

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

(6) payment for any item or service (other than an emergency item or service) furnished—

(A) by an individual or entity during the period when such individual or entity is excluded under this subchapter or subchapter XVIII, XIX, or XX pursuant to section 1320a-7, 1320a-7a, 1320c-5, or 1395u(j)(2) of this title, or

(B) at the medical direction or on the prescription of a physician during the period when the physician is excluded under this subchapter or subchapter XVIII, XIX, or XX pursuant to section 1320a-7, 1320a-7a, 1320c-5, or 1395u(j)(2) of this title and when the person furnishing such item or service knew or had reason to know of the exclusion (after a reasonable time period after reasonable notice has been furnished to the person).

The Secretary may waive the limitation contained in paragraph (3) upon the request of a State if the Secretary finds that there are extraordinary circumstances to justify the waiver and that granting the waiver will assist in carrying out this subchapter.

**(c) Use of portion of funds**

A State may use a portion of the amounts described in subsection (a) for the purpose of purchasing technical assistance from public or private entities if the State determines that such assistance is required in developing, implementing, and administering programs funded under this subchapter.

**(d) Limitation on use of funds for administrative costs**

Of the amounts paid to a State under section 703 of this title from an allotment for a fiscal year under section 702(c) of this title, not more than 10 percent may be used for administering the funds paid under such section.

(Aug. 14, 1935, ch. 531, title V, § 504, as added Pub. L. 97-35, title XXI, § 2192(a), Aug. 13, 1981, 95 Stat. 821; amended Pub. L. 99-272, title IX, § 9527(e), Apr. 7, 1986, 100 Stat. 219; Pub. L. 100-93, § 8(a), Aug. 18, 1987, 101 Stat. 692; Pub. L. 100-203, title IV, § 4118(e)(12), Dec. 22, 1987, as added Pub. L. 100-360, title IV, § 411(k)(10)(D), July 1, 1988, 102 Stat. 796, and amended Pub. L. 100-485, title VI, § 608(d)(26)(K)(ii), Oct. 13, 1988, 102 Stat. 2422; Pub. L. 101-239, title VI, § 6503(a), (c)(2), (4), Dec. 19, 1989, 103 Stat. 2276, 2278.)

**PRIOR PROVISIONS**

A prior section 704, act Aug. 14, 1935, ch. 531, title V, § 504, as added Jan. 2, 1968, Pub. L. 90-248, title III, § 301, 81 Stat. 922, related to allotments to States for crippled children's 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 704, acts Aug. 14, 1935, ch. 531, title V, § 504, 49 Stat. 630; 1940 Reorg. Plan No. III, § 1(a), eff. June 30, 1940, 5 F.R. 2107, 54 Stat. 1231; 1946 Reorg. Plan No. 2, § 1, 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; Sept. 13, 1960, Pub. L. 86-778, title VII, § 707(b)(1)(B), 74 Stat. 996; July 30, 1965, Pub. L. 89-97, title II, § 201(b), 79 Stat. 353, provided for payment to States with an approved plan for maternal and child-health services and computation of amounts, and prescribed general avail-

ability of services by July 1, 1975, as requisite for payments for any period after June 30, 1966, 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 706 of this title.

Provisions similar to those comprising former section 704 were contained in section 512 of act Aug. 14, 1935, ch. 531, title V, 49 Stat. 631, as amended (formerly classified to section 712 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, § 6503(c)(2), (4), substituted "its application" for "its description of intended expenditures and statement of assurances" and "705(a)" for "705".

Pub. L. 101-239, § 6503(a)(1), inserted "and including payment of salaries and other related expenses of National Health Service Corps personnel" after "education, and evaluation".

Subsec. (d). Pub. L. 101-239, § 6503(a)(2), added subsec. (d).

1988—Subsec. (b)(6). Pub. L. 100-360, as amended by Pub. L. 100-485, added Pub. L. 100-203, § 4118(e)(12), see 1987 Amendment note below.

1987—Subsec. (b)(6). Pub. L. 100-203, § 4118(e)(12), as added by Pub. L. 100-360 and amended by Pub. L. 100-485, substituted "under this subchapter or subchapter XVIII, XIX, or XX pursuant to section 1320a-7, 1320a-7a, 1320c-5, or 1395u(j)(2) of this title" for "pursuant to section 1320a-7 of this title or section 1320a-7a of this title from participation in the program under this subchapter" in subpars. (A) and (B).

Pub. L. 100-93 added par. (6).

1986—Subsec. (b)(1). Pub. L. 99-272 substituted "children with special health care needs" for "crippled children".

**EFFECTIVE DATE OF 1989 AMENDMENT**

Amendment by section 6503(a) of Pub. L. 101-239 applicable to appropriations for fiscal years beginning with fiscal year 1990, and amendment by section 6503(c)(2), (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.

**EFFECTIVE DATE OF 1988 AMENDMENT**

Pub. L. 100-485, title VI, § 608(g), Oct. 13, 1988, 102 Stat. 2424, provided that:

"(1) The amendments made by subsections (a), (b), and (d) [amending this section and sections 1320a-7, 1320a-7a, 1320b-10, 1320c-3, 1395i-2, 1395i-3, 1395f, 1395m, 1395r, 1395s, 1395t-1, 1395t-2, 1395u, 1395v, 1395w-2, 1395w-3, 1395x, 1395y, 1395aa to 1395dd, 1395mm, 1395tt, 1395ww, 1395aaa to 1395ccc, 1396a, 1396b, 1396d, 1396i, 1396n, 1396p, 1396r, 1396r-1, 1396r-4, 1396r-5, 1396s, and 1397d of this title, repealing section 1320a-2 of this title, enacting provisions set out as a note under section 1320a-2 of this title, and amending provisions set out as notes under sections 1320c-5, 1395b, 1395d, 1395e, 1395i-3, 1395u, 1395l, 1395mm, 1395ss, 1395tt, 1395ww, 1396a, 1396d, and 1396r-5 of this title] shall be effective as if included in the enactment of the Medicare Catastrophic Coverage Act of 1988 [Pub. L. 100-360].

"(2) The amendments made by subsection (c) and subsection (f) (other than paragraph (5)) [amending sections 1395cc, 1396b, 1396d, and 1396n of this title, enacting provisions set out as a note under section 1395k of this title, and amending provisions set out as a note under section 1395k of this title] shall take effect on the date of the enactment of this Act [Oct. 13, 1988]."

Except as specifically provided in section 411 of Pub. L. 100-360, amendment by Pub. L. 100-360, as it relates to a provision in the Omnibus Budget Reconciliation Act of 1987, Pub. L. 100-203, effective as if included in the enactment of that provision in Pub. L. 100-203, see section 411(a) of Pub. L. 100-360, set out as a Reference

to OBRA; Effective Date note under section 106 of Title 1, General Provisions.

EFFECTIVE DATE OF 1987 AMENDMENT

Amendment by Pub. L. 100-93 effective at end of fourteen-day period beginning Aug. 18, 1987, and inapplicable to administrative proceedings commenced before end of such period, see section 15(a) of Pub. L. 100-93, set out as a note under section 1320a-7 of this title.

§ 704a. Omitted

CODIFICATION

Section, Pub. L. 92-80, title II, Aug. 10, 1971, 85 Stat. 290, which provided that certain allotments to States were not to be included in computing amounts expended or estimated to be expended by the State under subsecs. (a) and (b) of section 706 of this title, was not repeated in the Department of Health, Education, and Welfare Appropriation Act, 1973. Similar provisions were contained in the following prior appropriation acts:

Jan. 11, 1971, Pub. L. 91-667, 84 Stat. 2006.  
 Mar. 5, 1970, Pub. L. 91-204, title II, 84 Stat. 39.  
 Oct. 11, 1968, Pub. L. 90-557, title II, 82 Stat. 987.  
 Nov. 8, 1967, Pub. L. 90-132, title II, 81 Stat. 403.  
 Nov. 7, 1966, Pub. L. 89-787, title II, 80 Stat. 1396.  
 Aug. 31, 1965, Pub. L. 89-156, title II, 79 Stat. 605.  
 Sept. 10, 1964, Pub. L. 88-605, title II, 78 Stat. 975.  
 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. 409.  
 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, ch. 672, title I, 60 Stat. 681.  
 July 3, 1945, ch. 263, title I, 59 Stat. 364.  
 June 28, 1944, ch. 302, title I, 58 Stat. 550.  
 July 12, 1943, ch. 221, title I, 57 Stat. 497.  
 July 2, 1942, ch. 475, title I, 56 Stat. 565.  
 July 1, 1941, ch. 269, title I, 55 Stat. 469.  
 June 26, 1940, ch. 428, title I, 54 Stat. 578.  
 June 29, 1939, ch. 249, 53 Stat. 924.  
 Aug. 9, 1939, ch. 633, title I, 53 Stat. 1320.  
 Apr. 27, 1938, ch. 180, title IV, 52 Stat. 288.  
 June 16, 1937, ch. 359, title IV, 50 Stat. 301.  
 May 15, 1936, ch. 405, 49 Stat. 1350.

§ 704b. Nonavailability of allotments after close of fiscal year

No allotment for this or any succeeding fiscal year under such title V shall be available after the close of such fiscal year except as may be necessary to liquidate obligations incurred during such year.

(July 5, 1952, ch. 575, title II, §201, 66 Stat. 368.)

REFERENCES IN TEXT

Such title V, referred to in text, means title V of act Aug. 14, 1935, which is classified generally to this subchapter. For complete classification of title V to the Code, see Tables.

CODIFICATION

Section is from act July 5, 1952, popularly known as the Federal Security Agency Appropriation Act, 1953,

and is not a part of the Social Security Act which comprises this chapter.

§ 705. Application for block grant funds

(a) In order to be entitled to payments for allotments under section 702 of this title for a fiscal year, a State must prepare and transmit to the Secretary an application (in a standardized form specified by the Secretary) that—

(1) contains a statewide needs assessment (to be conducted every 5 years) that shall identify (consistent with the health status goals and national health objectives referred to in section 701(a) of this title) the need for—

(A) preventive and primary care services for pregnant women, mothers, and infants up to age one;

(B) preventive and primary care services for children; and

(C) services for children with special health care needs (as specified in section 701(a)(1)(D) of this title);

(2) includes for each fiscal year—

(A) a plan for meeting the needs identified by the statewide needs assessment under paragraph (1); and

(B) a description of how the funds allotted to the State under section 702(c) of this title will be used for the provision and coordination of services to carry out such plan that shall include—

(i) subject to paragraph (3), a statement of the goals and objectives consistent with the health status goals and national health objectives referred to in section 701(a) of this title for meeting the needs specified in the State plan described in subparagraph (A);

(ii) an identification of the areas and localities in the State in which services are to be provided and coordinated;

(iii) an identification of the types of services to be provided and the categories or characteristics of individuals to be served; and

(iv) information the State will collect in order to prepare reports required under section 706(a) of this title;

(3) except as provided under subsection (b), provides that the State will use—

(A) at least 30 percent of such payment amounts for preventive and primary care services for children, and

(B) at least 30 percent of such payment amounts for services for children with special health care needs (as specified in section 701(a)(1)(D) of this title);

(4) provides that a State receiving funds for maternal and child health services under this subchapter shall maintain the level of funds being provided solely by such State for maternal and child health programs at a level at least equal to the level that such State provided for such programs in fiscal year 1989; and

(5) provides that—

(A) the State will establish a fair method (as determined by the State) for allocating funds allotted to the State under this subchapter among such individuals, areas, and localities identified under paragraph (1)(A)