATE NURSING EDUCATION;
WORKFORCE PRIORITIES

Section 3061 NATIONAL COUNCIL; AUTHORIZED GRADUATE
NURSE TRAINING POSITIONS; INSTITUTIONAL COSTS.

(a) Program Regarding Graduate Nurse Training Programs. The Secretary shall, in accordance with this part, carry out a program with respect to graduate nurse training programs that is equivalent to the program carried out under part 1 with respect to approved physician training programs.

(b) Definitions. For purposes of this part:

(1) The term "graduate nurse training programs" means programs for advanced nurse education, programs for education as nurse practitioners, programs for education as nurse midwives,

programs for education as nurse anesthetists, and such other programs for providing training in clinical nurse specialties as are determined by the Secretary to require advanced education.

(2) The term "graduate nurse training position" means a position as an individual who is enrolled in a graduate nurse training program.

(3) The term "programs for advanced nurse education" means programs meeting the conditions to be programs for which awards of grants and contracts may be made under section 821 of the Public Health Service Act.

(4) The term "programs for education as nurse practitioners" means programs meeting the conditions to be programs for which awards of grants and contracts may be made under section 822 of the Public Health Service Act for education as a nurse practitioners.

(5) The term "programs for education as nurse midwives" means programs meeting the conditions to be programs for which awards of grants and contracts may be made under section 822 of the Public Health Service Act for education as nurse midwives.

(6) The term "programs for education as nurse anesthetists" means programs meeting the conditions to be programs for which awards of grants may be made under section 831 of the Public Health Service Act for education as nurse anesthetists.

Section 3062 APPLICABILITY OF PART 1 PROVISIONS.

(a) In General. The provisions of part 1 apply to the program carried out under section 3061 to the same extent and in the same manner as such provisions apply to the program carried out under part 1, subject to the subsequent provisions of this section. Section 3051 does not apply for purposes of the preceding sentence.

(b) National Council. With respect to section 3001 as applied to this part, the council shall be known as the National Council on Graduate Nurse Education (in this part referred to as the "National Council"). The provisions of section 851 of the Public Health Service Act regarding the composition of the council under such section apply to the composition of the National Council to the same extent and in the same manner as such provisions apply

to the council under such section 851.

(c) Allocation of Graduate Nurse Training Positions; Formula Payments for Operating Costs. With respect to subparts B and C of part 1 as applied to this part

(1) the funding agreement described in section 3011 is to be made by graduate nurse training programs;

(2) designations under section 3012 and allocations under section 3013 apply to graduate nurse training positions; and

(3) payments under section 3031 are to be made to graduate nurse training programs, subject to the requirements for such payments.

Section 3063 FUNDING.

(a) In General. With respect to sections 3033 and 3034 as applied to this part, the provisions of this section apply.

(b) Annual Graduate Nurse Training Account. Subject to subsection (c), the amount available for each calendar year for making payments pursuant to section 3062(c)(3) to graduate nurse training programs (constituting an account to be known as the annual graduate nurse training account) is \$200,000,000.

(c) Sources of Funds for Account. The amount specified in subsection (b) for the annual graduate nurse training account for a calendar year shall be derived from the following sources:

(1) The transfer under section 3034(d)(3).

(2) The transfer under section 3104(d)(3).

Part 3 RELATED PROGRAMS

Section 3071 PROGRAMS OF THE SECRETARY OF HEALTH AND HUMAN SERVICES.

(a) In General.

(1) Funding. For purposes of carrying out the programs described in this section, there is authorized to be appropriated \$400,000,000 for fiscal year 1994 and each subsequent fiscal year (in addition to amounts that may otherwise be authorized to be

appropriated for carrying out the programs).

(2) Administration. The programs described in this section and carried out with amounts made available under subsection (a) shall be carried out by the Secretary of Health and Human Services.

(b) Primary Care Physician and Physician Assistant Training. For purposes of subsection (a), the programs described in this section include programs to support projects to train additional numbers of primary care physicians and physician assistants, including projects to enhance community-based generalist training for medical students, residents, and practicing physicians; to retrain mid-career physicians previously certified in a nonprimary care medical specialty; to expand the supply of physicians with special training to serve in rural and inner-city medically underserved areas; to support expansion of service-linked educational networks that train a range of primary care providers in community settings; to provide for training in managed care, cost-effective practice management, and continuous quality improvement; and to develop additional information on primary care workforce issues as required to meet future needs in health care.

(c) Training of Underrepresented Minorities and Disadvantaged Persons. For purposes of subsection (a), the programs described in this section include a program to support projects to increase the number of underrepresented minority and disadvantaged persons in medicine, osteopathy, dentistry, nursing, public health, and other health professions, including projects to provide continuing financial assistance for such persons entering health professions training programs; to increase support for recruitment and retention of such persons in the health professions; to maintain efforts to foster interest in health careers among such persons at the preprofessional level; and to increase the number of minority health professions faculty.

(d) Nurse Training. For purposes of subsection (a), the programs described in this section include a program to support projects to support midlevel provider training and address priority nursing workforce needs, including projects to train additional nurse practitioners and nurse midwives; to support baccalaureate-level nurse training programs providing preparation for careers in teaching, community health service, and specialized clinical care; to train additional nurse clinicians and nurse anesthetists; to support interdisciplinary school-based

community nursing programs; and to promote research on nursing workforce issues.

(e) Inappropriate Practice Barriers; Full Utilization of Skills. For purposes of subsection (a), the programs described in this section include a program

(1) to develop and encourage the adoption of model professional practice statutes for advanced practice nurses and physician assistants, and to otherwise support efforts to remove inappropriate barriers to practice by such nurses and such physician assistants; and

(2) to promote the full utilization of the professional education and clinical skills of advanced practice nurses and physician assistants.

(f) Other Programs. For purposes of subsection (a), the programs described in this section include a program to train health professionals and administrators in managed care, cost-effective practice management, continuous quality improvement practices, and provision of culturally sensitive care.

(g) Relationship to Existing Programs. This section may be carried out through programs established in title VII or VIII of the Public Health Service Act, as appropriate and as consistent with the purposes of such programs.

Section 3072 PROGRAMS OF THE SECRETARY OF LABOR.

(a) In General.

(1) Funding. For purposes of carrying out the programs described in this section, and for carrying out section 3073, there is authorized to be appropriated \$200,000,000 for fiscal year 1994 and each subsequent fiscal year (in addition to amounts that may otherwise be authorized to be appropriated for carrying out the programs).

(2) Administration. The programs described in this section and carried out with amounts made available under subsection (a) shall be carried out by the Secretary of Labor (in this section referred to as the "Secretary").

(b) Retraining Programs; Advanced Career Positions; Workforce Adjustment Programs.

(1) In general. For purposes of subsection (a), the programs described in this section are the following:

(A) A program for skills upgrading and occupational retraining (including retraining health care workers for more advanced positions as technicians, nurses, and physician assistants), and for quality and workforce improvement.

(B) A demonstration program to assist workers in health care institutions in obtaining advanced career positions.

(C) A program to develop and operate health-worker job banks in local employment services agencies, subject to the following:

(i) Such job banks shall be available to all health care providers in the community involved.

(ii) Such job banks shall begin operation not later than 90 days after the date of the enactment of this Act.

(D) A program to provide for joint labor-management decision-making in the health care sector on workplace matters related to the restructuring of the health care delivery system provided for in this Act.

(E) A program to facilitate the comprehensive workforce adjustment initiative.

(2) Use of funds. Amounts made available under subsection (a) for carrying out this section may be expended for program support, faculty development, trainee support, workforce analysis, and dissemination of information, as necessary to produce required performance outcomes.

(c) Certain Requirements for Programs. In carrying out the programs described in subsection (b), the Secretary shall, with respect to the organizations and employment positions involved, provide for the following:

(1) Explicit, clearly defined skill requirements developed for all the positions and projections of the number of openings for each position.

(2) Opportunities for internal career movement.

(3) Opportunities to work while training or completing an educational program.

(4) Evaluation and dissemination.

(5) Training opportunities in several forms, as appropriate.

(d) Administrative Requirements. In carrying out the programs described in subsection (b), the Secretary shall, with respect to the organizations and employment positions involved, provide for the following:

(1) Joint labor-management implementation and administration.

(2) Discussion with employees as to training needs for career advancement.

(3) Commitment to a policy of internal hirings and promotion.

(4) Provision of support services.

(5) Consultations with employers and with organized labor.

Section 3073 NATIONAL INSTITUTE FOR HEALTH CARE WORKFORCE DEVELOPMENT.

(a) Establishment of Institute. The Secretary of Health and Human Services and the Secretary of Labor shall jointly establish an office to be known as the National Institute for Health Care Workforce Development.

(b) Director. The Institute shall be headed by a director, who shall be appointed jointly by the Secretaries.

(c) Duties.

(1) In general. The Director of the Institute shall make recommendations to the Secretaries regarding

(A) the supply of health care workers needed for proper staffing of the health care delivery system serving the

regional and corporate alliance health plans established under title I;

(B) the impact of this Act, and of related changes regarding health care, on health care workers and the needs of such workers with respect to such matters, including needs regarding education, training, and other matters relating to career development; and

(C) the development and implementation of high-performance, high-quality health care delivery systems, including employee participation committee systems and employee team systems, that will contribute to the development of better, more effective health care by increasing the role, the responsibilities and the area of independent decision-making authority of health care workers.

(2) Administration of programs regarding retraining, advanced career positions, job banks, and high-performance workplaces. The Secretary of Labor is authorized to

(A) carry out section 3073 acting through the Director of the Institute; and

(B) implement the recommendations of the Director regarding employee participation committees and other high-performance systems.

(d) Advisory Board.

(1) In general. The Secretaries shall establish an advisory board to assist in the develop of recommendations under subsection (c).

(2) Composition. The Advisory Board shall be composed of

(A) the Secretary of Labor;

(B) the Secretary of Health and Human Services;

(C) representatives of health care workers in organized labor;

(D) representatives of health care institutions;

(E) representatives of health care education

organizations;

(F) representatives of consumer organizations; and

(G) such other individuals as the Secretaries determine to be appropriate.

(e) Staff, Quarters, and Other Assistance. The Secretaries shall provide the Institute and the Advisory Board with such staff, quarters, and other administrative assistance as may be necessary for the Institute and the Advisory Board to carry out this section.

(f) Definitions. For purposes of this section:

(1) The term "Advisory Board" means the advisory board established under subsection (d).

(2) The term "employee participation committees" means committees of workers independently drawn from a facility's workforce, or selected by unions where collective bargaining agreements are in effect, and which operate without employer interference and consult with management on issues of costs and efficiency, workplace reorganizations, productivity, and quality of care.

(3) The term "Institute" means the Institute established under subsection (a).

(4) The term "Secretaries" means the Secretary of Health and Human Services and the Secretary of Labor.

(g) Sunset. Effective upon the end of calendar year 2000, this section is repealed.

Section 3074 REQUIREMENT FOR CERTAIN PROGRAMS
REGARDING REDEPLOYMENT OF HEALTH CARE WORKERS.

(a) State Programs for Home and Community-Based Services for Individuals with Disabilities. With respect to the plan required in section 2102(a) (for State programs for home and community-based services for individuals with disabilities under part 1 of subtitle B of title II), the plan shall, in addition to requirements under such part, provide for the following:

(1) Before initiating the process of implementing the

State program under such plan, negotiations will be commenced with labor unions representing the employees of the affected hospitals or other facilities.

(2) Negotiations under paragraph (1) will address the following:

(A) The impact of the implementation of the program upon the workforce.

(B) Methods to redeploy workers to positions in the proposed system, in the case of workers affected by the program.

(3) The plan will provide evidence that there has been compliance with paragraphs (1) and (2), including a description of the results of the negotiations.

(b) Plan for Integration of Mental Health Systems. With respect to the plan required in section 3511(a) (relating to the integration of the mental health and substance abuse services of a State and its political subdivisions with the mental health and substance abuse services included in the comprehensive benefit package under title I), the plan shall, in addition to requirements under such section, provide for the following:

(1) Before initiating the process of implementing the integration of such services, negotiations will be commenced with labor unions representing the employees of the affected hospitals or other facilities.

(2) Negotiations under paragraph (1) will address the following:

(A) The impact of the proposed changes upon the workforce.

(B) Methods to redeploy workers to positions in the proposed system, in the case of workers affected by the proposed changes.

(3) The plan will provide evidence that there has been compliance with paragraphs (1) and (2), including a description of the results of the negotiations.

Title III, Subtitle B

Subtitle B Academic Health Centers

Part 1 FORMULA PAYMENTS

Section 3101 FEDERAL FORMULA PAYMENTS TO ACADEMIC HEALTH CENTERS.

(a) In General. In the case of a qualified academic health center or qualified teaching hospital that in accordance with section 3102 submits to the Secretary a written request for calendar year 1996 or any subsequent calendar year, the Secretary shall make payments for such year to the center or hospital for the purpose specified in subsection (b). The Secretary shall make the payments in an amount determined in accordance with section 3103, and may administer the payments as a contract, grant, or cooperative agreement.

(b) Payments for Costs Attributable to Academic Nature of Institutions. The purpose of payments under subsection (a) is to assist eligible institutions with costs that are not routinely incurred by other entities in providing health services, but are incurred by such institutions in providing health services by virtue of the academic nature of such institutions. Such costs include

(1) with respect to productivity in the provision of health services, costs resulting from the reduced rate of productivity of faculty due to teaching responsibilities;

(2) the uncompensated costs of clinical research; and

(3) exceptional costs associated with the treatment of health conditions with respect to which an eligible institution has specialized expertise (including treatment of rare diseases, treatment of unusually severe conditions, and providing other specialized health care).

(c) Definitions.

(1) Academic health center. For purposes of this subtitle, the term "academic health center" means an entity that

(A) operates a school of medicine or osteopathic medicine, as defined in section 799 of the Public Health Service Act;

(B) operates, or is affiliated with, one or more other types of schools or programs described in such section, or with one or more schools of nursing (as defined in section 853 of such Act); and

(C) operates, or is affiliated with, one or more teaching hospitals.

(2) Teaching hospital. For purposes of this subtitle, the term "teaching hospital" means a hospital that operates an approved physician training program (as defined in section 3011(b)).

(3) Qualified center or hospital. For purposes of this subtitle:

(A) The term "qualified academic health center" means an academic health center that operates a teaching hospital.

(B) The term "qualified teaching hospital" means any teaching hospital other than a teaching hospital that is operated by an academic health center.

(4) Eligible institution. For purposes of this subtitle, the term "eligible institution", with respect to a calendar year, means a qualified academic health center, or a qualified teaching hospital, that submits to the Secretary a written request in accordance with section 3102.

Section 3102 REQUEST FOR PAYMENTS. (a) In General.-- For purposes of section 3101, a written request for payments under such section is in accordance with this section if the qualified academic health center or qualified teaching hospital involved submits the request not later than the date specified by the Secretary; the request is accompanied by each funding agreement described in this part; and the request is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this part.

(b) Continued Status as Academic Health Center. A funding agreement for payments under section 3101 is that the qualified academic health center or qualified teaching hospital involved will maintain status as such a center or hospital, respectively. For purposes of this subtitle, the term "funding agreement", with respect to payments under section 3101 to such a center or

hospital, means that the Secretary may make the payments only if the center or hospital makes the agreement involved.

Section 3103 AVAILABILITY OF FUNDS FOR PAYMENTS;
ANNUAL AMOUNT OF PAYMENTS.

(a) Annual Academic Health Center Account. Subject to section 3104, the amount available for a calendar year for making payments under section 3101 (constituting an account to be known as the annual academic health center account) is the following, as applicable to the calendar year:

- (1) In the case of calendar year 1996, \$3,100,000,000.
- (2) In the case of each of the calendar years 1997 and 1998, \$3,200,000,000.
- (3) In the case of calendar year 1999, \$3,700,000,000.
- (4) In the case of calendar year 2000, \$3,800,000,000.
- (5) In the case of each subsequent calendar year, the amount specified in paragraph (4) increased by the product of such amount and the general health care inflation factor (as defined in subsection (d)).

(b) Amount of Payments for Individual Eligible Institutions. The amount of payments required in section 3101 to be made to an eligible institution for a calendar year is an amount equal to the product of

(1) the annual academic health center account available for the calendar year; and

(2) the percentage constituted by the ratio of

(A) an amount equal to the product of

(i) the portion of the gross receipts of the institution for the preceding calendar year that was derived from providing services to patients (both inpatients and outpatients); and

(ii) the indirect teaching adjustment factor determined under section 1886(d)(5)(B)(ii) of the Social Security Act (as in effect before January 1, 1998) and

(I) applicable to patients discharged from the institution (or hospitals of the institution, as the case may be) in such preceding year; or

(II) in the case of patients discharged on or after January 1, 1998, applicable to patients discharged in calendar year 1997; to

(B) the sum of the respective amounts determined under subparagraph (A) for eligible institutions.

(c) Report Regarding Modifications in Formula. Not later than July 1, 1996, the Secretary shall submit to the Congress a report containing any recommendations of the Secretary regarding policies for allocating amounts under subsection (a) among eligible institutions. In making such recommendations, the Secretary shall consider the costs described in section 3101(b) that are incurred by such institutions.

(d) Definition. For purposes of this subtitle:

(1) The term "annual academic health center account" means the account established pursuant to subsection (a).

(2) The term "general health care inflation factor", with respect to a year, has the meaning given such term in section 6001(a)(3) for such year.

Section 3104 ADDITIONAL FUNDING PROVISIONS.

(a) Sources of Funds for Annual Academic Health Center Account. The amount specified in section 3103(a) for the annual academic health center account for a calendar year shall be derived from the sources specified in subsection (b).

(b) Contributions From Medicare Trust Funds, Regional Alliances, and Corporate Alliances. For purposes of subsection (a), the sources specified in this subsection for a calendar year are the following:

(1) Transfers made by the Secretary under section 4052.

(2) Payments made by regional alliances under section 1353 and

(A) in the case of each of the calendar years 1996

and 1997, transferred in an amount equal to 50 percent of such payments made for the calendar year involved; and

(B) in the case of calendar year 1998 and each subsequent calendar year, transferred in an amount equal to the aggregate regional alliance portion determined under subsection (c) (2) (A).

(3) The transfer made under subsection (d) (1).

(c) Contributions From Regional and Corporate Alliances.

(1) Determination of aggregate regional and corporate alliance amount. For purposes regarding the provision of funds for the annual academic health center account for a calendar year (other than calendar year 1996 or 1997), the Secretary shall determine an aggregate regional and corporate alliance amount, which amount is to be paid by such alliances pursuant to paragraphs (2) (B) and (3) of subsection (b), respectively, and which amount shall be equal to the difference between

(A) the amount specified in section 3103(a) for the annual academic health center account for such year; and

(B) the amount transferred under section 4052 for the year.

(2) Allocation of amount among regional and corporate alliances. With respect to the aggregate regional and corporate alliance amount determined under paragraph (1) for a calendar year (other than calendar year 1996 or 1997)

(A) the aggregate regional alliance portion of such amount is the product of such amount and the percentage constituted by the ratio of the total plan payments of regional alliances to the combined total plan payments of regional alliances and corporate alliances; and

(B) the aggregate corporate alliance portion of such amount is the product of such amount and the percentage constituted by the ratio of the total plan payments of corporate alliances to such combined total plan payments.

(d) Compliance Regarding Corporate Alliances.

(1) In general. Effective January 15 of calendar year

1996 and each subsequent calendar year, there is hereby transferred to the Secretary, out of any money in the Treasury not otherwise appropriated

(A) in the case of each of the calendar years 1996 and 1997, an amount equal to the difference between

(i) the amount specified in section 3103(a) for the annual academic health center account for the calendar year involved; and

(ii) the sum of the amount transferred under section 4052 for such year and the amount transferred under subsection (b) (2) (A) for such year; and

(B) in the case of calendar year 1998 and each subsequent calendar year, an amount equal to the aggregate corporate alliance portion determined under subsection (c) (2) (B) for the calendar year involved.

(2) Manner of compliance. The payment by corporate alliances of the tax imposed under section 3461 of the Internal Revenue Code of 1986 (as added by section 7121 of this Act), together with the transfer made in paragraph (1) (B) for the calendar year involved, is deemed to be the payment required pursuant to subsection (c) (1) for corporate alliances for such year.

(3) Graduate nurse education. Effective January 15 of calendar year 1996 and each subsequent calendar year, there is hereby transferred to the Secretary, out of any money in the Treasury not otherwise appropriated, 50 percent of the amount specified in section 3063(b) with respect to the annual graduate nurse training account.

(e) Definitions. For purposes of this subtitle, the term "plan payments" with respect to a regional or corporate alliance, means the amount paid to health plans by the alliance.

Part 2 ACCESS OF PATIENTS TO ACADEMIC HEALTH CENTERS

Section 3131 CONTRACTS FOR ENSURING ACCESS TO CENTERS.

(a) Contracts With Health Plans. Regional and corporate health alliances under this Act shall ensure that, in accordance

with subsection (b), the health plans of the alliances enter into sufficient contracts with eligible centers to ensure that enrollees in regional or corporate alliance health plans, as appropriate, receive the specialized treatment expertise of such centers, subject to such exceptions as the Secretary may provide.

(b) Utilization of Specialized Treatment Expertise of Centers. Contracts under subsection (a) between eligible centers and health plans are in accordance with this subsection if the contracts provide that, with respect to health conditions within the specialized treatment expertise of the centers, health plans will refer medical cases involving such conditions to the centers.

(c) Specialized Treatment Expertise. For purposes of this subtitle, the term "specialized treatment expertise", with respect to treatment of a health condition by an academic health center, means expertise in treating rare diseases, treating unusually severe conditions, and providing other specialized health care.

Section 3132 DISCRETIONARY GRANTS REGARDING ACCESS TO CENTERS.

(a) Rural Information and Referral Systems. The Secretary may make grants to eligible centers for the establishment and operation of information and referral systems to provide the services of such centers to rural regional and corporate health alliance health plans.

(b) Other Purposes Regarding Urban and Rural Areas. The Secretary may make grants to eligible centers to carry out activities (other than activities carried out under subsection (a)) for the purpose of providing the services of eligible centers to residents of rural or urban communities who otherwise would not have adequate access to such services.

Title III, Subtitle C

Subtitle C Health Research Initiatives

Part 1 PROGRAMS FOR CERTAIN AGENCIES

Section 3201 BIOMEDICAL AND BEHAVIORAL RESEARCH ON HEALTH PROMOTION AND DISEASE PREVENTION.

Section 402(f) of the Public Health Service Act (42 U.S.C. 282(f)), as amended by section 201 of Public Law 103-43 (107 Stat. 144), is amended

(1) in paragraph (3), by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C);

(3) by inserting "(1)" after "(f)"; and

(4) by adding at the end the following paragraph:

"(2) (A) The Director of NIH, in collaboration with the Associate Director for Prevention and with the heads of the agencies of the National Institutes of Health, shall ensure that such Institutes conduct and support biomedical and behavioral research on promoting health and preventing diseases, disorders, and other health conditions (including Alzheimer's disease, breast cancer, heart disease, and stroke).

"(B) In carrying out subparagraph (A), the Director of NIH shall give priority to conducting and supporting research on child and adolescent health (including birth defects), chronic and recurrent health conditions, reproductive health, mental health, elderly health, substance abuse, infectious diseases, health and wellness promotion, and environmental health, and to resource development related to such research."

/* Perhaps another place where AIDS is mentioned but not in name.
*/

Section 3202 HEALTH SERVICES RESEARCH.

Section 902 of the Public Health Service Act (42 U.S.C. 299a), as amended by section 2(b) of Public Law 102-410 (106 Stat. 2094), is amended by adding at the end the following subsection:

"(f) Research on Health Care Reform.

"(1) In general. In carrying out section 901(b), the Administrator shall conduct and support research on the reform of the health care system of the United States, as directed by the National Board.

"(2) Priorities. In carrying out paragraph (1), the Administrator shall give priority to the following:

"(A) Conducting and supporting research on the appropriateness and effectiveness of alternative clinical strategies; the quality and outcomes of care; and administrative simplification.

"(B) Conducting and supporting research on consumer choice and information resources; the effects of health care reform on health delivery systems; workplace injury and illness prevention; methods for risk adjustment; factors influencing access to health care for underserved populations; and primary care.

"(C) The development of clinical practice guidelines consistent with section 913, the dissemination of such guidelines consistent with section 903, and the assessment of the effectiveness of such guidelines."

Part 2 FUNDING FOR PROGRAMS

Section 3211 AUTHORIZATIONS OF APPROPRIATIONS.

(a) Biomedical and Behavioral Research on Health Promotion and Disease Prevention. For the purpose of carrying out activities pursuant to the amendments made by section 3201, there are authorized to be appropriated \$400,000,000 for fiscal year 1995, and \$500,000,000 for each of the fiscal years 1996 through 2000.

(b) Health Services Research. For the purpose of carrying out activities pursuant to the amendments made by section 3202, there are authorized to be appropriated \$150,000,000 for fiscal year 1995, \$400,000,000 for fiscal year 1996, \$500,000,000 for fiscal year 1997, and \$600,000,000 for each of the fiscal years 1998 through 2000.

(c) Relation to Other Funds. The authorizations of appropriations established in subsections (a) and (b) are in addition to any other authorizations of appropriations that are available for the purposes described in such subsections.

Title III, Subtitle D

Subtitle D Core Functions of Public Health Programs; National Initiatives Regarding Preventive Health

Part 1 FUNDING

Section 3301 AUTHORIZATIONS OF APPROPRIATIONS.

(a) Core Functions of Public Health Programs. For the purpose of carrying out part 2, there are authorized to be appropriated \$12,000,000 for fiscal year 1995, \$325,000,000 for fiscal year 1996, \$450,000,000 for fiscal year 1997, \$550,000,000 for fiscal year 1998, \$650,000,000 for fiscal year 1999, and \$750,000,000 for fiscal year 2000.

(b) National Initiatives Regarding Health Promotion and Disease Prevention. For the purpose of carrying out part 3, there are authorized to be appropriated \$175,000,000 for fiscal year 1996, and \$200,000,000 for each of the fiscal years 1997 through 2000.

(c) Relation to Other Funds. The authorizations of appropriations established in subsections (a) and (b) are in addition to any other authorizations of appropriations that are available for the purposes described in such subsections.

Part 2 CORE FUNCTIONS OF PUBLIC HEALTH PROGRAMS

Section 3311 PURPOSES.

Subject to the subsequent provisions of this subtitle, the purposes of this part are to strengthen the capacity of State and local public health agencies to carry out the following functions:

(1) To monitor and protect the health of communities against communicable diseases and exposure to toxic environmental pollutants, occupational hazards, harmful products, and poor quality health care.

(2) To identify and control outbreaks of infectious disease and patterns of chronic disease and injury.

(3) To inform and educate health care consumers and providers about their roles in preventing and controlling disease and the appropriate use of medical services.

(4) To develop and test new prevention and public health control interventions.

Section 3312 GRANTS TO STATES FOR CORE HEALTH FUNCTIONS.

(a) In General. The Secretary may make grants to States for the purpose of carrying out one or more of the functions described in subsection (b).

(b) Core Functions of Public Health Programs. For purposes of subsection (a), the functions described in this subsection are, subject to subsection to subsection (c), as follows:

(1) Data collection, activities related to population health measurement and outcomes monitoring, including the regular collection and analysis of public health data, vital statistics, and personal health services data and analysis for planning and needs assessment purposes of data collected from health plans through the information system under title V of this Act.

(2) Activities to protect the environment and to assure the safety of housing, workplaces, food and water, including the following activities:

(A) Monitoring the overall public health quality and safety of communities.

(B) Assessing exposure to high lead levels and water contamination.

(C) Monitoring sewage and solid waste disposal, radiation exposure, radon exposure, and noise levels.

(D) Abatement of lead-related hazards.

(E) Assuring recreation and worker safety.

(F) Enforcing public health safety and sanitary codes.

(G) Other activities relating to promoting the public health of communities.

(3) Investigation and control of adverse health conditions, including improvements in emergency treatment preparedness, cooperative activities to reduce violence levels in communities, activities to control the outbreak of disease,

exposure related conditions and other threats to the health status of individuals.

(4) Public information and education programs to reduce risks to health such as use of tobacco, alcohol and other drugs, sexual activities that increase the risk to HIV transmission and sexually transmitted diseases, poor diet, physical inactivity, and low childhood immunization levels.

(5) Accountability and quality assurance activities, including monitoring the quality of personal health services furnished by health plans and providers of medical and health services in a manner consistent with the overall quality of care monitoring activities undertaken under title V, and monitoring communities' overall access to health services.

(6) Provision of public health laboratory services to complement private clinical laboratory services and that screen for diseases and conditions such as metabolic diseases in newborns, provide toxicology assessments of blood lead levels and other environmental toxins, diagnose sexually transmitted diseases, tuberculosis and other diseases requiring partner notification, test for infectious and food-borne diseases, and monitor the safety of water and food supplies.

/* Another place where the Clinton proposal avoids the use of the word AIDS, substituting instead the phrase "other diseases requiring partner notification. */

(7) Training and education to assure provision of care by all health professionals, with special emphasis placed on the training of public health professions including epidemiologists, biostatisticians, health educators, public health administrators, sanitarians and laboratory technicians.

(8) Leadership, policy development and administration activities, including needs assessment, the setting of public health standards, the development of community public health policies, and the development of community public health coalitions.

(c) Restrictions on Use of Grant.

(1) In general. A funding agreement for a grant under subsection (a)

for a State is that the grant will not be expended--

(A) to provide inpatient services;

(B) to make cash payments to intended recipients of health services;

(C) to purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;

(D) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or

(E) to provide financial assistance to any entity other than a public or nonprofit private entity.

(2) Limitation on administrative expenses. A funding agreement for a grant under subsection (a) is that the State involved will not expend more than 10 percent of the grant for administrative expenses with respect to the grant.

(d) Maintenance of Effort. A funding agreement for a grant under subsection

(a) is that the State involved will maintain expenditures of non-Federal amounts for core health functions at a level that is not less than the level of such expenditures maintained by the State for the fiscal year preceding the first fiscal year for which the State receives such a grant.

Section 3313 SUBMISSION OF INFORMATION.

The Secretary may make a grant under section 3312 only if the State involved submits to the Secretary the following information:

(1) A description of existing deficiencies in the State's public health system (at the State level and the local level), using standards of sufficiency developed by the Secretary.

(2) A description of health status measures to be improved within the State (at the State level and the local level) through expanded public health functions.

(3) Measurable outcomes and process objectives for improving health status and core health functions for which the grant is to be expended.

(4) Information regarding each such function, which

(A) identifies the amount of State and local funding expended on each such function for the fiscal year preceding the fiscal year for which the grant is sought; and

(B) provides a detailed description of how additional Federal funding will improve each such function by both the State and local public health agencies.

(5) A description of the core health functions to be carried out at the local level, and a specification for each such function of

(A) the communities in which the function will be carried out; and

(B) the amount of the grant to be expended for the function in each community so specified.

Section 3314 REPORTS.

A funding agreement for a grant under section 3312 is that the States involved will, not later than the date specified by the Secretary, submit to the Secretary a report describing

- (1) the purposes for which the grant was expended; and
- (2) describing the extent of progress made by the State in achieving measurable outcomes and process objectives described in section 3313(3).

Section 3315 APPLICATION FOR GRANT.

The Secretary may make a grant under section 3312 only if an application for the grant is submitted to the Secretary, the application contains each agreement described in this part, the application contains the information required in section 3314, and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this part.

Section 3316 GENERAL PROVISIONS.

(a) Uniform Data Sets. The Secretary, in consultation with the States, shall develop uniform sets of data for the purpose of monitoring the core health functions carried out with grants under section 3312.

(b) Duration of Grant. The period during which payments are made to a State from a grant under section 3312 may not exceed 5 years. The provision of such payments shall be subject to annual approval by the Secretary of the payments. This subsection may not be construed as establishing a limitation on the number of grants under such section that may be made to the State.

Section 3317 ALLOCATIONS FOR CERTAIN ACTIVITIES.

Of the amounts made available under section 3301 for a fiscal year for carrying out this part, the Secretary may reserve not more than 5 percent for carrying out the following activities:

(1) Technical assistance with respect to planning, development, and operation of core health functions carried out under section 3312, including provision of biostatistical and epidemiological expertise and provision of laboratory expertise.

(2) Development and operation of a national information

network among State and local health agencies.

(3) Program monitoring and evaluation of core health functions carried out under section 3312.

(4) Development of a unified electronic reporting mechanism to improve the efficiency of administrative management requirements regarding the provision of Federal grants to State public health agencies.

Section 3318 DEFINITIONS.

For purposes of this part:

(1) The term "funding agreement", with respect to a grant under section 3312 to a State, means that the Secretary may make the grant only if the State makes the agreement involved.

(2) The term "core health functions", with respect to a State, means the functions described in section 3312(b).

Part 3 NATIONAL INITIATIVES REGARDING HEALTH PROMOTION AND DISEASE PREVENTION

Section 3331 GRANTS FOR NATIONAL PREVENTION INITIATIVES.

(a) In General. The Secretary may make grants to entities described in subsection (b) for the purpose of carrying out projects to develop and implement innovative community-based strategies to provide for health promotion and disease prevention activities for which there is a significant need, as identified under section 1701 of the Public Health Service Act.

(b) Eligible Entities. The entities referred to in subsection (a) are agencies of State or local government, private nonprofit organizations (including research institutions), and coalitions that link two or more of these groups.

(c) Certain Activities. The Secretary shall ensure that projects carried out under subsection (a)

(1) reflect approaches that take into account the special needs and concerns of the affected populations;

(2) are targeted to the most needy and vulnerable

population groups and geographic areas of the Nation;

(3) examine links between various high priority preventable health problems and the potential community-based remedial actions; and

(4) establish or strengthen the links between the activities of agencies engaged in public health activities with those of health alliances, health care providers, and other entities involved in the personal health care delivery system described in title I.

Section 3332 PRIORITIES.

(a) Establishment.

(1) Annual statement. The Secretary shall for each fiscal year develop a statement of proposed priorities for grants under section 3331 for the fiscal year.

(2) Allocations among priorities. With respect to the amounts available under section 3301(b) for the fiscal year for carrying out this part, each statement under paragraph (1) for a fiscal year shall include a specification of the percentage of the amount to be devoted to projects addressing each of the proposed priorities established in the statement.

(3) Process for establishing priorities. Not later than January 1 of each fiscal year, the Secretary shall publish a statement under paragraph (1) in the Federal Register. A period of 60 days shall be allowed for the submission of public comments and suggestions concerning the proposed priorities. After analyzing and considering comments on the proposed priorities, the Secretary shall publish in the Federal Register final priorities (and associated reservations of funds) for approval of projects for the following fiscal year.

(b) Applicability to Making of Grants.

(1) In general. The Secretary may make grants under section 3331 for projects that the Secretary determines

(A) are consistent with the applicable final statement of priorities and otherwise meets the objectives described in subsection (a); and

(B) will assist in meeting a health need or concern of a population served by a health plan or health alliance established under title I.

(2) Special consideration for certain projects. In making grants under section 3331, the Secretary shall give special consideration to applicants that will carry out projects that, in addition to being consistent with the applicable published priorities under subsection (a) and otherwise meeting the requirements of this part, have the potential for replication in other communities.

Section 3333 SUBMISSION OF INFORMATION.

The Secretary may make a grant under section 3331 only if the applicant involved submits to the Secretary the following information:

(1) A description of the activities to be conducted, and the manner in which the activities are expected to contribute to meeting one or more of the priority health needs specified under section 3332 for the fiscal year for which the grant is initially sought.

(2) A description of the total amount of Federal funding requested, the geographic area and populations to be served, and the evaluation procedures to be followed.

(3) Such other information as the Secretary determines to be appropriate.

Section 3334 APPLICATION FOR GRANT.

The Secretary may make a grant under section 3331 only if an application for the grant is submitted to the Secretary, the application contains each agreement described in this part, the application contains the information required in section 3333, and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this part.
Title III, Subtitle E

Subtitle E Health Services for Medically Underserved Populations

Part 1 COMMUNITY AND MIGRANT HEALTH CENTERS

Section 3401 AUTHORIZATIONS OF APPROPRIATIONS.

(a) Grants to Community and Migrant Health Centers. The Secretary shall make grants in accordance with this part to migrant health centers and community health centers.

(b) Authorization of Appropriations. For the purpose of carrying out subsection (a), there are authorized to be appropriated \$100,000,000 for each of the fiscal years 1995 through 2000.

(c) Relation to Other Funds. The authorizations of appropriations established in subsection (b) for the purpose described in such subsection are in addition to any other authorizations of appropriations that are available for such purpose.

(d) Definitions. For purposes of this subtitle, the terms "migrant health center" and "community health center" have the meanings given such terms in sections 329(a)(1) and 330(a) of the Public Health Service Act, respectively.

Section 3402 USE OF FUNDS.

(a) Development, Operation, and Other Purposes Regarding Centers. Subject to subsection (b), grants under section 3401 to migrant health centers and community health centers may be made only in accordance with the conditions upon which grants are made under sections 329 and 330 of the Public Health Service Act, respectively.

(b) Required Financial Reserves. The Secretary may authorize migrant health centers and community health centers to expend a grant under section 3401 to establish and maintain the financial reserves required under title I for providers of health services.

Part 2 INITIATIVES FOR ACCESS TO HEALTH CARE

Subpart A Purposes; Funding

Section 3411 PURPOSES.

Subject to the provisions of subparts B through D, the purposes of this are as follows:

(1) To improve access to health services for urban and rural medically-underserved populations through a program of flexible grants, contracts, and loans.

(2) To facilitate transition to a system in which medically-underserved populations have an adequate choice of community-oriented providers and health plans.

(3) To promote the development of community practice networks and community health plans that integrate health professionals and health care organizations supported through public funding with other providers in medically underserved areas.

(4) To support linkages between providers of health care for medically-underserved populations and regional and corporate alliance health plans.

(5) To expand the capacity of community practice networks and community health plans in underserved areas by increasing the number of practice sites and by renovating and converting substandard inpatient and outpatient facilities.

(6) To link providers in underserved areas with each other and with regional health care institutions and academic health centers through information systems and telecommunications.

(7) To support activities that enable medically underserved populations to gain access to the health care system and use it effectively.

Section 3412 AUTHORIZATIONS OF APPROPRIATIONS.

(a) Development of Qualified Community Health Plans and Practice Groups. For the purpose of carrying out subparts B and C, there are authorized to be appropriated \$200,000,000 for fiscal year 1995, \$500,000,000 for fiscal year 1996, \$600,000,000 for fiscal year 1997, \$700,000,000 for fiscal year 1998, \$500,000,000 for fiscal year 1999, and \$200,000,000 for fiscal year 2000.

(b) Relation to Other Funds. The authorizations of appropriations established in subsection (a) are in addition to any other authorizations of appropriations that are available for the purpose described in such subsection.

(c) Relationship to Program Regarding School-Related Health Services. This section is subject to section 3692.

Subpart B Development of Qualified Community Health Plans and Practice Networks