EXHIBIT G to Agreement
between the COUNTY OF SACRAMENTO,
hereinafter referred to as "COUNTY", and
EL DORADO COUNTY PUBLIC HEALTH DEPARTMENT,
hereinafter referred to as "CONTRACTOR"

CERTIFICATION REGARDING DEBARMENT AND SUSPENSION

CONTRACTOR agrees to comply with 45 CFR Part 76.100 (Code of Federal Regulations), which provides that Federal funds may not be used for any contracted services, if CONTRACTOR is debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.

I (We) certify to the best of my (our) knowledge and belief, that CONTRACTOR named below and its principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

2. Have not within a 3-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

3. Are not presently indicted or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

4. Have not within a 3-year period preceding this application/proposal/agreement had one or more public transactions (Federal, State, or local) terminated for cause or default.

5. Shall notify COUNTY within ten (10) days of receipt of notification that CONTRACTOR is subject to any proposed or pending debarment, suspension, indictments or termination of a public transaction.

6. Shall obtain a certification regarding debarment and suspension from all its subcontractors that will be funded through this Agreement.

7. Hereby agree to terminate immediately, any subcontractor's services that will be/are funded through this Agreement, upon discovery that the subcontractor is ineligible or voluntarily excluded from covered transactions by any Federal Department or agency.

EL DORADO COUNTY PUBLIC HEALTH DEPARTMENT

BY: _____ DATE: 6/29/07

ATTACHMENT A

TITLE I – RYAN WHITE HIV DENTAL PROGRAM OPERATIONS MANUAL

I. CRITERIA FOR DENTAL SERVICES UNDER THE TITLE I RYAN WHITE PROGRAM

This document is a compilation of criteria which apply to dental services. It is designated to provide assistance to dentists treating beneficiaries, in determining service authorization and payment. These criteria are designated to ensure that program funds are spent on services that are medically necessary and are in substantial compliance with the Ryan White HIV Dental Program Policy, and generally accepted standards of dental practice. However, these criteria are but guidelines with which to apply professional judgement in assuring that dental services are appropriate, necessary and of high quality. Professional judgement shall be applied in the determination of benefits and/or payment on the basis of these reliable and valid criteria, evaluation, and interpretation of diagnostic material. Providers and County consultants have established these criteria to standardize the exercise of professional judgement. However, it should be pointed out that this listing does not establish a requirement that consultants must authorize services which meet the criteria listed.

II. REASONABLE AND NECESSARY CONCEPT

A. Outpatient dental services which are reasonable and necessary for the diagnosis and treatment of dental disease, injury, or defect are covered.

B. The underlying principle of whether a service is reasonable and necessary is whether or not the requested service or item is in accord with generally accepted standards of dental practice and is indispensable to the oral health of the beneficiary. Treatment shall be granted or reimbursement made only for covered services appropriate to the present adverse condition which has been approved according to program requirements.

III. EMERGENCY DENTAL SERVICES

A. Within the scope of dental care benefits under the program, emergency dental services may comprise those diverse professional services required in the event of unforeseen medical conditions such as hemorrhage, infection, or trauma. Emergency service shall conform to acceptable standards within our community. Examples of emergency conditions may include, but are not limited to the following:

1. High risk-to life or minimally disabling conditions, *e.g.*, painful oral-dental infections, pulpal exposures, and fractured teeth.

B. Possible emergency dental treatment may include, but is not limited to: antibiotics administrations; prescriptions of analgesics or antibiotics; temporary or permanent filling; pulpal treatment, where sedative holding measures are not effective; biopsy; denture adjustment; treatment of evulsed teeth; control of post-operative bleeding; treatment for acute periodontitis.

IV. DENTIST PARTICIPATION INFORMATION

The fee payable to providers is at the negotiated rate, as stated in the provider's contracted fee schedule, for covered services.

V. PRIOR AUTHORIZATION

A. Prior authorization by a County representative may be required for dental services including but not limited to endodontic and periodontic treatment, cast partials, castings, dentures, and referrals to outside dental specialty providers (see covered services for specifics).

B. The cost of hospitalization is **not** covered. The dental procedures performed during hospitalization will be covered at the same rate specified in the provider's contracted fee schedule. No other hospital related costs are covered.

VI. UNLISTED PROCEDURES (9999)

A. Complete description of the proposed treatment and the need for service must be documented.

B. The fee requested must be listed and is subject to review by County representatives.

C. Non-emergency unlisted procedures require prior authorization.

VII. COVERED PROCEDURES

A. DIAGNOSTIC

Procedure 0110	Examination, initial episode of treatment only. Radiographs are covered when taken in compliance with state and federal regulations for radiation hygiene, and when they fully depict subject teeth and associated structures by standard illumination, and are appropriate to the symptoms and conditions of the patient.
Procedure 0120	Periodic oral examination limited to any two examinations (0110, 0120, 0130) per contract year.
Procedure 0210	Intraoral, complete series when medically necessary and in accepted standards of dental practice. Limited to once in a three (3) year period.
Procedure 0230	Intraoral periapical, each additional film (maximum ten films).
Procedure 0240	Intraoral, occlusal film.
Procedure 0272	Bitewings, two films. Limited to once per contract year.
Procedure 0274	Bitewings, four films. Limited to once per contract year.
Procedure 0330	Panographic-type film, single film. Limited to once every three (3) years.
Procedure 0470	Diagnostic casts.

B. PREVENTIVE – Covered only when in conjunction with restorative procedures and limited to two (2) times per contract year.

Procedure 1110	Prophylaxis – adult, limited to two (2) times per contract year.
Procedure 1120	Prophylaxis – child, limited to two (2) times per contract year.
Procedure 1201	Topical application of fluoride (including prophylaxis) – child.
Procedure 1203	Topical application of fluoride (prophylaxis not included) – child.
Procedure 1204	Topical application of fluoride (including prophylaxis) – adult.
Procedure 1205	Topical application of fluoride (prophylaxis not included) – adult.
Procedure 1351	Sealant – per tooth, children only.

C. RESTORATIVE DENTISTRY

1. The program provides temporary restoration, amalgam, composite, or plastic restorations for treatment of caries. If the tooth can be restored with such material, any crown or jacket is not covered.

2. Laboratory processed crowns are benefits for permanent anterior teeth and permanent posterior teeth once in a five (5) year period.

3. When a crown is placed on a posterior molar tooth, porcelain, resin and similar materials are optional. An allowance will be made based on the fee for a full metal crown.

4. Authorization may be granted for the lowest cost item or service that meets the patient's medical needs. When acting upon request for approval for laboratory processed crowns, these regulations as well as the overall condition of the mouth, patient's receptivity toward treatment and willingness to comply with maintaining good oral hygiene, oral health status, arch integrity, and prognosis of remaining teeth shall be considered.

5. Laboratory processed crowns may be granted where longevity is essential and a lesser service will not suffice, when extensive coronal destruction is radiographically demonstrated and treatment is beyond intercoronal restoration.

6. Cast or performed posts are covered for devitalized teeth only.

7. Laboratory process crowns on endodontically treated teeth are covered only after satisfactory completion of the root canal therapy.

Procedure 2110	Amalgam restoration, primary tooth, one surface.
Procedure 2120	Amalgam restoration primary tooth, two surfaces.
Procedure 2130	Amalgam restoration, primary tooth, three surfaces.
Procedure 2131	Amalgam restoration, primary tooth, four or more surfaces.
Procedure 2140	Amalgam restoration, permanent tooth, one surface.
Procedure 2150	Amalgam restoration, permanent tooth, two surfaces.
Procedure 2160	Amalgam restoration, permanent tooth, three surfaces.
Procedure 2161	Amalgam restoration, permanent tooth, four or more surfaces.
Procedure 2330	Composite restoration, one surface – anterior tooth.
Procedure 2331	Composite restoration, two surfaces – anterior tooth.
Procedure 2332	Composite restoration, three surfaces – anterior tooth.
Procedure 2335	Composite restoration, four or more surfaces or involving incisal angle – anterior.
Procedure 2750	Crown, porcelain fused to metal (anterior teeth only).
Procedure 2790	Crown, full case high noble metal.
Procedure 2910	Re-cement inlay, facing, pontic.
Procedure 2920	Re-cement crown.
Procedure 2930	Crown stainless steel, primary.
Procedure 2931	Crown stainless steel, permanent.
Procedure 2950	Core buildup, including any pins.
Procedure 2951	Pin retention (per pin), maximum three pins per tooth.
Procedure 2952	Cast post and core, in addition to crown.

Procedure 2954 Prefabricated post and core, in addition to crown.

Procedure 2970 Temporary crown or stainless steel band.

D. ENDODONTICS – GENERAL POLICIES

1. Includes those procedures when complete root canal filling on permanent teeth:

   a. Root canal therapy is a covered benefit, if medically necessary – tooth is non-vital. The prognosis of the affected tooth and other remaining teeth will be evaluated in considering root canal therapy.

   b. Authorization and payment for root canal treatment includes, but is not limited to, any of the following procedures:

      Any incision and drainage necessary on relation to the root canal therapy.

      Vitality test.

      Radiographs required during treatment.

      Culture.

      Medicated treatment.

      Final filling of canals.

      Final treatment radiographs.

   c. Necessary retreatment and postoperative care within a 90-day period is included in the reimbursement fee for the root canal therapy.

   d. Root canal therapy must be completed prior to payment. Date of service on the claim for payment must reflect the final completion date.

2. Emergency root canal treatment may be done when any of the following conditions exist and **documentation substantiates the need**:

   a. Failure of a palliative treatment to relieve the acute distress of the patient.

   b. When a tooth has been accidentally evulsed.

   c. When there has been a fracture of the crown of a tooth exposing the pulpal tissue.

3. The prognosis of the affected tooth, other remaining teeth, and the type of restorations allowable will be evaluated in considering requested root canal therapy.

4. Extraction may be suggested for a tooth with a fractured root, external or internal resorption, or one that is easily replaced by addition to an existing removable dental appliance.

Procedure 3110 Pulp cap – direct (excluding final restoration).

Procedure 3120 Pulp cap – indirect (excluding final restoration).

Procedure 3220 Therapeutic pulpotomy (excluding final restoration).

Procedure 3310 Anterior root canal therapy (excluding final restoration).

Procedure 3320 Bicuspid root canal therapy (excluding final restoration).

Procedure 3330 Molar root canal therapy (excluding final restoration).

Procedure 3410 — Apicoectomy (separate surgical procedure) per tooth: This procedure when there is severe apical curvature, blockage of the canal by calcific deposits, dentinal shavings or pulp chamber debris, and when a canal wall has been perforated or "shelved" during canal enlargement.

E. PERIODONTICS

1. PERIODONTICS – GENERAL POLICIES

Accepted dental practice indicates that periodontal treatment should use therapeutic measures on an ordered schedule limited to the direct, least invasive measures necessary to achieve the result.

Procedure 4210 — Gingivectomy or gingivoplasty – per quadrant.

Procedure 4211 — Gingivectomy or gingivoplasty, treatment per tooth (fewer than six teeth): May be authorized when an isolated pocket has not responded to conservative treatment.

Procedure 4220 — Gingival curettage, surgical, per quadrant, by report.

Procedure 4240 — Gingival flap procedure, including root planning – per quadrant.

Procedure 4341 — Subgingival curettage and root planning, per treatment: Root planing includes the removal of calculus deposits on the tooth and root, the smoothing of the root and surface; subgingival curettage – the removal of granulation tissue and pocket lining epithelium. Treatment is limited to those areas requiring immediate attention.

Procedure 4910 — Periodontal maintenance procedures (following active therapy).

F. PROSTHETICS - REMOVABLE

1. Full dentures are covered when medically necessary using standard procedures which exclude precision attachments, implants or other specialized techniques. These services are covered only once in a five year period

   a. Prevent a significant disability.

   b. Replace a covered removable dental prosthesis which has been lost or destroyed due to circumstances beyond the beneficiary's control.

2. Request for the extraction of all remaining teeth in preparation for complete immediate dentures and the immediate full dentures following full mouth extractions (both anterior and posterior) is a covered benefit.

3. Construction of new dentures shall not be authorized if conditions including but not limited to the following exist:

   a. It would be impossible or highly improbable for a beneficiary to adjust to a new prosthetic appliance. This is particularly applicable in those cases where the patient has been without dentures for an extended period of time or where the beneficiary may exhibit a poor adaptability due to psychological and/or motor deficiencies.

   b. The dental history shows that any or all dentures made in recent years have been unsatisfactory for reasons that are not remediable (psychological).

   c. Repair, relining, or reconstruction of the recipient's present denture will make it serviceable.

   d. The denture, in the patient's opinion only, is loose or ill-fitting but is recently enough constructed to indicate deficiencies limited to those inherent in all dentures.

   e. Where the request for the denture(s) is primarily cosmetic, the authorization shall be denied.

f. The patient has been without dentures for at least five (5) years and is currently functioning without dentures.

4. Immediate dentures may be authorized when conditions including but not limited to the following exist:

   a. Extensive or rampant caries are exhibited.

   b. Severe periodontal involvement is indicated.

      i. When the clinical exam shows excessive mobility and severe gingivitis.

      ii. When tooth mobility is not grossly evident and when the gingival tissues are not severely involved, consideration should be given to a more conservative treatment and denture request denied.

   c. Numerous teeth are missing and masticating ability has been diminished.

      i. Where there is not capability of any posterior occlusion with existing dentition.

      ii. When a functional, although minimal, occlusion exists, the urgent need for prosthesis should be carefully evaluated.

5. Requests for replacement dentures shall include adequate supportive documentation and shall be preauthorized. Replacement dentures may be authorized more often than once in a five (5) year period when:

   a. Catastrophic loss of denture.

   b. Surgical or traumatic loss of oral-facial anatomic structures.

   c. Replacement of existing dentures.

      i. When there has been a complete deterioration of the denture base or teeth.

      ii. When there has been a complete loss of retentive ability, vertical dimension, or balanced occlusion of existing dentures.

6. Requests for dentures for the long-standing edentulous patient will be denied.

7. A removable Partial denture is covered when necessary for the replacement of anterior teeth only.

8. A covered removable partial denture may be authorized only once in a five (5) year period except to:

   a. Prevent a significant disability.

   b. Replace a covered removable dental prosthesis which has been lost or destroyed due to circumstances beyond the beneficiary's control.

Procedure 5110 Complete denture - maxillary.

Procedure 5120 Complete denture – mandibular.

Procedure 5130 Immediate denture – maxillary.

Procedure 5140 Immediate denture – mandibular.

Procedure 5211 Maxillary partial denture – resin base (including any conventional clasps, rests and teeth).

Procedure 5212 Mandibular partial denture – resin base (including any conventional clasps, rests and teeth).

Procedure 5213	Maxillary partial denture – predominantly base metal (including any conventional clasps, rests and teeth).
Procedure 5214	Mandibular partial denture – predominantly base metal (including any conventional clasps, rests and teeth).
Procedure 5410	Denture adjustment – maxillary denture.
Procedure 5411	Denture adjustment – mandibular denture.
Procedure 5421	Denture adjustment – maxillary partial.
Procedure 5422	Denture adjustment – mandibular partial.
Procedure 5510	Repair broken denture base only (complete or partial).
Procedure 5520	Replace broken denture teeth only.
Procedure 5610	Repair resin denture base.
Procedure 5620	Repair cast framework.
Procedure 5630	Repair or replace clasp.
Procedure 5640	Replace broken teeth – per tooth
Procedure 5650	Add tooth to partial denture to replace newly extracted natural tooth.
Procedure 5660	Add clasp to existing partial denture.
Procedure 5710	Rebase complete maxillary denture.
Procedure 5711	Rebase complete mandibular denture.
Procedure 5720	Rebase maxillary partial denture.
Procedure 5721	Rebase mandibular partial denture.
Procedure 5730	Reline complete maxillary denture – chairside.
Procedure 5731	Reline complete mandibular denture – chairside.
Procedure 5740	Reline partial maxillary denture – chairside.
Procedure 5741	Reline partial mandibular denture – chairside.
Procedure 5750	Reline complete maxillary denture – lab.
Procedure 5751	Reline complete mandibular denture – lab.
Procedure 5760	Reline partial maxillary denture – lab.
Procedure 5761	Reline partial mandibular denture – lab.
Procedure 5810	Interim complete denture (maxillary).
Procedure 5811	Interim complete denture (mandibular).
Procedure 5820	Interim partial denture (maxillary).

Procedure 5821	Interim partial denture (mandibular).
Procedure 5850	Tissue conditioning – maxillary.
Procedure 5851	Tissue conditioning – mandibular.

G. PROSTHETICS - FIXED

Procedure 6210	Pontic-cast with high noble metal.
Procedure 6240	Pontic-porcelain with high noble metal.
Procedure 6250	Pontic-resin with high noble metal.
Procedure 6750	Bridge crown-porcelain with high noble metal.
Procedure 6790	Bridge crown-full case with high noble metal.
Procedure 6930	Re-cement bridge.
Procedure 6940	Stress breaker.
Procedure 6970	Cast post and core in addition to bridge crown (endodontically treated tooth).
Procedure 6971	Cast post as part of bridge crown.
Procedure 6972	Prefabricated post and core in addition to bridge crown (endodontically treated tooth).
Procedure 6980	Repair fixed bridge.
Procedure 6999	Unspecified fixed prosthodontic procedure, by report.

H. ORAL SURGERY

1. EXTRACTIONS – GENERAL POLICIES

a. Diagnostic x-rays fully depicting subject tooth (teeth) are usually required for all intraoral surgical procedures. (See specific procedure code for details)

b. The extraction of asymptomatic teeth is not a benefit.

The following instances may be justified as being symptomatic:

i. Teeth which are involved with a cyst, tumor, or neoplasm.

ii. The extraction of all remaining teeth in preparation for a full prosthesis.

iii. A malaligned tooth that causes intermittent gingival inflammation.

iv. Perceptible radiologic pathology that fails to elicit symptoms.

c. By repot procedures may be used when the provider has encountered unforeseen complications which are not usually considered normal to the particular procedure listed.

Procedure 7110	Removal of erupted tooth, uncomplicated, first tooth
Procedure 7120	Removal of erupted tooth (teeth), uncomplicated, each additional tooth.
Procedure 7130	Removal of root or root tip.

Procedure 7210	Removal of erupted tooth, surgical.
Procedure 7220	Removal of impacted tooth – soft tissue: Removal of any permanent tooth by the open method which may or may not include removal of bone in those cases where the major portion of all of the crown of the tooth was covered by mucogingival tissue and not alveolar bone.
Procedure 7230	Removal of impacted tooth – partially bony.
Procedure 7240	Removal of impacted tooth – totally bony: Removal of any tooth by the open method where it is necessary to expose any portion of the crown of the tooth by removal of alveolar bone.
Procedure 7250	Surgical removal of residual tooth roots (cutting procedure).
Procedure 7285	Biopsy and pathology reports of oral tissue – hard: Refer to oral surgeon.
Procedure 7286	Biopsy and pathology reports of oral tissue – soft: Refer to oral surgeon.
Procedure 7310	Alveolectomy (Alveoloplasty): Is a collective term for the operation by which the shape and condition of the alveolar process is improved for preservation of the residual bone.
Procedure 7430	Excision of benign tumor – lesion diameter up to 1.25 cm.
Procedure 7431	Excision of benign tumor – lesion diameter greater than 1.25 cm.
Procedure 7440	Excision of malignant tumor – lesion diameter up to 1.25 cm.
Procedure 7441	Excision of malignant tumor – lesion diameter greater than 1.25 cm.
Procedure 7465	Destruction of lesion(s) by physical or chemical methods, by report.
Procedure 7510	Incision and drainage of abscess, intraoral soft tissue.
Procedure 7520	Incision and drainage of abscess, extraoral soft tissue.
Procedure 7550	Sequestrectomy for osteomyelitis or bone abscess, superficial.
Procedure 7970	Excision of hyperplastic tissue, per arch: A benefit when inflammatory hyperplastic tissue interferes with normal use of function of a prosthetic appliance.
Procedure 7971	Excision pericoronal gingiva, operculectomy.

I. ADJUNCTIVE GENERAL SERVICES

Must be pre-authorized. Claim must be accompanied by documentation from primary care physician as to the medical necessity.

1. General anesthesia as used for dental pain control means the elimination of all sensation accompanied by a state of unconsciousness.

2. Office (outpatient) general anesthesia may be payable when the provider indicates local anesthesia is contraindicated.

Procedure 9110	Emergency treatment, palliative, per visit.
Procedure 9220	General anesthesia – first thirty (30) minutes.
Procedure 9221	General anesthesia – each additional 15 minutes.
Procedure 9430	Office visit during regular office hours for treatment and/or observation of teeth and supporting structures.

Procedure 9440	Professional visit after regular office hours or to bedside.
Procedure 9930	Post-operative visit, complications (post surgical *e.g.*, osteitis).
Procedure 9940	Occlusal guard, by report.
Procedure 9951	Occlusal adjustment – limited.
Procedure 9952	Occlusal adjustment – complete.

J. UNLISTED PROCEDURES

Procedure 9999	Unlisted procedures; requires definition and requires prior authorization by County for non-emergency procedures..

VIII. NOT COVERED PROCEDURES

The following are not benefits under the program:

A. DIAGNOSTIC and PREVENTIVE

1. Preventive control program, including fissure sealant, prophylactic fillings, oral hygiene instruction, dietary instruction and prophylaxis when not in conjunction with restorative treatment. (Prophy's can be obtained at Sacramento City College Dental Hygiene Department).

B. ORAL SURGERY

1. Experimental procedures.
2. Asymptomatic extractions.
3. Surgical correction of the maxilla and mandible by grafts for denture retention.
4. Surgical treatment of temporomandibular joint disturbances.
5. Surgical treatment of prognathism or retrognathism.
6. Surgical treatment to correct congenital or developmental malformation.

C. PRESCRIBED DRUGS – Reimbursement for prescription drugs is not covered unless there is no other payor source and is limited to only those drugs that are currently prescribed by the dental community for dental related needs.

D. ORTHODONTIC SERVICES

E. RESTORATIVE DENTISTRY

1. Full mouth reconstruction procedure.
2. Cosmetic procedure and restorations (other than those for replacement of structure loss from caries) that are necessary to alter, restore or maintain occlusion. These include:
   a. Increasing vertical dimension.
   b. Replacing or stabilizing tooth structure loss by attrition.
   c. Realignment of teeth.
   d. Periodontal splinting.
   e. Gnathologic recordings.

f. Equilibration.

g. Surgical treatment of disturbances of temporomandibular joint.

h. Services for the surgical treatment of prognathism or retrognathism.

3. Treatment of incipient or non-active caries as demonstrated radiographically.

F. PROSTHETICS

The program provides for replacement of missing teeth with full dentures or partials using standard procedures, when "medically necessary" by the dentist. A service is "medically necessary" or is a "medical necessity" when it is reasonable to protect life, to prevent significant illness or significant disability, or to alleviate sever pain.

Medically necessary dentures or partials must be preauthorized and are limited to once in a five (5) year period, unless rendered totally unfunctionable and not repairable.

Treatment involving the following is not covered:

- Specialized techniques
- Precious metal for removable appliances
- Overlays, implants and associated appliances
- Personalization or characterization

COUNTY OF SACRAMENTO **COST REIMBURSEMENT AGREEMENT NO. 7275-07/08-709**

ATTACHMENT B
Fee Schedule

CODE	DESCRIPTION	UOS	FEE
00110	Initial oral examination	0.4	$41.20
00120	Periodic oral examination	0.3	$30.90
00210	Intraoral-complete series (including bitewings)	0.7	$72.10
00220	Intraoral-periapical-first film	0.2	$20.60
00230	Intraoral-periapical-each additional film	0.1	$10.30
00240	Intraoral-occlusal film	0.3	$30.90
00270	Bitewing-single film	0.2	$20.60
00272	Bitewing-two films	0.3	$30.90
00274	Bitewing-four films	0.4	$41.20
00330	Panoramic film	0.6	$61.80
00470	Diagnostic casts	0.6	$61.80
01110	Prophylaxis-adult	0.6	$61.80
01120	Prophylaxis-child	0.5	$51.50
01201	Topical application of fluoride (including prophylaxis)-child	0.6	$61.80
01203	Topical application of fluoride (prophylaxis not included)-child	0.2	$20.60
01204	Topical application of fluoride (prophylaxis not included)-adult	0.3	$30.90
01205	Topical application of fluoride (including prophylaxis)-adult	0.7	$72.10
01351	Sealant-per tooth	0.3	$30.90
02110	Amalgam-one surface, primary	0.6	$61.80
02120	Amalgam-two surfaces, primary	0.7	$72.10
02130	Amalgam-three surfaces, primary	0.9	$92.70
02131	Amalgam-four or more surfaces, primary	1.0	$103.00
02140	Amalgam-one surface, permanent	0.7	$72.10
02150	Amalgam-two surfaces, permanent	0.9	$92.70
02160	Amalgam-three surfaces, permanent	1.0	$103.00
02161	Amalgam-four or more surfaces, permanent	1.2	$123.60
02330	Resin-one surface, anterior	0.9	$92.70
02331	Resin-two surfaces, anterior	1.0	$103.00
02332	Resin-three surfaces, anterior	1.2	$123.60
02335	Resin-four or more surfaces or involving incisal angle (anterior)	1.7	$175.10
02750	Crown-porcelain fused to high noble metal	7.8	$803.40
02751	Crown-porcelain fused to predominantly base metal	6.7	$690.10
02752	Crown-porcelain fused to noble metal	7.1	$731.30
02790	Crown-full cast high noble metal	7.0	$721.00
02791	Crown-full cast predominantly base metal	6.1	$628.30

02792	Crown-full cast noble metal	7.0	$721.00
02910	Recement inlay	0.8	$82.40
02920	Recement crown	0.8	$82.40
02930	Prefabricated stainless steel crown - primary tooth	1.8	$185.40
02931	Prefabricated stainless steel crown - permanent tooth	2.1	$216.30
02950	Core buildup, including any pins	1.3	$133.90
02951	Pin retention-per tooth, in addition to restoration	0.4	$41.20
02952	Cast post and core in addition to crown	2.1	$216.30
02954	Prefabricated post and core in addition to crown	1.9	$195.70
02970	Temporary crown (fractured tooth)	1.1	$113.30
02980	Crown repair, by report	2.8	$288.40
03110	Pulp cap-direct (excluding final restoration)	0.4	$41.20
03120	Pulp cap-indirect (excluding final restoration)	0.6	$61.80
03220	Therapeutic pulpotomy (excluding final restoration)	0.8	$82.40
03310	Anterior root canal (excluding final restoration)	4.1	$422.30
03320	Bicuspid root canal (excluding final restoration)	4.4	$453.20
03330	Molar root canal (excluding final restoration)	5.9	$607.70
03410	Apicoectomy/Periradicular surgery- anterior	3.4	$350.20
04210	Gingivectomy or gingivoplasty-per quadrant	3.0	$309.00
04211	Gingivectomy or gingivoplasty-per tooth	0.8	$82.40
04220	Gingival curettage, surgical, per quadrant, by report	1.5	$154.50
04240	Gingival flap procedure, including root planing- per quadrant	3.6	$370.80
04341	Periodontal scaling and root planing per quad	1.4	$144.20
04910	Periodontal maintenance procedure (following active therapy)	0.8	$82.40
05110	Complete denture - maxillary	8.1	$834.30
05120	Complete denture - mandibular	8.1	$834.30
05130	Immediate denture - maxillary	8.4	$865.20
05140	Immediate denture - mandibular	8.4	$865.20
05211	Maxillary partial denture-resin base (including clasps, rests, teeth)	7.1	$731.30
05212	Mandibular partial denture-resin base (including clasps, rests, teeth)	7.1	$731.30
05213	Maxillary partial denture-cast metal framework (including clasps, rests, teeth)	9.2	$947.60
05214	Mandibular partial denture - cast metal framework (including clasps, rests, teeth)	9.8	$1,009.40
05410	Adjust complete denture - maxillary	0.5	$51.50
05411	Adjust complete denture - mandibular	0.5	$51.50
05421	Adjust partial denture - maxillary	0.5	$51.50
05422	Adjust partial denture - mandibular	0.5	$51.50
05510	Repair broken complete denture base	1.0	$103.00
05520	Replace missing or broken teeth-complete denture (each tooth)	0.9	$92.70
05610	Repair resin denture base	1.0	$103.00
05620	Repair cast framework	1.5	$154.50
05630	Repair or replace broken clasp	1.5	$154.50
05640	Replace broken teeth-per tooth	0.9	$92.70
05650	Add tooth to existing partial denture	1.4	$144.20
05660	Add clasp to existing partial denture	1.8	$185.40

05710	Rebase complete maxillary denture	3.4	$350.20
05711	Rebase complete mandibular denture	3.4	$350.20
05720	Rebase maxillary partial denture	3.4	$350.20
05721	Rebase mandibular partial denture	3.5	$360.50
05730	Reline complete maxillary denture (chairside)	1.7	$175.10
05731	Reline complete mandibular denture (chairside)	1.7	$175.10
05740	Reline maxillary partial denture (chairside)	1.7	$175.10
05741	Reline mandibular partial denture (chairside)	1.7	$175.10
05750	Reline complete maxillary denture (laboratory)	2.6	$267.80
05751	Reline complete mandibular denture (laboratory)	2.5	$257.50
05760	Reline maxillary partial denture (laboratory)	2.5	$257.50
05761	Reline mandibular partial denture (laboratory)	2.5	$257.50
05810	Interim complete denture (maxillary)	4.3	$442.90
05811	Interim complete denture (mandibular)	4.3	$442.90
05820	Interim partial denture (maxillary)	3.7	$381.10
05821	Interim partial denture (mandibular)	3.7	$381.10
05850	Tissue conditioning (maxillary)	1.0	$103.00
05851	Tissue conditioning (mandibular)	1.0	$103.00
06210	Pontic-cast high noble metal	7.0	$721.00
06211	Pontic-cast predominantly base metal	6.1	$628.30
06212	Ponic-cast noble metal	6.7	$690.10
06240	Pontic-porcelain fused to high noble metal	7.9	$813.70
06241	Pontic-porcelain fused to predominantly base metal	6.7	$690.10
06242	Pontic-porcelain fused to noble metal	7.0	$721.00
06750	Crown-porcelain fused to high noble metal	7.9	$813.70
06751	Crown-porcelain fused to predominantly base metal	6.6	$679.80
06752	Crown-porcelain fused to noble metal	7.0	$721.00
06790	Crown-full cast high noble metal	7.1	$731.30
06791	Crown-full cast predominantly base metal	6.3	$648.90
06792	Crown-full cast noble metal	7.0	$721.00
06930	Recement fixed partial denture	1.0	$103.00
06940	Stress breaker	2.6	$267.80
06970	Cast post and core in addition to fixed partial denture retainer	2.9	$298.70
06971	Cast post and core as part of a fixed partial denture retainer	2.9	$298.70
06972	Prefabricated post and core in addition to fixed partial denture retainer	2.3	$236.90
06973	Core build up for retainer, including any pins	1.8	$185.40
06980	Fixed partial denture repair, by report	5.5	$566.50
07110	Single tooth extraction	0.8	$82.40
07120	Each additional tooth extraction	0.8	$82.40
07130	Root removal-exposed roots	1.0	$103.00
07210	Surgical removal of erupted tooth requiring elevation of flap and/or removal of bone	1.3	$133.90
07220	Removal of impacted tooth-soft tissue	1.5	$154.50
07230	Removal of impacted tooth-partial bony	2.0	$206.00
07240	Removal of impacted tooth-complete bony	3.0	$309.00

07250	Surgical removal of residual tooth roots (cutting procedure)	1.4	$144.20
07285	Biopsy of oral tissue-hard	2.0	$206.00
07286	Biopsy of oral tissue-soft	1.5	$154.50
07310	Alveoloplasty in conjunction with extractions-per quadrant	1.3	$133.90
07311	Alveoloplasty not in conjunction with extractions-per quadrant	1.3	$133.90
07430	Excision of benign tumor-lesion diameter up to 1.25 cm	1.4	$144.20
07431	Excision of benign tumor-lesion diameter greater than 1.25 cm	2.0	$206.00
07440	Excision of malignant tumor-lesion diameter up to 1.25 cm	2.9	$298.70
07441	Excision of malignant tumor-lesion diameter greater than 1.25 cm	4.8	$494.40
07465	Destruction of lesion(s) by physical or chemical methods, by report	2.3	$236.90
07510	Incision and drainage of abscess-intraoral soft tissue	0.8	$82.40
07520	Incision and drainage of abscess-extraoral soft tissue	2.1	$216.30
07550	Sequestrectomy for osteomyelitis	2.9	$298.70
07970	Excision of hyperplastic tissue-per arch	2.3	$236.90
07971	Excision of pericoronal gingiva	0.9	$92.70
09110	Palliative (emergency) treatment of dental pain-minor procedure	0.7	$72.10
09430	Office visit for observation (during office hours, no other service performed)	0.4	$41.20
09440	Office visit after regularly scheduled hours	1.0	$103.00
09930	Treatment of complication (post surgical) unusual circumstances, by report	0.4	$41.20
09940	Occlusal guard, by report	3.8	$391.40
09951	Occlusal adjustment-limited	1.0	$103.00
09952	Occlusal adjustment-complete	3.8	$391.40
09999	Unspecified adjunctive procedure, by report		$0.00

EXHIBIT F to Agreement
between the COUNTY OF SACRAMENTO,
hereinafter referred to as "COUNTY", and
EL DORADO COUNTY PUBLIC HEALTH DEPARTMENT,
hereinafter referred to as "CONTRACTOR"

THE RYAN WHITE TREATMENT MODERNIZATION ACT: A COMPILATION OF THE RYAN WHITE TREATMENT MODERNIZATION ACT OF 2006 (Pub. L. 109-415) THE RYAN WHITE CARE ACT OF 1990 (Pub. L. 101-381), AS AMENDED BY THE RYAN WHITE CARE ACT AMENDMENTS OF 1996 (Pub. L. 104-146) AND THE RYAN WHITE CARE ACT AMENDMENTS OF 2000 (Pub. L. 106-345)

Public Law 109-415
109th Congress

RYAN WHITE TREATMENT MODERNIZATION ACT OF 2006

An Act

To amend title XXVI of the Public Health Service Act to revise and extend the program for providing life-saving care for those with HIV/AIDS. <<NOTE: Dec. 19, 2006 - [H.R. 6143]>>

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, <<NOTE: Ryan White HIV/AIDS Treatment Modernization Act of 2006.>>

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) <<NOTE: 42 USC 201 note.>> Short Title.--This Act may be cited as the ``Ryan White HIV/AIDS Treatment Modernization Act of 2006''.

(b) Table of Contents.--The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I--EMERGENCY RELIEF FOR ELIGIBLE AREAS

Sec. 101. Establishment of program; general eligibility for grants.
Sec. 102. Type and distribution of grants; formula grants.
Sec. 103. Type and distribution of grants; supplemental grants.
Sec. 104. Timeframe for obligation and expenditure of grant funds.
Sec. 105. Use of amounts.
Sec. 106. Additional amendments to part A.
Sec. 107. New program in part A; transitional grants for certain areas ineligible under section 2601.
Sec. 108. Authorization of appropriations for part A.

TITLE II--CARE GRANTS

Sec. 201. General use of grants.
Sec. 202. AIDS Drug Assistance Program.
Sec. 203. Distribution of funds.
Sec. 204. Additional amendments to subpart I of part B.
Sec. 205. Supplemental grants on basis of demonstrated need.
Sec. 206. Emerging communities.
Sec. 207. Timeframe for obligation and expenditure of grant funds.
Sec. 208. Authorization of appropriations for subpart I of part B.
Sec. 209. Early diagnosis grant program.
Sec. 210. Certain partner notification programs; authorization of appropriations.

TITLE III--EARLY INTERVENTION SERVICES

Sec. 301. Establishment of program; core medical services.
Sec. 302. Eligible entities; preferences; planning and development grants.
Sec. 303. Authorization of appropriations.
Sec. 304. Confidentiality and informed consent.
Sec. 305. Provision of certain counseling services.
Sec. 306. General provisions.

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

Sec. 401. Women, infants, children, and youth.
Sec. 402. GAO Report.

TITLE V--GENERAL PROVISIONS

Sec. 501. General provisions.

TITLE VI--DEMONSTRATION AND TRAINING

Sec. 601. Demonstration and training.

[[Page 120 STAT. 2768]]

Sec. 602. AIDS education and training centers.
Sec. 603. Codification of minority AIDS initiative.

TITLE VII--MISCELLANEOUS PROVISIONS

Sec. 701. Hepatitis; use of funds.
Sec. 702. Certain references.
Sec. 703. Repeal.

TITLE I--EMERGENCY RELIEF FOR ELIGIBLE AREAS

SEC. 101. ESTABLISHMENT OF PROGRAM; GENERAL ELIGIBILITY FOR GRANTS.

(a) In General.--Section 2601 of the Public Health Service Act (42 U.S.C. 300ff-11) is amended by striking subsections (b) through (d) and inserting the following:

``(b) Continued Status as Eligible Area.--Notwithstanding any other provision of this section, a metropolitan area that is an eligible area for a fiscal year continues to be an eligible area until the metropolitan area fails, for three consecutive fiscal years--

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

``(2) to have a cumulative total of 3,000 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.

``(c) Boundaries.--For purposes of determining eligibility under this part--

``(1) with respect to a metropolitan area that received funding under this part in fiscal year 2006, the boundaries of such metropolitan area shall be the boundaries that were in effect for such area for fiscal year 1994; or

``(2) with respect to a metropolitan area that becomes eligible to receive funding under this part in any fiscal year after fiscal year 2006, the boundaries of such metropolitan area shall be the boundaries that are in effect for such area when such area initially receives funding under this part.''.

(b) Technical and Conforming Amendments.--Section 2601(a) of the Public Health Service Act (42 U.S.C. 300ff-11(a)) is amended--

(1) by striking ``through (d)'' and inserting ``through (c)''; and

(2) by inserting ``and confirmed by'' after ``reported to''.

(c) Definition of Metropolitan Area.--Section 2607(2) of the Public Health Service Act (42 U.S.C. 300ff-17(2)) is amended--

(1) by striking ``area referred'' and inserting ``area that is referred''; and

(2) by inserting before the period the following: ``, and that has a population of 50,000 or more individuals''.

SEC. 102. TYPE AND DISTRIBUTION OF GRANTS; FORMULA GRANTS.

(a) Distribution Percentages.--Section 2603(a)(2) of the Public Health Service Act (42 U.S.C. 300ff-13(a)(2)) is amended--

(1) in the first sentence--

(A) by striking ``50 percent of the amount appropriated under section 2677'' and inserting ``66\2/3\ percent of the

[[Page 120 STAT. 2769]]

amount made available under section 2610(b) for carrying out this subpart''; and

(B) by striking ``paragraph (3)'' and inserting ``paragraphs (3) and (4)''.

(2) by striking the last sentence.

(b) Distribution Based on Living Cases of HIV/AIDS.--Section 2603(a)(3) of the Public Health Service Act (42 U.S.C. 300ff-13(a)(3)) is amended--

(1) in subparagraph (B), by striking ``estimated living cases of acquired immune deficiency syndrome'' and inserting ``living cases of HIV/AIDS (reported to and confirmed by the Director of the Centers for Disease Control and Prevention)''; and

(2) by striking subparagraphs (C) through (E) and inserting the following:

``(C) Living cases of hiv/aids.--

``(i) Requirement of names-based reporting.--Except as provided in clause (ii), the number determined under this subparagraph for an eligible area for a fiscal year for purposes of subparagraph (B) is the number of living names-based cases of HIV/AIDS that, as of December 31 of the most recent calendar year for which such data is available, have been reported to and confirmed by the Director of the Centers for Disease Control and Prevention.

``(ii) Transition period; exemption regarding non-aids cases.--For each of the fiscal years 2007 through 2009, an eligible area is, subject to clauses (iii) through (v), exempt from the requirement under clause (i) that living names-based non-AIDS cases of HIV be reported unless--

``(I) a system was in operation as of December 31, 2005, that provides sufficiently accurate and reliable names-based reporting of such cases throughout the State in which the area is located, subject to clause (viii); or

``(II) <<NOTE: Deadline.>> no later than the beginning of fiscal year 2008 or 2009, the Secretary, in consultation with the chief executive of the State in which the area is located, determines that a system has become operational in the State that provides sufficiently accurate and reliable names-based reporting of such cases throughout the State.

``(iii) Requirements <<NOTE: Applicability. Deadline.>> for exemption for fiscal year 2007.--For fiscal year 2007, an exemption under clause (ii) for an eligible area applies only if, by October 1, 2006--

``(I)(aa) the State in which the area is located had submitted to the

Secretary a plan for making the transition to sufficiently accurate and reliable names-based reporting of living non-AIDS cases of HIV; or

``(bb) all statutory changes necessary to provide for sufficiently accurate and reliable reporting of such cases had been made; and

``(II) the State had agreed that, by April 1, 2008, the State will begin accurate and reliable names-based reporting of such cases, except that

[[Page 120 STAT. 2770]]

such agreement is not required to provide that, as of such date, the system for such reporting be fully sufficient with respect to accuracy and reliability throughout the area.

``(iv) Requirement <<NOTE: Applicability. Deadline.>> for exemption as of fiscal year 2008.--For each of the fiscal years 2008 through 2010, an exemption under clause (ii) for an eligible area applies only if, as of April 1, 2008, the State in which the area is located is substantially in compliance with the agreement under clause (iii)(II).

``(v) Progress toward names-based reporting.--For fiscal year 2009, the Secretary may terminate an exemption under clause (ii) for an eligible area if the State in which the area is located submitted a plan under clause (iii)(I)(aa) and the Secretary determines that the State is not substantially following the plan.

``(vi) Counting of cases in areas with exemptions.--

``(I) In general.--With respect to an eligible area that is under a reporting system for living non-AIDS cases of HIV that is not names-based (referred to in this subparagraph as `code-based reporting'), the Secretary shall, for purposes of this subparagraph, modify the number of such cases reported for the eligible area in order to adjust for duplicative reporting in and among systems that use code-based reporting.

``(II) Adjustment rate.--The adjustment rate under subclause (I) for an eligible area shall be a reduction of 5 percent in the number of living non-AIDS cases of HIV reported for the area.

``(vii) Multiple <<NOTE: Applicability.>> political jurisdictions.--With respect to living non-AIDS cases of HIV, if an eligible area is not entirely within one political jurisdiction and as a result is subject to more than one reporting system for purposes of this subparagraph:

``(I) Names-based reporting under clause (i) applies in a jurisdictional portion of the area, or an exemption under clause (ii) applies in such portion (subject to applicable

provisions of this subparagraph), according to whether names-based reporting or code-based reporting is used in such portion.

``(II) If under subclause (I) both names-based reporting and code-based reporting apply in the area, the number of code-based cases shall be reduced under clause (vi).

``(viii) List of eligible areas meeting standard regarding December 31, 2005.--

``(I) In general.--If an eligible area or portion thereof is in a State specified in subclause (II), the eligible area or portion shall be considered to meet the standard described in clause (ii)(I). No other eligible area or portion thereof may be considered to meet such standard.

``(II) Relevant states.--For purposes of subclause (I), the States specified in this subclause

[[Page 120 STAT. 2771]]

are the following: Alaska, Alabama, Arkansas, Arizona, Colorado, Florida, Indiana, Iowa, Idaho, Kansas, Louisiana, Michigan, Minnesota, Missouri, Mississippi, North Carolina, North Dakota, Nebraska, New Jersey, New Mexico, New York, Nevada, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Wisconsin, West Virginia, Wyoming, Guam, and the Virgin Islands.

``(ix) Rules of construction regarding acceptance of reports.--

``(I) Cases of aids.--With respect to an eligible area that is subject to the requirement under clause (i) and is not in compliance with the requirement for names-based reporting of living non-AIDS cases of HIV, the Secretary shall, notwithstanding such noncompliance, accept reports of living cases of AIDS that are in accordance with such clause.

``(II) Applicability of exemption requirements.--The provisions of clauses (ii) through (viii) may not be construed as having any legal effect for fiscal year 2010 or any subsequent fiscal year, and accordingly, the status of a State for purposes of such clauses may not be considered after fiscal year 2009.

``(x) Program for detecting inaccurate or fraudulent counting.--The Secretary shall carry out a program to monitor the reporting of names-based cases for purposes of this subparagraph and to detect instances of inaccurate reporting, including fraudulent reporting.''.

(c) Code-Based Areas; Limitation on Increase in Grant.--Section 2603(a)(3) of the Public Health Service Act (42 U.S.C. 300ff-13(a)), as amended by subsection (b)(2) of this section, is amended by adding at the end the following subparagraph:

``(D) Code-based areas; 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 (C)(vi)) applies in an eligible area or any portion thereof as of the beginning of the fiscal year involved, then notwithstanding any other provision of this paragraph, the amount of the grant pursuant to this paragraph for such area for such fiscal year may not--

``(I) for fiscal year 2007, exceed by more than 5 percent the amount of the grant for the area that would have been made pursuant to this paragraph and paragraph (4) for fiscal year 2006 (as such paragraphs were in effect for such fiscal year) if paragraph (2) (as so in effect) had been applied by substituting `66\2/3\ percent' for `50 percent'; and

``(II) for each of the fiscal years 2008 and 2009, exceed by more than 5 percent the amount of the grant pursuant to this paragraph and paragraph (4) for the area for the preceding fiscal year.

[[Page 120 STAT. 2772]]

``(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 subsection (b) for the fiscal year involved, subject to paragraph (4) and section 2610(d)(2).''.

(d) Hold Harmless.--Section 2603(a) of the Public Health Service Act (42 U.S.C. 300ff-13(a)) is amended--

(1) in paragraph (3)(A)--

(A) in clause (ii), by striking the period at the end and inserting a semicolon; and

(B) by inserting after and below clause (ii) the following:

``which product shall then, as applicable, be increased under paragraph (4).''.

(2) by amending paragraph (4) to read as follows:

``(4) Increases in grant.--

``(A) In general.--For each eligible area that received a grant pursuant to this subsection for fiscal year 2006, the Secretary shall, for each of the fiscal years 2007 through 2009, increase the amount of the grant made pursuant to paragraph (3) for the area to ensure that the amount of the grant for the fiscal year involved is not less than the following amount, as applicable to such fiscal year:

``(i) For fiscal year 2007, an amount equal to 95 percent of the amount of the grant that would have been made pursuant to paragraph (3) and this paragraph for fiscal year 2006 (as such paragraphs were in effect for such fiscal year) if paragraph (2) (as so in effect) had been applied by substituting `66\2/3\ percent' for `50 percent'.

``(ii) For each of the fiscal years 2008 and 2009, an amount equal to 100 percent of the amount

of the grant made pursuant to paragraph (3) and this paragraph for fiscal year 2007.

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

``(i) In general.--From the amounts available for carrying out the single program referred to in section 2609(d)(2)(C) for a fiscal year (relating to supplemental grants), the Secretary shall make available such amounts as may be necessary to comply with subparagraph (A), subject to section 2610(d)(2).

``(ii) Pro rata reduction.--If the amounts referred to in clause (i) for a fiscal year are insufficient to fully comply with subparagraph (A) 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 this subsection for the fiscal year, other than grants for eligible areas for which increases under subparagraph (A) apply. A reduction under the preceding sentence may not be made in an amount that would result in the eligible area involved becoming eligible for such an increase.

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

[[Page 120 STAT. 2773]]

SEC. 103. TYPE AND DISTRIBUTION OF GRANTS; SUPPLEMENTAL GRANTS.

Section 2603(b) of the Public Health Service Act (42 U.S.C. 300ff-13(b)) is amended--

(1) in paragraph (1)--

(A) in the matter preceding subparagraph (A), by striking ``Not later than'' and all that follows through ``the Secretary shall'' and inserting the following: ``Subject to subsection (a)(4)(B)(i) and section 2610(d), the Secretary shall'';

(B) in subparagraph (B), by striking ``demonstrates the severe need in such area'' and inserting ``demonstrates the need in such area, on an objective and quantified basis,'';

(C) by striking subparagraph (F) and inserting the following:

``(F) demonstrates the inclusiveness of affected communities and individuals with HIV/AIDS;'';

(D) in subparagraph (G), by striking the period and inserting ``; and''; and

(E) by adding at the end the following:

``(H) demonstrates the ability of the applicant to expend funds efficiently by not having had, for the most recent grant year under subsection (a) for which data is available, more than 2 percent of grant funds under such subsection canceled or covered by any waivers under subsection (c)(3).''; and

(2) in paragraph (2)--

(A) in subparagraph (A), by striking ``severe need'' and inserting ``demonstrated need'';

(B) by striking subparagraph (B) and inserting the following:

``(B) Demonstrated need.--The factors considered by the Secretary in determining whether an eligible area has a demonstrated need for purposes of paragraph (1)(B) may include any or all of the following:

``(i) The unmet need for such services, as

determined under section 2602(b)(4) or other community input process as defined under section 2609(d)(1)(A).

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

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

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

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

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

``(vii) The prevalence of homelessness.

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

[[Page 120 STAT. 2774]]

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

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

(C) by striking subparagraphs (C) and (D) and inserting the following:

``(C) Priority in making grants.--The Secretary shall provide funds under this subsection to an eligible area to address the decline or disruption of all EMA-provided services related to the decline in the amounts received pursuant to subsection (a) consistent with the grant award for the eligible area for fiscal year 2006, to the extent that the factor under subparagraph (B)(x) (relating to a decline in funding) applies to the eligible area.''.

SEC. 104. TIMEFRAME FOR OBLIGATION AND EXPENDITURE OF GRANT FUNDS.

Section 2603 of the Public Health Service Act (42 U.S.C. 300ff-13) is amended--

(1) by redesignating subsection (c) as subsection (d);

(2) by inserting after subsection (b) the following:

``(c) Timeframe <<NOTE: Effective dates.>> for Obligation and Expenditure of Grant Funds.--

``(1) Obligation by end of grant year.--Effective for fiscal year 2007 and subsequent fiscal years, funds from a grant award made pursuant to subsection (a) or (b) for a fiscal year are available for obligation by the eligible area involved through the end of the one-year period beginning on the date in such fiscal year on which funds from the award first become available to the area (referred to in this subsection as the `grant year for the award'), except as provided in paragraph (3)(A).

``(2) Supplemental grants; cancellation of unobligated balance of grant award.--Effective for fiscal year 2007 and subsequent fiscal years, if a grant award made pursuant to subsection (b) for an eligible area for a fiscal year has an unobligated balance as of the end of the grant year for the award--

``(A) the Secretary shall cancel that unobligated

balance of the award, and shall require the eligible area to return any amounts from such balance that have been disbursed to the area; and

``(B) the funds involved shall be made available by the Secretary as additional amounts for grants pursuant to subsection (b) 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 subparagraph (A) to be canceled, except that the availability of the funds for such grants is subject to subsection (a)(4) and section 2610(d)(2) as applied for such year.

``(3) Formula grants; cancellation of unobligated balance of grant award; waiver permitting carryover.--

[[Page 120 STAT. 2775]]

``(A) In general.--Effective for fiscal year 2007 and subsequent fiscal years, if a grant award made pursuant to subsection (a) for an eligible area for a fiscal year 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 eligible area to return any amounts from such balance that have been disbursed to the area, unless--

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

``(ii) the Secretary approves the waiver.

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

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

``(ii) 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 eligible area to return any amounts from such balance that have been disbursed to the area.

``(C) Use of cancelled balances.--In the case of any balance of a grant award that is cancelled under subparagraph (A) or (B)(ii), the grant funds involved shall be made available by the Secretary as additional amounts for grants pursuant to subsection (b) 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 subparagraph to be canceled, except that the availability of the funds for such grants is subject to subsection (a)(4) and section 2610(d)(2) as applied for such year.

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

``(i) In general.--In the case of an eligible area for which a balance from a grant award under subsection (a) 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 subsection 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 subparagraph (A) has been approved with respect to such balance); and

[[Page 120 STAT. 2776]]

``(II) the grant funds involved in such reduction shall be made available by the Secretary as additional funds for grants pursuant to subsection (b) for such first fiscal year, subject to subsection (a)(4) and section 2610(d)(2);

except that this clause does not apply to the eligible area if the amount of the unobligated balance was 2 percent or less.

``(ii) Relation to increases in grant.--A reduction under clause (i) for an eligible area for a fiscal year may not be taken into account in applying subsection (a)(4) with respect to the area for the subsequent fiscal year.''; and

(3) by adding at the end the following:

``(e) 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 subsection (a)(4);

``(3) the amount of supplemental funds disbursed pursuant to subsection (b)(2)(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).''.

SEC. 105. USE OF AMOUNTS.

Section 2604 of the Public Health Service Act (42 U.S.C. 300ff-14) is amended to read as follows:

``SEC. 2604. USE OF AMOUNTS.

``(a) Requirements.--The Secretary may not make a grant under section 2601(a) to the chief elected official of an eligible area unless such political subdivision agrees that--

``(1) subject to paragraph (2), the allocation of funds and services within the eligible area will be made in accordance with the priorities established, pursuant to section 2602(b)(4)(C), by the HIV health services planning council that serves such eligible area;

``(2) funds provided under section 2601 will be expended only for--

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

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

``(C) administrative expenses described in subsection (h); and

``(3) the use of such funds will comply with the requirements of this section.

``(b) Direct Financial Assistance to Appropriate Entities.--

``(1) In general.--The chief elected official of an eligible area shall use amounts from a grant under section 2601 to provide direct financial assistance to entities described in paragraph (2) for the purpose of providing core medical services and support services.

[[Page 120 STAT. 2777]]

``(2) Appropriate entities.--Direct financial assistance may be provided under paragraph (1) to 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.

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

``(1) In general.--With respect to a grant under section 2601 for an eligible area for a grant year, the chief elected official of the area shall, of the portion of the grant remaining after reserving amounts for purposes of paragraphs (1) and (5)(B)(i) of subsection (h), use not less than 75 percent to provide core medical services that are needed in the eligible area 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) In general.--The Secretary shall waive the application of paragraph (1) with respect to a chief elected official for a grant year if the Secretary determines that, within the eligible area involved--

``(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 the chief elected official of an eligible area that a grant under section 2601 is being made for the area for a grant year, the Secretary shall inform the official whether a waiver under subparagraph (A) is in effect for such 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 in accordance with 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

[[Page 120 STAT. 2778]]

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).

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

``(e) Early Intervention Services.--

``(1) In general.--For purposes of this section, the term `early intervention services' means HIV/AIDS early intervention services described in section 2651(e), with follow-up referral provided for the purpose of facilitating the access of individuals receiving the services to HIV-related health services. The entities through which such services may be provided under the grant include public health departments, emergency rooms, substance abuse and mental health treatment programs, detoxification centers, detention facilities, clinics regarding sexually transmitted diseases, homeless shelters, HIV/AIDS counseling and testing sites, health care points of entry specified by eligible areas, federally qualified health centers, and entities described in section 2652(a) that constitute a point of access to services by maintaining referral relationships.

``(2) Conditions.--With <<NOTE: Applicability.>> respect to an entity that proposes to provide early intervention services under paragraph (1), such paragraph shall apply only if the entity demonstrates to the satisfaction of the chief elected official for the eligible area involved that--

``(A) Federal, State, or local funds are otherwise inadequate for the early intervention services the entity proposes to provide; and

``(B) the entity will expend funds pursuant to such paragraph to supplement and not supplant other funds available to the entity for the provision of early intervention services for the fiscal year involved.

``(f) Priority for Women, Infants, Children, and Youth.--

``(1) In general.--For the purpose of providing health and support services to infants, children, youth, and women with HIV/AIDS, including treatment measures to prevent the perinatal transmission of HIV, the chief elected official of an eligible area, in accordance with the established priorities of the planning council, shall for each of such populations in the eligible area use, from the grants made for the area under section 2601(a) for a fiscal year, not less than the percentage constituted by the ratio of the population involved (infants, children, youth, or women in such area) with HIV/AIDS to the general population in such area of individuals with HIV/AIDS.

``(2) Waiver.--With respect to the population involved, the Secretary may provide to the chief elected official of an eligible area a waiver of the requirement of paragraph (1) if such official demonstrates to the satisfaction of the Secretary

that the population is receiving HIV-related health services through the State medicaid program under title XIX of the Social Security Act, the State children's health insurance program under title XXI of such Act, or other Federal or State programs.

``(g) Requirement of Status as Medicaid Provider.--

[[Page 120 STAT. 2779]]

``(1) Provision of service.--Subject to paragraph (2), the Secretary may not make a grant under section 2601(a) for the provision of services under this section in a State unless, in the case of any such service that is available pursuant to the State plan approved under title XIX of the Social Security Act for the State--

``(A) the political subdivision involved will provide the service directly, and the political subdivision has entered into a participation agreement under the State plan and is qualified to receive payments under such plan; or

``(B) <<NOTE: Contracts.>> the political subdivision will enter into an agreement with a public or nonprofit private entity under which the entity will provide the service, and the entity has entered into such a participation agreement and is qualified to receive such payments.

``(2) Waiver.--

``(A) In general.--In the case of an entity making an agreement pursuant to paragraph (1)(B) regarding the provision of services, the requirement established in such paragraph shall be waived by the HIV health services planning council for the eligible area if the entity does not, in providing health care services, impose a charge or accept reimbursement available from any third-party payor, including reimbursement under any insurance policy or under any Federal or State health benefits program.

``(B) Determination.--A determination by the HIV health services planning council of whether an entity referred to in subparagraph (A) meets the criteria for a waiver under such subparagraph shall be made without regard to whether the entity accepts voluntary donations for the purpose of providing services to the public.

``(h) Administration.--

``(1) Limitation.--The chief elected official of an eligible area shall not use in excess of 10 percent of amounts received under a grant under this part for administrative expenses.

``(2) Allocations by chief elected official.--In the case of entities and subcontractors to which the chief elected official of an eligible area allocates amounts received by the official under a grant under this part, the official 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).

``(3) Administrative activities.--For purposes of paragraph (1), amounts may be used for administrative activities that include--

``(A) routine grant administration and monitoring activities, including the development of applications for part A funds, the receipt and disbursal of program funds, the development and establishment of reimbursement and accounting systems, the development of a clinical quality management program as described in paragraph (5), the preparation of routine programmatic

and financial reports, and compliance with grant conditions and audit requirements; and

``(B) all activities associated with the grantee's contract award procedures, including the activities carried out by

[[Page 120 STAT. 2780]]

the HIV health services planning council as established under section 2602(b), the development of requests for proposals, contract proposal review activities, negotiation and awarding of contracts, monitoring of contracts through telephone consultation, written documentation or onsite visits, reporting on contracts, and funding reallocation activities.

``(4) Subcontractor administrative activities.--For the purposes of this subsection, subcontractor administrative activities include--

``(A) usual and recognized overhead activities, including established indirect rates for agencies;

``(B) management oversight of specific programs funded under this title; and

``(C) other types of program support such as quality assurance, quality control, and related activities.

``(5) Clinical quality management.--

``(A) Requirement.--The chief elected official of an eligible area that receives a grant under this part 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.

``(B) Use of funds.--

``(i) In general.--From amounts received under a grant awarded under this subpart for a fiscal year, the chief elected official of an eligible area may use for activities associated with the clinical quality management program required in subparagraph (A) not to exceed the lesser of--

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

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

``(ii) Relation to limitation on administrative expenses.--The costs of a clinical quality management program under subparagraph (A) may not be considered administrative expenses for purposes of the limitation established in paragraph (1).

``(i) Construction.--A chief elected official may not use amounts received under a grant awarded under this part to purchase or improve land, or to purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or to make cash payments to intended recipients of services.''.

SEC. 106. ADDITIONAL AMENDMENTS TO PART A.

(a) Reporting of Cases.--Section 2601(a) of the Public Health Service Act (42 U.S.C. 300ff-11(a)) is amended by striking ``for the most recent period'' and inserting ``during the most recent period''.

(b) Planning Council Representation.--Section 2602(b)(2)(G) of the Public Health Service Act (42 U.S.C. 300ff-12(b)(2)(G)) is amended by

inserting ``, members of a Federally

[[Page 120 STAT. 2781]]

recognized Indian tribe as represented in the population, individuals co-infected with hepatitis B or C'' after ``disease''.

(c) Application for Grant.--

(1) Payer of last resort.--Section 2605(a)(6)(A) of the Public Health Service Act (42 U.S.C. 300ff-15(a)(6)(A)) is amended by inserting ``(except for a program administered by or providing the services of the Indian Health Service)'' before the semicolon.

(2) Audits.--Section 2605(a) of the Public Health Service Act (42 U.S.C. 300ff-15(a)) is amended--

(A) in paragraph (8), by striking ``and'' at the end;

(B) in paragraph (9), by striking the period and inserting ``; and''; and

(C) by adding at the end the following:

``(10) that the chief elected official will submit 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 part every 2 years and shall include necessary client-based data to compile unmet need calculations and Statewide coordinated statements of need process.''.

(3) Coordination.--Section 2605(b) of the Public Health Service Act (42 U.S.C. 300ff-15(b)) is amended--

(A) in paragraph (3), by striking ``and'' at the end;

(B) in paragraph (4), by striking the period and inserting a semicolon; and

(C) by adding at the end the following:

``(5) the manner in which the expected expenditures are related to the planning process for States that receive funding under part B (including the planning process described in section 2617(b)); and

``(6) the expected expenditures and how those expenditures will improve overall client outcomes, as described under the State plan under section 2617(b), and through additional outcomes measures as identified by the HIV health services planning council under section 2602(b).''.

SEC. 107. NEW PROGRAM IN PART A; TRANSITIONAL GRANTS FOR CERTAIN AREAS INELIGIBLE UNDER SECTION 2601.

(a) In General.--Part A of title XXVI of the Public Health Service Act (42 U.S.C. 300ff-11) is amended--

(1) by inserting after the part heading the following:

``Subpart I--General Grant Provisions''; and

(2) by adding at the end the following:

``Subpart II--Transitional Grants

``SEC. 2609. <<NOTE: 42 USC 300ff-19.>> ESTABLISHMENT OF PROGRAM.

``(a) In General.--The Secretary, acting through the Administrator of the Health Resources and Services Administration, shall make grants for the purpose of providing services described in section 2604 in transitional areas, subject to the same provisions regarding the allocation of grant funds as apply under subsection (c) of such section.

[[Page 120 STAT. 2782]]

``(b) Transitional Areas.--For purposes of this section, the term `transitional area' means, subject to subsection (c), a metropolitan area 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 1,000, but fewer than 2,000, cases of AIDS during the most recent period of 5 calendar years for which such data are available.

``(c) Certain Eligibility Rules.--

``(1) Fiscal year 2007.--With respect to grants under subsection (a) for fiscal year 2007, a metropolitan area that received funding under subpart I for fiscal year 2006 but does not for fiscal year 2007 qualify under such subpart as an eligible area and does not qualify under subsection (b) as a transitional area shall, notwithstanding subsection (b), be considered a transitional area.

``(2) Continued status as transitional area.--

``(A) In general.--Notwithstanding subsection (b), a metropolitan area that is a transitional area for a fiscal year continues, except as provided in subparagraph (B), to be a transitional area until the metropolitan area fails, for three consecutive fiscal years--

``(i) to qualify under such subsection as a transitional area; and

``(ii) to have a cumulative total of 1,500 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.

``(B) Exception regarding status as eligible area.--Subparagraph (A) does not apply for a fiscal year if the metropolitan area involved qualifies under subpart I as an eligible area.

``(d) Application of Certain Provisions of Subpart I.--

``(1) Administration; planning council.--

``(A) In general.--The provisions of section 2602 apply with respect to a grant under subsection (a) for a transitional area to the same extent and in the same manner as such provisions apply with respect to a grant under subpart I for an eligible area, except that, subject to subparagraph (B), the chief elected official of the transitional area may elect not to comply with the provisions of section 2602(b) if the official provides documentation to the Secretary that details the process used to obtain community input (particularly from those with HIV) in the transitional area for formulating the overall plan for priority setting and allocating funds from the grant under subsection (a).

``(B) Exception.--For each of the fiscal years 2007 through 2009, the exception described in subparagraph (A) does not apply if the transitional area involved received funding under subpart I for fiscal year 2006.

``(2) Type and distribution of grants; timeframe for obligation and expenditure of grant funds.--

``(A) Formula grants; supplemental grants.--The provisions of section 2603 apply with respect to grants under subsection (a) to the same extent and in the same

[[Page 120 STAT. 2783]]

manner as such provisions apply with respect to grants under subpart I, subject to subparagraphs (B) and (C).

``(B) Formula grants; increase in grant.--For purposes of subparagraph (A), section 2603(a)(4) does not apply.

``(C) Supplemental grants; single program with subpart i program.--With respect to section 2603(b) as applied for purposes of subparagraph (A):

``(i) The Secretary shall combine amounts available pursuant to such subparagraph with amounts available for carrying out section 2603(b) and shall administer the two programs as a single program.

``(ii) In the single program, the Secretary has discretion in allocating amounts between eligible areas under subpart I and transitional areas under this section, subject to the eligibility criteria that apply under such section, and subject to section 2603(b)(2)(C) (relating to priority in making grants).

``(iii) Pursuant to section 2603(b)(1), amounts for the single program are subject to use under sections 2603(a)(4) and 2610(d)(1).

``(3) Application; technical assistance; definitions.--The provisions of sections 2605, 2606, and 2607 apply with respect to grants under subsection (a) to the same extent and in the same manner as such provisions apply with respect to grants under subpart I.''.

(b) Conforming Amendments.--Subpart I of part A of title XXVI of the Public Health Service Act, as designated by subsection (a)(1) of this section, <<NOTE: 42 USC 300ff-11 et seq.>> is amended by striking ``this part'' each place such term appears and inserting ``this subpart''.

SEC. 108. AUTHORIZATION OF APPROPRIATIONS FOR PART A.

Part A of title XXVI of the Public Health Service Act, as amended by section 106(a), is amended by adding at the end the following:

``Subpart III--General Provisions

``SEC. 2610. <<NOTE: 42 USC 300ff-20.>> AUTHORIZATION OF APPROPRIATIONS.

``(a) In General.--For the purpose of carrying out this part, there are authorized to be appropriated $604,000,000 for fiscal year 2007, $626,300,000 for fiscal year 2008, and $649,500,000 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) Fiscal year 2007.--Of the amount appropriated under subsection (a) for fiscal year 2007, the Secretary shall reserve--

``(A) $458,310,000 for grants under subpart I; and

``(B) $145,690,000 for grants under section 2609.

``(2) Subsequent fiscal years.--Of the amount appropriated under subsection (a) for fiscal year 2008 and each subsequent fiscal year--

``(A) the Secretary shall reserve an amount for grants under subpart I; and

``(B) the Secretary shall reserve an amount for grants under section 2609.

[[Page 120 STAT. 2784]]

``(c) Transfer of Certain Amounts; Change in Status as Eligible Area or Transitional Area.--Notwithstanding subsection (b):

``(1) If a metropolitan area is an eligible area under subpart I for a fiscal year, but for a subsequent fiscal year ceases to be an eligible area by reason of section 2601(b)--

``(A)(i) the amount reserved under paragraph (1)(A)

or (2)(A) of subsection (b) of this section for the first such subsequent year of not being an eligible area is deemed to be reduced by an amount equal to the amount of the grant made pursuant to section 2603(a) for the metropolitan area for the preceding fiscal year; and

``(ii)(I) if the metropolitan area qualifies for such first subsequent fiscal year as a transitional area under 2609, the amount reserved under paragraph (1)(B) or (2)(B) of subsection (b) for such fiscal year is deemed to be increased by an amount equal to the amount of the reduction under subparagraph (A) for such year; or

``(II) if the metropolitan area does not qualify for such first subsequent fiscal year as a transitional area under 2609, an amount equal to the amount of such reduction is, notwithstanding subsection (a), transferred and made available for grants pursuant to section 2618(a)(1), in addition to amounts available for such grants under section 2623; and

``(B) if a transfer under subparagraph (A)(ii)(II) is made with respect to the metropolitan area for such first subsequent fiscal year, then--

``(i) the amount reserved under paragraph (1)(A) or (2)(A) of subsection (b) of this section for such year is deemed to be reduced by an additional $500,000; and

``(ii) an amount equal to the amount of such additional reduction is, notwithstanding subsection (a), transferred and made available for grants pursuant to section 2618(a)(1), in addition to amounts available for such grants under section 2623.

``(2) If a metropolitan area is a transitional area under section 2609 for a fiscal year, but for a subsequent fiscal year ceases to be a transitional area by reason of section 2609(c)(2) (and does not qualify for such subsequent fiscal year as an eligible area under subpart I)--

``(A) the amount reserved under subsection (b)(2)(B) of this section for the first such subsequent fiscal year of not being a transitional area is deemed to be reduced by an amount equal to the total of--

``(i) the amount of the grant that, pursuant to section 2603(a), was made under section 2609(d)(2)(A) for the metropolitan area for the preceding fiscal year; and

``(ii) $500,000; and

``(B) an amount equal to the amount of the reduction under subparagraph (A) for such year is, notwithstanding subsection (a), transferred and made available for grants pursuant to section 2618(a)(1), in addition to amounts available for such grants under section 2623.

[[Page 120 STAT. 2785]]

``(3) If a metropolitan area is a transitional area under section 2609 for a fiscal year, but for a subsequent fiscal year qualifies as an eligible area under subpart I--

``(A) the amount reserved under subsection (b)(2)(B) of this section for the first such subsequent fiscal year of becoming an eligible area is deemed to be reduced by an amount equal to the amount of the grant that, pursuant to section 2603(a), was made under section 2609(d)(2)(A) for the metropolitan area for the preceding fiscal year; and

``(B) the amount reserved under subsection (b)(2)(A) for such fiscal year is deemed to be increased by an

amount equal to the amount of the reduction under subparagraph (A) for such year.

``(d) Certain Transfers; Allocations Between Programs Under Subpart I.--With respect to paragraphs (1)(B)(i) and (2)(A)(ii) of subsection (c), the Secretary shall administer any reductions under such paragraphs for a fiscal year in accordance with the following:

``(1) The reductions shall be made from amounts available for the single program referred to in section 2609(d)(2)(C) (relating to supplemental grants).

``(2) The reductions shall be made before the amounts referred to in paragraph (1) are used for purposes of section 2603(a)(4).

``(3) If the amounts referred to in paragraph (1) are not sufficient for making all the reductions, the reductions shall be reduced until the total amount of the reductions equals the total of the amounts referred to in such paragraph.

``(e) Rules <<NOTE: Applicability.>> of Construction Regarding First Subsequent Fiscal Year.--Paragraphs (1) and (2) of subsection (c) apply with respect to each series of fiscal years during which a metropolitan area is an eligible area under subpart I or a transitional area under section 2609 for a fiscal year and then for a subsequent fiscal year ceases to be such an area by reason of section 2601(b) or 2609(c)(2), respectively, rather than applying to a single such series. Paragraph (3) of subsection (c) applies with respect to each series of fiscal years during which a metropolitan area is a transitional area under section 2609 for a fiscal year and then for a subsequent fiscal year becomes an eligible area under subpart I, rather than applying to a single such series.''.

TITLE II--CARE GRANTS

SEC. 201. GENERAL USE OF GRANTS.

(a) In General.--Section 2612 of the Public Health Service Act (42 U.S.C. 300ff-22) is amended to read as follows:

``SEC. 2612. GENERAL USE OF GRANTS.

``(a) In General.--A State may use amounts provided under grants made under section 2611 for--

``(1) core medical services described in subsection (b);

``(2) support services described in subsection (c); and

``(3) administrative expenses described in section 2618(b)(3).

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

[[Page 120 STAT. 2786]]

``(1) In general.--With respect to a grant under section 2611 for a State for a grant year, the State shall, of the portion of the grant remaining after reserving amounts for purposes of subparagraphs (A) and (E)(ii)(I) of section 2618(b)(3), use not less than 75 percent to provide core medical services that are needed in the State 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) In general.--The Secretary shall waive the application of paragraph (1) with respect to a State for a grant year if the Secretary determines that, within the State--

``(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 a State that a grant under section 2611 is being made to the State for a fiscal year, the Secretary shall inform the State 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 infected 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 in accordance with section 2616.

``(C) AIDS pharmaceutical assistance.

``(D) Oral health care.

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

``(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.

``(c) Support Services.--

``(1) In general.--For purposes of this subsection, 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).

[[Page 120 STAT. 2787]]

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

``(d) Early Intervention Services.--

``(1) In general.--For purposes of this section, the term `early intervention services' means HIV/AIDS early intervention services described in section 2651(e), with follow-up referral provided for the purpose of facilitating the access of individuals receiving the services to HIV-related health services. The entities through which such services may be provided under the grant include public health departments, emergency rooms, substance abuse and mental health treatment programs, detoxification centers, detention facilities, clinics regarding sexually transmitted diseases, homeless shelters, HIV/AIDS counseling and testing sites, health care points of entry specified by States, federally qualified health centers, and entities described in section 2652(a) that constitute a point of access to services by maintaining referral relationships.

``(2) Conditions.--With respect to an entity that proposes to provide early intervention services under paragraph (1), such

paragraph shall apply only if the entity demonstrates to the satisfaction of the chief elected official for the State involved that--

``(A) Federal, State, or local funds are otherwise inadequate for the early intervention services the entity proposes to provide; and

``(B) the entity will expend funds pursuant to such subparagraph to supplement and not supplant other funds available to the entity for the provision of early intervention services for the fiscal year involved.

``(e) Priority for Women, Infants, Children, and Youth.--

``(1) In general.--For the purpose of providing health and support services to infants, children, youth, and women with HIV/AIDS, including treatment measures to prevent the perinatal transmission of HIV, a State shall for each of such populations in the eligible area use, from the grants made for the area under section 2601(a) for a fiscal year, not less than the percentage constituted by the ratio of the population involved (infants, children, youth, or women in such area) with HIV/AIDS to the general population in such area of individuals with HIV/AIDS.

``(2) Waiver.--With respect to the population involved, the Secretary may provide to a State a waiver of the requirement of paragraph (1) if such State demonstrates to the satisfaction of the Secretary that the population is receiving HIV-related health services through the State medicaid program under title XIX of the Social Security Act, the State children's health insurance program under title XXI of such Act, or other Federal or State programs.

``(f) Construction.--A State may not use amounts received under a grant awarded under section 2611 to purchase or improve land, or to purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or to make cash payments to intended recipients of services.''.

(b) HIV Care Consortia.--Section 2613 of the Public Health Service Act (42 U.S.C. 300ff-23) is amended--

[[Page 120 STAT. 2788]]

(1) in subsection (a), in the matter preceding paragraph (1)--

(A) by striking ``may use'' and inserting ``may, subject to subsection (f), use''; and

(B) by striking ``section 2612(a)(1)'' and inserting ``section 2612(a)''; and

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

``(f) Allocation of Funds; Treatment as Support Services.--For purposes of the requirement of section 2612(b)(1), expenditures of grants under section 2611 for or through consortia under this section are deemed to be support services, not core medical services. The preceding sentence may not be construed as having any legal effect on the provisions of subsection (a) that relate to authorized expenditures of the grant.''.

(c) Technical Amendments.--Part B of title XXVI of the Public Health Service Act (42 U.S.C. 300ff-21 et seq.) is amended--

(1) in section 2611-- <<NOTE: 42 USC 300ff-21.>>

(A) in subsection (a), by striking the subsection designation and heading; and

(B) by striking subsection (b);

(2) in section 2614-- <<NOTE: 42 USC 300ff-24.>>

(A) in subsection (a), in the matter preceding paragraph (1), by striking ``section 2612(a)(2)'' and inserting ``section 2612(b)(3)(J)''; and

(B) in subsection (c)(2)(B), by striking ``homemaker or'';

(3) in section 2615(a) <<NOTE: 42 USC 300ff-25.>> by striking ``section 2612(a)(3)'' and inserting ``section 2612(b)(3)(F)''; and

(4) in section <<NOTE: 42 USC 300ff-26.>> 2616(a) by striking ``section 2612(a)(5)'' and inserting ``section 2612(b)(3)(B)''.

SEC. 202. AIDS DRUG ASSISTANCE PROGRAM.

(a) Requirement of Minimum Drug List.--Section 2616 of the Public Health Service Act (42 U.S.C. 300ff-26) is amended--

(1) in subsection (c), by striking paragraph (1) and inserting the following:

``(1) ensure that the therapeutics included on the list of classes of core antiretroviral therapeutics established by the Secretary under subsection (e) are, at a minimum, the treatments provided by the State pursuant to this section;'';

(2) by redesignating subsection (e) as subsection (f); and

(3) by inserting after subsection (d) the following:

``(e) List of Classes of Core Antiretroviral Therapeutics.--For purposes of subsection (c)(1), the Secretary shall develop and maintain a list of classes of core antiretroviral therapeutics, which list shall be based on the therapeutics included in the guidelines of the Secretary known as the Clinical Practice Guidelines for Use of HIV/AIDS Drugs, relating to drugs needed to manage symptoms associated with HIV. The preceding sentence does not affect the authority of the Secretary to modify such Guidelines.''.

(b) Drug Rebate Program.--Section 2616 of the Public Health Service Act, as amended by subsection (a)(2) of this section, is amended by adding at the end the following:

``(g) Drug Rebate Program.--A State shall ensure that any drug rebates received on drugs purchased from funds provided pursuant to this section are applied to activities supported under

[[Page 120 STAT. 2789]]

this subpart, with priority given to activities described under this section.''.

SEC. 203. DISTRIBUTION OF FUNDS.

(a) Distribution Based on Living Cases of HIV/AIDS.--

(1) State distribution factor.--Section 2618(a)(2) of the Public Health Service Act (42 U.S.C. 300ff-28(a)(2)) is amended--

(A) in subparagraph (B), by striking ``estimated number of living cases of acquired immune deficiency syndrome in the eligible area involved'' and inserting ``number of living cases of HIV/AIDS in the State involved''; and

(B) by amending subparagraph (D) to read as follows:

``(D) Living cases of hiv/aids.--

``(i) Requirement of names-based reporting.--Except as provided in clause (ii), the number determined under this subparagraph for a State for a fiscal year for purposes of subparagraph (B) is the number of living names-based cases of HIV/AIDS in the State that, as of December 31 of the most recent calendar year for which such data is available, have been reported to and confirmed by the Director of the Centers for Disease Control and Prevention.

``(ii) Transition period; exemption regarding

non-aids cases.--For each of the fiscal years 2007 through 2009, a State is, subject to clauses (iii) through (v), exempt from the requirement under clause (i) that living non-AIDS names-based cases of HIV be reported unless--

``(I) a system was in operation as of December 31, 2005, that provides sufficiently accurate and reliable names-based reporting of such cases throughout the State, subject to clause (vii); or

``(II) <<NOTE: Deadline.>> no later than the beginning of fiscal year 2008 or 2009, the Secretary, after consultation with the chief executive of the State, determines that a system has become operational in the State that provides sufficiently accurate and reliable names-based reporting of such cases throughout the State.

``(iii) Requirements <<NOTE: Applicability. Deadline.>> for exemption for fiscal year 2007.--For fiscal year 2007, an exemption under clause (ii) for a State applies only if, by October 1, 2006--

``(I)(aa) the State had submitted to the Secretary a plan for making the transition to sufficiently accurate and reliable names-based reporting of living non-AIDS cases of HIV; or

``(bb) all statutory changes necessary to provide for sufficiently accurate and reliable reporting of such cases had been made; and

``(II) the State had agreed that, by April 1, 2008, the State will begin accurate and reliable names-based reporting of such cases, except that such agreement is not required to provide that, as of such date, the system for such reporting

[[Page 120 STAT. 2790]]

be fully sufficient with respect to accuracy and reliability throughout the area.

``(iv) Requirement <<NOTE: Applicability. Deadline.>> for exemption as of fiscal year 2008.--For each of the fiscal years 2008 through 2010, an exemption under clause (ii) for a State applies only if, as of April 1, 2008, the State is substantially in compliance with the agreement under clause (iii)(II).

``(v) Progress toward names-based reporting.--For fiscal year 2009, the Secretary may terminate an exemption under clause (ii) for a State if the State submitted a plan under clause (iii)(I)(aa) and the Secretary determines that the State is not substantially following the plan.

``(vi) Counting of cases in areas with exemptions.--

``(I) In general.--With respect to a State that is under a reporting system for living non-AIDS cases of HIV that is

not names-based (referred to in this subparagraph as `code-based reporting'), the Secretary shall, for purposes of this subparagraph, modify the number of such cases reported for the State in order to adjust for duplicative reporting in and among systems that use code-based reporting.

``(II) Adjustment rate.--The adjustment rate under subclause (I) for a State shall be a reduction of 5 percent in the number of living non-AIDS cases of HIV reported for the State.

``(vii) List of states meeting standard regarding december 31, 2005.--

``(I) In general.--If a State is specified in subclause (II), the State shall be considered to meet the standard described in clause (ii)(I). No other State may be considered to meet such standard.

``(II) Relevant states.--For purposes of subclause (I), the States specified in this subclause are the following: Alaska, Alabama, Arkansas, Arizona, Colorado, Florida, Indiana, Iowa, Idaho, Kansas, Louisiana, Michigan, Minnesota, Missouri, Mississippi, North Carolina, North Dakota, Nebraska, New Jersey, New Mexico, New York, Nevada, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Wisconsin, West Virginia, Wyoming, Guam, and the Virgin Islands.

``(viii) Rules of construction regarding acceptance of reports.--

``(I) Cases of aids.--With respect to a State that is subject to the requirement under clause (i) and is not in compliance with the requirement for names-based reporting of living non-AIDS cases of HIV, the Secretary shall, notwithstanding such noncompliance, accept reports of living cases of AIDS that are in accordance with such clause.

``(II) Applicability of exemption requirements.--The provisions of clauses (ii) through (vii)

[[Page 120 STAT. 2791]]

may not be construed as having any legal effect for fiscal year 2010 or any subsequent fiscal year, and accordingly, the status of a State for purposes of such clauses may not be considered after fiscal year 2009.

``(ix) Program for detecting inaccurate or fraudulent counting.--The Secretary shall carry out a program to monitor the reporting of names-based cases for purposes of this subparagraph and to detect instances of inaccurate reporting, including fraudulent reporting.''.

(2) Non-ema distribution factor.--Section 2618(a)(2)(C) of the Public Health Service Act (42 U.S.C. 300ff-28(a)(2)(C)) is