

Public Law 98-194  
98th Congress

An Act

To provide revised reimbursement criteria for small rural health clinics utilizing National Health Service Corps personnel.

Dec. 1, 1983  
[S. 2129]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rural Health Clinics Act of 1983".*

Rural Health  
Clinics  
Act of 1983.  
42 USC 201 note.

FINDINGS

SEC. 2. Congress finds and declares that—

(1) rural health clinics are an important part of America's health care delivery system;

(2) National Health Service Corps personnel assigned to rural health clinics located in health manpower shortage areas have provided valuable and needed staffing help for such clinics;

(3) rural health clinics receiving assistance from National Health Service Corps personnel should be expected to reimburse the Federal Government for a reasonable share of the costs of such personnel; and

(4) the criteria which should be applied to reimbursement by such clinics for use of such personnel should be a fair and equitable one which reflects the needs of such clinics and the populations served by such clinics, as well as the value of the services rendered by such personnel.

42 USC 254g  
note.

Reimbursement.

ALTERNATIVE REIMBURSEMENT PROVISIONS

SEC. 3. (a)(1) Subsection (a) of section 334 of the Public Health Service Act (42 U.S.C. 254g) is amended—

(A) in the matter preceding subparagraph (A) of paragraph (3), by inserting “, if not a small health center,” after “the entity”;

(B) by striking out “and” at the end of subparagraph (C) of such paragraph;

(C) by redesignating paragraph (4) as (5); and

(D) by inserting after paragraph (3) the following new paragraph:

“(4) the entity, if a small health center, shall pay to the United States, in each calendar quarter (or other period as may be specified in the agreement) during which any Corps member is assigned to such entity, an amount determined by the Secretary in accordance with subsection (f); and”.

(b) Subsection (b) of such section is amended—

(1) by inserting “, on a prospective or retrospective basis,” after “in whole or in part” in paragraph (1);

(2) by inserting “which is not a small health center” after “for an entity” in such paragraph;

(3) by inserting “, on a prospective or retrospective basis,” after “in whole or in part” in paragraph (2);

(4) by inserting "is not a small health center and which" after "for any entity which" in such paragraph;

(5) by inserting "and does not, pursuant to paragraph (5), require payment by the entity in the amount described in subsection (f)(1)," after "paragraph (1) or (2)," in paragraph (3); and

Waiver.

(6) by adding at the end thereof the following new paragraph:  
 "(5)(A) If the Secretary determines that an entity which is not a small health center is eligible for a waiver under paragraph (1) or (2), the Secretary may waive the application of subsection (a)(3) for such entity and require such entity to make payment in an amount equal to the amount described in subsection (f)(1) that would be payable by such entity if such entity were a small health center.

"(B) The Secretary may waive in whole or in part, on a prospective or retrospective basis, the application of the requirement of subparagraph (A) for any entity if the Secretary determines that the entity is financially unable to meet such requirement or that compliance with such requirement would unreasonably limit the ability of the entity to provide for the adequate support of the provision of health services by Corps members. Funds which would be paid to the United States but for a waiver under this subparagraph shall be used by an entity to—

"(i) expand or improve its provision of health services;

"(ii) increase the number of individuals served;

"(iii) renovate or modernize facilities for its provision of health services;

"(iv) improve the administration of its health service programs; or

"(v) to establish a financial reserve to assure its ability to continue providing health services."

(c) Subsection (c) of such section is amended—

(1) by inserting "which is not a small health center" after "an entity";

(2) by inserting "or subsection (b)(5)(A)" before "shall be used by the entity".

(d) Such section is amended by adding at the end thereof the following new subsection:

Payment to U.S.

"(f)(1) An entity which is a small health center shall pay to the United States, as prescribed by the Secretary in each calendar quarter (or other period as may be specified in the agreement) during which any Corps member is assigned to such entity, an amount equal to the amount (prorated for a calendar quarter or other period) by which the revenues that the center may reasonably expect to receive during an annual period for the provision of health services exceeds the costs that the center may reasonably expect to incur in the provision of such services, except that the amount that an entity shall pay to the United States under this paragraph shall not exceed the amount such entity would pay to the United States under paragraph (3) of subsection (a) if such paragraph applied to such entity.

Proposed budget, submittal to Secretary.

"(2)(A) To determine for purposes of paragraph (1) the revenues and costs which an entity that is a small health center may reasonably be expected to receive and incur in an annual period for the provision of health services, the entity shall submit to the Secretary before the beginning of such period a proposed budget which—

"(i) describes the primary and supplemental health services (as defined in section 330) which are needed by the area the entity serves in such period; and

42 USC 254c.

"(ii) states the revenues and costs which the entity expects to receive and incur in providing such health services in such period.

"(B) From the submission under subparagraph (A) and other information available to the Secretary, the Secretary shall determine—

"(i) the primary and supplemental health services (as defined in section 330) needed in the area the entity serves;

"(ii) the fees, premiums, third party reimbursements, and other revenues the entity making the submission may reasonably expect to receive from the provision of such services; and

"(iii) the costs which the entity may reasonably expect to incur in providing such services.

The revenues and costs determined by the Secretary shall be the revenues and costs used in making the determination under paragraph (1).

Revenues and costs.

"(3) The Secretary may waive in whole or in part, on a prospective or retrospective basis, the application of paragraph (1) for an entity which is a small health center if the Secretary determines that the entity needs all or part of the amounts otherwise payable under such paragraph to—

Waiver.

"(A) expand or improve its provision of health services;

"(B) increase the number of individuals served;

"(C) renovate or modernize facilities for its provision of health services;

"(D) improve the administration of its health service programs; or

"(E) establish a financial reserve to assure its ability to continue providing health services.

"(4) The excess (if any) of the amount of funds collected by an entity which is a small health center in accordance with subsection (a)(2) over the amount paid to the United States in accordance with paragraph (1) of this subsection shall be used by the center for the purposes set out in subparagraphs (A) through (E) of paragraph (3) of this subsection or to recruit and retain health manpower to provide health services to the individuals in the health manpower shortage area for which the entity submitted an application.

Health manpower.

"(5) For purposes of this section, the term 'small health center' means an entity other than—

"Small health center."

"(A) a hospital (or part of a hospital);

"(B) a public entity; or

"(C) an entity that is receiving a grant under section 329 or section 330, except that such term includes an entity whose grant is less than the total of the amounts, calculated on an annual basis, specified in subparagraphs (A) and (B) of subsection (a)(3)."

42 USC 254b, 254c.

EFFECTIVE DATE AND APPLICABILITY

42 USC 254g  
note.  
Ante, p. 1345.

SEC. 4. The amendments made by section 3 shall apply with respect to agreements entered into under section 334 of the Public Health Service Act after the date of the enactment of this Act, but, to the extent feasible, the Secretary of Health and Human Services shall revise agreements entered into under such section 334 before such date to reflect the amendments made by section 3.

Approved December 1, 1983.

LEGISLATIVE HISTORY—S. 2129:

CONGRESSIONAL RECORD, Vol. 129 (1983):  
Nov. 18, considered and passed Senate and House.