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(Original Signature of Member)

114TH CONGRESS
2D SESSION

H. R. _____

To improve rural health services, including by requiring the Department of Health and Human Services to conduct an annual study on such services, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. HARDY introduced the following bill; which was referred to the Committee on _____

A BILL

To improve rural health services, including by requiring the Department of Health and Human Services to conduct an annual study on such services, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Hospital En-
5 hancement and Long Term Health Act of 2016”.

1 **SEC. 2. GREATER AVAILABILITY OF COMMUNITY FACILI-**
2 **TIES GRANTS FOR RURAL HOSPITALS.**

3 (a) IN GENERAL.—Section 306(a)(19) of the Consoli-
4 dated Farm and Rural Development Act (7 U.S.C.
5 1926(a)(19)) is amended by adding at the end the fol-
6 lowing:

7 “(C) SPECIAL RULES APPLICABLE TO
8 GRANTS FOR HOSPITALS.—In the case of a
9 grant under this paragraph for a hospital:

10 “(i) MAXIMUM GRANT.—The max-
11 imum amount of such a grant shall be
12 \$100,000.

13 “(ii) NO FINANCING REQUIREMENT.—
14 The Secretary may not condition the provi-
15 sion of such a grant on the inability of the
16 applicant to finance the proposed project,
17 in whole or in part, from the resources of
18 the applicant, through commercial credit at
19 reasonable rates and terms, or from any
20 other funding source.

21 “(iii) FEDERAL SHARE.—The amount
22 of such a grant shall not exceed 50 percent
23 of the cost of developing the hospital.”.

24 (b) EFFECTIVE DATE.—The amendment made by
25 subsection (a) shall take effect on the date that is 90 days
26 after the date of the enactment of this Act.

1 **SEC. 3. REAUTHORIZATION OF PROGRAM OF GRANTS TO**
2 **STATE OFFICES OF RURAL HEALTH.**

3 Section 338J of the Public Health Service Act (42
4 U.S.C. 254r) is amended to read as follows:

5 **“SEC. 338J. GRANTS TO STATE OFFICES OF RURAL HEALTH.**

6 “(a) IN GENERAL.—The Secretary, acting through
7 the Director of the Office of Rural Health Policy (estab-
8 lished in section 711 of the Social Security Act), shall
9 make grants to each State Office of Rural Health for the
10 purpose of improving health care in rural areas.

11 “(b) REQUIREMENT OF MATCHING FUNDS.—

12 “(1) IN GENERAL.—Subject to paragraph (2),
13 the Secretary may not make a grant under sub-
14 section (a) unless the State Office of Rural Health
15 involved agrees, with respect to the costs to be in-
16 curred in carrying out the purpose described in such
17 subsection, to provide non-Federal contributions to-
18 ward such costs in an amount equal to \$3 for each
19 \$1 of Federal funds provided in the grant.

20 “(2) WAIVER OR REDUCTION.—The Secretary
21 may waive or reduce the non-Federal contribution if
22 the State Office of Rural Health can demonstrate
23 that requiring matching funds would limit its ability
24 to carry out the purpose described in subsection (a).

25 “(3) DETERMINATION OF AMOUNT OF NON-
26 FEDERAL CONTRIBUTION.—Non-Federal contribu-

1 tions required in paragraph (1) may be in cash or
2 in kind, fairly evaluated, including plant, equipment,
3 or services. Amounts provided by the Federal Gov-
4 ernment, or services assisted or subsidized to any
5 significant extent by the Federal Government, may
6 not be included in determining the amount of such
7 non-Federal contributions.

8 “(c) CERTAIN REQUIRED ACTIVITIES.—Activities for
9 which grant dollars shall be awarded under subsection (a)
10 include—

11 “(1) maintaining within the State Office of
12 Rural Health a clearinghouse for collecting and dis-
13 seminating information on—

14 “(A) rural health care issues;

15 “(B) research findings relating to rural
16 health care; and

17 “(C) innovative approaches to the delivery
18 of health care in rural areas;

19 “(2) coordinating the activities carried out in
20 the State that relate to rural health care, including
21 providing coordination for the purpose of avoiding
22 redundancy in such activities; and

23 “(3) identifying Federal and State programs re-
24 garding rural health, and providing technical assist-

1 ance to public and nonprofit private entities regard-
2 ing participation in such programs.

3 “(d) REQUIREMENT REGARDING ANNUAL BUDGET
4 FOR OFFICE.—The Secretary may not make a grant
5 under subsection (a) unless the State Office of Rural
6 Health involved agrees that, for any fiscal year for which
7 the State Office of Rural Health receives such a grant,
8 the office operated pursuant to subsection (a) will be pro-
9 vided with an annual budget of not less than \$50,000.

10 “(e) CERTAIN USES OF FUNDS.—

11 “(1) RESTRICTIONS.—The Secretary may not
12 make a grant under subsection (a) unless the State
13 Office of Rural Health involved agrees that the
14 grant will not be expended—

15 “(A) to provide health care (including pro-
16 viding cash payments regarding such care);

17 “(B) to conduct activities for which Fed-
18 eral funds are expended—

19 “(i) within the State to provide tech-
20 nical and other nonfinancial assistance
21 under subsection (f) of section 330;

22 “(ii) under a memorandum of agree-
23 ment entered into with the State Office of
24 Rural Health under subsection (h) of such
25 section; or

1 “(iii) under a grant under section
2 338I;

3 “(C) to purchase medical equipment, to
4 purchase ambulances, aircraft, or other vehicles,
5 or to purchase major communications equip-
6 ment;

7 “(D) to purchase or improve real property;
8 or

9 “(E) to carry out any activity regarding a
10 certificate of need.

11 “(2) AUTHORITIES.—Activities for which a
12 State Office of Rural Health may expend a grant
13 under subsection (a) include—

14 “(A) paying the costs of maintaining such
15 Office for the purpose described in subsection
16 (a);

17 “(B) subject to paragraph (1)(B)(iii), pay-
18 ing the costs of any activity carried out with re-
19 spect to recruiting and retaining health profes-
20 sionals to serve in rural areas of the State; and

21 “(C) providing grants and contracts to
22 public and nonprofit private entities to carry
23 out activities authorized in this section.

1 “(f) REPORTS.—The Secretary may not make a
2 grant under subsection (a) unless the State Office of
3 Rural Health involved agrees—

4 “(1) to submit to the Secretary reports or per-
5 formance data containing such information as the
6 Secretary may require regarding activities carried
7 out under this section; and

8 “(2) to submit such a report or performance
9 data not later than the close of the fiscal year imme-
10 diately following any fiscal year for which the State
11 Office of Rural Health has received such a grant.

12 “(g) REQUIREMENT OF APPLICATION.—The Sec-
13 retary may not make a grant under subsection (a) unless
14 an application for the grant is submitted to the Secretary
15 and the application is in such form, is made in such man-
16 ner, and contains such agreements, assurances, and infor-
17 mation as the Secretary determines to be necessary to
18 carry out such subsection.

19 “(h) NONCOMPLIANCE.—The Secretary may not
20 make payments under subsection (a) to a State Office of
21 Rural Health for any fiscal year subsequent to the first
22 fiscal year of such payments unless the Secretary deter-
23 mines that, for the immediately preceding fiscal year, the
24 State Office of Rural Health has complied with each of

1 the agreements made by the State Office of Rural Health
2 under this section.

3 “(i) DEFINITIONS.—In this section:

4 “(1) The term ‘State’ means each of the several
5 States.

6 “(2) The term ‘State Office of Rural Health’
7 means, with respect to a State, the agency or office
8 that is primarily responsible for improving health
9 care in rural areas.

10 “(j) AUTHORIZATION OF APPROPRIATIONS.—

11 “(1) IN GENERAL.—For the purpose of making
12 grants under subsection (a), there are authorized to
13 be appropriated, \$15,000,000 for fiscal year 2017
14 and such sums as may be necessary for fiscal years
15 2018 through 2021.

16 “(2) AVAILABILITY.—Amounts appropriated
17 under paragraph (1) shall remain available until ex-
18 pended.”.

19 **SEC. 4. ANNUAL STUDY AND REPORT ON RURAL HOS-**
20 **PITALS.**

21 (a) STUDY.—The Secretary of Health and Human
22 Services shall, with respect to the first fiscal year begin-
23 ning after the date of the enactment of this Act and each
24 fiscal year thereafter, conduct an annual study on the fol-
25 lowing:

1 (1) The number of rural hospitals that closed in
2 such fiscal year.

3 (2) With respect to the rural hospitals that so
4 closed in such fiscal year, the reasons for such clo-
5 sures.

6 (3) With respect to each category of rural hos-
7 pitals described in subsection (b), the financial well-
8 being of the rural hospitals in such category during
9 such fiscal year.

10 (b) CATEGORIES DESCRIBED.—The categories of
11 rural hospitals described in this subsection are the fol-
12 lowing:

13 (1) Rural hospitals that are critical access hos-
14 pitals (as defined in section 1861(mm)(1) of the So-
15 cial Security Act (42 U.S.C. 1395x(mm)(1))).

16 (2) Rural hospitals that are sole community
17 hospitals (as defined in section 1886(d)(5)(D)(iii) of
18 such Act (42 U.S.C. 1395ww(d)(5)(D)(iii))).

19 (3) Rural hospitals that are medicare-depend-
20 ent, small rural hospital (as defined in section
21 1886(d)(5)(G) of such Act (42 U.S.C.
22 1395ww(d)(5)(G))).

23 (4) Any other such category of rural hospitals
24 that the Secretary of Health and Human Services
25 determines appropriate.

1 (c) DEFINITION OF RURAL HOSPITAL.—For pur-
2 poses of this section, the term “rural hospital” means a
3 hospital located in a rural area (as defined in section
4 1886(d)(2)(D) of the Social Security Act (42 U.S.C.
5 1395ww(d)(2)(D))).

6 (d) REPORT.—With respect to each study conducted
7 pursuant to subsection (a) with respect to a fiscal year,
8 the Secretary of Health and Human Services shall, not
9 later than December 31 of the following fiscal year, submit
10 to Congress and to each State office of rural health (as
11 described in section 338J(a) of the Public Health Service
12 Act (42 U.S.C. 254r(a))) a report on such study.