

106TH CONGRESS
1ST SESSION

S. 770

To provide reimbursement under the medicare program for telehealth services,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 13, 1999

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

A BILL

To provide reimbursement under the medicare program for
telehealth services, and for other purposes.

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 “Comprehensive Telehealth Act of 1999”.

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 and purposes.
- Sec. 3. Definitions.

TITLE I—REVISION AND CLARIFICATION OF MEDICARE
REIMBURSEMENT OF TELEHEALTH SERVICES

Sec. 101. Revision and clarification of medicare reimbursement of telehealth services.

TITLE II—TELEHEALTH LICENSURE

Sec. 201. Study and reports to Congress.

TITLE III—JOINT WORKING GROUP ON TELEHEALTH AND PERIODIC REPORTS TO CONGRESS

Sec. 301. Joint Working Group on Telehealth.

TITLE IV—DEVELOPMENT OF TELEHEALTH NETWORKS

Subtitle A—Development of Telehealth Networks

- Sec. 401. Financial assistance authorized.
- Sec. 402. Financial assistance described.
- Sec. 403. Eligible telehealth networks.
- Sec. 404. Use of financial assistance.
- Sec. 405. Application.
- Sec. 406. Approval of application.
- Sec. 407. Administration.
- Sec. 408. Regulations.
- Sec. 409. Authorization of appropriations.

Subtitle B—Rural Health Outreach and Network Development Grant Program

Sec. 415. Rural Health Outreach and Network Development Grant Program.

1 SEC. 2. FINDINGS AND PURPOSES.

2 (a) FINDINGS.—Congress finds the following:

3 (1) Hospitals, clinics, and individual health care
4 providers are critically important to the continuing
5 health of rural populations and the economic sta-
6 bility of rural communities.

7 (2) Rural communities are underserved by spe-
8 cialty health care providers.

9 (3) Telecommunications technology has made
10 possible the interstate transmission of information
11 regarding a wide range of health care services, edu-

1 cation, and administrative services between health
2 care providers, patients, and administrators.

3 (4) The delivery of health services by licensed
4 health care providers is a privilege and the licensure
5 of health care providers, along with the ability to
6 discipline such providers, is in the public interest
7 and necessary to protect the health, welfare, and
8 safety of the public.

9 (5) The licensing of health care providers that
10 provide telehealth services has a significant impact
11 on interstate commerce and any unnecessary bar-
12 riers to the provision of telehealth services across
13 State lines should be eliminated.

14 (6) Rapid advances in the field of telehealth
15 create a need for current information and updates
16 on recent developments in telehealth research, policy,
17 technology, and the use of this technology to supply
18 telehealth services to rural and underserved areas.

19 (7) Telehealth networks can—

20 (A) provide hospitals, clinics, health care
21 providers, and patients in rural and under-
22 served communities with access to specialty
23 care and continuing education; and

1 (B) reduce the isolation from other profes-
2 sionals that these individuals and entities some-
3 times experience.

4 (8) In order for telehealth systems to fully ben-
5 efit rural and underserved communities, the program
6 established by section 4206 of the Balanced Budget
7 Act of 1997 that reimburses providers of telehealth
8 services under the medicare program must reim-
9 burse providers of services in all rural areas for all
10 items and services provided to beneficiaries under
11 the medicare program.

12 (b) PURPOSES.—The purposes of this Act are as fol-
13 lows:

14 (1) To ensure that the program established by
15 section 4206 of the Balanced Budget Act of 1997
16 that provides for reimbursement of telehealth serv-
17 ices under the medicare program reimburses bene-
18 ficiaries in all rural areas—

19 (A) for all items and services provided
20 under the medicare program; and

21 (B) for telehealth services.

22 (2) To determine whether States are making
23 progress in facilitating the provision of interstate
24 telehealth services.

1 (3) To create a coordinating entity for Federal
2 telehealth research, policy, and program initiatives
3 that annually reports to Congress.

4 (4) To encourage the development of rural tele-
5 health networks that supply appropriate, cost-effec-
6 tive care, and that contribute to the economic health
7 and development of rural communities.

8 (5) To encourage research into the clinical effi-
9 cacy and cost-effectiveness of telehealth diagnosis,
10 treatment, or education on individuals, health care
11 providers, and health care networks.

12 **SEC. 3. DEFINITIONS.**

13 In this Act:

14 (1) HEALTH CARE PROVIDER.—The term
15 “health care provider” means any individual or enti-
16 ty licensed or certified under State law to provide
17 health care services that is operating within the
18 scope of such license.

19 (2) SECRETARY.—The term “Secretary” means
20 the Secretary of Health and Human Services.

1 **TITLE I—REVISION AND CLARI-**
2 **FICATION OF MEDICARE RE-**
3 **IMBURSEMENT OF TELE-**
4 **HEALTH SERVICES**

5 **SEC. 101. REVISION AND CLARIFICATION OF MEDICARE RE-**
6 **IMBURSEMENT OF TELEHEALTH SERVICES.**

7 (a) IN GENERAL.—Section 4206(a) of the Balanced
8 Budget Act of 1997 (42 U.S.C. 1395l note) is amended
9 to read as follows:

10 “(a) REIMBURSEMENT OF TELEHEALTH SERVICES
11 AUTHORIZED.—

12 “(1) IN GENERAL.—Beginning on the date of
13 enactment of the Comprehensive Telehealth Act of
14 1999 and subject to paragraph (3), the Secretary of
15 Health and Human Services shall make payments
16 from the Federal Supplementary Medical Insurance
17 Trust Fund under part B of title XVIII of the So-
18 cial Security Act (42 U.S.C. 1395j et seq.) in ac-
19 cordance with the methodology described in sub-
20 section (b) for items and services for which payment
21 may be made under such part that are provided via
22 telecommunications systems including store-and-for-
23 ward technologies (as defined in paragraph (2)) by
24 a physician (as defined in section 1861(r) of such
25 Act (42 U.S.C. 1395x(r))) or a practitioner (as de-

1 fined in paragraph (2)) to a beneficiary under the
2 medicare program residing in a county in a rural
3 area (as defined in section 1886(d)(2)(D) of such
4 Act (42 U.S.C. 1395ww(d)(2)(D))) notwithstanding
5 that the physician or practitioner providing the item
6 or service via telecommunication systems is not at
7 the same location as the medicare beneficiary.

8 “(2) DEFINITIONS.—

9 “(A) PRACTITIONER.—For purposes of
10 paragraph (1), the term ‘practitioner’
11 includes—

12 “(i) a practitioner described in section
13 1842(b)(18)(C) of the Social Security Act
14 (42 U.S.C. 1395u(b)(18)(C)) (including a
15 clinical psychologist); and

16 “(ii) a physical, occupational, or
17 speech therapist.

18 “(B) STORE-AND-FORWARD TECH-
19 NOLOGIES.—For purposes of paragraph (1), the
20 term ‘store-and-forward technologies’ has the
21 meaning given that term by the Secretary, ex-
22 cept that the term shall include technologies
23 through which information (including any audio
24 recording or visual image) is transferred and
25 stored for purposes of review by a health care

1 provider if the patient, the referring physician,
2 or the health care provider is not present at the
3 time the asynchronous review occurs at the re-
4 mote site.

5 “(3) RULE OF CONSTRUCTION.—Nothing in
6 this subsection shall be construed as requiring pay-
7 ment for services provided to a patient solely on the
8 basis of information conveyed via facsimile machine
9 or via traditional telephone conversation.”.

10 (b) ANY HEALTH CARE PRACTITIONER MAY
11 PRESENT BENEFICIARY TO CONSULTING PHYSICIAN.—
12 Section 4206(b) of the Balanced Budget Act of 1997 (42
13 U.S.C. 1395l note) is amended by adding at the end the
14 following:

15 “(5) Any health care practitioner (whether or
16 not such practitioner is certified under the medicare
17 program) that is acting on instructions from the re-
18 ferring physician or practitioner may present the
19 beneficiary to the consulting physician or practi-
20 tioner for the provision of items and services. The
21 referring physician and the practitioner shall not re-
22 ceive any reimbursement for such presentation other
23 than the payment that the referring physician re-
24 ceives pursuant to paragraph (1).”.

1 (c) ALL CPT BILLING CODES COVERED UNDER
2 TELEHEALTH PROGRAM.—Section 4206 of the Balanced
3 Budget Act of 1997 (42 U.S.C. 1395l note) is amended
4 by adding at the end the following:

5 “(e) COVERAGE OF SERVICES.—Payment for items
6 and services provided pursuant to subsection (a) shall in-
7 clude payment for all current procedural terminology bill-
8 ing codes that are covered under the medicare program
9 under title XVIII of the Social Security Act (42 U.S.C.
10 1395 et seq.).”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall take effect on the date of enactment of
13 this Act.

14 **TITLE II—TELEHEALTH** 15 **LICENSURE**

16 **SEC. 201. STUDY AND REPORTS TO CONGRESS.**

17 (a) STUDY.—The Secretary shall conduct a study
18 regarding—

19 (1) the number, percentage, and types of health
20 care providers licensed to provide telehealth services
21 across State lines, including the number and types
22 of health care providers licensed to provide such
23 services in more than 3 States;

1 (2) the status of any reciprocal, mutual recogni-
2 tion, fast-track, or other licensure agreements be-
3 tween or among various States;

4 (3) the status of any efforts to develop uniform
5 national sets of standards for the licensure of health
6 care providers to provide telehealth services across
7 State lines;

8 (4) a projection of future utilization of tele-
9 health consultations across State lines;

10 (5) State efforts to increase or reduce licensure
11 as a burden to interstate telehealth practice; and

12 (6) any State licensure requirements that ap-
13 pear to constitute unnecessary barriers to the provi-
14 sion of telehealth services across State lines.

15 (b) REPORTS TO CONGRESS.—

16 (1) INITIAL REPORT.—Not later than January
17 1, 2000, the Secretary shall submit to the appro-
18 priate committees of Congress a detailed report on
19 the study conducted under subsection (a).

20 (2) ANNUAL REPORTS.—

21 (A) IN GENERAL.—Not later than January
22 1, 2001, and each January 1 thereafter, the
23 Secretary shall submit to the appropriate com-
24 mittees of Congress a report on relevant devel-

1 opments regarding the matters studied by the
2 Secretary pursuant to subsection (a).

3 (B) RECOMMENDATIONS.—If, with respect
4 to a report submitted under subparagraph (A),
5 the Secretary determines that States are not
6 making progress in facilitating the provision of
7 telehealth services across State lines by elimi-
8 nating unnecessary requirements, adopting re-
9 ciprocal licensing arrangements for telehealth
10 services, implementing uniform requirements
11 for telehealth licensure, or other means, the
12 Secretary shall include in the report rec-
13 ommendations concerning the scope and nature
14 of Federal actions required to reduce licensure
15 as a barrier to the interstate provision of tele-
16 health services.

17 **TITLE III—JOINT WORKING**
18 **GROUP ON TELEHEALTH AND**
19 **PERIODIC REPORTS TO CON-**
20 **GRESS**

21 **SEC. 301. JOINT WORKING GROUP ON TELEHEALTH.**

22 (a) IN GENERAL.—

23 (1) REDESIGNATION.—The Joint Working
24 Group on Telemedicine, established by the Secretary,
25 shall hereafter be known as the “Joint Working

1 Group on Telehealth” with the chairperson being
2 designated by the Director of the Office for the Ad-
3 vancement of Telehealth.

4 (2) MISSION.—The mission of the Joint Work-
5 ing Group on Telehealth is to—

6 (A) identify, monitor, and coordinate Fed-
7 eral telehealth projects, data sets, and pro-
8 grams;

9 (B) analyze—

10 (i) how telehealth systems are expand-
11 ing access to health care services, edu-
12 cation, and information;

13 (ii) the clinical, educational, or admin-
14 istrative efficacy and cost-effectiveness of
15 telehealth applications; and

16 (iii) the quality of the telehealth serv-
17 ices delivered; and

18 (C) make further recommendations for co-
19 ordinating Federal and State efforts to increase
20 access to health care services, education, and
21 information in rural and underserved areas.

22 (3) ANNUAL REPORTS.—Not later than Janu-
23 ary 1, 2000, and annually thereafter, the Joint
24 Working Group on Telehealth shall report to Con-

1 gress on the status of the Group’s mission and the
2 state of the telehealth field generally.

3 (b) REPORT SPECIFICS.—The annual report required
4 under subsection (a)(3) shall include—

5 (1) an analysis of—

6 (A) the matters described in subsection
7 (a)(2)(B);

8 (B) the Federal activities with respect to
9 telehealth; and

10 (C) the progress of the Joint Working
11 Group on Telehealth’s efforts to coordinate
12 Federal telehealth programs; and

13 (2) recommendations for a coordinated Federal
14 strategy to increase health care access through tele-
15 health.

16 (c) TERMINATION.—The Joint Working Group on
17 Telehealth shall terminate on the date that the Group sub-
18 mits the annual report that is due to be submitted on Jan-
19 uary 1, 2004, under subsection (a)(3).

20 (d) AUTHORIZATION OF APPROPRIATIONS.—There
21 are authorized to be appropriated such sums as are nec-
22 essary for the Joint Working Group on Telehealth to carry
23 out the purposes of this section.

1 **TITLE IV—DEVELOPMENT OF**
2 **TELEHEALTH NETWORKS**
3 **Subtitle A—Development of**
4 **Telehealth Networks**

5 **SEC. 401. FINANCIAL ASSISTANCE AUTHORIZED.**

6 (a) IN GENERAL.—The Secretary, acting through the
7 Director of the Office for Advancement of Telehealth, shall
8 provide financial assistance (as described in section 402)
9 to eligible telehealth networks (as described in section
10 403) for the purpose of expanding access to health care
11 services for individuals in rural and frontier areas through
12 the use of telehealth networks.

13 (b) MAXIMUM AMOUNT OF FINANCIAL ASSIST-
14 ANCE.—The Secretary may establish the maximum
15 amount of financial assistance made available to a recipi-
16 ent for each fiscal year under this title by publishing no-
17 tice of such amount in the Federal Register or the Health
18 Resources and Services Administration Preview.

19 **SEC. 402. FINANCIAL ASSISTANCE DESCRIBED.**

20 (a) IN GENERAL.—Financial assistance shall consist
21 of loans (as described under subsection (b)), grants (as
22 described under subsection (c)), or both as apportioned
23 under subsection (d).

24 (b) LOANS.—

1 (1) IN GENERAL.—The Secretary is authorized
2 to provide loans to eligible telehealth networks under
3 this title.

4 (2) MAXIMUM TERM OF LOANS.—

5 (A) IN GENERAL.—Subject to subpara-
6 graph (B), the Secretary may establish the
7 maximum term of any loan provided under this
8 title by publishing notice of such term in the
9 Federal Register or the Health Resources and
10 Services Administration Preview.

11 (B) LIMITATION.—The maximum term of
12 any loan provided under this title shall be for
13 a period of not more than 10 years.

14 (3) LOAN SECURITY AND FEASIBILITY.—The
15 Secretary shall make a loan under this title only if
16 the Secretary determines that—

17 (A) the security for the loan is reasonably
18 adequate; and

19 (B) the loan will be repaid within the term
20 of such loan.

21 (4) LOAN FORGIVENESS PROGRAM.—

22 (A) ESTABLISHMENT.—With respect to
23 loans provided under this title, the Secretary
24 shall establish a loan forgiveness program under

1 which recipients of such loans may apply to
2 have all or a portion of such loans forgiven.

3 (B) APPLICATION.—

4 (i) IN GENERAL.—Any recipient of a
5 loan under this title that desires to have
6 such loan forgiven under the program es-
7 tablished under subparagraph (A) shall
8 submit an application to the Secretary
9 within 180 days of the end of the term of
10 such loan, in such manner, and accom-
11 panied by such information as the Sec-
12 retary may reasonably require.

13 (ii) CONTENTS.—Each application
14 submitted pursuant to clause (i) shall—

15 (I) demonstrate that the recipient
16 has a financial need for such forgive-
17 ness; and

18 (II) demonstrate that the recipi-
19 ent has satisfied the quality and cost-
20 effectiveness criteria developed under
21 subparagraph (C).

22 (C) QUALITY AND COST-EFFECTIVENESS
23 CRITERIA.—As part of the program established
24 under subparagraph (A), the Secretary shall de-
25 velop criteria for determining the quality and

1 cost-effectiveness of programs operated with
2 loans provided under this title.

3 (c) GRANTS.—The Secretary is authorized to award
4 grants to eligible telehealth networks under this title.

5 (d) APPORTIONMENT.—

6 (1) IN GENERAL.—Subject to paragraph (2),
7 the Secretary shall determine what portion of the fi-
8 nancial assistance provided to an eligible telehealth
9 network is a grant and what portion of such finan-
10 cial assistance is a loan.

11 (2) REQUIREMENTS.—In determining the ap-
12 portionment under paragraph (1), the Secretary
13 shall—

14 (A) ensure that the Federal Government
15 receives the maximum feasible repayment of the
16 financial assistance by basing such apportion-
17 ment on the ability of the recipient to repay a
18 loan provided under this title; and

19 (B) fully use the funds made available to
20 carry out this title.

21 **SEC. 403. ELIGIBLE TELEHEALTH NETWORKS.**

22 (a) IN GENERAL.—An entity that is a health care
23 provider and a member of an existing or proposed tele-
24 health network, or an entity that is a consortium of health
25 care providers that are members of an existing or proposed

1 telehealth network shall be eligible for financial assistance
2 under this title.

3 (b) REQUIREMENTS.—

4 (1) IN GENERAL.—A telehealth network re-
5 ferred to in subsection (a) shall, at a minimum, be
6 composed of a multispecialty entity (as defined in
7 paragraph (2)(A)), a network of community-based
8 health care providers (as defined in paragraph
9 (2)(B)), and a public entity (as defined in paragraph
10 (2)(C)).

11 (2) DEFINITIONS.—

12 (A) MULTISPECIALTY ENTITY.—For pur-
13 poses of paragraph (1), the term “multispe-
14 cialty entity” means an entity which—

15 (i) provides 24-hour access to a range
16 of diagnostic and therapeutic services; and

17 (ii) may be located in an urban area.

18 (B) NETWORK OF COMMUNITY-BASED
19 HEALTH CARE PROVIDERS.—For purposes of
20 paragraph (1), the term “network of commu-
21 nity-based health care providers” means a net-
22 work located in a rural area (as defined by the
23 Secretary) that includes at least 2 of the fol-
24 lowing:

- 1 (i) A community or migrant health
2 center.
- 3 (ii) A local health department.
- 4 (iii) A nonprofit or public hospital.
- 5 (iv) A health professional in private
6 practice.
- 7 (v) A rural health clinic.
- 8 (vi) A skilled nursing facility.
- 9 (vii) A county mental health facility or
10 other publicly funded mental health facil-
11 ity.
- 12 (viii) A provider of home health serv-
13 ices.
- 14 (ix) Any other publicly funded health
15 or social services agency.
- 16 (C) PUBLIC ENTITY.—For purposes of
17 paragraph (1), the term “public entity” means
18 an entity that demonstrates its use of the tele-
19 health network for purposes of education and
20 economic development (as required by the Sec-
21 retary), and includes—
- 22 (i) a public school;
- 23 (ii) a public library;
- 24 (iii) a college or university;
- 25 (iv) a local government entity; or

1 (v) a local business entity that is not
2 related to the provision of health care serv-
3 ices.

4 (c) FOR-PROFIT ENTITY.—A telehealth network may
5 include for-profit entities so long as the recipient of finan-
6 cial assistance under this title is a nonprofit entity.

7 **SEC. 404. USE OF FINANCIAL ASSISTANCE.**

8 (a) PERMITTED USES.—Any recipient of financial as-
9 sistance under this title may use such financial assistance
10 for the acquisition of telehealth equipment and modifica-
11 tions or improvements of telehealth services including—

12 (1) the development and acquisition through
13 lease or purchase of computer hardware and soft-
14 ware, audio and video equipment, computer network
15 equipment, interactive equipment, data terminal
16 equipment, or other equipment that would further
17 the purposes of this title;

18 (2) the provision of technical assistance and in-
19 struction for the development and use of such equip-
20 ment;

21 (3) the development and acquisition of instruc-
22 tional programming;

23 (4) demonstration projects for teaching or
24 training medical students, residents, and other stu-

1 dents in health professions in rural training sites re-
2 garding the application of telehealth;

3 (5) transmission costs, maintenance of equip-
4 ment, compensation of specialists, and referring
5 health care providers;

6 (6) development of projects to use telehealth to
7 facilitate collaboration among health care providers;

8 (7) electronic archival of patient records;

9 (8) collection and analysis of usage statistics
10 and data that can be used to document the cost-ef-
11 fectiveness of the telehealth services; or

12 (9) such other uses that are consistent with
13 achieving the purposes of this title as approved by
14 the Secretary.

15 (b) PROHIBITED USES.—Any recipient of financial
16 assistance under this title may not use such financial as-
17 sistance for the following purposes:

18 (1) To build structures on or acquire real prop-
19 erty, except that such funds may be expended for
20 minor renovations relating to the installation of
21 equipment.

22 (2) To purchase or lease equipment to the ex-
23 tent the expenditures would exceed more than 40
24 percent of the financial assistance provided in the
25 form of grants pursuant to section 402(c).

1 (3) To purchase or install transmission equip-
2 ment (such as laying cable or telephone lines, micro-
3 wave towers, amplifiers, and digital switching equip-
4 ment).

5 (4) For indirect costs (as determined by the
6 Secretary) to the extent the expenditures would ex-
7 ceed more than 20 percent of the financial assist-
8 ance.

9 **SEC. 405. APPLICATION.**

10 (a) IN GENERAL.—Each eligible telehealth network
11 that desires to receive financial assistance under this title,
12 in consultation with the State office of rural health or
13 other appropriate State agency, shall submit an applica-
14 tion to the Secretary at such time, in such manner, and
15 accompanied by such additional information as the Sec-
16 retary may reasonably require.

17 (b) CONTENTS.—Each application submitted pursu-
18 ant to subsection (a) shall include at least the following
19 information:

20 (1) A description of the anticipated need for fi-
21 nancial assistance.

22 (2) A description of the activities which the en-
23 tity intends to carry out using the financial assist-
24 ance provided under this title.

1 (3) A plan for continuing the project after fi-
2 nancial assistance provided under this title has
3 ended.

4 (4) A description of the manner in which the
5 activities funded by the financial assistance provided
6 under this title will meet health care needs of under-
7 served rural populations within the State.

8 (5) A description of how the local community or
9 region to be served by the proposed telehealth net-
10 work will be involved in the development and ongo-
11 ing operations of the telehealth network.

12 (6) A description of the source and amount of
13 non-Federal funds the entity would pledge for the
14 project.

15 (7) A description of the long-term viability of
16 the project and evidence of health care provider com-
17 mitment to the telehealth network.

18 **SEC. 406. APPROVAL OF APPLICATION.**

19 (a) IN GENERAL.—The Secretary shall approve appli-
20 cations in accordance with the criteria established in sub-
21 section (b) and the preferences described in subsection (c).

22 (b) CRITERIA.—The Secretary shall not approve an
23 application under this section unless the Secretary finds
24 the following:

1 (1) EXPENDITURES IN RURAL AREAS.—At least
2 50 percent of the financial assistance is expended—

3 (A) in a rural area; or

4 (B) to provide services to residents of rural
5 areas.

6 (2) PROMOTION OF INTEGRATION.—The appli-
7 cation demonstrates that the project will—

8 (A) promote the integration of telehealth
9 in the community;

10 (B) avoid redundancy of technology;

11 (C) achieve economies of scale; and

12 (D) coordinate telehealth services across
13 different networks within a geographic region.

14 (c) PREFERENCES.—In providing financial assistance
15 under this title, the Secretary shall give preference to any
16 applicant telehealth network that—

17 (1) is a health care provider in a telehealth net-
18 work or a health care provider that proposes to form
19 such a network, in which the majority of the health
20 care providers in such network are located in an
21 area that is designated by the Federal Government
22 or the State as—

23 (A) a medically underserved area; or

24 (B) a health, dental health, or mental
25 health professional shortage area;

1 (2) proposes to use financial assistance pro-
2 vided under this title to plan and establish telehealth
3 networks that will link rural hospitals and rural
4 health care providers to other hospitals, health care
5 providers, and patients;

6 (3) proposes to use financial assistance pro-
7 vided under this title—

8 (A) to offer a range of health care applica-
9 tions; and

10 (B) to promote greater efficiency in the
11 use of health care resources;

12 (4) demonstrates financial, institutional, and
13 community support for the long-term viability of the
14 telehealth network through cost participation and
15 other indicators determined by the Secretary; and

16 (5) demonstrates a detailed plan for coordi-
17 nating telehealth network use by eligible telehealth
18 networks so that health care services are given pri-
19 ority over services that are not related to the provi-
20 sion of health care services.

21 **SEC. 407. ADMINISTRATION.**

22 (a) NONDUPLICATION.—The Secretary shall ensure
23 that services and programs developed with financial assist-
24 ance provided under this title do not duplicate established

1 telehealth networks that adequately serve rural popu-
2 lations.

3 (b) COORDINATION WITH OTHER AGENCIES.—The
4 Secretary shall coordinate, to the extent practicable, with
5 other Federal and State agencies with similar grant, loan,
6 or other financial assistance programs to pool resources
7 for funding meritorious proposals for the development of
8 telehealth networks in rural areas.

9 (c) INFORMATIONAL EFFORTS.—The Secretary shall
10 establish and implement procedures to carry out informa-
11 tional efforts that notify potential applicants located in the
12 rural areas of each State of the financial assistance avail-
13 able under this title.

14 **SEC. 408. REGULATIONS.**

15 Not later than 180 days after the date of enactment
16 of this Act, the Secretary shall by regulation prescribe
17 such rules and regulations as the Secretary deems nec-
18 essary to carry out the provisions of this title.

19 **SEC. 409. AUTHORIZATION OF APPROPRIATIONS.**

20 There are authorized to be appropriated to carry out
21 this title, \$40,000,000 for fiscal year 2000, and such sums
22 as may be necessary for each of fiscal years 2001 through
23 2006.

1 **Subtitle B—Rural Health Outreach**
2 **and Network Development**
3 **Grant Program**

4 **SEC. 415. RURAL HEALTH OUTREACH AND NETWORK DE-**
5 **VELOPMENT GRANT PROGRAM.**

6 (a) IN GENERAL.—Section 330A of subpart I of part
7 D of title III of the Public Health Service Act (42 U.S.C.
8 254c) is amended—

9 (1) in the heading, by striking “**OUTREACH,**
10 **NETWORK, DEVELOPMENT, AND TELEMEDI-**
11 **CINE**” and inserting “**OUTREACH AND NETWORK**
12 **DEVELOPMENT**”;

13 (2) in subsection (c)—

14 (A) in paragraph (1)(A)—

15 (i) by striking “nonprofit private enti-
16 ty” and inserting “private nonprofit enti-
17 ty”; and

18 (ii) by striking “three” and inserting
19 “3”;

20 (B) in paragraph (2), by striking “so long
21 as” and inserting “as long as”; and

22 (C) by striking paragraph (3); and

23 (3) in subsection (e)—

1 (A) in paragraph (1), by striking
2 “Amounts” and inserting “Subject to para-
3 graphs (2) and (3), amounts”;

4 (B) in paragraph (2)—

5 (i) by striking “RURAL AREAS.—” and
6 all that follows through “In awarding” and
7 inserting “RURAL AREAS.—In awarding”;
8 and

9 (ii) by striking subparagraph (B); and

10 (C) by striking paragraph (3) and insert-
11 ing the following:

12 “(3) LIMITATIONS.—An eligible network de-
13 scribed in subsection (c) may not use—

14 “(A) more than 40 percent of the amounts
15 provided under a grant under this section to
16 purchase equipment; or

17 “(B) any of the amounts provided under a
18 grant under this section—

19 “(i) to build structures on or acquire
20 real property; or

21 “(ii) for construction.”.

22 (b) TRANSITION.—The Secretary of Health and
23 Human Services shall ensure the continued funding of
24 grants made, or contracts or cooperative agreements en-
25 tered into, under subpart I of part D of title III of the

1 Public Health Service Act (42 U.S.C. 254b et seq.) (as
2 such subpart existed on the day prior to the date of enact-
3 ment of this Act), until the expiration of the grant period
4 or the term of the contract or cooperative agreement. Such
5 funding shall be continued under the same terms and con-
6 ditions as were in effect on the date on which the grant,
7 contract or cooperative agreement was awarded, subject
8 to the availability of appropriations.

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