amended--

(A) in clause (i), by striking ``estimated number of living cases of acquired immune deficiency syndrome'' each place such term appears and inserting ``number of living cases of HIV/AIDS''; and

(B) in clause (ii), by amending such clause to read as follows:

``(ii) a number equal to the sum of--

``(I) the total number of living cases of HIV/AIDS that are within areas in such State that are eligible areas under subpart I of part A for the fiscal year involved, which individual number for an area is the number that applies under section 2601 for the area for such fiscal year; and

``(II) the total number of such cases that are within areas in such State that are transitional areas under section 2609 for such fiscal year, which individual number for an area is the number that applies under such section for the fiscal year.''.

(b) Formula Amendments Generally.--Section 2618(a)(2) of the Public Health Service Act (42 U.S.C. 300ff-28(a)(2)) is amended--

(1) in subparagraph (A)--

(A) by striking ``The amount referred to'' in the matter preceding clause (i) and all that follows through the end of clause (i) and inserting the following: ``For purposes of paragraph (1), the amount referred to in this paragraph for a State (including a territory) for a fiscal year is, subject to subparagraphs (E) and (F)--

``(i) an amount equal to the amount made available under section 2623 for the fiscal year involved for grants pursuant to paragraph (1), subject to subparagraph (G); and''; and

(B) in clause (ii)--

(i) in subclause (I)--

(I) by striking ``.80'' and inserting ``0.75''; and

(II) by striking ``and'' at the end;

(ii) in subclause (II)--

(I) by inserting ``non-EMA'' after ``respective''; and

(II) by striking the period and inserting ``; and''; and

(iii) by adding at the end the following:

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``(III) if the State does not for such fiscal year contain any area that is an eligible area under subpart I of part A or any area that is a transitional area under section 2609 (referred to in this subclause as a `no-EMA State'), the product of 0.05 and the ratio of the number of cases that applies for the State under subparagraph (D) to the sum of the respective numbers of cases that so apply for all no-EMA States.'';

(2) by striking subparagraphs (E) through (H);

(3) by inserting after subparagraph (D) the following subparagraphs:

``(E) Code-based states; limitation on increase in grant.--

``(i) In general.--

For <<NOTE: Applicability.>> each of the fiscal years 2007 through 2009, if code-based reporting (within the meaning of subparagraph (D)(vi)) applies in a State as of the beginning of the fiscal year involved, then notwithstanding any other provision of this paragraph, the amount of the grant pursuant to paragraph (1) for the State may not for the fiscal year involved exceed by more than 5 percent the amount of the grant pursuant to this paragraph for the State for the preceding fiscal year, except that the limitation under this clause may not result in a grant pursuant to paragraph (1) for a fiscal year that is less than the minimum amount that applies to the State under such paragraph for such fiscal year.

``(ii) Use of amounts involved.--For each of the fiscal years 2007 through 2009, amounts available as a result of the limitation under clause (i) shall be made available by the Secretary as additional amounts for grants pursuant to section 2620, subject to subparagraph (H).''; and

(4) by redesignating subparagraph (I) as subparagraph (F).

(c) Separate ADAP Grants.--Section 2618(a)(2)(G) of the Public Health Service Act (42 U.S.C. 300ff-28(a)(2)(G)), as redesignated by subsection (b)(4) of this section, is amended--

(1) in clause (i)--

(A) in the matter preceding subclause (I), by striking ``section 2677'' and inserting ``section 2623'';

(B) in subclause (II), by striking the period at the end and inserting a semicolon; and

(C) by adding after and below subclause (II) the following:

``which product shall then, as applicable, be increased under subparagraph (H).'';

(2) in clause (ii)--

(A) by striking subclauses (I) through (III) and inserting the following:

``(I) In general.--From amounts made available under subclause (V), the Secretary shall award supplemental grants to States described in subclause (II) to enable such States to purchase and distribute to eligible individuals under section 2616(b) pharmaceutical therapeutics described under subsections (c)(2) and (e) of such section.

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``(II) Eligible states.--For purposes of subclause (I), a State shall be an eligible State if the State did not have unobligated funds subject to reallocation under section 2618(d) in the previous fiscal year and, in accordance with criteria established by the Secretary, demonstrates a severe need for a grant under this clause. For purposes of determining severe need, the

Secretary shall consider eligibility standards, formulary composition, the number of eligible individuals to whom a State is unable to provide therapeutics described in section 2616(a), and an unanticipated increase of eligible individuals with HIV/AIDS.

``(III) State requirements.--The Secretary may not make a grant to a State under this clause unless the State agrees that the State will make available (directly or through donations of public or private entities) non-Federal contributions toward the activities to be carried out under the grant in an amount equal to $1 for each $4 of Federal funds provided in the grant, except that the Secretary may waive this subclause if the State has otherwise fully complied with section 2617(d) with respect to the grant year involved. The provisions of this subclause shall apply to States that are not required to comply with such section 2617(d).''.

(B) in subclause (IV), by moving the subclause two ems to the left;

(C) in subclause (V), by striking ``3 percent'' and inserting ``5 percent''; and

(D) by striking subclause (VI); and

(3) by adding at the end the following clause:

``(iii) Code-based states; <<NOTE: Applicability.>> limitation on increase in formula grant.--The limitation under subparagraph (E)(i) applies to grants pursuant to clause (i) of this subparagraph to the same extent and in the same manner as such limitation applies to grants pursuant to paragraph (1), except that the reference to minimum grants does not apply for purposes of this clause. Amounts available as a result of the limitation under the preceding sentence shall be made available by the Secretary as additional amounts for grants under clause (ii) of this subparagraph.''.

(d) Hold Harmless.--Section 2618(a)(2) of the Public Health Service Act (42 U.S.C. 300ff-28(a)(2)), as amended by subsection (b)(4) of this section, is amended by adding at the end the following subparagraph:

``(H) Increase in formula grants.--

``(i) Assurance of amount.--

``(I) General rule.--For fiscal year 2007, the Secretary shall ensure, subject to clauses (ii) through (iv), that the total for a State of the grant pursuant to paragraph (1) and the grant pursuant to subparagraph (G) is not less than 95 percent of such total for the State for fiscal year 2006.

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``(II) Rule of <<NOTE: Applicability.>> construction.--With respect to the application of subclause (I), the 95 percent requirement under such subclause shall

apply with respect to each grant awarded under paragraph (1) and with respect to each grant awarded under subparagraph (G).

``(ii) Fiscal year 2007.--For purposes of clause (i) as applied for fiscal year 2007, the references in such clause to subparagraph (G) are deemed to be references to subparagraph (I) as such subparagraph was in effect for fiscal year 2006.

``(iii) Fiscal years 2008 and 2009.--For each of the fiscal years 2008 and 2009, the Secretary shall ensure that the total for a State of the grant pursuant to paragraph (1) and the grant pursuant to subparagraph (G) is not less than 100 percent of such total for the State for fiscal year 2007.

``(iv) Source of funds for increase.--

``(I) In general.--From the amount reserved under section 2623(b)(2) for a fiscal year, and from amounts available for such section pursuant to subsection (d) of this section, the Secretary shall make available such amounts as may be necessary to comply with clause (i).

``(II) Pro rata reduction.--If the amounts referred to in subclause (I) for a fiscal year are insufficient to fully comply with clause (i) for the year, the Secretary, in order to provide the additional funds necessary for such compliance, shall reduce on a pro rata basis the amount of each grant pursuant to paragraph (1) for the fiscal year, other than grants for States for which increases under clause (i) apply and other than States described in paragraph (1)(A)(i)(I). A reduction under the preceding sentence may not be made in an amount that would result in the State involved becoming eligible for such an increase.

``(v) Applicability.--This paragraph may not be construed as having any applicability after fiscal year 2009.''.

(e) Administrative Expenses; Clinical Quality Management.--Section 2618(b) of the Public Health Service Act (42 U.S.C. 300ff-28(b)) is amended--

(1) by redesignating paragraphs (2) through (7) as paragraphs (1) through (6);

(2) in paragraph (2) (as so redesignated)--

(A) by striking ``paragraph (5)'' and inserting ``paragraph (4)''; and

(B) by striking ``paragraph (6)'' and inserting ``paragraph (5)'';

(3) in paragraph (3) (as so redesignated)--

(A) by amending subparagraph (A) to read as follows:

``(A) In general.--Subject to paragraph (4), and except as provided in paragraph (5), a State may not use more than 10 percent of amounts received under a grant awarded under section 2611 for administration.'';

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(B) by redesignating subparagraphs (B) and (C) as

subparagraphs (C) and (D), respectively;

(C) by inserting after subparagraph (A) the following:

``(B) Allocations.--In the case of entities and subcontractors to which a State allocates amounts received by the State under a grant under section 2611, the State shall ensure that, of the aggregate amount so allocated, the total of the expenditures by such entities for administrative expenses does not exceed 10 percent (without regard to whether particular entities expend more than 10 percent for such expenses).'';

(D) in subparagraph (C) (as so redesignated), by inserting before the period the following: ``, including a clinical quality management program under subparagraph (E)''; and

(E) by adding at the end the following:

``(E) Clinical quality management.--

``(i) Requirement.--Each State that receives a grant under section 2611 shall provide for the establishment of a clinical quality management program to assess the extent to which HIV health services provided to patients under the grant are consistent with the most recent Public Health Service guidelines for the treatment of HIV/AIDS and related opportunistic infection, and as applicable, to develop strategies for ensuring that such services are consistent with the guidelines for improvement in the access to and quality of HIV health services.

``(ii) Use of funds.--

``(I) In general.--From amounts received under a grant awarded under section 2611 for a fiscal year, a State may use for activities associated with the clinical quality management program required in clause (i) not to exceed the lesser of--

``(aa) 5 percent of amounts received under the grant; or

``(bb) $3,000,000.

``(II) Relation to limitation on administrative expenses.--The costs of a clinical quality management program under clause (i) may not be considered administrative expenses for purposes of the limitation established in subparagraph (A).'';

(4) in paragraph (4) (as so redesignated)--

(A) by striking ``paragraph (6)'' and inserting ``paragraph (5)''; and

(B) by striking ``paragraphs (3) and (4)'' and inserting ``paragraphs (2) and (3)''; and

(5) in paragraph (5) (as so redesignated), by striking ``paragraphs (3)'' and all that follows through ``(5),'' and inserting the following: ``paragraphs (2) and (3), may, notwithstanding paragraphs (2) through (4),''.

(f) Reallocation for Supplemental Grants.--Section 2618(d) of the Public Health Service Act (42 U.S.C. 300ff-28(d)) is amended to read as follows:

``(d) Reallocation.--Any portion of a grant made to a State under section 2611 for a fiscal year that has not been obligated

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as described in subsection (c) ceases to be available to the State and

shall be made available by the Secretary for grants under section 2620, in addition to amounts made available for such grants under section 2623(b)(2).''.

(g) Definitions; Other Technical Amendments.--Section 2618(a) of the Public Health Service Act (42 U.S.C. 300ff-28(a)) is amended--

(1) in paragraph (1), in the matter preceding subparagraph (A), by striking ``section 2677'' and inserting ``section 2623'';

(2) in paragraph (1)(A)--

(A) in the matter preceding clause (i), by striking ``each of the several States and the District of Columbia'' and inserting ``each of the 50 States, the District of Columbia, Guam, and the Virgin Islands (referred to in this paragraph as a `covered State')''; and

(B) in clause (i)--

(i) in subclause (I), by striking ``State or District'' and inserting ``covered State''; and

(ii) in subclause (II)--

(I) by striking ``State or District'' and inserting ``covered State''; and

(II) by inserting ``and'' after the semicolon; and

(3) in paragraph (1)(B), by striking ``each territory of the United States, as defined in paragraph (3),'' and inserting ``each territory other than Guam and the Virgin Islands'';

(4) in paragraph (2)(C)(i), by striking ``or territory''; and

(5) by striking paragraph (3).

SEC. 204. ADDITIONAL AMENDMENTS TO SUBPART I OF PART B.

(a) References to Part B.--Subpart I of part B of title XXVI of the Public Health Service Act (42 U.S.C. 300ff-21 et seq.) is amended by striking ``this part'' each place such term appears and inserting ``section 2611''.

(b) Hepatitis.--Section 2614(a)(3) of the Public Health Service Act (42 U.S.C. 300ff-24(a)(3)) is amended by inserting ``, including specialty care and vaccinations for hepatitis co-infection,'' after ``health services''.

(c) Application for Grant.--

(1) Coordination.--Section 2617(b) of the Public Health Service Act (42 U.S.C. 300ff-27(b)) is amended--

(A) by redesignating paragraphs (4) through (6) as paragraphs (5) through (7), respectively;

(B) by inserting after paragraph (3), the following:

``(4) the designation of a lead State agency that shall--

``(A) administer all assistance received under this part;

``(B) conduct the needs assessment and prepare the State plan under paragraph (3);

``(C) prepare all applications for assistance under this part;

``(D) receive notices with respect to programs under this title;

``(E) <<NOTE: Deadline. Audits.>> every 2 years, collect and submit to the Secretary all audits, consistent with Office of Management and Budget circular A133, from grantees within the State, including audits regarding funds expended in accordance with this part; and

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``(F) carry out any other duties determined

appropriate by the Secretary to facilitate the coordination of programs under this title.'';

(C) in paragraph (5) (as so redesignated)--

(i) in subparagraph (E), by striking ``and'' at the end; and

(ii) by inserting after subparagraph (F) the following:

``(G) includes key outcomes to be measured by all entities in the State receiving assistance under this title; and''; and

(D) in paragraph (7) (as so redesignated), in subparagraph (A)--

(i) by striking ``paragraph (5)'' and inserting ``paragraph (6)''; and

(ii) by striking ``paragraph (4)'' and inserting ``paragraph (5)''.

(2) Native american representation.--Section 2617(b)(6) of the Public Health Service Act, as redesignated by paragraph (1)(A) of this subsection, is amended by inserting before ``representatives of grantees'' the following: ``members of a Federally recognized Indian tribe as represented in the State,''.

(3) Payer of last resort.--Section 2617(b)(7)(F)(ii) of the Public Health Service Act, as redesignated by paragraph (1)(A) of this subsection, is amended by inserting before the semicolon the following: ``(except for a program administered by or providing the services of the Indian Health Service)''.

(d) Matching Funds; Applicability of Requirement.--Section 2617(d)(3) of the Public Health Service Act (42 U.S.C. 300ff-27(d)(3)) is amended--

(1) in subparagraph (A), by striking ``acquired immune deficiency syndrome'' and inserting ``HIV/AIDS''; and

(2) in subparagraph (C), by striking ``acquired immune deficiency syndrome'' and inserting ``HIV/AIDS''.

SEC. 205. SUPPLEMENTAL GRANTS ON BASIS OF DEMONSTRATED NEED.

Subpart I of part B of title XXVI of the Public Health Service Act (42 U.S.C. 300ff-21 et seq.) is amended--

(1) by redesignating section <<NOTE: 42 USC 300ff-30.>> 2620 as section 2621; and

(2) by inserting after section 2619 the following:

``SEC. 2620. SUPPLEMENTAL <<NOTE: 42 USC 300ff-29a.>> GRANTS.

``(a) In General.--For the purpose of providing services described in section 2612(a), the Secretary shall make grants to States--

``(1) whose applications under section 2617 have demonstrated the need in the State, on an objective and quantified basis, for supplemental financial assistance to provide such services; and

``(2) that did not, for the most recent grant year pursuant to section 2618(a)(1) or 2618(a)(2)(G)(i) for which data is available, have more than 2 percent of grant funds under such sections canceled or covered by any waivers under section 2622(c).

``(b) Demonstrated Need.--The factors considered by the Secretary in determining whether an eligible area has a demonstrated

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need for purposes of subsection (a)(1) may include any or all of the following:

``(1) The unmet need for such services, as determined under

section 2617(b).

``(2) An increasing need for HIV/AIDS-related services, including relative rates of increase in the number of cases of HIV/AIDS.

``(3) The relative rates of increase in the number of cases of HIV/AIDS within new or emerging subpopulations.

``(4) The current prevalence of HIV/AIDS.

``(5) Relevant factors related to the cost and complexity of delivering health care to individuals with HIV/AIDS in the eligible area.

``(6) The impact of co-morbid factors, including co-occurring conditions, determined relevant by the Secretary.

``(7) The prevalence of homelessness.

``(8) The prevalence of individuals described under section 2602(b)(2)(M).

``(9) The relevant factors that limit access to health care, including geographic variation, adequacy of health insurance coverage, and language barriers.

``(10) The impact of a decline in the amount received pursuant to section 2618 on services available to all individuals with HIV/AIDS identified and eligible under this title.

``(c) Priority in Making Grants.--The Secretary shall provide funds under this section to a State to address the decline in services related to the decline in the amounts received pursuant to section 2618 consistent with the grant award to the State for fiscal year 2006, to the extent that the factor under subsection (b)(10) (relating to a decline in funding) applies to the State.

``(d) Report on the Awarding of Supplemental Funds.--Not later than 45 days after the awarding of supplemental funds under this section, the Secretary shall submit to Congress a report concerning such funds. Such report shall include information detailing--

``(1) the total amount of supplemental funds available under this section for the year involved;

``(2) the amount of supplemental funds used in accordance with the hold harmless provisions of section 2618(a)(2);

``(3) the amount of supplemental funds disbursed pursuant to subsection (c);

``(4) the disbursement of the remainder of the supplemental funds after taking into account the uses described in paragraphs (2) and (3); and

``(5) the rationale used for the amount of funds disbursed as described under paragraphs (2), (3), and (4).

``(e) Core Medical Services.--The provisions of section 2612(b) apply with respect to a grant under this section to the same extent and in the same manner as such provisions apply with respect to a grant made pursuant to section 2618(a)(1).

``(f) Applicability of Grant Authority.--The authority to make grants under this section applies beginning with the first fiscal year for which amounts are made available for such grants under section 2623(b)(1).''.

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SEC. 206. EMERGING COMMUNITIES.

Section 2621 of the Public Health Service Act, as redesignated by section 205(1) of this Act, is amended--

(1) in the heading for the section, by striking ``supplemental grants'' and inserting ``emerging communities'';

(2) in subsection (b)--

(A) in paragraph (2), by striking ``and'' at the end;

(B) by redesignating paragraph (3) as paragraph (4);

and

(C) by inserting after paragraph (2) the following:

``(3) agree that the grant will be used to provide funds directly to emerging communities in the State, separately from other funds under this title that are provided by the State to such communities; and''.

(3) by striking subsections (d) and (e) and inserting the following:

``(d) Definitions of Emerging Community.--For purposes of this section, the term `emerging community' means a metropolitan area (as defined in section 2607) for which there has been reported to and confirmed by the Director of the Centers for Disease Control and Prevention a cumulative total of at least 500, but fewer than 1,000, cases of AIDS during the most recent period of 5 calendar years for which such data are available.

``(e) Continued Status as Emerging Community.--Notwithstanding any other provision of this section, a metropolitan area that is an emerging community for a fiscal year continues to be an emerging community until the metropolitan area fails, for three consecutive fiscal years--

``(1) to meet the requirements of subsection (d); and

``(2) to have a cumulative total of 750 or more living cases of AIDS (reported to and confirmed by the Director of the Centers for Disease Control and Prevention) as of December 31 of the most recent calendar year for which such data is available.

``(f) Distribution.--The amount of a grant under subsection (a) for a State for a fiscal year shall be an amount equal to the product of--

``(1) the amount available under section 2623(b)(1) for the fiscal year; and

``(2) a percentage equal to the ratio constituted by the number of living cases of HIV/AIDS in emerging communities in the State to the sum of the respective numbers of such cases in such communities for all States.''.

SEC. 207. TIMEFRAME FOR OBLIGATION AND EXPENDITURE OF GRANT FUNDS.

Subpart I of part B of title XXVI of the Public Health Service Act (42 U.S.C. 300ff-21 et seq.), as amended by section 205, is further amended by adding at the end the following:

``SEC. 2622. <<NOTE: Effective date. 42 USC 300ff-31a.>> TIMEFRAME FOR OBLIGATION AND EXPENDITURE OF GRANT FUNDS.

``(a) Obligation by end of Grant Year.--Effective for fiscal year 2007 and subsequent fiscal years, funds from a grant award made to a State for a fiscal year pursuant to section 2618(a)(1) or 2618(a)(2)(G), or under section 2620 or 2621, are available for obligation by the State through the end of the one-year period

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beginning on the date in such fiscal year on which funds from the award first become available to the State (referred to in this section as the `grant year for the award'), except as provided in subsection (c)(1).

``(b) Supplemental Grants; Cancellation of Unobligated Balance of Grant Award.--Effective for fiscal year 2007 and subsequent fiscal years, if a grant award made to a State for a fiscal year pursuant to section 2618(a)(2)(G)(ii), or under section 2620 or 2621, has an unobligated balance as of the end of the grant year for the award--

``(1) the Secretary shall cancel that unobligated balance of the award, and shall require the State to return any amounts from such balance that have been disbursed to the State; and

``(2) the funds involved shall be made available by the Secretary as additional amounts for grants pursuant to section 2620 for the first fiscal year beginning after the fiscal year

in which the Secretary obtains the information necessary for determining that the balance is required under paragraph (1) to be canceled, except that the availability of the funds for such grants is subject to section 2618(a)(2)(H) as applied for such year.

``(c) Formula Grants; Cancellation of Unobligated Balance of Grant Award; Waiver Permitting Carryover.--

``(1) In general.--Effective for fiscal year 2007 and subsequent fiscal years, if a grant award made to a State for a fiscal year pursuant to section 2618(a)(1) or 2618(a)(2)(G)(i) has an unobligated balance as of the end of the grant year for the award, the Secretary shall cancel that unobligated balance of the award, and shall require the State to return any amounts from such balance that have been disbursed to the State, unless--

``(A) before the end of the grant year, the State submits to the Secretary a written application for a waiver of the cancellation, which application includes a description of the purposes for which the State intends to expend the funds involved; and

``(B) the Secretary approves the waiver.

``(2) Expenditure by end of carryover year.--With respect to a waiver under paragraph (1) that is approved for a balance that is unobligated as of the end of a grant year for an award:

``(A) The unobligated funds are available for expenditure by the State involved for the one-year period beginning upon the expiration of the grant year (referred to in this section as the `carryover year').

``(B) If the funds are not expended by the end of the carryover year, the Secretary shall cancel that unexpended balance of the award, and shall require the State to return any amounts from such balance that have been disbursed to the State.

``(3) Use of cancelled balances.--In the case of any balance of a grant award that is cancelled under paragraph (1) or (2)(B), the grant funds involved shall be made available by the Secretary as additional amounts for grants under section 2620 for the first fiscal year beginning after the fiscal year in which the Secretary obtains the information necessary for determining that the balance is required under such paragraph

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to be canceled, except that the availability of the funds for such grants is subject to section 2618(a)(2)(H) as applied for such year.

``(4) Corresponding reduction in future grant.--

``(A) In general.--In the case of a State for which a balance from a grant award made pursuant to section 2618(a)(1) or 2618(a)(2)(G)(i) is unobligated as of the end of the grant year for the award--

``(i) the Secretary shall reduce, by the same amount as such unobligated balance, the amount of the grant under such section for the first fiscal year beginning after the fiscal year in which the Secretary obtains the information necessary for determining that such balance was unobligated as of the end of the grant year (which requirement for a reduction applies without regard to whether a waiver under paragraph (1) has been approved with respect to such balance); and

``(ii) the grant funds involved in such reduction shall be made available by the Secretary as additional funds for grants under section 2620 for such first fiscal year, subject to section

2618(a)(2)(H);
except that this subparagraph does not apply to the State if the amount of the unobligated balance was 2 percent or less.

``(B) Relation to increases in grant.--A reduction under subparagraph (A) for a State for a fiscal year may not be taken into account in applying section 2618(a)(2)(H) with respect to the State for the subsequent fiscal year.

``(d) Treatment of Drug Rebates.--For purposes of this section, funds that are drug rebates referred to in section 2616(g) may not be considered part of any grant award referred to in subsection (a).''.

SEC. 208. AUTHORIZATION OF APPROPRIATIONS FOR SUBPART I OF PART B.

Subpart I of part B of title XXVI of the Public Health Service Act (42 U.S.C. 300ff-21 et seq.), as amended by section 207, is further amended by adding at the end the following:

``SEC. 2623. <<NOTE: 42 USC 300ff-31b.>> AUTHORIZATION OF APPROPRIATIONS.

``(a) In General.--For the purpose of carrying out this subpart, there are authorized to be appropriated $1,195,500,000 for fiscal year 2007, $1,239,500,000 for fiscal year 2008, and $1,285,200,000 for fiscal year 2009. Amounts appropriated under the preceding sentence for a fiscal year are available for obligation by the Secretary until the end of the second succeeding fiscal year.

``(b) Reservation of Amounts.--

``(1) Emerging communities.--Of the amount appropriated under subsection (a) for a fiscal year, the Secretary shall reserve $5,000,000 for grants under section 2621.

``(2) Supplemental grants.--

``(A) In general.--Of the amount appropriated under subsection (a) for a fiscal year in excess of the 2006 adjusted amount, the Secretary shall reserve \1/3\ for grants under section 2620, except that the availability of the reserved funds for such grants is subject to section 2618(a)(2)(H) as applied for such year, and except that any amount appropriated exclusively for carrying out section 2616 (and,

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accordingly, distributed under section 2618(a)(2)(G)) is not subject to this subparagraph.

``(B) 2006 adjusted amount.--For purposes of subparagraph (A), the term `2006 adjusted amount' means the amount appropriated for fiscal year 2006 under section 2677(b) (as such section was in effect for such fiscal year), excluding any amount appropriated for such year exclusively for carrying out section 2616 (and, accordingly, distributed under section 2618(a)(2)(I), as so in effect).''.

SEC. 209. EARLY DIAGNOSIS GRANT PROGRAM.

Section 2625 of the Public Health Service Act (42 U.S.C. 300ff-33) is amended to read as follows:

``SEC. 2625. EARLY DIAGNOSIS GRANT PROGRAM.

``(a) In General.--In the case of States whose laws or regulations are in accordance with subsection (b), the Secretary, acting through the Centers for Disease Control and Prevention, shall make grants to such

States for the purposes described in subsection (c).

``(b) Description of Compliant States.--For purposes of subsection (a), the laws or regulations of a State are in accordance with this subsection if, under such laws or regulations (including programs carried out pursuant to the discretion of State officials), both of the policies described in paragraph (1) are in effect, or both of the policies described in paragraph (2) are in effect, as follows:

``(1)(A) Voluntary opt-out testing of pregnant women.

``(B) Universal testing of newborns.

``(2)(A) Voluntary opt-out testing of clients at sexually transmitted disease clinics.

``(B) Voluntary opt-out testing of clients at substance abuse treatment centers.

The Secretary shall periodically ensure that the applicable policies are being carried out and recertify compliance.

``(c) Use of Funds.--A State may use funds provided under subsection (a) for HIV/AIDS testing (including rapid testing), prevention counseling, treatment of newborns exposed to HIV/AIDS, treatment of mothers infected with HIV/AIDS, and costs associated with linking those diagnosed with HIV/AIDS to care and treatment for HIV/AIDS.

``(d) Application.--A State that is eligible for the grant under subsection (a) shall submit an application to the Secretary, in such form, in such manner, and containing such information as the Secretary may require.

``(e) Limitation on Amount of Grant.--A grant under subsection (a) to a State for a fiscal year may not be made in an amount exceeding $10,000,000.

``(f) Rule of Construction.--Nothing in this section shall be construed to pre-empt State laws regarding HIV/AIDS counseling and testing.

``(g) Definitions.--In this section:

``(1) The term `voluntary opt-out testing' means HIV/AIDS testing--

``(A) that is administered to an individual seeking other health care services; and

``(B) in which--

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``(i) pre-test counseling is not required but the individual is informed that the individual will receive an HIV/AIDS test and the individual may opt out of such testing; and

``(ii) for those individuals with a positive test result, post-test counseling (including referrals for care) is provided and confidentiality is protected.

``(2) The term `universal testing of newborns' means HIV/AIDS testing that is administered within 48 hours of delivery to--

``(A) all infants born in the State; or

``(B) all infants born in the State whose mother's HIV/AIDS status is unknown at the time of delivery.

``(h) Authorization of Appropriations.--Of the funds appropriated annually to the Centers for Disease Control and Prevention for HIV/AIDS prevention activities, $30,000,000 shall be made available for each of the fiscal years 2007 through 2009 for grants under subsection (a), of which $20,000,000 shall be made available for grants to States with the policies described in subsection (b)(1), and $10,000,000 shall be made available for grants to States with the policies described in subsection (b)(2). Funds provided under this section are available until expended.''.

SEC. 210. CERTAIN PARTNER NOTIFICATION PROGRAMS; AUTHORIZATION OF

APPROPRIATIONS.

Section 2631(d) of the Public Health Service Act (42 U.S.C. 300ff-38(d)) is amended by striking ``there are'' and all that follows and inserting the following: ``there is authorized to be appropriated $10,000,000 for each of the fiscal years 2007 through 2009.''.

TITLE III--EARLY INTERVENTION SERVICES

SEC. 301. ESTABLISHMENT OF PROGRAM; CORE MEDICAL SERVICES.

(a) In General.--Section 2651 of the Public Health Service Act (42 U.S.C. 300ff-51) is amended to read as follows:

``SEC. 2651. ESTABLISHMENT OF A PROGRAM.

``(a) In General.--For the purposes described in subsection (b), the Secretary, acting through the Administrator of the Health Resources and Services Administration, may make grants to public and nonprofit private entities specified in section 2652(a).

``(b) Requirements.--

``(1) In general.--The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees to expend the grant only for--

``(A) core medical services described in subsection (c);

``(B) support services described in subsection (d); and

``(C) administrative expenses as described in section 2664(g)(3).

``(2) Early intervention services.--An applicant for a grant under subsection (a) shall expend not less than 50 percent of the amount received under the grant for the services described in subparagraphs (B) through (E) of subsection (e)(1) for individuals with HIV/AIDS.

``(c) Required Funding for Core Medical Services.--

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``(1) In general.--With respect to a grant under subsection (a) to an applicant for a fiscal year, the applicant shall, of the portion of the grant remaining after reserving amounts for purposes of paragraphs (3) and (5) of section 2664(g), use not less than 75 percent to provide core medical services that are needed in the area involved for individuals with HIV/AIDS who are identified and eligible under this title (including services regarding the co-occurring conditions of the individuals).

``(2) Waiver.--

``(A) The Secretary shall waive the application of paragraph (1) with respect to an applicant for a grant if the Secretary determines that, within the service area of the applicant--

``(i) there are no waiting lists for AIDS Drug Assistance Program services under section 2616; and

``(ii) core medical services are available to all individuals with HIV/AIDS identified and eligible under this title.

``(B) Notification of waiver status.--When informing an applicant that a grant under subsection (a) is being made for a fiscal year, the Secretary shall inform the applicant whether a waiver under subparagraph (A) is in effect for the fiscal year.

``(3) Core medical services.--For purposes of this subsection, the term `core medical services', with respect to an

individual with HIV/AIDS (including the co-occurring conditions of the individual) means the following services:

``(A) Outpatient and ambulatory health services.

``(B) AIDS Drug Assistance Program treatments under section 2616.

``(C) AIDS pharmaceutical assistance.

``(D) Oral health care.

``(E) Early intervention services described in subsection (e).

``(F) Health insurance premium and cost sharing assistance for low-income individuals in accordance with section 2615.

``(G) Home health care.

``(H) Medical nutrition therapy.

``(I) Hospice services.

``(J) Home and community-based health services as defined under section 2614(c).

``(K) Mental health services.

``(L) Substance abuse outpatient care.

``(M) Medical case management, including treatment adherence services.

``(d) Support Services.--

``(1) In general.--For purposes of this section, the term `support services' means services, subject to the approval of the Secretary, that are needed for individuals with HIV/AIDS to achieve their medical outcomes (such as respite care for persons caring for individuals with HIV/AIDS, outreach services, medical transportation, linguistic services, and referrals for health care and support services).

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``(2) Definition of medical outcomes.--In this section, the term `medical outcomes' means those outcomes affecting the HIV-related clinical status of an individual with HIV/AIDS.

``(e) Specification of Early Intervention Services.--

``(1) In general.--The early intervention services referred to in this section are--

``(A) counseling individuals with respect to HIV/AIDS in accordance with section 2662;

``(B) testing individuals with respect to HIV/AIDS, including tests to confirm the presence of the disease, tests to diagnose the extent of the deficiency in the immune system, and tests to provide information on appropriate therapeutic measures for preventing and treating the deterioration of the immune system and for preventing and treating conditions arising from HIV/AIDS;

``(C) referrals described in paragraph (2);

``(D) other clinical and diagnostic services regarding HIV/AIDS, and periodic medical evaluations of individuals with HIV/AIDS; and

``(E) providing the therapeutic measures described in subparagraph (B).

``(2) Referrals.--The services referred to in paragraph (1)(C) are referrals of individuals with HIV/AIDS to appropriate providers of health and support services, including, as appropriate--

``(A) to entities receiving amounts under part A or B for the provision of such services;

``(B) to biomedical research facilities of institutions of higher education that offer experimental treatment for such disease, or to community-based organizations or other entities that provide such

treatment; or

``(C) to grantees under section 2671, in the case of a pregnant woman.

``(3) Requirement of availability of all early intervention services through each grantee.--

``(A) In general.--The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees that each of the early intervention services specified in paragraph (2) will be available through the grantee. With respect to compliance with such agreement, such a grantee may expend the grant to provide the early intervention services directly, and may expend the grant to enter into agreements with public or nonprofit private entities, or private for-profit entities if such entities are the only available provider of quality HIV care in the area, under which the entities provide the services.

``(B) Other requirements.--Grantees described in--

``(i) subparagraphs (A), (D), (E), and (F) of section 2652(a)(1) shall use not less than 50 percent of the amount of such a grant to provide the services described in subparagraphs (A), (B), (D), and (E) of paragraph (1) directly and on-site or at sites where other primary care services are rendered; and

``(ii) subparagraphs (B) and (C) of section 2652(a)(1) shall ensure the availability of early intervention services through a system of linkages to

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community-based primary care providers, and to establish mechanisms for the referrals described in paragraph (1)(C), and for follow-up concerning such referrals.''.

(b) Administrative Expenses; Clinical Quality Management Program.--Section 2664(g) of the Public Health Service Act (42 U.S.C. 300ff-64(g)) is amended--

(1) in paragraph (3), by amending the paragraph to read as follows:

``(3) the applicant will not expend more than 10 percent of the grant for administrative expenses with respect to the grant, including planning and evaluation, except that the costs of a clinical quality management program under paragraph (5) may not be considered administrative expenses for purposes of such limitation;''; and

(2) in paragraph (5), by inserting ``clinical'' before ``quality management''.

SEC. 302. ELIGIBLE ENTITIES; PREFERENCES; PLANNING AND DEVELOPMENT GRANTS.

(a) Minimum Qualification of Grantees.--Section 2652(a) of the Public Health Service Act (42 U.S.C. 300ff-52(a)) is amended to read as follows:

``(a) Eligible Entities.--

``(1) In general.--The entities referred to in section 2651(a) are public entities and nonprofit private entities that are--

``(A) federally-qualified health centers under section 1905(l)(2)(B) of the Social Security Act;

``(B) grantees under section 1001 (regarding family planning) other than States;

``(C) comprehensive hemophilia diagnostic and

treatment centers;

``(D) rural health clinics;

``(E) health facilities operated by or pursuant to a contract with the Indian Health Service;

``(F) community-based organizations, clinics, hospitals and other health facilities that provide early intervention services to those persons infected with HIV/AIDS through intravenous drug use; or

``(G) nonprofit private entities that provide comprehensive primary care services to populations at risk of HIV/AIDS, including faith-based and community-based organizations.

``(2) Underserved populations.--Entities described in paragraph (1) shall serve underserved populations which may include minority populations and Native American populations, ex-offenders, individuals with comorbidities including hepatitis B or C, mental illness, or substance abuse, low-income populations, inner city populations, and rural populations.''.

(b) Preferences in Making Grants.--Section 2653 of the Public Health Service Act (42 U.S.C. 300ff-53) is amended--

(1) in subsection (b)(1)--

(A) in subparagraph (A), by striking ``acquired immune deficiency syndrome'' and inserting ``HIV/AIDS''; and

(B) in subparagraph (D), by inserting before the semicolon the following: ``and the number of cases of individuals co-infected with HIV/AIDS and hepatitis B or C''; and

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(2) in subsection (d)(2), by striking ``special consideration'' and inserting ``preference''.

(c) Planning and Development Grants.--Section 2654(c) of the Public Health Service Act (42 U.S.C. 300ff-54(c)) is amended--

(1) in paragraph (1)--

(A) in subparagraph (A), by striking ``HIV''; and

(B) in subparagraph (B), by striking ``HIV'' and inserting ``HIV/AIDS''; and

(2) in paragraph (3), by striking ``or underserved communities'' and inserting ``areas or to underserved populations''.

SEC. 303. AUTHORIZATION OF APPROPRIATIONS.

Section 2655 of the Public Health Service Act (42 U.S.C. 300ff-55) is amended by striking ``such sums'' and all that follows through ``2005'' and inserting ``, $218,600,000 for fiscal year 2007, $226,700,000 for fiscal year 2008, and $235,100,000 for fiscal year 2009''.

SEC. 304. CONFIDENTIALITY AND INFORMED CONSENT.

Section 2661 of the Public Health Service Act (42 U.S.C. 300ff-61) is amended to read as follows:

``SEC. 2661. CONFIDENTIALITY AND INFORMED CONSENT.

``(a) Confidentiality.--The Secretary may not make a grant under this part unless, in the case of any entity applying for a grant under section 2651, the entity agrees to ensure that information regarding the receipt of early intervention services pursuant to the grant is maintained confidentially in a manner not inconsistent with applicable law.

``(b) Informed Consent.--The Secretary may not make a grant under this part unless the applicant for the grant agrees that, in testing an individual for HIV/AIDS, the applicant will test an individual only after the individual confirms that the decision of the individual with respect to undergoing such testing is voluntarily made.''.

SEC. 305. PROVISION OF CERTAIN COUNSELING SERVICES.

Section 2662 of the Public Health Service Act (42 U.S.C. 300ff-62) is amended to read as follows:

``SEC. 2662. PROVISION OF CERTAIN COUNSELING SERVICES.

``(a) Counseling of Individuals With Negative Test Results.--The Secretary may not make a grant under this part unless the applicant for the grant agrees that, if the results of testing conducted for HIV/AIDS indicate that an individual does not have such condition, the applicant will provide the individual information, including--

``(1) measures for prevention of, exposure to, and transmission of HIV/AIDS, hepatitis B, hepatitis C, and other sexually transmitted diseases;

``(2) the accuracy and reliability of results of testing for HIV/AIDS, hepatitis B, and hepatitis C;

``(3) the significance of the results of such testing, including the potential for developing AIDS, hepatitis B, or hepatitis C;

``(4) the appropriateness of further counseling, testing, and education of the individual regarding HIV/AIDS and other sexually transmitted diseases;

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``(5) if diagnosed with chronic hepatitis B or hepatitis C co-infection, the potential of developing hepatitis-related liver disease and its impact on HIV/AIDS; and

``(6) information regarding the availability of hepatitis B vaccine and information about hepatitis treatments.

``(b) Counseling of Individuals With Positive Test Results.--The Secretary may not make a grant under this part unless the applicant for the grant agrees that, if the results of testing for HIV/AIDS indicate that the individual has such condition, the applicant will provide to the individual appropriate counseling regarding the condition, including--

``(1) information regarding--

``(A) measures for prevention of, exposure to, and transmission of HIV/AIDS, hepatitis B, and hepatitis C;

``(B) the accuracy and reliability of results of testing for HIV/AIDS, hepatitis B, and hepatitis C; and

``(C) the significance of the results of such testing, including the potential for developing AIDS, hepatitis B, or hepatitis C;

``(2) reviewing the appropriateness of further counseling, testing, and education of the individual regarding HIV/AIDS and other sexually transmitted diseases; and

``(3) providing counseling--

``(A) on the availability, through the applicant, of early intervention services;

``(B) on the availability in the geographic area of appropriate health care, mental health care, and social and support services, including providing referrals for such services, as appropriate;

``(C)(i) that explains the benefits of locating and counseling any individual by whom the infected individual may have been exposed to HIV/AIDS, hepatitis B, or hepatitis C and any individual whom the infected

individual may have exposed to HIV/AIDS, hepatitis B, or hepatitis C; and

``(ii) that emphasizes it is the duty of infected individuals to disclose their infected status to their sexual partners and their partners in the sharing of hypodermic needles; that provides advice to infected individuals on the manner in which such disclosures can be made; and that emphasizes that it is the continuing duty of the individuals to avoid any behaviors that will expose others to HIV/AIDS, hepatitis B, or hepatitis C; and

``(D) on the availability of the services of public health authorities with respect to locating and counseling any individual described in subparagraph (C);

``(4) if diagnosed with chronic hepatitis B or hepatitis C co-infection, the potential of developing hepatitis-related liver disease and its impact on HIV/AIDS; and

``(5) information regarding the availability of hepatitis B vaccine.

``(c) Additional Requirements Regarding Appropriate Counseling.--The Secretary may not make a grant under this part unless the applicant for the grant agrees that, in counseling individuals with respect to HIV/AIDS, the applicant will ensure that the counseling is provided under conditions appropriate to the needs of the individuals.

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``(d) Counseling of Emergency Response Employees.--The Secretary may not make a grant under this part to a State unless the State agrees that, in counseling individuals with respect to HIV/AIDS, the State will ensure that, in the case of emergency response employees, the counseling is provided to such employees under conditions appropriate to the needs of the employees regarding the counseling.

``(e) Rule of Construction Regarding Counseling Without Testing.--Agreements made pursuant to this section may not be construed to prohibit any grantee under this part from expending the grant for the purpose of providing counseling services described in this section to an individual who does not undergo testing for HIV/AIDS as a result of the grantee or the individual determining that such testing of the individual is not appropriate.''.

SEC. 306. GENERAL PROVISIONS.

(a) Applicability of Certain Requirements.--Section 2663 of the Public Health Service Act (42 U.S.C. 300ff-63) is amended by striking ``will, without'' and all that follows through ``be carried'' and inserting ``with funds appropriated through this Act will be carried''.

(b) Additional Required Agreements.--Section 2664(a) of the Public Health Service Act (42 U.S.C. 300ff-64(a)) is amended--

(1) in paragraph (1)--

(A) in subparagraph (A), by striking ``and'' at the end;

(B) in subparagraph (B), by striking ``and'' at the end; and

(C) by adding at the end the following:

``(C) information regarding how the expected expenditures of the grant are related to the planning process for localities funded under part A (including the planning process described in section 2602) and for States funded under part B (including the planning process described in section 2617(b)); and

``(D) a specification of the expected expenditures and how those expenditures will improve overall client outcomes, as described in the State plan under section 2617(b);'';

(2) in paragraph (2), by striking the period and inserting a semicolon; and

(3) by adding at the end the following:

``(3) the applicant agrees to provide additional documentation to the Secretary regarding the process used to obtain community input into the design and implementation of activities related to such grant; and

``(4) the applicant agrees to submit, every 2 years, to the lead State agency under section 2617(b)(4) audits, consistent with Office of Management and Budget circular A133, regarding funds expended in accordance with this title and shall include necessary client level data to complete unmet need calculations and Statewide coordinated statements of need process.''.

(c) Payer of Last Resort.--Section 2664(f)(1)(A) of the Public Health Service Act (42 U.S.C. 300ff-64(f)(1)(A)) is amended by inserting ``(except for a program administered by or providing the services of the Indian Health Service)'' before the semicolon.

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TITLE IV--WOMEN, INFANTS, CHILDREN, AND YOUTH

SEC. 401. WOMEN, INFANTS, CHILDREN, AND YOUTH.

Part D of title XXVI of the Public Health Service Act (42 U.S.C. 300ff-71 et seq.) is amended to read as follows:

``PART D--WOMEN, INFANTS, CHILDREN, AND YOUTH

``SEC. 2671. <<NOTE: 42 USC 300ff-71.>> GRANTS FOR COORDINATED SERVICES AND ACCESS TO RESEARCH FOR WOMEN, INFANTS, CHILDREN, AND YOUTH.

``(a) In General.--The Secretary, acting through the Administrator of the Health Resources and Services Administration, shall award grants to public and nonprofit private entities (including a health facility operated by or pursuant to a contract with the Indian Health Service) for the purpose of providing family-centered care involving outpatient or ambulatory care (directly or through contracts) for women, infants, children, and youth with HIV/AIDS.

``(b) Additional Services for Patients and Families.--Funds provided under grants awarded under subsection (a) may be used for the following support services:

``(1) Family-centered care including case management.

``(2) Referrals for additional services including--

``(A) referrals for inpatient hospital services, treatment for substance abuse, and mental health services; and

``(B) referrals for other social and support services, as appropriate.

``(3) Additional services necessary to enable the patient and the family to participate in the program established by the applicant pursuant to such subsection including services designed to recruit and retain youth with HIV.

``(4) The provision of information and education on opportunities to participate in HIV/AIDS-related clinical research.

``(c) Coordination With Other Entities.--A grant awarded under subsection (a) may be made only if the applicant provides an agreement that includes the following:

``(1) The applicant will coordinate activities under the grant with other providers of health care services under this Act, and under title V of the Social Security Act, including programs promoting the reduction and elimination of risk of HIV/

AIDS for youth.

``(2) The applicant will participate in the statewide coordinated statement of need under part B (where it has been initiated by the public health agency responsible for administering grants under part B) and in revisions of such statement.

``(3) <<NOTE: Deadline. Audits.>> The applicant will every 2 years submit to the lead State agency under section 2617(b)(4) audits regarding funds expended in accordance with this title and shall include necessary client-level data to complete unmet need calculations and Statewide coordinated statements of need process.

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``(d) Administration; Application.--A grant may only be awarded to an entity under subsection (a) if an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section. Such application shall include the following:

``(1) Information regarding how the expected expenditures of the grant are related to the planning process for localities funded under part A (including the planning process outlined in section 2602) and for States funded under part B (including the planning process outlined in section 2617(b)).

``(2) A specification of the expected expenditures and how those expenditures will improve overall patient outcomes, as outlined as part of the State plan (under section 2617(b)) or through additional outcome measures.

``(e) Annual Review of Programs; Evaluations.--

``(1) Review regarding access to and participation in programs.--With <<NOTE: Deadline.>> respect to a grant under subsection (a) for an entity for a fiscal year, the Secretary shall, not later than 180 days after the end of the fiscal year, provide for the conduct and completion of a review of the operation during the year of the program carried out under such subsection by the entity. The purpose of such review shall be the development of recommendations, as appropriate, for improvements in the following:

``(A) Procedures used by the entity to allocate opportunities and services under subsection (a) among patients of the entity who are women, infants, children, or youth.

``(B) Other procedures or policies of the entity regarding the participation of such individuals in such program.

``(2) Evaluations.----The <<NOTE: Contracts.>> Secretary shall, directly or through contracts with public and private entities, provide for evaluations of programs carried out pursuant to subsection (a).

``(f) Administrative Expenses.--

``(1) Limitation.--A grantee may not use more than 10 percent of amounts received under a grant awarded under this section for administrative expenses.

``(2) Clinical quality management program.--A grantee under this section shall implement a clinical quality management program to assess the extent to which HIV health services provided to patients under the grant are consistent with the most recent Public Health Service guidelines for the treatment of HIV/AIDS and related opportunistic infection, and as applicable, to develop strategies for ensuring that such services are consistent with the guidelines for improvement in the access to and quality of HIV health services.

``(g) Training and Technical Assistance.--From the amounts appropriated under subsection (i) for a fiscal year, the Secretary may use not more than 5 percent to provide, directly or through contracts with public and private entities (which may include grantees under subsection (a)), training and technical assistance to assist applicants and grantees under subsection (a) in complying with the requirements of this section.

``(h) Definitions.--In this section:

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``(1) Administrative expenses.--The term `administrative expenses' means funds that are to be used by grantees for grant management and monitoring activities, including costs related to any staff or activity unrelated to services or indirect costs.

``(2) Indirect costs.--The term `indirect costs' means costs included in a Federally negotiated indirect rate.

``(3) Services.--The term `services' means--

``(A) services that are provided to clients to meet the goals and objectives of the program under this section, including the provision of professional, diagnostic, and therapeutic services by a primary care provider or a referral to and provision of specialty care; and

``(B) services that sustain program activity and contribute to or help improve services under subparagraph (A).

``(i) Authorization of Appropriations.--For the purpose of carrying out this section, there are authorized to be appropriated, $71,800,000 for each of the fiscal years 2007 through 2009.''.

SEC. 402. GAO REPORT.

Not later than 24 months after the date of enactment of this Act, the Comptroller General of the Government Accountability Office shall conduct an evaluation, and submit to Congress a report, concerning the funding provided for under part D of title XXVI of the Public Health Service Act to determine--

(1) how funds are used to provide the administrative expenses, indirect costs, and services, as defined in section 2671(h) of such title, for individuals with HIV/AIDS;

(2) how funds are used to provide the administrative expenses, indirect costs, and services, as defined in section 2671(h) of such title, to family members of women, infants, children, and youth infected with HIV/AIDS;

(3) how funds are used to provide family-centered care involving outpatient or ambulatory care authorized under section 2671(a) of such title;

(4) how funds are used to provide additional services authorized under section 2671(b) of such title; and

(5) how funds are used to help identify HIV-positive pregnant women and their children who are exposed to HIV and connect them with care that can improve their health and prevent perinatal transmission.

TITLE V--GENERAL PROVISIONS

SEC. 501. GENERAL PROVISIONS.

Part E of title XXVI of the Public Health Service Act (42 U.S.C. 300ff-80 et seq.) is amended to read as follows:

``PART E--GENERAL PROVISIONS

``SEC. 2681. <<NOTE: 42 USC 300ff-81.>> COORDINATION.

``(a) Requirement.--The Secretary shall ensure that the Health Resources and Services Administration, the Centers for Disease Control and Prevention, the Substance Abuse and Mental Health Services Administration, and the Centers for Medicare & Medicaid

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Services coordinate the planning, funding, and implementation of Federal HIV programs (including all minority AIDS initiatives of the Public Health Service, including under section 2693) to enhance the continuity of care and prevention services for individuals with HIV/AIDS or those at risk of such disease. The Secretary shall consult with other Federal agencies, including the Department of Veterans Affairs, as needed and utilize planning information submitted to such agencies by the States and entities eligible for assistance under this title.

``(b) Report.--The Secretary shall biennially prepare and submit to the appropriate committees of the Congress a report concerning the coordination efforts at the Federal, State, and local levels described in this section, including a description of Federal barriers to HIV program integration and a strategy for eliminating such barriers and enhancing the continuity of care and prevention services for individuals with HIV/AIDS or those at risk of such disease.

``(c) Integration by State.--As a condition of receipt of funds under this title, a State shall provide assurances to the Secretary that health support services funded under this title will be integrated with other such services, that programs will be coordinated with other available programs (including Medicaid), and that the continuity of care and prevention services of individuals with HIV/AIDS is enhanced.

``(d) Integration by Local or Private Entities.--As a condition of receipt of funds under this title, a local government or private nonprofit entity shall provide assurances to the Secretary that services funded under this title will be integrated with other such services, that programs will be coordinated with other available programs (including Medicaid), and that the continuity of care and prevention services of individuals with HIV is enhanced.

``SEC. 2682. <<NOTE: 42 USC 300ff-82.>> AUDITS.

``(a) In General.--For <<NOTE: Effective date.>> fiscal year 2009, and each subsequent fiscal year, the Secretary may reduce the amounts of grants under this title to a State or political subdivision of a State for a fiscal year if, with respect to such grants for the second preceding fiscal year, the State or subdivision fails to prepare audits in accordance with the procedures of section 7502 of title 31, United States Code. The Secretary shall annually select representative samples of such audits, prepare summaries of the selected audits, and submit the summaries to the Congress.

``(b) Posting on the Internet.--All audits that the Secretary receives from the State lead agency under section 2617(b)(4) shall be posted, in their entirety, on the Internet website of the Health Resources and Services Administration.

``SEC. 2683. PUBLIC <<NOTE: 42 USC 300ff-83.>> HEALTH EMERGENCY.

``(a) In General.--In an emergency area and during an emergency period, the Secretary shall have the authority to waive such requirements of this title to improve the health and safety of those receiving care under this title and the general public, except that the Secretary may not expend more than 5 percent of the funds allocated under this title for sections 2620 and section 2603(b).

``(b) Emergency Area and Emergency Period.--In this section:

``(1) Emergency area.--The term `emergency area' means a geographic area in which there exists--

``(A) an emergency or disaster declared by the President pursuant to the National Emergencies Act or the Robert T. Stafford Disaster Relief and Emergency Assistance Act; or

``(B) a public health emergency declared by the Secretary pursuant to section 319.

``(2) Emergency period.--The term `emergency period' means the period in which there exists--

``(A) an emergency or disaster declared by the President pursuant to the National Emergencies Act or the Robert T. Stafford Disaster Relief and Emergency Assistance Act; or

``(B) a public health emergency declared by the Secretary pursuant to section 319.

``(c) Unobligated Funds.--If funds under a grant under this section are not expended for an emergency in the fiscal year in which the emergency is declared, such funds shall be returned to the Secretary for reallocation under sections 2603(b) and 2620.

``SEC. 2684. <<NOTE: 42 USC 300ff-84.>> PROHIBITION ON PROMOTION OF CERTAIN ACTIVITIES.

``None of the funds appropriated under this title shall be used to fund AIDS programs, or to develop materials, designed to promote or encourage, directly, intravenous drug use or sexual activity, whether homosexual or heterosexual. Funds authorized under this title may be used to provide medical treatment and support services for individuals with HIV.

``SEC. 2685. <<NOTE: 42 USC 300ff-85.>> PRIVACY PROTECTIONS.

``(a) In General.--The Secretary shall ensure that any information submitted to, or collected by, the Secretary under this title excludes any personally identifiable information.

``(b) Definition.--In this section, the term `personally identifiable information' has the meaning given such term under the regulations promulgated under section 264(c) of the Health Insurance Portability and Accountability Act of 1996.

``SEC. 2686. <<NOTE: 42 USC 300ff-86.>> GAO REPORT.

``The Comptroller General of the Government Accountability Office shall biennially submit to the appropriate committees of Congress a report that includes a description of Federal, State, and local barriers to HIV program integration, particularly for racial and ethnic minorities, including activities carried out under subpart III of part F, and recommendations for enhancing the continuity of care and the provision of prevention services for individuals with HIV/AIDS or those at risk for such disease. Such report shall include a demonstration of the manner in which funds under this subpart are being expended and to what extent the services provided with such funds increase access to prevention and care services for individuals with HIV/AIDS and build stronger community linkages to address HIV prevention and care for racial and ethnic minority communities.

``SEC. 2687. <<NOTE: 42 USC 300ff-87.>> SEVERITY OF NEED INDEX.

``(a) Development <<NOTE: Deadline.>> of Index.--Not later than September 30, 2008, the Secretary shall develop and submit to the appropriate committees of Congress a severity of need index in accordance with subsection (c).

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``(b) Definition of Severity of Need Index.--In this section, the term `severity of need index' means the index of the relative needs of individuals within a State or area, as identified by a number of different factors, and is a factor or set of factors that is multiplied by the number of living HIV/AIDS cases in a State or area, providing different weights to those cases based on needs. Such factors or set of factors may be different for different components of the provisions under this title.

``(c) Requirements for Secretarial Submission.--When the Secretary submits to the appropriate committees of Congress the severity of need index under subsection (a), the Secretary shall provide the following:

``(1) Methodology for and rationale behind developing the severity of need index, including information related to the field testing of the severity of need index.

``(2) An independent contractor analysis of activities carried out under paragraph (1).

``(3) Information regarding the process by which the Secretary received community input regarding the application and development of the severity of need index.

``(d) Annual Reports.--If the Secretary fails to submit the severity of need index under subsection (a) in either of fiscal years 2007 or 2008, the Secretary shall prepare and submit to the appropriate committees of Congress a report for such fiscal year--

``(1) that updates progress toward having client level data;

``(2) that updates the progress toward having a severity of need index, including information related to the methodology and process for obtaining community input; and

``(3) that, as applicable, states whether the Secretary could develop a severity of need index before fiscal year 2009.

``SEC. 2688. <<NOTE: 42 USC 300ff-88.>> DEFINITIONS.

``For purposes of this title:

``(1) AIDS.--The term `AIDS' means acquired immune deficiency syndrome.

``(2) Co-occurring conditions.--The term `co-occurring conditions' means one or more adverse health conditions in an individual with HIV/AIDS, without regard to whether the individual has AIDS and without regard to whether the conditions arise from HIV.

``(3) Counseling.--The term `counseling' means such counseling provided by an individual trained to provide such counseling.

``(4) Family-centered care.--The term `family-centered care' means the system of services described in this title that is targeted specifically to the special needs of infants, children, women and families. Family-centered care shall be based on a partnership between parents, professionals, and the community designed to ensure an integrated, coordinated, culturally sensitive, and community-based continuum of care for children, women, and families with HIV/AIDS.

``(5) Families with hiv/aids.--The term `families with HIV/AIDS' means families in which one or more members have HIV/AIDS.

``(6) HIV.--The term `HIV' means infection with the human immunodeficiency virus.

``(7) HIV/AIDS.--

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``(A) In general.--The term `HIV/AIDS' means HIV, and includes AIDS and any condition arising from AIDS.

``(B) Counting of cases.--The term `living cases of HIV/AIDS', with respect to the counting of cases in a

geographic area during a period of time, means the sum of--

``(i) the number of living non-AIDS cases of HIV in the area; and

``(ii) the number of living cases of AIDS in the area.

``(C) Non-aids cases.--The term `non-AIDS', with respect to a case of HIV, means that the individual involved has HIV but does not have AIDS.

``(8) Human immunodeficiency virus.--The term `human immunodeficiency virus' means the etiologic agent for AIDS.

``(9) Official poverty line.--The term `official poverty line' means the poverty line established by the Director of the Office of Management and Budget and revised by the Secretary in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981.

``(10) Person.--The term `person' includes one or more individuals, governments (including the Federal Government and the governments of the States), governmental agencies, political subdivisions, labor unions, partnerships, associations, corporations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, receivers, trustees, and trustees in cases under title 11, United States Code.

``(11) State.--

``(A) In general.--The term `State' means each of the 50 States, the District of Columbia, and each of the territories.

``(B) Territories.--The term `territory' means each of American Samoa, Guam, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and Palau.

``(12) Youth with hiv.--The term `youth with HIV' means individuals who are 13 through 24 years old and who have HIV/AIDS.''.

TITLE VI--DEMONSTRATION AND TRAINING

SEC. 601. DEMONSTRATION AND TRAINING.

Subpart I of part F of title XXVI of the Public Health Service Act (42 U.S.C. 300ff-101 et seq.) is amended to read as follows:

``Subpart I--Special Projects of National Significance

``SEC. 2691. <<NOTE: 42 USC 300ff-101.>> SPECIAL PROJECTS OF NATIONAL SIGNIFICANCE.

``(a) In General.--Of the amount appropriated under each of parts A, B, C, and D for each fiscal year, the Secretary shall use the greater of $20,000,000 or an amount equal to 3 percent

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of such amount appropriated under each such part, but not to exceed $25,000,000, to administer special projects of national significance to--

``(1) quickly respond to emerging needs of individuals receiving assistance under this title; and

``(2) to fund special programs to develop a standard electronic client information data system to improve the ability of grantees under this title to report client-level data to the Secretary.

``(b) Grants.--The Secretary shall award grants under subsection (a)

to entities eligible for funding under parts A, B, C, and D based on--

``(1) whether the funding will promote obtaining client level data as it relates to the creation of a severity of need index, including funds to facilitate the purchase and enhance the utilization of qualified health information technology systems;

``(2) demonstrated ability to create and maintain a qualified health information technology system;

``(3) the potential replicability of the proposed activity in other similar localities or nationally;

``(4) the demonstrated reliability of the proposed qualified health information technology system across a variety of providers, geographic regions, and clients; and

``(5) the demonstrated ability to maintain a safe and secure qualified health information system; or

``(6) newly emerging needs of individuals receiving assistance under this title.

``(c) Coordination.--The Secretary may not make a grant under this section unless the applicant submits evidence that the proposed program is consistent with the statewide coordinated statement of need, and the applicant agrees to participate in the ongoing revision process of such statement of need.

``(d) Privacy Protection.--The Secretary may not make a grant under this section for the development of a qualified health information technology system unless the applicant provides assurances to the Secretary that the system will, at a minimum, comply with the privacy regulations promulgated under section 264(c) of the Health Insurance Portability and Accountability Act of 1996.

``(e) Replication.--The Secretary shall make information concerning successful models or programs developed under this part available to grantees under this title for the purpose of coordination, replication, and integration. To facilitate efforts under this subsection, the Secretary may provide for peer-based technical assistance for grantees funded under this part.''.

SEC. 602. AIDS EDUCATION AND TRAINING CENTERS.

(a) Amendments Regarding Schools and Centers.--Section 2692(a)(2) of the Public Health Service Act (42 U.S.C. 300ff-111(a)(2)) is amended--

(1) in subparagraph (A)--

(A) by inserting ``and Native Americans'' after ``minority individuals''; and

(B) by striking ``and'' at the end;

(2) in subparagraph (B), by striking the period and inserting ``; and''; and

(3) by adding at the end the following:

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``(C) train or result in the training of health professionals and allied health professionals to provide treatment for hepatitis B or C co-infected individuals.''.

(b) Authorizations of Appropriations for Schools, Centers, and Dental Programs.--Section 2692(c) of the Public Health Service Act (42 U.S.C. 300ff-111(c)) is amended to read as follows:

``(c) Authorization of Appropriations.--

``(1) Schools; centers.--For the purpose of awarding grants under subsection (a), there is authorized to be appropriated $34,700,000 for each of the fiscal years 2007 through 2009.

``(2) Dental schools.--For the purpose of awarding grants under subsection (b), there is authorized to be appropriated $13,000,000 for each of the fiscal years 2007 through 2009.''.

SEC. 603. CODIFICATION OF MINORITY AIDS INITIATIVE.

Part F of title XXVI of the Public Health Service Act (42 U.S.C. 300ff-101 et seq.) is amended by adding at the end the following:

``Subpart III--Minority AIDS Initiative

``SEC. 2693. <<NOTE: 42 USC 300ff-121.>> MINORITY AIDS INITIATIVE.

``(a) In General.--For the purpose of carrying out activities under this section to evaluate and address the disproportionate impact of HIV/AIDS on, and the disparities in access, treatment, care, and outcomes for, racial and ethnic minorities (including African Americans, Alaska Natives, Latinos, American Indians, Asian Americans, Native Hawaiians, and Pacific Islanders), there are authorized to be appropriated $131,200,000 for fiscal year 2007, $135,100,000 for fiscal year 2008, and $139,100,000 for fiscal year 2009.

``(b) Certain Activities.--

``(1) In general.--In carrying out the purpose described in subsection (a), the Secretary shall provide for--

``(A) emergency assistance under part A;

``(B) care grants under part B;

``(C) early intervention services under part C;

``(D) services through projects for HIV-related care under part D; and

``(E) activities through education and training centers under section 2692.

``(2) Allocations among activities.--Activities under paragraph (1) shall be carried out by the Secretary in accordance with the following:

``(A) For competitive, supplemental grants to improve HIV-related health outcomes to reduce existing racial and ethnic health disparities, the Secretary shall, of the amount appropriated under subsection (a) for a fiscal year, reserve the following, as applicable:

``(i) For fiscal year 2007, $43,800,000.

``(ii) For fiscal year 2008, $45,400,000.

``(iii) For fiscal year 2009, $47,100,000.

``(B) For competitive grants used for supplemental support education and outreach services to increase the number of eligible racial and ethnic minorities who have access to treatment through the program under section

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2616 for therapeutics, the Secretary shall, of the amount appropriated for a fiscal year under subsection (a), reserve the following, as applicable:

``(i) For fiscal year 2007, $7,000,000.

``(ii) For fiscal year 2008, $7,300,000.

``(iii) For fiscal year 2009, $7,500,000.

``(C) For planning grants, capacity-building grants, and services grants to health care providers who have a history of providing culturally and linguistically appropriate care and services to racial and ethnic minorities, the Secretary shall, of the amount appropriated for a fiscal year under subsection (a), reserve the following, as applicable:

``(i) For fiscal year 2007, $53,400,000.

``(ii) For fiscal year 2008, $55,400,000.

``(iii) For fiscal year 2009, $57,400,000.

``(D) For eliminating racial and ethnic disparities in the delivery of comprehensive, culturally and linguistically appropriate care services for HIV disease for women, infants, children, and youth, the Secretary shall, of the amount appropriated under subsection (a),

reserve $18,500,000 for each of the fiscal years 2007 through 2009.

``(E) For increasing the training capacity of centers to expand the number of health care professionals with treatment expertise and knowledge about the most appropriate standards of HIV disease-related treatments and medical care for racial and ethnic minority adults, adolescents, and children with HIV disease, the Secretary shall, of the amount appropriated under subsection (a), reserve $8,500,000 for each of the fiscal years 2007 through 2009.

``(c) Consistency With Prior Program.--With respect to the purpose described in subsection (a), the Secretary shall carry out this section consistent with the activities carried out under this title by the Secretary pursuant to the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2002 (Public Law 107-116).''.

TITLE VII--MISCELLANEOUS PROVISIONS

SEC. 701. HEPATITIS; USE OF FUNDS.

Section 2667 of the Public Health Service Act (42 U.S.C. 300ff-67) is amended--

(1) in paragraph (2), by striking ``and'' at the end;

(2) in paragraph (3), by striking the period and inserting ``; and''; and

(3) by adding at the end the following:

``(4) shall provide information on the transmission and prevention of hepatitis A, B, and C, including education about the availability of hepatitis A and B vaccines and assisting patients in identifying vaccination sites.''.

SEC. 702. CERTAIN REFERENCES.

Title XXVI of the Public Health Service Act (42 U.S.C. 300ff et seq.) is amended--

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(1) by <<NOTE: 42 USC 300ff-11, 300ff-28.>> striking ``acquired immune deficiency syndrome'' each place such term appears, other than in section 2687(1) (as added by section 501 of this Act), and inserting ``AIDS'';

(2) by striking ``such syndrome'' and inserting ``AIDS''; and

(3) by <<NOTE: 42 USC 300ff-12 et seq.>> striking ``HIV disease'' each place such term appears and inserting ``HIV/AIDS''.

SEC. 703. <<NOTE: 42 USC 300ff-11 et seq.>> REPEAL.

Effective <<NOTE: Effective date.>> on October 1, 2009, title XXVI of the Public Health Service Act (42 U.S.C. 300ff et seq.) is repealed.

Approved December 19, 2006.

LEGISLATIVE HISTORY--H.R. 6143:

HOUSE REPORTS: No. 109-695 (Comm. on Energy and Commerce).
CONGRESSIONAL RECORD, Vol. 152 (2006):
Sept. 28, considered and passed House.
Dec. 6, considered and passed Senate, amended.
Dec. 8, House concurred in Senate amendment.

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