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Collection Code: **SECLOG**

Staff Name:

Document Date:

Correspondent: **TIM SAUNDERS**

Subject/Description: **OVERSIZE ATTACHMENT # 9468 NARA # 9359 BOX 4 FOLDER 11B BILL FILE RECEIVED FROM THE OFFICE OF THE EXECUTIVE CLERK - OCT 26 02 ENROLLED BILL S. 1533 - HEALTH CARE SAFETY NET AMENDMENTS OF 2002**

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE PRESIDENT HAS SEEN
10-26-02

THE DIRECTOR

October 24, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill S. 1533 - Health Care Safety Net Amendments of 2002
Sponsor - Sen. Kennedy (D) MA

Last Day for Action

November 4, 2002 - Monday

Purpose

Authorizes appropriations through FY 2006 for the Consolidated Health Centers and National Health Service Corps programs; grants for rural health services; and the Healthy Communities Access Program.

Agency Recommendations

Office of Management and Budget	Approval
Department of Health and Human Services (HHS)	Approval
Department of Housing and Urban Development	Defers to HHS (Informally)
Department of Agriculture	No objection (Informally)
Department of Education	No objection (Informally)
Department of Justice	No objection (Informally)
Department of Labor	No objection (Informally)
Department of the Treasury	No objection (Informally)
Department of Commerce	No comment (Informally)

Discussion

The primary purpose of S. 1533 is to reauthorize the Nation's health care safety net programs, including the Consolidated Health Centers, the National Health Service Corps, and grants for rural health services. According to HHS, the enrolled bill represents a key element in the Administration's larger policy to improve and expand access to health care services for millions of uninsured and underserved people and has been an Administration priority. S. 1533 also would authorize, for the first time, the Healthy Communities Access Program, which the Administration objected to during House and Senate action on the bill.

The major provisions of the enrolled bill are summarized below. A title-by-title description of the bill is provided with the HHS views letter.

Major Provisions of S. 1533

Consolidated Health Centers. S. 1533 would authorize appropriations of $1.34 billion for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 for HHS' existing consolidated health centers (CHC) program. These Federally supported health centers are located in medically underserved communities; make their services available to all residents of the community, regardless of an individual's ability to pay; and provide comprehensive primary care services. Services include preventive care, care for illness or injury, services that improve both the accessibility and effectiveness of care, and patient case management. The FY 2003 Budget requested $1.46 billion for the CHC program.

S. 1533 also would make a number of changes to the CHC program, including: (1) authorizing HHS to make grants to CHCs to plan and develop practice management networks, which are designed to reduce costs, improve access to and the availability of health care, enhance the quality and coordination of health care services, or improve the health status of communities; (2) changing a loan guarantee program so that it would guarantee up to 90 percent of loans made by non-Federal lenders to CHCs for the costs of developing and operating managed care and practice management networks; (3) authorizing HHS to award linguistic access grants to certain CHCs to provide translation, interpretation, and other related services for clients with limited English speaking proficiency; (4) extending eligibility to CHC services to formerly homeless individuals during the first 12 months following their transition to permanent housing; and (5) expanding the scope of cancer screening included in primary care services, currently limited to screening for breast and cervical cancer, to include "appropriate cancer screening".

National Health Service Corps (NHSC). S. 1533 would authorize appropriations of $158.3 million for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 for the current NHSC scholarship and loan repayment programs. The NHSC program provides assistance with educational expenses to health professions students and clinicians in return for a period of obligated service in urban and rural communities with severe shortages of health care providers. The FY 2003 Budget requested $189.4 million for the NHSC.

In addition to reauthorizing the NHSC, S. 1533 would make a number of changes to the program. For example, the enrolled bill would: (1) allow behavioral and mental health professionals to participate in the NHSC scholarship and loan repayment programs; (2) establish a demonstration project providing for chiropractors and pharmacists to participate in the loan repayment program; (3) designate all Federally qualified health centers and rural health clinics as health care shortage areas in order to make it easier for these facilities to attract NHSC health care professionals; (4) require HHS to set-aside at least 10 percent of the amount appropriated to the NHSC for scholarships and loan repayments for nurse practitioners, physician assistants, and

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Rural Health Care and Telehealth Services. S. 1533 would authorize appropriations of $40 million for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 for certain existing grant programs targeted at rural health care services and small health care providers. These grants are used to: (1) expand the delivery of health care services in rural areas; (2) promote the development of integrated health care networks in rural areas; and (3) provide for planning and development of small health care provider quality improvement activities. S. 1533 would require that at least 50 percent of funds awarded for this purpose go to providers located in and serving rural areas. Preference would be given to grant applicants located in health professional shortage areas or medically underserved communities, or that serve medically underserved populations or propose to focus on primary care, and wellness and prevention activities.

S. 1533 also would establish a new Office for the Advancement of Telehealth within HHS' Health Resources and Services Administration. The new Office would assume the responsibility for awarding grants to community-based organizations and nonprofit entities for projects to demonstrate how telehealth technologies (i.e., the use of electronic information and telecommunications) can be used in rural areas, frontier communities, and medically underserved areas, and for medically underserved populations. For example, the grants would be used to: (1) expand access to, coordinate, and improve the quality of health care services; (2) improve and expand the training of health care providers; (3) expand and improve the quality of health information; and (4) demonstrate how telehealth technologies can be used to establish telehealth resource centers. For certain types of grants, no less than 50 percent of the grants must be awarded to rural communities. Grants awarded under this program would be limited to four years. S. 1533 would authorize appropriations of $60 million for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 to carry out telehealth grant activities.

The enrolled bill would authorize appropriations of $20 million for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 for the new Office for the Advancement of Telehealth to award grants to public or nonprofit organizations for demonstration projects to provide mental health services to children, adolescents, and elderly living in long term care facilities residing in mental health underserved areas using telehealth technologies. It also would authorize the new Office to make grants to provide education regarding mental illness by qualified health professionals using telehealth.

S. 1533 would authorize appropriations of such sums as may be necessary for each of FYs 2003-2006 for grants to certain specified State and local government agencies or other appropriate entities as determined by the Secretary of HHS to provide improved emergency medical services in rural areas. Under the new program, grants would be used to recruit and train personnel, acquire emergency medical services equipment, and educate the public on emergency preparedness. S. 1533 would require grantees to contribute an amount equal to 25 percent of the Federal grant.

The FY 2003 Budget includes $80.5 million for rural health and related services.

Healthy Communities Access Program (CAP). S. 1533 would, for the first time, authorize the existing CAP, which is a competitive grant program that provides funding to private and public organizations to coordinate health care services for the poor and uninsured or underinsured. The enrolled bill would limit to 15 percent the amount of funds a grantee can spend on direct patient care. According to HHS, CAP typically funds items such as computers, travel, consultants, administrative salaries, and equipment. The Administration has sought to eliminate CAP in the FY 2003 Budget, and instead invest CAP funds for direct health care services through the consolidated health centers program. S. 1533 would authorize appropriations of such sums as may be necessary for each of FYs 2002-2006 for CAP, and would limit the number of new grants that may be awarded under the program to 35 for each fiscal year. The program would terminate on September 30, 2006. The current CAP was initially established in FY 2000 under the general authority of section 301 of the Public Health Service Act.

Other Provisions. S. 1533 also would authorize appropriations totaling $50 million for FYs 2002-2006 for a new program of grants to States to develop and implement innovative programs to address the dental workforce needs in areas with dental health provider shortages, including: (1) loan forgiveness and repayment programs; (2) dental recruitment and retention efforts; and (3) grants and low-interest or no-interest loans to help dentists who participate in the Medicaid program to establish or expand their practices in designated dental health shortage areas. States would be responsible to contribute a minimum of 40 percent of the Federal funds provided under this program. S. 1533 also would authorize appropriations of such sums as may be necessary for each of FYs 2003-2006 for a new program of grants to State professional licensing boards to develop and implement State policies that will reduce statutory and regulatory barriers to telemedicine.

S. 1533 would require the Secretary of HHS to conduct a study and report to Congress and the President on the problems experienced by farmworkers under Medicaid and SCHIP, including barriers to enrollment and lack of portability and possible solutions. HHS also would be required to conduct a study and report to Congress on the Department's ability to guarantee the solvency of managed care networks under the consolidated health centers program. In addition, the enrolled bill would reauthorize HHS' Advisory Council on Graduate Medical Education through FY 2003. The authorization for this Council expired on September 30, 2002.

Conclusion and Recommendations

HHS recommends approval of S. 1533. In its views letter on the enrolled bill, the Department states that S. 1533 "provides many critical programmatic changes that will improve and increase access of the underserved to needed preventive and primary health services, and that will enhance our response to a changing health care environment."

We join HHS in recommending approval of S. 1533, which passed the Senate by unanimous consent and the House by a vote of 392-5.

Mitchell E. Daniels, Jr.
Director

Enclosures

One Hundred Seventh Congress of the United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Wednesday, the twenty-third day of January, two thousand and two

An Act

To amend the Public Health Service Act to reauthorize and strengthen the health centers program and the National Health Service Corps, and to establish the Healthy Communities Access Program, which will help coordinate services for the uninsured and underinsured, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Health Care Safety Net Amendments of 2002".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

(b) HOMELESS INDIVIDUAL.—Section 534(2) of the Public Health Service Act (42 U.S.C. 290cc–34(2)) is amended by striking "340(r)" and inserting "330(h)(5)".

Speaker of the House of Representatives pro tempore.

~~Vice President of the United States and~~
President of the Senate. pro tempore

APPROVED
OCT 2 6 2002

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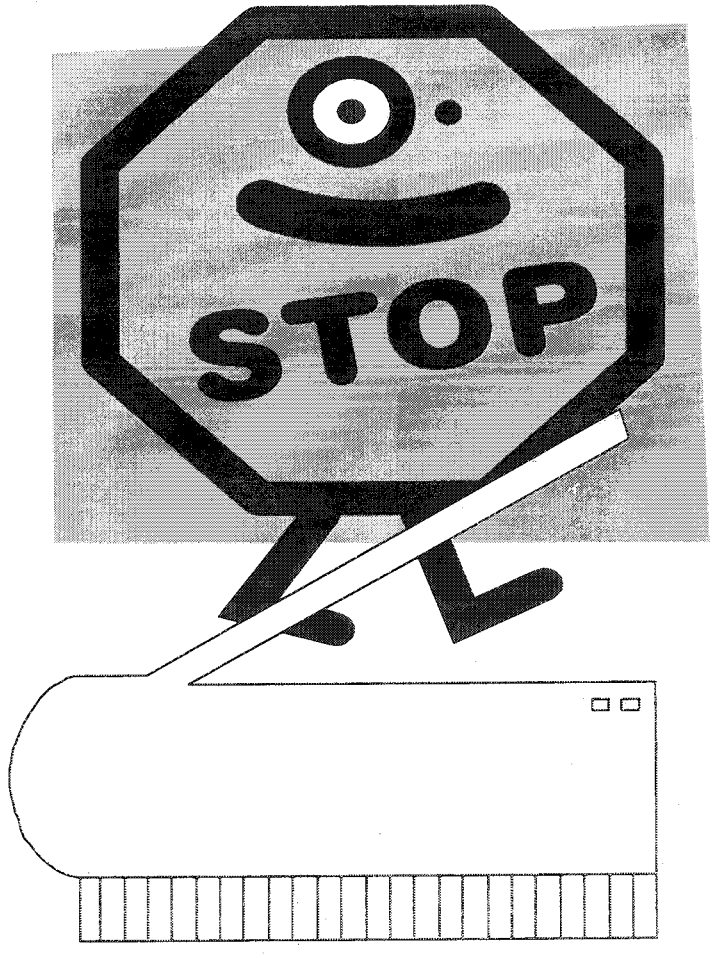

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I faxed these to staff sec.

Tevi

Document Originally Attached to Following Page

SS/ RM NO. _____

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-24-02 4:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: ASAP

Subject: ENROLLED BILL S. 1533 - HEALTH CARE SAFETY NET AMENDMENTS OF 2002

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
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GONZALES	☑	☐	_____	☐	☐
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HAWKINS	☑	☐	_____	☐	☐

REMARKS:

PLEASE FORWARD COMMENTS DIRECTLY TO JIM JUKES X53458, FAX X56148, ASAP, WITH A COPY TO THE STAFF SECRETARY. THANK YOU.

RESPONSE:

cc Jay
Alan | Philo
Terri

OKTT

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

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S. 1533 also would establish a new Office for the Advancement of Telehealth within HHS' Health Resources and Services Administration. The new Office would assume the responsibility for awarding grants to community-based organizations and nonprofit entities for projects to demonstrate how telehealth technologies (i.e., the use of electronic information and telecommunications) can be used in rural areas, frontier communities, and medically underserved areas, and for medically underserved populations. For example, the grants would be used to: (1) expand access to, coordinate, and improve the quality of health care services; (2) improve and expand the training of health care providers; (3) expand and improve the quality of health information; and (4) demonstrate how telehealth technologies can be used to establish telehealth resource centers. For certain types of grants, no less than 50 percent of the grants must be awarded to rural communities. Grants awarded under this program would be limited to four years. S. 1533 would authorize appropriations of $60 million for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 to carry out telehealth grant activities.

The enrolled bill would authorize appropriations of $20 million for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 for the new Office for the Advancement of Telehealth to award grants to public or nonprofit organizations for demonstration projects to provide mental health services to children, adolescents, and elderly living in long term care facilities residing in mental health underserved areas using telehealth technologies. It also would authorize the new Office to make grants to provide education regarding mental illness by qualified health professionals using telehealth.

S. 1533 would authorize appropriations of such sums as may be necessary for each of FYs 2003-2006 for grants to certain specified State and local government agencies or other appropriate entities as determined by the Secretary of HHS to provide improved emergency medical services in rural areas. Under the new program, grants would be used to recruit and train personnel, acquire emergency medical services equipment, and educate the public on emergency preparedness. S. 1533 would require grantees to contribute an amount equal to 25 percent of the Federal grant.

The FY 2003 Budget includes $80.5 million for rural health and related services.

Healthy Communities Access Program (CAP). S. 1533 would, for the first time, authorize the existing CAP, which is a competitive grant program that provides funding to private and public organizations to coordinate health care services for the poor and uninsured or underinsured. The enrolled bill would limit to 15 percent the amount of funds a grantee can spend on direct patient care. According to HHS, CAP typically funds items such as computers, travel, consultants, administrative salaries, and equipment. The Administration has sought to eliminate CAP in the FY 2003 Budget, and instead invest CAP funds for direct health care services through the consolidated health centers program. S. 1533 would authorize appropriations of such sums as may be necessary for each of FYs 2002-2006 for CAP, and would limit the number of new grants that may be awarded under the program to 35 for each fiscal year. The program would terminate on September 30, 2006. The current CAP was initially established in FY 2000 under the general authority of section 301 of the Public Health Service Act.

Other Provisions. S. 1533 also would authorize appropriations totaling $50 million for FYs 2002-2006 for a new program of grants to States to develop and implement innovative programs to address the dental workforce needs in areas with dental health provider shortages, including: (1) loan forgiveness and repayment programs; (2) dental recruitment and retention efforts; and (3) grants and low-interest or no-interest loans to help dentists who participate in the Medicaid program to establish or expand their practices in designated dental health shortage areas. States would be responsible to contribute a minimum of 40 percent of the Federal funds provided under this program. S. 1533 also would authorize appropriations of such sums as may be necessary for each of FYs 2003-2006 for a new program of grants to State professional licensing boards to develop and implement State policies that will reduce statutory and regulatory barriers to telemedicine.

S. 1533 would require the Secretary of HHS to conduct a study and report to Congress and the President on the problems experienced by farmworkers under Medicaid and SCHIP, including barriers to enrollment and lack of portability and possible solutions. HHS also would be required to conduct a study and report to Congress on the Department's ability to guarantee the solvency of managed care networks under the consolidated health centers program. In addition, the enrolled bill would reauthorize HHS' Advisory Council on Graduate Medical Education through FY 2003. The authorization for this Council expired on September 30, 2002.

Conclusion and Recommendations

HHS recommends approval of S. 1533. In its views letter on the enrolled bill, the Department states that S. 1533 "provides many critical programmatic changes that will improve and increase access of the underserved to needed preventive and primary health services, and that will enhance our response to a changing health care environment."

We join HHS in recommending approval of S. 1533, which passed the Senate by unanimous consent and the House by a vote of 392-5.

M E Daniels

Mitchell E. Daniels, Jr.
Director

Enclosures

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

October 23, 2002

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management
and Budget
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of the Department of Health and Human Services on S. 1533, an enrolled bill entitled the "Health Care Safety Net Amendments of 2002". A staff summary of the enrolled bill will follow shortly.

We recommend that the President approve the enrolled bill. S. 1533 makes amendments to the Public Health Service (PHS) Act to reauthorize through FY 2006 important health care programs for underserved populations, including the Consolidated Health Centers (CHCs), the National Health Service Corps (NHSC), and grants for rural health care programs including telehealth. In addition, the bill makes extensive amendments to these programs to improve the way underserved populations receive needed health care services.

Consolidated Health Centers Program Amendments

In addition to reauthorizing the CHC program, S. 1533 broadens the scope of cancer screening included in primary care services (currently limited to screening for breast and cervical cancer) to include "appropriate cancer screening". The bill provides new authority for grants to networks of CHCs to improve delivery of health care, and to State professional licensing boards for programs to encourage cooperation among States to reduce statutory and regulatory barriers to telemedicine. The bill also authorizes the Secretary to make grants to CHCs for developing and operating managed care networks or plans, and to provide loan guarantees of up to 90 percent for such activities.

Rural Health and Telehealth

S. 1533 reauthorizes the rural health care services outreach and network development grant programs, and establishes telehealth network and resource centers grant programs. Included among amendments to rural health and telehealth authorities, the bill authorizes grants for small health care provider quality improvement; creates a rural emergency medical service training and equipment assistance program; and authorizes a new mental health services telehealth demonstration program.

National Health Service Corps Program

Amendments to the NHSC authority streamline the process for designation of health professional shortage areas (HPSAs). All Federally qualified health centers (FQHCs) and rural health clinics

meeting certain criteria would automatically be designated HPSAs and thus be eligible to receive NHSC providers. The bill repeals requirements for special consideration of certain factors in designation of HPSAs, giving the Secretary additional flexibility in making such determinations.

S. 1533 makes various amendments to the health professional loan repayment and scholarship authorities. New authority is provided for a demonstration program for part-time service payback by scholarship and loan recipients. Behavioral and mental health professionals are made eligible for the program, and a demonstration program provides for participation of pharmacists and chiropractic doctors. The bill requires the Secretary to obligate not less than 10 percent of the appropriations for each fiscal year for scholarships for new program participants, or for scholarships and loan repayments for individuals from disadvantaged backgrounds; and the current requirement for a 10 percent set-aside of funds for scholarships for nurse practitioners, nurse midwives, and physician assistants is expanded to allow set-aside funds to be used for loan repayments as well.

Healthy Communities Access Program

S. 1533 also includes 5-year authority for the Healthy Communities Access Program (HCAP), through which the Secretary may award up to 35 grants each year to entities representing consortia of health providers to improve the effectiveness, efficiency, and coordination of services for uninsured and underinsured individuals. HCAP, which would sunset on September 30, 2005, provides statutory authority for the current Community Access Program (CAP) initially established in FY 2000 under the general authority of section 301 of the PHS Act.

The bill also provides for a new grant program to assist States to address dental workforce needs of designated dental HPSAs.

Conclusion

The program extensions, expansions, and amendments made by S. 1533 provide important resources to enable HHS to ensure that the health care needs of medically underserved individuals throughout our country are addressed. This legislation provides many critical programmatic changes that will improve and increase access of the underserved to needed preventive and primary health services, and that will enhance our response to a changing health care environment. We therefore recommend that the President approve the enrolled bill.

Sincerely,

Tommy G. Thompson

Enrolled bill—S. 1533, the "Health Care Safety Net Amendments of 2002"

Section-by-Section Summary

NOTES ON REFERENCES: Except as otherwise specified, as used in this summary, these terms have the following meanings:

- "the Act" means the Public Health Service (PHS) Act; and references to provisions of law are to provisions of the PHS Act;
- "Secretary" means the Secretary of Health and Human Services (HHS);
- "CHC" means Consolidated Health Center;
- "DHPSA" means dental health professional shortage area;
- "FQHC" means Federally qualified health center;
- "HCAP" means Healthy Communities Access Program;
- "HPSA" means health professional shortage area;
- "HRSA" means the Health Services Resources Administration;
- "RHC" means rural health center; and
- "SCHIP" means the State Children's Health Insurance Program under title XXI of the Social Security Act.

TITLE I CONSOLIDATED HEALTH CENTER PROGRAM AMENDMENTS

SEC. 101. HEALTH CENTERS.

This section amends section 330 of the Act to extend and amend the authority for the CHC Program. Appropriations are authorized of $1.34 billion for FY 2002 (sic) and such sums as necessary for FYs 2003-2006. Requirements for CHC services are expanded to include "appropriate cancer screenings" (rather than only screenings for breast and cervical cancer); speciality referrals; and assistance with housing services. Expanded environmental health services; behavioral, mental health and substance abuse services; and recuperative care services are now listed as additional services. Homeless youth are added as an eligible population for CHC services; homeless centers may provide services for up to one year after an individual is no longer homeless. CHCs are required to have contracts with the State agency administering the SCHIP program, and to assure that no individual is denied health services because of inability to pay.

Further amendments provide for linguistic access grants to CHCs, with a separate "such sums" authorization of appropriations; for grants to practice management networks; and for Federal

guarantees of up to 90% on loans to CHCs for managed care and practice management networks. This section also authorizes a new program to provide technical and other assistance to CHCs, including fiscal and program management assistance.

SEC. 102. TELEMEDICINE; INCENTIVE GRANTS REGARDING COORDINATION AMONG STATES.

Section 102 authorizes grants to State professional licensing boards for cooperative programs to reduce the statutory and regulatory barriers to telemedicine.

TITLE II--RURAL HEALTH

Subtitle A—Rural Health Care Services Outreach, Rural Health Network Development, and Small Health Care Provider Quality Improvement Grant Programs

SEC. 201. GRANT PROGRAMS.

This section amends section 330A to make permanent, and substantially amend, the current rural health outreach demonstration authority, authorizing appropriations of $40 million for FY 2002 (sic) and such sums as necessary for FYs 2003-2006. *(NOTE: For amendments making permanent the telehealth demonstration authority under current section 330A, see the descriptions of title II-B and C of the enrolled bill.)* The purpose of the amended authority is to provide for grants for expanded delivery of health services in rural areas, for planning and implementation of integrated health networks, and planning and implementation of small health care provider quality improvement activities. Grants may not be used for construction or property purchases. The Secretary must report to the appropriate Congressional committees by 9/30/05 on progress under the program.

Subtitle B—Telehealth Grant Consolidation

SEC. 211. SHORT TITLE.

This section designates this subtitle as the "Telehealth Grant Consolidation Act of 2002"

SEC. 212. CONSOLIDATION AND REAUTHORIZATION OF PROVISIONS.

This section adds to title III-D-I of the Act a new section 330I (Telehealth Network and Telehealth Resource Centers Grant Programs), establishes a separate authority for telehealth programs replacing the current demonstration authority under section 330A (see also the descriptions of sections 201 and 221 of the enrolled bill).

The Secretary is required to establish, under section 301, telehealth network and telehealth resource centers grant programs. The bill establishes in HRSA an Office for the Advancement of Telehealth, to be administered by a Director, who shall administer the telehealth program in consultation with State offices of rural health, State offices concerning primary care, and other appropriate State government entities. Grants are authorized to be made to nonprofit entities to demonstrate how telehealth technologies can be used through networks in rural and frontier areas and for underserved populations; and to demonstrate how telehealth technologies can be used to establish telehealth resource centers. Grants are to be equitably distributed among the geographical regions of the U.S., with a specified amount for projects in rural areas. Grant funds may be used for salaries, equipment, operating costs, education, and other specified purposes. Purposes for which funds may not be used include acquiring real property, costs for purchase or lease of equipment exceeding 40 percent of grant funds, and certain equipment.

Eligible telehealth networks must include a community-based health care provider and at least one other provider from a detailed list focused on community and free or low-cost care provides. Eligible telehealth resource centers must submit a detailed application describing (among other matters) how it plans to address the health care needs of its service population and integrate telehealth services into provider operations; and evidence of local support, sources of local matching funds, and plans for self-sufficiency after Federal support ends. In awarding grants, the Secretary is to give preference based on specified criteria, including (for networks) the range and coordination of services to be provided, and (for resource centers) a demonstrated record of success, of collaboration and sharing of expertise with providers, and of providing a broad range of services.

Appropriations are authorized of $40 million for network grants, and $20 million for resource center grants, for FY 2002 (sic), and such sums as necessary for the two grant programs for FYs 2003-2006.

Subtitle C— Mental Health Services Telehealth Program and Rural Emergency Medical Service Training and Equipment Assistance Program

SEC. 221. PROGRAMS.

This section adds to title III-D-I of the Act two new sections, expanding and making permanent aspects of the current demonstration authority under section 330A (see also the descriptions of sections 201 and 212 of the enrolled bill).

New section 330J (Rural Emergency Medical Service Training and Equipment Assistance Program) authorizes grants to State emergency medical service providers (or other entities found appropriate) for improved rural emergency medical services. Grants may be used to recruit and train personnel, acquire emergency equipment, and educate the public on emergency preparedness. Preference in awarding grants is to be given to applications reflecting collaborative effort and proposing to use funds for emergency personnel recruitment and training. Local matching must be provided equal to 25% of the

Federal grant. Appropriations are authorized through FY 2006; the Secretary may use up to 10 % of appropriations for administrative expenses.

New section 330K (Mental Health Services Delivered Via Telehealth) authorizes the Secretary, acting through the Director of the Office for the Advancement of Telehealth established by section 330I (as added by section 212 of the enrolled bill) to make grants, to public or nonprofit private telehealth provider networks that offer mental health services by qualified providers, for demonstration projects providing mental health services, using telehealth delivery, to children and adolescents in underserved urban or rural areas, and to elderly residents of long-term-care facilities in such areas. Grants must be equitably distributed among geographic regions of the U.S. The Secretary must report on the program to the appropriate congressional committees by 4 years after enactment. Appropriations are authorized of $20 million for FY 2002 (sic) and such sums as necessary for FYs 2003-2006.

TITLE III—NATIONAL HEALTH SERVICE CORPS PROGRAM

SEC. 301. NATIONAL HEALTH SERVICE CORPS.

This section amends section 331 of the Act. Behavioral and mental health professionals are added to the list of health professionals eligible to participate in the NHSC. Authority is provided to reimburse certain travel expenses of NHSC members to sites to which assigned, and of prospective members to evaluate sites to which they may be assigned. This section also authorizes a demonstration program allowing payback of health professions scholarship and loan obligations through less than full-time obligated service.

SEC. 302. DESIGNATION OF HEALTH PROFESSIONAL SHORTAGE AREAS.

This section amends section 332 and requires that all FQHCs and RHCs that meet requirements of section 334 (as amended by section 305 of the bill, concerning charges for services by entities using the services of NHSC members) be automatically designated as HPSAs; this automatic designation is to be re-determined at 6-year intervals. The population groups that may be designated as HPSAs are expanded to include seasonal agricultural workers, migratory agricultural workers, and residents of public housing. This section repeals the requirement to give special consideration in a HPSA designation of specified factors including infant mortality, access to health services, health status, and ability to pay. The Secretary is required to report to Congress the issuance of any regulation revising the definition of HPSA or the standards for prioritizing areas that receive NHSC personnel assignments.

The Secretary is required to consult with dental organizations and public health officials to increase the participation by dentists and dental hygienists in the NHSC scholarship and the loan repayment programs. HRSA is directed, in consultation with specific provider groups and health officials, to revise criteria for designating dental HPSAs, to better reflect oral health care needs.

SEC. 303. ASSIGNMENT OF CORPS PERSONNEL.

This section amends section 333 to authorize assignment of NHSC members to any public or private entity, with preference to nonprofit or public entities that will provide an assignment site. (Currently, NHSC personnel may be assigned only to public and non-profit private entities.) The Secretary is authorized to provide technical assistance to entities in HPSAs that seek NHSC personnel, and to entities developing long-term plans on health professional shortages and access to health care.

SEC. 304. PRIORITIES IN ASSIGNMENT OF CORPS PERSONNEL.

This section amends section 333A to repeal requirements that the Secretary consider, in determining priority of assignment of NHSC personnel to HPSAs, only health manpower-to-population ratio; rates of low birthweight births, infant mortality, and poverty; and access to primary care. Instead, the Secretary is required to publish a proposed list of HPSAs and priority areas, and to allow entities 30 days after such publication to amend their applications to provide additional information supporting a priority designation.

SEC. 305. COST-SHARING.

This section replaces current section 334 (Cost Sharing) with a new section entitled "Charges for Services by Entities Using Corps Members". The revised section requires use by such entities of fee schedules consistent with locally prevailing rates or charges, and of schedules of discounts based on ability to pay. It provides that entities employing NHSC members may not deny health services to individuals or discriminate in the provision of services because of inability to pay, or because payment for services would be made under Medicare, Medicaid, or SCHIP. It also requires an entity to accept Medicare assignment and to enter into an agreement with the State agency administering the Medicaid and SCHIP programs.

SEC. 306. ELIGIBILITY FOR FEDERAL FUNDS.

This section amends section 335(e)(1)(B) makes ineligible for SCHIP funds any hospital that refuses admitting privileges to a NHSC member. (The current provision already bars Medicare and Medicaid payments to such a hospital.)

SEC. 307. FACILITATION OF EFFECTIVE PROVISION OF CORPS SERVICES.

This section amends section 336 to change references to "health manpower shortage areas" to "health professional shortage areas".

SEC. 308. AUTHORIZATION OF APPROPRIATIONS.

This section amends section 338 (authorization of appropriations for subpart II) to extend authorizations of such sums as necessary through FY 2006.

SEC. 309. NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP PROGRAM.

This section makes amendments to section 338A (NHSC Scholarship Program). Behavioral and mental health professionals are made eligible for the Scholarship Program. The Secretary is required to consider the applications of all individuals accepted for enrollment or enrolled in any accredited dental school. All applicants studying medicine must agree to complete a residency in a specialty that the Secretary determines is consistent with the needs of the NHSC.

SEC. 310. NHSC LOAN REPAYMENT PROGRAM.

This section amends section 338B to make behavioral and mental health professionals eligible for the loan repayment program.

SEC. 311. OBLIGATED SERVICE.

This section amends section 338C, with respect to the benchmark date triggering the procedures for initiating obligated service by scholarship recipients. The amendments provide that the date is the date on which the individual completes the training required for the degree for which the individual receives the scholarship, except that the date for physicians is the date of completion of a residency in an approved specialty, and in other cases, in the Secretary's discretion, may be the end of the period required to complete advanced training (including an internship or residency).

SEC. 312. PRIVATE PRACTICE.

This section amends section 338D to provide that the written agreement with an individual fulfilling a period of obligated service in private clinical practice must require compliance with the same charges for services by entities requirements that currently apply to other NHSC members, and contain such additional provisions as the Secretary may require to carry out the objectives of the section.

SEC. 313. BREACH OF SCHOLARSHIP CONTRACT OR LOAN REPAYMENT CONTRACT.

This section amends section 338E to repeal requirement that individuals repay amounts for failing to accept payment of a NHSC scholarship; and to authorize termination of a contract with an individual in the scholarship or loan repayment program if the individual requests termination and repays all amounts paid to or on behalf of the individual. The amendments also substantially increase the amounts an

individual in the Loan Repayment Program must pay when a written contract is breached; notably, the unserved obligation penalty is increased from $1,000 to $7,500 per month. Finally, the amendments provide that there will be no limitation on the period within which suit may be filed, a judgment may be enforced, or an action relating to an offset or garnishment, or other action, may be initiated or taken by Federal officials for the repayment of the amount due.

SEC. 314. AUTHORIZATION OF APPROPRIATIONS.

This section amends section 338H to authorize appropriations for the Scholarship and Loan Repayment Program of $146,250,000 for FY 2002 (sic) and such sums as necessary for FYs 2003-2006. The share of annual appropriations that must be used for scholarships for new participants in the program is reduced from 30 to 10 percent, and is extended to include scholarships or loan repayments to disadvantaged individuals; the requirement to obligate an additional 10 percent of annual appropriations for scholarships to students seeking certification as nurse practitioners, nurse midwives, or physician's assistants is broadened to include loan repayments.

SEC. 315. GRANTS TO STATES FOR LOAN REPAYMENT PROGRAMS.

This section amends section 338I to require the National Advisory Council on the NHSC to advise HRSA on grants to States for loan repayment programs, and requires State reports. Appropriations under section 338I are authorized of $12 million for FY 2002 and such sums as necessary for FYs 2003-2006.

SEC. 316. DEMONSTRATION GRANTS TO STATES FOR COMMUNITY SCHOLARSHIP PROGRAMS.

This section repeals section 338L (Demonstration Grants to States for Community Scholarship Programs).

SEC. 317. DEMONSTRATION PROJECT.

This section adds to title III-D-III a new section 338L, authorizing a demonstration project to provide for the participation of chiropractic doctors and pharmacists in the loan repayment program. Such individuals would provide services in rural and urban areas but could not be assigned to a site unless a physician or other health professional licensed to prescribe drugs was also assigned to such site. The demonstration, and any providers selected for it, would not be considered in the designation of a HPSA. Appropriations are authorized of such sums as necessary for FYs 2002-2004, with an extension to FY 2005 if the number of individuals in the project is insufficient to permit project evaluation.

TITLE IV—HEALTHY COMMUNITIES ACCESS PROGRAM

SEC. 401. PURPOSE.

Section 401 states the purpose of this title to provide assistance, to communities and to consortia of health care providers, to support development or strengthening of systems to deliver coordinated care for uninsured or underinsured individuals.

SEC. 402. CREATION OF HEALTHY COMMUNITIES ACCESS PROGRAM.

Section 402, which would provide statutory authority for what is essentially the current Community Access Program under the general authority of section 301 of the Act, adds to Part D of title III a new Subpart V--Healthy Communities Access Program , providing for up to 35 grants for each of FYs 2003-2006 to eligible entities to assist development of integrated health care delivery systems to serve communities of individuals who are uninsured or who are underinsured, focusing on improving efficiency and coordination among service providers, and on programs targeting chronic diseases. Eligible entities would be public or nonprofit private entities, representing consortia whose principal purpose is to provide a broad range of coordinated health care services for a specified community, and including a FQHC, a hospital serving a low-income population, a public health department, and a public or private sector provider that has traditionally served the medically uninsured and underserved, with priority given based on extent of unmet community need.

The majority of grant funds could be used only for planning, developing, and implementing the greater integration of a health care delivery system and direct patient care and service expansions to fill identified or documented gaps within an integrated delivery system; not more than 15 percent of grants could be used for direct patient care and services. The Secretary could use up to 3 percent of appropriations to provide technical assistance and information to grantees, for evaluation, and for related administrative purposes. Eligible entities may not receive an HCAP grant for more than 3 consecutive years, except in specified extraordinary circumstances. The new subtitle requires grantees to report to the Secretary annually, and the Secretary to report to appropriate Congressional committees on the progress and accomplishments of the grant program by 9/30/05, the date for termination of HCAP.

The new subtitle also authorizes demonstration grants to historically black medical schools for collaborations with HCAP providers to develop patient-based research infrastructures; to establish medical research and data collection programs; or to support research-related costs of patient care, data collection, and academic training.

Appropriations are authorized for subpart V programs of $125 million for FY 2002 and such sums as necessary for each of FYs 2003-2006.

SEC. 403. EXPANDING AVAILABILITY OF DENTAL SERVICES.

Section 403 adds to Part D of title III a new Subpart X—Primary Dental Programs, providing for grants to States for innovative programs to address dental workforce needs of designated dental health professional shortage areas. Grant funds could be used for student loan forgiveness and repayment programs; recruitment and retention efforts; assistance for dentists participating in Medicaid to establish or expand practice in a DHPSA; establishment of dental residency programs in States without dental schools; and other specified activities designed to increase access to dental services. State grantees would be required to contribute funding in an amount equal to 40 percent of the Federal grant. The Secretary is required to report to the appropriate Congressional committees by 5 years after enactment. Appropriations are authorized of $50 million for the 5-fiscal year period beginning with FY2002.

SEC. 404. STUDY REGARDING BARRIERS TO PARTICIPATION OF FARMWORKERS IN HEALTH PROGRAMS.

Section 404 requires the Secretary to study and report to the Congress on problems experienced by farmworkers and their families under Medicaid and SCHIP, including barriers to enrollment and lack of portability of coverage, and on possible solutions.

TITLE V—STUDY AND MISCELLANEOUS PROVISIONS

SEC. 501. GUARANTEE STUDY.

Section 501 requires the Secretary to study and report to the Congress, by 2 years after enactment, on the ability of HHS to provide for solvency of managed care networks involving health centers receiving funding under the Consolidated Health Centers Program of section 330.

SEC. 502. GRADUATE MEDICAL EDUCATION.

This section amends section 762(k) of the PHS Act to extend the termination date of the Advisory Council on Graduate Medical Education from 9/30/02 to 9/30/03.

TITLE VI—CONFORMING AMENDMENTS

SEC. 601. CONFORMING AMENDMENTS.

Section 601 makes technical and conforming amendments concerning health centers for the homeless.

Memo to the Record

Date: 01/11/2017

Collection: Executive Clerk, Office of the

Series: Saunders, G. Timothy (Tim) - Bill Files

Hollinger ID: 85229

Folder Title: 10/26/2002 [S. 1533] [771526]

RE: [107th Congress 1st Session SENATE report, 107-83]

A copy of the report entitled "HEALTH CARE SAFETY NET AMENDMENTS OF 2001" is included at this location in this folder. It was not scanned.

It can be viewed at https://www.congress.gov/107/crpt/srpt83/CRPT-107srpt83.pdf. If this link is broken, please contact the George W. Bush Presidential Library archives for additional information regarding this item.

Parent has
later resigned
enrolled use name
of the bill

Document Originally
Attached to
Following Page

SS/ RM NO. _____

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-24-02 4:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: ASAP

Subject: ENROLLED BILL S. 1533 - HEALTH CARE SAFETY NET AMENDMENTS OF 2002

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT n/c	☑	☐	HUBBARD MC	☑	☐
CARD	☑	☐	IRASTORZA	☐	☐
BARTLETT MC	☑	☐	JOHNSON	☐	☐
BLAKEMAN	☐	☐	LINDSEY OK	☑	☐
BOLTEN ✓	☑	☐	MARBURGER	☐	☐
BRIDGELAND	☑	☐	MIERS	☐	☑
CALIO OK	☑	☐	RICE	☑	☐
CONNAUGHTON	☑	☐	RIDGE	☑	☐
DANIELS	☑	☐	ROVE MC	☑	☐
FLEISCHER	☑	☐	SPELLINGS N/C OK	☑	☐
GERSON	☐	☑	CLERK	☐	☑
GONZALES cleared by phone	☑	☐	_____	☐	☐
HAGIN	☐	☐	_____	☐	☐
HAWKINS	☑	☐	_____	☐	☐

REMARKS:

PLEASE FORWARD COMMENTS DIRECTLY TO JIM JUKES X53458, FAX X56148, ASAP, WITH A COPY TO THE STAFF SECRETARY. THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

October 24, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill S. 1533 - Health Care Safety Net Amendments of 2002
Sponsor - Sen. Kennedy (D) MA

Last Day for Action

November 4, 2002 - Monday

Purpose

Authorizes appropriations through FY 2006 for the Consolidated Health Centers and National Health Service Corps programs; grants for rural health services; and the Healthy Communities Access Program.

Agency Recommendations

Office of Management and Budget	Approval
Department of Health and Human Services (HHS)	Approval
Department of Housing and Urban Development	Defers to HHS (Informally)
Department of Agriculture	No objection (Informally)
Department of Education	No objection (Informally)
Department of Justice	No objection (Informally)
Department of Labor	No objection (Informally)
Department of the Treasury	No objection (Informally)
Department of Commerce	No comment (Informally)

Discussion

The primary purpose of S. 1533 is to reauthorize the Nation's health care safety net programs, including the Consolidated Health Centers, the National Health Service Corps, and grants for rural health services. According to HHS, the enrolled bill represents a key element in the Administration's larger policy to improve and expand access to health care services for millions of uninsured and underserved people and has been an Administration priority. S. 1533 also would authorize, for the first time, the Healthy Communities Access Program, which the Administration objected to during House and Senate action on the bill.

The major provisions of the enrolled bill are summarized below. A title-by-title description of the bill is provided with the HHS views letter.

Major Provisions of S. 1533

Consolidated Health Centers. S. 1533 would authorize appropriations of $1.34 billion for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 for HHS' existing consolidated health centers (CHC) program. These Federally supported health centers are located in medically underserved communities; make their services available to all residents of the community, regardless of an individual's ability to pay; and provide comprehensive primary care services. Services include preventive care, care for illness or injury, services that improve both the accessibility and effectiveness of care, and patient case management. The FY 2003 Budget requested $1.46 billion for the CHC program.

S. 1533 also would make a number of changes to the CHC program, including: (1) authorizing HHS to make grants to CHCs to plan and develop practice management networks, which are designed to reduce costs, improve access to and the availability of health care, enhance the quality and coordination of health care services, or improve the health status of communities; (2) changing a loan guarantee program so that it would guarantee up to 90 percent of loans made by non-Federal lenders to CHCs for the costs of developing and operating managed care and practice management networks; (3) authorizing HHS to award linguistic access grants to certain CHCs to provide translation, interpretation, and other related services for clients with limited English speaking proficiency; (4) extending eligibility to CHC services to formerly homeless individuals during the first 12 months following their transition to permanent housing; and (5) expanding the scope of cancer screening included in primary care services, currently limited to screening for breast and cervical cancer, to include "appropriate cancer screening".

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Conclusion and Recommendations

HHS recommends approval of S. 1533. In its views letter on the enrolled bill, the Department states that S. 1533 "provides many critical programmatic changes that will improve and increase access of the underserved to needed preventive and primary health services, and that will enhance our response to a changing health care environment."

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Director

Enclosures

SS/ RM NO. _____

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-24-02 4:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: ASAP

Subject: ENROLLED BILL S. 1533 - HEALTH CARE SAFETY NET AMENDMENTS OF 2002

	ACTION	FYI		ACTION	FYI
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RESPONSE:

Harriet E. Miers
Assistant to the President
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Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

October 24, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill S. 1533 - Health Care Safety Net Amendments of 2002
Sponsor - Sen. Kennedy (D) MA

Last Day for Action

November 4, 2002 - Monday

Purpose

Authorizes appropriations through FY 2006 for the Consolidated Health Centers and National Health Service Corps programs; grants for rural health services; and the Healthy Communities Access Program.

Agency Recommendations

Office of Management and Budget	Approval
Department of Health and Human Services (HHS)	Approval
Department of Housing and Urban Development	Defers to HHS (Informally)
Department of Agriculture	No objection (Informally)
Department of Education	No objection (Informally)
Department of Justice	No objection (Informally)
Department of Labor	No objection (Informally)
Department of the Treasury	No objection (Informally)
Department of Commerce	No comment (Informally)

Discussion

The primary purpose of S. 1533 is to reauthorize the Nation's health care safety net programs, including the Consolidated Health Centers, the National Health Service Corps, and grants for rural health services. According to HHS, the enrolled bill represents a key element in the Administration's larger policy to improve and expand access to health care services for millions of uninsured and underserved people and has been an Administration priority. S. 1533 also would authorize, for the first time, the Healthy Communities Access Program, which the Administration objected to during House and Senate action on the bill.

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Director

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Date: 10-24-02 4:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: ASAP

Subject: ENROLLED BILL S. 1533 - HEALTH CARE SAFETY NET AMENDMENTS OF 2002

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GERSON	☐	☑	CLERK	☐	☑
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HAGIN	☐	☐	_____	☐	☐
HAWKINS	☑	☐	_____	☐	☐

REMARKS:

PLEASE FORWARD COMMENTS DIRECTLY TO JIM JUKES X53458, FAX X56148, ASAP, WITH A COPY TO THE STAFF SECRETARY. THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

October 24, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill S. 1533 - Health Care Safety Net Amendments of 2002
Sponsor - Sen. Kennedy (D) MA

Last Day for Action

November 4, 2002 - Monday

Purpose

Authorizes appropriations through FY 2006 for the Consolidated Health Centers and National Health Service Corps programs; grants for rural health services; and the Healthy Communities Access Program.

Agency Recommendations

Office of Management and Budget	Approval
Department of Health and Human Services (HHS)	Approval
Department of Housing and Urban Development	Defers to HHS (Informally)
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Discussion

The primary purpose of S. 1533 is to reauthorize the Nation's health care safety net programs, including the Consolidated Health Centers, the National Health Service Corps, and grants for rural health services. According to HHS, the enrolled bill represents a key element in the Administration's larger policy to improve and expand access to health care services for millions of uninsured and underserved people and has been an Administration priority. S. 1533 also would authorize, for the first time, the Healthy Communities Access Program, which the Administration objected to during House and Senate action on the bill.

The major provisions of the enrolled bill are summarized below. A title-by-title description of the bill is provided with the HHS views letter.

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S. 1533 also would make a number of changes to the CHC program, including: (1) authorizing HHS to make grants to CHCs to plan and develop practice management networks, which are designed to reduce costs, improve access to and the availability of health care, enhance the quality and coordination of health care services, or improve the health status of communities; (2) changing a loan guarantee program so that it would guarantee up to 90 percent of loans made by non-Federal lenders to CHCs for the costs of developing and operating managed care and practice management networks; (3) authorizing HHS to award linguistic access grants to certain CHCs to provide translation, interpretation, and other related services for clients with limited English speaking proficiency; (4) extending eligibility to CHC services to formerly homeless individuals during the first 12 months following their transition to permanent housing; and (5) expanding the scope of cancer screening included in primary care services, currently limited to screening for breast and cervical cancer, to include "appropriate cancer screening".

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The FY 2003 Budget includes $80.5 million for rural health and related services.

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Other Provisions. S. 1533 also would authorize appropriations totaling $50 million for FYs 2002-2006 for a new program of grants to States to develop and implement innovative programs to address the dental workforce needs in areas with dental health provider shortages, including: (1) loan forgiveness and repayment programs; (2) dental recruitment and retention efforts; and (3) grants and low-interest or no-interest loans to help dentists who participate in the Medicaid program to establish or expand their practices in designated dental health shortage areas. States would be responsible to contribute a minimum of 40 percent of the Federal funds provided under this program. S. 1533 also would authorize appropriations of such sums as may be necessary for each of FYs 2003-2006 for a new program of grants to State professional licensing boards to develop and implement State policies that will reduce statutory and regulatory barriers to telemedicine.

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Conclusion and Recommendations

HHS recommends approval of S. 1533. In its views letter on the enrolled bill, the Department states that S. 1533 "provides many critical programmatic changes that will improve and increase access of the underserved to needed preventive and primary health services, and that will enhance our response to a changing health care environment."

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Major Provisions of S. 1533

Consolidated Health Centers. S. 1533 would authorize appropriations of $1.34 billion for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 for HHS' existing consolidated health centers (CHC) program. These Federally supported health centers are located in medically underserved communities; make their services available to all residents of the community, regardless of an individual's ability to pay; and provide comprehensive primary care services. Services include preventive care, care for illness or injury, services that improve both the accessibility and effectiveness of care, and patient case management. The FY 2003 Budget requested $1.46 billion for the CHC program.

S. 1533 also would make a number of changes to the CHC program, including: (1) authorizing HHS to make grants to CHCs to plan and develop practice management networks, which are designed to reduce costs, improve access to and the availability of health care, enhance the quality and coordination of health care services, or improve the health status of communities; (2) changing a loan guarantee program so that it would guarantee up to 90 percent of loans made by non-Federal lenders to CHCs for the costs of developing and operating managed care and practice management networks; (3) authorizing HHS to award linguistic access grants to certain CHCs to provide translation, interpretation, and other related services for clients with limited English speaking proficiency; (4) extending eligibility to CHC services to formerly homeless individuals during the first 12 months following their transition to permanent housing; and (5) expanding the scope of cancer screening included in primary care services, currently limited to screening for breast and cervical cancer, to include "appropriate cancer screening".

National Health Service Corps (NHSC). S. 1533 would authorize appropriations of $158.3 million for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 for the current NHSC scholarship and loan repayment programs. The NHSC program provides assistance with educational expenses to health professions students and clinicians in return for a period of obligated service in urban and rural communities with severe shortages of health care providers. The FY 2003 Budget requested $189.4 million for the NHSC.

In addition to reauthorizing the NHSC, S. 1533 would make a number of changes to the program. For example, the enrolled bill would: (1) allow behavioral and mental health professionals to participate in the NHSC scholarship and loan repayment programs; (2) establish a demonstration project providing for chiropractors and pharmacists to participate in the loan repayment program; (3) designate all Federally qualified health centers and rural health clinics as health care shortage areas in order to make it easier for these facilities to attract NHSC health care professionals; (4) require HHS to set-aside at least 10 percent of the amount appropriated to the NHSC for scholarships and loan repayments for nurse practitioners, physician assistants, and

nurse midwives; (5) establish a demonstration program for scholarship and loan recipients to pay back their service obligation on a part-time basis; (6) require HHS to spend at least 10 percent of its NHSC appropriations annually for scholarships for new program participants; and (7) make ineligible to receive State Children's Health Insurance Program (SCHIP) funds (in addition to Medicare and Medicaid funds) any hospital refusing admitting privileges to a NHSC member.

Rural Health Care and Telehealth Services. S. 1533 would authorize appropriations of $40 million for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 for certain existing grant programs targeted at rural health care services and small health care providers. These grants are used to: (1) expand the delivery of health care services in rural areas; (2) promote the development of integrated health care networks in rural areas; and (3) provide for planning and development of small health care provider quality improvement activities. S. 1533 would require that at least 50 percent of funds awarded for this purpose go to providers located in and serving rural areas. Preference would be given to grant applicants located in health professional shortage areas or medically underserved communities, or that serve medically underserved populations or propose to focus on primary care, and wellness and prevention activities.

S. 1533 also would establish a new Office for the Advancement of Telehealth within HHS' Health Resources and Services Administration. The new Office would assume the responsibility for awarding grants to community-based organizations and nonprofit entities for projects to demonstrate how telehealth technologies (i.e., the use of electronic information and telecommunications) can be used in rural areas, frontier communities, and medically underserved areas, and for medically underserved populations. For example, the grants would be used to: (1) expand access to, coordinate, and improve the quality of health care services; (2) improve and expand the training of health care providers; (3) expand and improve the quality of health information; and (4) demonstrate how telehealth technologies can be used to establish telehealth resource centers. For certain types of grants, no less than 50 percent of the grants must be awarded to rural communities. Grants awarded under this program would be limited to four years. S. 1533 would authorize appropriations of $60 million for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 to carry out telehealth grant activities.

The enrolled bill would authorize appropriations of $20 million for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 for the new Office for the Advancement of Telehealth to award grants to public or nonprofit organizations for demonstration projects to provide mental health services to children, adolescents, and elderly living in long term care facilities residing in mental health underserved areas using telehealth technologies. It also would authorize the new Office to make grants to provide education regarding mental illness by qualified health professionals using telehealth.

S. 1533 would authorize appropriations of such sums as may be necessary for each of FYs 2003-2006 for grants to certain specified State and local government agencies or other appropriate entities as determined by the Secretary of HHS to provide improved emergency medical services in rural areas. Under the new program, grants would be used to recruit and train personnel, acquire emergency medical services equipment, and educate the public on emergency preparedness. S. 1533 would require grantees to contribute an amount equal to 25 percent of the Federal grant.

The FY 2003 Budget includes $80.5 million for rural health and related services.

Healthy Communities Access Program (CAP). S. 1533 would, for the first time, authorize the existing CAP, which is a competitive grant program that provides funding to private and public organizations to coordinate health care services for the poor and uninsured or underinsured. The enrolled bill would limit to 15 percent the amount of funds a grantee can spend on direct patient care. According to HHS, CAP typically funds items such as computers, travel, consultants, administrative salaries, and equipment. The Administration has sought to eliminate CAP in the FY 2003 Budget, and instead invest CAP funds for direct health care services through the consolidated health centers program. S. 1533 would authorize appropriations of such sums as may be necessary for each of FYs 2002-2006 for CAP, and would limit the number of new grants that may be awarded under the program to 35 for each fiscal year. The program would terminate on September 30, 2006. The current CAP was initially established in FY 2000 under the general authority of section 301 of the Public Health Service Act.

Other Provisions. S. 1533 also would authorize appropriations totaling $50 million for FYs 2002-2006 for a new program of grants to States to develop and implement innovative programs to address the dental workforce needs in areas with dental health provider shortages, including: (1) loan forgiveness and repayment programs; (2) dental recruitment and retention efforts; and (3) grants and low-interest or no-interest loans to help dentists who participate in the Medicaid program to establish or expand their practices in designated dental health shortage areas. States would be responsible to contribute a minimum of 40 percent of the Federal funds provided under this program. S. 1533 also would authorize appropriations of such sums as may be necessary for each of FYs 2003-2006 for a new program of grants to State professional licensing boards to develop and implement State policies that will reduce statutory and regulatory barriers to telemedicine.

S. 1533 would require the Secretary of HHS to conduct a study and report to Congress and the President on the problems experienced by farmworkers under Medicaid and SCHIP, including barriers to enrollment and lack of portability and possible solutions. HHS also would be required to conduct a study and report to Congress on the Department's ability to guarantee the solvency of managed care networks under the consolidated health centers program. In addition, the enrolled bill would reauthorize HHS' Advisory Council on Graduate Medical Education through FY 2003. The authorization for this Council expired on September 30, 2002.

Conclusion and Recommendations

HHS recommends approval of S. 1533. In its views letter on the enrolled bill, the Department states that S. 1533 "provides many critical programmatic changes that will improve and increase access of the underserved to needed preventive and primary health services, and that will enhance our response to a changing health care environment."

We join HHS in recommending approval of S. 1533, which passed the Senate by unanimous consent and the House by a vote of 392-5.

Mitchell E. Daniels, Jr.
Director

Enclosures

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*** TX REPORT ***
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TRANSMISSION OK

TX/RX NO	0939	
CONNECTION TEL		56958
CONNECTION ID		
ST. TIME	10/24 04:28	
USAGE T	02'58	
PGS. SENT	6	
RESULT	OK	

SS/ RM NO. _____

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-24-02 4:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: ASAP

Subject: ENROLLED BILL S. 1533 - HEALTH CARE SAFETY NET AMENDMENTS OF 2002

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	IRASTORZA	☐	☐
BARTLETT	☑	☐	JOHNSON	☐	☐
BLAKEMAN	☐	☐	LINDSEY	☑	☐
BOLTEN	☑	☐	MARBURGER	☐	☐
BRIDGELAND	☑	☐	MIERS	☐	☑
CALIO	☑	☐	RICE	☑	☐
CONNAUGHTON	☑	☐	RIDGE	☑	☐
DANIELS	☑	☐	ROVE	☑	☐
FLEISCHER	☑	☐	SPELLINGS	☑	☐
GERSON	☐	☑	CLERK	☐	☑
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HAGIN	☐	☐	_____	☐	☐
HAWKINS	☑	☐	_____	☐	☐

REMARKS:
PLEASE FORWARD COMMENTS DIRECTLY TO JIM JUKES X53458, FAX X56148, ASAP, WITH A COPY TO THE STAFF SECRETARY. THANK YOU!

SS/ RM NO. _____

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RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

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*** TX REPORT ***
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TRANSMISSION OK

TX/RX NO	0938
CONNECTION TEL	67090
CONNECTION ID	ADMIN
ST. TIME	10/24 04:25
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PGS. SENT	6
RESULT	OK

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WHITE HOUSE STAFFING MEMORANDUM

Date: 10-24-02 4:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: ASAP

Subject: ENROLLED BILL S. 1533 - HEALTH CARE SAFETY NET AMENDMENTS OF 2002

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RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

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*** TX REPORT ***
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TRANSMISSION OK

TX/RX NO	0937
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RESULT	OK

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WHITE HOUSE STAFFING MEMORANDUM

Date: 10-24-02 4:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: ASAP

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RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

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*** TX REPORT ***
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WHITE HOUSE STAFFING MEMORANDUM

Date: 10-24-02 4:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: ASAP

Subject: ENROLLED BILL S. 1533 - HEALTH CARE SAFETY NET AMENDMENTS OF 2002

	ACTION	FYI		ACTION	FYI
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CARD	☑	☐	IRASTORZA	☐	☐
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RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

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*** TX REPORT ***
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CONNECTION ID		
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WHITE HOUSE STAFFING MEMORANDUM

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RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

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*** TX REPORT ***
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TRANSMISSION OK

TX/RX NO	0934	
CONNECTION TEL		66212
CONNECTION ID		
ST. TIME	10/24 03:54	
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PGS. SENT	6	
RESULT	OK	

SS/ RM NO. _____

WHITE HOUSE STAFFING MEMORANDUM

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RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

October 24, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill S. 1533 - Health Care Safety Net Amendments of 2002
Sponsor - Sen. Kennedy (D) MA

Last Day for Action

November 4, 2002 - Monday

Purpose

Authorizes appropriations through FY 2006 for the Consolidated Health Centers and National Health Service Corps programs; grants for rural health services; and the Healthy Communities Access Program.

Agency Recommendations

Office of Management and Budget	Approval
Department of Health and Human Services (HHS)	Approval
Department of Housing and Urban Development	Defers to HHS (Informally)
Department of Agriculture	No objection (Informally)
Department of Education	No objection (Informally)
Department of Justice	No objection (Informally)
Department of Labor	No objection (Informally)
Department of the Treasury	No objection (Informally)
Department of Commerce	No comment (Informally)

Discussion

The primary purpose of S. 1533 is to reauthorize the Nation's health care safety net programs, including the Consolidated Health Centers, the National Health Service Corps, and grants for rural health services. According to HHS, the enrolled bill represents a key element in the Administration's larger policy to improve and expand access to health care services for millions of uninsured and underserved people and has been an Administration priority. S. 1533 also would authorize, for the first time, the Healthy Communities Access Program, which the Administration objected to during House and Senate action on the bill.

The major provisions of the enrolled bill are summarized below. A title-by-title description of the bill is provided with the HHS views letter.

Major Provisions of S. 1533

Consolidated Health Centers. S. 1533 would authorize appropriations of $1.34 billion for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 for HHS' existing consolidated health centers (CHC) program. These Federally supported health centers are located in medically underserved communities; make their services available to all residents of the community, regardless of an individual's ability to pay; and provide comprehensive primary care services. Services include preventive care, care for illness or injury, services that improve both the accessibility and effectiveness of care, and patient case management. The FY 2003 Budget requested $1.46 billion for the CHC program.

S. 1533 also would make a number of changes to the CHC program, including: (1) authorizing HHS to make grants to CHCs to plan and develop practice management networks, which are designed to reduce costs, improve access to and the availability of health care, enhance the quality and coordination of health care services, or improve the health status of communities; (2) changing a loan guarantee program so that it would guarantee up to 90 percent of loans made by non-Federal lenders to CHCs for the costs of developing and operating managed care and practice management networks; (3) authorizing HHS to award linguistic access grants to certain CHCs to provide translation, interpretation, and other related services for clients with limited English speaking proficiency; (4) extending eligibility to CHC services to formerly homeless individuals during the first 12 months following their transition to permanent housing; and (5) expanding the scope of cancer screening included in primary care services, currently limited to screening for breast and cervical cancer, to include "appropriate cancer screening".

National Health Service Corps (NHSC). S. 1533 would authorize appropriations of $158.3 million for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 for the current NHSC scholarship and loan repayment programs. The NHSC program provides assistance with educational expenses to health professions students and clinicians in return for a period of obligated service in urban and rural communities with severe shortages of health care providers. The FY 2003 Budget requested $189.4 million for the NHSC.

In addition to reauthorizing the NHSC, S. 1533 would make a number of changes to the program. For example, the enrolled bill would: (1) allow behavioral and mental health professionals to participate in the NHSC scholarship and loan repayment programs; (2) establish a demonstration project providing for chiropractors and pharmacists to participate in the loan repayment program; (3) designate all Federally qualified health centers and rural health clinics as health care shortage areas in order to make it easier for these facilities to attract NHSC health care professionals; (4) require HHS to set-aside at least 10 percent of the amount appropriated to the NHSC for scholarships and loan repayments for nurse practitioners, physician assistants, and

nurse midwives; (5) establish a demonstration program for scholarship and loan recipients to pay back their service obligation on a part-time basis; (6) require HHS to spend at least 10 percent of its NHSC appropriations annually for scholarships for new program participants; and (7) make ineligible to receive State Children's Health Insurance Program (SCHIP) funds (in addition to Medicare and Medicaid funds) any hospital refusing admitting privileges to a NHSC member.

Rural Health Care and Telehealth Services. S. 1533 would authorize appropriations of $40 million for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 for certain existing grant programs targeted at rural health care services and small health care providers. These grants are used to: (1) expand the delivery of health care services in rural areas; (2) promote the development of integrated health care networks in rural areas; and (3) provide for planning and development of small health care provider quality improvement activities. S. 1533 would require that at least 50 percent of funds awarded for this purpose go to providers located in and serving rural areas. Preference would be given to grant applicants located in health professional shortage areas or medically underserved communities, or that serve medically underserved populations or propose to focus on primary care, and wellness and prevention activities.

S. 1533 also would establish a new Office for the Advancement of Telehealth within HHS' Health Resources and Services Administration. The new Office would assume the responsibility for awarding grants to community-based organizations and nonprofit entities for projects to demonstrate how telehealth technologies (i.e., the use of electronic information and telecommunications) can be used in rural areas, frontier communities, and medically underserved areas, and for medically underserved populations. For example, the grants would be used to: (1) expand access to, coordinate, and improve the quality of health care services; (2) improve and expand the training of health care providers; (3) expand and improve the quality of health information; and (4) demonstrate how telehealth technologies can be used to establish telehealth resource centers. For certain types of grants, no less than 50 percent of the grants must be awarded to rural communities. Grants awarded under this program would be limited to four years. S. 1533 would authorize appropriations of $60 million for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 to carry out telehealth grant activities.

The enrolled bill would authorize appropriations of $20 million for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 for the new Office for the Advancement of Telehealth to award grants to public or nonprofit organizations for demonstration projects to provide mental health services to children, adolescents, and elderly living in long term care facilities residing in mental health underserved areas using telehealth technologies. It also would authorize the new Office to make grants to provide education regarding mental illness by qualified health professionals using telehealth.

S. 1533 would authorize appropriations of such sums as may be necessary for each of FYs 2003-2006 for grants to certain specified State and local government agencies or other appropriate entities as determined by the Secretary of HHS to provide improved emergency medical services in rural areas. Under the new program, grants would be used to recruit and train personnel, acquire emergency medical services equipment, and educate the public on emergency preparedness. S. 1533 would require grantees to contribute an amount equal to 25 percent of the Federal grant.

The FY 2003 Budget includes $80.5 million for rural health and related services.

Healthy Communities Access Program (CAP). S. 1533 would, for the first time, authorize the existing CAP, which is a competitive grant program that provides funding to private and public organizations to coordinate health care services for the poor and uninsured or underinsured. The enrolled bill would limit to 15 percent the amount of funds a grantee can spend on direct patient care. According to HHS, CAP typically funds items such as computers, travel, consultants, administrative salaries, and equipment. The Administration has sought to eliminate CAP in the FY 2003 Budget, and instead invest CAP funds for direct health care services through the consolidated health centers program. S. 1533 would authorize appropriations of such sums as may be necessary for each of FYs 2002-2006 for CAP, and would limit the number of new grants that may be awarded under the program to 35 for each fiscal year. The program would terminate on September 30, 2006. The current CAP was initially established in FY 2000 under the general authority of section 301 of the Public Health Service Act.

Other Provisions. S. 1533 also would authorize appropriations totaling $50 million for FYs 2002-2006 for a new program of grants to States to develop and implement innovative programs to address the dental workforce needs in areas with dental health provider shortages, including: (1) loan forgiveness and repayment programs; (2) dental recruitment and retention efforts; and (3) grants and low-interest or no-interest loans to help dentists who participate in the Medicaid program to establish or expand their practices in designated dental health shortage areas. States would be responsible to contribute a minimum of 40 percent of the Federal funds provided under this program. S. 1533 also would authorize appropriations of such sums as may be necessary for each of FYs 2003-2006 for a new program of grants to State professional licensing boards to develop and implement State policies that will reduce statutory and regulatory barriers to telemedicine.

S. 1533 would require the Secretary of HHS to conduct a study and report to Congress and the President on the problems experienced by farmworkers under Medicaid and SCHIP, including barriers to enrollment and lack of portability and possible solutions. HHS also would be required to conduct a study and report to Congress on the Department's ability to guarantee the solvency of managed care networks under the consolidated health centers program. In addition, the enrolled bill would reauthorize HHS' Advisory Council on Graduate Medical Education through FY 2003. The authorization for this Council expired on September 30, 2002.

Conclusion and Recommendations

HHS recommends approval of S. 1533. In its views letter on the enrolled bill, the Department states that S. 1533 "provides many critical programmatic changes that will improve and increase access of the underserved to needed preventive and primary health services, and that will enhance our response to a changing health care environment."

We join HHS in recommending approval of S. 1533, which passed the Senate by unanimous consent and the House by a vote of 392-5.

Mitchell E. Daniels, Jr.
Director

Enclosures

SS/ RM NO. _____

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-24-02 4:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: ASAP

Subject: ENROLLED BILL S. 1533 - HEALTH CARE SAFETY NET AMENDMENTS OF 2002

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	IRASTORZA	☐	☐
BARTLETT	☑	☐	JOHNSON	☐	☐
BLAKEMAN	☐	☐	LINDSEY	☑	☐
BOLTEN	☑	☐	MARBURGER	☐	☐
BRIDGELAND	☑	☐	MIERS	☐	☑
CALIO	☑	☐	RICE	☑	☐
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DANIELS	☑	☐	ROVE	☑	☐
FLEISCHER	☑	☐	SPELLINGS	☑	☐
GERSON	☐	☑	CLERK	☐	☑
GONZALES	☑	☐	_____	☐	☐
HAGIN	☐	☐	_____	☐	☐
HAWKINS	☑	☐	_____	☐	☐

REMARKS:

PLEASE FORWARD COMMENTS DIRECTLY TO JIM JUKES X53458, FAX X56148, ASAP, WITH A COPY TO THE STAFF SECRETARY. THANK YOU.

OK - No Comment

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

October 24, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill S. 1533 - Health Care Safety Net Amendments of 2002
Sponsor - Sen. Kennedy (D) MA

Last Day for Action

November 4, 2002 - Monday

Purpose

Authorizes appropriations through FY 2006 for the Consolidated Health Centers and National Health Service Corps programs; grants for rural health services; and the Healthy Communities Access Program.

Agency Recommendations

Office of Management and Budget	Approval
Department of Health and Human Services (HHS)	Approval
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Mitchell E. Daniels, Jr.
Director

Enclosures

SS/ RM NO. [redacted]

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-24-02 4:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: ASAP

Subject: ENROLLED BILL S. 1533 - HEALTH CARE SAFETY NET AMENDMENTS OF 2002

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
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BLAKEMAN	☐	☐	LINDSEY	S	☐
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GONZALES	☑	☐	_____	☐	☐
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HAWKINS	☑	☐	_____	☐	☐

REMARKS:

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RESPONSE: OK - NEC

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

SS/ RM NO. _____

WHITE HOUSE STAFFING MEMORANDUM

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Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

October 24, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill S. 1533 - Health Care Safety Net Amendments of 2002
Sponsor - Sen. Kennedy (D) MA

Last Day for Action

November 4, 2002 - Monday

Purpose

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Agency Recommendations

Office of Management and Budget	Approval
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Healthy Communities Access Program (CAP). S. 1533 would, for the first time, authorize the existing CAP, which is a competitive grant program that provides funding to private and public organizations to coordinate health care services for the poor and uninsured or underinsured. The enrolled bill would limit to 15 percent the amount of funds a grantee can spend on direct patient care. According to HHS, CAP typically funds items such as computers, travel, consultants, administrative salaries, and equipment. The Administration has sought to eliminate CAP in the FY 2003 Budget, and instead invest CAP funds for direct health care services through the consolidated health centers program. S. 1533 would authorize appropriations of such sums as may be necessary for each of FYs 2002-2006 for CAP, and would limit the number of new grants that may be awarded under the program to 35 for each fiscal year. The program would terminate on September 30, 2006. The current CAP was initially established in FY 2000 under the general authority of section 301 of the Public Health Service Act.

Other Provisions. S. 1533 also would authorize appropriations totaling $50 million for FYs 2002-2006 for a new program of grants to States to develop and implement innovative programs to address the dental workforce needs in areas with dental health provider shortages, including: (1) loan forgiveness and repayment programs; (2) dental recruitment and retention efforts; and (3) grants and low-interest or no-interest loans to help dentists who participate in the Medicaid program to establish or expand their practices in designated dental health shortage areas. States would be responsible to contribute a minimum of 40 percent of the Federal funds provided under this program. S. 1533 also would authorize appropriations of such sums as may be necessary for each of FYs 2003-2006 for a new program of grants to State professional licensing boards to develop and implement State policies that will reduce statutory and regulatory barriers to telemedicine.

S. 1533 would require the Secretary of HHS to conduct a study and report to Congress and the President on the problems experienced by farmworkers under Medicaid and SCHIP, including barriers to enrollment and lack of portability and possible solutions. HHS also would be required to conduct a study and report to Congress on the Department's ability to guarantee the solvency of managed care networks under the consolidated health centers program. In addition, the enrolled bill would reauthorize HHS' Advisory Council on Graduate Medical Education through FY 2003. The authorization for this Council expired on September 30, 2002.

Conclusion and Recommendations

HHS recommends approval of S. 1533. In its views letter on the enrolled bill, the Department states that S. 1533 "provides many critical programmatic changes that will improve and increase access of the underserved to needed preventive and primary health services, and that will enhance our response to a changing health care environment."

We join HHS in recommending approval of S. 1533, which passed the Senate by unanimous consent and the House by a vote of 392-5.

Mitchell E. Daniels, Jr.
Director

Enclosures

OFFICE OF THE VICE PRESIDENT

WASHINGTON

October 24, 2002

MEMORANDUM FOR JIM JUKES

FROM: **JONATHAN BURKS**
DEPUTY STAFF SECRETARY TO THE VICE PRESIDENT

SUBJECT: **Enrolled Bill S. 1533 – Health Care Safety Net Amendments of 2002**

The Office of the Vice President has reviewed the above-referenced draft and has no comments.

cc: **Harriet Miers**
Staff Secretary

SS/ RM NO. _____

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-24-02 4:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: ASAP

Subject: ENROLLED BILL S. 1533 - HEALTH CARE SAFETY NET AMENDMENTS OF 2002

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	IRASTORZA	☐	☐
BARTLETT	☑	☐	JOHNSON	☐	☐
BLAKEMAN	☐	☐	LINDSEY	☑	☐
BOLTEN	☑	☐	MARBURGER	☐	☐
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DANIELS	☑	☐	ROVE	☑	☐
FLEISCHER	☑	☐	SPELLINGS	☑	☐
GERSON	☐	☑	CLERK	☐	☑
GONZALES	☑	☐	_____	☐	☐
HAGIN	☐	☐	_____	☐	☐
HAWKINS	☑	☐	_____	☐	☐

REMARKS:

PLEASE FORWARD COMMENTS DIRECTLY TO JIM JUKES X53458, FAX X56148, ASAP, WITH A COPY TO THE STAFF SECRETARY. THANK YOU.

No Comment

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

SS/ RM NO. [redacted]

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-24-02 4:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: ASAP

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HAWKINS	☑	☐	_____	☐	☐

REMARKS:

PLEASE FORWARD COMMENTS DIRECTLY TO JIM JUKES X53458, FAX X56148, ASAP, WITH A COPY TO THE STAFF SECRETARY. THANK YOU.

NO COMMENTS

RESPONSE:

cc Jay
Alan | Philo
Teri

Harriet E. Miers
Assistant to the President

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-24-02 4:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: ASAP

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HAGIN	☐	☐	_____	☐	☐
HAWKINS	☑	☐	_____	☐	☐

REMARKS:
PLEASE FORWARD COMMENTS DIRECTLY TO JIM JUKES X53458, FAX X56148, ASAP, WITH A COPY TO THE STAFF SECRETARY. THANK YOU.

RESPONSE: No comment.
Thomas DELEIRE
CEA, 5-4597

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

SS/ RM NO. _____

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-24-02 4:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: ASAP

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REMARKS:

PLEASE FORWARD COMMENTS DIRECTLY TO JIM JUKES X53458, FAX X56148, ASAP, WITH A COPY TO THE STAFF SECRETARY. THANK YOU.

RESPONSE:

Legislative Affairs (Howard) -ok

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

October 24, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill S. 1533 - Health Care Safety Net Amendments of 2002
Sponsor - Sen. Kennedy (D) MA

Last Day for Action

November 4, 2002 - Monday

Purpose

Authorizes appropriations through FY 2006 for the Consolidated Health Centers and National Health Service Corps programs; grants for rural health services; and the Healthy Communities Access Program.

Agency Recommendations

Office of Management and Budget	Approval
Department of Health and Human Services (HHS)	Approval
Department of Housing and Urban Development	Defers to HHS (Informally)
Department of Agriculture	No objection (Informally)
Department of Education	No objection (Informally)
Department of Justice	No objection (Informally)
Department of Labor	No objection (Informally)
Department of the Treasury	No objection (Informally)
Department of Commerce	No comment (Informally)

Discussion

The primary purpose of S. 1533 is to reauthorize the Nation's health care safety net programs, including the Consolidated Health Centers, the National Health Service Corps, and grants for rural health services. According to HHS, the enrolled bill represents a key element in the Administration's larger policy to improve and expand access to health care services for millions of uninsured and underserved people and has been an Administration priority. S. 1533 also would authorize, for the first time, the Healthy Communities Access Program, which the Administration objected to during House and Senate action on the bill.

The major provisions of the enrolled bill are summarized below. A title-by-title description of the bill is provided with the HHS views letter.

Major Provisions of S. 1533

Consolidated Health Centers. S. 1533 would authorize appropriations of $1.34 billion for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 for HHS' existing consolidated health centers (CHC) program. These Federally supported health centers are located in medically underserved communities; make their services available to all residents of the community, regardless of an individual's ability to pay; and provide comprehensive primary care services. Services include preventive care, care for illness or injury, services that improve both the accessibility and effectiveness of care, and patient case management. The FY 2003 Budget requested $1.46 billion for the CHC program.

S. 1533 also would make a number of changes to the CHC program, including: (1) authorizing HHS to make grants to CHCs to plan and develop practice management networks, which are designed to reduce costs, improve access to and the availability of health care, enhance the quality and coordination of health care services, or improve the health status of communities; (2) changing a loan guarantee program so that it would guarantee up to 90 percent of loans made by non-Federal lenders to CHCs for the costs of developing and operating managed care and practice management networks; (3) authorizing HHS to award linguistic access grants to certain CHCs to provide translation, interpretation, and other related services for clients with limited English speaking proficiency; (4) extending eligibility to CHC services to formerly homeless individuals during the first 12 months following their transition to permanent housing; and (5) expanding the scope of cancer screening included in primary care services, currently limited to screening for breast and cervical cancer, to include "appropriate cancer screening".

National Health Service Corps (NHSC). S. 1533 would authorize appropriations of $158.3 million for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 for the current NHSC scholarship and loan repayment programs. The NHSC program provides assistance with educational expenses to health professions students and clinicians in return for a period of obligated service in urban and rural communities with severe shortages of health care providers. The FY 2003 Budget requested $189.4 million for the NHSC.

In addition to reauthorizing the NHSC, S. 1533 would make a number of changes to the program. For example, the enrolled bill would: (1) allow behavioral and mental health professionals to participate in the NHSC scholarship and loan repayment programs; (2) establish a demonstration project providing for chiropractors and pharmacists to participate in the loan repayment program; (3) designate all Federally qualified health centers and rural health clinics as health care shortage areas in order to make it easier for these facilities to attract NHSC health care professionals; (4) require HHS to set-aside at least 10 percent of the amount appropriated to the NHSC for scholarships and loan repayments for nurse practitioners, physician assistants, and

nurse midwives; (5) establish a demonstration program for scholarship and loan recipients to pay back their service obligation on a part-time basis; (6) require HHS to spend at least 10 percent of its NHSC appropriations annually for scholarships for new program participants; and (7) make ineligible to receive State Children's Health Insurance Program (SCHIP) funds (in addition to Medicare and Medicaid funds) any hospital refusing admitting privileges to a NHSC member.

Rural Health Care and Telehealth Services. S. 1533 would authorize appropriations of $40 million for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 for certain existing grant programs targeted at rural health care services and small health care providers. These grants are used to: (1) expand the delivery of health care services in rural areas; (2) promote the development of integrated health care networks in rural areas; and (3) provide for planning and development of small health care provider quality improvement activities. S. 1533 would require that at least 50 percent of funds awarded for this purpose go to providers located in and serving rural areas. Preference would be given to grant applicants located in health professional shortage areas or medically underserved communities, or that serve medically underserved populations or propose to focus on primary care, and wellness and prevention activities.

S. 1533 also would establish a new Office for the Advancement of Telehealth within HHS' Health Resources and Services Administration. The new Office would assume the responsibility for awarding grants to community-based organizations and nonprofit entities for projects to demonstrate how telehealth technologies (i.e., the use of electronic information and telecommunications) can be used in rural areas, frontier communities, and medically underserved areas, and for medically underserved populations. For example, the grants would be used to: (1) expand access to, coordinate, and improve the quality of health care services; (2) improve and expand the training of health care providers; (3) expand and improve the quality of health information; and (4) demonstrate how telehealth technologies can be used to establish telehealth resource centers. For certain types of grants, no less than 50 percent of the grants must be awarded to rural communities. Grants awarded under this program would be limited to four years. S. 1533 would authorize appropriations of $60 million for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 to carry out telehealth grant activities.

The enrolled bill would authorize appropriations of $20 million for FY 2002 and such sums as may be necessary for each of FYs 2003-2006 for the new Office for the Advancement of Telehealth to award grants to public or nonprofit organizations for demonstration projects to provide mental health services to children, adolescents, and elderly living in long term care facilities residing in mental health underserved areas using telehealth technologies. It also would authorize the new Office to make grants to provide education regarding mental illness by qualified health professionals using telehealth.

S. 1533 would authorize appropriations of such sums as may be necessary for each of FYs 2003-2006 for grants to certain specified State and local government agencies or other appropriate entities as determined by the Secretary of HHS to provide improved emergency medical services in rural areas. Under the new program, grants would be used to recruit and train personnel, acquire emergency medical services equipment, and educate the public on emergency preparedness. S. 1533 would require grantees to contribute an amount equal to 25 percent of the Federal grant.

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Mitchell E. Daniels, Jr.
Director

Enclosures

SS/ RM NO.

WHITE HOUSE STAFFING MEMORANDUM

Date: 10-24-02 4:00 PM ACTION / CONCURRENCE / COMMENT DUE BY: ASAP

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HAWKINS	☑	☐	_____	☐	☐

REMARKS:
PLEASE FORWARD COMMENTS DIRECTLY TO JIM JUKES X53458, FAX X56148, ASAP, WITH A COPY TO THE STAFF SECRETARY. THANK YOU.

RESPONSE:

cc Jay
Alan / Philo
Teri

OK TT

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

SS/ RM NO. JENNIFER R

WHITE HOUSE STAFFING MEMORANDUM

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RESPONSE:

Cleared by phone
I'm notified

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702