

**§ 300e-12. Limitation on source of funding for health maintenance organizations**

No funds appropriated under any provision of this chapter (except as provided in sections 254b<sup>1</sup> and 254b of this title) other than this subchapter may be used—

(1) for grants or contracts for surveys or other activities to determine the feasibility of developing or expanding health maintenance organizations or other entities which provide, directly or indirectly, health services to a defined population on a prepaid basis;

(2) for grants or contracts, or for payments under loan guarantees, for planning projects for the establishment or expansion of such organizations or entities;

(3) for grants or contracts, or for payments under loan guarantees, for projects for the initial development or expansion of such organizations or entities; or

(4) for loans, or for payments under loan guarantees, to assist in meeting the costs of the initial operation after establishment or expansion of such organizations or entities or in meeting the costs of such organizations in acquiring or constructing ambulatory health care facilities.

(July 1, 1944, ch. 373, title XIII, §1313, as added Pub. L. 93-222, §2, Dec. 29, 1973, 87 Stat. 932; amended Pub. L. 95-559, §5(b), Nov. 1, 1978, 92 Stat. 2133; Pub. L. 95-626, title I, §107, Nov. 10, 1978, 92 Stat. 3562; Pub. L. 107-251, title VI, §601(a), Oct. 26, 2002, 116 Stat. 1664; Pub. L. 108-163, §2(m)(2), Dec. 6, 2003, 117 Stat. 2023.)

REFERENCES IN TEXT

The reference to section 254b of this title the first place appearing in text was in the original a reference to section 329, meaning section 329 of act July 1, 1944, which was omitted in the general amendment of subpart I (§254b et seq.) of part D of this subchapter by Pub. L. 104-299, §2, Oct. 11, 1996, 110 Stat. 3626.

AMENDMENTS

2003—Pub. L. 108-163 substituted “254b and 254b” for “254b, 254c, and 254b(h)” in introductory provisions.

2002—Pub. L. 107-251 substituted “254b(h)” for “256” in introductory provisions.

1978—Pub. L. 95-626 inserted “(except as provided in sections 254b, 254c, and 256 of this title)” after “under any provision of this chapter” in provisions preceding par. (1).

Par. (4). Pub. L. 95-559 inserted “or in meeting the costs of such organizations in acquiring or constructing ambulatory health care facilities” after “or entities”.

EFFECTIVE DATE OF 2003 AMENDMENT

Amendment by Pub. L. 108-163 deemed to have taken effect immediately after the enactment of Pub. L. 107-251, see section 3 of Pub. L. 108-163, set out as a note under section 233 of this title.

**§ 300e-13. Repealed. Pub. L. 97-35, title IX, §949(b), Aug. 13, 1981, 95 Stat. 578**

Section, acts July 1, 1944, ch. 373, title XIII, §1314, as added Dec. 29, 1973, Pub. L. 93-222, §2, 87 Stat. 932; amended Oct. 8, 1976, Pub. L. 94-460, title I, §115, 90 Stat. 1954; Nov. 1, 1978, Pub. L. 95-559, §13, 92 Stat. 2140, required the Comptroller General to: (a) evaluate the operations, particularly, specified aspects of the oper-

ations, of at least ten or one-half, whichever is greater, of the health maintenance organizations for which assistance was provided under sections 300e-2, 300e-3, and 300e-4 of this title, and which, by Dec. 31, 1976, were designated by the Secretary under section 300e-9(d) of this title as qualified health maintenance organizations, to Congress by June 30, 1978; (b) conduct a study of the economic effects on employers resulting from their compliance with the requirements of section 300e-9 of this title and report to Congress not later than 36 months after Dec. 29, 1973; (c) evaluate the operations of health maintenance organizations in comparison with others in distinct categories, in comparison with alternative forms of health care delivery, and their impact on the health of the public and report to Congress not later than 36 months after Dec. 29, 1973; and (d) evaluate the adequacy and effectiveness of the policies and procedures of the Secretary for the management of the grant and loan programs established by this subchapter and the adequacy of the amounts of assistance available under these programs and report to Congress not later than May 1, 1979.

**§ 300e-14. Annual report**

(a) The Secretary shall periodically review the programs of assistance authorized by this subchapter and make an annual report to the Congress of a summary of the activities under each program. The Secretary shall include in such summary—

(1) a summary of each grant, contract, loan, or loan guarantee made under this subchapter in the period covered by the report and a list of the health maintenance organizations which during such period became qualified health maintenance organizations for purposes of section 300e-9 of this title;

(2) the statistics and other information reported in such period to the Secretary in accordance with section 300e(c)(11)<sup>1</sup> of this title;

(3) findings with respect to the ability of the health maintenance organizations assisted under this subchapter—

(A) to operate on a fiscally sound basis without continued Federal financial assistance,

(B) to meet the requirements of section 300e(c) of this title respecting their organization and operation,

(C) to provide basic and supplemental health services in the manner prescribed by section 300e(b) of this title,

(D) to include indigent and high-risk individuals in their membership, and

(E) to provide services to medically underserved populations; and

(4) findings with respect to—

(A) the operation of distinct categories of health maintenance organizations in comparison with each other,

(B) health maintenance organizations as a group in comparison with alternative forms of health care delivery, and

(C) the impact that health maintenance organizations, individually, by category, and as a group, have on the health of the public.

(b) The Office of Management and Budget may review the Secretary's report under subsection (a) before its submission to the Congress, but the Office may not revise the report or delay its

<sup>1</sup> See References in Text note below.

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