

118TH CONGRESS
1ST SESSION

H. R. 1712

To amend the Public Health Service Act to establish a rural health center innovation awards program and a rural health department enhancement program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 22, 2023

Mr. KUSTOFF (for himself and Ms. KUSTER) introduced the following bill;
which was referred to the Committee on Energy and Commerce

A BILL

To amend the Public Health Service Act to establish a rural health center innovation awards program and a rural health department enhancement program, 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.**

4 This Act may be cited as the “Rural Health Innova-
5 tion Act of 2023”.

1 **SEC. 2. RURAL HEALTH CENTER INNOVATION AWARDS**
2 **PROGRAM.**

3 Subpart I of part D of title III of the Public Health
4 Service Act (42 U.S.C. 254b et seq.) is amended by adding
5 at the end the following:

6 **“SEC. 330Q. RURAL HEALTH CENTER INNOVATION AWARDS**
7 **PROGRAM.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
10 tity’ means an entity that—

11 “(A) is a Federally qualified health center;

12 “(B) is a rural health clinic; or

13 “(C) agrees (as a condition of receiving a
14 grant under this section) to establish such a
15 center or clinic, including a hospital that agrees
16 (as such a condition) to convert to a Federally
17 qualified health center or rural health clinic.

18 “(2) FEDERALLY QUALIFIED HEALTH CEN-
19 TER.—The term ‘Federally qualified health center’
20 has the meaning given such term in section
21 1861(aa) of the Social Security Act.

22 “(3) RURAL AREA.—The term ‘rural area’
23 means any area that is rural, within the meaning of
24 such term as used by the Office of Rural Health
25 Policy of the Health Resources and Services Admin-
26 istration for purposes of determining eligibility for

1 grants or services, including any area that is rural
2 within such meaning as used by such Office for fis-
3 cal year 2023 or any area that is rural within such
4 meaning as amended for a subsequent fiscal year.

5 “(4) RURAL HEALTH CLINIC.—The term ‘rural
6 health clinic’ has the meaning given such term in
7 section 1861(aa) of the Social Security Act.

8 “(b) ESTABLISHMENT.—

9 “(1) IN GENERAL.—The Secretary, acting
10 through the Director of the Office of Rural Health
11 Policy of the Health Resources and Services Admin-
12 istration, shall establish a grant program to be
13 known as the ‘Rural Health Center Innovation
14 Awards program’ to award grants to eligible entities
15 that submit an application in accordance with sub-
16 section (c) to enable such entities to establish or
17 maintain a Federally qualified health center or rural
18 health clinic that—

19 “(A) serves individuals in a rural area as
20 a walk-in urgent care center and as a triage
21 center or staging facility for necessary air or
22 ambulance transport to an emergency depart-
23 ment; and

24 “(B) includes—

1 “(i) professional clinical staff, includ-
2 ing physicians, physician interns, residents,
3 nurse practitioners, physician assistants,
4 nurse midwives, or other health care pro-
5 viders providing walk-in urgent care and
6 emergency triage; and

7 “(ii) resources, including laboratories,
8 x-ray machines, and cardiac monitors.

9 “(2) PERMISSIBLE USES OF FUNDS.—The
10 funds of a grant awarded under this section may be
11 used to—

12 “(A) expand the hours of operation of a
13 Federally qualified health center or rural health
14 clinic;

15 “(B) pay for the costs of construction and
16 renovation of a Federally qualified health center
17 or rural health clinic; or

18 “(C) carry out any other activity for the
19 purposes described in paragraph (1).

20 “(c) APPLICATIONS AND SELECTION.—

21 “(1) IN GENERAL.—An eligible entity seeking a
22 grant under this section shall submit to the Sec-
23 retary an application at such time, in such manner,
24 and containing such information as the Secretary
25 may reasonably require.

1 “(2) START UP CENTERS AND CLINICS.—An
2 application submitted under paragraph (1) by an eli-
3 gible entity that is not a Federally qualified health
4 center, or a rural health clinic, on the date on which
5 the entity submits the application under paragraph
6 (1) shall include in such application a demonstration
7 of the costs of the equipment and staffing needed to
8 establish the center or clinic.

9 “(3) CONSIDERATION OF OVERLAP.—In the
10 case an eligible entity submits an application under
11 paragraph (1) that proposes to serve an area that is
12 served by another eligible entity through a grant
13 under this section, the Secretary may consider
14 whether an award to the eligible entity serving such
15 same area can be justified based on the unmet need
16 for additional services in such area.

17 “(4) PRIORITY.—In selecting recipients of
18 grants under this section, the Secretary shall give
19 priority to an eligible entity that is operating as a
20 Federally qualified health center, or a rural health
21 clinic, on the date on which the entity submits the
22 application under paragraph (1).

23 “(d) GRANT PERIOD AND AMOUNTS.—

24 “(1) PERIOD.—Each grant awarded under this
25 section shall be for a period of 5 years.

1 “(2) AMOUNT.—

2 “(A) IN GENERAL.—A grant awarded
3 under this section to an eligible entity shall not
4 exceed—

5 “(i) for the first year of the grant—

6 “(I) \$500,000 if the entity is a
7 Federally qualified health center, or a
8 rural health clinic, on the date on
9 which the award is made; and

10 “(II) \$750,000 if the entity is
11 using the grant to establish a Feder-
12 ally qualified health center or a rural
13 health clinic; and

14 “(ii) for each of the second through
15 fifth years of the grant, \$500,000.

16 “(B) CONSIDERATIONS.—In determining
17 the amount of a grant under this section for an
18 eligible entity for each year after the first year
19 in which the grant is awarded, the Secretary
20 shall, subject to subparagraph (A)(ii), consider
21 the number of patients treated, and the type of
22 treatment provided, by the entity in the prior
23 year.

24 “(e) REPORTING.—

1 “(1) IN GENERAL.—Not later than 3 years
2 after the date of enactment of this section, the Sec-
3 retary shall report to the committees described in
4 paragraph (2) on the grant program under this sec-
5 tion, including—

6 “(A) an assessment of the success of the
7 program, challenges with respect to the pro-
8 gram, and any action for regulatory flexibility
9 or legislative authority needed to improve the
10 program;

11 “(B) any savings to Federal health care
12 programs;

13 “(C) any increase in access to care; and

14 “(D) any increase in utilization of health
15 services in rural areas.

16 “(2) COMMITTEES.—The committees described
17 in this paragraph are—

18 “(A) the Committee on Health, Education,
19 Labor, and Pensions, and the Committee on Fi-
20 nance, of the Senate; and

21 “(B) the Committee on Energy and Com-
22 merce, and the Committee on Ways and Means,
23 of the House of Representatives.

24 “(f) RULE OF CONSTRUCTION.—No entity receiving
25 a grant under this section shall lose status as a Federally

1 qualified health center, or a rural health clinic, on account
2 of carrying out any activities under this section.

3 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
4 is authorized to be appropriated to carry out this section
5 \$25,000,000 for each of fiscal years 2024 through 2028.”.

6 **SEC. 3. RURAL HEALTH DEPARTMENT ENHANCEMENT PRO-**
7 **GRAM.**

8 Subpart I of part D of title III of the Public Health
9 Service Act (42 U.S.C. 254b et seq.), as amended by sec-
10 tion 2, is further amended by adding at the end the fol-
11 lowing:

12 **“SEC. 330R. RURAL HEALTH DEPARTMENT ENHANCEMENT**
13 **PROGRAM.**

14 “(a) DEFINITIONS.—In this section:

15 “(1) RURAL AREA.—The term ‘rural area’ has
16 the meaning given the term in section 330Q(a).

17 “(2) RURAL HEALTH DEPARTMENT.—The term
18 ‘rural health department’ means a local public health
19 department that is located in a rural area.

20 “(b) ESTABLISHMENT.—The Secretary, acting
21 through the Director of the Office of Rural Health Policy
22 of the Health Resources and Services Administration,
23 shall award grants, on a competitive basis, to rural health
24 departments that submit an application in accordance
25 with subsection (c) to enhance such departments and en-

1 able them to provide individuals in rural areas with emer-
2 gency services, triage and transport to emergency depart-
3 ments, primary care services, and other services similar
4 to services provided by emergency departments.

5 “(c) APPLICATIONS.—A rural health department
6 seeking a grant under this section shall submit an applica-
7 tion to the Secretary at such time, in such manner, and
8 containing such information as the Secretary may reason-
9 ably require, including—

10 “(1) an indication of the estimated cost of the
11 equipment and staffing needed by the department
12 for the first year of the award to set up the activities
13 and services under this section;

14 “(2) a demonstration that the department has,
15 on the date on which the application is submitted,
16 a facility operating that is located in a rural area;
17 and

18 “(3) a demonstration that, on the date on
19 which the application is submitted, the depart-
20 ment—

21 “(A) has a nursing staff and medical
22 equipment; and

23 “(B) agrees to use such staff and equip-
24 ment towards providing the services and car-
25 rying out the activities under this section.

1 “(d) GRANTS.—

2 “(1) ANNUAL AWARDS.—The funds awarded
3 through a grant under this section to a rural health
4 department shall be awarded on an annual basis for
5 each of 5 years.

6 “(2) MAXIMUM AMOUNTS.—The funds awarded
7 through a grant under this section to a rural health
8 department shall be in an amount that for a year
9 does not exceed \$500,000.

10 “(3) CONSIDERATIONS.—The Secretary shall
11 determine the amount awarded to a rural health de-
12 partment through a grant under this section for a
13 year in accordance with the following:

14 “(A) For the first year of the award, the
15 amount shall be based on the amount the rural
16 health department estimates for the cost of
17 equipment and staffing needed to set up the ac-
18 tivities and services supported under this sec-
19 tion, as specified in the application under sub-
20 section (c).

21 “(B) For the second through fifth years of
22 the award, the amount shall be based on the
23 number of patients treated, and the type of
24 treatment provided, by the department in the
25 prior year.

1 “(e) USE OF FUNDS.—

2 “(1) IN GENERAL.—A rural health department
3 receiving a grant under this section shall use the
4 funds awarded through the grant to provide the
5 services and carry out the activities described in sub-
6 section (b) at a facility that is located in a rural
7 area, including by—

8 “(A) obtaining additional medical equip-
9 ment and resources necessary for providing the
10 services and activities described in subsection
11 (b), such as laboratories, x-ray machines, and
12 cardiac monitors;

13 “(B) hiring additional providers to provide
14 the services and carry out the activities de-
15 scribed in subsection (b), such as physician in-
16 terns, residents, nurse practitioners, physician
17 assistants, and nurse midwives, which hiring
18 may be through a partnership described in
19 paragraph (2)(A); and

20 “(C) providing outreach to the community
21 regarding the services and activities of the rural
22 health department as supported under this sec-
23 tion.

24 “(2) LIMITATIONS.—

1 “(A) PARTNERSHIPS.—Not more than 3
2 percent of the funds awarded through a grant
3 under this section for a year may be used to-
4 wards the rural health department entering into
5 a partnership with an academic medical center
6 to assist with the hiring described in paragraph
7 (1)(B).

8 “(B) COMMUNITY OUTREACH.—For each
9 of the first 2 years of a grant awarded under
10 this section, not more than 3 percent of the
11 funds may be used by the rural health depart-
12 ment receiving the grant for the outreach de-
13 scribed in paragraph (1)(C).

14 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
15 are authorized to be appropriated to carry out this section
16 \$25,000,000 for each of fiscal years 2024 through 2028.”.

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