

105TH CONGRESS
2D SESSION

S. 2603

To promote access to health care services in rural areas.

IN THE SENATE OF THE UNITED STATES

OCTOBER 9 (legislative day, OCTOBER 2), 1998

Mr. BAUCUS (for himself, Mr. DASCHLE, Mr. INOUE, Mr. BINGAMAN, Mr. JOHNSON, and Mr. CONRAD) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To promote access to health care services in rural areas.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Promoting Health in Rural Areas Act of 1998”.

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

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

TITLE I—PROMOTING ACCESS TO HEALTH CARE SERVICES IN RURAL AREAS UNDER THE MEDICARE PROGRAM

Sec. 101. Payments to Medicare+Choice organizations.

Sec. 102. Direct billing of medicare, medicaid, and other third-party payors by
Indian tribes and Alaska Native and tribal organizations.

- Sec. 103. Sole community hospitals.
- Sec. 104. Conversion of recently closed hospitals to critical access hospitals.
- Sec. 105. Graduate medical education technical amendments.
- Sec. 106. Medicare-dependent small rural hospitals.
- Sec. 107. Rural representation on MedPAC.
- Sec. 108. Coverage of qualified mental health professional services under medicare.
- Sec. 109. Medicare waivers for providers in rural areas.
- Sec. 110. All-inclusive payment option for outpatient critical access hospital services.

TITLE II—ADDITIONAL PROVISIONS TO ADDRESS SHORTAGES OF
HEALTH PROFESSIONALS IN RURAL AREAS

- Sec. 201. Health professional shortage areas.
- Sec. 202. Exclusion of certain amounts received under the National Health Service Corps Scholarship Program.
- Sec. 203. Designation of underserved areas under health care contracts administered by the Office of Personnel Management.
- Sec. 204. Improvement of telehealth services.
- Sec. 205. Sense of Congress regarding the practice of medicine across State lines.
- Sec. 206. Joint Working Group on Telehealth.

TITLE III—DEVELOPMENT OF TELEHEALTH NETWORKS

- Sec. 301. Development.
- Sec. 302. Administration.
- Sec. 303. Guidelines.
- Sec. 304. Authorization of appropriations.

TITLE IV—MISCELLANEOUS PROVISIONS

- Sec. 401. Bank deductibility of small, tax-exempt debts.
- Sec. 402. Access to data.

1 SEC. 2. FINDINGS.

2 Congress makes the following findings:

3 (1) Rural communities have long had great dif-
4 ficulty recruiting and retaining health care providers
5 to serve the needs of their residents.

6 (2) Despite great increases in the production of
7 providers in this country (the number of individuals
8 per physician fell from 724 in 1965 to 375 in 1995),
9 individuals living in rural areas have not shared eq-
10 uitably in the benefits of this expansion.

1 (3) Over 73 percent of Americans live in non-
2 metropolitan counties, but only 11 percent of patient
3 care physicians practice in those counties, and this
4 proportion has been falling for the last 25 years.

5 (4) The following conditions are characteristic
6 of rural populations:

7 (A) The relative lack of health care re-
8 sources as compared to urban areas.

9 (B) The uneven pattern of disease burden.

10 (C) The idiosyncratic distribution of pro-
11 grams and resources resulting from policy vari-
12 ations across the nation.

13 (5) Of the non-metropolitan counties in the
14 United States, 20 percent are considered frontier
15 counties, with 6 or fewer people per square mile.
16 Seven million Americans live in frontier areas.

17 **TITLE I—PROMOTING ACCESS**
18 **TO HEALTH CARE SERVICES**
19 **IN RURAL AREAS UNDER THE**
20 **MEDICARE PROGRAM**

21 **SEC. 101. PAYMENTS TO MEDICARE+CHOICE ORGANIZA-**
22 **TIONS.**

23 (a) ADJUSTMENT TO CALCULATION OF ANNUAL
24 CAPITATION RATES.—Section 1853(c) of the Social Secu-
25 rity Act (42 U.S.C. 1395w–23(c)) is amended—

1 (1) in paragraph (1)—

2 (A) in subparagraph (A), by striking the
3 comma at the end of clause (ii) and all that fol-
4 lows before the period; and

5 (B) in subparagraph (C)(ii), by inserting
6 “multiplied by the budget neutrality adjustment
7 factor determined under paragraph (5)” before
8 the period at the end; and

9 (2) in paragraph (5), by striking “paragraph
10 (1)(A)” and inserting “paragraph (1)(C)(ii)”.

11 (b) EFFECTIVE DATE.—The amendments made by
12 subsection (a) shall apply to rates calculated for years
13 after 1999.

14 **SEC. 102. DIRECT BILLING OF MEDICARE, MEDICAID, AND**
15 **OTHER THIRD-PARTY PAYORS BY INDIAN**
16 **TRIBES AND ALASKA NATIVE AND TRIBAL OR-**
17 **GANIZATIONS.**

18 (a) PERMANENT AUTHORIZATION.—Section 405 of
19 the Indian Health Care Improvement Act (25 U.S.C.
20 1645) is amended to read as follows:

21 “(a) ESTABLISHMENT OF DIRECT BILLING PRO-
22 GRAM.—

23 “(1) IN GENERAL.—The Secretary shall estab-
24 lish a program under which Indian tribes, tribal or-
25 ganizations, and Alaska Native health organizations

1 that contract or compact for the operation of a hos-
2 pital or clinic of the Service under the Indian Self-
3 Determination and Education Assistance Act may
4 elect to directly bill for, and receive payment for,
5 health care services provided by such hospital or
6 clinic for which payment is made under title XVIII
7 of the Social Security Act (42 U.S.C. 1395 et seq.)
8 (in this section referred to as the ‘medicare pro-
9 gram’), under a State plan for medical assistance
10 approved under title XIX of the Social Security Act
11 (42 U.S.C. 1396 et seq.) (in this section referred to
12 as the ‘medicaid program’), or from any other third-
13 party payor.

14 “(2) APPLICATION OF 100 PERCENT FMAP.—
15 The third sentence of section 1905(b) of the Social
16 Security Act (42 U.S.C. 1396d(b)) shall apply for
17 purposes of reimbursement under the medicaid pro-
18 gram for health care services directly billed under
19 the program established under this section.

20 “(b) DIRECT REIMBURSEMENT.—

21 “(1) USE OF FUNDS.—Each hospital or clinic
22 participating in the program described in subsection
23 (a) of this section shall be reimbursed directly under
24 the medicare and medicaid programs for services
25 furnished, without regard to the provisions of section

1 1880(e) of the Social Security Act (42 U.S.C.
2 1395qq(c)) and sections 402(a) and 813(b)(2)(A),
3 but all funds so reimbursed shall first be used by the
4 hospital or clinic for the purpose of making any im-
5 provements in the hospital or clinic that may be nec-
6 essary to achieve or maintain compliance with the
7 conditions and requirements applicable generally to
8 facilities of such type under the medicare or medic-
9 aid programs. Any funds so reimbursed which are in
10 excess of the amount necessary to achieve or main-
11 tain such conditions shall be used—

12 “(A) solely for improving the health re-
13 sources deficiency level of the Indian tribe; and

14 “(B) in accordance with the regulations of
15 the Service applicable to funds provided by the
16 Service under any contract entered into under
17 the Indian Self-Determination Act (25 U.S.C.
18 450f et seq.).

19 “(2) AUDITS.—The amounts paid to the hos-
20 pitals and clinics participating in the program estab-
21 lished under this section shall be subject to all audit-
22 ing requirements applicable to programs adminis-
23 tered directly by the Service and to facilities partici-
24 pating in the medicare and medicaid programs.

25 “(3) SECRETARIAL OVERSIGHT.—

1 “(A) QUARTERLY REPORTS.—Subject to
2 subparagraph (B), the Secretary shall monitor
3 the performance of hospitals and clinics partici-
4 pating in the program established under this
5 section, and shall require such hospitals and
6 clinics to submit reports on the program to the
7 Secretary on a quarterly basis during the first
8 2 years of participation in the program and an-
9 nually thereafter.

10 “(B) ANNUAL REPORTS.—Any participant
11 in the demonstration program authorized under
12 this section as in effect on the day before the
13 date of enactment of the Promoting Health in
14 Rural Areas Act of 1998 shall only be required
15 to submit annual reports under this paragraph.

16 “(4) NO PAYMENTS FROM SPECIAL FUNDS.—
17 Notwithstanding section 1880(c) of the Social Secu-
18 rity Act (42 U.S.C. 1395qq(c)) or section 402(a), no
19 payment may be made out of the special funds de-
20 scribed in such sections for the benefit of any hos-
21 pital or clinic during the period that the hospital or
22 clinic participates in the program established under
23 this section.

24 “(c) REQUIREMENTS FOR PARTICIPATION.—

1 “(1) APPLICATION.—Except as provided in
2 paragraph (2)(B), in order to be eligible for partici-
3 pation in the program established under this section,
4 an Indian tribe, tribal organization, or Alaska Na-
5 tive health organization shall submit an application
6 to the Secretary that establishes to the satisfaction
7 of the Secretary that—

8 “(A) the Indian tribe, tribal organization,
9 or Alaska Native health organization contracts
10 or compacts for the operation of a facility of the
11 Service;

12 “(B) the facility is eligible to participate in
13 the medicare or medicaid programs under sec-
14 tion 1880 or 1911 of the Social Security Act
15 (42 U.S.C. 1395qq; 1396j);

16 “(C) the facility meets the requirements
17 that apply to programs operated directly by the
18 Service; and

19 “(D) the facility is accredited by an ac-
20 crediting body designated by the Secretary or
21 has submitted a plan, which has been approved
22 by the Secretary, for achieving such accredita-
23 tion.

24 “(2) APPROVAL.—

1 “(A) IN GENERAL.—The Secretary shall
2 review and approve a qualified application not
3 later than 90 days after the date the applica-
4 tion is submitted to the Secretary unless the
5 Secretary determines that any of the criteria set
6 forth in paragraph (1) are not met.

7 “(B) GRANDFATHER OF DEMONSTRATION
8 PROGRAM PARTICIPANTS.—Any participant in
9 the demonstration program authorized under
10 this section as in effect on the day before the
11 date of enactment of the Promoting Health in
12 Rural Areas Act of 1998 shall be deemed ap-
13 proved for participation in the program estab-
14 lished under this section and shall not be re-
15 quired to submit an application in order to par-
16 ticipate in the program.

17 “(C) DURATION.—An approval by the Sec-
18 retary of a qualified application under subpara-
19 graph (A), or a deemed approval of a dem-
20 onstration program under subparagraph (B),
21 shall continue in effect as long as the approved
22 applicant or the deemed approved demonstra-
23 tion program meets the requirements of this
24 section.

1 “(d) EXAMINATION AND IMPLEMENTATION OF
2 CHANGES.—

3 “(1) IN GENERAL.—The Secretary, acting
4 through the Service, and with the assistance of the
5 Administrator of the Health Care Financing Admin-
6 istration, shall examine on an ongoing basis and im-
7 plement—

8 “(A) any administrative changes that may
9 be necessary to facilitate direct billing and re-
10 imbursement under the program established
11 under this section, including any agreements
12 with States that may be necessary to provide
13 for direct billing under the medicaid program;
14 and

15 “(B) any changes that may be necessary to
16 enable participants in the program established
17 under this section to provide to the Service
18 medical records information on patients served
19 under the program that is consistent with the
20 medical records information system of the Serv-
21 ice.

22 “(2) ACCOUNTING INFORMATION.—The ac-
23 counting information that a participant in the pro-
24 gram established under this section shall be required
25 to report shall be the same as the information re-

1 quired to be reported by participants in the dem-
2 onstration program authorized under this section as
3 in effect on the day before the date of enactment of
4 the Promoting Health in Rural Areas Act of 1998.
5 The Secretary may from time to time, after con-
6 sultation with the program participants, change the
7 accounting information submission requirements.

8 “(e) WITHDRAWAL FROM PROGRAM.—A participant
9 in the program established under this section may with-
10 draw from participation in the same manner and under
11 the same conditions that a tribe or tribal organization may
12 retrocede a contracted program to the Secretary under au-
13 thority of the Indian Self-Determination Act (25 U.S.C.
14 450 et seq.). All cost accounting and billing authority
15 under the program established under this section shall be
16 returned to the Secretary upon the Secretary’s acceptance
17 of the withdrawal of participation in this program.”.

18 (b) CONFORMING AMENDMENTS.—

19 (1) Section 1880 of the Social Security Act (42
20 U.S.C. 1395qq) is amended by adding at the end the
21 following:

22 “(e) For provisions relating to the authority of cer-
23 tain Indian tribes, tribal organizations, and Alaska Native
24 health organizations to elect to directly bill for, and receive
25 payment for, health care services provided by a hospital

1 or clinic of such tribes or organizations and for which pay-
2 ment may be made under this title, see section 405 of the
3 Indian Health Care Improvement Act (25 U.S.C. 1645).”.

4 (2) Section 1911 of the Social Security Act (42
5 U.S.C. 1396j) is amended by adding at the end the
6 following:

7 “(d) For provisions relating to the authority of cer-
8 tain Indian tribes, tribal organizations, and Alaska Native
9 health organizations to elect to directly bill for, and receive
10 payment for, health care services provided by a hospital
11 or clinic of such tribes or organizations and for which pay-
12 ment may be made under this title, see section 405 of the
13 Indian Health Care Improvement Act (25 U.S.C. 1645).”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall take effect on the date of enactment of
16 this Act.

17 **SEC. 103. SOLE COMMUNITY HOSPITALS.**

18 Section 1886(b)(3)(C) of the Social Security Act (42
19 U.S.C. 1395ww(b)(3)(C)) is amended—

20 (1) in clause (i), by redesignating subclauses (I)
21 and (II) as items (aa) and (bb), respectively;

22 (2) by redesignating clauses (i), (ii), (iii), and
23 (iv) as subclauses (I), (II), (III), and (IV), respec-
24 tively;

1 (3) by striking “(C) In” and inserting “(C)(i)
2 Subject to clause (ii), in”; and

3 (4) by striking the last sentence and inserting
4 the following:

5 “(ii)(I) There shall be substituted for the base cost
6 reporting period described in clause (i)(I) a hospital’s cost
7 reporting period (if any) beginning during fiscal year 1987
8 if such substitution results in an increase in the target
9 amount for the hospital.

10 “(II) Beginning with discharges occurring in fiscal
11 year 2000, there shall be substituted for the base cost re-
12 porting period described in clause (i)(I) either—

13 “(aa) the allowable operating costs of inpatient
14 hospital services (as defined in subsection (a)(4))
15 recognized under this title for the hospital’s cost re-
16 porting period (if any) beginning during fiscal year
17 1995 increased (in a compounded manner) by the
18 applicable percentage increases applied to the hos-
19 pital under this paragraph for discharges occurring
20 in fiscal years 1996, 1997, 1998, and 1999, or

21 “(bb) the allowable operating costs of inpatient
22 hospital services (as defined in subsection (a)(4))
23 recognized under this title for the hospital’s cost re-
24 porting period (if any) beginning during fiscal year
25 1996 increased (in a compounded manner) by the

1 applicable percentage increases applied to the hos-
2 pital under this paragraph for discharges occurring
3 in fiscal years 1996, 1997, 1998, and 1999,
4 if such substitution results in an increase in the target
5 amount for the hospital.”.

6 **SEC. 104. CONVERSION OF RECENTLY CLOSED HOSPITALS**
7 **TO CRITICAL ACCESS HOSPITALS.**

8 (a) IN GENERAL.—Section 1820(c)(2) of the Social
9 Security Act (42 U.S.C. 1395i–4(c)(2)) is amended by
10 adding at the end the following:

11 “(C) RECENTLY CLOSED FACILITIES.—A
12 State may designate a facility as a critical ac-
13 cess hospital if the facility—

14 “(i) within the 5-year period ending
15 on the date of enactment of this subpara-
16 graph—

17 “(I) ceased operations; or

18 “(II) was a nonprofit or public
19 hospital that was downsized to a clin-
20 ic; and

21 “(ii) would, after being designated as
22 a critical access hospital, meet the require-
23 ments of subparagraph (B).”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall take effect on the date of enactment
3 of this Act.

4 **SEC. 105. GRADUATE MEDICAL EDUCATION TECHNICAL**
5 **AMENDMENTS.**

6 (a) INDIRECT GRADUATE MEDICAL EDUCATION AD-
7 JUSTMENT.—Section 1886(d)(5)(B)(v) of the Social Secu-
8 rity Act (42 U.S.C. 1395ww(d)(5)(B)(v)) (as added by
9 section 4621(b) of the Balanced Budget Act of 1997) is
10 amended by striking “in the hospital with respect to the
11 hospital’s most recent cost reporting period ending on or
12 before December 31, 1996” and inserting “who were ap-
13 pointed by the hospital’s approved medical residency train-
14 ing programs for the hospital’s most recent cost reporting
15 period ending on or before December 31, 1996. The pre-
16 ceding sentence shall not apply to a hospital that sponsors
17 only 1 allopathic or osteopathic residency program.”.

18 (b) DIRECT GRADUATE MEDICAL EDUCATION AD-
19 JUSTMENT.—

20 (1) LIMITATION ON NUMBER OF RESIDENTS.—
21 Section 1886(h)(4)(F) of the Social Security Act (42
22 U.S.C. 1395ww(h)(4)(F)) (as added by section 4623
23 of the Balanced Budget Act of 1997) is amended by
24 inserting “who were appointed by the hospital’s ap-
25 proved medical residency training programs” after

1 “may not exceed the number of such full-time equiv-
2 alent residents”.

3 (2) FUNDING FOR NEW PROGRAMS.—The first
4 sentence of section 1886(h)(4)(H)(i) of the Social
5 Security Act (42 U.S.C. 1395ww(h)(4)(H)(i)) (as
6 added by section 4623 of the Balanced Budget Act
7 of 1997) is amended by inserting “and before Sep-
8 tember 30, 1999” after “January 1, 1995”.

9 (3) FUNDING FOR PROGRAMS MEETING RURAL
10 NEEDS.—The second sentence of section
11 1886(h)(4)(H)(i) of the Social Security Act (42
12 U.S.C. 1395ww(h)(4)(H)(i)) (as added by section
13 4623 of the Balanced Budget Act of 1997) is
14 amended by striking the period at the end and in-
15 serting “, including facilities that are not located in
16 an underserved rural area but have established sepa-
17 rately accredited rural training tracks.”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall take effect as if included in the enact-
20 ment of the Balanced Budget Act of 1997.

21 **SEC. 106. MEDICARE-DEPENDENT SMALL RURAL HOS-**
22 **PITALS.**

23 (a) REDUCTION IN ELIGIBILITY DISCHARGE PER-
24 CENTAGE.—Section 1886(d)(5)(G)(iv)(IV) of the Social

1 Security Act (42 U.S.C. 1395ww(d)(5)(G)(iv)(IV)) is
2 amended by striking “60” and inserting “50”.

3 (b) OPTION TO BASE ELIGIBILITY ON DISCHARGES
4 DURING THE MOST CURRENT AUDITED FISCAL YEAR.—
5 Section 1886(d)(5)(G)(iv)(IV) of the Social Security Act
6 (42 U.S.C. 1395ww(d)(5)(G)(iv)(IV)) is amended by in-
7 serting “or the most recent audited cost reporting period”
8 after “1987”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply with respect to discharges occur-
11 ring on or after October 1, 1998.

12 **SEC. 107. RURAL REPRESENTATION ON MEDPAC.**

13 (a) MEDPAC.—Section 1805(c)(2)(A) of the Social
14 Security Act (42 U.S.C. 1395b–6(c)(2)(A)) is amended by
15 adding at the end the following: “At least 2 of the mem-
16 bers of the Commission shall be individuals who can rep-
17 resent the interests of rural physicians, hospitals, and pa-
18 tients.”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 subsection (a) shall take effect on the date of enactment
21 of this Act.

22 **SEC. 108. COVERAGE OF QUALIFIED MENTAL HEALTH PRO-**
23 **FSSIONAL SERVICES UNDER MEDICARE.**

24 (a) IN GENERAL.—Section 1861(s)(2) of the Social
25 Security Act (42 U.S.C. 1395x(s)(2)) (as amended by sec-

1 tion 4557 of the Balanced Budget Act of 1997) is amend-
2 ed—

3 (1) in subparagraph (S), by striking “and” at
4 the end;

5 (2) in subparagraph (T), by striking the period
6 at the end and inserting “; and”; and

7 (3) by adding at the end the following:

8 “(U) qualified mental health professional serv-
9 ices (as defined in subsection (uu));”.

10 (b) PAYMENT RULES.—

11 (1) DETERMINATION OF AMOUNT OF PAY-
12 MENT.—Section 1833(a)(1) of the Social Security
13 Act (42 U.S.C. 1395l(a)(1)) (as amended by section
14 4556(b) of the Balanced Budget Act of 1997) is
15 amended—

16 (A) by striking “and” before “(S)”; and

17 (B) by striking the semicolon at the end
18 and inserting the following: “, and (T) with re-
19 spect to qualified mental health professional
20 services described in section 1861(s)(2)(U), the
21 amounts paid shall be the amount determined
22 by a fee schedule established by the Secretary
23 for purposes of this subparagraph;”.

24 (2) SEPARATE PAYMENT FOR SERVICES
25 OF INSTITUTIONAL PROVIDERS.—Section

1 1832(a)(2)(B)(iii) of the Social Security Act (42
2 U.S.C. 1395k(a)(2)(B)(iii)) is amended—

3 (A) by striking “and services” and insert-
4 ing “services”; and

5 (B) by striking the semicolon at the end
6 and inserting the following: “, and qualified
7 mental health professional services described in
8 section 1861(s)(2)(U);”.

9 (c) SERVICES DESCRIBED.—Section 1861 of the So-
10 cial Security Act (42 U.S.C. 1395x) (as amended by sec-
11 tion 4611(b) of the Balanced Budget Act of 1997) is
12 amended by adding at the end the following:

13 “Qualified Mental Health Professional Services
14 “(uu)(1) The term ‘qualified mental health profes-
15 sional services’ means such services (with such frequency
16 limits as the Secretary determines appropriate) furnished
17 by a mental health professional (as defined in paragraph
18 (2)) and such services and supplies (with such limits) fur-
19 nished as an incident to services furnished by the mental
20 health professional that the mental health professional is
21 legally authorized to perform under State law (or under
22 a State regulatory mechanism provided by State law), if
23 such services and supplies are furnished to an individual
24 who resides in an area designated as a health professional

1 shortage area in accordance with section 332 of the Public
2 Health Service Act (42 U.S.C. 254e).

3 “(2) The term ‘mental health professional’ means an
4 individual who has been certified, licensed, or registered
5 as a mental health professional by a State (or under a
6 State regulatory mechanism provided by State law).”.

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section apply to services furnished on or after October
9 1, 1998.

10 **SEC. 109. MEDICARE WAIVERS FOR PROVIDERS IN RURAL**
11 **AREAS.**

12 Notwithstanding section 1886(d)(2)(D) of the Social
13 Security Act (42 U.S.C. 1395ww(d)(2)(D)), by not later
14 than 180 after the date of enactment of this Act, the Sec-
15 retary of Health and Human Services shall establish a
16 waiver process in which entities and individuals under the
17 medicare program that are determined by the Office of
18 Management and Budget to be located in an urban or
19 large urban area for purposes of reimbursement under
20 such program may apply to the Secretary to be considered
21 to be located in a rural area for such purposes if such
22 entity or individual is located—

23 (1) in a rural area, as defined by the Goldsmith
24 Modification as published in the Federal Register on
25 February 27, 1992; or

1 (2) outside of an urbanized area, as defined by
2 the United States Census Bureau.

3 **SEC. 110. ALL-INCLUSIVE PAYMENT OPTION FOR OUT-**
4 **PATIENT CRITICAL ACCESS HOSPITAL SERV-**
5 **ICES.**

6 (a) IN GENERAL.—Section 1834(g) of the Social Se-
7 curity Act (42 U.S.C. 1395m(g)) is amended to read as
8 follows:

9 “(g) PAYMENT FOR OUTPATIENT CRITICAL ACCESS
10 HOSPITAL SERVICES.—The amount of payment under
11 this part for outpatient critical access hospital services is
12 1 of the 2 following methods, as elected by the critical
13 access hospital:

14 “(1) REASONABLE COSTS.—There shall be paid
15 amounts equal to the reasonable costs of the critical
16 access hospital in providing such services.

17 “(2) ALL-INCLUSIVE RATE.—With respect to
18 both facility services and professional medical serv-
19 ices, there shall be paid amounts equal to the costs
20 which are reasonable and related to the cost of fur-
21 nishing such services or which are based on such
22 other tests of reasonableness as the Secretary may
23 prescribe in regulations, less the amount the hospital
24 may charge as described in clause (i) of section
25 1866(a)(2)(A), but in no case may the payment for

1 such services (other than for items and services de-
 2 scribed in section 1861(s)(10)(A)) exceed 80 percent
 3 of such costs.

4 The amount of payment shall be determined under either
 5 method without regard to the amount of the customary
 6 or other charge.”.

7 (b) EFFECTIVE DATE.—The amendment made by
 8 subsection (a) shall take effect as if included in the enact-
 9 ment of the Balanced Budget Act of 1997.

10 **TITLE II—ADDITIONAL PROVI-**
 11 **SIONS TO ADDRESS SHORT-**
 12 **AGES OF HEALTH PROFES-**
 13 **SIONALS IN RURAL AREAS**

14 **SEC. 201. HEALTH PROFESSIONAL SHORTAGE AREAS.**

15 (a) EFFECTIVE DATE.—Section 332 of the Public
 16 Health Service Act (42 U.S.C. 254e) is amended—

17 (1) in subsection (a)(1)(A), by inserting after
 18 “services)” the following: “, or a frontier area (an
 19 area that has 6 or fewer residents per square
 20 mile),”; and

21 (2) by adding at the end of subsection (c), the
 22 following:

23 “(3) Any pending retirements or resignations of
 24 physicians available within the area involved. In im-
 25 plementing this paragraph, the Secretary shall waive

1 the requirements of this section with respect to the
 2 number of physicians serving the area for the 12-
 3 month period beginning on the date on which the
 4 area was designated as a health professional short-
 5 age area.”.

6 (b) EFFECTIVE DATE.—The amendments made by
 7 subsection (a) shall take effect on the date of enactment
 8 of this Act.

9 **SEC. 202. EXCLUSION OF CERTAIN AMOUNTS RECEIVED**
 10 **UNDER THE NATIONAL HEALTH SERVICE**
 11 **CORPS SCHOLARSHIP PROGRAM.**

12 (a) IN GENERAL.—Subsection (c) of section 117 of
 13 the Internal Revenue Code of 1986 (relating to the exclu-
 14 sion from gross income amounts received as a qualified
 15 scholarship) is amended—

16 (1) by striking “Subsections (a)” and inserting
 17 the following:

18 “(1) IN GENERAL.—Subject to paragraph (2),
 19 subsections (a)”;

20 (2) by adding at the end the following:

21 “(2) NATIONAL HEALTH CORPS SCHOLARSHIP
 22 PROGRAM.—Paragraph (1) shall not apply to any
 23 amount received by an individual under the National
 24 Health Corps Scholarship Program under section
 25 338A(g)(1)(A) of the Public Health Service Act.”

1 (b) EFFECTIVE DATE.—The amendments made by
 2 subsection (a) shall apply to amounts received in taxable
 3 years beginning after December 31, 1998.

4 **SEC. 203. DESIGNATION OF UNDERSERVED AREAS UNDER**
 5 **HEALTH CARE CONTRACTS ADMINISTERED**
 6 **BY THE OFFICE OF PERSONNEL MANAGE-**
 7 **MENT.**

8 Section 8902(m)(2)(A) of title 5, United States Code,
 9 is amended by striking “a State where 25 percent” and
 10 all that follows through the period and inserting “an area
 11 designated as a health professional shortage area by the
 12 Department of Health and Human Services in accordance
 13 with section 332 of the Public Health Service Act (42
 14 U.S.C. 254e).”.

15 **SEC. 204. IMPROVEMENT OF TELEHEALTH SERVICES.**

16 (a) MEDICARE COVERAGE OF TELEHEALTH SERV-
 17 ICES.—

18 (1) IN GENERAL.—Section 4206 of the Bal-
 19 anced Budget Act of 1997 (42 U.S.C. 1395l note)
 20 is amended by adding at the end the following:

21 “(e) COVERAGE OF SERVICES.—Payment for items
 22 and services provided pursuant to subsection (a) shall in-
 23 clude all items and services provided to beneficiaries under
 24 the medicare program under title XVIII of the Social Se-
 25 curity Act (42 U.S.C. 1395 et seq.).”.

1 (2) PHYSICAL, OCCUPATIONAL, AND SPEECH
2 THERAPY.—Subsections (a) and (d)(1) of section
3 4206 of the Balanced Budget Act of 1997 (42
4 U.S.C. 1395l note) are each amended by adding at
5 the end the following: “For purposes of the preced-
6 ing sentence, the term ‘practitioner’ shall include
7 physical, occupational, and speech therapists.”.

8 (b) MEDICARE REIMBURSEMENT FOR TELEHEALTH
9 SERVICES IN ALL RURAL AREAS.—Section 4206(a) of the
10 Balanced Budget Act of 1997 (42 U.S.C. 1395l note) is
11 amended by striking “that is designated as a health pro-
12 fessional shortage area under section 332(a)(1)(A) of the
13 Public Health Service Act (42 U.S.C. 254e(a)(1)(A))” and
14 inserting “or a county that is not otherwise included in
15 a Metropolitan Statistical Area”.

16 (c) REIMBURSEMENT UNDER MEDICARE.—Section
17 4206(b) of the Balanced Budget Act of 1997 (42 U.S.C.
18 1395l note) is amended—

19 (1) by adding at the end the following:

20 “(5) Any health care practitioner (whether or
21 not such practitioner is certified under the medicare
22 program) that is acting on instructions from the re-
23 ferring physician or practitioner may present (with-
24 out any reimbursement under the medicare pro-

1 gram) the beneficiary to the consulting physician or
2 practitioner for the professional consultation.”; and

3 (2) by amending paragraph (1) to read as fol-
4 lows:

5 “(1) The entire payment shall be paid to the
6 consulting physician or practitioner. If the referring
7 physician or practitioner determines it appropriate,
8 such referring physician or practitioner may be
9 present during the professional consultation. Such
10 presence is not required and no payment shall be
11 made to the referring physician or practitioner
12 whether or not there is such presence (other than
13 for the original office visit). The amount of the pay-
14 ment to the consulting physician or practitioner shall
15 not be greater than the current fee schedule of such
16 consulting physician or practitioner for the health
17 care services provided.”.

18 (d) REPORTS TO CONGRESS.—Section 4206 of the
19 Balanced Budget Act of 1997 (42 U.S.C. 1395l note) (as
20 amended by subsection (a)) is amended by adding at the
21 end the following:

22 “(f) ADDITIONAL REPORTS TO CONGRESS.—

23 “(1) INITIAL REPORT.—Not later than August
24 1, 2003, the Secretary of Health and Human Serv-

1 ices shall prepare and submit to the appropriate
2 committees of Congress a report concerning—

3 “(A) the number, percentage, and types of
4 health care providers licensed to provide tele-
5 health services across State lines, including the
6 number and types of health care providers li-
7 censed to provide such services in more than 3
8 States;

9 “(B) the status of any reciprocal, mutual
10 recognition, fast-track, or other licensure agree-
11 ments between or among various States;

12 “(C) the status of any efforts to develop
13 uniform national sets of standards for the licen-
14 sure of health care providers to provide tele-
15 health services across State lines;

16 “(D) a projection of future utilization of
17 telehealth consultations across State lines;

18 “(E) State efforts to increase or reduce li-
19 censure as a burden to interstate telehealth
20 practice; and

21 “(F) any State licensure requirements that
22 appear to constitute unnecessary barriers to the
23 provision of telehealth services across State
24 lines.

25 “(2) ANNUAL REPORT.—

1 “(A) IN GENERAL.—Not later than August
2 1, 2004, and each July 1 thereafter, the Sec-
3 retary of Health and Human Services shall pre-
4 pare and submit to the appropriate committees
5 of Congress, an annual report on relevant devel-
6 opments concerning the matters referred to in
7 subparagraphs (A) through (F) of paragraph
8 (1).

9 “(B) RECOMMENDATIONS.—If, with re-
10 spect to a report submitted under subparagraph
11 (A), the Secretary of Health and Human Serv-
12 ices determines that States are not making
13 progress in facilitating the provision of tele-
14 health services across State lines by eliminating
15 unnecessary requirements, adopting reciprocal
16 licensing arrangements for telehealth services,
17 implementing uniform requirements for tele-
18 health licensure, or other means, the Secretary
19 shall include in the report recommendations
20 concerning the scope and nature of Federal ac-
21 tions required to reduce licensure as a barrier
22 to the interstate provision of telehealth services.

23 “(3) DEFINITION OF HEALTH CARE PRO-
24 VIDER.—In this subsection, the term “health care
25 provider” means any individual who is licensed or

1 certified under State law to provide health care serv-
2 ices and is operating within the scope of such li-
3 cense.”.

4 (e) EFFECTIVE DATE.—The amendments made by
5 this section shall take effect on the date of enactment of
6 this Act.

7 **SEC. 205. SENSE OF CONGRESS REGARDING THE PRACTICE**
8 **OF MEDICINE ACROSS STATE LINES.**

9 (a) IN GENERAL.—It is the sense of Congress that
10 States should establish a system that facilitates the provi-
11 sion of telehealth services across State lines.

12 (b) MODEL.—It is the sense of Congress that the sys-
13 tem described in subsection (a) should—

14 (1) be based on the model developed by the
15 Federation of State Medical Board of the United
16 States, Inc. or the National Counsel of State Boards
17 of Nursing; and

18 (2) include provisions for—

19 (A) maintaining the confidentiality of med-
20 ical information, including the prohibition on
21 the disclosure of individually identified informa-
22 tion unless prior authorization is provided by
23 the patient; and

24 (B) assuring safeguards are in place to
25 protect the integrity of medical records.

1 **SEC. 206. JOINT WORKING GROUP ON TELEHEALTH.**

2 (a) IN GENERAL.—

3 (1) REDESIGNATION.—The Joint Working
4 Group on Telemedicine, established by the Secretary
5 of Health and Human Services, shall hereafter be
6 known as the “Joint Working Group on Telehealth”
7 with the chairperson being designated by the Office
8 for the Advancement on Telehealth.

9 (2) REPRESENTATION OF RURAL AREAS.—The
10 Joint Working Group on Telehealth shall ensure
11 that individuals that represent the interests of rural
12 areas are members of the Group.

13 (3) MISSION.—The mission of the Joint Work-
14 ing Group on Telehealth is—

15 (A) to identify, monitor, and coordinate
16 Federal telehealth projects, data sets, and pro-
17 grams;

18 (B) to analyze—

19 (i) how telehealth systems are expand-
20 ing access to health care services, edu-
21 cation, and information;

22 (ii) the clinical, educational, or admin-
23 istrative efficacy and cost-effectiveness of
24 telehealth applications; and

25 (iii) the quality of the telehealth serv-
26 ices delivered; and

1 (C) to make further recommendations for
2 coordinating Federal and State efforts to in-
3 crease access to health services, education, and
4 information in rural and underserved areas.

5 (4) ANNUAL REPORTS.—Not later than 2 years
6 after the date of enactment of this Act and each
7 January 1 thereafter the Joint Working Group on
8 Telehealth shall report to Congress on the status of
9 the Group’s mission and the state of the telehealth
10 field generally.

11 (b) REPORT SPECIFICS.—The annual report required
12 under subsection (a)(3) shall provide—

13 (1) an analysis of—

14 (A) the matters described in subsection
15 (a)(3)(B);

16 (B) the Federal activities with respect to
17 telehealth; and

18 (C) the progress of the Joint Working
19 Group on Telehealth’s efforts to coordinate
20 Federal telehealth programs; and

21 (2) recommendations for a coordinated Federal
22 strategy to increase health care access through tele-
23 health.

24 (c) AUTHORIZATION OF APPROPRIATIONS.—There
25 are authorized to be appropriated such sums as are nec-

1 essary for the Joint Working Group on Telehealth to carry
2 out this section.

3 **TITLE III—DEVELOPMENT OF**
4 **TELEHEALTH NETWORKS**

5 **SEC. 301. DEVELOPMENT.**

6 (a) IN GENERAL.—The Secretary of Health and
7 Human Services (in this title referred to as the “Sec-
8 retary”), acting through the Director of the Office for the
9 Advancement of Telehealth (of the Health Resources and
10 Services Administration), shall provide financial assistance
11 (as described in subsection (b)(1)) to recipients (as de-
12 scribed in subsection (c)(1)) for the purpose of expanding
13 access to health care services for individuals in rural and
14 frontier areas through the use of telehealth.

15 (b) FINANCIAL ASSISTANCE.—

16 (1) IN GENERAL.—Financial assistance shall
17 consist of grants or cost of money loans, or both.

18 (2) FORM.—The Secretary shall determine the
19 portion of the financial assistance provided to a re-
20 cipient that consists of grants and the portion that
21 consists of cost of money loans so as to result in the
22 maximum feasible repayment to the Federal Govern-
23 ment of the financial assistance, based on the ability
24 of the recipient to repay and full utilization of funds
25 made available to carry out this title.

1 (3) LOAN FORGIVENESS PROGRAM.—

2 (A) ESTABLISHMENT.—With respect to
3 cost of money loans provided under this section,
4 the Secretary shall establish a loan forgiveness
5 program under which recipients of such loans
6 may apply to have all or a portion of such loans
7 forgiven.

8 (B) REQUIREMENTS.—A recipient de-
9 scribed in subparagraph (A) that desires to
10 have a loan forgiven under the program estab-
11 lished under such paragraph shall—

12 (i) within 180 days of the end of the
13 loan cycle, submit an application to the
14 Secretary requesting forgiveness of the
15 loan involved;

16 (ii) demonstrate that the recipient has
17 a financial need for such forgiveness;

18 (iii) demonstrate that the recipient
19 has met the quality and cost-appropriate-
20 ness criteria developed under subparagraph
21 (C); and

22 (iv) provide any other information de-
23 termined appropriate by the Secretary.

24 (C) CRITERIA.—As part of the program
25 established under subparagraph (A), the Sec-

1 retary shall establish criteria for determining
2 the cost-effectiveness and quality of programs
3 operated with loans provided under this section.

4 (c) RECIPIENTS.—

5 (1) APPLICATION.—To be eligible to receive a
6 grant or loan under this section an entity described
7 in paragraph (2) shall, in consultation with the
8 State office of rural health or other appropriate
9 State entity, prepare and submit to the Secretary an
10 application, at such time, in such manner, and con-
11 taining such information as the Secretary may re-
12 quire, including—

13 (A) a description of the anticipated need
14 for the grant or loan;

15 (B) a description of the activities which the
16 entity intends to carry out using amounts pro-
17 vided under the grant or loan;

18 (C) a plan for continuing the project after
19 Federal support under this section is ended;

20 (D) a description of the manner in which
21 the activities funded under the grant or loan
22 will meet health care needs of underserved rural
23 populations within the State;

24 (E) a description of how the local commu-
25 nity or region to be served by the network or

1 proposed network will be involved in the devel-
2 opment and ongoing operations of the network;

3 (F) the source and amount of non-Federal
4 funds the entity would pledge for the project;
5 and

6 (G) a showing of the long-term viability of
7 the project and evidence of health care provider
8 commitment to the network.

9 The application should demonstrate the manner in
10 which the project will promote the integration of
11 telehealth in the community so as to avoid redun-
12 dancy of technology and achieve economies of scale.

13 (2) ELIGIBLE ENTITIES.—An entity described
14 in this paragraph is a hospital or other health care
15 provider in a health care network of community-
16 based health care providers that includes at least—

17 (A) two of the following:

18 (i) community or migrant health cen-
19 ters;

20 (ii) local health departments;

21 (iii) nonprofit hospitals;

22 (iv) private practice health profes-
23 sionals, including rural health clinics;

24 (v) other publicly funded health or so-
25 cial services agencies;

- 1 (vi) skilled nursing facilities;
- 2 (vii) county mental health and other
- 3 publicly funded mental health facilities;
- 4 and
- 5 (viii) providers of home health serv-
- 6 ices; and
- 7 (B) one of the following, which must dem-
- 8 onstrate use of the network for purposes of
- 9 education and economic development (as re-
- 10 quired by the Secretary):
- 11 (i) a public school;
- 12 (ii) a public library;
- 13 (iii) a university or college;
- 14 (iv) a local government entity; or
- 15 (v) a local nonhealth-related business
- 16 entity.

17 An eligible entity may include for-profit entities so

18 long as the network grantee is a nonprofit entity.

19 (d) PRIORITY.—The Secretary shall establish proce-

20 dures to prioritize financial assistance under this title con-

21 sidering whether or not the applicant—

22 (1) is a health care provider in a rural health

23 care network or a health care provider that proposes

24 to form such a network, and the majority of the

25 health care providers in such a network are located

1 in a medically underserved, health professional
2 shortage area, or mental health professional short-
3 age areas;

4 (2) can demonstrate broad geographic coverage
5 in the rural areas of the State, or States in which
6 the applicant is located;

7 (3) proposes to use Federal funds to develop
8 plans for, or to establish, telehealth systems that will
9 link rural hospitals and rural health care providers
10 to other hospitals, health care providers, and pa-
11 tients;

12 (4) will use the amounts provided for a range
13 of health care applications and to promote greater
14 efficiency in the use of health care resources;

15 (5) can demonstrate the long-term viability of
16 projects through cost participation (cash or in-kind);

17 (6) can demonstrate financial, institutional, and
18 community support for the long-term viability of the
19 network; and

20 (7) can demonstrate a detailed plan for coordi-
21 nating system use by eligible entities so that health
22 care services are given a priority over non-clinical
23 uses.

24 (e) MAXIMUM AMOUNT OF ASSISTANCE TO INDIVID-
25 UAL RECIPIENTS.—The Secretary may establish the maxi-

1 mum amount of financial assistance to be made available
2 to an individual recipient for each fiscal year under this
3 title, and establish the term of the loan or grant, by pub-
4 lishing notice of the maximum amount in the Federal Reg-
5 ister.

6 (f) USE OF AMOUNTS.—

7 (1) IN GENERAL.—Financial assistance pro-
8 vided under this title shall be used—

9 (A) with respect to cost of money loans, to
10 encourage the initial development of rural tele-
11 health networks, expand existing networks, or
12 link existing networks together; and

13 (B) with respect to grants, as described in
14 paragraph (2).

15 (2) GRANTS AND LOANS.—The recipient of a
16 grant or loan under this title may use financial as-
17 sistance received under such grant or loan for the
18 acquisition of telehealth equipment and modifica-
19 tions or improvements of telecommunications facili-
20 ties including—

21 (A) the development and acquisition
22 through lease or purchase of computer hard-
23 ware and software, audio and video equipment,
24 computer network equipment, interactive equip-
25 ment, data terminal equipment, and other fa-

1 facilities and equipment that would further the
2 purposes of this section;

3 (B) the provision of technical assistance
4 and instruction for the development and use of
5 such programming equipment or facilities;

6 (C) the development and acquisition of in-
7 structional programming;

8 (D) demonstration projects for teaching or
9 training medical students, residents, and other
10 health profession students in rural training
11 sites about the application of telehealth;

12 (E) transmission costs, maintenance of
13 equipment, and compensation of specialists and
14 referring health care providers;

15 (F) development of projects to use tele-
16 health to facilitate collaboration between health
17 care providers;

18 (G) electronic archival of patient records;

19 (H) collection and analysis of usage statis-
20 tics and data that can be used to document the
21 cost-effectiveness of the telehealth services; or

22 (I) such other uses that are consistent with
23 achieving the purposes of this section as ap-
24 proved by the Secretary.

1 (3) EXPENDITURES IN RURAL AREAS.—In
2 awarding a grant or cost of money loan under this
3 section, the Secretary shall ensure that not less than
4 50 percent of the grant or loan award is expended
5 in a rural area or to provide services to residents of
6 rural areas.

7 (g) PROHIBITED USES.—Financial assistance re-
8 ceived under this section may not be used for any of the
9 following:

10 (1) To build or acquire real property.

11 (2) In the case of the grant program, expendi-
12 tures to purchase or lease equipment to the extent
13 the expenditures would exceed more than 40 percent
14 of the total grant funds.

15 (3) To purchase or install transmission equip-
16 ment (such as laying cable or telephone lines, micro-
17 wave towers, satellite dishes, amplifiers, and digital
18 switching equipment).

19 (4) For construction, except that such funds
20 may be expended for minor renovations relating to
21 the installation of equipment.

22 (5) Expenditures for indirect costs (as deter-
23 mined by the Secretary) to the extent the expendi-
24 tures would exceed more than 20 percent of the total
25 grant or loan.

1 **SEC. 302. ADMINISTRATION.**

2 (a) NONDUPLICATION.—The Secretary shall ensure
3 that facilities constructed using financial assistance pro-
4 vided under this title do not duplicate adequately estab-
5 lished telehealth networks.

6 (b) LOAN MATURITY.—The maturities of cost of
7 money loans shall be determined by the Secretary, based
8 on the useful life of the facility being financed, except that
9 the loan shall not be for a period of more than 10 years.

10 (c) LOAN SECURITY AND FEASIBILITY.—The Sec-
11 retary shall make a cost of money loan only if the Sec-
12 retary determines that the security for the loan is reason-
13 ably adequate and that the loan will be repaid within the
14 period of the loan.

15 (d) COORDINATION WITH OTHER AGENCIES.—The
16 Secretary shall coordinate, to the extent practicable, with
17 other Federal and State agencies with similar grant or
18 loan programs to pool resources for funding meritorious
19 proposals in rural areas.

20 (e) INFORMATIONAL EFFORTS.—The Secretary shall
21 establish and implement procedures to carry out informa-
22 tional efforts to advise potential end users located in rural
23 areas of each State about the program authorized by this
24 title.

1 **SEC. 303. GUIDELINES.**

2 Not later than 180 days after the date of enactment
3 of this Act, the Secretary shall issue guidelines to carry
4 out this title.

5 **SEC. 304. AUTHORIZATION OF APPROPRIATIONS.**

6 There are authorized to be appropriated to carry out
7 this title, \$25,000,000 for fiscal year 1999, and such sums
8 as may be necessary for each of the fiscal years 2000
9 through 2005.

10 **TITLE IV—MISCELLANEOUS**
11 **PROVISIONS**

12 **SEC. 401. BANK DEDUCTIBILITY OF SMALL, TAX-EXEMPT**
13 **DEBTS.**

14 (a) IN GENERAL.—Section 265(b)(3) of the Internal
15 Revenue Code of 1986 (relating to exception for certain
16 tax-exempt obligations) is amended by adding at the end
17 the following:

18 “(G) ELECTION TO APPLY LIMITATION ON
19 AMOUNT OF OBLIGATIONS AT BORROWER
20 LEVEL.—

21 “(i) IN GENERAL.—An issuer, the
22 proceeds of the obligations of which are to
23 be used to make or finance eligible loans,
24 may elect to apply subparagraphs (C) and
25 (D) by treating each borrower as the issuer
26 of a separate issue.

1 “(ii) ELIGIBLE LOAN.—For purposes
2 of this subparagraph—

3 “(I) IN GENERAL.—The term ‘el-
4 igible loan’ means 1 or more loans to
5 a qualified borrower the proceeds of
6 which are used by the borrower for
7 health care or educational purposes
8 and the outstanding balance of which
9 in the aggregate does not exceed
10 \$5,000,000.

11 “(II) QUALIFIED BORROWER.—
12 The term ‘qualified borrower’ means a
13 borrower which is an organization de-
14 scribed in section 501(c)(3) and ex-
15 empt from taxation under section
16 501(a).

17 “(iii) MANNER OF ELECTION.—The
18 election described in clause (i) may be
19 made by an issuer for any calendar year at
20 any time prior to its first issuance during
21 such year of obligations the proceeds of
22 which will be used to make or finance 1 or
23 more eligible loans.

24 “(iv) MODIFICATION OF RULE FOR
25 COMPOSITE ISSUES.—In the case of an ob-

1 ligation which is issued by any issuer
2 which has made the election described in
3 clause (i), subparagraph (F) shall be ap-
4 plied without regard to clause (i) of such
5 subparagraph.”

6 (b) **EFFECTIVE DATE.**—The amendment made by
7 subsection (a) shall apply to taxable years beginning after
8 December 31, 1998.

9 **SEC. 402. ACCESS TO DATA.**

10 (a) **REQUIREMENT.**—The heads of the agencies de-
11 scribed in subsection (b) shall negotiate and enter into
12 interagency agreements with agencies and offices of the
13 Department of Health and Human Services under which
14 such agencies and offices will be provided access to data
15 sets for intramural and extramural research conducted or
16 supported by such agencies or offices.

17 (b) **AGENCY HEADS.**—The agencies described in this
18 section are the following:

19 (1) The National Health Service Corps.

20 (2) The Centers for Disease Control and Pre-
21 vention.

22 (3) The Agency for Health Care Policy and Re-
23 search.

24 (4) The Bureau of the Census.

1 (c) INFORMATION.—The information that is to be
2 made available under interagency agreements under this
3 section shall include all information that is necessary for
4 scholarly and policy research. Such information shall be
5 made available in a manner that includes a description of
6 the geographic area or location of the individuals who are
7 the subject of such information.

8 (d) AVAILABILITY.—Information that is subject to an
9 interagency agreement under this section shall be made
10 available to bona fide researchers as determined appro-
11 priate by the Secretary of Health and Human Services.

12 (e) CONFIDENTIALITY.—Each interagency agreement
13 entered into under this section shall contain provisions
14 that protect the confidentiality of the individuals who are
15 the subjects of such information.

○