

rying out (through grants, contracts, or otherwise) special projects of regional and national significance, training, and research and for the funding of genetic disease testing, counseling, and information development and dissemination programs and of comprehensive hemophilia diagnostic and treatment centers."

Subsec. (a)(3). Pub. L. 101-239, § 6502(a)(2), inserted "or subsection (b)" after "this subsection".

Subsec. (b). Pub. L. 101-239, § 6502(a)(3), added subsec. (b). Former subsec. (b) redesignated (c).

Subsec. (c). Pub. L. 101-239, § 6503(c)(4), which directed amendment of subsec. (b) by substituting "705(a)" for "705", was executed to subsec. (c) to reflect the probable intent of Congress and the intervening redesignation of former subsec. (b) as (c) by Pub. L. 101-239, § 6502(a)(3), see below.

Pub. L. 101-239, § 6503(c)(1), substituted "an application" for "a description of intended activities and statement of assurances" in introductory provisions.

Pub. L. 101-239, § 6502(a)(4)(A), substituted "\$600,000,000" for "\$478,000,000" in introductory provisions.

Pub. L. 101-239, § 6502(a)(3), redesignated subsec. (b) as (c) and struck out former subsec. (c) which related to special projects for children.

Subsec. (c)(2). Pub. L. 101-239, § 6502(a)(4)(B), amended par. (2) generally, substituting provisions basing each State's allotment for each fiscal year upon 1983 amounts for former provisions setting forth formulas for allotments for fiscal years 1982 and 1983 and for each year beginning with fiscal year 1984.

Subsec. (d)(1). Pub. L. 101-239, § 6503(c)(4), substituted "705(a)" for "705" in two places.

1986—Subsec. (a)(1). Pub. L. 99-509, § 9441(b)(1), substituted "amounts appropriated under section 701(a) of this title for a fiscal year that are not in excess of \$478,000,000" for "amount appropriated under section 701(a) of this title".

Subsec. (a)(2)(B). Pub. L. 99-272 substituted "programs for children with special health care needs" for "crippled children's programs" and "services for children with special health care needs" for "crippled children's services".

Subsec. (b). Pub. L. 99-509, § 9441(b)(2), inserted "that are not in excess of \$478,000,000" in introductory provisions and struck out par. (3) which read as follows:

"(A) To the extent that all the funds appropriated under this subchapter for a fiscal year are not otherwise allotted to States either because all the States have not qualified for such allotments under section 705 of this title for the fiscal year or because some States have indicated in their descriptions of activities under section 705 of this title that they do not intend to use the full amount of such allotments, such excess shall be allotted among the remaining States in proportion to the amount otherwise allotted to such States for the fiscal year without regard to this subparagraph.

"(B) To the extent that all the funds appropriated under this subchapter for a fiscal year are not otherwise allotted to States because some State allotments are offset under section 706(b)(2) of this title, such excess shall be allotted among the remaining States in proportion to the amount otherwise allotted to such States for the fiscal year without regard to this subparagraph."

Subsecs. (c), (d). Pub. L. 99-509, § 9441(b)(3), added subsecs. (c) and (d).

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 1989 AMENDMENT

Amendment by section 6502(a) of Pub. L. 101-239 applicable to appropriations for fiscal years beginning with fiscal year 1990, and amendment by section 6503(c)(1), (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.

#### § 703. Payments to States

##### (a) Statutory provisions applicable

From the sums appropriated therefor and the allotments available under section 702(c) of this title, the Secretary shall make payments as provided by section 6503(a) of title 31 to each State provided such an allotment under section 702(c) of this title, for each quarter, of an amount equal to four-sevenths of the total of the sums expended by the State during such quarter in carrying out the provisions of this subchapter.

##### (b) Unobligated allotments

Any amount payable to a State under this subchapter from allotments for a fiscal year which remains unobligated at the end of such year 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.)

#### Editorial Notes

##### 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)”.

#### Statutory Notes and Related Subsidiaries

##### 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

#### Editorial Notes

##### 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.