

Landmark Federal Maternal and Child Health Legislation

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Landmark Federal MCH Legislation

Introduction

“*Landmark Federal MCH Legislation*” contains three distinct pieces of legislation enacted between 1912 and 1935:

- P.L. 62-116 Act of April 9, 1912 (The Children’s Bureau Act)
- P.L. 67-97 Maternal and Infancy Act of 1921 (The Sheppard-Towner Act)
- P.L. 74-271 Social Security Act of 1935, Title V – Grants to States for Maternal and Child Welfare, Part 1 – Maternal and Child Health Services, Part 2 – Services for Crippled Children (Title V)

These laws represent the codified foundation of the Maternal and Child Health program in the United States. As a group, they demonstrate a growing assumption of responsibility by the federal government for the health and well being of mothers and children. These laws have made significant contributions to the health of mothers and children in the United States by:

- forging new public health policies,
- enabling programs and specific services that address the health needs of vulnerable children and their mothers, and
- establishing an infrastructure for MCH services at both federal and state levels.

The federal maternal and child health program has its roots in the Children’s Bureau. Established by P.L. 62-116 in 1912, creation of the Children’s Bureau was the federal government’s first recognition that it has a responsibility to promote the welfare of our nation’s children. The Children’s Bureau was a logical sequel to several child-oriented social and public health developments of the late 19th century: the establishment of milk stations, the growing concern with the spread of communicable disease after compulsory school attendance laws were passed, the movement to outlaw child labor, and the opening of Settlement Houses. Versions of this bill, supported by President Theodore Roosevelt, were introduced in both houses of Congress in 1906 and were resubmitted annually during the next 6 years. The proposed legislation met with fierce opposition both from states that felt that the federal government was usurping their responsibility for the welfare of children and from those who feared that it would give the federal government the right to enter and regulate the homes of private citizens. Support of the legislation came from organizations of parents, labor unions, health workers, social workers, and women’s organizations, and from the first White House Conference on the Care of Dependent Children in 1909. In the end, the legislation was passed and the Children’s Bureau was brought into existence because of public pressure to assure that the health of children would receive the same consideration as was given to the nurture of agricultural products. Placed in the Department of Commerce and Labor, the Bureau was charged with the responsibility “to investigate and report upon all matters pertaining to the welfare of children and child life among all classes of our people.” Thus began the remarkable history of federal support for children and families in the United States during the 20th century.

It wasn’t long before the investigations conducted by the Children’s Bureau illuminated major health problems and risks, especially among poor mothers and

children. By 1920, these revelations sparked development of a preventive health bill sponsored by Senator Morris Sheppard of Texas and Representative Horace Towner of Iowa. The Maternal and Infancy Act of 1921, often called the Sheppard-Towner Act, was passed despite opposition similar to that faced by proponents of the Children's Bureau Act. To some, the potential intervention of government into the relationship between parents and children was unacceptable. Another position, championed by the American Medical Association (AMA), maintained that the act provided a legal precedent for a socialist turn to American government. The AMA was also deeply concerned with the potential for government to assume authority over the practice of medicine. Proponents of the bill argued that the situation of mothers and children in this country required action, noting that the bill dealt exclusively with preventive health services, like screening and education, rather than primary medical care. Support of many women's organizations, coupled with the realization that women had recently acquired the right to vote, assured passage of the bill.

The Sheppard-Towner Act was the first effort to establish an infrastructure for maternal and child health services at the state level. To obtain funding, states were required to establish agencies to address children's health and welfare, forerunners of state MCH programs that exist today. Each state also submitted a plan of action for its child hygiene or welfare agency to follow. There were few requirements for what states should do, but they were clearly prohibited from infringing upon the power of parents and guardians. Sheppard-Towner was a strong first step for the United States in assuring the health of its mothers and children. But the act was mired in too much controversy for long-term survival. Strong objections arose from outside the government. Organized medicine came to see preventive care as a potentially strong competitor to medical therapies, and the Catholic Church viewed the activities enabled under Sheppard-Towner as competing with charitable services that were traditionally under the purview of religious organizations. From within the government, the voice of dissent was also heard. The Public Health Service strongly objected to administration of this health program by the Children's Bureau, which was then in the Department of Labor. When the bill came up for reauthorization in 1929, it was defeated.

During the short life of the Sheppard-Towner Act, birth registrations increased throughout the country and many states established child hygiene bureaus at the state level and child health centers at the local level. Unfortunately, repeal of the act coincided with the start of the Great Depression and many states could not compensate for the loss of revenue from the Sheppard-Towner Act. As a result, MCH services at the state level started to wither. At the same time, unemployment rapidly gave way to poverty and its attendant health problems for large portions of the population who were previously able to provide for their own health maintenance. In the face of widespread economic instability, the priorities of those who opposed the Sheppard-Towner Act shifted. By the time an expanded version of Sheppard-Towner was written into Title V of the Social Security Act of 1935, it enjoyed a broad base of support. In addition to preventive health services and infrastructure development for mothers and children, Title V also included services for location and provision of medical, surgical, and other services to crippled children, services for protection of homebound, dependent, and neglected children, and vocational rehabilitation for the physically disabled.

Throughout the remainder of the twentieth century, the provisions of Title V were adjusted to meet emerging needs of the MCH population. Sometimes, they were

supplemented by additional legislation, such as the Emergency Maternity and Infant Care Program of 1943 (P.L. 78-156). Often, the Social Security Act itself was amended. Key amendments were enacted in the 1960s with establishment of Maternity and Infant Care and Children and Youth Projects. These demonstration projects provided not only prevention services, but also primary care, thus expanding the role of the federal program yet again. Another significant change occurred in the 1980s when Title V was grouped with other programs into an MCH Block Grant, and states were given greater flexibility in the use of funds. Statutory modifications, changes in allocation formulas, and alterations in federal and state responsibilities have all been part of the long history of Title V. Yet the role of the federal government as protector and promoter of maternal and child health, while subject to periodic waves of controversy, continues with steadfast determination – thanks to the firm foundation established through the three related pieces of legislation.

As time went on, administration of Title V shifted to the Department of Health and Human Services, Health Resources and Services Administration, Maternal and Child Health Bureau, where it was nurtured under the able guidance of Vince Hutchins, MD, MPH. The Delta Omega Public Health Honorary Society requested Dr. Hutchins's assistance in selecting what would be its first public health classic focused on the MCH field. At the time of his unexpected death earlier this year, Dr. Hutchins was working on this introduction for Delta Omega. He had a unique and extensive understanding of the content of the legislation and its far-reaching effects. His draft material has been integrated into the foregoing paragraphs and we are pleased to dedicate *Landmark Federal MCH Legislation* to the memory of this man of extraordinary warmth and substance whose selfless and untiring devotion to mothers and children is legendary. Vince himself was a public health classic.

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**ANNOTATED LEGISLATIVE HISTORY OF
MATERNAL AND CHILD HEALTH**

TITLE
P.L. 62-116 Act of April 9, 1912
P.L. 67-97—Maternal And Infancy (Sheppard-Towner) Act of 1921
P.L. 74-271—Social Security Act of 1935 Title V – Grants To States For Maternal And Child Welfare Part 1 – Maternal and Child Health Services
Part 2 – Services for Crippled Children
P.L. 76-379—Social Security Act Amendments of 1939
P.L. 78-156—Emergency Maternity and Infant Care Program of 1943
P.L. 88-156—Maternal And Child Health And Mental Retardation Planning Amendments of 1963
P.L. 89-97—Social Security Act Amendments of 1965
P.L. 90-248—Social Security Amendments of 1967 Title III—Improvement Of Child Health
P.L. 97-35—Omnibus Budget Reconciliation Act of 1981 Title XXI, Subtitle D—Maternal And Child Health Services Block Grant
P.L. 99-272—Consolidated Omnibus Budget Reconciliation Act of 1985 Sec. 9527. Children With Special Health Care Needs.
P.L. 101-239—Omnibus Reconciliation Act of 1989 Title VI, Subtitle C—Maternal And Child Health Block Grant Program
P.L. 104-193—Personal Responsibility And Work Opportunity Act of 1996 Title IX—Miscellaneous. Sec. 912. Abstinence Education.

P.L. 62-116

ACT OF APRIL 9, 1912

(37 Stat. 79)

An Act To Establish in the Department of Commerce and Labor a Bureau To Be Known as the Children's Bureau

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be established in the Department of Commerce and Labor a bureau to be known as the Children's Bureau.^{1 2 3}

SEC. 2. That the said bureau shall be under the direction of a chief, to be appointed by the President, by and with the advice and consent of the Senate, and who shall receive an annual compensation of five thousand dollars. The said bureau shall investigate and report to said department upon all matters pertaining to the welfare of children and child life among all classes of our people, and shall especially investigate the questions of infant mortality, the birth rate, orphanage, juvenile courts, desertion, dangerous occupations, accidents and diseases of children, employment, legislation affecting children in the several States and Territories. But no official, or agent, or representative of said bureau shall, over the objection of the head of the family, enter any house used exclusively as a family residence. The chief of said bureau may from time to time publish the results of these investigations in such manner and to such extent as may be prescribed by the Secretary of Commerce and Labor.

SEC. 3. That there shall be in said bureau, until otherwise provided for by law, an assistant chief, to be appointed by the Secretary of Commerce and Labor, who shall receive an annual compensation of two thousand four hundred dollars; one private secretary to the chief of the bureau, who shall receive an annual compensation of one thousand five hundred dollars; one statistical expert, at two thousand dollars; two clerks of class four; two clerks of class three; one clerk of class two; one clerk of class one; one clerk, at one thousand dollars; one copyist, at nine hundred dollars; one special agent, at one thousand four hundred dollars; one special agent, at one thousand two hundred dollars, and one messenger at eight hundred and forty dollars.

SEC. 4. That the Secretary of Commerce and Labor is hereby directed to furnish sufficient quarters for the work of this bureau at an annual rental not to exceed two thousand dollars.

SEC. 5. That this Act shall take effect and be in force from and after its passage.

Approved, April 9, 1912.

¹ Transferred from Department of Commerce and Labor to Department of Labor by Act approved March 4, 1913 (37 Stat. 737).

² Transferred, with the exception of the Industrial Division, from the Department of Labor to the Federal Security Agency on July 16, 1946, as directed by the President's Reorganization Plan No. 2 (11 Federal Register, p. 7873, July 20, 1964). See p. 773.

³ Transferred January 28, 1963 to the newly created Welfare Administration in the Department of Health, Education, and Welfare.

P.L. 67-97—MATERNAL AND INFANCY (SHEPPARD-TOWNER) ACT OF 1921

An Act for the promotion of the welfare and hygiene of maternity and infancy, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, the sums specified in section 2 of this Act, to be paid to the several States for the purpose of cooperating with them in promoting the welfare and hygiene of maternity and infancy as hereinafter provided.

SEC. 2. For the purpose of carrying out the provisions of this Act, there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the current fiscal year \$480,000, to be equally apportioned among the several States, and for each subsequent year, for the period of five years, \$240,000, to be equally apportioned among the several States in the manner hereinafter provided: *Provided,* That there is hereby authorized to be appropriated for the use of the States, subject to the provisions of this Act, for the fiscal year ending June 30, 1922, an additional sum of \$1,000,000, and annually thereafter, for the period of five years, an additional sum not to exceed 1,000,000: *Provided further,* That the additional appropriations herein authorized shall be apportioned \$5,000 to each State and the balance among the States in the proportion which their population bears to the total population of the States of the United States, according to the last preceding United States census: *And provided further,* That no payment out of the additional appropriation herein authorized shall be made in any year to any State until an equal sum has been appropriated for that year by the legislature of such State for the maintenance of the services and facilities provided for in this Act.

So much of the amount apportioned to any State for any fiscal year as remains unpaid to such State at the close thereof shall be available for expenditures in that State until the close of the succeeding fiscal year.

SEC. 3. There is hereby created a Board of Maternity and Infant Hygiene, which shall consist of the Chief of the Children's Bureau, the Surgeon General of the United States Public Health Service, and the United States Commissioner of Education, and which is hereafter designated in this Act as the Board. The Board shall elect its own chairman and perform the duties provided for in this Act.

The Children's Bureau of the Department of Labor shall be charged with the administration of this Act, except as herein otherwise provided, and the Chief of the Children's Bureau shall be the executive officer. It shall be the duty of the Children's Bureau to make or cause to be made such studies, investigations, and reports as will promote the efficient administration of this Act.

SEC. 4. In order to secure the benefits of the appropriations authorized in section 2 of this Act, any State shall, through the legislative authority thereof, accept the provisions of this Act and designate or authorize the creation of a State agency with which the Children's Bureau shall have all necessary powers to cooperate as herein provided in the administration of the provisions of this Act: *Provided,* That in any State having a child-welfare or child-hygiene division in its State agency of health, the said State agency of health shall administer the provisions of this Act through such divisions. If the legislature of any State has not made provision for accepting the provisions of this Act, the governor of such State may in so far as he is authorized to do so by the laws of such State accept the provisions of this Act and designate or create a State agency to cooperate with the

Children's Bureau until six months after the adjournment of the first regular session of the legislature in such State following the passage of this Act.

SEC. 5. So much, not to exceed 5 per centime, of the additional appropriations authorized for any fiscal year under section 2 of this Act, as the Children's Bureau may estimate to be necessary for administering the provisions of this Act, as herein provided, shall be deducted for that purpose, to be available until expended.

SEC. 6. Out of the amounts authorized under section 5 of this Act the Children's Bureau is authorized to employ such assistants, clerks, and other persons in the District of Columbia and elsewhere, to be taken from the eligible lists of the Civil Service Commission and to purchase such supplies, material, equipment, office fixtures and apparatus, and to incur such travel and other expense as it may deem necessary for carrying out the purposes of this Act.

SEC. 7. Within sixty days after any appropriation authorized by this Act has been made, the Children's Bureau shall make the apportionment herein provided for and shall certify to the Secretary of the Treasury the amount estimated by the bureau to be necessary for administering the provisions of this Act, and shall certify to the Secretary of the Treasury and to the treasurers of the various States the amount which has been apportioned to each State for the fiscal year for which such appropriation has been made.

SEC. 8. Any State desiring to receive the benefits of this Act shall, by its agency described in section 4, submit to the Children's Bureau detailed plans for carrying out the provisions of this Act within such State, which plan

shall be subject to the approval of the board: *Provided*, That the plans of the States under this Act shall provide that no official, or agent, or representative in carrying out the provisions of this Act shall enter any home or take charge of any child over the objection of the parents, or either of them, or the person standing in loco parentis or having custody of such child. If these plans shall be in conformity with the provisions of this Act and reasonably appropriate and adequate to carry out its purposes they shall be approved by the board and due notice of such approval shall be sent to the State agency by the chief of the Children's Bureau.

SEC. 9. No official, agent, or representative of the Children's Bureau shall by virtue of this Act have any right to enter any home over the objection of the owner thereof, or to take charge of any child over the objection of the parents, or either of them, or of the person standing in loco parentis or having custody of such child. Nothing in this Act shall be construed as limiting the power of a parent or guardian or person standing in loco parentis to determine what treatment or correction shall be provided for a child or the agency or agencies to be employed for such purpose.

SEC. 10. Within sixty days after any appropriation authorized by this Act has been made, and as often thereafter while such appropriation remains unexpended as changed conditions may warrant, the Children's Bureau shall ascertain the amounts that have been appropriated by the legislatures of the several States accepting the provisions of this Act and shall certify to the Secretary of the Treasury the amount to which each State is entitled under the provisions of this Act. Such certificate shall state (1) that the State has, through its legislative authority, accepted the provisions of this Act and designated or authorized the creation of an agency to cooperate with the Children's Bureau, or that the State has otherwise accepted this Act, as provided in section 4 hereof; (2) the fact that the proper agency of the State has submitted to the Children's Bureau detailed plans for carrying out the provisions of this Act, and that such plans have been approved by the board; (3) the amount, if any, that has been appropriated by the legislature of the State for the maintenance of the services and facilities of this Act, as provided in section 2 hereof;

and (4) the amount to which the State is entitled under the provisions of this Act. Such certificate, when in conformity with the provisions hereof, shall, until revoked as provided in section 12 hereof, be sufficient authority to the Secretary of the Treasury to make payment to the State in accordance therewith.

SEC. 11. Each State agency cooperating with the Children's Bureau under this Act shall make such reports concerning its operations and expenditures as shall be prescribed or requested by the bureau. The Children's Bureau may, with the approval of the board, and shall, upon request of a majority of the board, withhold any further certificate provided for in section 10 hereof whenever it shall be determined as to any State that the agency thereof has not properly expended the money paid to it or the moneys herein required to be appropriated by such State for the purposes and in accordance with the provisions of this Act. Such certificate may be withheld until such time or upon such conditions as the Children's Bureau, with the approval of the board, may determine; when so withheld the State agency may appeal to the President of the United States who may either affirm or reverse the action of the Bureau with such directions as he shall consider proper: *Provided*, That before any such certificate shall be withheld from any State, the chairman of the board shall give notice in writing to the authority designated to represent the State, stating specifically wherein said State has failed to comply with the provisions of this Act.

SEC. 12. No portion of any moneys apportioned under this Act for the benefit of the States shall be applied, directly or indirectly, to the purchase, erection, preservation, or repair of any building or buildings or equipment or for the purchase or rental of any buildings or lands, nor shall any such moneys or moneys required to be appropriated by any State for the purposes and in accordance with the provisions of this Act be useful for the payment of any maternity or infancy pension, stipend, or gratuity.

SEC. 13. The Children's Bureau shall perform the duties assigned to it by this Act under the supervision of the Secretary of Labor, and he shall include in his annual report to Congress a full account of the administration of this Act and expenditures of the moneys herein authorized.

SEC. 14. This Act shall be construed as intending to secure to the various States control of the administration of this Act within their respective States, subject only to the provisions and purposes of this Act.

Approved, November 23, 1921.

P.L. 74-271—SOCIAL SECURITY ACT OF 1935

TITLE V—GRANTS TO STATES FOR MATERNAL AND CHILD WELFARE

PART 1—MATERNAL AND CHILD HEALTH SERVICES

APPROPRIATION

SECTION 501. For the purpose of enabling each State to extend and improve, as far as practicable under the conditions in such State, services for promoting the health of mothers and children, especially in rural areas and in areas suffering from severe economic distress, there is hereby authorized to be appropriated for each fiscal year beginning with the fiscal year ending June 30, 1936, the sum of \$3,800,000. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Chief of the Children's Bureau, State plans for such services.

ALLOTMENTS TO STATES

SEC. 502. (a) Out of the sums appropriated pursuant to section 501 for each fiscal year the Secretary of Labor shall allot to each State \$20,000, and such part of \$1,800,000 as he finds that the number of live births in such State bore to the total number of live births in the United States, in the latest calendar year for which the Bureau of the Census has available statistics.

(b) Out of the sums appropriated pursuant to section 501 for each fiscal year the Secretary of Labor shall allot to the States \$980,000 (in addition to the allotments made under subsection (a)), according to the financial need of each State for assistance in carrying out its State plan as determined by him after taking into consideration the number of live births in such State.

(c) The amount of any allotment to a State under subsection (a) for any fiscal year remaining unpaid to such State at the end of such fiscal year shall be available for payment to such State under section 504 until the end of the second succeeding fiscal year. No payment to a State under section 504 shall be made out of its allotment for any fiscal year until its allotment for the preceding fiscal year has been exhausted or has ceased to be available.

APPROVAL OF STATE PLANS

SEC. 503. (a) A State plan for maternal and child-health services must (1) provide for financial participation by the State; (2) provide for the administration of the plan by the State health agency or the supervision of the administration of the plan by the State health agency; (3) provide such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are necessary for the efficient operation of the plan; (4) provide that the State health

agency will make such reports, in such form and containing such information, as the Secretary of Labor may from time to time require, and comply with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports; (5) provide for the extension and improvement of local maternal and child-health services administered by local child-health units; (6) provide for cooperation with medical, nursing, and welfare groups and organizations; and (7) provide for the development of demonstration services in needy areas and among groups in special need.

(b) The Chief of the Children's Bureau shall approve any plan which fulfills the conditions specified in subsection (a) and shall thereupon notify the Secretary of Labor and the State health agency of his approval.

PAYMENT TO STATES

SEC. 504. (a) From the sums appropriated therefor and the allotments available under section 502 (a), the Secretary of the Treasury shall pay to each State which has an approved plan for maternal and child-health services, for each quarter, beginning with the quarter commencing July 1, 1935, an amount, which shall be used exclusively for carrying out the State plan, equal to one-half of the total sum expended during such quarter for carrying out such plan.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Secretary of Labor shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than one-half of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (B) such investigation as he may find necessary.

(2) The Secretary of Labor shall then certify the amount so estimated by him to the Secretary of the Treasury, reduced or increased, as the case may be, by any sum by which the Secretary of Labor finds that his estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, except to the extent that such sum has been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Labor for such prior quarter.

(3) The Secretary of the Treasury shall thereupon, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Labor, the amount so certified.

(c) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury the amounts to be paid to the States from the allotments available under section 502 (b), and the Secretary of the Treasury shall, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, make payments of such amounts from such allotments at the time or times specified by the Secretary of Labor.

OPERATION OF STATE PLANS

SEC. 505. In the case of any State plan for maternal and child-health services which has been approved by the Chief of the Children's Bureau, if the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds that in the administration of the plan there is a failure to comply substantially with any provision required by section 503 to be

included in the plan, he shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

PART 2—SERVICES FOR CRIPPLED CHILDREN
APPROPRIATION

SEC. 511. For the purpose of enabling each State to extend and improve (especially in rural areas and in areas suffering from severe economic distress), as far as practicable under the conditions in such State, services for locating crippled children, and for providing medical, surgical, corrective, and other services and care, and facilities for diagnosis, hospitalization, and aftercare, for children who are crippled or who are suffering from conditions which lead to crippling, there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1936, the sum of \$2,850,000. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Chief of the Children's Bureau, State plans for such services.

ALLOTMENTS TO STATES

SEC. 512. (a) Out of the sums appropriated pursuant to section 511 for each fiscal year the Secretary of Labor shall allot to each State \$20,000, and the remainder to the States according to the need of each State as determined by him after taking into consideration the number of crippled children in such State in need of the services referred to in section 511 and the cost of furnishing such services to them.

(b) The amount of any allotment to a State under subsection (a) for any fiscal year remaining unpaid to such State at the end of such fiscal year shall be available for payment to such State under section 514 until the end of the second succeeding fiscal year. No payment to a State under section 514 shall be made out of its allotment for any fiscal year until its allotment for the preceding fiscal year has been exhausted or has ceased to be available.

APPROVAL OF STATE PLANS

SEC 513. (a) A State plan for services for crippled children must (1) provide for financial participation by the State; (2) provide for the administration of the plan by a State agency or the supervision of the administration of the plan by a State agency; (3) provide such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are necessary for the efficient operation of the plan; (4) provide that the State agency will make such reports, in such form and containing such information, as the Secretary of Labor may from time to time require, and comply with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports; (5) provide for carrying out the purposes specified in section 511; and (6) provide for cooperation with medical, health, nursing, and welfare groups and organizations and with any agency in such State charged with administering State laws providing for vocational rehabilitation of physically handicapped children.

(b) The Chief of the Children's Bureau shall approve any plan which fulfills the conditions specified in subsection (a) and shall thereupon notify the Secretary of Labor and the State agency of his approval.

PAYMENT TO STATES

SEC. 514. (a) From the sums appropriated therefor and the allotments available under section 515, the Secretary of the Treasury shall pay to each State which has an approved plan for services for crippled children, for each quarter, beginning with the quarter commencing July 1, 1935, an amount, which shall be used exclusively for carrying out the State plan, equal to one-half of the total sum expended during such quarter for carrying out such plan.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Secretary of Labor shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than one-half of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (B) such investigation as he may find necessary.

(2) The Secretary of Labor shall then certify the amount so estimated by him to the Secretary of the Treasury, reduced or increased, as the case may be, by any sum by which the Secretary of Labor finds that his estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, except to the extent that such sum has been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Labor for such prior quarter.

(3) The Secretary of the Treasury shall thereupon, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Labor, the amount so certified.

OPERATION OF STATE PLANS

SEC. 515. In the case of any State plan for services for crippled children which has been approved by the Chief of the Children's Bureau, if the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds that in the administration of the plan there is a failure to comply substantially with any provision required by section 518 to be included in the plan, he shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

P.L. 76-379—SOCIAL SECURITY ACT AMENDMENTS OF 1939

TITLE V—AMENDMENTS TO TITLES V AND VI OF THE SOCIAL SECURITY ACT

SEC. 501. Section 501 of such Act is amended by striking out “\$3,800,000” and inserting in lieu thereof “\$5,820,000”.

SEC. 502. (a) Subsection (a) of section 502 of such Act is amended by striking out “\$1,800,000” and inserting in lieu thereof “\$2,800,000”.

(b) Subsection (b) of such section 502 is amended by striking out “\$980,000” and inserting in lieu thereof “\$1,980,000”.

SEC. 503. Clause (3) of section 503 (a) of such Act is amended to read as follows: “(3) provide such methods of administration (including after January 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Board shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are necessary for the proper and efficient operation of the plan.”

SEC. 504. Section 511 of such Act is amended by striking out “\$2,850,000” and inserting in lieu thereof “\$3,870,000”.

SEC. 505. (a) Subsection (a) of section 512 of such Act is amended by striking out the words “the remainder” and inserting in lieu thereof “61,830,000”.

(b) Such section is further amended by inserting after subsection (a) the following new subsection:

“(b) Out of the sums appropriated pursuant to section 511 for each fiscal year the Secretary of Labor shall allot to the States \$1,000,000 (in addition to the allotments made under subsection (a)), according to the financial need of each State for assistance in carrying out its State plan, as determined by him after taking into consideration the number of crippled children in such State in need of the services referred to in section 511 and the cost of furnishing such services to them.”

(c) Subsection (b) of such section 512 is amended by striking out the letter “(b)” at the beginning thereof and inserting in lieu thereof the letter “(c)”.

SEC. 506. Clause (3) of section 513 (a) of such Act is amended to read as follows: “(3) provide such methods of administration (including after January 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Board shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are necessary for the proper and efficient operation of the plan.”

SEC. 507. (a) Subsection (a) of section 514 of such Act is amended by striking out “section 512” and inserting in lieu thereof “section 512 (a)”.

(b) Such section 514 is further amended by inserting at the end thereof the following new subsection

“(c) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury the amounts to be paid to the States from the allotment available under section 512 (b), and the Secretary of the Treasury shall, through the Division of Disbursement of the Treasury Department, and prior to audit or settlement by the General Accounting Office, make payments of such amounts from such allotments at the time or times specified by the Secretary of Labor.”

(c) Section 521 (a) of such Act is amended by striking out “\$1,500,000” and inserting in lieu thereof “\$1,510,000”.

SEC. 508. (a) Section 531 (a) of such Act is amended by—

(1) Striking out “\$1,938,000” and inserting in lieu thereof “\$3,500,000”.

(2) Striking out “\$5,000” and inserting in lieu thereof “\$15,000”.

(3) Inserting before the period at the end thereof a colon and the following: “*Provided*, That the amount of such sums apportioned to any State for any fiscal year shall be not less than \$20,000”.

(b) Section 531 (b) of such Act is amended by striking out “\$102,000” and inserting in lieu thereof “\$150,000”.

SEC. 509. Section 601 of such Act is hereby amended to read as follows:

“SEC. 601. For the purpose of assisting States, counties, health districts, and other political subdivisions of the States in establishing and maintaining adequate public health services, including the training of personnel for State and local health work, there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1940, the sum of \$11,000,000 to be used as hereinafter provided.”

P.L. 78-156—EMERGENCY MATERNITY AND INFANT CARE PROGRAM OF 1943

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1944, under the Children's Bureau, Department of Labor, namely:

Grants to States for emergency maternity and infant care (national defense): For an additional amount for grants to States, including Alaska, Hawaii, Puerto Rico, and the District of Columbia, to provide, in addition to similar services otherwise available, medical, nursing, and hospital maternity and infant care for wives and infants of enlisted men of the fourth, fifth, sixth, and seventh grades in the armed forces of the United States, under allotments by the Secretary of Labor and plans developed and administered by State health agencies and approved by the Chief of the Children's Bureau, \$18,600,000: *Provided,* That this appropriation may be used for payments of commitments made prior to October 1, 1943, in the cases of wives and infants of enlisted men in grades one, two, and three.

Salaries and expenses, emergency maternity and infant care (national defense): For all necessary expenses of the Children's Bureau in performing the duties imposed upon it in carrying out the program for emergency maternity and infant care, including personal services in the District of Columbia and elsewhere, and other items otherwise chargeable to the appropriations of the Department of Labor for contingent expenses, traveling expenses, and printing and binding, \$20,000.

Approved October 1, 1943.

**P.L. 88-156—MATERNAL AND CHILD HEALTH AND MENTAL
RETARDATION PLANNING AMENDMENTS OF 1963**

An Act to amend the Social Security Act to assist States and communities in preventing and combating mental retardation through expansion and improvement of the maternal and child health and crippled children's programs, through provision of prenatal, maternity, and infant care for individuals with conditions associated with childbearing which may lead to mental retardation, and through planning for comprehensive action to combat mental retardation, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That:

This Act may be cited as the "Maternal and Child Health and Mental Retardation Planning Amendments of 1963".

INCREASE IN MATERNAL AND CHILD HEALTH SERVICES

SEC. 2. (a) The first sentence of section 501 of the Social Security Act¹ is amended by striking out "there is hereby authorized to be appropriated for each fiscal year beginning after June 30, 1960, the sum of \$25,000,000" and inserting in lieu thereof "the following sums are hereby authorized to be appropriated: \$25,000,000 for the fiscal year ending June 30, 1963, \$30,000,000 for the fiscal year ending June 30, 1964, \$35,000,000 for the fiscal year ending June 30, 1965, \$40,000,000 each for the fiscal year ending June 30, 1966, and the succeeding fiscal year, \$45,000,000 each for the fiscal year ending June 30, 1968, and the succeeding fiscal year, and \$50,000,000 each for the fiscal year ending June 30, 1970, and succeeding fiscal years".

(b) Subsection (a) of section 502 of such Act² is amended to read as follows:

"(a) The Secretary shall allot one-half of the sum appropriated pursuant to section 501 for each fiscal year as follows: He shall allot to each State \$70,000 and such part of the remainder of such one-half as he finds that the number of live births in such State bore to the total number of live births in the United States in the latest calendar year for which he has statistics."

(c)(1) The first sentence of subsection (b) of section 502 of such Act³ is amended to read as follows: "The Secretary shall also allot to the States (in addition to the allotments made under subsection (a)) the remaining one-half of the sum appropriated for each fiscal year pursuant to section 501."

(2) The second sentence of such subsection (b) is amended by striking out "Such sums" and "such sums" and inserting in lieu thereof "Such one-half" and "such one-half", respectively.

INCREASE IN CRIPPLED CHILDREN'S SERVICES

SEC. 3. (a) The first sentence of section 511 of the Social Security Act⁴ is amended by striking out "there is hereby authorized to be appropriated for each fiscal year beginning after June 30, 1960, the sum of \$25,000,000" and inserting in lieu thereof "the following sums are hereby authorized to be appropriated: \$25,000,000 for the fiscal year ending June 30, 1963, \$30,000,000 for the fiscal year ending June 30, 1964, \$35,000,000 for the fiscal year ending June 30, 1965, \$40,000,000 each for the fiscal year ending June 30, 1966, and the succeeding fiscal year, \$45,000,000 each for the fiscal year ending June 30, 1968, and the succeeding fiscal year, and \$50,000,000 each for the fiscal year ending June 30, 1970, and succeeding fiscal years".

(b) So much of subsection (a) of section 512 of such Act⁵ as ends with “\$12,500,000 to the States” is amended to read as follows:

“(a) The Secretary shall allot one-half of the sum appropriated pursuant to section 511 for each fiscal year as follows: He shall allot to each State \$70,000 and shall allot the remainder of such one-half to the States”.

(c)(1) The first sentence of subsection (b) of section 512⁶ of such Act is amended to read as follows: “The Secretary shall also allot to the States (in addition to the allotments made pursuant to subsection (a)) the remaining one-half of the sum appropriated for each fiscal year under section 511.”

(2) The second sentence of such subsection (b) is amended by striking out “Such sums” and “such sums” and inserting in lieu thereof “Such one-half” and “such one-half” respectively.

PROJECT GRANTS

___ SEC. 4. Part 4 of title V of the Social Security Act is amended to read as follows:

“PART 4—GRANTS FOR SPECIAL MATERNITY AND INFANT CARE PROJECTS AND RESEARCH PROJECTS

“SPECIAL PROJECT GRANTS FOR MATERNITY AND INFANT CARE

“SEC. 531. (a) In order to help reduce the incidence of mental retardation caused by complications associated with childbearing, there are authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1964, \$15,000,000 for the fiscal year ending June 30, 1965, and \$30,000,000 for each of the next three fiscal years, for grants to assist in meeting the cost of projects as provided in this section.

“(b) From the sums appropriated pursuant to subsection (a), the Secretary is authorized to make grants to the State health agency of any State and, with the consent of such agency in the case of a project in which such agency is unable or unwilling to participate, to the health agency of any political subdivision of the State, to pay not to exceed 75 per centum of the cost (exclusive of general agency overhead) of any project for the provision of necessary health care to prospective mothers (including, after childbirth, health care to mothers and their infants) who have or are likely to have conditions associated with childbearing which increase the hazards to the health of the mothers or their infants (including those which may cause physical or mental defects in the infants) and whom the State or local health agency determines will not receive necessary health care because they are from low-income families or for other reasons beyond their control.

“(c) Payment of grants under this section may be made (after necessary adjustment on account of previously made underpayment or overpayments) in advance or by way of reimbursement, and in such installments and on such conditions, as the Secretary may determine.

“RESEARCH PROJECTS RELATING TO MATERNAL AND CHILD HEALTH SERVICES AND CRIPPLED CHILDREN’S SERVICES

“Sec. 532. (a) There are authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1964, such sums, not exceeding \$8,000,000 for any fiscal year, as the Congress may determine to enable the Secretary to make grants to or jointly financed cooperative arrangements with public or other nonprofit institutions of higher learning, and public or other nonprofit agencies and organizations engaged in

research or in maternal and child health or crippled children's programs, and contracts with public or nonprofit private agencies and organizations engaged in research or in such programs, for research projects relating to maternal and child health services or crippled children's services which show promise of substantial contribution to the advancement thereof.

“(b) Payments of grants or under contracts or cooperative arrangements under this section may be made (after necessary adjustment, in the case of grants, on account of previously made underpayments or overpayments) in advance or by way of reimbursements, and in such installments and on such conditions, as the Secretary may determine.”

¹ 42 U.S.C.A. § 701.

² 42 U.S.C.A. § 702(a).

³ 42 U.S.C.A. § 702(b).

⁴ 42 U.S.C.A § 711.

⁵ 42 U. S C A § 712(a).

⁶ 42 U.S.C.A. § 712(b).

P.L. 89-97—SOCIAL SECURITY ACT AMENDMENTS OF 1965

INCREASE IN MATERNAL AND CHILD HEALTH SERVICES

SEC. 201. (a) The first sentence of section 501 of the Social Security Act is amended by striking out “\$40,000,000” and all that follows and inserting in lieu thereof “\$45,000,000 for the fiscal year ending June 30, 1966, \$50,000,000 for the fiscal year ending June 30, 1967, \$55,000,000 for the fiscal year ending June 30, 1968, \$55,000,000 for the fiscal year ending June 30, 1969, and \$60,000,000 for the fiscal year ending June 30, 1970, and each fiscal year thereafter.”

(b) Section 504 of such Act is amended by adding at the end thereof the following new subsection:

“(d) Notwithstanding the preceding provisions of this section, no payment shall be made to any State thereunder for any period after June 30, 1966, unless it makes a satisfactory showing that the State is extending the provision of maternal and child health services in the State with a view to making such services available by July 1, 1975, to children in all parts of the State.”

INCREASE IN CRIPPLED CHILDREN’S SERVICES

SEC. 202. (a) The first sentence of section 511 of the Social Security Act is amended by striking out “\$40,000,000” and all that follows and inserting in lieu thereof “\$45,000,000 for the fiscal year ending June 30, 1966, \$50,000,000 for the fiscal year ending June 30, 1967, \$55,000,000 for the fiscal year ending June 30, 1968, \$55,000,000 for the fiscal year ending June 30, 1969, and \$60,000,000 for the fiscal year ending June 30, 1970, and each fiscal year thereafter.”

(b) Section 514 of such Act is amended by adding at the end thereof the following new subsection:

“(d) Notwithstanding the preceding provisions of this subsection, no payment shall be made to any State thereunder for any period after June 30, 1966, unless it makes a satisfactory showing that the State is extending the provision of crippled children’s services in the State with a view to making such services available by July 1, 1975, to children in all parts of the State.”

TRAINING OF PROFESSIONAL PERSONNEL FOR THE CARE OF CRIPPLED CHILDREN

SEC. 203. (a) Part 2 of title V of the Social Security Act is amended by adding at the end thereof the following new section:

“TRAINING OF PROFESSIONAL PERSONNEL

“SEC. 516. There are authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1967, \$10,000,000 for the fiscal year ending June 30, 1968, and \$17,500,000 for each fiscal year thereafter, for grants by the Secretary to public or other nonprofit institutions of higher learning for training professional personnel for health and related care of crippled children, particularly mentally retarded children and children with multiple handicaps.”

(b) The second sentence of section 514(c) of such Act is amended by striking out “section 512 (b)” and inserting in lieu thereof “section 512(b) or 516”.

PAYMENT FOR INPATIENT HOSPITAL SERVICES

SEC. 204. (a) Section 503(a) of the Social Security Act is amended by striking out “and” before clause (7) and by inserting before the period at the end thereof the following

new clause: “; and (8) effective July 1, 1967, provide for payment of the reasonable cost (as determined in accordance with standards approved by the Secretary and included in the plan) of inpatient hospital services provided under the plan”.

(b) Section 513(a) of such Act is amended by striking out “and” before clause (6) and by inserting before the period at the end thereof the following new clause: “; and (7) effective July 1, 1967, provide for payment of the reasonable cost (as determined in accordance with standards approved by the Secretary and included in the plan) of inpatient hospital services provided under the plan”.

SPECIAL PROJECT GRANTS FOR HEALTH OF SCHOOL AND PRESCHOOL CHILDREN

SEC. 205. Part 4 of title V of the Social Security Act is amended (1) by revising the heading thereof to read as follows: “PART 4—GRANTS FOR SPECIAL MATERNITY AND INFANT CARE PROJECTS, FOR PROJECTS FOR HEALTH OF SCHOOL AND PRESCHOOL CHILDREN, AND FOR RESEARCH PROJECTS; (2) by redesignating section 532 as section 533; and (3) by inserting after section 531 the following new section:

“SPECIAL PROJECT GRANTS FOR HEALTH OF SCHOOL AND PRESCHOOL CHILDREN

“SEC. 532. (a) In order to promote the health of children and youth of school or preschool age, particularly in areas with concentrations of low-income families, there are authorized to be appropriated \$15,000,000 for the fiscal year ending June 30, 1966, \$35,000,000 for the fiscal year ending June 30, 1967, \$40,000,000 for the fiscal year ending June 30, 1968, \$45,000,000 for the fiscal year ending June 30, 1969, and \$50,000,000 for the fiscal year ending June 30, 1970, for grants as provided in this section.

“(b) From the sums appropriated pursuant to subsection (a), the Secretary is authorized to make grants to the State health agency of any State and (with the consent of such agency) to the health agency of any political subdivision of the State, to the State agency of the State administering or supervising the administration of the State plan approved under section 513, to any school of medicine (with appropriate participation by a school of dentistry), and to any teaching hospital affiliated with such a school, to pay not to exceed 75 per centum of the cost of projects of a comprehensive nature for health care and services for children and youth of school age or for preschool children (to help them prepare to start school). No project shall be eligible for a grant under this section unless it provides (1) for the coordination of health care and services provided under it with, and utilization (to the extent feasible) of, other State or local health, welfare, and education programs for such children, (2) for payment of the reasonable cost (as determined in accordance with standards approved by the Secretary) of inpatient hospital services provided under the project, and (3) that any treatment, correction of defects, or aftercare provided under the project is available only to children who would not otherwise receive it because they are from low-income families or for other reasons beyond their control; and no such project for children and youth of school age shall be considered to be of a comprehensive nature for purposes of this section unless it includes (subject to the limitation in the preceding provisions of this sentence) at least such screening, diagnoses, preventive services, treatment, correction of defects, and aftercare, both medical and dental, as may be provided for in regulations of the Secretary.

“(c) Payment of grants under this section may be made (after necessary adjustment on account of previously made underpayments or overpayments) in advance or by way of reimbursement, and in such installments and on such conditions, as the Secretary may determine.”

EVALUATION AND REPORT

SEC. 206. The Secretary shall submit to the President for transmission to the Congress before July 1, 1969, a full report of the administration of the provisions of section 532 of the Social Security Act (as added by section 205 of this Act), together with an evaluation of the program established thereby and its recommendations as to continuation of and modifications in that program.

P.L. 90-248—SOCIAL SECURITY AMENDMENTS OF 1967

INCLUSION OF CHILD-WELFARE SERVICES IN TITLE IV

TITLE III—IMPROVEMENT OF CHILD HEALTH

CONSOLIDATION OF SEPARATE PROGRAMS UNDER TITLE V OF THE SOCIAL SECURITY ACT

SEC. 301. Effective with respect to fiscal years beginning after June 30, 1968, title V of the Social Security Act (as otherwise amended by this Act) is amended to read as follows:

“TITLE V—MATERNAL AND CHILD HEALTH AND CRIPPLED CHILDREN’S SERVICES

“AUTHORIZATION OF APPROPRIATIONS

“SEC. 501. For the purpose of enabling each State to extend and improve (especially in rural areas and in areas suffering from severe economic distress), as far as practicable under the conditions in such State,

“(1) services for reducing infant mortality and otherwise promoting the health of mothers and children; and

“(2) services for locating, and for medical, surgical, corrective, and other services and care for and facilities for diagnosis, hospitalization, and aftercare for, children who are crippled or who are suffering from conditions leading to crippling,

there are authorized to be appropriated \$250,000,000 for the fiscal year ending June 30, 1969, \$275,000,000 for the fiscal year ending June 30, 1970, \$300,000,000 for the fiscal year ending June 30, 1971, \$325,000,000 for the fiscal year ending June 30, 1972, and \$350,000,000 for the fiscal year ending June 30, 1973, and each fiscal year thereafter.

“PURPOSES FOR WHICH FUNDS ARE AVAILABLE

“SEC. 502. Appropriations pursuant to section 501 shall be available for the following purposes in the following proportions:

“(1) In the case of the fiscal year ending June 30, 1969, and each of the next 3 fiscal years, (A) 50 percent of the appropriation for such year shall be for allotments pursuant to sections 503 and 504; (B) 40 percent thereof shall be for grants pursuant to sections 508, 509, and 510; and (C) 10 percent thereof shall be for grants, contracts, or other arrangements pursuant to sections 511 and 512.

“(2) In the case of the fiscal year ending June 30, 1973, and each fiscal year thereafter, (A) 90 percent of the appropriation for such years shall be for allotments pursuant to sections 503 and 504; and (B) 10 percent thereof shall be for grants, contracts, or other arrangements pursuant to sections 511 and 512.

Not to exceed 5 percent of the appropriation for any fiscal year under this section shall be transferred, at the request of the Secretary, from one of the purposes specified in paragraph (1) or (2) to another purpose or purposes so specified. For each fiscal year, the Secretary shall determine the portion of the appropriation, within the percentage determined above to be available for sections 503 and 504, which shall be available for allotment pursuant to section 503 and the portion thereof which shall be available for

allotment pursuant to section 504. Notwithstanding the preceding provisions of this section, of the amount appropriated for any fiscal year pursuant to section 501, not less than 6 percent of the amount appropriated shall be available for family planning services from allotments under section 503 and for family planning services under projects under sections 508 and 512.

“ALLOTMENTS TO STATES FOR MATERNAL AND CHILD HEALTH SERVICES

“SEC. 503. The amount determined to be available pursuant to section 502 for allotments under this section shall be allotted for payments for maternal and child health services as follows:

“(1) One-half of such amount shall be allotted by allotting to each State \$70,000 plus such part of the remainder of such one-half as he finds that the number of live births in such

State bore to the total number of live births in the United States in the latest calendar year for which he has statistics.

“(2) The remaining one-half of such amount shall (in addition to the allotments under paragraph (1)) be allotted to the States from time to time according to the financial need of each State for assistance in carrying out its State plan, as determined by the Secretary after taking into consideration the number of live births in such State, except that not more than 25 percent of such one-half shall be available for grants to State agencies (administering or supervising the administration of a State plan approved under section 505), and to public or other nonprofit institutions of higher learning (situated in each State), for special projects of regional or national significance which may contribute to the advancement of maternal and child health.

“ALLOTMENTS TO STATES FOR CRIPPLED CHILDREN’S SERVICES

“SEC. 504. The amount determined to be available pursuant to section 502 for allotments under this section shall be allotted for payments for crippled children’s services as follows:

“(1) One-half of such amount shall be allotted by allotting to each State \$70,000 and allotting the remainder of such one-half according to the need of each State as determined by him after taking into consideration the number of crippled children in such State in need of the services referred to in paragraph (2) of section 501 and the cost of furnishing such services to them.

“(2) The remaining one-half of such amount shall (in addition to the allotments under paragraph (1)) be allotted to the States from time to time according to the financial need of each State for assistance in carrying out its State plan, as determined by the Secretary after taking into consideration the number of crippled children in each State in need of the services referred to in paragraph (2) of section 501 and the cost of furnishing such services to them; except that not more than 25 percent of such one-half shall be available for grants to State agencies (administering or supervising the administration of a State plan approved under section 505)), and to public or other nonprofit

institutions of higher learning (situated in any State), for special projects of regional or national significance which may contribute to the advancement of services for crippled children.

“APPROVAL OF STATE PLANS

“SEC. 505. (a) In order to be entitled to payments from allotments under Section 501, a State must have a State plan for maternal and child health services and services for crippled children which—

“(1) provides for financial participation by the State;

“(2) provides for the administration of the plan by the State health agency or the supervision of the administration of the plan by the State health agency; except that in the case of those States which on July 1, 1967, provided for administration (or supervision thereof) of the State plan approved under section 513 (as in effect on such date) by a State agency other than the State health agency, the plan of such State may be approved under this section if it would meet the requirements of this subsection except for provision of administration (or supervision thereof) by such other agency for the portion of the plan relating to services for crippled children, and, in each such case, the portion of such plan which each such agency administers, or the administration of which each such agency supervises, shall be regarded as a separate plan for purposes of this title;

“(3) provides such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are necessary for the proper and efficient operation of the plan;

“(4) provides that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time require, and comply with such

provisions as he may from time to time find necessary to assure the correctness and verification of such reports;

“(5) provides for cooperation with medical, health, nursing, educational, and welfare groups and organizations and, with respect to the portion of the plan relating to services for crippled children, with any agency in such State charged with administering State laws providing for vocational rehabilitation of physically handicapped children;

“(6) provides for payment of the reasonable cost (as determined in accordance with standards approved by the Secretary and included in the plan) of inpatient hospital services provided under the plan;

“(7) provides, with respect to the portion of the plan relating to services for crippled children, for early identification of children in need of health care and services, and for health care and treatment needed to correct or ameliorate defects or chronic conditions discovered thereby, through provision of such periodic screening and diagnostic services and such treatment, care and other measures to correct or ameliorate defects or chronic conditions, as may be provided in regulations of the Secretary;

“(8) effective July 1, 1972, provides a program (carried out directly or through grants or contracts) of projects described in section 508 which offers reasonable assurance, particularly in areas with concentrations of low-income families, of satisfactorily helping to reduce the incidence of mental retardation and other handicapping conditions caused by complications associated with child bearing and of satisfactorily helping to reduce infant and maternal mortality;

“(9) effective July 1, 1972, provides a program (carried out directly or through grants or contracts) of projects described in section 509 which offers reasonable assurance, particularly in areas with concentrations of low-income families, of satisfactorily promoting the health of children and youth of school or preschool age;

“(10) effective July 1, 1972, provides a program (carried out directly or through grants or contracts) of projects described in section 510 which offers reasonable assurance, particularly in areas with concentrations of low-income families, of satisfactorily promoting the dental health of children and youth of school or preschool age;

“(11) provides for carrying out the purposes specified in section 501;

“(12) provides for the development of demonstration services (with special attention to dental care for children and family planning services for mothers) in needy areas and among groups in special need;

“(13) provides that, where payment is authorized under the plan for services which an optometrist is licensed to perform, the individual for whom such payment is authorized may, to the extent practicable, obtain such services from an optometrist licensed to perform such services except where such services are rendered in a clinic, or another appropriate institution, which does not have an arrangement with optometrists so licensed; and

“(14) provides that acceptance of family planning services provided under the plan shall be voluntary on the part of the individual to whom such services are offered and shall not be a prerequisite to eligibility for or the receipt of any service under the plan.

“(b) The Secretary shall approve any plan which meets the requirements of subsection (a).

“PAYMENTS

“SEC. 506. (a) From the sums appropriated therefor and the allotments available under section 503(1) or 504(1), as the case may be, the Secretary shall pay to each State which has a plan approved under this title, for each quarter, beginning with the quarter commencing July 1, 1968, an amount, which shall be used exclusively for carrying out the State plan, equal to one-half of the total sum expended during such quarter for carrying out such plan with respect to maternal and child health services and services for crippled children, respectively.

“(b)(1) Prior to the beginning of each quarter, the Secretary shall estimate the amount to which a State will be entitled under subsection (a) for such quarter, such estimates to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection, and

stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total stem of such estimated

expenditures, the source or sources from which the difference is expected to be derived, and (B) such other investigation as the Secretary may find necessary.

“(2) The Secretary shall then pay to the State, in such installments as he may determine, the amount so estimated, reduced or increased to the extent of any overpayment or underpayment which the Secretary determines was made under this section to such State for any prior quarter and with respect to which adjustment has not already been made under this subsection.

“(3) Upon the making of an estimate by the Secretary under this subsection, any appropriations available for payments under this section shall be deemed obligated.

“(c) The Secretary shall also from time to time make payments to the States from their respective allotments pursuant to section 503(2) or 504(2). Payments of grants under sections 503(2), 504(2), 508, 509, 510, and 511, and of grants, contracts, or other arrangements under section 512, may be made in advance or by way of reimbursement, and in such installments, as the Secretary may determine; and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of the section involved.

“(d) The total amount determined under subsections (a) and (b) and the first sentence of subsection (c) for any fiscal year ending after June 30, 1968, shall be reduced by the amount by which the sum expended (as determined by the Secretary) from non-Federal sources for maternal and child health services and services for crippled children for such year is less than the sum expended from such sources for such services for the fiscal year ending June 30, 1968. In the case of any such reduction, the Secretary shall determine the portion thereof which shall be applied, and the manner of applying such reduction, to the amounts otherwise payable from allotments under section 503 or section 504.

“(e) Notwithstanding the preceding provisions of this section, no payment shall be made to any State thereunder from the allotments under section 503 or section 504 for any period after June 30, 1968, unless the State makes a satisfactory showing that it is extending the provision of services, including services for dental care for children and family planning for mothers, to which such State's plan applies in the State with a view to making such services available by July 1, 1975, to children and mothers in all parts of the State.

“OPERATION OF STATE PLANS

“SEC. 507. If the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of the State plan approved under this title, finds—

“(1) that the plan has been so changed that it no longer complies with the provisions of section 505; or

“(2) that in the administration of the plan there is a failure to comply substantially with any such provision;

the Secretary shall notify such State agency that further payments will not be made to the State (or, in his discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure), until the Secretary is satisfied that there will no longer be any such failure to comply. Until he is so satisfied he shall make no further

payments to such State (or shall limit payments to categories under or parts of the State plan not affected by such failure).

“SPECIAL PROJECT GRANTS FOR MATERNITY AND INFANT CARE

“SEC. 508. (a) In order to help reduce the incidence of mental retardation and other handicapping conditions caused by complications associated with childbearing and to help reduce infant and maternal mortality, the Secretary is authorized to make, from the sums available under clause (B) of paragraph (1) of section 502, grants to the State health agency of any State and, with the consent of such agency, to the health agency of any political subdivision of the State, and to any other public or nonprofit private agency, institution, or organization, to pay not to exceed 75 percent of the cost (exclusive of general agency overhead) of any project for the provision of—

“(1) necessary health care to prospective mothers (including, after childbirth, health care to mothers and their infants) who have or are likely to have conditions associated with childbearing or are in circumstances which increase the hazards to the health of the mothers or their infants (including those which may cause physical or mental defects in the infants), or

“(2) necessary health care to infants during their first year of life who have any condition or are in circumstances which increase the hazards to their health, or

“(3) family planning services, but only if the State or local agency determines that the recipient will not otherwise receive such necessary health care or services because he is from

a low-income family or for other reasons beyond his control. Acceptance of family planning services provided under a project under this section (and section 512) shall be voluntary on the part of the individual to whom such services are offered and shall not be a prerequisite to the eligibility for or the receipt of any service under such project.

“(b) No grant may be made under this section for any project for any period after June 30, 1972.

“SPECIAL PROJECT GRANTS FOR HEALTH OF SCHOOL AND PRESCHOOL CHILDREN

“SEC. 509. (a) In order to promote the health of children and youth of school or preschool age, particularly in areas with concentrations of low-income families, the Secretary is authorized to make, from the sums available under clause (B) of paragraph (1) of section 502, grants to the State health agency of any State and (with the consent of such agency) to the health agency of any political subdivision of the State, to the State agency of the State administering or supervising the administration of the State plan approved under section 505, to any school of medicine (with appropriate participation by a school of dentistry), and to any teaching hospital affiliated with such a school, to pay not to exceed 75 percent of the cost of projects of a comprehensive nature for health care and services for children and youth of school age or for preschool children (to help them prepare to start school). No project shall be eligible for a grant under this section unless it provides (1) for the coordination of health care and services provided under it with, and utilization (to the extent feasible) of, other State or local health, welfare, and education programs for such children, (2) for payment of the reasonable cost (as determined in accordance with standards approved by the Secretary) of inpatient hospital services

provided under the project, and (3) that any treatment, correction of defects, or aftercare provided under the project is available only to children who would not otherwise receive it because they are from low-income families or for other reasons beyond their control; and no such project for children and youth of school age shall be considered to be of a comprehensive nature for purposes of this section unless it includes (subject to the limitation in the preceding provisions of this sentence) at least such screening, diagnosis, preventive services, treatment, correction of defects, and aftercare, both medical and dental, as may be provided for in regulations of the Secretary.

“(b) No grant may be made under this section for any project for any period after June 30, 1972.

“SPECIAL PROJECT GRANTS FOR DENTAL HEALTH OF CHILDREN

“SEC. 510. (a) In order to promote the dental health of children and youth of school or preschool age, particularly in areas with concentrations of low-income families, the Secretary is authorized to make grants, from the sums available under clause (B) of paragraph (1) of section 502, to the State health agency of any State and (with the consent of such agency) to the health agency of any political subdivision of the State, and to any other public or nonprofit private agency, institution, or organization, to pay not to exceed 75 percent of the cost of projects of a comprehensive nature for dental care and services for children and youth of school age or for preschool children. No project shall be eligible for a grant under this section unless it provides that any treatment, correction of defects, or aftercare provided under the project is available only to children who would not otherwise receive it because they are from low-income families or for other reasons beyond their control, and unless it includes (subject to the limitation of the foregoing provisions of this sentence) at least such preventive services, treatment, correction of defects, and after care, for such age groups, as may be provided in regulations of the Secretary. Such projects may also include research looking toward the development of new methods of diagnosis or treatment, or demonstration of the utilization of dental personnel with various levels of training.

“(b) No grant may be made under this section for any project for any period after June 30, 1972.

“TRAINING OF PERSONNEL

“SEC. 511. From the sums available under clause (C) of paragraph (1) or clause (B) of paragraph (2) of section 502, the Secretary is authorized to make grants to public or nonprofit private institutions of higher learning for training personnel for health care and related services for mothers and children, particularly mentally retarded children and children with multiple handicaps. In making such grants, the Secretary shall give special attention to programs providing training at the undergraduate level.

“RESEARCH PROJECTS RELATING TO MATERNAL AND CHILD HEALTH SERVICES AND CRIPPLED CHILDREN’S SERVICES

“SEC. 512. From the sums available under clause (C) of paragraph (1) or clause (B) of paragraph (2) of section 502, the Secretary is authorized to make grants to or jointly financed cooperative arrangements with public or other nonprofit institutions of higher learning, and public or nonprofit private agencies and organizations engaged in research or in maternal and child health or crippled children’s programs, and contracts with public or nonprofit private agencies and organizations engaged in research or in such programs, for research projects relating to maternal and child health services or crippled children’s services which show promise of substantial contribution to the advancement thereof. Effective with respect to grants made and arrangements entered into after June 30, 1968, (1) special emphasis shall be accorded to projects which will help in studying the need for, and the feasibility, costs, and effectiveness of, comprehensive health care programs in which maximum use is made of health personnel with varying levels of training, and in studying methods of training for such programs, and (2) grants under this section may also include funds for the training of health personnel for work in such projects.

“ADMINISTRATION

“SEC. 513. (a) The Secretary of Health, Education, and Welfare shall make such studies and investigations as will promote the efficient administration of this title.

“(b) Such portion of the appropriations for grants under section 501 as the Secretary may determine, but not exceeding one-half of 1 percent thereof, shall be available for evaluation by the Secretary (directly or by grants or contracts) of the programs for which such appropriations are made and, in the case of allotments from any such appropriation, the amount available for allotments shall be reduced accordingly.

“(c) Any agency, institution, or organization shall, if and to the extent prescribed by the Secretary, as a condition to receipt of grants under this title, cooperate with the State agency administering or supervising the administration of the State plan approved under title XIX in the provision of care and services available under a plan or project under this title, for children eligible therefor under such plan approved under title XIX.

“DEFINITION

“SEC. 514. For purposes of this title, a crippled child is an individual under the age of 21 who has an organic disease, defect, or condition which may hinder the achievement of normal growth and development.

“OBSERVANCE OF RELIGIOUS BELIEFS

“SEC. 515. Nothing in this title shall be construed to require any State which has any plan or program approved under, or receiving financial support under, this title to compel any person to undergo any medical screening, examination, diagnosis, or treatment or to accept any other health care or services provided under such plan or program for any purpose (other than for the purpose of discovering and preventing the spread of infection or contagious disease or for the purpose of protecting environmental health), if such person objects (or, in case such person is a child, his parent or guardian objects) thereto on religious grounds.”

CONFORMING AMENDMENTS

SEC. 302. (a) Section 1905(a)(4) of the Social Security Act is amended by inserting “(A)” after “(4)”, and by inserting before the semicolon at the end thereof the following:

“(B) effective July 1, 1969, such early and periodic screening and diagnosis of individuals who are eligible under the plan and are under the age of 21 to ascertain their physical or mental defects, and such health care, treatment, and other measures to correct or ameliorate defects and chronic conditions discovered thereby, as may be provided in regulations of the Secretary”.

(b) Section 1902(a)(11) of such Act is amended by inserting “(A)” after “(11)”, and by inserting before the semicolon at the end thereof the following: “, and (B) effective July 1, 1969, provide, to the extent prescribed by the Secretary, for entering into agreements, with any agency, institution, or organization receiving payments for part or all of the cost of plans or projects under title V, (i) providing for utilizing such agency, institution, or organization in furnishing care and services which are available under such plan or project under title V and which are included in the State plan approved under this section and (ii) making such provision as may be appropriate for reimbursing such agency, institution, or organization for the cost of any such care and services furnished any individual for which payment would otherwise be made to the State with respect to him under section 1903”.

1968 AUTHORIZATION FOR MATERNITY AND INFANT CARE PROJECTS

SEC. 303. Section 531(a) of the Social Security Act is amended by striking out “and \$30,000,000 for each of the next three fiscal years” and inserting in lieu thereof “\$30,000,000 for each of the next 2 fiscal years, and \$35,000,000 for the fiscal year ending June 30, 1968”.

USE OF SUBPROFESSIONAL STAFF AND VOLUNTEERS

SEC. 304. (a) Section 505(a)(3) of the Social Security Act (as added by section 301 of this Act) is amended by—

(1) striking out “provides” and inserting in lieu thereof “provides (A)”;

(2) adding at the end before the semicolon the following: “and (B) provides for the training and effective use of paid subprofessional staff, with particular emphasis on the full-time or part-time employment of persons of low income, as community service aides, in the administration of the plan and for the use of non-paid or partially paid volunteers in providing services and in assisting any advisory committees established by the State agency”.

(b) The amendment made by this section shall become effective July 1, 1969, or, if earlier (with respect to a State) on the date as of which the modification of the State plan to comply with such amendment is approved.

EXTENSION OF DUE DATE FOR CHILD MENTAL HEALTH REPORT

SEC. 305. Section 231(d) of the Social Security Amendments of 1965 (Public Law 89-97) is amended by striking out the word “two” and inserting in lieu thereof “three”.

SHORT TITLE

SEC. 306. This title may be cited as the “Child Health Act of 1967”.

P.L. 97-35—OMNIBUS BUDGET RECONCILIATION ACT OF 1981

**TITLE XXI, SUBTITLE D—MATERNAL AND CHILD HEALTH SERVICES
BLOCK GRANT**

SHORT TITLE OF SUBTITLE

SEC. 2191. This subtitle may be cited as the “Maternal and Child Health Services Block Grant Act”.

MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT

SEC. 2192. (a) Title V of the Social Security Act is amended to read as follows:

“TITLE V—MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT

“AUTHORIZATION OF APPROPRIATIONS

“SEC. 501. (a) For the purpose of enabling each State—

“(1) to assure mothers and children (in particular those with low income or with limited availability of health services) access to quality maternal and child health services,

“(2) to reduce infant mortality and the incidence of preventable diseases and handicapping conditions among children, to reduce the need for inpatient and long-term care services, to increase the number of children (especially preschool children) appropriately immunized against disease and the number of low income children receiving health assessments and follow-up diagnostic and treatment services, and otherwise to promote the health of mothers and children (especially by providing preventive and primary care services for low income children, and prenatal, delivery, and postpartum care for low income mothers),

“(3) to provide rehabilitation services for blind and disabled individuals under the age of 16 receiving benefits under title XVI of this Act, and

“(4) to provide services for locating, and for medical, surgical, corrective, and other services, and care for, and facilities for diagnosis, hospitalization, and aftercare for, children who are crippled or who are suffering from conditions leading to crippling;

and for the purpose of enabling the Secretary to provide for special projects of regional and national significance, research and training with respect to maternal and child health and crippled children, for genetic disease testing, counseling, and information development and dissemination programs and for grants relating to hemophilia (without regard to age), there are authorized to be appropriated \$373,000,000 for fiscal year 1982 and for each fiscal year thereafter.

“(b) For purposes of this title:

“(1) The term ‘consolidated health programs’ means the programs administered under the provisions of—

“(A) this title (relating to maternal and child health and crippled children’s services)

“(B) section 1615(c) of this Act (relating to supplemental security income for disabled children)

“(C) sections 316 (relating to lead-based paint poisoning prevention programs), 1101 (relating to genetic disease programs), 1121 (relating to sudden infant death syndrome programs) and 1131 (relating to hemophilia treatment centers) of the Public Health Service Act, and

“(D) title IV of the Health Services and Centers Amendments of 1978 (Public Law 95-626, relating to adolescent pregnancy grants) as such provisions were in effect

before the date of the enactment of the Maternal and Child Health Services Block Grant Act.

“(2) The term ‘low income’ means, with respect to an individual or family, such an individual or family with an income determined to be below the non-farm income official poverty line defined by the Office of Management and Budget and revised annually in accordance with section 624 of the Economic Opportunity Act of 1964.

“ALLOTMENTS TO STATES AND FEDERAL SET-ASIDE

“SEC. 502. (a)(1) Of the amount appropriated under section 501(a), the Secretary shall retain an amount equal to 15 percent thereof in the case of fiscal year 1982, and an amount equal to not less than 10 nor more than 15, percent thereof in the case of each fiscal year thereafter, for the purpose of carrying out (through grants, contracts, or otherwise) special projects of regional and national significance, training, and research and for the funding of genetic disease testing, counseling, and information development and dissemination programs and of comprehensive hemophilia diagnostic and treatment centers. The authority of the Secretary to enter into any contracts under this title is effective for any fiscal year only to such extent or in such amounts as are provided in appropriations Acts.

“(2) For purposes of paragraph (1)—

“(A) amounts retained by the Secretary for training shall be used to make grants to public or nonprofit private institutions of higher learning for training personnel for health care and related services for mothers and children; and

“(B) amounts retained by the Secretary for research shall be used to make grants to, contracts with, or jointly financed cooperative agreements with, public or nonprofit institutions of higher learning and public or nonprofit private agencies and organizations engaged in research or in maternal and child health or crippled children’s programs for research projects relating to maternal and child health services or crippled children’s services which show promise of substantial contribution to the advancement thereof.

“(3) No funds may be made available by the Secretary under this subsection unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain and be accompanied by such information as the Secretary may specify. No such application may

be approved unless it contains assurances that the applicant will use the funds provided only for the purposes specified in the approved application and will establish such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement and accounting of Federal funds paid to the applicant under this title.

“(b) From the remaining amounts appropriated under section 501(a) for any fiscal year, the Secretary shall allot to each State which has transmitted a description of intended activities and statement of assurances for the fiscal year under section 505, an amount determined as follows:

“(1) The Secretary shall determine, for each State—

“(A)(i) the amount provided or allotted by the Secretary to the State and to entities in the State under the provisions of the consolidated health programs (as defined in section 501(b)(1)), other than for any of the projects or programs described in subsection (a), from appropriations for fiscal year 1981,

“(ii) the proportion that such amount for that State bears to the total of such amounts for all the States, and

“(B)(i) the number of low income children in the State, and

“(ii) the proportion that such number of children for that State bears to the total of such numbers of children for all the States.

“(2)(A) For each of fiscal years 1982 and 1983, each such State shall be allotted for that fiscal year an amount equal to the State’s proportion (determined under paragraph (1)(A)(ii)) of the amounts available for allotment to all the States under this subsection for that fiscal year.

“(B) For fiscal years beginning with fiscal year 1984, if the amount available for allotment under this subsection for that fiscal year—

“(i) does not exceed the amount available under this subsection for allotment for fiscal year 1983, each such State shall be allotted for that fiscal year an amount equal to the State’s proportion (determined under paragraph (1)(A)(ii)) of the amounts available for allotment to all the States under this subsection for that fiscal year, or

“(ii) exceeds the amounts available under this subsection for allotment for fiscal year 1983, each such State shall be allotted for that fiscal year an amount equal to the sum of—

“(I) the amount of the allotment to the State under this subsection in fiscal year 1983 (without regard to paragraph (3) of this subsection), and

“(II) the State’s proportion (determined under paragraph (1)(B)(ii)) of the amount by which the allotment available under this subsection for all the States for that fiscal year exceeds the amount that was available under this subsection for allotment for all the States for fiscal year 1983.

“(3)(A) To the extent that all the funds appropriated under this title for a fiscal year are not otherwise allotted to States either because all the States have not qualified for such allotments under section 505 for the fiscal year or because some States have indicated in their descriptions of activities under section 505 that they do not intend to

use the full amount of such allotments, such excess shall be allotted among the remaining States in proportion to the amount otherwise allotted to such States for the fiscal year without regard to this subparagraph.

“(B) To the extent that all the funds appropriated under this title for a fiscal year are not otherwise allotted to States because some State allotments are offset under section 506(b)(2), such excess shall be allotted among the remaining States in proportion to the amount otherwise allotted to such States for the fiscal year without regard to this subparagraph.

“PAYMENTS TO STATES

“SEC. 503. (a) From the sums appropriated therefor and the allotments available under section 502(b), the Secretary shall make payments as provided by section 203 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4213) to each State provided such an allotment under section 502(b), for each quarter, of an amount equal to four-sevenths of the total of the sums expended by the State during such quarter in carrying out the provisions of this title.

“(b) Any amount payable to a State under this title from allotments for a fiscal year which remain unobligated at the end of such year shall remain available to such State for obligation during the next fiscal year. No payment may be made to a State under this title from allotments for a fiscal year for expenditures made after the following fiscal year.

“(c) The Secretary, at the request of a State, may reduce the amount of payments under subsection (a) by—

“(1) the fair market value of any supplies or equipment furnished the State, and

“(2) the amount of the pay, allowances, and travel expenses of any officer or employee of the Government when detailed to the State and the amount of any other costs incurred in connection with the detail of such officer or employee,

when the furnishing of supplies or equipment or the detail of an officer or employee is for the convenience of and at the request of the State and for the purpose of conducting activities described in section 505 on a temporary basis. The amount by which any payment is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment or in detailing the personnel, on which the reduction of the payment is based, and the amount shall be deemed to be part of the payment and shall be deemed to have been paid to the State.

“USE OF ALLOTMENT FUNDS

“SEC. 504. (a) Except as otherwise provided under this section, a State may use amounts paid to it under section 503 for the provision of health services and related activities (including planning, administration, education, and evaluation) consistent with its description of intended expenditures and statement of assurances transmitted under section 505.

“(b) Amounts described in subsection (a) may not be used for—

“(1) inpatient services, other than inpatient services provided to crippled children or to high-risk pregnant women and infants and such other inpatient services as the Secretary may approve;

“(2) cash payments to intended recipients of health services;

“(3) the purchase or improvement of land, the purchase, construction, or permanent improvement (other than minor remodeling) of any building or other facility, or the purchase of major medical equipment;

“(4) satisfying any requirement for the expenditure of nonfederal funds as a condition for the receipt of Federal funds, or

“(5) providing funds for research or training to any entity other than a public or nonprofit private entity.

The Secretary may waive the limitation contained in paragraph (3) upon the request of a State if the Secretary finds that there are extraordinary circumstances to justify the waiver and that granting the waiver will assist in carrying out this title.

“(c) A State may use a portion of the amounts described in subsection (a) for the purpose of purchasing technical assistance from public or private entities if the State determines that such assistance is required in developing, implementing, and administering programs funded under this title.

“DESCRIPTION OF INTENDED EXPENDITURES AND STATEMENT OF ASSURANCES

“SEC. 505. In order to be entitled to payments for allotments under section 502 for a fiscal year, a State must prepare and transmit to the Secretary—

“(1) a report describing the intended use of payments the State is to receive under this title for the fiscal year, including (A) a description of those populations, areas, and localities in the State which the State has identified as needing maternal and child health services, (B) a statement of goals and objectives for meeting those needs, (C) information on the types of services to be provided and the categories or characteristics of individuals to be served, and (D) data the State intends to collect respecting activities conducted with such payments: and

“(2) a statement of assurances that represents to the Secretary that—

“(A) the State will provide a fair method (as determined by the State) for allocating funds allotted to the State under this title among such individuals, areas, and localities identified under paragraph (1)(A) as needing maternal and child health services, and the State will identify and apply guidelines for the appropriate frequency and content of, and appropriate referral and follow-up with respect to, health care assessments and services financially assisted by the State under this title and methods for assuring quality assessments and services;

“(B) funds allotted to the State under this title will only be used, consistent with section 508, to carry out the purposes of this title or to continue activities previously conducted under the consolidated health programs (described in section 502(b)(1));

“(C) the State will use—

“(i) a substantial proportion of the sums expended by the State for carrying out this title for the provision of health services to mothers and children, with special consideration

given (where appropriate) to the continuation of the funding of special projects in the State previously funded under this title (as in effect before the date of the enactment of the Maternal and Child Health Services Block Grant Act), and

“(ii) a reasonable proportion (based upon the State’s previous use of funds under this title) of such sums to carry out the purposes described in paragraphs (1) through (3) of section 501(a)

“(D) if the State imposes any charges for the provision of health services assisted by the State under this title, such charges (i) will be pursuant to a public schedule of charges, (ii) will not be imposed with respect to services provided to low income mothers or children, and (iii) will be adjusted to reflect the income, resources, and family size of the individual provided the services; and

“(E) the State agency (or agencies) administering the State’s program under this title will participate—

“(i) in the coordination of activities between such program and the early and periodic screening, diagnosis, and treatment program under title XIX, to ensure that such programs are carried out without duplication of effort,

“(ii) in the arrangement and carrying out of coordination agreements described in section 1902(a)(11) (relating to coordination of care and services available under this title and title XIX), and

“(iii) in the coordination of activities within the State with programs carried out under this title and related Federal grant programs (including supplemental food programs for mothers, infants, and children, related education programs, and other health, developmental disability, and family planning programs).

The description and statement shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during development of the description and statement and after its transmittal. The description and statement shall be revised (consistent with this section) throughout the year as may be necessary to reflect substantial changes in any element of such description or statement and any revision shall be subject to the requirements of the preceding sentence.

“REPORTS AND AUDITS

“SEC. 506. (a)(1) Each State shall prepare and submit to the Secretary annual reports on its activities under this title. In order properly to evaluate and to compare the performance of different States assisted under this title and to assure the proper expenditure of funds under this title, such reports shall be in such form and contain such information as the Secretary determines (after consultation with the States and the Comptroller General) to be necessary (A) to secure an accurate description of those activities, (B) to secure a complete record of the purposes for which funds were spent, of the recipients of such funds, and of the progress made toward achieving the purposes of this title, and (C) to determine the extent to which funds were expended consistent with the State’s description and statement transmitted under section 505. Copies of the report

shall be provided, upon request, to any interested public agency, and each such agency may provide its views on these reports to the Congress.

“(2) The Secretary shall annually report to the Congress on activities funded under section 502(a) and shall provide for transmittal of a copy of such report to each State.

“(b)(1) Each State shall, not less often than once every two years, audit its expenditures from amounts received under this title. Such State audits shall be conducted by an entity independent of the State agency administering a program funded under this title in accordance with the Comptroller General’s standards for auditing governmental organizations, programs, activities, and functions and generally accepted auditing standards. Within 30 days following the completion of each audit report, the State shall submit a copy of that audit report to the Secretary.

“(2) Each State shall repay to the United States amounts found by the Secretary, after notice and opportunity for a hearing to the State, not to have been expended in accordance with this title and, if such repayment is not made, the Secretary may offset such amounts against the amount of any allotment to which the State is or may become entitled under this title or may otherwise recover such amounts.

“(3) The Secretary may, after notice and opportunity for a hearing, withhold payment of funds to any State which is not using its allotment under this title in accordance with this title. The Secretary may withhold such funds until the Secretary finds that the reason for the withholding has been removed and there is reasonable assurance that it will not recur.

“(c) The State shall make copies of the reports and audits required by this section available for public inspection within the State.

“(d)(1) For the purpose of evaluating and reviewing the block grant established under this title, the Secretary and the Comptroller General shall have access to any books, accounts, records, correspondence, or other documents that are related to such block grant, and that are in the possession, custody, or control of States, political subdivisions thereof, or any of their grantees.

“(2) In conjunction with an evaluation or review under paragraph (1), no State or political subdivision thereof (or grantee of either) shall be required to create or prepare new records to comply with paragraph (1).

“(3) For other provisions relating to deposit, accounting, reports and auditing with respect to Federal grants to States, see section 202 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4212).

“CRIMINAL PENALTY FOR FALSE STATEMENTS

“SEC. 507. (a) Whoever—

“(1) knowingly and willfully makes or causes to be made any false statement or representation of a material fact in connection with the furnishing of items or services for which payment may be made by a State from funds allotted to the State under this title, or

“(2) having knowledge of the occurrence of any event affecting his initial or continued right to any such payment conceals or fails to disclose such event with an intent fraudulently to secure such payment either in a greater amount than is due or when no such payment is authorized,

shall be fined not more than \$25,000 or imprisoned for not more than five years, or both.

“(b) For civil monetary penalties for certain submissions of false claims, see section 1128A of this Act.

“NONDISCRIMINATION

“SEC. 508. (a)(1) For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities funded in whole or in part with funds made available under this title are considered to be programs and activities receiving Federal financial assistance.

“(2) No person shall on the ground of sex or religion be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this title.

“(b) Whenever the Secretary finds that a State, or an entity that has received a payment from an allotment to a State under section 502(b), has failed to comply with a provision of law referred to in subsection (a)(1), with subsection (a)(2), or with an applicable regulation (including one prescribed to carry out subsection (a)(2)), he shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed sixty days, the chief executive officer fails or refuses to secure compliance, the Secretary may—

“(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted,

“(2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable, or

“(3) take such other action as may be provided by law.

“(c) When a matter is referred to the Attorney General pursuant to subsection (b)(1), or whenever he has reason to believe that the entity is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a)(1) or in violation of subsection (a)(2), the Attorney General may bring a civil action in any appropriate district Court of the United States for such relief as may be appropriate, including injunctive relief.

“ADMINISTRATION OF TITLE AND STATE PROGRAMS

“SEC. 509. (a) The Secretary shall designate an identifiable administrative unit with expertise in maternal and child health within the Department of Health and Human Services, which unit shall be responsible for—

“(1) the Federal program described in section 502(a);

“(2) promoting coordination at the Federal level of the activities authorized under this title and under title XIX of this Act, especially early and periodic screening, diagnosis and treatment, related activities funded by the Departments of Agriculture and Education, and under health block grants and categorical health programs, such as immunizations, administered by the Secretary;

“(3) disseminating information to the States in such areas as preventive health services and advances in the care and treatment of mothers and children;

“(4) providing technical assistance, upon request, to the States in such areas as program planning, establishment of goals and objectives, standards of care, and evaluation;

“(5) in cooperation with the National Center of Health Statistics and in a manner that avoids duplication of data collection, collection, maintenance, and dissemination of information relating to the health status and health service needs of mothers and children in the United States; and

“(6) assisting in the preparation of reports to the Congress on the activities funded and accomplishments achieved under this title from the information required to be reported by the States under sections 505 and 506.

“(b) The State health agency of each State shall be responsible for the administration (or supervision of the administration) of programs carried out with allotments made to the State under this title, except that, in the case of a State which on July 1, 1967, provided for administration (or supervision thereof) of the State plan under this title (as in effect on such date) by a State agency other than the State health agency, that State shall be considered to comply the requirement of this subsection if it would otherwise comply but for the fact that such other State agency administers (or supervises the administration of) any such program providing services for crippled children.

(b)(1) The Secretary of Health and Human Services shall, no later than October 1, 1984, report to the Congress on the activities of States receiving allotments under title V of the Social Security Act (as amended by this section) and include in such report any recommendations for appropriate changes in legislation.

(2) The Secretary of Health and Human Services, in consultation with the Comptroller General, shall examine alternative formulas, for the allotment of funds to States under section 502(b) of the Social Security Act (as amended by this section) which might be used as a substitute for the method of allotting funds described in such section, which provide for the equitable distribution of such funds to States (as defined for purposes of such section), and which take into account—

- (A) the populations of the States,
- (B) the number of live births in the States,
- (C) the number of crippled children in the States,
- (D) the number of low income mothers and children in the States,
- (E) the financial resources of the various States, and
- (F) such other factors as the Secretary deems appropriate, and shall report to the Congress thereon not later than June 30, 1982.

REPEALS AND CONFORMING AMENDMENTS

SEC. 2193. (a)(1)(A) Section 316(g) of the Public Health Service Act is amended by inserting “, and, subject to section 2194(b)(3) of the Maternal and Child Health Services Block Grant Act, \$8,300,000 for the fiscal year ending September 30, 1982” before the period.

(B) Section 1101(b) of such Act is amended by inserting “and, subject to section 2194(b)(3) of the Maternal and Child Health Services Block Grant Act, \$9,680,000 for the fiscal year ending September 30, 1982” before the period.

(C) Section 1122l(d)(1) of such Act is amended by inserting “; and, subject to section 2194(b)(3) of the Maternal and Child Health Services Block Grant Act, \$2,075,000 for fiscal year 1982” before the period.

(D) Section 1131(f) of such Act is amended by inserting “, and, subject to section 2194(b)(3) of the Maternal and Child Health Services Block Grant Act, \$2,765,000 for the fiscal year ending September 30, 1982” before the period.

(2) Section 607 of the Health Services and Centers Amendments of 1978 (Public Law 95-626) is amended by inserting “, and, subject to section 2194(b)(3) of the Maternal and Child Health Services Block Grant Act, \$8,530,000 for the fiscal year ending September 30, 1982” before the period.

(3) Section 501 of the Social Security Act (as in effect before the date the amendment made by section 2192(a) becomes effective) is amended by striking out “for each fiscal year thereafter” and inserting in lieu thereof “and for each of the next three fiscal years, and, subject to section 2194(b)(3) of the Maternal and Child Health Services Block Grant Act, \$317,580,000 for the fiscal year ending September 30, 1982”.

(4)(A) Section 1615(e)(1) of the Social Security Act is amended by inserting “and subject to section 2194(b)(3) of the Maternal and Child Health Services Block Grant Act” after “paragraphs (2) and (3)”.

(B) Effective for fiscal year 1982, section 1615(e)(3) of such Act is amended by striking out “\$30,000,000” and inserting in lieu thereof “\$24,070,000”.

(b)(1) Sections 316, 1101, 1121 and 1131 of the Public Health Service Act are repealed.

(2) Section 1104(a) of such Act is amended by inserting “and” at the end of paragraph (3), by striking out paragraph (4), and by redesignating paragraph (5) as paragraph (4).

(3) Section 1104 of such Act is further amended (A) by striking out subsections (b) and (d), (B) by striking out “or under section 1101” in subsection (c), and (C) by redesignating subsection (c) as subsection (b).

(4) Sections 1106 and 227 of such Act are repealed.

(5) Section 1107 of such Act is amended by striking out “appropriated under section 1101(b)” and inserting in lieu thereof “allotted for use under section 502(a) of the Social Security Act”.

(c)(1) Section 1108(d) of the Social Security Act is amended by striking out “section 502(a)” and all that follows through “1967” and inserting in lieu thereof “section 421”.

(2) Section 1101(a)(9)(D) of such Act is amended by striking out “V, XVIII, and XIX” and inserting in lieu thereof “XVIII and XIX”.

(3) Section 1122 of such Act is amended—

(A) by striking out “V, XVIII, and XIX” and inserting in lieu thereof “XVIII and XIX” each place it appears, and

(B) by striking out “V, XVIII, or X” in subsection (d)(2) and inserting in lieu thereof “XVIII or XIX”.

(4) Section 1129 of such Act is amended—

(A) by striking out “V or” each place it appears in subsection (a), and

(B) by striking out “V, XVIII, or” in subsection (b)(2) and inserting in lieu thereof “XVIII or”.

(5) Section 1132(a)(1) of such Act is amended by striking out “V,”.

(6) Section 1134 of such Act is amended by striking out “V, XVIII,” and inserting in lieu thereof “XVIII”.

(7) Section 1172(4) of such Act is amended by striking out “V,”.

(8)(A) Subsection (a) of section 1615 of such Act is amended by striking out “appropriate State agency administering the State plan under subsection (b) of this section, and (except in such cases” and inserting in lieu thereof “State agency administering the State program under title V, and (except for individuals who have not attained age 16 and except in such other cases”.

(B) Subsections (b) and (e) of such section are repealed.

(9) Section 1861(w)(2) of such Act is amended by striking out “V or”

(9) Section 1902(a)(11)(B) of such Act is amended—

(A) by striking out “for part or all of the cost of plans or projects under” and inserting in lieu thereof “under (or through an allotment under)”, and

(B) by striking out “such plan or project under title V” and inserting in lieu thereof “such title or allotment”.

(d)(1) The second sentence of section 402(a)(1) of the Social Security Amendments of 1967 (P.L. 90-248) is amended—

(A) by striking out “title XVIII of such Act,” and inserting in lieu thereof “title XVIII of such Act and”, and

(B) by striking out the “, and a program established by a plan of a State approved under title V of such Act”.

(2) Section 402(a)(2) of such Act is amended by striking out “titles V and XIX and inserting in lieu thereof “title XIX” both places it occurs.

(3) Section 402(b) of such Act is amended by striking out “, XIX, and V” and inserting in lieu thereof “and XIX”.

(e)(1) Section 222(a)(1) of the Social Security Amendments of 1972 (P.L. 92-603) is amended by striking out “titles XIX and V” and inserting in lieu thereof “title XIX”

(2) The first sentence of section 222(a)(3) of such Act is amended by striking out “, XIX, and V” and inserting in lieu thereof “and XIX”.

(3) Section 222(a)(4) of such Act is amended by striking out “titles V and XIX” and inserting in lieu thereof “title XIX” both places it appears.

(f) Titles VI and VII of the Health Services and Centers Amendments of 1978 (P.L. 95-626) are repealed.

(g) Section 914(d) of the Omnibus Reconciliation Act of 1980 (P.L. 96-499; 94 Stat. 2622) is amended by striking out “V, XVIII,” and inserting in lieu thereof “XVIII”.

EFFECTIVE DATE; TRANSITION

SEC. 2194. (a) Except as otherwise provided in this section, the amendments made by sections 2192 and 2193 of this subtitle do not apply to any grant made, or contract entered into, or amounts payable to States under State plans before the earlier of—

(1) October 1, 1982, or

(2)(A) in the case of such grants, contracts, or payments under consolidated State programs (as defined in subsection (c)(2)(C)) to a State (or entities in the State), the date the State is first entitled to an allotment under title V of the Social Security Act (as amended by this subtitle), or

(B) in the case of grants and contracts under consolidated Federal programs (as defined in subsection (c)(2)(B)), October 1, 1981, or such later date (before October 1, 1982) as the Secretary determines to be appropriate.

(b)(1) The Secretary of Health and Human Services (hereinafter in this section referred to as the “Secretary”) may not provide for any allotment to a State under title V of the Social Security Act (as amended by this subtitle) for a calendar quarter in fiscal

year 1982 unless the State has notified the Secretary, at least 30 days (or 15 days in the case of the first calendar quarter of the fiscal year) before the beginning of the calendar quarter, that the State requests an allotment for that calendar quarter (and subsequent calendar quarters).

(2)(A) Any grants or contracts entered into under the authorities of the consolidated State programs (as defined in subsection (c)(2)(C)) after the date of the enactment of this subtitle shall permit the termination of such grant or contract upon three months notice by the State in which the grantee or contractor is located.

(B) The Secretary shall not make or renew any grants or contracts under the provisions of the consolidated State programs (as defined in subsection (c)(2)(C)) to a State (or an entity in the State) after the date the State becomes entitled to an allotment of funds under title V of the Social Security Act (as amended by this subtitle).

(3)(A) In the case of funds appropriated for fiscal year 1982 for consolidated health programs (as defined in subsection (c)(2)(A)), such funds shall (notwithstanding any other provision of law) be available for use under title V of the Social Security Act (as amended by this subtitle), subject to subparagraphs (B) and (C).

(B) Notwithstanding any other provision of law—

(i) the amount that may be made available for expenditures for the consolidated Federal programs for fiscal year 1982 and for projects and programs under section 502(a) of the Social Security Act (as amended by this subtitle) may not exceed the amount provided for projects and programs under such section 502(a) for that fiscal year, and

(ii) the amount that may be made available to a State (or entities in the State) for carrying out the consolidated State programs for fiscal year 1982 and for allotments to the State under section 502(b) of the Social Security Act (as amended by this subtitle) may not exceed the amount which is allotted to the State for that fiscal year under such section (without regard to paragraphs (A) and (4) thereof)

(C) For fiscal year 1982, the Secretary shall reduce the amount which would otherwise be available—

(i) for expenditures by the Secretary under section 502(a) of the Social Security Act (as amended by this subtitle) by the amounts which the Secretary determines or estimates are payable for consolidated Federal programs (as defined in subsection (c)(2)(B)) from funds for fiscal year 1982, and

(ii) for allotment to each of the States under section 502(b) of such Act (as so amended) by the amounts which the Secretary determines or estimates are payable to that State (or entities in the State) under the consolidated State programs (as defined in subsection (c)(2)(C)) from funds for fiscal year 1982.

(c) For purposes of this section:

(1) The term “State” has the meaning given such term for purposes of title V of the Social Security Act.

(2)(A) The term “consolidated health programs” has the meaning given such term in section 501(b) of the Social Security Act (as amended by this subtitle).

(B) The term “consolidated Federal programs” means the consolidated health programs—

(i) of special projects grants under sections 503 and 504, and training grants under section 511, of the Social Security Act,

(ii) of grants and contracts for genetic disease projects and programs under section 1101 of the Public Health Service Act, and

(iii) of grants or contracts for comprehensive hemophilia diagnostic and treatment centers under section 1131 of the Public Health Service Act,

as such sections are in effect before the date of the enactment of this subtitle.

(C) The term “consolidated State programs” means the consolidated health programs, other than the consolidated Federal programs.

(d) The provisions of chapter 2 of subtitle C of title XVII of this Act shall not apply to this subtitle (or the programs under the amendments made by this title) and, specifically, section 1745 of this Act shall not apply to financial and compliance audits conducted under section 506(b) of the Social Security Act (as amended by this subtitle).

**P.L. 99-272—CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT
OF 1985**

SEC. 9527. CHILDREN WITH SPECIAL HEALTH CARE NEEDS.

(a) Section 501(a)(4) of the Social Security Act (42 U.S.C. 701(a)(4)) is amended by striking out “children who are crippled or who are suffering from conditions leading to crippling” and inserting in lieu thereof “children who are ‘children with special health care needs’ or who are suffering from conditions leading to such status”.

(b) Section 501(a) of such Act is amended by striking out “crippled children” in the matter following paragraph (4) and inserting in lieu thereof “children with special health care needs”.

(c) Section 501(b)(1)(A) of such Act is amended by striking out “crippled children’s services” and inserting in lieu thereof “services for children with special health care needs”.

(d) Section 502(a)(2)(B) of such Act is amended—

(1) by striking out “crippled children’s programs” and inserting in lieu thereof “programs for children with special health care needs”;
and

(2) by striking out “crippled children’s services” and inserting in lieu thereof “services for children with special health care needs”.

(e) Sections 504(b)(1) and 509(b) of such Act are each amended by striking out “crippled children” and inserting in lieu thereof “children with special health care needs”.

P.L. 101-239—OMNIBUS RECONCILIATION ACT OF 1989

TITLE VI, SUBTITLE C—MATERNAL AND CHILD HEALTH BLOCK GRANT PROGRAM

SEC. 6501. INCREASE IN AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 501 of the Social Security Act (42 U.S.C. 701) is amended—

(1) by amending subsection (a) to read as follows:

“(a) To improve the health of all mothers and children consistent with the applicable health status goals and national health objectives established by the Secretary under the Public Health Service Act for the year 2000, there are authorized to be appropriated \$686,000,000 for fiscal year 1990 and each fiscal year thereafter—

“(1) for the purpose of enabling each State—

“(A) to provide and to assure mothers and children (in particular those with low income or with limited availability of health services) access to quality maternal and child health services;

“(B) to reduce infant mortality and the incidence of preventable diseases and handicapping conditions among children, to reduce the need for inpatient and long-term care services, to increase the number of children (especially preschool children) appropriately immunized against disease and the number of low income children receiving health assessments and follow-up diagnostic and treatment services, and otherwise to promote the health of mothers and infants by providing prenatal, delivery, and postpartum care for low income, at-risk pregnant women, and to promote the health of children by providing preventive and primary care services for low income children;

“(C) to provide rehabilitation services for blind and disabled individuals under the age of 16 receiving benefits under title XVI, to extent medical assistance for such services is not provided under title XIX; and

“(D) to provide and to promote family centered, community-based, coordinated care (including care coordination service, as defined in subsection (b)(3)) for children with special health care needs and to facilitate the development of community-based systems of services for such children and their families;

“(2) for the purposes of enabling the Secretary (through grants, contracts, or otherwise) to provide for special projects of regional and national significance, research, and training with respect to maternal and child health and children with special health care needs (including early intervention training and services development), for genetic disease testing, counseling, and information development and dissemination programs, for grants (including funding for comprehensive hemophilia diagnostic treatment centers) relating to hemophilia without regard to age, and for the screening of newborns

for sickle cell anemia and other genetic disorders and follow-up services; and

“(3) subject to section 502(b) for the purpose of enabling the Secretary (through grants, contracts or otherwise) to provide for developing and expanding the following—

“(A) maternal and infant health home visiting programs in which case management services as defined in subparagraphs (A) and (B) of subsection (b)(4), health education services, and related social support services are provided in the home to pregnant women or families with an infant up to age 1 by an appropriate health professional or by a qualified nonprofessional acting under the supervision of a health care professional,

“(B) projects designed to increase the participation of obstetricians and pediatricians under the program under this title and under State plans approved under title XIX,

“(C) integrated maternal and child health service delivery systems (of the type described in section 1136 and using, once developed, the model application form developed under section 6506(a) of the Omnibus Budget Reconciliation Act of 1989).

“(D) maternal and child health centers which (i) provide prenatal, delivery, and postpartum care for pregnant women and preventive and primary care services for infants up to age 1, and (ii) operate under the direction of a not-for-profit hospital,

“(E) maternal and child health projects to serve rural populations, and

“(F) outpatient and community based services programs (including day care services) for children with special health care needs whose medical services are provided primarily through inpatient institutional care.”, and

(2) by adding at the end of subsection (b) the following new paragraphs:

“(3) The term ‘care coordination services’ means services to promote the effective and efficient organization and utilization of resources to assure access to necessary comprehensive services for children with special health care needs and their families.

“(4) The term ‘case management services’ means—

“(A) with respect to pregnant women, services to assure access to quality prenatal, delivery, and postpartum care; and

“(B) with respect to infants up to age one, services to assure access to quality preventive and primary care services”.

(b) CONFORMING AMENDMENT.—Section 505(2)(C)(ii) of such Act (42 U.S.C. 705(2)(C)(ii)) is amended by striking “paragraphs (1) through (3) of section 501(a)” and inserting “subparagraphs (A) through (D) of section 501(a)(1)”.

SEC. 6502. ALLOTMENTS TO STATE AND FEDERAL SET-ASIDES.

(a) IN GENERAL.—Section 502 of the Social Security Act (42 U.S.C. 702) is amended—

(1) by amending the first sentence of paragraph (1) of subsection (a) to read as follows: “Of the amounts appropriated under section 501(a) for a fiscal year that are not in excess of \$600,000,000, the Secretary shall retain an amount equal to 15 percent for the purpose of carrying out activities described in section 501(a)(2).”;

(2) in subsection (a)(3), by inserting “or subsection (b)” after “this subsection”;

(3) by striking subsection (c), by redesignating subsection (b) as subsection (c), and by inserting after subsection (a) the following new subsection:

“(b)(1)(A) Of the amounts appropriated under section 501(a) for a fiscal year in excess of \$600,000,000 the Secretary shall retain an amount equal to 12 3/4 percent thereof for the projects described in subparagraphs (A) through (F) of section 501(a)(3).

“(B) Any amount appropriated under section 501(a) for a fiscal year in excess of \$600,000,000 that remains after the Secretary has retained the applicable amount (if any) under subparagraph (A) shall be retained by the Secretary in accordance with subsection (a) and allocated to the States in accordance with subsection (c).

“(2)(A) Of the amounts retained for the purpose of carrying out activities described in section 501(a)(3)(A), (B), (C), (D) and (E), the Secretary shall provide preference to qualified applicants which demonstrate that the activities to be carried out with such amounts shall be in areas with a high infant mortality rate (relative to the average infant mortality rate in the United States or in the State in which the area is located).

“(B) In carrying out activities described in section 501(a)(3)(D), the Secretary shall not provide for developing or expanding a maternal and child health center unless the Secretary has received satisfactory assurances that there will be applied, towards the costs of such development or expansion, non-Federal funds in an amount at least equal to the amount of funds provided under this title toward such development or expansion.”; and

(4) in subsection (c), as redesignated by paragraph (2)—

(A) by striking “\$478,000,000” and inserting “\$600,000,000”, and

(B) by amending paragraph (2) to read as follows:

“(2) Each such State shall be allotted for each fiscal year an amount equal to the sum of—

“(A) the amount of the allotment to the State under this subsection in fiscal year 1983, and

“(B) the State’s proportion (determined under paragraph (1)(B)(ii)) of the amount by which the allotment available under this subsection for all the States for that fiscal year exceeds the amount that was available under this subsection for allotment for all the States for fiscal year 1983.”.

(b) CONFORMING AMENDMENTS.—Sections 503(a) and 508(b) of such Act (42 U.S.C. 703(a), 708(b)) are amended by striking “502(b)” each place it appears and inserting “502(c)”.

SEC. 6503. USE OF ALLOTMENT FUNDS AND APPLICATION FOR BLOCK GRANT FUNDS.

(a) EXPANDING USE OF FUNDS AND LIMITATION ON USE OF FUNDS FOR ADMINISTRATIVE COSTS.—Section 504 of the Social Security Act (42 U.S.C. 704) is amended—

(1) in subsection (a), by inserting “and including payment of salaries and other related expenses of National Health Service Corps personnel” after “education, and evaluation”, and

(2) by adding at the end the following new subsection:

“(d) Of the amounts paid to a State under section 503 from an allotment for a fiscal year under section 502(c), not more than 10 percent may be used for administering the funds paid under such section.”.

(b) APPLICATION.—Section 505 of such Act (42 U.S.C. 705) is amended—

(1) by amending the heading to read as follows:

“APPLICATION FOR BLOCK GRANT FUNDS”;

(2) by inserting “(a)” after “Sec. 505.”;

(3) in the matter before paragraph (1), by inserting “an application (in a standardized form specified by the Secretary) that” after “must prepare and transmit to the Secretary”;

(4) by striking paragraph (1) and redesignating paragraph (2) as paragraph (5) and by inserting before paragraph (5), as redesignated, the following new paragraphs;

“(1) contains a statewide needs assessment (to be conducted every 5 years) that shall identify (consistent with the health status goals and national health objectives referred to in section 501(a)) the need for—

“(A) preventive and primary care services for pregnant women, mothers, and infants up to age one;

“(B) preventive and primary care services for children; and

“(C) services for children with special health care needs (as specified in section 501(a)(1)(D));

“(2) includes for each fiscal year—

“(A) a plan for meeting the needs identified by the statewide needs assessment under paragraph (1); and

“(B) a description of how the funds allotted to the State under section 502(c) will be used for the provision and coordination of services to carry out such plan that shall include

“(i) subject to paragraph (3), a statement of the goals and objectives consistent with the health status goals and national health objectives referred to in section 501(a) for meeting the needs specified in the State plan described in subparagraph (A);

“(ii) an identification of the areas and localities in the State in which services are to be provided and coordinated;

“(iii) an identification of the types of services to be provided and the categories or characteristics of individuals to be served; and

“(iv) information the State will collect in order to prepare reports required under section 506(a);

“(3) except as provided under subsection (b), provides that the State will use—

“(A) at least 30 percent of such payment amounts for preventive and primary care services for children, and

“(B) at least 30 percent of such payment amounts for services for children with special health care needs (as specified in section 501(a)(1)(D));

“(4) provides that a State receiving funds for maternal and child health services under this title shall maintain the level of funds being provided solely by such State for maternal and child health programs at a level at least equal to the level that such State provided for such programs in fiscal year 1989; and”; and

(5) in paragraph (5), as redesignated by paragraph (4) of this subsection—

(A) by striking “a statement of assurances that represents to the Secretary” and inserting “provides”

(B) in subparagraph (A), by striking “will provide” and inserting “will establish”;

(C) by amending subparagraph (C)(i) to read as follows:

“(i) special consideration (where appropriate) for the continuation of the funding of special projects in the State previously funded under this title (as in effect before August 31, 1981), and”;

(D) in subparagraph (D), by striking “and” at the end;

(E) by redesignating subparagraph (E) as subparagraph (F) and by inserting after subparagraph (D) the following new subparagraph:

“(E) the State agency (or agencies) administering the State’s program under this title will provide for a toll-free telephone number (and other appropriate methods) for the use of parents to access information about health care providers and practitioners who provide health care services under this title and title XIX and about other relevant health and health-related providers and practitioners; and”;

(F) in subparagraph (F) (as redesignated by subparagraph (E))

(i) by striking “participate” before clause (i),

(ii) in clause (i), by striking “diagnosis” and inserting “diagnostic”;

(iii) in clause (i), by striking “title XIX” and inserting “section 1905(a)(4)(B) (including the establishment of periodicity and content standards for early and periodic screening, diagnostic, and treatment services)”;

(iv) by inserting “participate” after “(i)”, after “(ii)”, and after “(iii)”,

(v) by striking “and” at the end of clause (ii),

(vi) by striking the period at the end of clause (iii) and inserting “, and”, and

(vii) by inserting after clause (iii) the following new clause:

“(iv) provide, directly and through their providers and institutional contractors, for services to identify pregnant women and infants who are eligible for medical assistance under subparagraph (A) or (B) of section 1902(1)(1) and, once identified, to assist them in applying for such assistance.”;

(6) by striking the last 2 sentences and inserting the following: “The application shall be developed by, or in consultation with, the State maternal and child health agency and shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during its development and after its transmittal.”; and

(7) by adding at the end the following new subsection:

“(b) The Secretary may waive the requirement under subsection (a)(3) that a State’s application for a fiscal year provide for the use of funds for specific activities if for that fiscal year—

“(1) the Secretary determines—

“(A) on the basis of information provided in the State’s most recent annual report submitted under section 506(a)(1), that the State has demonstrated an extraordinary unmet need for one of the activities described in subsection (a)(3), and

“(B) that the granting of the waiver is justified and will assist in carrying out the purposes of this title; and

“(2) the State provides assurances to the Secretary that the State will provide for the use of some amounts paid to it under section 503 for the activities described in subparagraphs (A)

and (B) of subsection (a)(3) and specifies the percentages to be substituted in each of such subparagraphs.”.

(c) CONFORMING AMENDMENTS.—(1) Section 502(c) of such Act (42 U.S.C. 702(c)), as redesignated by section 6502(a)(3) of this subtitle, is amended by striking “a description of intended activities and statement of assurances” and inserting “an application”.

(2) Section 504(a) of such Act (42 U.S.C. 704(a)) is amended by striking “its description of intended expenditures and statement of assurances” and insert “its application”.

(3) Section 506(a)(1)(C) of such Act (42 U.S.C. 706(a)(1)(C)) is amended by striking “description and statement” and inserting “application”.

(4) Sections 502(b), 502(d)(1), 503(c), 504(a), 506(a)(1)(C), and 509(a)(6) of such Act (42 U.S.C. 702(b), 702(d)(1), 703(c), 704(a), 706(a)(1)(C), 709(a)(6)) are each amended by striking “505” each place it appears and inserting “505(a)”.

SEC. 6504. REPORTS.

(a) STATE REPORTS.—Subsection (a) of section 506 of the Social Security Act (42 U.S.C. 706) is amended—

(1) in paragraph (1)—

(A) by inserting after the first sentence the following: “Each such report shall be prepared by, or in consultation with, the State maternal and child health agency.”,

(B) by striking “be in such form and contain such information” and inserting “be in such standardized form and contain such information (including information described in paragraph (2))” and

(C) by striking “and of the progress made toward achieving the purposes of this title, and (C)” and inserting “, (C) to describe the extent to which the State has met the goals and objectives it set forth under section 505(a)(2)(B)(i) and the national health objectives referred to in section 501(a), and (D)”;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph:

“(2) Each annual report under paragraph (1) shall include the following information:

“(A)(i) the number of individuals served by the State under this title (by class of individuals).

“(ii) The proportion of each class of such individuals which has health coverage.

“(iii) The types (as defined by the Secretary) of services provided under this title to individuals within each such class.

“(iv) The amounts spent under this title on each type of services, by class of individuals served.

“(B) Information on the status of maternal and child health in the State, including—

“(i) information (by county and by racial and ethnic group) on—

“(I) the rate of infant mortality, and

“(II) the rate of low-birth-weight births;

“(ii) information (on a Statewide basis) on—

“(I) the rate of maternal mortality,

“(II) the rate of neonatal death,

“(III) the rate of perinatal death,

“(IV) the number of children with chronic illness and the type of illness,

“(V) the proportion of infants born with fetal alcohol syndrome,

“(VI) the proportion of infants born with drug dependency,

“(VII) the proportion of women who deliver who do not receive prenatal care during the first trimester of pregnancy and

“(VIII) the proportion of children, who at their second birthday, have been vaccinated against each of

measles, mumps, rubella, polio, diphtheria, tetanus, pertussis, Hib meningitis, and hepatitis B; and

“(iii) information on such other indicators of maternal, infant, and child health care status as the Secretary may specify.

“(C) Information (by racial and ethnic group) on—

“(i) the number of deliveries in the State in the year, and

“(ii) the number of such deliveries to pregnant women who were provided prenatal, delivery, or postpartum care under this title or were entitled to benefits with respect to such deliveries under the State plan under title XIX in the year.

“(D) Information (by racial and ethnic group) on—

“(i) the number of infants under one year of age who were in the State in the year, and

“(ii) the number of such infants who were provided services under this title or were entitled to benefits under the State plan under title XIX at any time during the year.

“(E) Information on the number of—

“(i) obstetricians,

“(ii) family practitioners,

“(iii) certified family nurse practitioners,

“(iv) certified nurse midwives,

“(v) pediatricians, and

“(vi) certified pediatric nurse practitioners,

who were licensed in the State in the year.

For purposes of subparagraph (A), each of the following shall be considered to be a separate class of individuals: pregnant women, infants up to age one, children with special health care needs, other children under age 22, and other individuals.”.

(b) SECRETARIAL REPORT.—Paragraph (3) of subsection (a) of such section, as redesignated by subsection (a)(2) of this section, is amended to read as follows:

“(3) The Secretary shall annually transmit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Finance of the Senate a report that includes—

“(A) a description of each project receiving funding under paragraph (2) or (3) of section 502(a), including the amount of Federal funds provided, the number of individuals served or trained, as appropriate, under the project, and a summary of any formal evaluation conducted with respect to the project;

“(B) a summary of the information described in paragraph (2)(A) reported by States;

“(C) based on information described in paragraph (2)(B) supplied by the States under paragraph (1), a compilation of the following measures of maternal and child health in the United States and in each State:

“(i) Information on—

“(I) the rate of infant mortality, and

“(II) the rate of low-birth-weight births.

Information under this clause shall also be compiled by racial and ethnic group.

“(ii) Information on—

“(I) the rate of maternal mortality,

“(II) the rate of neonatal death,

“(III) the rate of perinatal death,

“(IV) the proportion of infants born with fetal alcohol syndrome,

“(V) the proportion of infants born with drug dependency,

“(VI) the proportion of women who deliver who do not receive prenatal care during the first trimester of pregnancy, and

“(VII) the proportion of children, who at their second birthday, have been vaccinated against each of measles, mumps, rubella, polio, diphtheria, tetanus, pertussis, Hib meningitis, and hepatitis B.

“(iii) Information on such other indicators of maternal, infant, and child health care status as the Secretary has specified under paragraph (2)(B)(iii).

“(iv) Information (by racial and ethnic group) on—

“(I) the number of deliveries in the State in the year, and

“(II) the number of such deliveries to pregnant women who were provided prenatal, delivery, or postpartum care under this title or were entitled to benefits with respect to such deliveries under the State plan under title XIX in the year;

“(D) based on information described in subparagraphs (C), (D), and (E) of paragraph (2) supplied by the States under paragraph (1), a compilation of the following information in the United States and in each State:

“(i) Information on—

“(I) the number of deliveries in the year, and

“(II) the number of such deliveries to pregnant women who were provided prenatal, delivery, or postpartum care under this title or were entitled to benefits with respect to such deliveries under a State plan under title XIX in the year.

Information under this clause shall also be compiled by racial and ethnic group.

“(ii) Information on—

“(I) the number of infants under one year of age in the year, and

“(II) the number of such infants who were provided services under this title or were entitled to benefits under a State plan under title XIX at any time during the year.

Information under this clause shall also be compiled by racial and ethnic group.

“(iii) Information on the number of—

“(I) obstetricians,

“(II) family practitioners,

“(III) certified family nurse practitioners,

“(IV) certified nurse midwives,

“(V) pediatricians, and

“(VI) certified pediatric nurse practitioners,

who were licensed in a State in the year; and

“(E) an assessment of the progress being made to meet the health status goals and national health objectives referred to in section 501(a).”.

SEC. 6505. FEDERAL ADMINISTRATION AND ASSISTANCE.

Section 509(a) of the Social Security Act (42 U.S.C. 709(a)) is amended—

(1) in paragraph (4) by inserting before the semicolon at the end the following: “and in developing consistent and accurate data collection mechanisms in order to report the information required under section 506(a)(2)”;

(2) in paragraph (5) by striking “and” at the end thereof;

(3) in paragraph (6) by striking the period and inserting “; and”;

(4) by adding at the end thereof the following new paragraphs:

“(7) assisting States in the development of care coordination services (as defined in section 501(b)(3)); and

“(8) developing and making available to the State agency (or agencies) administering the State’s program under this title a national directory listing by State the toll-free numbers described in section 505(a)(5)(E).”.

SEC. 6506. DEVELOPMENT OF MODEL APPLICATIONS.

(a) FOR MATERNAL AND CHILD ASSISTANCE PROGRAMS.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall develop, by not later than one year after the date of the enactment of this Act and in consultation with

(2) the Secretary of Agriculture, a model application form for use in applying, simultaneously, for

(3) assistance for a pregnant woman or a child less than 6 years of age under maternal and child assistance programs (as defined in paragraph (3)). In developing such form, the Secretary is not authorized to change any requirement with respect to eligibility under any maternal and child assistance program.

(2) DISSEMINATION OF MODEL FORM.—The Secretary shall provide for publication in the Federal Register of the model application form developed under paragraph (1) and shall send a copy of such form to each State agency responsible for administering a maternal and child assistance program.

(3) MATERNAL AND CHILD ASSISTANCE PROGRAM DEFINED.—In this subsection, the term “maternal and child assistance program” means any of the following programs:

(A) The maternal and child health services block grant program under title V of the Social Security Act.

(B) The medicaid program under title XIX of the Social Security Act.

(C) The migrant and community health centers programs under sections 329 and 330 of the Public Health Service Act.

(D) The grant program for the homeless under section 340 of the Public Health Service Act.

(E) The “WIC” program under section 17 of the Child Nutrition Act of 1966.

(F) The head start program under the Head Start Act.

(b) FOR MEDICAID PROGRAM.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall, by not later than 1 year after the date of the enactment of this Act, develop a model application form for use in applying for benefits under title XIX of the Social Security Act for individuals who are not receiving cash assistance under part A of title IV of the Social Security Act, and who are not institutionalized. In developing such model application form, the Secretary is not authorized to require that such form be adopted by States as part of their State medicaid plan.

(2) DISSEMINATION OF MODEL FORM.—The Secretary shall provide for publication in the Federal Register of the model application form developed under paragraph (1), and shall send a copy of such form to each State agency responsible for administering a State medicaid plan.

SEC. 6507. RESEARCH ON INFANT MORTALITY AND MEDICAID SERVICES.

The Secretary of Health and Human Services shall develop a national data system for linking, for any infant up to age one—

(1) the infant’s birth record,

(2) any death record for the infant, and

(3) information on any claims submitted under title XIX of the Social Security Act for health care furnished to the infant or with respect to the birth of the infant.

SEC. 6508. DEMONSTRATION PROJECT ON HEALTH INSURANCE FOR MEDICALLY UNINSURABLE CHILDREN.

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the “Secretary”) may conduct not more than 4 demonstration projects to provide health insurance coverage (as defined by the Secretary) through an eligible plan (as defined in subsection (b)) to medically uninsurable children (as defined by the Secretary) under 19 years of age.

(b) ELIGIBILITY.—In this section, the term “eligible plan” means—

(1) a school-based plan;

(2) a plan operated under the direction of a not-for-profit entity offering health insurance; and

(3) a plan operated by a not-for-profit hospital.

(c) REQUIREMENTS.—A demonstration project conducted under subsection (a) may only be conducted under an agreement between the Secretary and an eligible plan which provides that—

(1) health insurance coverage will be made available under the project for at least 2 years and, if the eligible plan fails to provide such coverage during such period, the Secretary will guarantee the provision of such coverage;

(2) non-Federal funds will be made available to fund the project at a level not less than—

(A) 50 percent in the first year of such agreement,

(B) 65 percent in the second year of such agreement, and

(C) 80 percent in the third or subsequent year of such agreement;

(3) the plan may not—

(A) restrict health insurance coverage on the basis of a child's medical condition, or

(B) impose waiting periods or exclusions for preexisting conditions;

(4) any premium imposed under the project shall be disclosed in advance of enrollment and shall be varied by the income of individuals; and

(5) with respect to a plan which at the time of entering into such agreement is conducting a project similar to the one described in this subsection such plan must maintain its current level of non-Federal funding at its current level unless such level is less than the applicable level described in paragraph (2).

(d) APPLICATION.—No funds may be made available by the Secretary under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain and be accompanied by such information, as the Secretary may specify. No such application may be approved unless it contains assurances that the applicant will use the funds provided only for the purposes specified in the approved application and will establish such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement and accounting of Federal funds paid to the applicant under this section.

(e) EVALUATION AND REPORT.—

(1) EVALUATION.—The Secretary shall provide for an evaluation of the effects of the demonstration projects conducted under subsection (a) on—

(A) access to health services by previously medically uninsurable children,

(B) the availability of insurance coverage to participating medically uninsurable children,

(C) the demographic characteristics and health status of participating medically uninsurable children and their families, and

(D) out-of-pocket health care costs for such families.

(2) REPORT.—The Secretary shall submit a report on the demonstration projects conducted under subsection (a) to the Committee on Energy and Commerce of the House of Representatives

and the Committee on Finance of the Senate, and shall include in such report a summary of the evaluation described in paragraph (1).

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$5,000,000, for each of fiscal years 1991, 1992, and 1993.

SEC. 6509. MATERNAL AND CHILD HEALTH HANDBOOK.

(a) IN GENERAL.—

(1) DEVELOPMENT.—The Secretary of Health and Human Services shall develop a maternal and child health handbook in consultation with the National Commission to Prevent Infant Mortality and public and private organizations interested in the health and welfare of mothers and children.

(2) FIELD TESTING AND EVALUATION.—The secretary shall complete publication of the handbook for field testing by July 1, 1990, and shall complete field testing and evaluation by June 1,

(3) AVAILABILITY AND DISTRIBUTION.—The Secretary shall make the handbook available to pregnant women and families with young children, and shall provide copies of the handbook to maternal and child health programs (including maternal and child health clinics supported through either title V or title XIX of the Social Security Act, community and migrant health centers under sections 329 and 330 of the Public Health Service Act, the grant program for the homeless under section 340 of the Public Health Service Act, the “WIC” program under section 17 of the Child Nutrition Act of 1966, and the head start program under the Head Start Act) that serve high-risk women. The Secretary shall coordinate the distribution of the handbook with State maternal and child health departments, State and local public health clinics, private providers of obstetric and pediatric care, and community groups where applicable. The Secretary shall make efforts to involve private entities in the distribution of the handbook under this paragraph.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$1,000,000 for each of fiscal years 1991, 1992, and 1993, for carrying out the purposes of this section.

SEC. 6510. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this subtitle shall apply to appropriations for fiscal years beginning with fiscal year 1990.

(b) APPLICATION AND REPORT.—The amendments made—

(1) by subsections (b) and (c) of section 6503 shall apply to payments for allotments for fiscal years beginning with fiscal year 1991, and

(2) by section 6504 shall apply to annual reports for fiscal years beginning with fiscal year 1991.

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ACT OF 1996**

TITLE IX—MISCELLANEOUS

SEC. 912. ABSTINENCE EDUCATION.

Title V of the Social Security Act (42 U.S.C. 701 et seq.) is amended by adding at the end the following section:

“SEPARATE PROGRAM FOR ABSTINENCE EDUCATION

“SEC. 510. (a) For the purpose described in subsection (b), the Secretary shall, for fiscal year 1998 and each subsequent fiscal year, allot to each State which has transmitted an application for the fiscal year under section 505(a) an amount equal to the product of—

“(1) the amount appropriated in subsection (d) for the fiscal year;
and

“(2) the percentage determined for the State under section 502(c)(1)(B)(ii).

“(b)(1) The purpose of an allotment under subsection (a) to a State is to enable the State to provide abstinence education, and at the option of the State, where appropriate, mentoring, counseling, and adult supervision to promote abstinence from sexual activity, with a focus on those groups which are most likely to bear children out-of-wedlock.

“(2) For purposes of this section, the term “abstinence education” means an educational or motivational program which—

“(A) has as its exclusive purpose, teaching the social, psychological, and health gains to be realized by abstaining from sexual activity;

“(B) teaches abstinence from sexual activity outside marriage as the expected standard for all school age children;

“(C) teaches that abstinence from sexual activity is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other associated health problems;

“(D) teaches that a mutually faithful monogamous relationship in context of marriage is the expected standard of human sexual activity;

“(E) teaches that sexual activity outside of the context of marriage is likely to have harmful psychological and physical effects;

“(F) teaches that bearing children out-of-wedlock is likely to have harmful consequences for the child, the child’s parents, and society;

“(G) teaches young people how to reject sexual advances and how alcohol and drug use increases vulnerability to sexual advances; and

“(H) teaches the importance of attaining self-sufficiency before engaging in sexual activity.

“(c)(1) Sections 503, 507, and 508 apply to allotments under subsection (a) to the same extent and in the same manner as such sections apply to allotments under section 502(c).

“(2) Sections 505 and 506 apply to allotments under subsection (a) to the extent determined by the Secretary to be appropriate.

“(d) For the purpose of allotments under subsection (a), there is appropriated, out of any money in the Treasury not otherwise appropriated, an additional \$50,000,000 for

each of the fiscal years 1998 through 2002. The appropriation under the preceding sentence for a fiscal year is made on October 1 of the fiscal year.”.