

1           **TITLE II—RURAL HEALTH**  
2   **Subtitle A—Rural Health Care**  
3   **Services Outreach, Rural Health**  
4   **Network Development, and**  
5   **Small Health Care Provider**  
6   **Quality Improvement Grant**  
7   **Programs**

8   **SEC. 201. GRANT PROGRAMS.**

9           Section 330A of the Public Health Service Act (42  
10   U.S.C. 254e) is amended to read as follows:

11   **“SEC. 330A. RURAL HEALTH CARE SERVICES OUTREACH,**  
12                   **RURAL HEALTH NETWORK DEVELOPMENT,**  
13                   **AND SMALL HEALTH CARE PROVIDER QUAL-**  
14                   **ITY IMPROVEMENT GRANT PROGRAMS.**

15           “(a) **PURPOSE.**—The purpose of this section is to  
16   provide grants for expanded delivery of health care serv-  
17   ices in rural areas, for the planning and implementation  
18   of integrated health care networks in rural areas, and for  
19   the planning and implementation of small health care pro-  
20   vider quality improvement activities.

21           “(b) **DEFINITIONS.**—

22                   “(1) **DIRECTOR.**—The term ‘Director’ means  
23   the Director specified in subsection (d).

24                   “(2) **FEDERALLY QUALIFIED HEALTH CENTER;**  
25   **RURAL HEALTH CLINIC.**—The terms ‘Federally



1 qualified health center' and 'rural health clinic' have  
2 the meanings given the terms in section 1861(aa) of  
3 the Social Security Act (42 U.S.C. 1395x(aa)).

4 “(3) HEALTH PROFESSIONAL SHORTAGE  
5 AREA.—The term 'health professional shortage area'  
6 means a health professional shortage area des-  
7 ignated under section 332.

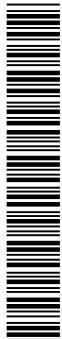
8 “(4) MEDICALLY UNDERSERVED COMMUNITY.—  
9 The term 'medically underserved community' has the  
10 meaning given the term in section 799B.

11 “(5) MEDICALLY UNDERSERVED POPU-  
12 LATION.—The term 'medically underserved popu-  
13 lation' has the meaning given the term in section  
14 330(b)(3).

15 “(c) PROGRAM.—The Secretary shall establish, under  
16 section 301, a small health care provider quality improve-  
17 ment grant program.

18 “(d) ADMINISTRATION.—

19 “(1) PROGRAMS.—The rural health care serv-  
20 ices outreach, rural health network development, and  
21 small health care provider quality improvement  
22 grant programs established under section 301 shall  
23 be administered by the Director of the Office of  
24 Rural Health Policy of the Health Resources and  
25 Services Administration, in consultation with State



1 offices of rural health or other appropriate State  
2 government entities.

3 “(2) GRANTS.—

4 “(A) IN GENERAL.—In carrying out the  
5 programs described in paragraph (1), the Di-  
6 rector may award grants under subsections (e),  
7 (f), and (g) to expand access to, coordinate, and  
8 improve the quality of essential health care  
9 services, and enhance the delivery of health  
10 care, in rural areas.

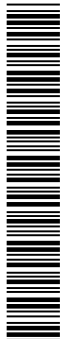
11 “(B) TYPES OF GRANTS.—The Director  
12 may award the grants—

13 “(i) to promote expanded delivery of  
14 health care services in rural areas under  
15 subsection (e);

16 “(ii) to provide for the planning and  
17 implementation of integrated health care  
18 networks in rural areas under subsection  
19 (f); and

20 “(iii) to provide for the planning and  
21 implementation of small health care pro-  
22 vider quality improvement activities under  
23 subsection (g).

24 “(e) RURAL HEALTH CARE SERVICES OUTREACH  
25 GRANTS.—



1           “(1) GRANTS.—The Director may award grants  
2           to eligible entities to promote rural health care serv-  
3           ices outreach by expanding the delivery of health  
4           care services to include new and enhanced services  
5           in rural areas. The Director may award the grants  
6           for periods of not more than 3 years.

7           “(2) ELIGIBILITY.—To be eligible to receive a  
8           grant under this subsection for a project, an  
9           entity—

10                   “(A) shall be a rural public or rural non-  
11                   profit private entity;

12                   “(B) shall represent a consortium com-  
13                   posed of members—

14                           “(i) that include 3 or more health  
15                           care providers; and

16                           “(ii) that may be nonprofit or for-  
17                           profit entities; and

18                   “(C) shall not previously have received a  
19                   grant under this subsection for the same or a  
20                   similar project, unless the entity is proposing to  
21                   expand the scope of the project or the area that  
22                   will be served through the project.

23           “(3) APPLICATIONS.—To be eligible to receive a  
24           grant under this subsection, an eligible entity, in  
25           consultation with the appropriate State office of



1 rural health or another appropriate State entity,  
2 shall prepare and submit to the Secretary an appli-  
3 cation, at such time, in such manner, and containing  
4 such information as the Secretary may require,  
5 including—

6 “(A) a description of the project that the  
7 eligible entity will carry out using the funds  
8 provided under the grant;

9 “(B) a description of the manner in which  
10 the project funded under the grant will meet  
11 the health care needs of rural underserved pop-  
12 ulations in the local community or region to be  
13 served;

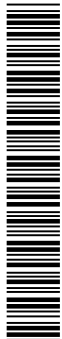
14 “(C) a description of how the local commu-  
15 nity or region to be served will be involved in  
16 the development and ongoing operations of the  
17 project;

18 “(D) a plan for sustaining the project after  
19 Federal support for the project has ended;

20 “(E) a description of how the project will  
21 be evaluated; and

22 “(F) other such information as the Sec-  
23 retary determines to be appropriate.

24 “(f) RURAL HEALTH NETWORK DEVELOPMENT  
25 GRANTS.—



1 “(1) GRANTS.—

2 “(A) IN GENERAL.—The Director may  
3 award rural health network development grants  
4 to eligible entities to promote, through planning  
5 and implementation, the development of inte-  
6 grated health care networks that have combined  
7 the functions of the entities participating in the  
8 networks in order to—

9 “(i) achieve efficiencies;

10 “(ii) expand access to, coordinate, and  
11 improve the quality of essential health care  
12 services; and

13 “(iii) strengthen the rural health care  
14 system as a whole.

15 “(B) GRANT PERIODS.—The Director may  
16 award such a rural health network development  
17 grant for implementation activities for a period  
18 of 3 years. The Director may also award such  
19 a rural health network development grant for  
20 planning activities for a period of 1 year, to as-  
21 sist in the development of an integrated health  
22 care network, if the proposed participants in  
23 the network do not have a history of collabo-  
24 rative efforts and a 3-year grant would be inap-  
25 propriate.



1           “(2) ELIGIBILITY.—To be eligible to receive a  
2 grant under this subsection, an entity—

3           “(A) shall be a rural public or rural non-  
4 profit private entity;

5           “(B) shall represent a network composed  
6 of participants—

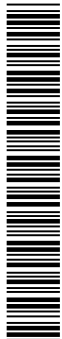
7           “(i) that include 3 or more health  
8 care providers; and

9           “(ii) that may be nonprofit or for-  
10 profit entities; and

11           “(C) shall not previously have received a  
12 grant under this subsection (other than a grant  
13 for planning activities) for the same or a simi-  
14 lar project.

15           “(3) APPLICATIONS.—To be eligible to receive a  
16 grant under this subsection, an eligible entity, in  
17 consultation with the appropriate State office of  
18 rural health or another appropriate State entity,  
19 shall prepare and submit to the Secretary an appli-  
20 cation, at such time, in such manner, and containing  
21 such information as the Secretary may require,  
22 including—

23           “(A) a description of the project that the  
24 eligible entity will carry out using the funds  
25 provided under the grant;



1           “(B) an explanation of the reasons why  
2           Federal assistance is required to carry out the  
3           project;

4           “(C) a description of—

5                 “(i) the history of collaborative activi-  
6                 ties carried out by the participants in the  
7                 network;

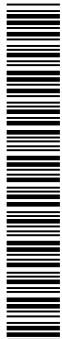
8                 “(ii) the degree to which the partici-  
9                 pants are ready to integrate their func-  
10                tions; and

11               “(iii) how the local community or re-  
12                gion to be served will benefit from and be  
13                involved in the activities carried out by the  
14                network;

15           “(D) a description of how the local com-  
16           munity or region to be served will experience in-  
17           creased access to quality health care services  
18           across the continuum of care as a result of the  
19           integration activities carried out by the net-  
20           work;

21           “(E) a plan for sustaining the project after  
22           Federal support for the project has ended;

23           “(F) a description of how the project will  
24           be evaluated; and





1                   “(G) other such information as the Sec-  
2                   retary determines to be appropriate.

3                   “(g) SMALL HEALTH CARE PROVIDER QUALITY IM-  
4                   PROVEMENT GRANTS.—

5                   “(1) GRANTS.—The Director may award grants  
6                   to provide for the planning and implementation of  
7                   small health care provider quality improvement ac-  
8                   tivities. The Director may award the grants for peri-  
9                   ods of 1 to 3 years.

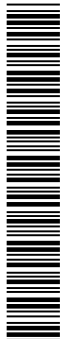
10                  “(2) ELIGIBILITY.—To be eligible for a grant  
11                  under this subsection, an entity—

12                         “(A)(i) shall be a rural public or rural non-  
13                         profit private health care provider or provider  
14                         of health care services, such as a critical access  
15                         hospital or a rural health clinic; or

16                         “(ii) shall be another rural provider or net-  
17                         work of small rural providers identified by the  
18                         Secretary as a key source of local care; and

19                         “(B) shall not previously have received a  
20                         grant under this subsection for the same or a  
21                         similar project.

22                  “(3) APPLICATIONS.—To be eligible to receive a  
23                  grant under this subsection, an eligible entity, in  
24                  consultation with the appropriate State office of  
25                  rural health or another appropriate State entity



1 shall prepare and submit to the Secretary an appli-  
2 cation, at such time, in such manner, and containing  
3 such information as the Secretary may require,  
4 including—

5 “(A) a description of the project that the  
6 eligible entity will carry out using the funds  
7 provided under the grant;

8 “(B) an explanation of the reasons why  
9 Federal assistance is required to carry out the  
10 project;

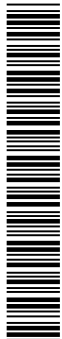
11 “(C) a description of the manner in which  
12 the project funded under the grant will assure  
13 continuous quality improvement in the provision  
14 of services by the entity;

15 “(D) a description of how the local com-  
16 munity or region to be served will experience in-  
17 creased access to quality health care services  
18 across the continuum of care as a result of the  
19 activities carried out by the entity;

20 “(E) a plan for sustaining the project after  
21 Federal support for the project has ended;

22 “(F) a description of how the project will  
23 be evaluated; and

24 “(G) other such information as the Sec-  
25 retary determines to be appropriate.



1           “(4) EXPENDITURES FOR SMALL HEALTH CARE  
2 PROVIDER QUALITY IMPROVEMENT GRANTS.—In  
3 awarding a grant under this subsection, the Director  
4 shall ensure that the funds made available through  
5 the grant will be used to provide services to resi-  
6 dents of rural areas. The Director shall award not  
7 less than 50 percent of the funds made available  
8 under this subsection to providers located in and  
9 serving rural areas.

10           “(h) GENERAL REQUIREMENTS.—

11           “(1) PROHIBITED USES OF FUNDS.—An entity  
12 that receives a grant under this section may not use  
13 funds provided through the grant—

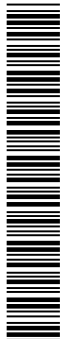
14                   “(A) to build or acquire real property; or

15                   “(B) for construction.

16           “(2) COORDINATION WITH OTHER AGENCIES.—

17 The Secretary shall coordinate activities carried out  
18 under grant programs described in this section, to  
19 the extent practicable, with Federal and State agen-  
20 cies and nonprofit organizations that are operating  
21 similar grant programs, to maximize the effect of  
22 public dollars in funding meritorious proposals.

23           “(3) PREFERENCE.—In awarding grants under  
24 this section, the Secretary shall give preference to  
25 entities that—



1           “(A) are located in health professional  
2 shortage areas or medically underserved com-  
3 munities, or serve medically underserved popu-  
4 lations; or

5           “(B) propose to develop projects with a  
6 focus on primary care, and wellness and preven-  
7 tion strategies.

8           “(i) REPORT.—Not later than September 30, 2005,  
9 the Secretary shall prepare and submit to the appropriate  
10 committees of Congress a report on the progress and ac-  
11 complishments of the grant programs described in sub-  
12 sections (e), (f), and (g).

13           “(j) AUTHORIZATION OF APPROPRIATIONS.—There  
14 are authorized to be appropriated to carry out this section  
15 \$40,000,000 for fiscal year 2002, and such sums as may  
16 be necessary for each of fiscal years 2003 through 2006.”.

17           **Subtitle B—Telehealth Grant**  
18                           **Consolidation**

19           **SEC. 211. SHORT TITLE.**

20           This subtitle may be cited as the “Telehealth Grant  
21 Consolidation Act of 2002”.

