

rial positions with health maintenance organizations. Under the Program the Secretary may directly provide internships for such training and may make grants to or enter into contracts with health maintenance organizations and other entities to provide such internships.

(2) No internship may be provided by the Secretary and no grant may be made or contract entered into by the Secretary for the provision of internships unless an application therefor has been submitted to and approved by the Secretary. Such an application shall be in such form and contain such information, and be submitted to the Secretary in such manner, as the Secretary shall prescribe. Section 300e-5 of this title does not apply to an application submitted under this section.

(3) Internships under the Program shall provide for such stipends and allowances (including travel and subsistence expenses and dependency allowances) for the recipients of the internships as the Secretary deems necessary. An internship provided an individual for training at a health maintenance organization or any other entity shall also provide for payments to be made to the organization or other entity for the cost of support services (including the cost of salaries, supplies, equipment, and related items) provided such individual by such organization or other entity. The amount of any such payments to any organization or other entity shall be determined by the Secretary and shall bear a direct relationship to the reasonable costs of the organization or other entity for establishing and maintaining its training programs.

(4) Payments under grants under the Program may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

**(b) Technical assistance**

The Secretary shall provide technical assistance (1) to entities intending to become a qualified health maintenance organization within the meaning of section 300e-9(d)<sup>1</sup> of this title, and (2) to health maintenance organizations. The Secretary may provide such technical assistance through grants to public and nonprofit private entities and contracts with public and private entities.

**(c) Amounts provided in advance in appropriation acts**

The authority of the Secretary to enter into contracts under subsections (a) and (b) shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance by appropriation Acts.

(July 1, 1944, ch. 373, title XIII, §1317, as added Pub. L. 95-559, §7(a), Nov. 1, 1978, 92 Stat. 2134; amended Pub. L. 99-660, title VIII, §803(b)(4), Nov. 14, 1986, 100 Stat. 3800.)

**Editorial Notes**

**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.

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

**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.”.

**Statutory Notes and Related Subsidiaries**

**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 organization 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.)

**Editorial Notes**

## 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".

**Statutory Notes and Related Subsidiaries**

## 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—