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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. 254c) 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—





HEALTH CENTERS CONSOLIDATION ACT OF 1996

[[Page 110 STAT. 3626]]

Public Law 104-299  
104th Congress

An Act to amend title III of the Public Health Service Act to consolidate and reauthorize provisions relating to health centers, and for other purposes. <<NOTE: Oct. 11, 1996 - [S. 1044]>>

Be it enacted by the Senate and House of Representatives of the United States of America in Congress <<NOTE: Health Centers Consolidation Act of 1996.>> assembled,

SECTION 1. <<NOTE: 42 USC 201 note.>> SHORT TITLE.

This Act may be cited as the "Health Centers Consolidation Act of 1996".

(a) In General.--Subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) (as amended by section 2) is further amended by adding at the end thereof the following new section:

"SEC. 330A. RURAL <<NOTE: 42 USC 254c.>> HEALTH OUTREACH, NETWORK DEVELOPMENT, AND TELEMEDICINE GRANT PROGRAM.

"(a) Administration.--The rural health services outreach demonstration grant program established under section 301 shall be administered by the Office of Rural Health Policy (of the Health Resources and Services Administration), in consultation with State rural health offices or other appropriate State governmental entities.

"(b) Grants.--Under the program referred to in subsection (a), the Secretary, acting through the Director of the Office of Rural Health Policy, may award grants to expand access to, coordinate, restrain the cost of, and improve the quality of essential health care services, including preventive and emergency services, through the development of integrated health care delivery systems or networks in rural areas and regions.

"(c) Eligible Networks.--

"(1) Outreach networks.--To be eligible to receive a grant under this section, an entity shall--

"(A) be a rural public or nonprofit private entity that is or represents a network or potential network

that includes three or more health care providers or other entities that provide or support the delivery of health care services; and

“(B) in consultation with the State office of rural health or other appropriate State entity, prepare and submit to the Secretary an application, at such time, in such manner, and containing such information as the Secretary may require, including--

[[Page 110 STAT. 3643]]

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

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

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

“(iv) a description of how the local community or region to be served by the network or proposed network will be involved in the development and ongoing operations of the network.

“(2) For-profit entities.--An eligible network may include for-profit entities so long as the network grantee is a nonprofit entity.

“(3) Telemedicine networks.--

“(A) In general.--An entity that is a health care provider and a member of an existing or proposed telemedicine network, or an entity that is a consortium of health care providers that are members of an existing or proposed telemedicine network shall be eligible for a grant under this section.

“(B) Requirement.--A telemedicine network referred to in subparagraph (A) shall, at a minimum, be composed of--

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

“(ii) at least two rural health care facilities, which may include rural hospitals, rural physician offices, rural health clinics, rural community health clinics, and rural nursing homes.

“(d) Preference.--In awarding grants under this section, the Secretary shall give preference to applicant networks that include--

- “(1) a majority of the health care providers serving in the area or region to be served by the network;
- “(2) any federally qualified health centers, rural health clinics, and local public health departments serving in the area or region;
- “(3) outpatient mental health providers serving in the area or region; or
- “(4) appropriate social service providers, such as agencies on aging, school systems, and providers under the women, infants, and children program, to improve access to and coordination of health care services.

“(e) Use of Funds.--

“(1) In general.--Amounts provided under grants awarded under this section shall be used--

- “(A) for the planning and development of integrated self-sustaining health care networks; and
- “(B) for the initial provision of services.

“(2) Expenditures in rural areas.--

- “(A) In general.--In awarding a grant under this section, the Secretary shall ensure that not less than 50 percent of the grant award is expended in a rural area or to provide services to residents of rural areas.

“(f) Term of Grants.--Funding may not be provided to a network under this section for in excess of a 3-year period.

“(g) Authorization of Appropriations.--For the purpose of carrying out this section there are authorized to be appropriated \$36,000,000 for fiscal year 1997, and such sums as may be necessary for each of the fiscal years 1998 through 2001.”.

(b) Transition.--The <<NOTE: 42 USC 254b note.>> Secretary of Health and Human Services shall ensure the continued funding of grants made, or contracts or cooperative agreements entered into, under subpart I of part D of title III of the Public Health Service Act (42 U.S.C. 254b et seq.) (as such subpart existed on the day prior to the date of enactment of this Act), until the expiration of the grant period or the term of the contract or cooperative agreement. Such funding shall be continued under the same terms and conditions as were in effect on the date on which the grant, contract or cooperative agreement was awarded, subject to the availability of appropriations.

Calendar No. 956

101ST CONGRESS }  
2d Session

SENATE

{ REPORT  
101-516

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DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATION BILL, 1991

*Health services outreach grants*

The Committee provides \$20,000,000 to establish projects to demonstrate the effectiveness of outreach to populations in rural areas that do not normally seek health or mental health services. This activity reflects two major concerns of the Committee: (1) that the outreach activities of community and migrant health centers and local health departments are almost nonexistent and that many people are not being reached until expensive hospital care is required; and (2) that community and migrant health centers, local health departments, and private medicine by and large do not cooperate and coordinate to reach these forgotten populations in rural America.

The Committee was pleased to receive the report of the National Advisory Committee on Rural Health to the Secretary of Health and Human Services. The National Advisory Committee recommends in its report that the Secretary develop a series of programs to facilitate integration and coordination of services in or among rural communities. These programs are recommended to include new demonstrations to enhance linkages, integration, and cooperation among hospitals, medical group practices, public health departments, and other local primary care providers. The Committee concurs with the National Advisory Committee. Therefore, the Committee has provided the funds for this new initiative.

In order to evaluate the effectiveness of outreach programs, the Committee directs that \$20,000,000 be made available for up to 40 cooperative outreach programs under the authority of section 301 of the Public Health Service Act. The Committee recognizes the vast difference in rural areas and their resources, and expects wide flexibility in these grants. The individual grantees must be coalitions of at least three of the following entities, and they must share outreach workers: community/migrant health centers, local health departments, community mental health centers, hospitals or private practices, other publicly funded health or social services agencies. The Committee expects that these projects will be distributed in such a way as to maximize development of models applicable to different rural areas.



**Social Security Act**  
**Title Contents**  
**OFFICE OF RURAL HEALTH POLICY**

**SEC. 711.[42 U.S.C. 912]**There shall be established in the Department of Health and Human Services (in this section referred to as the "Department") an Office of Rural Health Policy (in this section referred to as the "Office"). The Office shall be headed by a Director, who shall advise the Secretary on the effects of current policies and proposed statutory, regulatory, administrative, and budgetary changes in the programs established under titles XVIII and XIX on the financial viability of small rural hospitals, the ability of rural areas (and rural hospitals in particular) to attract and retain physicians and other health professionals, and access to (and the quality of) health care in rural areas.

In addition to advising the Secretary with respect to the matters specified in subsection (a), the Director, through the Office, shall—

- (1) oversee compliance with the requirements of section 1102(b) of this Act and section 4403 of the Omnibus Budget Reconciliation Act of 1987 (as such section pertains to rural health issues),
- (2) establish and maintain a clearinghouse for collecting and disseminating information on--
  - (A) rural health care issues, including rural mental health, rural infant mortality prevention, and rural occupational safety and preventive health promotion,
  - (B) research findings relating to rural health care, and
  - (C) innovative approaches to the delivery of health care in rural areas, including programs providing community-based mental health services, pre-natal and infant care services, and rural occupational safety and preventive health education and promotion,
- (3) coordinate the activities within the Department that relate to rural health care, and
- (4) provide information to the Secretary and others in the Department with respect to the activities, of other Federal departments and agencies, that relate to rural health care, including activities relating to rural mental health, rural infant mortality, and rural occupational safety and preventive health promotion.