

Attachment 1

Public Health Service Act

(f) **PENALTIES.**—Any person who violates any provision of this section or any regulation issued pursuant to this section shall be fined in accordance with title 18, United States Code.

(g) **REGULATIONS.**—Except as provided in subsection (h), the Secretary shall prescribe regulations to carry out the purposes of this section. Such regulations may contain such definitions, and may provide for such safeguards and procedures, including procedures and criteria for the issuance and scope of orders under subsection (b)(2)(C), as in the judgment of the Secretary are necessary or proper to effectuate the purposes of this section, to prevent circumvention or evasion thereof, or to facilitate compliance therewith.

(h) **APPLICATION TO DEPARTMENT OF VETERANS AFFAIRS.**—The Secretary of Veterans Affairs, acting through the Chief Medical Director, shall, to the maximum feasible extent consistent with their responsibilities under title 38, United States Code, prescribe regulations making applicable the regulations prescribed by the Secretary of Health and Human Services under subsection (g) of this section to records maintained in connection with the provision of hospital care, nursing home care, domiciliary care, and medical services under such title 38 to veterans suffering from substance abuse. In prescribing and implementing regulations pursuant to this subsection, the Secretary of Veterans Affairs shall, from time to time, consult with the Secretary of Health and Human Services in order to achieve the maximum possible coordination of the regulations, and the implementation thereof, which they each prescribe.

PART E.—CHILDREN WITH SERIOUS EMOTIONAL DISTURBANCES

SEC. 561. [2906f] COMPREHENSIVE COMMUNITY MENTAL HEALTH SERVICES FOR CHILDREN WITH SERIOUS EMOTIONAL DISTURBANCES.

(a) GRANTS TO CERTAIN PUBLIC ENTITIES.—

(1) **IN GENERAL.**—The Secretary, acting through the Director of the Center for Mental Health Services, shall make grants to public entities for the purpose of providing comprehensive community mental health services to children with a serious emotional disturbance.

(2) **DEFINITION OF PUBLIC ENTITY.**—For purposes of this part, the term “public entity” means any State, any political subdivision of a State, and any Indian tribe or tribal organization (as defined in section 4(b) and section 4(c) of the Indian Self-Determination and Education Assistance Act).

(b) CONSIDERATIONS IN MAKING GRANTS.—

(1) **REQUIREMENT OF STATUS AS GRANTEE UNDER PART B OF TITLE XIX.**—The Secretary may make a grant under subsection (a) to a public entity only if—

(A) in the case of a public entity that is a State, the State is such a grantee under section 1911;

(B) in the case of a public entity that is a political subdivision of a State, the State in which the political subdivision is located is such a grantee; and

(C) in the case of a public entity that is an Indian tribe or tribal organization, the State in which the tribe or tribal organization is located is such a grantee.

(2) REQUIREMENT OF STATUS AS MEDICAID PROVIDER.—

(A) Subject to subparagraph (B), the Secretary may make a grant under subsection (a) only if, in the case of any service under such subsection that is covered in the State plan approved under title XIX of the Social Security Act for the State involved—

(i) the public entity involved will provide the service directly, and the entity has entered into a participation agreement under the State plan and is qualified to receive payments under such plan; or

(ii) the public entity will enter into an agreement with an organization under which the organization will provide the service, and the organization has entered into such a participation agreement and is qualified to receive such payments.

(B)(i) In the case of an organization making an agreement under subparagraph (A)(ii) regarding the provision of services under subsection (a), the requirement established in such subparagraph regarding a participation agreement shall be waived by the Secretary if the organization does not, in providing health or mental health services, impose a charge or accept reimbursement available from any third-party payor, including reimbursement under any insurance policy or under any Federal or State health benefits program.

(ii) A determination by the Secretary of whether an organization referred to in clause (i) meets the criteria for a waiver under such clause shall be made without regard to whether the organization accepts voluntary donations regarding the provision of services to the public.

(3) CERTAIN CONSIDERATIONS.—In making grants under subsection (a), the Secretary shall—

(A) equitably allocate such assistance among the principal geographic regions of the United States;

(B) consider the extent to which the public entity involved has a need for the grant; and

(C) in the case of any public entity that is a political subdivision of a State or that is an Indian tribe or tribal organization—

(i) shall consider any comments regarding the application of the entity for such a grant that are received by the Secretary from the State in which the entity is located; and

(ii) shall give special consideration to the entity if the State agrees to provide a portion of the non-Federal contributions required in subsection (c) regarding such a grant.

(c) MATCHING FUNDS.—

(1) **IN GENERAL.**—A funding agreement for a grant under subsection (a) is that the public entity involved will, with respect to the costs to be incurred by the entity in carrying out the purpose described in such subsection, make available (directly or through donations from public or private entities)

non-Federal contributions toward such costs in an amount that—

(A) for the first fiscal year for which the entity receives payments from a grant under such subsection, is not less than \$1 for each \$3 of Federal funds provided in the grant;

(B) for any second or third such fiscal year, is not less than \$1 for each \$3 of Federal funds provided in the grant;

(C) for any fourth such fiscal year, is not less than \$1 for each \$1 of Federal funds provided in the grant; and

(D) for any fifth such fiscal year, is not less than \$2 for each \$1 of Federal funds provided in the grant.

(2) DETERMINATION OF AMOUNT CONTRIBUTED.—

(A) Non-Federal contributions required in paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

(B) In making a determination of the amount of non-Federal contributions for purposes of subparagraph (A), the Secretary may include only non-Federal contributions in excess of the average amount of non-Federal contributions made by the public entity involved toward the purpose described in subsection (a) for the 2-year period preceding the first fiscal year for which the entity receives a grant under such section.

SEC. 562. [290ff-1] REQUIREMENTS WITH RESPECT TO CARRYING OUT PURPOSE OF GRANTS.

(a) SYSTEMS OF COMPREHENSIVE CARE.—

(1) IN GENERAL.—A funding agreement for a grant under section 561(a) is that, with respect to children with a serious emotional disturbance, the public entity involved will carry out the purpose described in, such section only through establishing and operating 1 or more systems of care for making each of the mental health services specified in subsection (c) available to each child provided access to the system. In providing for such a system, the public entity may make grants to, and enter into contracts with, public and nonprofit private entities.

(2) STRUCTURE OF SYSTEM.—A funding agreement for a grant under section 561(a) is that a system of care under paragraph (1) will—

(A) be established in a community selected by the public entity involved;

(B) consist of such public agencies and nonprofit private entities in the community as are necessary to ensure that each of the services specified in subsection (c) is available to each child provided access to the system;

(C) be established pursuant to agreements that the public entity enters into with the agencies and entities described in subparagraph (B);

(D) coordinate the provision of the services of the system; and

(E) establish an office whose functions are to serve as the location through which children are provided access to the system, to coordinate the provision of services of the system, and to provide information to the public regarding the system.

(3) COLLABORATION OF LOCAL PUBLIC ENTITIES.—A funding agreement for a grant under section 561(a) is that, for purposes of the establishment and operation of a system of care under paragraph (1), the public entity involved will seek collaboration among all public agencies that provide human services in the community in which the system is established, including but not limited to those providing mental health services, educational services, child welfare services, or juvenile justice services.

(b) LIMITATION ON AGE OF CHILDREN PROVIDED ACCESS TO SYSTEM.—A funding agreement for a grant under section 561(a) is that a system of care under subsection (a) will not provide an individual with access to the system if the individual is more than 21 years of age.

(c) REQUIRED MENTAL HEALTH SERVICES OF SYSTEM.—A funding agreement for a grant under section 561(a) is that mental health services provided by a system of care under subsection (a) will include, with respect to a serious emotional disturbance in a child—

(1) diagnostic and evaluation services;

(2) outpatient services provided in a clinic, office, school or other appropriate location, including individual, group and family counseling services, professional consultation, and review and management of medications;

(3) emergency services, available 24-hours a day, 7 days a week;

(4) intensive home-based services for children and their families when the child is at imminent risk of out-of-home placement;

(5) intensive day-treatment services;

(6) respite care;

(7) therapeutic foster care services, and services in therapeutic foster family homes or individual therapeutic residential homes, and groups homes caring for not more than 10 children; and

(8) assisting the child in making the transition from the services received as a child to the services to be received as an adult.

(d) REQUIRED ARRANGEMENTS REGARDING OTHER APPROPRIATE SERVICES.—

(1) IN GENERAL.—A funding agreement for a grant under section 561(a) is that—

(A) a system of care under subsection (a) will enter into a memorandum of understanding with each of the providers specified in paragraph (2) in order to facilitate the availability of the services of the provider involved to each child provided access to the system; and

(B) the grant under such section 561(a), and the non-Federal contributions made with respect to the grant, will

not be expended to pay the costs of providing such non-mental health services to any individual.

(2) SPECIFICATION OF NON-MENTAL HEALTH SERVICES.—The providers referred to in paragraph (1) are providers of medical services other than mental health services, providers of educational services, providers of vocational counseling and vocational rehabilitation services, and providers of protection and advocacy services with respect to mental health.

(3) FACILITATION OF SERVICES OF CERTAIN PROGRAMS.—A funding agreement for a grant under section 561(a) is that a system of care under subsection (a) will, for purposes of paragraph (1), enter into a memorandum of understanding regarding facilitation of—

(A) services available pursuant to title XIX of the Social Security Act, including services regarding early periodic screening, diagnosis, and treatment;

(B) services available under parts B and H of the Individuals with Disabilities Education Act; and

(C) services available under other appropriate programs, as identified by the Secretary.

(e) GENERAL PROVISIONS REGARDING SERVICES OF SYSTEM.—

(1) CASE MANAGEMENT SERVICES.—A funding agreement for a grant under section 561(a) is that a system of care under subsection (a) will provide for the case management of each child provided access to the system in order to ensure that—

(A) the services provided through the system to the child are coordinated and that the need of each such child for the services is periodically reassessed;

(B) information is provided to the family of the child on the extent of progress being made toward the objectives established for the child under the plan of services implemented for the child pursuant to section 563; and

(C) the system provides assistance with respect to—

(i) establishing the eligibility of the child, and the family of the child, for financial assistance and services under Federal, State, or local programs providing for health services, mental health services, educational services, social services, or other services; and

(ii) seeking to ensure that the child receives appropriate services available under such programs.

(2) OTHER PROVISIONS.—A funding agreement for a grant under section 561(a) is that a system of care under subsection (a), in providing the services of the system, will—

(A) provide the services of the system in the cultural context that is most appropriate for the child and family involved;

(B) ensure that individuals providing such services to the child can effectively communicate with the child and family in the most direct manner;

(C) provide the services without discriminating against the child or the family of the child on the basis of race, religion, national origin, sex, disability, or age;

(D) seek to ensure that each child provided access to the system of care remains in the least restrictive, most normative environment that is clinically appropriate; and

(E) provide outreach services to inform individuals, as appropriate, of the services available from the system; including identifying children with a serious emotional disturbance who are in the early stages of such disturbance.

(3) RULE OF CONSTRUCTION.—An agreement made under paragraph (2) may not be construed—

(A) with respect to subparagraph (C) of such paragraph—

(i) to prohibit a system of care under subsection (a) from requiring that, in housing provided by the grantee for purposes of residential treatment services authorized under subsection (c), males and females be segregated to the extent appropriate in the treatment of the children involved; or

(ii) to prohibit the system of care from complying with the agreement made under subsection (b); or

(B) with respect to subparagraph (D) of such paragraph, to authorize the system of care to expend the grant under section 561(a) (or the non-Federal contributions made with respect to the grant) to provide legal services or any service with respect to which expenditures regarding the grant are prohibited under subsection (d)(1)(B).

(f) RESTRICTIONS ON USE OF GRANT.—A funding agreement for a grant under section 561(a) is that the grant, and the non-Federal contributions made with respect to the grant, will not be expended—

(1) to purchase or improve real property (including the construction or renovation of facilities);

(2) to provide for room and board in residential programs serving 10 or fewer children;

(3) to provide for room and board or other services or expenditures associated with care of children in residential treatment centers serving more than 10 children or in inpatient hospital settings, except intensive home-based services and other services provided on an ambulatory or outpatient basis; or

(4) to provide for the training of any individual, except training authorized in section 564(a)(2) and training provided through any appropriate course in continuing education whose duration does not exceed 2 days.

SEC. 563. 1290ff-21 INDIVIDUALIZED PLAN FOR SERVICES.

(a) IN GENERAL.—A funding agreement for a grant under section 561(a) is that a system of care under section 562(a) will develop and carry out an individualized plan of services for each child provided access to the system, and that the plan will be developed and carried out with the participation of the family of the child and, unless clinically inappropriate, with the participation of the child.

(b) MULTIDISCIPLINARY TEAM.—A funding agreement for a grant under section 561(a) is that the plan required in subsection

(a) will be developed, and reviewed and as appropriate revised not less than once each year, by a multidisciplinary team of appropriately qualified individuals who provide services through the system, including as appropriate mental health services, other health services, educational services, social services, and vocational counseling and rehabilitation.¹

(c) COORDINATION WITH SERVICES UNDER INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—A funding agreement for a grant under section 561(a) is that, with respect to a plan under subsection (a) for a child, the multidisciplinary team required in subsection (b) will—

(1) in developing, carrying out, reviewing, and revising the plan consider any individualized education program in effect for the child pursuant to part B of the Individuals with Disabilities Education Act;

(2) ensure that the plan is consistent with such individualized education program and provides for coordinating services under the plan with services under such program; and

(3) ensure that the memorandum of understanding entered into under section 562(d)(3)(B) regarding such Act includes provisions regarding compliance with this subsection.

(d) CONTENTS OF PLAN.—A funding agreement for a grant under section 561(a) is that the plan required in subsection (a) for a child will—

(1) identify and state the needs of the child for the services available pursuant to section 562 through the system;

(2) provide for each of such services that is appropriate to the circumstances of the child, including, except in the case of children who are less than 14 years of age, the provision of appropriate vocational counseling and rehabilitation, and transitional services (as defined in section 602(a)(19) of the Individuals with Disabilities Education Act);

(3) establish objectives to be achieved regarding the needs of the child and the methodology for achieving the objectives; and

(4) designate an individual to be responsible for providing the case management required in section 562(e)(1) or certify that case management services will be provided to the child as part of the individualized education program of the child under the Individuals with Disabilities Education Act.

SEC. 564. 1290ff-3J ADDITIONAL PROVISIONS.

(a) OPTIONAL SERVICES.—In addition to services described in subsection (c) of section 562, a system of care under subsection (a) of such section may, in expending a grant under section 561(a), provide for—

(1) preliminary assessments to determine whether a child should be provided access to the system;

(2) training in—

(A) the administration of the system;

(B) the provision of intensive home-based services under paragraph (4) of section 562(c), intensive day treatment,

¹ So in law. See section 119 of Public Law 102-321 (106 Stat. 349). Probably should be a period.

ment under paragraph (5) of such section, and foster care or group homes under paragraph (7) of such section; and (C) the development of individualized plans for purposes of section 563;

(3) recreational activities for children provided access to the system; and

(4) such other services as may be appropriate in providing for the comprehensive needs with respect to mental health of children with a serious emotional disturbance.

(b) COMPREHENSIVE PLAN.—The Secretary may make a grant under section 561(a) only if, with respect to the jurisdiction of the public entity involved, the entity has submitted to the Secretary, and has had approved by the Secretary, a plan for the development of a jurisdiction-wide system of care for community-based services for children with a serious emotional disturbance that specifies the progress the public entity has made in developing the jurisdiction-wide system, the extent of cooperation across agencies serving children in the establishment of the system, the Federal and non-Federal resources currently committed to the establishment of the system, and the current gaps in community services and the manner in which the grant under section 561(a) will be expended to address such gaps and establish local systems of care.

(c) LIMITATION ON IMPOSITION OF FEES FOR SERVICES.—A funding agreement for a grant under section 561(a) is that, if a charge is imposed for the provision of services under the grant, such charge—

(1) will be made according to a schedule of charges that is made available to the public;

(2) will be adjusted to reflect the income of the family of the child involved; and

(3) will not be imposed on any child whose family has income and resources of equal to or less than 100 percent of the official poverty line, as established by the Director of the Office of Management and Budget and revised by the Secretary in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981.

(d) RELATIONSHIP TO ITEMS AND SERVICES UNDER OTHER PROGRAMS.—A funding agreement for a grant under section 561(a) is that the grant, and the non-Federal contributions made with respect to the grant, will not be expended to make payment for any item or service to the extent that payment has been made, or can reasonably be expected to be made, with respect to such item or service—

(1) under any State compensation program, under an insurance policy, or under any Federal or State health benefits program; or

(2) by an entity that provides health services on a prepaid basis.

(e) LIMITATION ON ADMINISTRATIVE EXPENSES.—A funding agreement for a grant under section 561(a) is that not more than 2 percent of the grant will be expended for administrative expenses incurred with respect to the grant by the public entity involved.

(f) REPORTS TO SECRETARY.—A funding agreement for a grant under section 561(a) is that the public entity involved will annually

submit to the Secretary a report on the activities of the entity under the grant that includes a description of the number of children provided access to systems of care operated pursuant to the grant, the demographic characteristics of the children, the types and costs of services provided pursuant to the grant, the availability and use of third-party reimbursements, estimates of the unmet need for such services in the jurisdiction of the entity, and the manner in which the grant has been expended toward the establishment of a jurisdiction-wide system of care for children with a serious emotional disturbance, and such other information as the Secretary may require with respect to the grant.

(g) DESCRIPTION OF INTENDED USES OF GRANT.—The Secretary may make a grant under section 561(a) only if—

- (1) the public entity involved submits to the Secretary a description of the purposes for which the entity intends to expend the grant;
- (2) the description identifies the populations, areas, and localities in the jurisdiction of the entity with a need for services under this section; and
- (3) the description provides information relating to the services and activities to be provided, including a description of the manner in which the services and activities will be coordinated with any similar services or activities of public or nonprofit entities.

(h) REQUIREMENT OF APPLICATION.—The Secretary may make a grant under section 561(a) only if an application for the grant is submitted to the Secretary, the application contains the description of intended uses required in subsection (g), 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 section.

SEC. 565. [290ff-4] GENERAL PROVISIONS.

(a) DURATION OF SUPPORT.—The period during which payments are made to a public entity from a grant under section 561(a) may not exceed 5 fiscal years.

(b) TECHNICAL ASSISTANCE.—

(1) IN GENERAL.—The Secretary shall, upon the request of a public entity receiving a grant under section 561(a)—

- (A) provide technical assistance to the entity regarding the process of submitting to the Secretary applications for grants under section 561(a); and
- (B) provide to the entity training and technical assistance with respect to the planning, development, and operation of systems of care pursuant to section 562.

(2) AUTHORITY FOR GRANTS AND CONTRACTS.—The Secretary may provide technical assistance under subsection (a) directly or through grants to, or contracts with, public and nonprofit private entities.

(c) EVALUATIONS AND REPORTS BY SECRETARY.—

- (1) IN GENERAL.—The Secretary shall, directly or through contracts with public or private entities, provide for annual evaluations of programs carried out pursuant to section 561(a). The evaluations shall assess the effectiveness of the systems of

care operated pursuant to such section, including longitudinal studies of outcomes of services provided by such systems, other studies regarding such outcomes, the effect of activities under this part on the utilization of hospital and other institutional settings, the barriers to and achievements resulting from inter-agency collaboration in providing community-based services to children with a serious emotional disturbance, and assessments by parents of the effectiveness of the systems of care.

(2) REPORT TO CONGRESS.—The Secretary shall, not later than 1 year after the date on which amounts are first appropriated under subsection (c), and annually thereafter, submit to the Congress a report summarizing evaluations carried out pursuant to paragraph (1) during the preceding fiscal year and making such recommendations for administrative and legislative initiatives with respect to this section as the Secretary determines to be appropriate.

(d) DEFINITIONS.—For purposes of this part:

(1) The term “child” means an individual not more than 21 years of age.

(2) The term “family”, with respect to a child provided access to a system of care under section 562(a), means—

(A) the legal guardian of the child; and

(B) as appropriate regarding mental health services for the child, the parents of the child (biological or adoptive, as the case may be) and any foster parents of the child.

(3) The term “funding agreement” with respect to a grant under section 561(a) to a public entity, means that the Secretary may make such a grant only if the public entity makes the agreement involved.

(4) The term “serious emotional disturbance” includes, with respect to a child, any child who has a serious emotional disorder, a serious behavioral disorder, or a serious mental disorder.

(e) RULE OF CONSTRUCTION.—Nothing in this part shall be construed as limiting the rights of a child with a serious emotional disturbance under the Individuals with Disabilities Education Act.

(f) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this part, there are authorized to be appropriated \$100,000,000 for fiscal year 1993, and such sums as may be necessary for fiscal year 1994.

(2) LIMITATION REGARDING TECHNICAL ASSISTANCE.—Not more than 10 percent of the amounts appropriated under paragraph (1) for a fiscal year may be expended for carrying out subsection (b).

PART F—MODEL COMPREHENSIVE PROGRAM FOR TREATMENT OF SUBSTANCE ABUSE

DEMONSTRATION PROGRAM IN NATIONAL CAPITAL AREA

SEC. 571. [290gg] (a) IN GENERAL.—The Secretary, in collaboration with the Director of the Treatment Center, shall make a

¹ Indentation is so in law. See section 2017(2)(C)(ii) of Public Law 103-43 (107 Stat. 218).