

amended Pub. L. 99-660, title VIII, §803(b)(4), Nov. 14, 1986, 100 Stat. 3800.)

#### REFERENCES IN TEXT

Section 300e-9(d) of this title, referred to in subsec. (b), was redesignated section 300e-9(c) of this title by Pub. L. 100-517, §7(b), Oct. 24, 1988, 102 Stat. 2580.

#### AMENDMENTS

1986—Subsec. (b). Pub. L. 99-660 redesignated cls. (2) and (3) as (1) and (2), respectively, and struck out former cl. (1) which read as follows: “to entities in connection with projects for which assistance is being provided under section 300e-2 or 300e-3 of this title.”

#### EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-660 not applicable to any grant made or contract entered into under this subchapter before Oct. 1, 1985, see section 803(c) of Pub. L. 99-660, set out as a note under section 300e-5 of this title.

Amendment by Pub. L. 99-660 effective Oct. 1, 1985, see section 815(a) of Pub. L. 99-660, set out as an Effective and Termination Dates of 1986 Amendment note under section 300e-1 of this title.

#### EFFECTIVE DATE

Pub. L. 95-559, §7(c), Nov. 1, 1978, 92 Stat. 2135, provided that: “The amendments made by this section [enacting this section and amending section 300e-8 of this title] shall only be effective for fiscal years beginning on or after October 1, 1978.”

### § 300e-17. Financial disclosure

#### (a) Financial information reported to Secretary

Each health maintenance organization shall, in accordance with regulations of the Secretary, report to the Secretary financial information which shall include the following:

(1) Such information as the Secretary may require demonstrating that the health maintenance organization has a fiscally sound operation.

(2) A copy of the report, if any, filed with the Centers for Medicare & Medicaid Services containing the information required to be reported under section 1320a-3 of this title by disclosing entities and the information required to be supplied under section 1396a(a)(38) of this title.

(3) A description of transactions, as specified by the Secretary, between the health maintenance organization and a party in interest. Such transactions shall include—

(A) any sale or exchange, or leasing of any property between the health maintenance organization and a party in interest;

(B) any furnishing for consideration of goods, services (including management services), or facilities between the health maintenance organization and a party in interest, but not including salaries paid to employees for services provided in the normal course of their employment and health services provided to members by hospitals and other providers and by staff, medical group (or groups), individual practice association (or associations), or any combination thereof; and

(C) any lending of money or other extension of credit between a health maintenance organization and a party in interest.

The Secretary may require that information reported respecting a health maintenance organi-

zation which controls, is controlled by, or is under common control with, another entity be in the form of a consolidated financial statement for the organization and such entity.

#### (b) “Party in interest” defined

For the purposes of this section the term “party in interest” means:

(1) any director, officer, partner, or employee responsible for management or administration of a health maintenance organization, any person who is directly or indirectly the beneficial owner of more than 5 per centum of the equity of the organization, any person who is the beneficial owner of a mortgage, deed of trust, note, or other interest secured by, and valuing more than 5 per centum of the health maintenance organization, and, in the case of a health maintenance organization organized as a nonprofit corporation, an incorporator or member of such corporation under applicable State corporation law;

(2) any entity in which a person described in paragraph (1)—

(A) is an officer or director;

(B) is a partner (if such entity is organized as a partnership);

(C) has directly or indirectly a beneficial interest of more than 5 per centum of the equity; or

(D) has a mortgage, deed of trust, note, or other interest valuing more than 5 per centum of the assets of such entity;

(3) any person directly or indirectly controlling, controlled by, or under common control with a health maintenance organization; and

(4) any spouse, child, or parent of an individual described in paragraph (1).

#### (c) Information availability

Each health maintenance organization shall make the information reported pursuant to subsection (a) available to its enrollees upon reasonable request.

#### (d) Evaluation of transactions

The Secretary shall, as he deems necessary, conduct an evaluation of transactions reported to the Secretary under subsection (a)(3) for the purpose of determining their adverse impact, if any, on the fiscal soundness and reasonableness of charges to the health maintenance organization with respect to which they transpired. The Secretary shall evaluate the reported transactions of not less than five, or if there are more than twenty health maintenance organizations reporting such transactions, not less than one-fourth of the health maintenance organizations reporting any such transactions under subsection (a)(3).

#### (e) Repealed. Pub. L. 99-660, title VIII, § 810, Nov. 14, 1986, 100 Stat. 3801

#### (f) Rates

Nothing in this section shall be construed to confer upon the Secretary any authority to approve or disapprove the rates charged by any health maintenance organization.

#### (g) Annual financial statement

Any health maintenance organization failing to file with the Secretary the annual financial

statement required in subsection (a) shall be ineligible for any Federal assistance under this subchapter until such time as such statement is received by the Secretary and shall not be a qualified health maintenance organization for purposes of section 300e-9 of this title.

#### (h) Penalties

Whoever knowingly and willfully makes or causes to be made any false statement or representation of a material fact in any statement filed pursuant to this section shall be guilty of a felony and upon conviction thereof shall be fined not more than \$25,000 or imprisoned for not more than five years, or both.

(July 1, 1944, ch. 373, title XIII, §1318, as added Pub. L. 95-559, §9(a), Nov. 1, 1978, 92 Stat. 2135; amended Pub. L. 97-35, title IX, §948, Aug. 13, 1981, 95 Stat. 577; Pub. L. 99-660, title VIII, §810, Nov. 14, 1986, 100 Stat. 3801; Pub. L. 108-173, title IX, §900(e)(2)(E), Dec. 8, 2003, 117 Stat. 2372.)

#### AMENDMENTS

2003—Subsec. (a)(2). Pub. L. 108-173 substituted “Centers for Medicare & Medicaid Services” for “Health Care Financing Administration”.

1986—Subsec. (e). Pub. L. 99-660 struck out subsec. (e) which read as follows: “The Secretary shall file an annual report with the Congress on the operation of this section. Such report shall include—

“(1) an enumeration of standards and norms utilized to make the evaluations required under subsection (d) of this section;

“(2) an assessment of the degree of conformity or nonconformity of each health maintenance organization evaluated by the Secretary under subsection (d) of this section with such standards and norms;

“(3) what action, if any, the Secretary considers necessary under section 300e-11 of this title with respect to health maintenance organizations evaluated under subsection (d) of this section.”

1981—Subsec. (a). Pub. L. 97-35, §948(a), (b), in par. (2) inserted reference to copy of the report, if any, filed with the Health Care Financing Administration, and in par. (3)(B) reorganized excluding provisions and, among revisions, inserted salaries paid to employees for services.

Subsec. (b)(1). Pub. L. 97-35, §948(c), inserted “responsible for management or administration” after “employee”.

Subsec. (b)(4). Pub. L. 97-35, §948(d), substituted “spouse, child, or parent” for “member of the immediate family”.

#### EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-660 effective Oct. 1, 1985, see section 815(a) of Pub. L. 99-660, set out as an Effective and Termination Dates of 1986 Amendment note under section 300e-1 of this title.

### SUBCHAPTER XII—SAFETY OF PUBLIC WATER SYSTEMS

#### PART A—DEFINITIONS

#### § 300f. Definitions

For purposes of this subchapter:

(1) The term “primary drinking water regulation” means a regulation which—

(A) applies to public water systems;

(B) specifies contaminants which, in the judgment of the Administrator, may have any adverse effect on the health of persons;

(C) specifies for each such contaminant either—

(i) a maximum contaminant level, if, in the judgment of the Administrator, it is economically and technologically feasible to ascertain the level of such contaminant in water in public water systems, or

(ii) if, in the judgment of the Administrator, it is not economically or technologically feasible to so ascertain the level of such contaminant, each treatment technique known to the Administrator which leads to a reduction in the level of such contaminant sufficient to satisfy the requirements of section 300g-1 of this title; and

(D) contains criteria and procedures to assure a supply of drinking water which dependably complies with such maximum contaminant levels; including accepted methods for quality control and testing procedures to insure compliance with such levels and to insure proper operation and maintenance of the system, and requirements as to (i) the minimum quality of water which may be taken into the system and (ii) siting for new facilities for public water systems.

At any time after promulgation of a regulation referred to in this paragraph, the Administrator may add equally effective quality control and testing procedures by guidance published in the Federal Register. Such procedures shall be treated as an alternative for public water systems to the quality control and testing procedures listed in the regulation.

(2) The term “secondary drinking water regulation” means a regulation which applies to public water systems and which specifies the maximum contaminant levels which, in the judgment of the Administrator, are requisite to protect the public welfare. Such regulations may apply to any contaminant in drinking water (A) which may adversely affect the odor or appearance of such water and consequently may cause a substantial number of the persons served by the public water system providing such water to discontinue its use, or (B) which may otherwise adversely affect the public welfare. Such regulations may vary according to geographic and other circumstances.

(3) The term “maximum contaminant level” means the maximum permissible level of a contaminant in water which is delivered to any user of a public water system.

(4) PUBLIC WATER SYSTEM.—

(A) IN GENERAL.—The term “public water system” means a system for the provision to the public of water for human consumption through pipes or other constructed conveyances, if such system has at least fifteen service connections or regularly serves at least twenty-five individuals. Such term includes (i) any collection, treatment, storage, and distribution facilities under control of the operator of such system and used primarily in connection with such system, and (ii) any collection or pretreatment storage facilities not under such control which are used primarily in connection with such system.

(B) CONNECTIONS.—