

One Hundred Ninth Congress
of the
United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Tuesday,
the third day of January, two thousand and six*

An Act

To amend title XXVI of the Public Health Service Act to revise and extend the program for providing life-saving care for those with HIV/AIDS.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Ryan White HIV/AIDS Treatment Modernization Act of 2006”.

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—EMERGENCY RELIEF FOR ELIGIBLE AREAS

- Sec. 101. Establishment of program; general eligibility for grants.
- Sec. 102. Type and distribution of grants; formula grants.
- Sec. 103. Type and distribution of grants; supplemental grants.
- Sec. 104. Timeframe for obligation and expenditure of grant funds.
- Sec. 105. Use of amounts.
- Sec. 106. Additional amendments to part A.
- Sec. 107. New program in part A; transitional grants for certain areas ineligible under section 2601.
- Sec. 108. Authorization of appropriations for part A.

TITLE II—CARE GRANTS

- Sec. 201. General use of grants.
- Sec. 202. AIDS Drug Assistance Program.
- Sec. 203. Distribution of funds.
- Sec. 204. Additional amendments to subpart I of part B.
- Sec. 205. Supplemental grants on basis of demonstrated need.
- Sec. 206. Emerging communities.
- Sec. 207. Timeframe for obligation and expenditure of grant funds.
- Sec. 208. Authorization of appropriations for subpart I of part B.
- Sec. 209. Early diagnosis grant program.
- Sec. 210. Certain partner notification programs; authorization of appropriations.

TITLE III—EARLY INTERVENTION SERVICES

- Sec. 301. Establishment of program; core medical services.
- Sec. 302. Eligible entities; preferences; planning and development grants.
- Sec. 303. Authorization of appropriations.
- Sec. 304. Confidentiality and informed consent.
- Sec. 305. Provision of certain counseling services.
- Sec. 306. General provisions.

TITLE IV—WOMEN, INFANTS, CHILDREN, AND YOUTH

- Sec. 401. Women, infants, children, and youth.
- Sec. 402. GAO Report.

TITLE V—GENERAL PROVISIONS

- Sec. 501. General provisions.

TITLE VI—DEMONSTRATION AND TRAINING

- Sec. 601. Demonstration and training.

H. R. 6143—2

- Sec. 602. AIDS education and training centers.
Sec. 603. Codification of minority AIDS initiative.

TITLE VII—MISCELLANEOUS PROVISIONS

- Sec. 701. Hepatitis; use of funds.
Sec. 702. Certain references.
Sec. 703. Repeal.

**TITLE I—EMERGENCY RELIEF FOR
ELIGIBLE AREAS**

**SEC. 101. ESTABLISHMENT OF PROGRAM; GENERAL ELIGIBILITY FOR
GRANTS.**

(a) IN GENERAL.—Section 2601 of the Public Health Service Act (42 U.S.C. 300ff–11) is amended by striking subsections (b) through (d) and inserting the following:

“(b) CONTINUED STATUS AS ELIGIBLE AREA.—Notwithstanding any other provision of this section, a metropolitan area that is an eligible area for a fiscal year continues to be an eligible area until the metropolitan area fails, for three consecutive fiscal years—

“(1) to meet the requirements of subsection (a); and

“(2) to have a cumulative total of 3,000 or more living cases of AIDS (reported to and confirmed by the Director of the Centers for Disease Control and Prevention) as of December 31 of the most recent calendar year for which such data is available.

“(c) BOUNDARIES.—For purposes of determining eligibility under this part—

“(1) with respect to a metropolitan area that received funding under this part in fiscal year 2006, the boundaries of such metropolitan area shall be the boundaries that were in effect for such area for fiscal year 1994; or

“(2) with respect to a metropolitan area that becomes eligible to receive funding under this part in any fiscal year after fiscal year 2006, the boundaries of such metropolitan area shall be the boundaries that are in effect for such area when such area initially receives funding under this part.”.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 2601(a) of the Public Health Service Act (42 U.S.C. 300ff–11(a)) is amended—

(1) by striking “through (d)” and inserting “through (c)”;
and

(2) by inserting “and confirmed by” after “reported to”.

(c) DEFINITION OF METROPOLITAN AREA.—Section 2607(2) of the Public Health Service Act (42 U.S.C. 300ff–17(2)) is amended—

(1) by striking “area referred” and inserting “area that is referred”; and

(2) by inserting before the period the following: “, and that has a population of 50,000 or more individuals”.

SEC. 102. TYPE AND DISTRIBUTION OF GRANTS; FORMULA GRANTS.

(a) DISTRIBUTION PERCENTAGES.—Section 2603(a)(2) of the Public Health Service Act (42 U.S.C. 300ff–13(a)(2)) is amended—
(1) in the first sentence—

(A) by striking “50 percent of the amount appropriated under section 2677” and inserting “66 $\frac{2}{3}$ percent of the

amount made available under section 2610(b) for carrying out this subpart”; and

(B) by striking “paragraph (3)” and inserting “paragraphs (3) and (4)”.

(2) by striking the last sentence.

(b) DISTRIBUTION BASED ON LIVING CASES OF HIV/AIDS.—Section 2603(a)(3) of the Public Health Service Act (42 U.S.C. 300ff-13(a)(3)) is amended—

(1) in subparagraph (B), by striking “estimated living cases of acquired immune deficiency syndrome” and inserting “living cases of HIV/AIDS (reported to and confirmed by the Director of the Centers for Disease Control and Prevention)”; and

(2) by striking subparagraphs (C) through (E) and inserting the following:

“(C) LIVING CASES OF HIV/AIDS.—

“(i) REQUIREMENT OF NAMES-BASED REPORTING.—

Except as provided in clause (ii), the number determined under this subparagraph for an eligible area for a fiscal year for purposes of subparagraph (B) is the number of living names-based cases of HIV/AIDS that, as of December 31 of the most recent calendar year for which such data is available, have been reported to and confirmed by the Director of the Centers for Disease Control and Prevention.

“(ii) TRANSITION PERIOD; EXEMPTION REGARDING NON-AIDS CASES.—For each of the fiscal years 2007 through 2009, an eligible area is, subject to clauses (iii) through (v), exempt from the requirement under clause (i) that living names-based non-AIDS cases of HIV be reported unless—

“(I) a system was in operation as of December 31, 2005, that provides sufficiently accurate and reliable names-based reporting of such cases throughout the State in which the area is located, subject to clause (viii); or

“(II) no later than the beginning of fiscal year 2008 or 2009, the Secretary, in consultation with the chief executive of the State in which the area is located, determines that a system has become operational in the State that provides sufficiently accurate and reliable names-based reporting of such cases throughout the State.

“(iii) REQUIREMENTS FOR EXEMPTION FOR FISCAL YEAR 2007.—For fiscal year 2007, an exemption under clause (ii) for an eligible area applies only if, by October 1, 2006—

“(I)(aa) the State in which the area is located had submitted to the Secretary a plan for making the transition to sufficiently accurate and reliable names-based reporting of living non-AIDS cases of HIV; or

“(bb) all statutory changes necessary to provide for sufficiently accurate and reliable reporting of such cases had been made; and

“(II) the State had agreed that, by April 1, 2008, the State will begin accurate and reliable names-based reporting of such cases, except that

such agreement is not required to provide that, as of such date, the system for such reporting be fully sufficient with respect to accuracy and reliability throughout the area.

“(iv) REQUIREMENT FOR EXEMPTION AS OF FISCAL YEAR 2008.—For each of the fiscal years 2008 through 2010, an exemption under clause (ii) for an eligible area applies only if, as of April 1, 2008, the State in which the area is located is substantially in compliance with the agreement under clause (iii)(II).

“(v) PROGRESS TOWARD NAMES-BASED REPORTING.—For fiscal year 2009, the Secretary may terminate an exemption under clause (ii) for an eligible area if the State in which the area is located submitted a plan under clause (iii)(I)(aa) and the Secretary determines that the State is not substantially following the plan.

“(vi) COUNTING OF CASES IN AREAS WITH EXEMPTIONS.—

“(I) IN GENERAL.—With respect to an eligible area that is under a reporting system for living non-AIDS cases of HIV that is not names-based (referred to in this subparagraph as ‘code-based reporting’), the Secretary shall, for purposes of this subparagraph, modify the number of such cases reported for the eligible area in order to adjust for duplicative reporting in and among systems that use code-based reporting.

“(II) ADJUSTMENT RATE.—The adjustment rate under subclause (I) for an eligible area shall be a reduction of 5 percent in the number of living non-AIDS cases of HIV reported for the area.

“(vii) MULTIPLE POLITICAL JURISDICTIONS.—With respect to living non-AIDS cases of HIV, if an eligible area is not entirely within one political jurisdiction and as a result is subject to more than one reporting system for purposes of this subparagraph:

“(I) Names-based reporting under clause (i) applies in a jurisdictional portion of the area, or an exemption under clause (ii) applies in such portion (subject to applicable provisions of this subparagraph), according to whether names-based reporting or code-based reporting is used in such portion.

“(II) If under subclause (I) both names-based reporting and code-based reporting apply in the area, the number of code-based cases shall be reduced under clause (vi).

“(viii) LIST OF ELIGIBLE AREAS MEETING STANDARD REGARDING DECEMBER 31, 2005.—

“(I) IN GENERAL.—If an eligible area or portion thereof is in a State specified in subclause (II), the eligible area or portion shall be considered to meet the standard described in clause (ii)(I). No other eligible area or portion thereof may be considered to meet such standard.

“(II) RELEVANT STATES.—For purposes of subclause (I), the States specified in this subclause

are the following: Alaska, Alabama, Arkansas, Arizona, Colorado, Florida, Indiana, Iowa, Idaho, Kansas, Louisiana, Michigan, Minnesota, Missouri, Mississippi, North Carolina, North Dakota, Nebraska, New Jersey, New Mexico, New York, Nevada, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Wisconsin, West Virginia, Wyoming, Guam, and the Virgin Islands.

“(ix) RULES OF CONSTRUCTION REGARDING ACCEPTANCE OF REPORTS.—

“(I) CASES OF AIDS.—With respect to an eligible area that is subject to the requirement under clause (i) and is not in compliance with the requirement for names-based reporting of living non-AIDS cases of HIV, the Secretary shall, notwithstanding such noncompliance, accept reports of living cases of AIDS that are in accordance with such clause.

“(II) APPLICABILITY OF EXEMPTION REQUIREMENTS.—The provisions of clauses (ii) through (viii) may not be construed as having any legal effect for fiscal year 2010 or any subsequent fiscal year, and accordingly, the status of a State for purposes of such clauses may not be considered after fiscal year 2009.

“(x) PROGRAM FOR DETECTING INACCURATE OR FRAUDULENT COUNTING.—The Secretary shall carry out a program to monitor the reporting of names-based cases for purposes of this subparagraph and to detect instances of inaccurate reporting, including fraudulent reporting.”.

(c) CODE-BASED AREAS; LIMITATION ON INCREASE IN GRANT.—Section 2603(a)(3) of the Public Health Service Act (42 U.S.C. 300ff-13(a)), as amended by subsection (b)(2) of this section, is amended by adding at the end the following subparagraph:

“(D) CODE-BASED AREAS; LIMITATION ON INCREASE IN GRANT .—

“(i) IN GENERAL.—For each of the fiscal years 2007 through 2009, if code-based reporting (within the meaning of subparagraph (C)(vi)) applies in an eligible area or any portion thereof as of the beginning of the fiscal year involved, then notwithstanding any other provision of this paragraph, the amount of the grant pursuant to this paragraph for such area for such fiscal year may not—

“(I) for fiscal year 2007, exceed by more than 5 percent the amount of the grant for the area that would have been made pursuant to this paragraph and paragraph (4) for fiscal year 2006 (as such paragraphs were in effect for such fiscal year) if paragraph (2) (as so in effect) had been applied by substituting ‘66 $\frac{2}{3}$ percent’ for ‘50 percent’; and

“(II) for each of the fiscal years 2008 and 2009, exceed by more than 5 percent the amount of the grant pursuant to this paragraph and paragraph (4) for the area for the preceding fiscal year.

“(ii) USE OF AMOUNTS INVOLVED.—For each of the fiscal years 2007 through 2009, amounts available as a result of the limitation under clause (i) shall be made available by the Secretary as additional amounts for grants pursuant to subsection (b) for the fiscal year involved, subject to paragraph (4) and section 2610(d)(2).”.

(d) HOLD HARMLESS.—Section 2603(a) of the Public Health Service Act (42 U.S.C. 300ff-13(a)) is amended—

(1) in paragraph (3)(A)—

(A) in clause (ii), by striking the period at the end and inserting a semicolon; and

(B) by inserting after and below clause (ii) the following:

“which product shall then, as applicable, be increased under paragraph (4).”.

(2) by amending paragraph (4) to read as follows:

“(4) INCREASES IN GRANT.—

“(A) IN GENERAL.—For each eligible area that received a grant pursuant to this subsection for fiscal year 2006, the Secretary shall, for each of the fiscal years 2007 through 2009, increase the amount of the grant made pursuant to paragraph (3) for the area to ensure that the amount of the grant for the fiscal year involved is not less than the following amount, as applicable to such fiscal year:

“(i) For fiscal year 2007, an amount equal to 95 percent of the amount of the grant that would have been made pursuant to paragraph (3) and this paragraph for fiscal year 2006 (as such paragraphs were in effect for such fiscal year) if paragraph (2) (as so in effect) had been applied by substituting ‘66²/₃ percent’ for ‘50 percent’.

“(ii) For each of the fiscal years 2008 and 2009, an amount equal to 100 percent of the amount of the grant made pursuant to paragraph (3) and this paragraph for fiscal year 2007.

“(B) SOURCE OF FUNDS FOR INCREASE.—

“(i) IN GENERAL.—From the amounts available for carrying out the single program referred to in section 2609(d)(2)(C) for a fiscal year (relating to supplemental grants), the Secretary shall make available such amounts as may be necessary to comply with subparagraph (A), subject to section 2610(d)(2).

“(ii) PRO RATA REDUCTION.—If the amounts referred to in clause (i) for a fiscal year are insufficient to fully comply with subparagraph (A) for the year, the Secretary, in order to provide the additional funds necessary for such compliance, shall reduce on a pro rata basis the amount of each grant pursuant to this subsection for the fiscal year, other than grants for eligible areas for which increases under subparagraph (A) apply. A reduction under the preceding sentence may not be made in an amount that would result in the eligible area involved becoming eligible for such an increase.

“(C) LIMITATION.—This paragraph may not be construed as having any applicability after fiscal year 2009.”.

SEC. 103. TYPE AND DISTRIBUTION OF GRANTS; SUPPLEMENTAL GRANTS.

Section 2603(b) of the Public Health Service Act (42 U.S.C. 300ff-13(b)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking “Not later than” and all that follows through “the Secretary shall” and inserting the following: “Subject to subsection (a)(4)(B)(i) and section 2610(d), the Secretary shall”;

(B) in subparagraph (B), by striking “demonstrates the severe need in such area” and inserting “demonstrates the need in such area, on an objective and quantified basis.”;

(C) by striking subparagraph (F) and inserting the following:

“(F) demonstrates the inclusiveness of affected communities and individuals with HIV/AIDS.”;

(D) in subparagraph (G), by striking the period and inserting “; and”;

(E) by adding at the end the following:

“(H) demonstrates the ability of the applicant to expend funds efficiently by not having had, for the most recent grant year under subsection (a) for which data is available, more than 2 percent of grant funds under such subsection canceled or covered by any waivers under subsection (c)(3).”;

(2) in paragraph (2)—

(A) in subparagraph (A), by striking “severe need” and inserting “demonstrated need”;

(B) by striking subparagraph (B) and inserting the following:

“(B) DEMONSTRATED NEED.—The factors considered by the Secretary in determining whether an eligible area has a demonstrated need for purposes of paragraph (1)(B) may include any or all of the following:

“(i) The unmet need for such services, as determined under section 2602(b)(4) or other community input process as defined under section 2609(d)(1)(A).

“(ii) An increasing need for HIV/AIDS-related services, including relative rates of increase in the number of cases of HIV/AIDS.

“(iii) The relative rates of increase in the number of cases of HIV/AIDS within new or emerging sub-populations.

“(iv) The current prevalence of HIV/AIDS.

“(v) Relevant factors related to the cost and complexity of delivering health care to individuals with HIV/AIDS in the eligible area.

“(vi) The impact of co-morbid factors, including co-occurring conditions, determined relevant by the Secretary.

“(vii) The prevalence of homelessness.

“(viii) The prevalence of individuals described under section 2602(b)(2)(M).

“(ix) The relevant factors that limit access to health care, including geographic variation, adequacy of health insurance coverage, and language barriers.

“(x) The impact of a decline in the amount received pursuant to subsection (a) on services available to all individuals with HIV/AIDS identified and eligible under this title.”; and

(C) by striking subparagraphs (C) and (D) and inserting the following:

“(C) PRIORITY IN MAKING GRANTS.—The Secretary shall provide funds under this subsection to an eligible area to address the decline or disruption of all EMA-provided services related to the decline in the amounts received pursuant to subsection (a) consistent with the grant award for the eligible area for fiscal year 2006, to the extent that the factor under subparagraph (B)(x) (relating to a decline in funding) applies to the eligible area.”.

SEC. 104. TIMEFRAME FOR OBLIGATION AND EXPENDITURE OF GRANT FUNDS.

Section 2603 of the Public Health Service Act (42 U.S.C. 300ff-13) is amended—

(1) by redesignating subsection (c) as subsection (d);

(2) by inserting after subsection (b) the following:

“(c) TIMEFRAME FOR OBLIGATION AND EXPENDITURE OF GRANT FUNDS.—

“(1) OBLIGATION BY END OF GRANT YEAR.—Effective for fiscal year 2007 and subsequent fiscal years, funds from a grant award made pursuant to subsection (a) or (b) for a fiscal year are available for obligation by the eligible area involved through the end of the one-year period beginning on the date in such fiscal year on which funds from the award first become available to the area (referred to in this subsection as the ‘grant year for the award’), except as provided in paragraph (3)(A).

“(2) SUPPLEMENTAL GRANTS; CANCELLATION OF UNOBLIGATED BALANCE OF GRANT AWARD.—Effective for fiscal year 2007 and subsequent fiscal years, if a grant award made pursuant to subsection (b) for an eligible area for a fiscal year has an unobligated balance as of the end of the grant year for the award—

“(A) the Secretary shall cancel that unobligated balance of the award, and shall require the eligible area to return any amounts from such balance that have been disbursed to the area; and

“(B) the funds involved shall be made available by the Secretary as additional amounts for grants pursuant to subsection (b) for the first fiscal year beginning after the fiscal year in which the Secretary obtains the information necessary for determining that the balance is required under subparagraph (A) to be canceled, except that the availability of the funds for such grants is subject to subsection (a)(4) and section 2610(d)(2) as applied for such year.

“(3) FORMULA GRANTS; CANCELLATION OF UNOBLIGATED BALANCE OF GRANT AWARD; WAIVER PERMITTING CARRYOVER.—

“(A) IN GENERAL.—Effective for fiscal year 2007 and subsequent fiscal years, if a grant award made pursuant to subsection (a) for an eligible area for a fiscal year has an unobligated balance as of the end of the grant year for the award, the Secretary shall cancel that unobligated balance of the award, and shall require the eligible area to return any amounts from such balance that have been disbursed to the area, unless—

“(i) before the end of the grant year, the chief elected official of the area submits to the Secretary a written application for a waiver of the cancellation, which application includes a description of the purposes for which the area intends to expend the funds involved; and

“(ii) the Secretary approves the waiver.

“(B) EXPENDITURE BY END OF CARRYOVER YEAR.—With respect to a waiver under subparagraph (A) that is approved for a balance that is unobligated as of the end of a grant year for an award:

“(i) The unobligated funds are available for expenditure by the eligible area involved for the one-year period beginning upon the expiration of the grant year (referred to in this subsection as the ‘carryover year’).

“(ii) If the funds are not expended by the end of the carryover year, the Secretary shall cancel that unexpended balance of the award, and shall require the eligible area to return any amounts from such balance that have been disbursed to the area.

“(C) USE OF CANCELLED BALANCES.—In the case of any balance of a grant award that is cancelled under subparagraph (A) or (B)(ii), the grant funds involved shall be made available by the Secretary as additional amounts for grants pursuant to subsection (b) for the first fiscal year beginning after the fiscal year in which the Secretary obtains the information necessary for determining that the balance is required under such subparagraph to be canceled, except that the availability of the funds for such grants is subject to subsection (a)(4) and section 2610(d)(2) as applied for such year.

“(D) CORRESPONDING REDUCTION IN FUTURE GRANT.—

“(i) IN GENERAL.—In the case of an eligible area for which a balance from a grant award under subsection (a) is unobligated as of the end of the grant year for the award—

“(I) the Secretary shall reduce, by the same amount as such unobligated balance, the amount of the grant under such subsection for the first fiscal year beginning after the fiscal year in which the Secretary obtains the information necessary for determining that such balance was unobligated as of the end of the grant year (which requirement for a reduction applies without regard to whether a waiver under subparagraph (A) has been approved with respect to such balance); and

“(II) the grant funds involved in such reduction shall be made available by the Secretary as additional funds for grants pursuant to subsection (b) for such first fiscal year, subject to subsection (a)(4) and section 2610(d)(2);

except that this clause does not apply to the eligible area if the amount of the unobligated balance was 2 percent or less.

“(ii) RELATION TO INCREASES IN GRANT.—A reduction under clause (i) for an eligible area for a fiscal year may not be taken into account in applying subsection (a)(4) with respect to the area for the subsequent fiscal year.”; and

(3) by adding at the end the following:

“(e) REPORT ON THE AWARDING OF SUPPLEMENTAL FUNDS.—Not later than 45 days after the awarding of supplemental funds under this section, the Secretary shall submit to Congress a report concerning such funds. Such report shall include information detailing—

“(1) the total amount of supplemental funds available under this section for the year involved;

“(2) the amount of supplemental funds used in accordance with the hold harmless provisions of subsection (a)(4);

“(3) the amount of supplemental funds disbursed pursuant to subsection (b)(2)(C);

“(4) the disbursement of the remainder of the supplemental funds after taking into account the uses described in paragraphs (2) and (3); and

“(5) the rationale used for the amount of funds disbursed as described under paragraphs (2), (3), and (4).”.

SEC. 105. USE OF AMOUNTS.

Section 2604 of the Public Health Service Act (42 U.S.C. 300ff-14) is amended to read as follows:

“SEC. 2604. USE OF AMOUNTS.

“(a) REQUIREMENTS.—The Secretary may not make a grant under section 2601(a) to the chief elected official of an eligible area unless such political subdivision agrees that—

“(1) subject to paragraph (2), the allocation of funds and services within the eligible area will be made in accordance with the priorities established, pursuant to section 2602(b)(4)(C), by the HIV health services planning council that serves such eligible area;

“(2) funds provided under section 2601 will be expended only for—

“(A) core medical services described in subsection (c);

“(B) support services described in subsection (d); and

“(C) administrative expenses described in subsection

(h); and

“(3) the use of such funds will comply with the requirements of this section.

“(b) DIRECT FINANCIAL ASSISTANCE TO APPROPRIATE ENTITIES.—

“(1) IN GENERAL.—The chief elected official of an eligible area shall use amounts from a grant under section 2601 to provide direct financial assistance to entities described in paragraph (2) for the purpose of providing core medical services and support services.

“(2) APPROPRIATE ENTITIES.—Direct financial assistance may be provided under paragraph (1) to public or nonprofit private entities, or private for-profit entities if such entities are the only available provider of quality HIV care in the area.

“(c) REQUIRED FUNDING FOR CORE MEDICAL SERVICES.—

“(1) IN GENERAL.—With respect to a grant under section 2601 for an eligible area for a grant year, the chief elected official of the area shall, of the portion of the grant remaining after reserving amounts for purposes of paragraphs (1) and (5)(B)(i) of subsection (h), use not less than 75 percent to provide core medical services that are needed in the eligible area for individuals with HIV/AIDS who are identified and eligible under this title (including services regarding the co-occurring conditions of the individuals).

“(2) WAIVER.—

“(A) IN GENERAL.—The Secretary shall waive the application of paragraph (1) with respect to a chief elected official for a grant year if the Secretary determines that, within the eligible area involved—

“(i) there are no waiting lists for AIDS Drug Assistance Program services under section 2616; and

“(ii) core medical services are available to all individuals with HIV/AIDS identified and eligible under this title.

“(B) NOTIFICATION OF WAIVER STATUS.—When informing the chief elected official of an eligible area that a grant under section 2601 is being made for the area for a grant year, the Secretary shall inform the official whether a waiver under subparagraph (A) is in effect for such year.

“(3) CORE MEDICAL SERVICES.—For purposes of this subsection, the term ‘core medical services’, with respect to an individual with HIV/AIDS (including the co-occurring conditions of the individual), means the following services:

“(A) Outpatient and ambulatory health services.

“(B) AIDS Drug Assistance Program treatments in accordance with section 2616.

“(C) AIDS pharmaceutical assistance.

“(D) Oral health care.

“(E) Early intervention services described in subsection (e).

“(F) Health insurance premium and cost sharing assistance for low-income individuals in accordance with section 2615.

“(G) Home health care.

“(H) Medical nutrition therapy.

“(I) Hospice services.

“(J) Home and community-based health services as defined under section 2614(c).

“(K) Mental health services.

“(L) Substance abuse outpatient care.

“(M) Medical case management, including treatment adherence services.

“(d) SUPPORT SERVICES.—

“(1) IN GENERAL.—For purposes of this section, the term ‘support services’ means services, subject to the approval of

the Secretary, that are needed for individuals with HIV/AIDS to achieve their medical outcomes (such as respite care for persons caring for individuals with HIV/AIDS, outreach services, medical transportation, linguistic services, and referrals for health care and support services).

“(2) MEDICAL OUTCOMES.—In this subsection, the term ‘medical outcomes’ means those outcomes affecting the HIV-related clinical status of an individual with HIV/AIDS.

“(e) EARLY INTERVENTION SERVICES.—

“(1) IN GENERAL.—For purposes of this section, the term ‘early intervention services’ means HIV/AIDS early intervention services described in section 2651(e), with follow-up referral provided for the purpose of facilitating the access of individuals receiving the services to HIV-related health services. The entities through which such services may be provided under the grant include public health departments, emergency rooms, substance abuse and mental health treatment programs, detoxification centers, detention facilities, clinics regarding sexually transmitted diseases, homeless shelters, HIV/AIDS counseling and testing sites, health care points of entry specified by eligible areas, federally qualified health centers, and entities described in section 2652(a) that constitute a point of access to services by maintaining referral relationships.

“(2) CONDITIONS.—With respect to an entity that proposes to provide early intervention services under paragraph (1), such paragraph shall apply only if the entity demonstrates to the satisfaction of the chief elected official for the eligible area involved that—

“(A) Federal, State, or local funds are otherwise inadequate for the early intervention services the entity proposes to provide; and

“(B) the entity will expend funds pursuant to such paragraph to supplement and not supplant other funds available to the entity for the provision of early intervention services for the fiscal year involved.

“(f) PRIORITY FOR WOMEN, INFANTS, CHILDREN, AND YOUTH.—

“(1) IN GENERAL.—For the purpose of providing health and support services to infants, children, youth, and women with HIV/AIDS, including treatment measures to prevent the perinatal transmission of HIV, the chief elected official of an eligible area, in accordance with the established priorities of the planning council, shall for each of such populations in the eligible area use, from the grants made for the area under section 2601(a) for a fiscal year, not less than the percentage constituted by the ratio of the population involved (infants, children, youth, or women in such area) with HIV/AIDS to the general population in such area of individuals with HIV/AIDS.

“(2) WAIVER.—With respect to the population involved, the Secretary may provide to the chief elected official of an eligible area a waiver of the requirement of paragraph (1) if such official demonstrates to the satisfaction of the Secretary that the population is receiving HIV-related health services through the State medicaid program under title XIX of the Social Security Act, the State children’s health insurance program under title XXI of such Act, or other Federal or State programs.

“(g) REQUIREMENT OF STATUS AS MEDICAID PROVIDER.—

“(1) PROVISION OF SERVICE.—Subject to paragraph (2), the Secretary may not make a grant under section 2601(a) for the provision of services under this section in a State unless, in the case of any such service that is available pursuant to the State plan approved under title XIX of the Social Security Act for the State—

“(A) the political subdivision involved will provide the service directly, and the political subdivision has entered into a participation agreement under the State plan and is qualified to receive payments under such plan; or

“(B) the political subdivision will enter into an agreement with a public or nonprofit private entity under which the entity will provide the service, and the entity has entered into such a participation agreement and is qualified to receive such payments.

“(2) WAIVER.—

“(A) IN GENERAL.—In the case of an entity making an agreement pursuant to paragraph (1)(B) regarding the provision of services, the requirement established in such paragraph shall be waived by the HIV health services planning council for the eligible area if the entity does not, in providing health care services, impose a charge or accept reimbursement available from any third-party payor, including reimbursement under any insurance policy or under any Federal or State health benefits program.

“(B) DETERMINATION.—A determination by the HIV health services planning council of whether an entity referred to in subparagraph (A) meets the criteria for a waiver under such subparagraph shall be made without regard to whether the entity accepts voluntary donations for the purpose of providing services to the public.

“(h) ADMINISTRATION.—

“(1) LIMITATION.—The chief elected official of an eligible area shall not use in excess of 10 percent of amounts received under a grant under this part for administrative expenses.

“(2) ALLOCATIONS BY CHIEF ELECTED OFFICIAL.—In the case of entities and subcontractors to which the chief elected official of an eligible area allocates amounts received by the official under a grant under this part, the official shall ensure that, of the aggregate amount so allocated, the total of the expenditures by such entities for administrative expenses does not exceed 10 percent (without regard to whether particular entities expend more than 10 percent for such expenses).

“(3) ADMINISTRATIVE ACTIVITIES.—For purposes of paragraph (1), amounts may be used for administrative activities that include—

“(A) routine grant administration and monitoring activities, including the development of applications for part A funds, the receipt and disbursement of program funds, the development and establishment of reimbursement and accounting systems, the development of a clinical quality management program as described in paragraph (5), the preparation of routine programmatic and financial reports, and compliance with grant conditions and audit requirements; and

“(B) all activities associated with the grantee’s contract award procedures, including the activities carried out by

the HIV health services planning council as established under section 2602(b), the development of requests for proposals, contract proposal review activities, negotiation and awarding of contracts, monitoring of contracts through telephone consultation, written documentation or onsite visits, reporting on contracts, and funding reallocation activities.

“(4) SUBCONTRACTOR ADMINISTRATIVE ACTIVITIES.—For the purposes of this subsection, subcontractor administrative activities include—

“(A) usual and recognized overhead activities, including established indirect rates for agencies;

“(B) management oversight of specific programs funded under this title; and

“(C) other types of program support such as quality assurance, quality control, and related activities.

“(5) CLINICAL QUALITY MANAGEMENT.—

“(A) REQUIREMENT.—The chief elected official of an eligible area that receives a grant under this part shall provide for the establishment of a clinical quality management program to assess the extent to which HIV health services provided to patients under the grant are consistent with the most recent Public Health Service guidelines for the treatment of HIV/AIDS and related opportunistic infection, and as applicable, to develop strategies for ensuring that such services are consistent with the guidelines for improvement in the access to and quality of HIV health services.

“(B) USE OF FUNDS.—

“(i) IN GENERAL.—From amounts received under a grant awarded under this subpart for a fiscal year, the chief elected official of an eligible area may use for activities associated with the clinical quality management program required in subparagraph (A) not to exceed the lesser of—

“(I) 5 percent of amounts received under the grant; or

“(II) \$3,000,000.

“(ii) RELATION TO LIMITATION ON ADMINISTRATIVE EXPENSES.—The costs of a clinical quality management program under subparagraph (A) may not be considered administrative expenses for purposes of the limitation established in paragraph (1).

“(i) CONSTRUCTION.—A chief elected official may not use amounts received under a grant awarded under this part to purchase or improve land, or to purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or to make cash payments to intended recipients of services.”.

SEC. 106. ADDITIONAL AMENDMENTS TO PART A.

(a) REPORTING OF CASES.—Section 2601(a) of the Public Health Service Act (42 U.S.C. 300ff-11(a)) is amended by striking “for the most recent period” and inserting “during the most recent period”.

(b) PLANNING COUNCIL REPRESENTATION.—Section 2602(b)(2)(G) of the Public Health Service Act (42 U.S.C. 300ff-12(b)(2)(G)) is amended by inserting “, members of a Federally

recognized Indian tribe as represented in the population, individuals co-infected with hepatitis B or C” after “disease”.

(c) APPLICATION FOR GRANT.—

(1) PAYER OF LAST RESORT.—Section 2605(a)(6)(A) of the Public Health Service Act (42 U.S.C. 300ff–15(a)(6)(A)) is amended by inserting “(except for a program administered by or providing the services of the Indian Health Service)” before the semicolon.

(2) AUDITS.—Section 2605(a) of the Public Health Service Act (42 U.S.C. 300ff–15(a)) is amended—

(A) in paragraph (8), by striking “and” at the end;

(B) in paragraph (9), by striking the period and inserting “; and”; and

(C) by adding at the end the following:

“(10) that the chief elected official will submit to the lead State agency under section 2617(b)(4), audits, consistent with Office of Management and Budget circular A133, regarding funds expended in accordance with this part every 2 years and shall include necessary client-based data to compile unmet need calculations and Statewide coordinated statements of need process.”.

(3) COORDINATION.—Section 2605(b) of the Public Health Service Act (42 U.S.C. 300ff–15(b)) is amended—

(A) in paragraph (3), by striking “and” at the end;

(B) in paragraph (4), by striking the period and inserting a semicolon; and

(C) by adding at the end the following:

“(5) the manner in which the expected expenditures are related to the planning process for States that receive funding under part B (including the planning process described in section 2617(b)); and

“(6) the expected expenditures and how those expenditures will improve overall client outcomes, as described under the State plan under section 2617(b), and through additional outcomes measures as identified by the HIV health services planning council under section 2602(b).”.

SEC. 107. NEW PROGRAM IN PART A; TRANSITIONAL GRANTS FOR CERTAIN AREAS INELIGIBLE UNDER SECTION 2601.

(a) IN GENERAL.—Part A of title XXVI of the Public Health Service Act (42 U.S.C. 300ff–11) is amended—

(1) by inserting after the part heading the following:

“Subpart I—General Grant Provisions”; and

(2) by adding at the end the following:

“Subpart II—Transitional Grants

“SEC. 2609. ESTABLISHMENT OF PROGRAM.

“(a) IN GENERAL.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, shall make grants for the purpose of providing services described in section 2604 in transitional areas, subject to the same provisions regarding the allocation of grant funds as apply under subsection (c) of such section.

“(b) TRANSITIONAL AREAS.—For purposes of this section, the term ‘transitional area’ means, subject to subsection (c), a metropolitan area for which there has been reported to and confirmed by the Director of the Centers for Disease Control and Prevention a cumulative total of at least 1,000, but fewer than 2,000, cases of AIDS during the most recent period of 5 calendar years for which such data are available.

“(c) CERTAIN ELIGIBILITY RULES.—

“(1) FISCAL YEAR 2007.—With respect to grants under subsection (a) for fiscal year 2007, a metropolitan area that received funding under subpart I for fiscal year 2006 but does not for fiscal year 2007 qualify under such subpart as an eligible area and does not qualify under subsection (b) as a transitional area shall, notwithstanding subsection (b), be considered a transitional area.

“(2) CONTINUED STATUS AS TRANSITIONAL AREA.—

“(A) IN GENERAL.—Notwithstanding subsection (b), a metropolitan area that is a transitional area for a fiscal year continues, except as provided in subparagraph (B), to be a transitional area until the metropolitan area fails, for three consecutive fiscal years—

“(i) to qualify under such subsection as a transitional area; and

“(ii) to have a cumulative total of 1,500 or more living cases of AIDS (reported to and confirmed by the Director of the Centers for Disease Control and Prevention) as of December 31 of the most recent calendar year for which such data is available.

“(B) EXCEPTION REGARDING STATUS AS ELIGIBLE AREA.—Subparagraph (A) does not apply for a fiscal year if the metropolitan area involved qualifies under subpart I as an eligible area.

“(d) APPLICATION OF CERTAIN PROVISIONS OF SUBPART I.—

“(1) ADMINISTRATION; PLANNING COUNCIL.—

“(A) IN GENERAL.—The provisions of section 2602 apply with respect to a grant under subsection (a) for a transitional area to the same extent and in the same manner as such provisions apply with respect to a grant under subpart I for an eligible area, except that, subject to subparagraph (B), the chief elected official of the transitional area may elect not to comply with the provisions of section 2602(b) if the official provides documentation to the Secretary that details the process used to obtain community input (particularly from those with HIV) in the transitional area for formulating the overall plan for priority setting and allocating funds from the grant under subsection (a).

“(B) EXCEPTION.—For each of the fiscal years 2007 through 2009, the exception described in subparagraph (A) does not apply if the transitional area involved received funding under subpart I for fiscal year 2006.

“(2) TYPE AND DISTRIBUTION OF GRANTS; TIMEFRAME FOR OBLIGATION AND EXPENDITURE OF GRANT FUNDS.—

“(A) FORMULA GRANTS; SUPPLEMENTAL GRANTS.—The provisions of section 2603 apply with respect to grants under subsection (a) to the same extent and in the same

manner as such provisions apply with respect to grants under subpart I, subject to subparagraphs (B) and (C).

“(B) FORMULA GRANTS; INCREASE IN GRANT.—For purposes of subparagraph (A), section 2603(a)(4) does not apply.

“(C) SUPPLEMENTAL GRANTS; SINGLE PROGRAM WITH SUBPART I PROGRAM.—With respect to section 2603(b) as applied for purposes of subparagraph (A):

“(i) The Secretary shall combine amounts available pursuant to such subparagraph with amounts available for carrying out section 2603(b) and shall administer the two programs as a single program.

“(ii) In the single program, the Secretary has discretion in allocating amounts between eligible areas under subpart I and transitional areas under this section, subject to the eligibility criteria that apply under such section, and subject to section 2603(b)(2)(C) (relating to priority in making grants).

“(iii) Pursuant to section 2603(b)(1), amounts for the single program are subject to use under sections 2603(a)(4) and 2610(d)(1).

“(3) APPLICATION; TECHNICAL ASSISTANCE; DEFINITIONS.—The provisions of sections 2605, 2606, and 2607 apply with respect to grants under subsection (a) to the same extent and in the same manner as such provisions apply with respect to grants under subpart I.”

(b) CONFORMING AMENDMENTS.—Subpart I of part A of title XXVI of the Public Health Service Act, as designated by subsection (a)(1) of this section, is amended by striking “this part” each place such term appears and inserting “this subpart”.

SEC. 108. AUTHORIZATION OF APPROPRIATIONS FOR PART A.

Part A of title XXVI of the Public Health Service Act, as amended by section 106(a), is amended by adding at the end the following:

“Subpart III—General Provisions

“SEC. 2610. AUTHORIZATION OF APPROPRIATIONS.

“(a) IN GENERAL.—For the purpose of carrying out this part, there are authorized to be appropriated \$604,000,000 for fiscal year 2007, \$626,300,000 for fiscal year 2008, and \$649,500,000 for fiscal year 2009. Amounts appropriated under the preceding sentence for a fiscal year are available for obligation by the Secretary until the end of the second succeeding fiscal year.

“(b) RESERVATION OF AMOUNTS.—

“(1) FISCAL YEAR 2007.—Of the amount appropriated under subsection (a) for fiscal year 2007, the Secretary shall reserve—

“(A) \$458,310,000 for grants under subpart I; and

“(B) \$145,690,000 for grants under section 2609.

“(2) SUBSEQUENT FISCAL YEARS.—Of the amount appropriated under subsection (a) for fiscal year 2008 and each subsequent fiscal year—

“(A) the Secretary shall reserve an amount for grants under subpart I; and

“(B) the Secretary shall reserve an amount for grants under section 2609.

“(c) TRANSFER OF CERTAIN AMOUNTS; CHANGE IN STATUS AS ELIGIBLE AREA OR TRANSITIONAL AREA.—Notwithstanding subsection (b):

“(1) If a metropolitan area is an eligible area under subpart I for a fiscal year, but for a subsequent fiscal year ceases to be an eligible area by reason of section 2601(b)—

“(A)(i) the amount reserved under paragraph (1)(A) or (2)(A) of subsection (b) of this section for the first such subsequent year of not being an eligible area is deemed to be reduced by an amount equal to the amount of the grant made pursuant to section 2603(a) for the metropolitan area for the preceding fiscal year; and

“(ii)(I) if the metropolitan area qualifies for such first subsequent fiscal year as a transitional area under 2609, the amount reserved under paragraph (1)(B) or (2)(B) of subsection (b) for such fiscal year is deemed to be increased by an amount equal to the amount of the reduction under subparagraph (A) for such year; or

“(II) if the metropolitan area does not qualify for such first subsequent fiscal year as a transitional area under 2609, an amount equal to the amount of such reduction is, notwithstanding subsection (a), transferred and made available for grants pursuant to section 2618(a)(1), in addition to amounts available for such grants under section 2623; and

“(B) if a transfer under subparagraph (A)(ii)(II) is made with respect to the metropolitan area for such first subsequent fiscal year, then—

“(i) the amount reserved under paragraph (1)(A) or (2)(A) of subsection (b) of this section for such year is deemed to be reduced by an additional \$500,000; and

“(ii) an amount equal to the amount of such additional reduction is, notwithstanding subsection (a), transferred and made available for grants pursuant to section 2618(a)(1), in addition to amounts available for such grants under section 2623.

“(2) If a metropolitan area is a transitional area under section 2609 for a fiscal year, but for a subsequent fiscal year ceases to be a transitional area by reason of section 2609(c)(2) (and does not qualify for such subsequent fiscal year as an eligible area under subpart I)—

“(A) the amount reserved under subsection (b)(2)(B) of this section for the first such subsequent fiscal year of not being a transitional area is deemed to be reduced by an amount equal to the total of—

“(i) the amount of the grant that, pursuant to section 2603(a), was made under section 2609(d)(2)(A) for the metropolitan area for the preceding fiscal year; and

“(ii) \$500,000; and

“(B) an amount equal to the amount of the reduction under subparagraph (A) for such year is, notwithstanding subsection (a), transferred and made available for grants pursuant to section 2618(a)(1), in addition to amounts available for such grants under section 2623.

“(3) If a metropolitan area is a transitional area under section 2609 for a fiscal year, but for a subsequent fiscal year qualifies as an eligible area under subpart I—

“(A) the amount reserved under subsection (b)(2)(B) of this section for the first such subsequent fiscal year of becoming an eligible area is deemed to be reduced by an amount equal to the amount of the grant that, pursuant to section 2603(a), was made under section 2609(d)(2)(A) for the metropolitan area for the preceding fiscal year; and

“(B) the amount reserved under subsection (b)(2)(A) for such fiscal year is deemed to be increased by an amount equal to the amount of the reduction under subparagraph (A) for such year.

“(d) CERTAIN TRANSFERS; ALLOCATIONS BETWEEN PROGRAMS UNDER SUBPART I.—With respect to paragraphs (1)(B)(i) and (2)(A)(ii) of subsection (c), the Secretary shall administer any reductions under such paragraphs for a fiscal year in accordance with the following:

“(1) The reductions shall be made from amounts available for the single program referred to in section 2609(d)(2)(C) (relating to supplemental grants).

“(2) The reductions shall be made before the amounts referred to in paragraph (1) are used for purposes of section 2603(a)(4).

“(3) If the amounts referred to in paragraph (1) are not sufficient for making all the reductions, the reductions shall be reduced until the total amount of the reductions equals the total of the amounts referred to in such paragraph.

“(e) RULES OF CONSTRUCTION REGARDING FIRST SUBSEQUENT FISCAL YEAR.—Paragraphs (1) and (2) of subsection (c) apply with respect to each series of fiscal years during which a metropolitan area is an eligible area under subpart I or a transitional area under section 2609 for a fiscal year and then for a subsequent fiscal year ceases to be such an area by reason of section 2601(b) or 2609(c)(2), respectively, rather than applying to a single such series. Paragraph (3) of subsection (c) applies with respect to each series of fiscal years during which a metropolitan area is a transitional area under section 2609 for a fiscal year and then for a subsequent fiscal year becomes an eligible area under subpart I, rather than applying to a single such series.”.

TITLE II—CARE GRANTS

SEC. 201. GENERAL USE OF GRANTS.

(a) IN GENERAL.—Section 2612 of the Public Health Service Act (42 U.S.C. 300ff–22) is amended to read as follows:

“SEC. 2612. GENERAL USE OF GRANTS.

“(a) IN GENERAL.—A State may use amounts provided under grants made under section 2611 for—

“(1) core medical services described in subsection (b);

“(2) support services described in subsection (c); and

“(3) administrative expenses described in section 2618(b)(3).

“(b) REQUIRED FUNDING FOR CORE MEDICAL SERVICES.—

“(1) IN GENERAL.—With respect to a grant under section 2611 for a State for a grant year, the State shall, of the portion of the grant remaining after reserving amounts for purposes of subparagraphs (A) and (E)(ii)(I) of section 2618(b)(3), use not less than 75 percent to provide core medical services that are needed in the State for individuals with HIV/AIDS who are identified and eligible under this title (including services regarding the co-occurring conditions of the individuals).

“(2) WAIVER.—

“(A) IN GENERAL.—The Secretary shall waive the application of paragraph (1) with respect to a State for a grant year if the Secretary determines that, within the State—

“(i) there are no waiting lists for AIDS Drug Assistance Program services under section 2616; and

“(ii) core medical services are available to all individuals with HIV/AIDS identified and eligible under this title.

“(B) NOTIFICATION OF WAIVER STATUS.—When informing a State that a grant under section 2611 is being made to the State for a fiscal year, the Secretary shall inform the State whether a waiver under subparagraph (A) is in effect for the fiscal year.

“(3) CORE MEDICAL SERVICES.—For purposes of this subsection, the term ‘core medical services’, with respect to an individual infected with HIV/AIDS (including the co-occurring conditions of the individual) means the following services:

“(A) Outpatient and ambulatory health services.

“(B) AIDS Drug Assistance Program treatments in accordance with section 2616.

“(C) AIDS pharmaceutical assistance.

“(D) Oral health care.

“(E) Early intervention services described in subsection (d).

“(F) Health insurance premium and cost sharing assistance for low-income individuals in accordance with section 2615.

“(G) Home health care.

“(H) Medical nutrition therapy.

“(I) Hospice services.

“(J) Home and community-based health services as defined under section 2614(c).

“(K) Mental health services.

“(L) Substance abuse outpatient care.

“(M) Medical case management, including treatment adherence services.

“(c) SUPPORT SERVICES.—

“(1) IN GENERAL.—For purposes of this subsection, the term ‘support services’ means services, subject to the approval of the Secretary, that are needed for individuals with HIV/AIDS to achieve their medical outcomes (such as respite care for persons caring for individuals with HIV/AIDS, outreach services, medical transportation, linguistic services, and referrals for health care and support services).

“(2) DEFINITION OF MEDICAL OUTCOMES.—In this subsection, the term ‘medical outcomes’ means those outcomes affecting the HIV-related clinical status of an individual with HIV/AIDS.

“(d) EARLY INTERVENTION SERVICES.—

“(1) IN GENERAL.—For purposes of this section, the term ‘early intervention services’ means HIV/AIDS early intervention services described in section 2651(e), with follow-up referral provided for the purpose of facilitating the access of individuals receiving the services to HIV-related health services. The entities through which such services may be provided under the grant include public health departments, emergency rooms, substance abuse and mental health treatment programs, detoxification centers, detention facilities, clinics regarding sexually transmitted diseases, homeless shelters, HIV/AIDS counseling and testing sites, health care points of entry specified by States, federally qualified health centers, and entities described in section 2652(a) that constitute a point of access to services by maintaining referral relationships.

“(2) CONDITIONS.—With respect to an entity that proposes to provide early intervention services under paragraph (1), such paragraph shall apply only if the entity demonstrates to the satisfaction of the chief elected official for the State involved that—

“(A) Federal, State, or local funds are otherwise inadequate for the early intervention services the entity proposes to provide; and

“(B) the entity will expend funds pursuant to such subparagraph to supplement and not supplant other funds available to the entity for the provision of early intervention services for the fiscal year involved.

“(e) PRIORITY FOR WOMEN, INFANTS, CHILDREN, AND YOUTH.—

“(1) IN GENERAL.—For the purpose of providing health and support services to infants, children, youth, and women with HIV/AIDS, including treatment measures to prevent the perinatal transmission of HIV, a State shall for each of such populations in the eligible area use, from the grants made for the area under section 2601(a) for a fiscal year, not less than the percentage constituted by the ratio of the population involved (infants, children, youth, or women in such area) with HIV/AIDS to the general population in such area of individuals with HIV/AIDS.

“(2) WAIVER.—With respect to the population involved, the Secretary may provide to a State a waiver of the requirement of paragraph (1) if such State demonstrates to the satisfaction of the Secretary that the population is receiving HIV-related health services through the State medicaid program under title XIX of the Social Security Act, the State children’s health insurance program under title XXI of such Act, or other Federal or State programs.

“(f) CONSTRUCTION.—A State may not use amounts received under a grant awarded under section 2611 to purchase or improve land, or to purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or to make cash payments to intended recipients of services.”.

(b) HIV CARE CONSORTIA.—Section 2613 of the Public Health Service Act (42 U.S.C. 300ff–23) is amended—

(1) in subsection (a), in the matter preceding paragraph (1)—

(A) by striking “may use” and inserting “may, subject to subsection (f), use”; and

(B) by striking “section 2612(a)(1)” and inserting “section 2612(a)”; and

(2) by adding at the end the following subsection:

“(f) ALLOCATION OF FUNDS; TREATMENT AS SUPPORT SERVICES.—For purposes of the requirement of section 2612(b)(1), expenditures of grants under section 2611 for or through consortia under this section are deemed to be support services, not core medical services. The preceding sentence may not be construed as having any legal effect on the provisions of subsection (a) that relate to authorized expenditures of the grant.”.

(c) TECHNICAL AMENDMENTS.—Part B of title XXVI of the Public Health Service Act (42 U.S.C. 300ff–21 et seq.) is amended—

(1) in section 2611—

(A) in subsection (a), by striking the subsection designation and heading; and

(B) by striking subsection (b);

(2) in section 2614—

(A) in subsection (a), in the matter preceding paragraph (1), by striking “section 2612(a)(2)” and inserting “section 2612(b)(3)(J)”; and

(B) in subsection (c)(2)(B), by striking “homemaker or”;

(3) in section 2615(a) by striking “section 2612(a)(3)” and inserting “section 2612(b)(3)(F)”; and

(4) in section 2616(a) by striking “section 2612(a)(5)” and inserting “section 2612(b)(3)(B)”.

SEC. 202. AIDS DRUG ASSISTANCE PROGRAM.

(a) REQUIREMENT OF MINIMUM DRUG LIST.—Section 2616 of the Public Health Service Act (42 U.S.C. 300ff–26) is amended—

(1) in subsection (c), by striking paragraph (1) and inserting the following:

“(1) ensure that the therapeutics included on the list of classes of core antiretroviral therapeutics established by the Secretary under subsection (e) are, at a minimum, the treatments provided by the State pursuant to this section;”;

(2) by redesignating subsection (e) as subsection (f); and

(3) by inserting after subsection (d) the following:

“(e) LIST OF CLASSES OF CORE ANTIRETROVIRAL THERAPEUTICS.—For purposes of subsection (c)(1), the Secretary shall develop and maintain a list of classes of core antiretroviral therapeutics, which list shall be based on the therapeutics included in the guidelines of the Secretary known as the Clinical Practice Guidelines for Use of HIV/AIDS Drugs, relating to drugs needed to manage symptoms associated with HIV. The preceding sentence does not affect the authority of the Secretary to modify such Guidelines.”.

(b) DRUG REBATE PROGRAM.—Section 2616 of the Public Health Service Act, as amended by subsection (a)(2) of this section, is amended by adding at the end the following:

“(g) DRUG REBATE PROGRAM.—A State shall ensure that any drug rebates received on drugs purchased from funds provided pursuant to this section are applied to activities supported under

this subpart, with priority given to activities described under this section.”.

SEC. 203. DISTRIBUTION OF FUNDS.

(a) DISTRIBUTION BASED ON LIVING CASES OF HIV/AIDS.—

(1) STATE DISTRIBUTION FACTOR.—Section 2618(a)(2) of the Public Health Service Act (42 U.S.C. 300ff–28(a)(2)) is amended—

(A) in subparagraph (B), by striking “estimated number of living cases of acquired immune deficiency syndrome in the eligible area involved” and inserting “number of living cases of HIV/AIDS in the State involved”; and

(B) by amending subparagraph (D) to read as follows:

“(D) LIVING CASES OF HIV/AIDS.—

“(i) REQUIREMENT OF NAMES-BASED REPORTING.—

Except as provided in clause (ii), the number determined under this subparagraph for a State for a fiscal year for purposes of subparagraph (B) is the number of living names-based cases of HIV/AIDS in the State that, as of December 31 of the most recent calendar year for which such data is available, have been reported to and confirmed by the Director of the Centers for Disease Control and Prevention.

“(ii) TRANSITION PERIOD; EXEMPTION REGARDING NON-AIDS CASES.—For each of the fiscal years 2007 through 2009, a State is, subject to clauses (iii) through (v), exempt from the requirement under clause (i) that living non-AIDS names-based cases of HIV be reported unless—

“(I) a system was in operation as of December 31, 2005, that provides sufficiently accurate and reliable names-based reporting of such cases throughout the State, subject to clause (vii); or

“(II) no later than the beginning of fiscal year 2008 or 2009, the Secretary, after consultation with the chief executive of the State, determines that a system has become operational in the State that provides sufficiently accurate and reliable names-based reporting of such cases throughout the State.

“(iii) REQUIREMENTS FOR EXEMPTION FOR FISCAL YEAR 2007.—For fiscal year 2007, an exemption under clause (ii) for a State applies only if, by October 1, 2006—

“(I)(aa) the State had submitted to the Secretary a plan for making the transition to sufficiently accurate and reliable names-based reporting of living non-AIDS cases of HIV; or

“(bb) all statutory changes necessary to provide for sufficiently accurate and reliable reporting of such cases had been made; and

“(II) the State had agreed that, by April 1, 2008, the State will begin accurate and reliable names-based reporting of such cases, except that such agreement is not required to provide that, as of such date, the system for such reporting

be fully sufficient with respect to accuracy and reliability throughout the area.

“(iv) REQUIREMENT FOR EXEMPTION AS OF FISCAL YEAR 2008.—For each of the fiscal years 2008 through 2010, an exemption under clause (ii) for a State applies only if, as of April 1, 2008, the State is substantially in compliance with the agreement under clause (iii)(II).

“(v) PROGRESS TOWARD NAMES-BASED REPORTING.—For fiscal year 2009, the Secretary may terminate an exemption under clause (ii) for a State if the State submitted a plan under clause (iii)(I)(aa) and the Secretary determines that the State is not substantially following the plan.

“(vi) COUNTING OF CASES IN AREAS WITH EXEMPTIONS.—

“(I) IN GENERAL.—With respect to a State that is under a reporting system for living non-AIDS cases of HIV that is not names-based (referred to in this subparagraph as ‘code-based reporting’), the Secretary shall, for purposes of this subparagraph, modify the number of such cases reported for the State in order to adjust for duplicative reporting in and among systems that use code-based reporting.

“(II) ADJUSTMENT RATE.—The adjustment rate under subclause (I) for a State shall be a reduction of 5 percent in the number of living non-AIDS cases of HIV reported for the State.

“(vii) LIST OF STATES MEETING STANDARD REGARDING DECEMBER 31, 2005.—

“(I) IN GENERAL.—If a State is specified in subclause (II), the State shall be considered to meet the standard described in clause (ii)(I). No other State may be considered to meet such standard.

“(II) RELEVANT STATES.—For purposes of subclause (I), the States specified in this subclause are the following: Alaska, Alabama, Arkansas, Arizona, Colorado, Florida, Indiana, Iowa, Idaho, Kansas, Louisiana, Michigan, Minnesota, Missouri, Mississippi, North Carolina, North Dakota, Nebraska, New Jersey, New Mexico, New York, Nevada, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Wisconsin, West Virginia, Wyoming, Guam, and the Virgin Islands.

“(viii) RULES OF CONSTRUCTION REGARDING ACCEPTANCE OF REPORTS.—

“(I) CASES OF AIDS.—With respect to a State that is subject to the requirement under clause (i) and is not in compliance with the requirement for names-based reporting of living non-AIDS cases of HIV, the Secretary shall, notwithstanding such noncompliance, accept reports of living cases of AIDS that are in accordance with such clause.

“(II) APPLICABILITY OF EXEMPTION REQUIREMENTS.—The provisions of clauses (ii) through (vii)

may not be construed as having any legal effect for fiscal year 2010 or any subsequent fiscal year, and accordingly, the status of a State for purposes of such clauses may not be considered after fiscal year 2009.

“(ix) PROGRAM FOR DETECTING INACCURATE OR FRAUDULENT COUNTING.—The Secretary shall carry out a program to monitor the reporting of names-based cases for purposes of this subparagraph and to detect instances of inaccurate reporting, including fraudulent reporting.”.

(2) NON-EMA DISTRIBUTION FACTOR.—Section 2618(a)(2)(C) of the Public Health Service Act (42 U.S.C. 300ff–28(a)(2)(C)) is amended—

(A) in clause (i), by striking “estimated number of living cases of acquired immune deficiency syndrome” each place such term appears and inserting “number of living cases of HIV/AIDS”; and

(B) in clause (ii), by amending such clause to read as follows:

“(ii) a number equal to the sum of—

“(I) the total number of living cases of HIV/AIDS that are within areas in such State that are eligible areas under subpart I of part A for the fiscal year involved, which individual number for an area is the number that applies under section 2601 for the area for such fiscal year; and

“(II) the total number of such cases that are within areas in such State that are transitional areas under section 2609 for such fiscal year, which individual number for an area is the number that applies under such section for the fiscal year.”.

(b) FORMULA AMENDMENTS GENERALLY.—Section 2618(a)(2) of the Public Health Service Act (42 U.S.C. 300ff–28(a)(2)) is amended—

(1) in subparagraph (A)—

(A) by striking “The amount referred to” in the matter preceding clause (i) and all that follows through the end of clause (i) and inserting the following: “For purposes of paragraph (1), the amount referred to in this paragraph for a State (including a territory) for a fiscal year is, subject to subparagraphs (E) and (F)—

“(i) an amount equal to the amount made available under section 2623 for the fiscal year involved for grants pursuant to paragraph (1), subject to subparagraph (G); and”;

(B) in clause (ii)—

(i) in subclause (I)—

(I) by striking “.80” and inserting “0.75”; and

(II) by striking “and” at the end;

(ii) in subclause (II)—

(I) by inserting “non-EMA” after “respective”;

and

(II) by striking the period and inserting “; and”;

(iii) by adding at the end the following:

“(III) if the State does not for such fiscal year contain any area that is an eligible area under subpart I of part A or any area that is a transitional area under section 2609 (referred to in this subclause as a ‘no-EMA State’), the product of 0.05 and the ratio of the number of cases that applies for the State under subparagraph (D) to the sum of the respective numbers of cases that so apply for all no-EMA States.”;

(2) by striking subparagraphs (E) through (H);

(3) by inserting after subparagraph (D) the following subparagraphs:

“(E) CODE-BASED STATES; LIMITATION ON INCREASE IN GRANT.—

“(i) IN GENERAL.—For each of the fiscal years 2007 through 2009, if code-based reporting (within the meaning of subparagraph (D)(vi)) applies in a State as of the beginning of the fiscal year involved, then notwithstanding any other provision of this paragraph, the amount of the grant pursuant to paragraph (1) for the State may not for the fiscal year involved exceed by more than 5 percent the amount of the grant pursuant to this paragraph for the State for the preceding fiscal year, except that the limitation under this clause may not result in a grant pursuant to paragraph (1) for a fiscal year that is less than the minimum amount that applies to the State under such paragraph for such fiscal year.

“(ii) USE OF AMOUNTS INVOLVED.—For each of the fiscal years 2007 through 2009, amounts available as a result of the limitation under clause (i) shall be made available by the Secretary as additional amounts for grants pursuant to section 2620, subject to subparagraph (H).”; and

(4) by redesignating subparagraph (I) as subparagraph (F).

(c) SEPARATE ADAP GRANTS.—Section 2618(a)(2)(G) of the Public Health Service Act (42 U.S.C. 300ff-28(a)(2)(G)), as redesignated by subsection (b)(4) of this section, is amended—

(1) in clause (i)—

(A) in the matter preceding subclause (I), by striking “section 2677” and inserting “section 2623”;

(B) in subclause (II), by striking the period at the end and inserting a semicolon; and

(C) by adding after and below subclause (II) the following:

“which product shall then, as applicable, be increased under subparagraph (H).”;

(2) in clause (ii)—

(A) by striking subclauses (I) through (III) and inserting the following:

“(I) IN GENERAL.—From amounts made available under subclause (V), the Secretary shall award supplemental grants to States described in subclause (II) to enable such States to purchase and distribute to eligible individuals under section 2616(b) pharmaceutical therapeutics described under subsections (c)(2) and (e) of such section.

“(II) ELIGIBLE STATES.—For purposes of subclause (I), a State shall be an eligible State if the State did not have unobligated funds subject to reallocation under section 2618(d) in the previous fiscal year and, in accordance with criteria established by the Secretary, demonstrates a severe need for a grant under this clause. For purposes of determining severe need, the Secretary shall consider eligibility standards, formulary composition, the number of eligible individuals to whom a State is unable to provide therapeutics described in section 2616(a), and an unanticipated increase of eligible individuals with HIV/AIDS.

“(III) STATE REQUIREMENTS.—The Secretary may not make a grant to a State under this clause unless the State agrees that the State will make available (directly or through donations of public or private entities) non-Federal contributions toward the activities to be carried out under the grant in an amount equal to \$1 for each \$4 of Federal funds provided in the grant, except that the Secretary may waive this subclause if the State has otherwise fully complied with section 2617(d) with respect to the grant year involved. The provisions of this subclause shall apply to States that are not required to comply with such section 2617(d).”

(B) in subclause (IV), by moving the subclause two ems to the left;

(C) in subclause (V), by striking “3 percent” and inserting “5 percent”; and

(D) by striking subclause (VI); and

(3) by adding at the end the following clause:

“(iii) CODE-BASED STATES; LIMITATION ON INCREASE IN FORMULA GRANT.—The limitation under subparagraph (E)(i) applies to grants pursuant to clause (i) of this subparagraph to the same extent and in the same manner as such limitation applies to grants pursuant to paragraph (1), except that the reference to minimum grants does not apply for purposes of this clause. Amounts available as a result of the limitation under the preceding sentence shall be made available by the Secretary as additional amounts for grants under clause (ii) of this subparagraph.”

(d) HOLD HARMLESS.—Section 2618(a)(2) of the Public Health Service Act (42 U.S.C. 300ff–28(a)(2)), as amended by subsection (b)(4) of this section, is amended by adding at the end the following subparagraph:

“(H) INCREASE IN FORMULA GRANTS.—

“(i) ASSURANCE OF AMOUNT.—

“(I) GENERAL RULE.—For fiscal year 2007, the Secretary shall ensure, subject to clauses (ii) through (iv), that the total for a State of the grant pursuant to paragraph (1) and the grant pursuant to subparagraph (G) is not less than 95 percent of such total for the State for fiscal year 2006.

“(II) RULE OF CONSTRUCTION.—With respect to the application of subclause (I), the 95 percent requirement under such subclause shall apply with respect to each grant awarded under paragraph (1) and with respect to each grant awarded under subparagraph (G).

“(ii) FISCAL YEAR 2007.—For purposes of clause (i) as applied for fiscal year 2007, the references in such clause to subparagraph (G) are deemed to be references to subparagraph (I) as such subparagraph was in effect for fiscal year 2006.

“(iii) FISCAL YEARS 2008 AND 2009.—For each of the fiscal years 2008 and 2009, the Secretary shall ensure that the total for a State of the grant pursuant to paragraph (1) and the grant pursuant to subparagraph (G) is not less than 100 percent of such total for the State for fiscal year 2007.

“(iv) SOURCE OF FUNDS FOR INCREASE.—

“(I) IN GENERAL.—From the amount reserved under section 2623(b)(2) for a fiscal year, and from amounts available for such section pursuant to subsection (d) of this section, the Secretary shall make available such amounts as may be necessary to comply with clause (i).

“(II) PRO RATA REDUCTION.—If the amounts referred to in subclause (I) for a fiscal year are insufficient to fully comply with clause (i) for the year, the Secretary, in order to provide the additional funds necessary for such compliance, shall reduce on a pro rata basis the amount of each grant pursuant to paragraph (1) for the fiscal year, other than grants for States for which increases under clause (i) apply and other than States described in paragraph (1)(A)(i)(I). A reduction under the preceding sentence may not be made in an amount that would result in the State involved becoming eligible for such an increase.

“(v) APPLICABILITY.—This paragraph may not be construed as having any applicability after fiscal year 2009.”.

(e) ADMINISTRATIVE EXPENSES; CLINICAL QUALITY MANAGEMENT.—Section 2618(b) of the Public Health Service Act (42 U.S.C. 300ff–28(b)) is amended—

(1) by redesignating paragraphs (2) through (7) as paragraphs (1) through (6);

(2) in paragraph (2) (as so redesignated)—

(A) by striking “paragraph (5)” and inserting “paragraph (4)”; and

(B) by striking “paragraph (6)” and inserting “paragraph (5)”; and

(3) in paragraph (3) (as so redesignated)—

(A) by amending subparagraph (A) to read as follows:

“(A) IN GENERAL.—Subject to paragraph (4), and except as provided in paragraph (5), a State may not use more than 10 percent of amounts received under a grant awarded under section 2611 for administration.”;

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

(C) by inserting after subparagraph (A) the following:

“(B) ALLOCATIONS.—In the case of entities and subcontractors to which a State allocates amounts received by the State under a grant under section 2611, the State shall ensure that, of the aggregate amount so allocated, the total of the expenditures by such entities for administrative expenses does not exceed 10 percent (without regard to whether particular entities expend more than 10 percent for such expenses).”;

(D) in subparagraph (C) (as so redesignated), by inserting before the period the following: “, including a clinical quality management program under subparagraph (E)”; and

(E) by adding at the end the following:

“(E) CLINICAL QUALITY MANAGEMENT.—

“(i) REQUIREMENT.—Each State that receives a grant under section 2611 shall provide for the establishment of a clinical quality management program to assess the extent to which HIV health services provided to patients under the grant are consistent with the most recent Public Health Service guidelines for the treatment of HIV/AIDS and related opportunistic infection, and as applicable, to develop strategies for ensuring that such services are consistent with the guidelines for improvement in the access to and quality of HIV health services.

“(ii) USE OF FUNDS.—

“(I) IN GENERAL.—From amounts received under a grant awarded under section 2611 for a fiscal year, a State may use for activities associated with the clinical quality management program required in clause (i) not to exceed the lesser of—

“(aa) 5 percent of amounts received under the grant; or

“(bb) \$3,000,000.

“(II) RELATION TO LIMITATION ON ADMINISTRATIVE EXPENSES.—The costs of a clinical quality management program under clause (i) may not be considered administrative expenses for purposes of the limitation established in subparagraph (A).”;

(4) in paragraph (4) (as so redesignated)—

(A) by striking “paragraph (6)” and inserting “paragraph (5)”; and

(B) by striking “paragraphs (3) and (4)” and inserting “paragraphs (2) and (3)”; and

(5) in paragraph (5) (as so redesignated), by striking “paragraphs (3)” and all that follows through “(5),” and inserting the following: “paragraphs (2) and (3), may, notwithstanding paragraphs (2) through (4),”.

(f) REALLOCATION FOR SUPPLEMENTAL GRANTS.—Section 2618(d) of the Public Health Service Act (42 U.S.C. 300ff–28(d)) is amended to read as follows:

“(d) REALLOCATION.—Any portion of a grant made to a State under section 2611 for a fiscal year that has not been obligated

as described in subsection (c) ceases to be available to the State and shall be made available by the Secretary for grants under section 2620, in addition to amounts made available for such grants under section 2623(b)(2).”.

(g) DEFINITIONS; OTHER TECHNICAL AMENDMENTS.—Section 2618(a) of the Public Health Service Act (42 U.S.C. 300ff-28(a)) is amended—

(1) in paragraph (1), in the matter preceding subparagraph (A), by striking “section 2677” and inserting “section 2623”;

(2) in paragraph (1)(A)—

(A) in the matter preceding clause (i), by striking “each of the several States and the District of Columbia” and inserting “each of the 50 States, the District of Columbia, Guam, and the Virgin Islands (referred to in this paragraph as a ‘covered State’)”; and

(B) in clause (i)—

(i) in subclause (I), by striking “State or District” and inserting “covered State”; and

(ii) in subclause (II)—

(I) by striking “State or District” and inserting “covered State”; and

(II) by inserting “and” after the semicolon; and

(3) in paragraph (1)(B), by striking “each territory of the United States, as defined in paragraph (3),” and inserting “each territory other than Guam and the Virgin Islands”;

(4) in paragraph (2)(C)(i), by striking “or territory”; and

(5) by striking paragraph (3).

SEC. 204. ADDITIONAL AMENDMENTS TO SUBPART I OF PART B.

(a) REFERENCES TO PART B.—Subpart I of part B of title XXVI of the Public Health Service Act (42 U.S.C. 300ff-21 et seq.) is amended by striking “this part” each place such term appears and inserting “section 2611”.

(b) HEPATITIS.—Section 2614(a)(3) of the Public Health Service Act (42 U.S.C. 300ff-24(a)(3)) is amended by inserting “, including specialty care and vaccinations for hepatitis co-infection,” after “health services”.

(c) APPLICATION FOR GRANT.—

(1) COORDINATION.—Section 2617(b) of the Public Health Service Act (42 U.S.C. 300ff-27(b)) is amended—

(A) by redesignating paragraphs (4) through (6) as paragraphs (5) through (7), respectively;

(B) by inserting after paragraph (3), the following:

“(4) the designation of a lead State agency that shall—

“(A) administer all assistance received under this part;

“(B) conduct the needs assessment and prepare the State plan under paragraph (3);

“(C) prepare all applications for assistance under this part;

“(D) receive notices with respect to programs under this title;

“(E) every 2 years, collect and submit to the Secretary all audits, consistent with Office of Management and Budget circular A133, from grantees within the State, including audits regarding funds expended in accordance with this part; and

“(F) carry out any other duties determined appropriate by the Secretary to facilitate the coordination of programs under this title.”;

(C) in paragraph (5) (as so redesignated)—

(i) in subparagraph (E), by striking “and” at the end; and

(ii) by inserting after subparagraph (F) the following:

“(G) includes key outcomes to be measured by all entities in the State receiving assistance under this title; and”;

and (D) in paragraph (7) (as so redesignated), in subparagraph (A)—

(i) by striking “paragraph (5)” and inserting “paragraph (6)”;

and (ii) by striking “paragraph (4)” and inserting “paragraph (5)”.

(2) NATIVE AMERICAN REPRESENTATION.—Section 2617(b)(6) of the Public Health Service Act, as redesignated by paragraph (1)(A) of this subsection, is amended by inserting before “representatives of grantees” the following: “members of a Federally recognized Indian tribe as represented in the State.”.

(3) PAYER OF LAST RESORT.—Section 2617(b)(7)(F)(ii) of the Public Health Service Act, as redesignated by paragraph (1)(A) of this subsection, is amended by inserting before the semicolon the following: “(except for a program administered by or providing the services of the Indian Health Service)”.

(d) MATCHING FUNDS; APPLICABILITY OF REQUIREMENT.—Section 2617(d)(3) of the Public Health Service Act (42 U.S.C. 300ff–27(d)(3)) is amended—

(1) in subparagraph (A), by striking “acquired immune deficiency syndrome” and inserting “HIV/AIDS”; and

(2) in subparagraph (C), by striking “acquired immune deficiency syndrome” and inserting “HIV/AIDS”.

SEC. 205. SUPPLEMENTAL GRANTS ON BASIS OF DEMONSTRATED NEED.

Subpart I of part B of title XXVI of the Public Health Service Act (42 U.S.C. 300ff–21 et seq.) is amended—

(1) by redesignating section 2620 as section 2621; and

(2) by inserting after section 2619 the following:

“SEC. 2620. SUPPLEMENTAL GRANTS.

“(a) IN GENERAL.—For the purpose of providing services described in section 2612(a), the Secretary shall make grants to States—

“(1) whose applications under section 2617 have demonstrated the need in the State, on an objective and quantified basis, for supplemental financial assistance to provide such services; and

“(2) that did not, for the most recent grant year pursuant to section 2618(a)(1) or 2618(a)(2)(G)(i) for which data is available, have more than 2 percent of grant funds under such sections canceled or covered by any waivers under section 2622(c).

“(b) DEMONSTRATED NEED.—The factors considered by the Secretary in determining whether an eligible area has a demonstrated

need for purposes of subsection (a)(1) may include any or all of the following:

“(1) The unmet need for such services, as determined under section 2617(b).

“(2) An increasing need for HIV/AIDS-related services, including relative rates of increase in the number of cases of HIV/AIDS.

“(3) The relative rates of increase in the number of cases of HIV/AIDS within new or emerging subpopulations.

“(4) The current prevalence of HIV/AIDS.

“(5) Relevant factors related to the cost and complexity of delivering health care to individuals with HIV/AIDS in the eligible area.

“(6) The impact of co-morbid factors, including co-occurring conditions, determined relevant by the Secretary.

“(7) The prevalence of homelessness.

“(8) The prevalence of individuals described under section 2602(b)(2)(M).

“(9) The relevant factors that limit access to health care, including geographic variation, adequacy of health insurance coverage, and language barriers.

“(10) The impact of a decline in the amount received pursuant to section 2618 on services available to all individuals with HIV/AIDS identified and eligible under this title.

“(c) PRIORITY IN MAKING GRANTS.—The Secretary shall provide funds under this section to a State to address the decline in services related to the decline in the amounts received pursuant to section 2618 consistent with the grant award to the State for fiscal year 2006, to the extent that the factor under subsection (b)(10) (relating to a decline in funding) applies to the State.

“(d) REPORT ON THE AWARDING OF SUPPLEMENTAL FUNDS.—Not later than 45 days after the awarding of supplemental funds under this section, the Secretary shall submit to Congress a report concerning such funds. Such report shall include information detailing—

“(1) the total amount of supplemental funds available under this section for the year involved;

“(2) the amount of supplemental funds used in accordance with the hold harmless provisions of section 2618(a)(2);

“(3) the amount of supplemental funds disbursed pursuant to subsection (c);

“(4) the disbursement of the remainder of the supplemental funds after taking into account the uses described in paragraphs (2) and (3); and

“(5) the rationale used for the amount of funds disbursed as described under paragraphs (2), (3), and (4).

“(e) CORE MEDICAL SERVICES.—The provisions of section 2612(b) apply with respect to a grant under this section to the same extent and in the same manner as such provisions apply with respect to a grant made pursuant to section 2618(a)(1).

“(f) APPLICABILITY OF GRANT AUTHORITY.—The authority to make grants under this section applies beginning with the first fiscal year for which amounts are made available for such grants under section 2623(b)(1).”.

SEC. 206. EMERGING COMMUNITIES.

Section 2621 of the Public Health Service Act, as redesignated by section 205(1) of this Act, is amended—

(1) in the heading for the section, by striking “SUPPLEMENTAL GRANTS” and inserting “EMERGING COMMUNITIES”;

(2) in subsection (b)—

(A) in paragraph (2), by striking “and” at the end;

(B) by redesignating paragraph (3) as paragraph (4);

and

(C) by inserting after paragraph (2) the following:

“(3) agree that the grant will be used to provide funds directly to emerging communities in the State, separately from other funds under this title that are provided by the State to such communities; and”.

(3) by striking subsections (d) and (e) and inserting the following:

“(d) DEFINITIONS OF EMERGING COMMUNITY.—For purposes of this section, the term ‘emerging community’ means a metropolitan area (as defined in section 2607) for which there has been reported to and confirmed by the Director of the Centers for Disease Control and Prevention a cumulative total of at least 500, but fewer than 1,000, cases of AIDS during the most recent period of 5 calendar years for which such data are available.

“(e) CONTINUED STATUS AS EMERGING COMMUNITY.—Notwithstanding any other provision of this section, a metropolitan area that is an emerging community for a fiscal year continues to be an emerging community until the metropolitan area fails, for three consecutive fiscal years—

“(1) to meet the requirements of subsection (d); and

“(2) to have a cumulative total of 750 or more living cases of AIDS (reported to and confirmed by the Director of the Centers for Disease Control and Prevention) as of December 31 of the most recent calendar year for which such data is available.

“(f) DISTRIBUTION.—The amount of a grant under subsection (a) for a State for a fiscal year shall be an amount equal to the product of—

“(1) the amount available under section 2623(b)(1) for the fiscal year; and

“(2) a percentage equal to the ratio constituted by the number of living cases of HIV/AIDS in emerging communities in the State to the sum of the respective numbers of such cases in such communities for all States.”.

SEC. 207. TIMEFRAME FOR OBLIGATION AND EXPENDITURE OF GRANT FUNDS.

Subpart I of part B of title XXVI of the Public Health Service Act (42 U.S.C. 300ff–21 et seq.), as amended by section 205, is further amended by adding at the end the following:

“SEC. 2622. TIMEFRAME FOR OBLIGATION AND EXPENDITURE OF GRANT FUNDS.

“(a) OBLIGATION BY END OF GRANT YEAR.—Effective for fiscal year 2007 and subsequent fiscal years, funds from a grant award made to a State for a fiscal year pursuant to section 2618(a)(1) or 2618(a)(2)(G), or under section 2620 or 2621, are available for obligation by the State through the end of the one-year period

beginning on the date in such fiscal year on which funds from the award first become available to the State (referred to in this section as the ‘grant year for the award’), except as provided in subsection (c)(1).

“(b) SUPPLEMENTAL GRANTS; CANCELLATION OF UNOBLIGATED BALANCE OF GRANT AWARD.—Effective for fiscal year 2007 and subsequent fiscal years, if a grant award made to a State for a fiscal year pursuant to section 2618(a)(2)(G)(ii), or under section 2620 or 2621, has an unobligated balance as of the end of the grant year for the award—

“(1) the Secretary shall cancel that unobligated balance of the award, and shall require the State to return any amounts from such balance that have been disbursed to the State; and

“(2) the funds involved shall be made available by the Secretary as additional amounts for grants pursuant to section 2620 for the first fiscal year beginning after the fiscal year in which the Secretary obtains the information necessary for determining that the balance is required under paragraph (1) to be canceled, except that the availability of the funds for such grants is subject to section 2618(a)(2)(H) as applied for such year.

“(c) FORMULA GRANTS; CANCELLATION OF UNOBLIGATED BALANCE OF GRANT AWARD; WAIVER PERMITTING CARRYOVER.—

“(1) IN GENERAL.—Effective for fiscal year 2007 and subsequent fiscal years, if a grant award made to a State for a fiscal year pursuant to section 2618(a)(1) or 2618(a)(2)(G)(i) has an unobligated balance as of the end of the grant year for the award, the Secretary shall cancel that unobligated balance of the award, and shall require the State to return any amounts from such balance that have been disbursed to the State, unless—

“(A) before the end of the grant year, the State submits to the Secretary a written application for a waiver of the cancellation, which application includes a description of the purposes for which the State intends to expend the funds involved; and

“(B) the Secretary approves the waiver.

“(2) EXPENDITURE BY END OF CARRYOVER YEAR.—With respect to a waiver under paragraph (1) that is approved for a balance that is unobligated as of the end of a grant year for an award:

“(A) The unobligated funds are available for expenditure by the State involved for the one-year period beginning upon the expiration of the grant year (referred to in this section as the ‘carryover year’).

“(B) If the funds are not expended by the end of the carryover year, the Secretary shall cancel that unexpended balance of the award, and shall require the State to return any amounts from such balance that have been disbursed to the State.

“(3) USE OF CANCELLED BALANCES.—In the case of any balance of a grant award that is cancelled under paragraph (1) or (2)(B), the grant funds involved shall be made available by the Secretary as additional amounts for grants under section 2620 for the first fiscal year beginning after the fiscal year in which the Secretary obtains the information necessary for determining that the balance is required under such paragraph

to be canceled, except that the availability of the funds for such grants is subject to section 2618(a)(2)(H) as applied for such year.

“(4) CORRESPONDING REDUCTION IN FUTURE GRANT.—

“(A) IN GENERAL.—In the case of a State for which a balance from a grant award made pursuant to section 2618(a)(1) or 2618(a)(2)(G)(i) is unobligated as of the end of the grant year for the award—

“(i) the Secretary shall reduce, by the same amount as such unobligated balance, the amount of the grant under such section for the first fiscal year beginning after the fiscal year in which the Secretary obtains the information necessary for determining that such balance was unobligated as of the end of the grant year (which requirement for a reduction applies without regard to whether a waiver under paragraph (1) has been approved with respect to such balance); and

“(ii) the grant funds involved in such reduction shall be made available by the Secretary as additional funds for grants under section 2620 for such first fiscal year, subject to section 2618(a)(2)(H);

except that this subparagraph does not apply to the State if the amount of the unobligated balance was 2 percent or less.

“(B) RELATION TO INCREASES IN GRANT.—A reduction under subparagraph (A) for a State for a fiscal year may not be taken into account in applying section 2618(a)(2)(H) with respect to the State for the subsequent fiscal year.

“(d) TREATMENT OF DRUG REBATES.—For purposes of this section, funds that are drug rebates referred to in section 2616(g) may not be considered part of any grant award referred to in subsection (a).”.

SEC. 208. AUTHORIZATION OF APPROPRIATIONS FOR SUBPART I OF PART B.

Subpart I of part B of title XXVI of the Public Health Service Act (42 U.S.C. 300ff–21 et seq.), as amended by section 207, is further amended by adding at the end the following:

“SEC. 2623. AUTHORIZATION OF APPROPRIATIONS.

“(a) IN GENERAL.—For the purpose of carrying out this subpart, there are authorized to be appropriated \$1,195,500,000 for fiscal year 2007, \$1,239,500,000 for fiscal year 2008, and \$1,285,200,000 for fiscal year 2009. Amounts appropriated under the preceding sentence for a fiscal year are available for obligation by the Secretary until the end of the second succeeding fiscal year.

“(b) RESERVATION OF AMOUNTS.—

“(1) EMERGING COMMUNITIES.—Of the amount appropriated under subsection (a) for a fiscal year, the Secretary shall reserve \$5,000,000 for grants under section 2621.

“(2) SUPPLEMENTAL GRANTS.—

“(A) IN GENERAL.—Of the amount appropriated under subsection (a) for a fiscal year in excess of the 2006 adjusted amount, the Secretary shall reserve $\frac{1}{3}$ for grants under section 2620, except that the availability of the reserved funds for such grants is subject to section 2618(a)(2)(H) as applied for such year, and except that any amount appropriated exclusively for carrying out section 2616 (and,

accordingly, distributed under section 2618(a)(2)(G)) is not subject to this subparagraph.

“(B) 2006 ADJUSTED AMOUNT.—For purposes of subparagraph (A), the term ‘2006 adjusted amount’ means the amount appropriated for fiscal year 2006 under section 2677(b) (as such section was in effect for such fiscal year), excluding any amount appropriated for such year exclusively for carrying out section 2616 (and, accordingly, distributed under section 2618(a)(2)(I), as so in effect).”.

SEC. 209. EARLY DIAGNOSIS GRANT PROGRAM.

Section 2625 of the Public Health Service Act (42 U.S.C. 300ff-33) is amended to read as follows:

“SEC. 2625. EARLY DIAGNOSIS GRANT PROGRAM.

“(a) IN GENERAL.—In the case of States whose laws or regulations are in accordance with subsection (b), the Secretary, acting through the Centers for Disease Control and Prevention, shall make grants to such States for the purposes described in subsection (c).

“(b) DESCRIPTION OF COMPLIANT STATES.—For purposes of subsection (a), the laws or regulations of a State are in accordance with this subsection if, under such laws or regulations (including programs carried out pursuant to the discretion of State officials), both of the policies described in paragraph (1) are in effect, or both of the policies described in paragraph (2) are in effect, as follows:

“(1)(A) Voluntary opt-out testing of pregnant women.

“(B) Universal testing of newborns.

“(2)(A) Voluntary opt-out testing of clients at sexually transmitted disease clinics.

“(B) Voluntary opt-out testing of clients at substance abuse treatment centers.

The Secretary shall periodically ensure that the applicable policies are being carried out and recertify compliance.

“(c) USE OF FUNDS.—A State may use funds provided under subsection (a) for HIV/AIDS testing (including rapid testing), prevention counseling, treatment of newborns exposed to HIV/AIDS, treatment of mothers infected with HIV/AIDS, and costs associated with linking those diagnosed with HIV/AIDS to care and treatment for HIV/AIDS.

“(d) APPLICATION.—A State that is eligible for the grant under subsection (a) shall submit an application to the Secretary, in such form, in such manner, and containing such information as the Secretary may require.

“(e) LIMITATION ON AMOUNT OF GRANT.—A grant under subsection (a) to a State for a fiscal year may not be made in an amount exceeding \$10,000,000.

“(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to pre-empt State laws regarding HIV/AIDS counseling and testing.

“(g) DEFINITIONS.—In this section:

“(1) The term ‘voluntary opt-out testing’ means HIV/AIDS testing—

“(A) that is administered to an individual seeking other health care services; and

“(B) in which—

“(i) pre-test counseling is not required but the individual is informed that the individual will receive an HIV/AIDS test and the individual may opt out of such testing; and

“(ii) for those individuals with a positive test result, post-test counseling (including referrals for care) is provided and confidentiality is protected.

“(2) The term ‘universal testing of newborns’ means HIV/AIDS testing that is administered within 48 hours of delivery to—

“(A) all infants born in the State; or

“(B) all infants born in the State whose mother’s HIV/AIDS status is unknown at the time of delivery.

“(h) AUTHORIZATION OF APPROPRIATIONS.—Of the funds appropriated annually to the Centers for Disease Control and Prevention for HIV/AIDS prevention activities, \$30,000,000 shall be made available for each of the fiscal years 2007 through 2009 for grants under subsection (a), of which \$20,000,000 shall be made available for grants to States with the policies described in subsection (b)(1), and \$10,000,000 shall be made available for grants to States with the policies described in subsection (b)(2). Funds provided under this section are available until expended.”.

SEC. 210. CERTAIN PARTNER NOTIFICATION PROGRAMS; AUTHORIZATION OF APPROPRIATIONS.

Section 2631(d) of the Public Health Service Act (42 U.S.C. 300ff–38(d)) is amended by striking “there are” and all that follows and inserting the following: “there is authorized to be appropriated \$10,000,000 for each of the fiscal years 2007 through 2009.”.

TITLE III—EARLY INTERVENTION SERVICES

SEC. 301. ESTABLISHMENT OF PROGRAM; CORE MEDICAL SERVICES.

(a) IN GENERAL.—Section 2651 of the Public Health Service Act (42 U.S.C. 300ff–51) is amended to read as follows:

“SEC. 2651. ESTABLISHMENT OF A PROGRAM.

“(a) IN GENERAL.—For the purposes described in subsection (b), the Secretary, acting through the Administrator of the Health Resources and Services Administration, may make grants to public and nonprofit private entities specified in section 2652(a).

“(b) REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees to expend the grant only for—

“(A) core medical services described in subsection (c);

“(B) support services described in subsection (d); and

“(C) administrative expenses as described in section 2664(g)(3).

“(2) EARLY INTERVENTION SERVICES.—An applicant for a grant under subsection (a) shall expend not less than 50 percent of the amount received under the grant for the services described in subparagraphs (B) through (E) of subsection (e)(1) for individuals with HIV/AIDS.

“(c) REQUIRED FUNDING FOR CORE MEDICAL SERVICES.—

“(1) IN GENERAL.—With respect to a grant under subsection (a) to an applicant for a fiscal year, the applicant shall, of the portion of the grant remaining after reserving amounts for purposes of paragraphs (3) and (5) of section 2664(g), use not less than 75 percent to provide core medical services that are needed in the area involved for individuals with HIV/AIDS who are identified and eligible under this title (including services regarding the co-occurring conditions of the individuals).

“(2) WAIVER.—

“(A) The Secretary shall waive the application of paragraph (1) with respect to an applicant for a grant if the Secretary determines that, within the service area of the applicant—

“(i) there are no waiting lists for AIDS Drug Assistance Program services under section 2616; and

“(ii) core medical services are available to all individuals with HIV/AIDS identified and eligible under this title.

“(B) NOTIFICATION OF WAIVER STATUS.—When informing an applicant that a grant under subsection (a) is being made for a fiscal year, the Secretary shall inform the applicant whether a waiver under subparagraph (A) is in effect for the fiscal year.

“(3) CORE MEDICAL SERVICES.—For purposes of this subsection, the term ‘core medical services’, with respect to an individual with HIV/AIDS (including the co-occurring conditions of the individual) means the following services:

“(A) Outpatient and ambulatory health services.

“(B) AIDS Drug Assistance Program treatments under section 2616.

“(C) AIDS pharmaceutical assistance.

“(D) Oral health care.

“(E) Early intervention services described in subsection (e).

“(F) Health insurance premium and cost sharing assistance for low-income individuals in accordance with section 2615.

“(G) Home health care.

“(H) Medical nutrition therapy.

“(I) Hospice services.

“(J) Home and community-based health services as defined under section 2614(c).

“(K) Mental health services.

“(L) Substance abuse outpatient care.

“(M) Medical case management, including treatment adherence services.

“(d) SUPPORT SERVICES.—

“(1) IN GENERAL.—For purposes of this section, the term ‘support services’ means services, subject to the approval of the Secretary, that are needed for individuals with HIV/AIDS to achieve their medical outcomes (such as respite care for persons caring for individuals with HIV/AIDS, outreach services, medical transportation, linguistic services, and referrals for health care and support services).

“(2) DEFINITION OF MEDICAL OUTCOMES.—In this section, the term ‘medical outcomes’ means those outcomes affecting the HIV-related clinical status of an individual with HIV/AIDS.

“(e) SPECIFICATION OF EARLY INTERVENTION SERVICES.—

“(1) IN GENERAL.—The early intervention services referred to in this section are—

“(A) counseling individuals with respect to HIV/AIDS in accordance with section 2662;

“(B) testing individuals with respect to HIV/AIDS, including tests to confirm the presence of the disease, tests to diagnose the extent of the deficiency in the immune system, and tests to provide information on appropriate therapeutic measures for preventing and treating the deterioration of the immune system and for preventing and treating conditions arising from HIV/AIDS;

“(C) referrals described in paragraph (2);

“(D) other clinical and diagnostic services regarding HIV/AIDS, and periodic medical evaluations of individuals with HIV/AIDS; and

“(E) providing the therapeutic measures described in subparagraph (B).

“(2) REFERRALS.—The services referred to in paragraph (1)(C) are referrals of individuals with HIV/AIDS to appropriate providers of health and support services, including, as appropriate—

“(A) to entities receiving amounts under part A or B for the provision of such services;

“(B) to biomedical research facilities of institutions of higher education that offer experimental treatment for such disease, or to community-based organizations or other entities that provide such treatment; or

“(C) to grantees under section 2671, in the case of a pregnant woman.

“(3) REQUIREMENT OF AVAILABILITY OF ALL EARLY INTERVENTION SERVICES THROUGH EACH GRANTEE.—

“(A) IN GENERAL.—The Secretary may not make a grant under subsection (a) unless the applicant for the grant agrees that each of the early intervention services specified in paragraph (2) will be available through the grantee. With respect to compliance with such agreement, such a grantee may expend the grant to provide the early intervention services directly, and may expend the grant to enter into agreements with public or nonprofit private entities, or private for-profit entities if such entities are the only available provider of quality HIV care in the area, under which the entities provide the services.

“(B) OTHER REQUIREMENTS.—Grantees described in—

“(i) subparagraphs (A), (D), (E), and (F) of section 2652(a)(1) shall use not less than 50 percent of the amount of such a grant to provide the services described in subparagraphs (A), (B), (D), and (E) of paragraph (1) directly and on-site or at sites where other primary care services are rendered; and

“(ii) subparagraphs (B) and (C) of section 2652(a)(1) shall ensure the availability of early intervention services through a system of linkages to

community-based primary care providers, and to establish mechanisms for the referrals described in paragraph (1)(C), and for follow-up concerning such referrals.”.

(b) ADMINISTRATIVE EXPENSES; CLINICAL QUALITY MANAGEMENT PROGRAM.—Section 2664(g) of the Public Health Service Act (42 U.S.C. 300ff-64(g)) is amended—

(1) in paragraph (3), by amending the paragraph to read as follows:

“(3) the applicant will not expend more than 10 percent of the grant for administrative expenses with respect to the grant, including planning and evaluation, except that the costs of a clinical quality management program under paragraph (5) may not be considered administrative expenses for purposes of such limitation;”;

(2) in paragraph (5), by inserting “clinical” before “quality management”.

SEC. 302. ELIGIBLE ENTITIES; PREFERENCES; PLANNING AND DEVELOPMENT GRANTS.

(a) MINIMUM QUALIFICATION OF GRANTEEES.—Section 2652(a) of the Public Health Service Act (42 U.S.C. 300ff-52(a)) is amended to read as follows:

“(a) ELIGIBLE ENTITIES.—

“(1) IN GENERAL.—The entities referred to in section 2651(a) are public entities and nonprofit private entities that are—

“(A) federally-qualified health centers under section 1905(1)(2)(B) of the Social Security Act;

“(B) grantees under section 1001 (regarding family planning) other than States;

“(C) comprehensive hemophilia diagnostic and treatment centers;

“(D) rural health clinics;

“(E) health facilities operated by or pursuant to a contract with the Indian Health Service;

“(F) community-based organizations, clinics, hospitals and other health facilities that provide early intervention services to those persons infected with HIV/AIDS through intravenous drug use; or

“(G) nonprofit private entities that provide comprehensive primary care services to populations at risk of HIV/AIDS, including faith-based and community-based organizations.

“(2) UNDERSERVED POPULATIONS.—Entities described in paragraph (1) shall serve underserved populations which may include minority populations and Native American populations, ex-offenders, individuals with comorbidities including hepatitis B or C, mental illness, or substance abuse, low-income populations, inner city populations, and rural populations.”.

(b) PREFERENCES IN MAKING GRANTS.—Section 2653 of the Public Health Service Act (42 U.S.C. 300ff-53) is amended—

(1) in subsection (b)(1)—

(A) in subparagraph (A), by striking “acquired immune deficiency syndrome” and inserting “HIV/AIDS”; and

(B) in subparagraph (D), by inserting before the semicolon the following: “and the number of cases of individuals co-infected with HIV/AIDS and hepatitis B or C”; and

(2) in subsection (d)(2), by striking “special consideration” and inserting “preference”.

(c) PLANNING AND DEVELOPMENT GRANTS.—Section 2654(c) of the Public Health Service Act (42 U.S.C. 300ff–54(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking “HIV”; and

(B) in subparagraph (B), by striking “HIV” and inserting “HIV/AIDS”; and

(2) in paragraph (3), by striking “or underserved communities” and inserting “areas or to underserved populations”.

SEC. 303. AUTHORIZATION OF APPROPRIATIONS.

Section 2655 of the Public Health Service Act (42 U.S.C. 300ff–55) is amended by striking “such sums” and all that follows through “2005” and inserting “, \$218,600,000 for fiscal year 2007, \$226,700,000 for fiscal year 2008, and \$235,100,000 for fiscal year 2009”.

SEC. 304. CONFIDENTIALITY AND INFORMED CONSENT.

Section 2661 of the Public Health Service Act (42 U.S.C. 300ff–61) is amended to read as follows:

“SEC. 2661. CONFIDENTIALITY AND INFORMED CONSENT.

“(a) CONFIDENTIALITY.—The Secretary may not make a grant under this part unless, in the case of any entity applying for a grant under section 2651, the entity agrees to ensure that information regarding the receipt of early intervention services pursuant to the grant is maintained confidentially in a manner not inconsistent with applicable law.

“(b) INFORMED CONSENT.—The Secretary may not make a grant under this part unless the applicant for the grant agrees that, in testing an individual for HIV/AIDS, the applicant will test an individual only after the individual confirms that the decision of the individual with respect to undergoing such testing is voluntarily made.”.

SEC. 305. PROVISION OF CERTAIN COUNSELING SERVICES.

Section 2662 of the Public Health Service Act (42 U.S.C. 300ff–62) is amended to read as follows:

“SEC. 2662. PROVISION OF CERTAIN COUNSELING SERVICES.

“(a) COUNSELING OF INDIVIDUALS WITH NEGATIVE TEST RESULTS.—The Secretary may not make a grant under this part unless the applicant for the grant agrees that, if the results of testing conducted for HIV/AIDS indicate that an individual does not have such condition, the applicant will provide the individual information, including—

“(1) measures for prevention of, exposure to, and transmission of HIV/AIDS, hepatitis B, hepatitis C, and other sexually transmitted diseases;

“(2) the accuracy and reliability of results of testing for HIV/AIDS, hepatitis B, and hepatitis C;

“(3) the significance of the results of such testing, including the potential for developing AIDS, hepatitis B, or hepatitis C;

“(4) the appropriateness of further counseling, testing, and education of the individual regarding HIV/AIDS and other sexually transmitted diseases;

“(5) if diagnosed with chronic hepatitis B or hepatitis C co-infection, the potential of developing hepatitis-related liver disease and its impact on HIV/AIDS; and

“(6) information regarding the availability of hepatitis B vaccine and information about hepatitis treatments.

“(b) COUNSELING OF INDIVIDUALS WITH POSITIVE TEST RESULTS.—The Secretary may not make a grant under this part unless the applicant for the grant agrees that, if the results of testing for HIV/AIDS indicate that the individual has such condition, the applicant will provide to the individual appropriate counseling regarding the condition, including—

“(1) information regarding—

“(A) measures for prevention of, exposure to, and transmission of HIV/AIDS, hepatitis B, and hepatitis C;

“(B) the accuracy and reliability of results of testing for HIV/AIDS, hepatitis B, and hepatitis C; and

“(C) the significance of the results of such testing, including the potential for developing AIDS, hepatitis B, or hepatitis C;

“(2) reviewing the appropriateness of further counseling, testing, and education of the individual regarding HIV/AIDS and other sexually transmitted diseases; and

“(3) providing counseling—

“(A) on the availability, through the applicant, of early intervention services;

“(B) on the availability in the geographic area of appropriate health care, mental health care, and social and support services, including providing referrals for such services, as appropriate;

“(C)(i) that explains the benefits of locating and counseling any individual by whom the infected individual may have been exposed to HIV/AIDS, hepatitis B, or hepatitis C and any individual whom the infected individual may have exposed to HIV/AIDS, hepatitis B, or hepatitis C; and

“(ii) that emphasizes it is the duty of infected individuals to disclose their infected status to their sexual partners and their partners in the sharing of hypodermic needles; that provides advice to infected individuals on the manner in which such disclosures can be made; and that emphasizes that it is the continuing duty of the individuals to avoid any behaviors that will expose others to HIV/AIDS, hepatitis B, or hepatitis C; and

“(D) on the availability of the services of public health authorities with respect to locating and counseling any individual described in subparagraph (C);

“(4) if diagnosed with chronic hepatitis B or hepatitis C co-infection, the potential of developing hepatitis-related liver disease and its impact on HIV/AIDS; and

“(5) information regarding the availability of hepatitis B vaccine.

“(c) ADDITIONAL REQUIREMENTS REGARDING APPROPRIATE COUNSELING.—The Secretary may not make a grant under this part unless the applicant for the grant agrees that, in counseling individuals with respect to HIV/AIDS, the applicant will ensure that the counseling is provided under conditions appropriate to the needs of the individuals.

“(d) COUNSELING OF EMERGENCY RESPONSE EMPLOYEES.—The Secretary may not make a grant under this part to a State unless the State agrees that, in counseling individuals with respect to HIV/AIDS, the State will ensure that, in the case of emergency response employees, the counseling is provided to such employees under conditions appropriate to the needs of the employees regarding the counseling.

“(e) RULE OF CONSTRUCTION REGARDING COUNSELING WITHOUT TESTING.—Agreements made pursuant to this section may not be construed to prohibit any grantee under this part from expending the grant for the purpose of providing counseling services described in this section to an individual who does not undergo testing for HIV/AIDS as a result of the grantee or the individual determining that such testing of the individual is not appropriate.”

SEC. 306. GENERAL PROVISIONS.

(a) APPLICABILITY OF CERTAIN REQUIREMENTS.—Section 2663 of the Public Health Service Act (42 U.S.C. 300ff-63) is amended by striking “will, without” and all that follows through “be carried” and inserting “with funds appropriated through this Act will be carried”.

(b) ADDITIONAL REQUIRED AGREEMENTS.—Section 2664(a) of the Public Health Service Act (42 U.S.C. 300ff-64(a)) is amended—

(1) in paragraph (1)—

- (A) in subparagraph (A), by striking “and” at the end;
- (B) in subparagraph (B), by striking “and” at the end;

and

(C) by adding at the end the following:

“(C) information regarding how the expected expenditures of the grant are related to the planning process for localities funded under part A (including the planning process described in section 2602) and for States funded under part B (including the planning process described in section 2617(b)); and

“(D) a specification of the expected expenditures and how those expenditures will improve overall client outcomes, as described in the State plan under section 2617(b);”;

(2) in paragraph (2), by striking the period and inserting a semicolon; and

(3) by adding at the end the following:

“(3) the applicant agrees to provide additional documentation to the Secretary regarding the process used to obtain community input into the design and implementation of activities related to such grant; and

“(4) the applicant agrees to submit, every 2 years, to the lead State agency under section 2617(b)(4) audits, consistent with Office of Management and Budget circular A133, regarding funds expended in accordance with this title and shall include necessary client level data to complete unmet need calculations and Statewide coordinated statements of need process.”

(c) PAYER OF LAST RESORT.—Section 2664(f)(1)(A) of the Public Health Service Act (42 U.S.C. 300ff-64(f)(1)(A)) is amended by inserting “(except for a program administered by or providing the services of the Indian Health Service)” before the semicolon.

TITLE IV—WOMEN, INFANTS, CHILDREN, AND YOUTH

SEC. 401. WOMEN, INFANTS, CHILDREN, AND YOUTH.

Part D of title XXVI of the Public Health Service Act (42 U.S.C. 300ff–71 et seq.) is amended to read as follows:

“PART D—WOMEN, INFANTS, CHILDREN, AND YOUTH

“SEC. 2671. GRANTS FOR COORDINATED SERVICES AND ACCESS TO RESEARCH FOR WOMEN, INFANTS, CHILDREN, AND YOUTH.

“(a) **IN GENERAL.**—The Secretary, acting through the Administrator of the Health Resources and Services Administration, shall award grants to public and nonprofit private entities (including a health facility operated by or pursuant to a contract with the Indian Health Service) for the purpose of providing family-centered care involving outpatient or ambulatory care (directly or through contracts) for women, infants, children, and youth with HIV/AIDS.

“(b) **ADDITIONAL SERVICES FOR PATIENTS AND FAMILIES.**—Funds provided under grants awarded under subsection (a) may be used for the following support services:

“(1) Family-centered care including case management.

“(2) Referrals for additional services including—

“(A) referrals for inpatient hospital services, treatment for substance abuse, and mental health services; and

“(B) referrals for other social and support services, as appropriate.

“(3) Additional services necessary to enable the patient and the family to participate in the program established by the applicant pursuant to such subsection including services designed to recruit and retain youth with HIV.

“(4) The provision of information and education on opportunities to participate in HIV/AIDS-related clinical research.

“(c) **COORDINATION WITH OTHER ENTITIES.**—A grant awarded under subsection (a) may be made only if the applicant provides an agreement that includes the following:

“(1) The applicant will coordinate activities under the grant with other providers of health care services under this Act, and under title V of the Social Security Act, including programs promoting the reduction and elimination of risk of HIV/AIDS for youth.

“(2) The applicant will participate in the statewide coordinated statement of need under part B (where it has been initiated by the public health agency responsible for administering grants under part B) and in revisions of such statement.

“(3) The applicant will every 2 years submit to the lead State agency under section 2617(b)(4) audits regarding funds expended in accordance with this title and shall include necessary client-level data to complete unmet need calculations and Statewide coordinated statements of need process.

“(d) ADMINISTRATION; APPLICATION.—A grant may only be awarded to an entity under subsection (a) if an application for the grant is submitted to the Secretary and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section. Such application shall include the following:

“(1) Information regarding how the expected expenditures of the grant are related to the planning process for localities funded under part A (including the planning process outlined in section 2602) and for States funded under part B (including the planning process outlined in section 2617(b)).

“(2) A specification of the expected expenditures and how those expenditures will improve overall patient outcomes, as outlined as part of the State plan (under section 2617(b)) or through additional outcome measures.

“(e) ANNUAL REVIEW OF PROGRAMS; EVALUATIONS.—

“(1) REVIEW REGARDING ACCESS TO AND PARTICIPATION IN PROGRAMS.—With respect to a grant under subsection (a) for an entity for a fiscal year, the Secretary shall, not later than 180 days after the end of the fiscal year, provide for the conduct and completion of a review of the operation during the year of the program carried out under such subsection by the entity. The purpose of such review shall be the development of recommendations, as appropriate, for improvements in the following:

“(A) Procedures used by the entity to allocate opportunities and services under subsection (a) among patients of the entity who are women, infants, children, or youth.

“(B) Other procedures or policies of the entity regarding the participation of such individuals in such program.

“(2) EVALUATIONS.—The Secretary shall, directly or through contracts with public and private entities, provide for evaluations of programs carried out pursuant to subsection (a).

“(f) ADMINISTRATIVE EXPENSES.—

“(1) LIMITATION.—A grantee may not use more than 10 percent of amounts received under a grant awarded under this section for administrative expenses.

“(2) CLINICAL QUALITY MANAGEMENT PROGRAM.—A grantee under this section shall implement a clinical quality management program to assess the extent to which HIV health services provided to patients under the grant are consistent with the most recent Public Health Service guidelines for the treatment of HIV/AIDS and related opportunistic infection, and as applicable, to develop strategies for ensuring that such services are consistent with the guidelines for improvement in the access to and quality of HIV health services.

“(g) TRAINING AND TECHNICAL ASSISTANCE.—From the amounts appropriated under subsection (i) for a fiscal year, the Secretary may use not more than 5 percent to provide, directly or through contracts with public and private entities (which may include grantees under subsection (a)), training and technical assistance to assist applicants and grantees under subsection (a) in complying with the requirements of this section.

“(h) DEFINITIONS.—In this section:

“(1) ADMINISTRATIVE EXPENSES.—The term ‘administrative expenses’ means funds that are to be used by grantees for grant management and monitoring activities, including costs related to any staff or activity unrelated to services or indirect costs.

“(2) INDIRECT COSTS.—The term ‘indirect costs’ means costs included in a Federally negotiated indirect rate.

“(3) SERVICES.—The term ‘services’ means—

“(A) services that are provided to clients to meet the goals and objectives of the program under this section, including the provision of professional, diagnostic, and therapeutic services by a primary care provider or a referral to and provision of specialty care; and

“(B) services that sustain program activity and contribute to or help improve services under subparagraph (A).

“(i) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated, \$71,800,000 for each of the fiscal years 2007 through 2009.”.

SEC. 402. GAO REPORT.

Not later than 24 months after the date of enactment of this Act, the Comptroller General of the Government Accountability Office shall conduct an evaluation, and submit to Congress a report, concerning the funding provided for under part D of title XXVI of the Public Health Service Act to determine—

(1) how funds are used to provide the administrative expenses, indirect costs, and services, as defined in section 2671(h) of such title, for individuals with HIV/AIDS;

(2) how funds are used to provide the administrative expenses, indirect costs, and services, as defined in section 2671(h) of such title, to family members of women, infants, children, and youth infected with HIV/AIDS;

(3) how funds are used to provide family-centered care involving outpatient or ambulatory care authorized under section 2671(a) of such title;

(4) how funds are used to provide additional services authorized under section 2671(b) of such title; and

(5) how funds are used to help identify HIV-positive pregnant women and their children who are exposed to HIV and connect them with care that can improve their health and prevent perinatal transmission.

TITLE V—GENERAL PROVISIONS

SEC. 501. GENERAL PROVISIONS.

Part E of title XXVI of the Public Health Service Act (42 U.S.C. 300ff–80 et seq.) is amended to read as follows:

“PART E—GENERAL PROVISIONS

“SEC. 2681. COORDINATION.

“(a) REQUIREMENT.—The Secretary shall ensure that the Health Resources and Services Administration, the Centers for Disease Control and Prevention, the Substance Abuse and Mental Health Services Administration, and the Centers for Medicare & Medicaid

Services coordinate the planning, funding, and implementation of Federal HIV programs (including all minority AIDS initiatives of the Public Health Service, including under section 2693) to enhance the continuity of care and prevention services for individuals with HIV/AIDS or those at risk of such disease. The Secretary shall consult with other Federal agencies, including the Department of Veterans Affairs, as needed and utilize planning information submitted to such agencies by the States and entities eligible for assistance under this title.

“(b) REPORT.—The Secretary shall biennially prepare and submit to the appropriate committees of the Congress a report concerning the coordination efforts at the Federal, State, and local levels described in this section, including a description of Federal barriers to HIV program integration and a strategy for eliminating such barriers and enhancing the continuity of care and prevention services for individuals with HIV/AIDS or those at risk of such disease.

“(c) INTEGRATION BY STATE.—As a condition of receipt of funds under this title, a State shall provide assurances to the Secretary that health support services funded under this title will be integrated with other such services, that programs will be coordinated with other available programs (including Medicaid), and that the continuity of care and prevention services of individuals with HIV/AIDS is enhanced.

“(d) INTEGRATION BY LOCAL OR PRIVATE ENTITIES.—As a condition of receipt of funds under this title, a local government or private nonprofit entity shall provide assurances to the Secretary that services funded under this title will be integrated with other such services, that programs will be coordinated with other available programs (including Medicaid), and that the continuity of care and prevention services of individuals with HIV is enhanced.

“SEC. 2682. AUDITS.

“(a) IN GENERAL.—For fiscal year 2009, and each subsequent fiscal year, the Secretary may reduce the amounts of grants under this title to a State or political subdivision of a State for a fiscal year if, with respect to such grants for the second preceding fiscal year, the State or subdivision fails to prepare audits in accordance with the procedures of section 7502 of title 31, United States Code. The Secretary shall annually select representative samples of such audits, prepare summaries of the selected audits, and submit the summaries to the Congress.

“(b) POSTING ON THE INTERNET.—All audits that the Secretary receives from the State lead agency under section 2617(b)(4) shall be posted, in their entirety, on the Internet website of the Health Resources and Services Administration.

“SEC. 2683. PUBLIC HEALTH EMERGENCY.

“(a) IN GENERAL.—In an emergency area and during an emergency period, the Secretary shall have the authority to waive such requirements of this title to improve the health and safety of those receiving care under this title and the general public, except that the Secretary may not expend more than 5 percent of the funds allocated under this title for sections 2620 and section 2603(b).

“(b) EMERGENCY AREA AND EMERGENCY PERIOD.—In this section:

“(1) EMERGENCY AREA.—The term ‘emergency area’ means a geographic area in which there exists—

“(A) an emergency or disaster declared by the President pursuant to the National Emergencies Act or the Robert T. Stafford Disaster Relief and Emergency Assistance Act; or

“(B) a public health emergency declared by the Secretary pursuant to section 319.

“(2) EMERGENCY PERIOD.—The term ‘emergency period’ means the period in which there exists—

“(A) an emergency or disaster declared by the President pursuant to the National Emergencies Act or the Robert T. Stafford Disaster Relief and Emergency Assistance Act; or

“(B) a public health emergency declared by the Secretary pursuant to section 319.

“(c) UNOBLIGATED FUNDS.—If funds under a grant under this section are not expended for an emergency in the fiscal year in which the emergency is declared, such funds shall be returned to the Secretary for reallocation under sections 2603(b) and 2620.

“SEC. 2684. PROHIBITION ON PROMOTION OF CERTAIN ACTIVITIES.

“None of the funds appropriated under this title shall be used to fund AIDS programs, or to develop materials, designed to promote or encourage, directly, intravenous drug use or sexual activity, whether homosexual or heterosexual. Funds authorized under this title may be used to provide medical treatment and support services for individuals with HIV.

“SEC. 2685. PRIVACY PROTECTIONS.

“(a) IN GENERAL.—The Secretary shall ensure that any information submitted to, or collected by, the Secretary under this title excludes any personally identifiable information.

“(b) DEFINITION.—In this section, the term ‘personally identifiable information’ has the meaning given such term under the regulations promulgated under section 264(c) of the Health Insurance Portability and Accountability Act of 1996.

“SEC. 2686. GAO REPORT.

“The Comptroller General of the Government Accountability Office shall biennially submit to the appropriate committees of Congress a report that includes a description of Federal, State, and local barriers to HIV program integration, particularly for racial and ethnic minorities, including activities carried out under subpart III of part F, and recommendations for enhancing the continuity of care and the provision of prevention services for individuals with HIV/AIDS or those at risk for such disease. Such report shall include a demonstration of the manner in which funds under this subpart are being expended and to what extent the services provided with such funds increase access to prevention and care services for individuals with HIV/AIDS and build stronger community linkages to address HIV prevention and care for racial and ethnic minority communities.

“SEC. 2687. SEVERITY OF NEED INDEX.

“(a) DEVELOPMENT OF INDEX.—Not later than September 30, 2008, the Secretary shall develop and submit to the appropriate committees of Congress a severity of need index in accordance with subsection (c).

“(b) DEFINITION OF SEVERITY OF NEED INDEX.—In this section, the term ‘severity of need index’ means the index of the relative needs of individuals within a State or area, as identified by a number of different factors, and is a factor or set of factors that is multiplied by the number of living HIV/AIDS cases in a State or area, providing different weights to those cases based on needs. Such factors or set of factors may be different for different components of the provisions under this title.

“(c) REQUIREMENTS FOR SECRETARIAL SUBMISSION.—When the Secretary submits to the appropriate committees of Congress the severity of need index under subsection (a), the Secretary shall provide the following:

“(1) Methodology for and rationale behind developing the severity of need index, including information related to the field testing of the severity of need index.

“(2) An independent contractor analysis of activities carried out under paragraph (1).

“(3) Information regarding the process by which the Secretary received community input regarding the application and development of the severity of need index.

“(d) ANNUAL REPORTS.—If the Secretary fails to submit the severity of need index under subsection (a) in either of fiscal years 2007 or 2008, the Secretary shall prepare and submit to the appropriate committees of Congress a report for such fiscal year—

“(1) that updates progress toward having client level data;

“(2) that updates the progress toward having a severity of need index, including information related to the methodology and process for obtaining community input; and

“(3) that, as applicable, states whether the Secretary could develop a severity of need index before fiscal year 2009.

“SEC. 2688. DEFINITIONS.

“For purposes of this title:

“(1) AIDS.—The term ‘AIDS’ means acquired immune deficiency syndrome.

“(2) CO-OCCURRING CONDITIONS.—The term ‘co-occurring conditions’ means one or more adverse health conditions in an individual with HIV/AIDS, without regard to whether the individual has AIDS and without regard to whether the conditions arise from HIV.

“(3) COUNSELING.—The term ‘counseling’ means such counseling provided by an individual trained to provide such counseling.

“(4) FAMILY-CENTERED CARE.—The term ‘family-centered care’ means the system of services described in this title that is targeted specifically to the special needs of infants, children, women and families. Family-centered care shall be based on a partnership between parents, professionals, and the community designed to ensure an integrated, coordinated, culturally sensitive, and community-based continuum of care for children, women, and families with HIV/AIDS.

“(5) FAMILIES WITH HIV/AIDS.—The term ‘families with HIV/AIDS’ means families in which one or more members have HIV/AIDS.

“(6) HIV.—The term ‘HIV’ means infection with the human immunodeficiency virus.

“(7) HIV/AIDS.—

“(A) IN GENERAL.—The term ‘HIV/AIDS’ means HIV, and includes AIDS and any condition arising from AIDS.

“(B) COUNTING OF CASES.—The term ‘living cases of HIV/AIDS’, with respect to the counting of cases in a geographic area during a period of time, means the sum of—

“(i) the number of living non-AIDS cases of HIV in the area; and

“(ii) the number of living cases of AIDS in the area.

“(C) NON-AIDS CASES.—The term ‘non-AIDS’, with respect to a case of HIV, means that the individual involved has HIV but does not have AIDS.

“(8) HUMAN IMMUNODEFICIENCY VIRUS.—The term ‘human immunodeficiency virus’ means the etiologic agent for AIDS.

“(9) OFFICIAL POVERTY LINE.—The term ‘official poverty line’ means the poverty line established by the Director of the Office of Management and Budget and revised by the Secretary in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981.

“(10) PERSON.—The term ‘person’ includes one or more individuals, governments (including the Federal Government and the governments of the States), governmental agencies, political subdivisions, labor unions, partnerships, associations, corporations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, receivers, trustees, and trustees in cases under title 11, United States Code.

“(11) STATE.—

“(A) IN GENERAL.—The term ‘State’ means each of the 50 States, the District of Columbia, and each of the territories.

“(B) TERRITORIES.—The term ‘territory’ means each of American Samoa, Guam, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and Palau.

“(12) YOUTH WITH HIV.—The term ‘youth with HIV’ means individuals who are 13 through 24 years old and who have HIV/AIDS.”

TITLE VI—DEMONSTRATION AND TRAINING

SEC. 601. DEMONSTRATION AND TRAINING.

Subpart I of part F of title XXVI of the Public Health Service Act (42 U.S.C. 300ff–101 et seq.) is amended to read as follows:

“Subpart I—Special Projects of National Significance

“SEC. 2691. SPECIAL PROJECTS OF NATIONAL SIGNIFICANCE.

“(a) IN GENERAL.—Of the amount appropriated under each of parts A, B, C, and D for each fiscal year, the Secretary shall use the greater of \$20,000,000 or an amount equal to 3 percent

of such amount appropriated under each such part, but not to exceed \$25,000,000, to administer special projects of national significance to—

“(1) quickly respond to emerging needs of individuals receiving assistance under this title; and

“(2) to fund special programs to develop a standard electronic client information data system to improve the ability of grantees under this title to report client-level data to the Secretary.

“(b) GRANTS.—The Secretary shall award grants under subsection (a) to entities eligible for funding under parts A, B, C, and D based on—

“(1) whether the funding will promote obtaining client level data as it relates to the creation of a severity of need index, including funds to facilitate the purchase and enhance the utilization of qualified health information technology systems;

“(2) demonstrated ability to create and maintain a qualified health information technology system;

“(3) the potential replicability of the proposed activity in other similar localities or nationally;

“(4) the demonstrated reliability of the proposed qualified health information technology system across a variety of providers, geographic regions, and clients; and

“(5) the demonstrated ability to maintain a safe and secure qualified health information system; or

“(6) newly emerging needs of individuals receiving assistance under this title.

“(c) COORDINATION.—The Secretary may not make a grant under this section unless the applicant submits evidence that the proposed program is consistent with the statewide coordinated statement of need, and the applicant agrees to participate in the ongoing revision process of such statement of need.

“(d) PRIVACY PROTECTION.—The Secretary may not make a grant under this section for the development of a qualified health information technology system unless the applicant provides assurances to the Secretary that the system will, at a minimum, comply with the privacy regulations promulgated under section 264(c) of the Health Insurance Portability and Accountability Act of 1996.

“(e) REPLICATION.—The Secretary shall make information concerning successful models or programs developed under this part available to grantees under this title for the purpose of coordination, replication, and integration. To facilitate efforts under this subsection, the Secretary may provide for peer-based technical assistance for grantees funded under this part.”

SEC. 602. AIDS EDUCATION AND TRAINING CENTERS.

(a) AMENDMENTS REGARDING SCHOOLS AND CENTERS.—Section 2692(a)(2) of the Public Health Service Act (42 U.S.C. 300ff-111(a)(2)) is amended—

(1) in subparagraph (A)—

(A) by inserting “and Native Americans” after “minority individuals”; and

(B) by striking “and” at the end;

(2) in subparagraph (B), by striking the period and inserting “; and”; and

(3) by adding at the end the following:

“(C) train or result in the training of health professionals and allied health professionals to provide treatment for hepatitis B or C co-infected individuals.”

(b) AUTHORIZATIONS OF APPROPRIATIONS FOR SCHOOLS, CENTERS, AND DENTAL PROGRAMS.—Section 2692(c) of the Public Health Service Act (42 U.S.C. 300ff–111(c)) is amended to read as follows:

“(c) AUTHORIZATION OF APPROPRIATIONS.—

“(1) SCHOOLS; CENTERS.—For the purpose of awarding grants under subsection (a), there is authorized to be appropriated \$34,700,000 for each of the fiscal years 2007 through 2009.

“(2) DENTAL SCHOOLS.—For the purpose of awarding grants under subsection (b), there is authorized to be appropriated \$13,000,000 for each of the fiscal years 2007 through 2009.”

SEC. 603. CODIFICATION OF MINORITY AIDS INITIATIVE.

Part F of title XXVI of the Public Health Service Act (42 U.S.C. 300ff–101 et seq.) is amended by adding at the end the following:

“Subpart III—Minority AIDS Initiative

“SEC. 2693. MINORITY AIDS INITIATIVE.

“(a) IN GENERAL.—For the purpose of carrying out activities under this section to evaluate and address the disproportionate impact of HIV/AIDS on, and the disparities in access, treatment, care, and outcomes for, racial and ethnic minorities (including African Americans, Alaska Natives, Latinos, American Indians, Asian Americans, Native Hawaiians, and Pacific Islanders), there are authorized to be appropriated \$131,200,000 for fiscal year 2007, \$135,100,000 for fiscal year 2008, and \$139,100,000 for fiscal year 2009.

“(b) CERTAIN ACTIVITIES.—

“(1) IN GENERAL.—In carrying out the purpose described in subsection (a), the Secretary shall provide for—

“(A) emergency assistance under part A;

“(B) care grants under part B;

“(C) early intervention services under part C;

“(D) services through projects for HIV-related care under part D; and

“(E) activities through education and training centers under section 2692.

“(2) ALLOCATIONS AMONG ACTIVITIES.—Activities under paragraph (1) shall be carried out by the Secretary in accordance with the following:

“(A) For competitive, supplemental grants to improve HIV-related health outcomes to reduce existing racial and ethnic health disparities, the Secretary shall, of the amount appropriated under subsection (a) for a fiscal year, reserve the following, as applicable:

“(i) For fiscal year 2007, \$43,800,000.

“(ii) For fiscal year 2008, \$45,400,000.

“(iii) For fiscal year 2009, \$47,100,000.

“(B) For competitive grants used for supplemental support education and outreach services to increase the number of eligible racial and ethnic minorities who have access to treatment through the program under section

2616 for therapeutics, the Secretary shall, of the amount appropriated for a fiscal year under subsection (a), reserve the following, as applicable:

“(i) For fiscal year 2007, \$7,000,000.

“(ii) For fiscal year 2008, \$7,300,000.

“(iii) For fiscal year 2009, \$7,500,000.

“(C) For planning grants, capacity-building grants, and services grants to health care providers who have a history of providing culturally and linguistically appropriate care and services to racial and ethnic minorities, the Secretary shall, of the amount appropriated for a fiscal year under subsection (a), reserve the following, as applicable:

“(i) For fiscal year 2007, \$53,400,000.

“(ii) For fiscal year 2008, \$55,400,000.

“(iii) For fiscal year 2009, \$57,400,000.

“(D) For eliminating racial and ethnic disparities in the delivery of comprehensive, culturally and linguistically appropriate care services for HIV disease for women, infants, children, and youth, the Secretary shall, of the amount appropriated under subsection (a), reserve \$18,500,000 for each of the fiscal years 2007 through 2009.

“(E) For increasing the training capacity of centers to expand the number of health care professionals with treatment expertise and knowledge about the most appropriate standards of HIV disease-related treatments and medical care for racial and ethnic minority adults, adolescents, and children with HIV disease, the Secretary shall, of the amount appropriated under subsection (a), reserve \$8,500,000 for each of the fiscal years 2007 through 2009.

“(c) CONSISTENCY WITH PRIOR PROGRAM.—With respect to the purpose described in subsection (a), the Secretary shall carry out this section consistent with the activities carried out under this title by the Secretary pursuant to the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2002 (Public Law 107–116).”.

TITLE VII—MISCELLANEOUS PROVISIONS

SEC. 701. HEPATITIS; USE OF FUNDS.

Section 2667 of the Public Health Service Act (42 U.S.C. 300ff–67) is amended—

(1) in paragraph (2), by striking “and” at the end;

(2) in paragraph (3), by striking the period and inserting “; and”; and

(3) by adding at the end the following:

“(4) shall provide information on the transmission and prevention of hepatitis A, B, and C, including education about the availability of hepatitis A and B vaccines and assisting patients in identifying vaccination sites.”.

SEC. 702. CERTAIN REFERENCES.

Title XXVI of the Public Health Service Act (42 U.S.C. 300ff et seq.) is amended—

H. R. 6143—54

(1) by striking “acquired immune deficiency syndrome” each place such term appears, other than in section 2687(1) (as added by section 501 of this Act), and inserting “AIDS”;

(2) by striking “such syndrome” and inserting “AIDS”; and

(3) by striking “HIV disease” each place such term appears and inserting “HIV/AIDS”.

SEC. 703. REPEAL.

Effective on October 1, 2009, title XXVI of the Public Health Service Act (42 U.S.C. 300ff et seq.) is repealed.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*