

medically underserved areas and population groups for purposes of par. (7) of this section by Dec. 29, 1973, and report to Congress the areas and population groups designated under par. (7) of this section, the comments of State and areawide health planning agencies, and areas which meet the definitional standards of par. (9) of this section for non-metropolitan areas by Dec. 29, 1974, and that the Office of Management and Budget may review such reports before their submission to Congress.

**§§ 300e-2, 300e-3. Repealed. Pub. L. 99-660, title VIII, § 803(a), Nov. 14, 1986, 100 Stat. 3799**

Section 300e-2, act July 1, 1944, ch. 373, title XIII, § 1303, as added Dec. 29, 1973, Pub. L. 93-222, § 2, 87 Stat. 920; amended Oct. 8, 1976, Pub. L. 94-460, title I, §§ 107(a), 109(d)(1), 117(b)(3), 90 Stat. 1948, 1950, 1955; Aug. 13, 1981, Pub. L. 97-35, title IX, § 947(a), 95 Stat. 577, provided for grants and contracts for feasibility surveys.

Section 300e-3, act July 1, 1944, ch. 373, title XIII, § 1304, as added Dec. 29, 1973, Pub. L. 93-222, § 2, 87 Stat. 921; amended Apr. 21, 1976, Pub. L. 94-273, § 40, 90 Stat. 381; Oct. 8, 1976, Pub. L. 94-460, title I, §§ 107(b), 108(a), (b), (d)(1), 109(d)(2), (3), (e), 113(a), 117(b)(4), 90 Stat. 1948-1950, 1953, 1955; Nov. 1, 1978, Pub. L. 95-559, §§ 2(a), 3(a)-(c), 6, 92 Stat. 2131, 2134; July 10, 1979, Pub. L. 96-32, § 2(a), 93 Stat. 82; Aug. 13, 1981, Pub. L. 97-35, title IX, §§ 941(c), 947(b), 95 Stat. 573, 577, provided for grants, contracts, and loan guarantees for planning and for initial development costs.

**Statutory Notes and Related Subsidiaries**

**EFFECTIVE DATE OF REPEAL**

Repeal 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 an Effective Date of 1986 Amendment note under section 300e-5 of this title.

Repeal 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.

**§ 300e-4. Loans and loan guarantees for initial operation costs**

**(a) Authority**

The Secretary may—

(1) make loans to public or private health maintenance organizations to assist them in meeting the amount by which their costs of operation during a period not to exceed the first sixty months of their operation exceed their revenues in that period;

(2) make loans to public or private health maintenance organizations to assist them in meeting the amount by which their costs of operation, which the Secretary determines are attributable to significant expansion in their membership or area served and which are incurred during a period not to exceed the first sixty months of their operation after such expansion, exceed their revenues in that period which the Secretary determines are attributable to such expansion; and

(3) guarantee to non-Federal lenders payment of the principal of and the interest on loans made to private health maintenance organizations for the amounts referred to in paragraphs (1) and (2).

No loan or loan guarantee may be made under this subsection for the costs of operation of a health maintenance organization unless the Secretary determines that the organization has

made all reasonable attempts to meet such costs, and unless the Secretary has made a grant or loan to, entered into a contract with, or guaranteed a loan for, the organization in fiscal year 1981, 1982, 1983, 1984, or 1985 under this section or section 300e-3(b)<sup>1</sup> of this title (as in effect before October 1, 1985).

**(b) Limitations**

(1) Except as provided in paragraph (2), the aggregate amount of principal of loans made or guaranteed, or both, under subsection (a) for a health maintenance organization may not exceed \$7,000,000. In any twelve-month period the amount disbursed to a health maintenance organization under this section (either directly by the Secretary, by an escrow agent under the terms of an escrow agreement, or by a lender under a guaranteed loan) may not exceed \$3,000,000.

(2) The cumulative total of the principal of the loans outstanding at any time which have been directly made, or with respect to which guarantees have been issued, under subsection (a) may not exceed such limitations as may be specified in appropriation Acts.

**(c) Source of loan funds**

Loans under this section shall be made from the fund established under section 300e-7(e) of this title.

**(d) Time limit on loans and loan guarantees**

No loan may be made or guaranteed under this section after September 30, 1986.

**(e) Repealed. Pub. L. 97-35, title IX, § 947(c), Aug. 13, 1981, 95 Stat. 577**

**(f) Medically underserved populations**

In considering applications for loan guarantees under this section, the Secretary shall give special consideration to applications for health maintenance organizations which will serve medically underserved populations.

(July 1, 1944, ch. 373, title XIII, § 1305, as added Pub. L. 93-222, § 2, Dec. 29, 1973, 87 Stat. 924; amended Pub. L. 93-641, § 8, Jan. 4, 1975, 88 Stat. 2276; Pub. L. 94-273, § 2(21), Apr. 21, 1976, 90 Stat. 376; Pub. L. 94-460, title I, §§ 107(c), 108(c), (d)(2), 109(a)(1), (2), 113(b), Oct. 8, 1976, 90 Stat. 1949, 1953; Pub. L. 95-559, §§ 2(b), 4(a), (b), Nov. 1, 1978, 92 Stat. 2131, 2132; Pub. L. 96-32, § 2(d), July 10, 1979, 93 Stat. 82; Pub. L. 97-35, title IX, §§ 943(a)-(c), 947(c), Aug. 13, 1981, 95 Stat. 576, 577; Pub. L. 99-660, title VIII, § 804(a), Nov. 14, 1986, 100 Stat. 3800.)

**Editorial Notes**

**REFERENCES IN TEXT**

Section 300e-3(b) of this title, referred to in subsec. (a), was repealed by Pub. L. 99-660, title VIII, § 803(a), Nov. 14, 1986, 100 Stat. 3799.

**AMENDMENTS**

1986—Subsec. (a). Pub. L. 99-660 inserted “, and unless the Secretary has made a grant or loan to, entered into a contract with, or guaranteed a loan for, the organization in fiscal year 1981, 1982, 1983, 1984, or 1985 under this section or section 300e-3(b) of this title (as in effect before October 1, 1985)” at end of last sentence.

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