

shall remain available to such State for obligation during the next fiscal year. No payment may be made to a State under this subchapter from allotments for a fiscal year for expenditures made after the following fiscal year.

**(c) Reduction of payments; fair market value of supplies or equipment, value of salaries, travel expenses, etc.**

The Secretary, at the request of a State, may reduce the amount of payments under subsection (a) by—

- (1) the fair market value of any supplies or equipment furnished the State, and
- (2) the amount of the pay, allowances, and travel expenses of any officer or employee of the Government when detailed to the State and the amount of any other costs incurred in connection with the detail of such officer or employee,

when the furnishing of supplies or equipment or the detail of an officer or employee is for the convenience of and at the request of the State and for the purpose of conducting activities described in section 705(a) of this title on a temporary basis. The amount by which any payment is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment or in detailing the personnel, on which the reduction of the payment is based, and the amount shall be deemed to be part of the payment and shall be deemed to have been paid to the State.

(Aug. 14, 1935, ch. 531, title V, § 503, as added Pub. L. 97-35, title XXI, § 2192(a), Aug. 13, 1981, 95 Stat. 821; amended Pub. L. 98-369, div. B, title III, § 2373(a)(1), July 18, 1984, 98 Stat. 1111; Pub. L. 101-239, title VI, §§ 6502(b), 6503(c)(4), Dec. 19, 1989, 103 Stat. 2276, 2278.)

**PRIOR PROVISIONS**

A prior section 703, act Aug. 14, 1935, ch. 531, title V, § 503, as added Jan. 2, 1968, Pub. L. 90-248, title III, § 301, 81 Stat. 922, related to allotments to States for maternal and child health services, prior to the general revision of this subchapter by section 2192(a) of Pub. L. 97-35. See section 702 of this title. For effective date, savings, and transitional provisions, see section 2194 of Pub. L. 97-35, set out as a note under section 701 of this title.

Another prior section 703, acts Aug. 14, 1935, ch. 531, title V, § 503, 49 Stat. 630; Aug. 10, 1939, ch. 666, title V, § 503, 53 Stat. 1380; 1946 Reorg. Plan No. 2, §§ 1, 4, eff. July 16, 1946, 11 F.R. 7873, 60 Stat. 1095; Aug. 28, 1950, ch. 809 title III, pt. 6, § 361(e), 64 Stat. 558; July 30, 1965, Pub. L. 89-97, title II, § 204(a), 79 Stat. 354, related to contents of State plans for maternal and child health services and their approval by the Administrator, prior to the general amendment of title V of the Social Security Act by Pub. L. 90-248, § 301, and was covered by former section 705 of this title.

Provisions similar to those comprising former section 703 were contained in section 502 of act Aug. 14, 1935, ch. 531, title V, 49 Stat. 629, as amended (formerly classified to section 702 of this title), prior to the general amendment and renumbering of title V of act Aug. 14, 1935, by Pub. L. 90-248, § 301.

**AMENDMENTS**

1989—Subsec. (a). Pub. L. 101-239, § 6502(b), substituted “702(c)” for “702(b)” in two places.

Subsec. (c). Pub. L. 101-239, § 6503(c)(4), substituted “705(a)” for “705” in penultimate sentence.

1984—Subsec. (a). Pub. L. 98-369 substituted “section 6503(a) of title 31” for “section 203 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4213)”.

**EFFECTIVE DATE OF 1989 AMENDMENT**

Amendment by section 6502(b) of Pub. L. 101-239 applicable to appropriations for fiscal years beginning with fiscal year 1990, and amendment by section 6503(c)(4) of Pub. L. 101-239 applicable to payments for allotments for fiscal years beginning with fiscal year 1991, see section 6510(a), (b)(1) of Pub. L. 101-239, set out as a note under section 701 of this title.

**§ 703a. Omitted**

**CODIFICATION**

Section, Pub. L. 90-132, title II, Nov. 8, 1967, 81 Stat. 404, which provided for approval by Secretary of any State plan which provided standards for professional obstetrical services in accordance with the laws of the State, was not repeated in the Department of Health, Education, and Welfare Appropriation Act, 1969. Similar provisions were contained in the following prior appropriation acts:

Nov. 7, 1966, Pub. L. 87-787, title II, 80 Stat. 1397.  
 Aug. 31, 1965, Pub. L. 89-156, title II, 79 Stat. 605.  
 Sept. 19, 1964, Pub. L. 88-605, title II, 78 Stat. 976.  
 Oct. 11, 1963, Pub. L. 88-136, title II, 77 Stat. 240.  
 Aug. 14, 1962, Pub. L. 87-582, title II, 76 Stat. 376.  
 Sept. 22, 1961, Pub. L. 87-290, title II, 75 Stat. 605.  
 Sept. 2, 1960, Pub. L. 86-703, title II, 74 Stat. 770.  
 Aug. 14, 1959, Pub. L. 86-158, title II, 73 Stat. 353.  
 Aug. 1, 1958, Pub. L. 85-580, title II, 72 Stat. 472.  
 June 29, 1957, Pub. L. 85-67, title II, 71 Stat. 222.  
 June 29, 1956, ch. 477, title II, 70 Stat. 434.  
 Aug. 1, 1955, ch. 437, title II, 69 Stat. 408.  
 July 2, 1954, ch. 457, title II, 68 Stat. 444.  
 July 31, 1953, ch. 296, title II, 67 Stat. 255.  
 July 5, 1952, ch. 575, title II, 66 Stat. 368.  
 Aug. 31, 1951, ch. 373, title II, 65 Stat. 219.  
 Sept. 6, 1950, ch. 896, ch. V, title II, 64 Stat. 653.  
 June 29, 1949, ch. 275, title II, 63 Stat. 284.  
 June 16, 1948, ch. 472, title I, 62 Stat. 447.  
 July 8, 1947, ch. 210, title II, 61 Stat. 273.  
 July 26, 1946, title I, 60 Stat. 681.  
 July 3, 1945, ch. 263, title I, 59 Stat. 363.

**§ 704. Use of allotment funds**

**(a) Covered services**

Except as otherwise provided under this section, a State may use amounts paid to it under section 703 of this title for the provision of health services and related activities (including planning, administration, education, and evaluation and including payment of salaries and other related expenses of National Health Service Corps personnel) consistent with its application transmitted under section 705(a) of this title.

**(b) Restrictions**

Amounts described in subsection (a) may not be used for—

- (1) inpatient services, other than inpatient services provided to children with special health care needs or to high-risk pregnant women and infants and such other inpatient services as the Secretary may approve;
- (2) cash payments to intended recipients of health services;
- (3) the purchase or improvement of land, the purchase, construction, or permanent improvement (other than minor remodeling) of any building or other facility, or the purchase of major medical equipment;
- (4) satisfying any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds;
- (5) providing funds for research or training to any entity other than a public or nonprofit private entity; or