



\*E000954\*

EXCERPTS FROM REPORT BY THE COMMITTEE ON  
INTERSTATE AND FOREIGN COMMERCE  
TO ACCOMPANY  
H.R. 16204

TO REFLECT COMMITTEE INTENT ON PROVISIONS  
TO SERVE AS A BASIS FOR POLICY OR PROCEDURES

INDEX TO PROVISIONS DISCUSSED:

<u>Title XIV</u>	<u>Pages</u>
Part A - National Council for Health Policy	1
Part B - Health Systems Agencies	1
Health Areas - Designation	1
Health Areas	2
Health Systems Agencies	2
Agency Legal Structure	2
Sub-area Councils	3
Agency Functions	3-5
Designation of Health System Agencies	5-6
Planning Grants	7
Part C - State Health Planning and Development	7
Designation of State Agencies	7
State Administrative Program	8
State Agency Functions	9
State Health Coordinating Council	10
Grants for State Health Planning & Development	11
Part D - General Provisions	11-12
Definitions	11-12
Procedures and Criteria for Reviews of Proposed Health Systems Changes	12
Technical Assistance for HSAs & State Agencies	12
Centers for Health Planning	13
Review by the Secretary	13
<u>Title XV - Health Resources Development</u>	
Part A - Purpose	13
Part E - Area Health Services Development Funds	14

COMMITTEE INTENT COMMENTS	PAGE	SECTION
<u>Article XIV</u>		
- <u>National Council for Health Policy</u>		
"specifies national health priorities which are <u>intended to provide direction</u> to Federal, State, and areawide planning efforts"	34	Intro.
"policy and priorities will serve the dual purpose of <u>indicating the direction in which our health efforts must move and making it possible to measure how far in that direction they have progressed</u> "	34	Intro.
"it would be appropriate for the National Council for Health Policy to <u>review legislative proposals and other Federal initiatives which are not directly concerned with the provision of medical care about which the Council can show will have an impact upon peoples' health and publish conclusions</u> "	39	Intro.
"that mechanisms be developed to <u>coordinate the policy work of the Council with the activities of these various parts of the government so that the Council's work will constitute a government-wide statement of National health policy</u> "	47	1401(a)
"the <u>Council may employ and use such staff as it deems necessary . . . and may procure the services of experts and consultants as necessary</u> "	48	1401(d)
"it is intended that the annual report required include the <u>results of all the various activities of the Council described . . . even though it is recognized that . . . the report may well be of book length</u> "	49	1402(b)
- <u>Health Systems Agencies</u>		
<u>Health Areas - Designation</u>		
"the Secretary is authorized to revise such designation (made by the Governors) <u>only where they are inconsistent with requirements specified in the legislation and will be</u>		

COMMITTEE INTENT COMMENTS	PAGE	SECTION
3. continued		
responsible for publishing them in the Federal Register."	36	Intro.
<u>"it is anticipated . . . designation by the Governors of approximately 200 health service areas."</u>	52	1411(a)
<u>"Generally, the Committee is serious in specifying the 500,000 minimum and does not intend the waivers in either "unusual" or "highly unusual" to be used frequently"</u>	52	1411(a)
<u>Health Areas</u>		
<u>"the requirement for the inclusion of a center for the provision of highly specialized health services . . . reflects the desire that the health service areas provide a self-contained comprehensive and complete range of health service such that (a resident) would rarely if ever have to leave it in order to obtain needed medical care."</u>	52	1411(a)
<u>"while provision is made for waiving this requirement (SMSAs crossing state boundaries) it is anticipated that the waiver will be granted rarely (e.g. perhaps Norfolk, Va. SMSA):</u>	53	1411(a)
3. <u>Health Systems Agencies</u>		
<u>Review by Secretary</u>		
<u>"require detailed reviews by the Secretary of the performance of HSAs . . . at least every three years, and conditioning the availability of developmental funds for the agencies upon their successful completion"</u>	37-38	Intro.
3. HSAs		
<u>Agency Legal Structure</u>		
<u>"will assist interested public by providing such things as an index of available data and documents relevant to a particular concern"</u>	56	1412(a)

COMMITTEE INTENT COMMENTS	PAGE	SECTION
<u>Agency Legal Structure continued:</u>		
<p><u>"the governing body . . . is responsible for the planning of the area's health system it is particularly important that it adequately and equitably represent the area's population and health care provides."</u> <u>"it is intended . . . that in regulations . . . , the Department take particular care to assure that the governing bodies are chosen and composed so as to assure that they are not dominated by any particular part of the areas health industry."</u></p>	57	1412(b)
<p><u>"An HSA should assume the costs of defending its governing body members and employees if and when they are sued for performing their responsibilities. Liability insurance could also be purchased to provide protection against the costs of such suits."</u></p>	57-58	1412(b)
<u>Sub-area Councils</u>		
<p><u>"the health planning process is to be local and public and involve as many members of the community as possible . . . subarea councils could be developed for remote rural parts of an area . . . to represent various communities within a large metropolitan area . . . could be created for each county within a health service area."</u></p>	58	1412(c)
<u>Agency Functions</u>		
<p><u>"HSA reviews including such activities as mental health planning, health facilities planning, health manpower planning, necessary environmental health planning, planning for public health services, health education planning and occupational health planning. This means that in all these areas should be represented to the maximum possible extent in both the HSAs staff and governing body."</u></p>	40	Intro.

COMMITTEE INTENT COMMENTS	PAGE	SECTION
<u>Agency Functions</u> <u>"no bureaucratic obstacles should be imposed . . . to the full availability of data . . . it is also hoped that non-Federal health programs will voluntarily supply requested data . . . that maximum possible use should be made of existing data . . ."</u>	59	1413(b)
<u>"the active process of planning including implementation represents the substance of the (HSA) work . . . that there be developed and published identifiable products of the planning process . . ."</u>	60	1413(b)

COMMITTEE INTENT COMMENTS	PAGE	SECTION
<u>Agency Functions</u>		
<u>"reference to a 'healthful environmental' . . . include the cultural, social, occupational, family, and individual environments in which people live and which determine their health."</u>	60	1413(b)
<u>"the most important method available (in implementing health plans is in) seeking the assistance of individuals and entities in the health service area."</u>	61	1413(c)
<u>"money (for development) is to be used strictly as seed money with limited commitments in terms of both money and years to any one activity."</u>	62	1413(c)
<u>"HSAs should . . . coordinate their health planning activities with other kinds of planning . . . such as transportation, environment, and land use planning . . ."</u>	63	1413(d)
<u>"it is (also) hoped that A-95 clearing houses will coordinate their activities with those of HSAs so that the . . . review of health projects and programs can . . . be done for the clearing house by the HSA to the maximum extent feasible . . ."</u>	63	1413(d)
<u>"Similarly, when PSRO review activities identify deficiencies . . . such as shortage of primary care or inappropriate use of (care services) . . . that the PSRO will convey their knowledge to the HSAs . . ."</u>	64	1413(d)
<u>"it is hoped by the Committee that similar reviews (Sec. 1413(e)) of proposed Federal health activities . . . outside the jurisdiction (of this) Committee, that similar reviews will be undertaken"</u>	64	1413(e)
<u>"the Secretary will make every effort to assist the HSAs in this (review) requirement by informing the HSA of applications for funds received . . . and requiring that applicants work with HSA . . . in review and development of the application"</u>	64	1413(e)

COMMITTEE INTENT COMMENTS	PAGE	SECTION
<p><u>Functions</u></p> <p><u>"the requirement that HSAs review institutional health services is not intended . . . to limit their reviews to institutional health services . . . generally desirable . . . to review all health services available in the community . . . priority should be given to the more expensive and more permanent institutional services"</u></p>	65	1413(g)
<p><u>"(there is) not attached to the review activity any sanction which would be available for closing or eliminating unneeded services. . . . to the extent that those . . . providing institutional health services which (HSAs) feel no longer needed . . . (there is) a requirement for the HSAs . . . to bring their services into conformity with the community's needs."</u></p>	65	1413(g)
<p><u>"while the responsibility for the preparation of the State medical facilities plan rests with the State agency, it is the intent that the recommendations of the HSAs to the State for health facilities construction projects be generally used by the State to prepare the construction plan."</u></p>	65	1413(h)
<p><u>"the need for HSAs to recommend priorities among possible construction projects in the context of their health plans should be emphasized."</u></p>	66	1413(h)
<p>Assistance to entities desiring to be designated as HSAs</p> <p><u>"Specific authority for receiving such assistance is given to the existing CHP, RMP, and EHSDS programs"</u></p>	66	1414
<p><u>Designation of Health Systems Agencies</u></p> <p><u>"the designation agreement between the Secretary and a HSA is the tool by which the Secretary recognizes an organization as the official health planning agency for the area and defines both (the agency) obligation in fulfilling planning responsibility to the community, the State and the Secretary as well as (the Secretary's) responsibility . . . to provide</u></p>		



ITTEE INTENT COMMENTS	PAGE	SECTION
<u>Designation of Health Systems Agencies continued:</u>		
financial and other forms of assistance"	66	1415(a)
<u>"such agreements might take the form of memorandums of agreement . . . jointly developed or in fact actual contracts . . . for products of the planning process"</u>	66	1415(a)
<u>"in any given community the Secretary may initially designate an HSA on either a conditional or final basis depending purely upon the applicant organization's ability to meet the requirements"</u>	66	1415(a)
<u>"where an HSA loses its designation and a new agreement is to be entered into with another organization, it would be discretionary with the Secretary whether the new agreement would be conditional or final"</u>	67	1415(a)
<u>"In designating HSAs . . . maximum possible use be made of existing areawide CHP agencies and RMPs" (for whom a conditional designation would not be required)</u>	67	1415(a)
<u>"where both (CHP-RMP) exist in a community that the resources of whichever will not serve as the HSA will be assumed by the one (agency) that will"</u>	67	1415(a)
<u>"it is not anticipated that conditional designation will always be for a full two-year period . . . it could be for as short a period as a few months (to determine) whether or not an organization meets the requirements and can fill the functions of a HSA."</u>	68	1415(b)
<u>"conditional designation (to) be used for the development and evaluation of potential HSAs"</u>	68	1415(b)

COMMITTEE INTENT COMMENTS	PAGE	SECTION
<p><u>Planning Grants</u></p> <p><u>"Contract authority included in section 1416(a) is meant as a limited authority for contracting for specific planning purposes related to the activities of the HSAs."</u></p> <p><u>"The Committee generally anticipates that the amount of a grant would have the same ratio to the amount which the organization would receive if it were finally designated"</u></p> <p><u>"Matching funds are intended to be in cash and not to include in-kind matching funds"</u></p> <p><u>"(it) is not intended that agencies should not seek local funds beyond a level of 25 cents per capita . . . and to the extent that they can use such funds they are encouraged to do so"</u></p>	<p>69</p> <p>70</p> <p>70</p> <p>71</p>	<p>1416(a)</p> <p>1416(a)</p> <p>1416(b)</p> <p>1416(b)</p>
<p>title XIV</p> <p>3 - State Health Planning and Development</p> <p><u>Designation of State Agencies</u></p> <p><u>"(the) provision requires each State which does not prevent unneeded capital expenditures outright through a certificate of need approach to implement through its insurance laws a requirement that all private insurers within the State deny reimbursement for unneeded capital expenditures."</u></p> <p><u>"If a State has failed to implement this policy after the expiration (period following the end of the next regular session of State legislature) then the Secretary would be required to terminate the designation agreement . . . and to deny to the State Government further funding under this title and new title XV."</u></p>	<p>73</p> <p>73</p>	<p>1421(d)</p> <p>1421(d)</p>

COMMITTEE INTENT COMMENTS	PAGE	SECTION
<p><u>Designation of State Agencies continued:</u></p> <p><u>"the Committee has chosen to draft the legislation as essentially a statement of policy and to leave with the Secretary broad discretion for deciding on a State-by-State basis whether or not the policy has been adequately complied with . . . by promulgation of regulations . . . give clear and specific indication of what will be required . . . and provide model implementing legislation."</u></p>	73	1421(d)
<p><u>State Agencies</u></p> <p><u>State Administrative Program</u></p> <p><u>"The requirement that the State Agency have adequate authority under State law to carry out its functions and programs represents the understanding . . . that the implementation . . . and requirement for either a certificate of need or 1122 program may require the enactment of a specific enabling legislation in the State."</u></p>	74	1422(b)
<p><u>"the requirement for consultation with, and authority for, the SHCC in carrying out the agency's functions and the State program is designed to give the Secretary adequate description of the council's role and authority . . . to ascertain whether requirements of section 1122 have been met."</u></p>	74	1422(a)
<p><u>"the planning staff (is understood) to be in a very real sense the SHCC's own staff for its activities"</u></p>	75	1422(b)
<p><u>"(it would be) appropriate if the Secretary chose to require that agencies have a minimum staff . . . varied in proportion to the population of the State."</u></p>	75	1422(b)
<p><u>"the Committee recognizes that regulations will be needed to define the situations in which public access must be available . . . promulgated expeditiously by the Secretary."</u></p>	75	1422(b)
<p><u>"no objection to the State Agency itself being the State's lead agency for the cooperative data system for the NCHS."</u></p>		

COMMITTEE INTENT COMMENTS	PAGE	SECTION
<u>State Administrative Program continued:</u>		
". . . not required but does <u>anticipate</u> that since this is to be a single Federal, State, and local health data system <u>the State Agency will participate . . . and closely coordinate with it</u> "	76	1422(b)
" <u>the HSAs should have recourse for review (of an unaccepted HSA recommendation by the State Agency) the State program will require the Governor to designate an appropriate agency or hearing officer to serve as an appeal body for the decision-making.</u> "	77	1422(b)
" <u>It is the firm intent . . . that the Secretary actually receive and actively review modifications of State programs on an annual basis . . . that this review (not) be a proforma one.</u> "	77	1422(c)
<u>State Agency Functions</u>		
" <u>requirement(s) emphasizes that the State Agency is in fact to be the health planning entity of the State. This does not require (it) be located within the State's operational health agency . . . intend that the State Agency act as an agent within State Government of the HSAs . . .</u> "	77	1423(a)
" <u>each State Agency (is required) to apply to its review of proposed new institutional health services one of two sanctions to assure that when a service is felt not to be needed it will not be offered (the possible two sanctions are a State certificate of need program or participation in section 1122 of the SSA)</u> "	78	1423(a)
" <u>As a general rule the Committee does wish to express a preference for the certificate of need approach</u> " ". . . <u>On reviewing a State certificate of need program the Secretary should consider . . . the sanctions to be imposed, the facilities subject to review, and the procedures to be used</u> "	78	1423(a)

COMMITTEE INTENT COMMENTS	PAGE	SECTION
<p><u>State Agency Functions continued:</u></p> <p>health services  <u>"emphasize that the review of new institutional/is not simply a regulatory activity but also a planning activity . . . and should begin as soon as State agencies are designated"</u></p>	79	1423(a)
<p><u>"The Committee has not required any sanction (related to agency review of existing institutional health services) which would require that unneeded services be eliminated or closed . . . were a State . . . on its own initiative create such a sanction the Committee . . . would have no objection . . ."</u></p>	79	1423(a)
<p><u>"intent that the State health planning and development . . . and construction activities of new title XV be combined in the one agency . . . to assure that a clear distinction is preserved between funds available for planning purposes and those . . . for development of health facilities, the costs of administration . . . is to be paid through (Title XIV) grants to the State agency . . . rather under title XV allotment earmarking."</u></p>	79	1423(a)
<p><u>"The Committee does not intend that the provision . . . allowing States to have various functions of a State Agency performed by different agencies of State government will be used with any great frequency."</u></p>	80	1423(b)
<p><u>"The agreement between the State Agency and a different State agency which performs one of the listed functions should specify how the budgets, staffs, and activities of the two agencies will be related . . . and how the SHCC will be used to advise the separate agency."</u></p>	80	1423(b)
<p><u>State Health Coordinating Council</u></p>		
<p><u>"the SHCC is to play a real and active role in the state's health planning activities and to have specific authorities."</u></p>	74	1422(a)
<p><u>"the SHCC (envisioned) as analagous to the governing body of the HSAs with specific authority to perform listed State</u></p>		

COMMITTEE INTENT COMMENTS	PAGE	SECTION
<p><u>Statewide Health Coordinating Council continued:</u></p> <p><u>health planning functions for which it would have available . . . staff of the State Agency. In addition the SHCC was seen as a general advisory council to the Governor and State Agency . . . and means by which the needs and concerns of the State's consumers of health services, providers, and HSAs would be reflected in the health planning and development activities of the State."</u></p>	80	1424(a)
<p><u>Composition</u></p> <p><u>"the requirement that an equal number of representatives be consumers and providers is not to imply that each HSA is to appoint an even number of representatives but if an odd number is appointed the extra person should be a consumer . . ."</u></p>	81	1424(b)
<p><u>Grants for State Health Planning and Development</u></p> <p><u>"(no) required maintenance of effort for those states which are spending more than others (on many of functions described to the State Agency) so as not to penalize them for taking the initiative."</u></p>	83	1425(a)
<p><u>"funds available under this grant may and in fact are intended to be used for the costs of administering the allotment program available under new title XV"</u></p>	83	1425(a)
<p><u>General Provisions Definitions</u></p> <p><u>"the definition of a provider is intentionally broad in that a fiduciary position or interest includes for example all those with positions of trust and accountability with respect to the delivery of health services."</u></p>	83	1431

COMMITTEE INTENT COMMENTS	PAGE	SECTION	
<p><u>General Provisions Definitions continued:</u></p>			
<p><u>"In general, providers would also include all individuals who hold degrees in the health professions or are employed by organizations or individuals who provide health services . . . this definition will require further development in both regulations and policy statements."</u></p>	83	1431	
<p><u>"the term 'institutional health services' is generally to include the facilities and organizations which provide such services . . . to key the definition to the definition in regulation of facilities and organizations reviewable under section 1122 of the SSA . . . to assure consistency . . . and to allow a measure of flexibility in the definition of institutional health services."</u></p>	84	1431	
<p><u>Procedures and Criteria for Reviews of Proposed Health Systems Changes</u></p>			
<p><u>"included in the legislation (are) specific requirements for the procedures and criteria . . . not anticipated (to be) the same for every HSA or State Agency but it is anticipated that every individual agency will develop and publish its own standard set of procedures and criteria which the communities may then be aware of and which the agency will then follow."</u></p>	84	1432(a)	
<p><u>Technical Assistance for HSAs and State agencies</u></p>			
<p><u>"requiring of the Department a very substantial technical assistance program for the new planning agencies and a much more careful and genuine review of their quality than has previously been required."</u></p>	33	Intro. 33	
<p><u>"Technical assistance should take both the form of providing to agencies on a regular mail basis or on request written instruction and examples as to health planning and the form of providing on-site assistance by experts in health planning problems with the particular problems of a particular agency."</u></p>	86	1433(a)	