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Calendar No. 357

89TH CONGRESS  
1ST SESSION

**S. 596**

[Report No. 368]

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IN THE SENATE OF THE UNITED STATES

JANUARY 19, 1965

Mr. HILL introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

JUNE 24, 1965

Reported by Mr. HILL, with amendments

[Omit the part struck through and insert the part printed in italic]

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## A BILL

To amend the Public Health Service Act to assist in combating heart disease, cancer, and stroke, and other major diseases.

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

3 That this Act may be cited as the "Heart Disease, Cancer,  
4 and Stroke Amendments of 1965".

5 SEC. 2. The Public Health Service Act (42 U.S.C., ch.  
6 6A) is amended by adding at the end thereof the following  
7 new title:

1 "TITLE IX—REGIONAL MEDICAL COMPLEXES  
2 FOR RESEARCH AND TREATMENT IN HEART  
3 DISEASE, CANCER, STROKE, AND OTHER  
4 MAJOR DISEASES

5 "PURPOSES

6 "SEC. 900. The purposes of this title are—

7 "(a) Through grants, to encourage and assist in the  
8 establishment of regionally coordinated arrangements among  
9 medical schools, research institutions, and hospitals for re-  
10 search and training and for demonstrations of patient care in  
11 the fields of heart disease, cancer, stroke, and other major  
12 diseases;

13 "(b) To afford to the medical profession and the med-  
14 ical institutions of the Nation, through such coordinated  
15 arrangements, ~~the~~ *a more abundant* opportunity of making  
16 available to their patients the latest advances in the diagnosis  
17 and treatment of these diseases; and

18 "(c) To accomplish these ends without interfering with  
19 the patterns, or the methods of financing, of patient care or  
20 professional practice, or with the administration of hospitals.

21 "AUTHORIZATION OF APPROPRIATIONS

22 "SEC. 901. (a) There are authorized to be appropriated  
23 \$50,000,000 for the fiscal year ending June 30, 1966, and  
24 such sums as may be necessary for each of the next four

1. *fiscal years \$100,000,000 for the fiscal year ending June*  
2 *30, 1967, \$200,000,000 for the fiscal year ending June 30,*  
3 *1968, and \$300,000,000 for the fiscal year ending*  
4 *June 30, 1969, for grants to assist public or non-*  
5 *profit private universities, medical schools, research*  
6 *institutions, hospitals, and other public or nonprofit private*  
7 *institutions and agencies, or associations thereof, in plan-*  
8 *ning, establishing, and operating regional medical complexes*  
9 *for research, training, and demonstration activities for carry-*  
10 *ing out the purposes of this title. Sums appropriated under*  
11 *this section for any fiscal year shall remain available for*  
12 *making such grants until the end of the fiscal year following*  
13 *the fiscal year for which the appropriation is made.*

14 " (b) A grant under this title shall be for part or all of  
15 the cost of the planning ~~or~~ *and* other activities with respect to  
16 which the application is made, except that any such grant  
17 with respect to construction of, or provision of built-in (as  
18 determined in accordance with regulations) equipment for,  
19 any facility may not exceed 90 per centum of the cost of such  
20 construction or equipment.

21 " (c) Funds appropriated pursuant to this title shall not  
22 be available to pay the cost of hospital, medical, or other  
23 care of patients except to the extent it is, as determined in

1 accordance with regulations, incident to research, training, or  
2 demonstration activities.

3 "DEFINITIONS

4 "SEC. 902. For the purposes of this title—

5 " (a) The term 'regional medical complex' means a  
6 group of public or nonprofit private institutions or agencies  
7 each of which is engaged in research, training, *prevention*,  
8 diagnosis, and treatment relating to heart disease, cancer,  
9 or stroke and, at the option of the applicant, any other disease  
10 found by the Surgeon General to be of major significance  
11 to the health of the Nation *aforesaid objectives of such re-*  
12 *gional medical complex*; but only if such group—

13 " (1) is situated within a geographic area, composed  
14 of any part or parts of any one or more States, which  
15 the Surgeon General determines, in accordance with  
16 regulations, to be appropriate for carrying out the pur-  
17 poses of this title;

18 " (2) consists of one or more medical centers, one  
19 or more categorical research centers, and one or more  
20 diagnostic and treatment stations; and

21 " (3) has in effect arrangements for the coordina-  
22 tion of the activities of its component units which the  
23 Surgeon General finds will be adequate for effectively  
24 carrying out the purposes of this title.

25 " (b) The term 'medical center' means a medical school

1 *or other medical institution involved in post-graduate medical*  
2 *training* and one or more hospitals affiliated therewith for  
3 teaching, research, and demonstration purposes.

4 “(c) The term ‘categorical research center’ means an in-  
5 stitution (or part of an institution) the primary function of  
6 which is research (including clinical research), training of  
7 specialists, and demonstrations and which, in connection  
8 therewith, provides specialized, high-quality diagnostic and  
9 treatment services for inpatients and outpatients.

10 “(d) The term ‘diagnostic and treatment station’ means  
11 a unit of a hospital or other health facility, the primary func-  
12 tion of which is to support and augment local capability for  
13 ~~diagnosis and treatment by~~ providing specialized, high-  
14 quality *preventive, diagnostic, and treatment* services to out-  
15 patients and inpatients.

16 “(e) The term ‘nonprofit’ as applied to any institution  
17 or agency means an institution or agency which is owned and  
18 operated by one or more nonprofit corporations or associa-  
19 tions no part of the net earnings of which inures, or may  
20 lawfully inure, to the benefit of any private shareholder or  
21 individual.

22 “(f) The term ‘construction’ includes construction and  
23 initial equipment of new buildings, expansion, remodeling,  
24 and alteration of existing buildings; including architects’ serv-

1 ices, but excluding off-site improvements and the acquisition  
2 of land.

3       “(f) The term ‘construction’ includes alteration, major  
4 repair (to the extent permitted by regulations), remodeling,  
5 replacement, and renovation of existing buildings (including  
6 initial equipment thereof), and replacement of obsolete, built-  
7 in (as determined in accordance with regulations) equipment  
8 of existing buildings.

9       “GRANTS FOR PLANNING AND DEVELOPMENT

10       “SEC. 903. (a) The Surgeon General, after consultation  
11 with upon the recommendation of the National Advisory  
12 Council on Medical Complexes established by section 905  
13 (hereinafter in this title referred to as the ‘Council’), is au-  
14 thorized to make grants to public or nonprofit private uni-  
15 versities, medical schools, research institutions, *hospitals*, and  
16 other public or nonprofit private agencies and institutions  
17 , or associations thereof, to assist them in planning the devel-  
18 opment of regional medical complexes.

19       “(b) Grants under this section may be made only upon  
20 application therefor approved by the Surgeon General. Any  
21 such application may be approved only if it contains or is  
22 supported by reasonable assurances that—

23       “(1) Federal funds paid pursuant to any such grant

1 will be used only for the purposes for which paid and in  
2 accordance with the applicable provisions of this title  
3 and the regulations thereunder;

4 “(2) the applicant will provide for such fiscal con-  
5 trol and fund accounting procedures as are required by  
6 the Surgeon General to assure proper disbursement of  
7 and accounting for such Federal funds;

8 “(3) the applicant will make such reports, in such  
9 form and containing such information as the Surgeon  
10 General may from time to time reasonably require, and  
11 will keep such records and afford such access thereto  
12 as the Surgeon General may find necessary to assure the  
13 correctness and verification of such reports; and

14 “(4) the applicant will provide for the designation  
15 of *designate* an advisory group, to advise the applicant  
16 (and the resulting regional medical complex and its com-  
17 ponent units) in formulating and carrying out the plan  
18 for the establishment and operation of such regional  
19 medical complex, which includes representatives of or-  
20 ganizations, institutions, and agencies concerned with  
21 activities of the kind to be carried on by the complex  
22 and members of the public familiar with the need for  
23 the services provided by the complex.



1       “GRANTS FOR ESTABLISHMENT AND OPERATION OF  
2       REGIONAL MEDICAL COMPLEXES

3       “SEC. 904. (a) The Surgeon General, ~~after consultation~~  
4       ~~with~~ *upon the recommendation of* the Council, is authorized  
5       to make grants to public or nonprofit private universities,  
6       medical schools, research institutions, *hospitals*, and other  
7       public or nonprofit private agencies and institutions , *or*  
8       *associations thereof*, to assist in establishment and operation  
9       of regional medical complexes, including construction and  
10      equipment of facilities in connection therewith.

11      “(b) Grants under this section may be made only upon  
12      application therefor approved by the Surgeon General. Any  
13      such application may be approved only if it contains or is  
14      supported by reasonable assurances that—

15      “(1) Federal funds paid pursuant to any such grant  
16      (A) will be used only for the purposes for which paid  
17      and in accordance with the applicable provisions of this  
18      title and the regulations thereunder, and (B) will not  
19      supplant funds that are otherwise available for establish-  
20      ment or operation of the regional medical complex with  
21      respect to which the grant is made;

22      “(2) the applicant will provide for such fiscal con-  
23      trol and fund accounting procedures as are required by

1 the Surgeon General to assure proper disbursement of  
2 and accounting for such Federal funds;

3 " (3) the applicant will make such reports, in such  
4 form and containing such information as the Surgeon  
5 General may from time to time reasonably require, and  
6 will keep such records and afford such access thereto as  
7 the Surgeon General may find necessary to assure the  
8 correctness and verification of such reports;

9 " (4) the applicant has designated ~~or will designate~~  
10 an advisory group, described in paragraph (4) of sec-  
11 tion 903 (b), to advise in carrying out the plan for the  
12 regional medical complex; and

13 " (5) any laborer or mechanic employed by any  
14 contractor or subcontractor in the performance of work  
15 on any construction aided by payments pursuant to any  
16 grant under this section will be paid wages at rates not  
17 less than those prevailing on similar construction in the  
18 locality as determined by the Secretary of Labor in ac-  
19 cordance with the Davis-Bacon Act, as amended (40  
20 U.S.C. 276a—276a-5); and the Secretary of Labor  
21 shall have, with respect to the labor standards specified  
22 in this paragraph, the authority and functions set forth  
23 in Reorganization Plan Numbered 14 of 1950 (15 F.R.

1 3176; 5 U.S.C. 133z-15) and section 2 of the Act of  
2 June 13, 1934, as amended (40 U.S.C. 276c).

3 "NATIONAL ADVISORY COUNCIL ON MEDICAL COMPLEXES

4 "SEC. 905. (a) The Surgeon General, with the ap-  
5 proval of the Secretary, may appoint, without regard to the  
6 civil service laws, *There is hereby established in the Public*  
7 *Health Service a National Advisory Council on Medical*  
8 *Complexes. The Council shall consist of the Surgeon Gen-*  
9 *eral, who shall be the Chairman, and the Chief Medical Di-*  
10 *rector of the Veterans' Administration, ex officio, and twelve*  
11 *members, not otherwise in the employ of the United States,*  
12 *appointed by the Surgeon General, with the approval of the*  
13 *Secretary and without regard to the civil service laws,*  
14 *who are leaders in the fields of the fundamental sciences, the*  
15 *medical sciences, hospital administration, or public affairs.*  
16 *At least one of the appointed members shall be outstanding*  
17 *in the study, diagnosis, or treatment of heart disease, one*  
18 *shall be outstanding in the study, diagnosis, or treatment of*  
19 *cancer, and one shall be outstanding in the study, diagnosis,*  
20 *or treatment of stroke.*

21 " (b) Each appointed member of the Council shall hold  
22 office for a term of four years, except that any member ap-  
23 pointed to fill a vacancy prior to the expiration of the term  
24 for which his predecessor was appointed shall be appointed  
25 for the remainder of such term, and except that the terms of

1 office of the members first taking office shall expire, as  
2 designated by the Surgeon General at the time of appoint-  
3 ment, four at the end of the first year, four at the end of  
4 the second year, and four at the end of the third year after  
5 the date of appointment. An appointed member shall not  
6 be eligible to serve continuously for more than two terms.

7 “(c) Appointed members of the Council, while attend-  
8 ing meetings or conferences thereof or otherwise serving on  
9 business of the Council, shall be entitled to receive compen-  
10 sation at rates fixed by the Secretary, but not exceeding  
11 \$100 per day, including travel time, and while so serving  
12 away from their homes or regular places of business they  
13 may be allowed travel expenses, including per diem in lieu  
14 of subsistence, as authorized by section 5 of the Administra-  
15 tive Expenses Act of 1946 (5 U.S.C. 73b-2) for persons  
16 in the Government service employed intermittently.

17 “(d) The Council shall advise and assist the Surgeon  
18 General in the preparation of regulations for, and as to policy  
19 matters arising with respect to, the administration of this  
20 title. The Council shall consider all applications for grants  
21 under this title and shall make recommendations to the  
22 Surgeon General with respect to approval of applications  
23 for and the amounts of grants under this title; *and such recom-*  
24 *mendations shall also be transmitted to any advisory council*

1 *or committee, established by or pursuant to this Act, which*  
2 *the Surgeon General deems appropriate.*

3 "REGULATIONS

4 "SEC. 906. The Surgeon General, after consultation  
5 with the Council, shall prescribe general regulations cover-  
6 ing the terms and conditions for approving applications for  
7 grants under this title and the coordination of programs  
8 assisted under this title with programs for training, research,  
9 and demonstrations relating to the same diseases assisted  
10 or authorized under other titles of this Act or other Acts of  
11 Congress.

12 "REPORT

13 "SEC. 907. On or before June 30, ~~1969~~, 1967, the Sur-  
14 geon General, after consultation with the Council, shall sub-  
15 mit to the Secretary for transmission to the President and  
16 then to the Congress, a report of the activities under this title  
17 together with (1) a statement of the relationship between  
18 Federal financing and financing from other sources of the ac-  
19 tivities undertaken pursuant to this title, (2) an appraisal of  
20 the activities assisted under this title in the light of their effec-  
21 tiveness in carrying out the purposes of this title, and (3)  
22 recommendations with respect to extension or modification  
23 of this title in the light thereof."

24 SEC. 3. (a) Section 1 of the Public Health Service Act  
25 is amended to read as follows:

1       “SECTION 1. Titles I to IX, inclusive, of this Act may  
2 be cited as the ‘Public Health Service Act.’”

3       (b) The Act of July 1, 1944 (58 Stat. 682), as  
4 amended, is further amended by renumbering title IX (as in  
5 effect prior to the enactment of this Act) as title X, and by  
6 renumbering sections 901 through 914 (as in effect prior to  
7 the enactment of this Act), and references thereto, as  
8 sections 1001 through 1014, respectively.

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By Mr. HILL

JANUARY 19, 1965

Read twice and referred to the Committee on Labor  
and Public Welfare

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Reported with amendments