88TH CONGRESS H. R. 7137 **1ST SESSION** SUIDS APPTODE

IN THE HOUSE OF REPRESENTATIVES

JUNE 19, 1963

Mr. FOGARTY introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

A BILL

To provide for assistance in the construction and initial operation of community mental health centers, and for other purposes.

and a state of the Be it enacted by the Senate and House of Representa-2 tives of the United States of America in Congress assembled, 3 That this Act may be cited as the "Community Mental Health Centers Act of 1963". 4

5 TITLE I—CONSTRUCTION OF COMMUNITY 6 MENTAL HEALTH CENTERS the cost of a

8 SEC. 101. There are authorized to be appropriated, for 9 grants for construction of public and other nonprofit community mental health centers, for the fiscal year ending 10 nequest is made, would meet needs of the State making

AUTHORIZATION OF APPROPRIATIONS

June 30, 1965, and each of the next four fiscal years such
 sums as the Congress may determine.

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ALLOTMENTS TO STATES

4 SEC. 102. (a) For each fiscal year, the Secretary shall. 5 in accordance with regulations, make allotments from the 6 sums appropriated under section 101 to the several States 7 on the basis of (1) the population, (2) the extent of the 8 need for community mental health centers, and (3) the 9 financial need of the respective States; except that no such 10 allotment to any State, other than the Virgin Islands. 11 American Samoa, and Guam, for any fiscal year may be 12 less than \$100,000. Sums so allotted to a State for a fiscal 13 year and remaining unobligated at the end of such year 14 shall remain available to such State for such purpose for 15 the next fiscal year (and for such year only), in addition 16 to the sums allotted for such State for such next fiscal year. 17 (b) In accordance with regulations of the Secretary, aton M 18 any State may file with him a request that a specified por-19 tion of its allotment under this title be added to the allot-20 ment of another State under this title for the purpose of 21 meeting a portion of the Federal share of the cost of a 22 project for the construction of a community mental health 23 center in such other State. If it is found by the Secretary 24 that construction of the center with respect to which the 25request is made would meet needs of the State making

the request and that use of the specified portion of such
 State's allotment, as requested by it, would assist in carry ing out the purposes of this title, such portion of such
 State's allotment shall be added to the allotment of the
 other State under this title, to be used for the purpose
 referred to above.

REGULATIONS

8 SEC. 103. Within six months after enactment of this
9 title, the Secretary shall, after consultation with the Federal
10 Hospital Council (established by section 633 of the Public
11 Health Service Act), by regulations prescribe—

(a) The kinds of community mental health services
needed to provide adequate mental health services for
persons residing in a State.

15 (b) The general manner in which the State agency 16 (designated as provided in the State plan approved 17 under this title) shall determine the priority of projects based on the relative need of different areas, giving 18 special consideration to projects on the basis of the ex-19 20 tent to which the centers to be constructed thereby will, 21 alone or in conjunction with other facilities owned or 22 operated by the applicant or affiliated or associated with 23 the applicant, provide comprehensive mental health 24 services (as determined by the Secretary in accordance 25 with regulations) for mentally ill persons in a particular

1 community or communities or which will be part of or closely associated with a general hospital. 2

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(c) General standards of construction and equipment for centers of different classes and in different 4 types of location.

6 (d) That the State plan shall provide for adequate 7 community mental health centers for people residing 8 in the State, and shall provide for adequate community P Redenal mental health centers to furnish needed services for 10 persons unable to pay therefor. Such regulations may Public 11 require that before approval of an application for a center or addition to a center is recommended by a State 12 13 agency, assurance shall be received by the State from the applicant that there will be made available in such 14 15 center or addition a reasonable volume of services to per-16sons unable to pay therefor, but an exception shall be made if such a requirement is not feasible from a 17 18 financial viewpoint.

STATE PLANS

SEC. 104. (a) After such regulations have been issued, 2021any State desiring to take advantage of this title shall submit 22a State plan for carrying out its purposes. Such State plan 23 the applicant, provide comprehensive mental the

24(1) designate a single State agency as the sole opin harons 25agency for the administration of the plan, or designate Laturitan

such agency as the sole agency for supervising the ad ministration of the plan;

3 (2) contain satisfactory evidence that the State
4 agency designated in accordance with paragraph (1)
5 hereof will have authority to carry out such plan in con6 formity with this title;

(3) provide for the designation of a State advisory
council which shall include representatives of nongovernment organizations or groups, and of State agencies,
concerned with planning, operation, or utilization of
community mental health centers or other mental health
facilities, including representatives of consumers of the
services provided by such centers and facilities who are
familiar with the need for such services, to consult with
the State agency in carrying out such plan;

(4) set forth a program for construction of community mental health centers (A) which is based on a
statewide inventory of existing facilities and survey of
need; (B) which conforms with the regulations prescribed by the Secretary under section 103 (a); and
(C) which meets the requirements for furnishing needed
services to persons unable to pay therefor, included in
regulations prescribed under section 103 (d);
(5) set forth the relative need determined in accordance with the regulations prescribed under section 103

(b) for the several projects included in such programs, the af-2 and provide for the construction, insofar as financial resources available therefor and for maintenance and opera-3 tion make possible, in the order of such relative need; (6) provide such methods of administration of the 5 non nalif 6 State plan, including methods relating to the establish-7 ment and maintenance of personnel standards on a 8 Toguon merit basis (except that the Secretary shall exercise 9 no authority with respect to the selection, tenure of 10 office, or compensation of any individual employed in 11 accordance with such methods), as are found by the rifteen a 12 Secretary to be necessary for the proper and efficient 13 operation of the plan;

(7) provide minimum standards (to be fixed in the
discretion of the State) for the maintenance and operation of centers which receive Federal aid under this title;
(8) provide for affording to every applicant for a
construction project an opportunity for hearing before
the State agency;

(9) provide that the State agency will make such
reports in such form and containing such information
as the Secretary may from time to time reasonably
require, and will keep such records and afford such
access thereto as the Secretary may find necessary to
assure the correctness and verification of such reports;

(10) provide that the State agency will from time
 to time, but not less often than annually, review its
 State plan and submit to the Secretary any modifications
 thereof which it considers necessary.

5 (b) The Secretary shall approve any State plan and 6 any modification thereof which complies with the provisions 7 of subsection (a). The Secretary shall not finally disap-8 prove a State plan except after reasonable notice and op-9 portunity for a hearing to the State.

10 (c) The State plan may include standards for determi-11 nation of the Federal share of the cost of projects approved 12 in the State. Such standards shall provide equitably (and, to the extent practicable, on the basis of objective criteria) 13 14 for variations between projects or classes of projects on the 15 basis of the economic status of areas and other relevant 16 factors. No such standards shall provide for a Federal share 17 of more than 75 per centum or less than 45 per centum of the cost of construction of any project. The Secretary 18 shall approve any such standards and any modifications 19 20thereof which comply with the provisions of this subsection. 21APPROVAL OF PROJECTS AND PAYMENTS FOR CONSTRUCTION 2222(1) 20 23SEC. 105. (a) For each project for construction pursu-²⁴ ant to a State plan approved under this title, there shall be 25 submitted to the Secretary through the State agency an application by the State or a political subdivision thereof or
by a public or other nonprofit agency. If two or more such
agencies join in the construction of the project, the application may be filed by one or more of such agencies. Such
application shall set forth:

6 (1) a description of the site for such project;
7 (2) plans and specifications therefor in accordance
8 with the regulations prescribed by the Secretary under

section 103 (c);

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(3) reasonable assurance that title to such site is
or will be vested in one or more of the agencies filing the
application or in a public or other nonprofit agency
which is to operate the community mental health center;
(4) reasonable assurance that adequate financial
support will be available for the construction of the
project and for its maintenance and operation when
completed;

(5) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in
the performance of construction of the project will be
paid wages at rates not less than those prevailing on
similar construction in the locality as determined by the
Secretary of Labor in accordance with the Davis-Bacon
Act, as amended (40 U.S.C. 276a-276a-5), and shall
receive overtime pay in accordance with and subject to

the provisions of the Contract Work Hours Standards
Act (Public Law 87-581); and the Secretary of Labor
shall have with respect to the labor standards specified
in this paragraph the authority and functions set forth
in Reorganization Plan Numbered 14 of 1950 (15 F.R.
3176; 5 U.S.C. 133z-15) and section 2 of the Act of
June 13, 1934, as amended (40 U.S.C. 276c); and
(6) a certification by the State agency of the Federal share for the project.

10 The Secretary shall approve such application if sufficient 11 funds to pay the Federal share of the cost of construction 12of such project are available from the allotment to the 13 State, and if the Secretary finds (A) that the application 14 contains such reasonable assurance as to title, financial 15 support, and payment of prevailing rates of wages and 16 overtime pay; (B) that the plans and specifications are in 17 accord with the regulations prescribed pursuant to section 18 103; (C) that the application is in conformity with the 19 State plan approved under section 104 and contains an assurance that in the operation of the center there will be 20 21compliance with the applicable requirements of the State plan and of the regulations prescribed under section 103 (d) 22 23 for furnishing needed services for persons unable to pay 24therefor, and with State standards for operation and main-

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1 tenance; (D) that the services to be provided by the 2 center, alone or in conjunction with other facilities owned 3 or operated by the applicant or affiliated or associated with 4 the applicant, will be part of a program providing, prin-5 cipally for persons residing in a particular community or 6 communities in or near which such center is to be situated, 7 at least those essential elements of comprehensive mental 8 health services for mentally ill persons which are prescribed 9 by the Secretary in accordance with regulations; and (E) 10 that the application has been approved and recommended 11 by the State agency and is entitled to priority over other 12 projects within the State in accordance with the regulations 13 prescribed pursuant to section 103 (b). No application shall ¹⁴ be disapproved by the Secretary until he has afforded the ¹⁵ State agency an opportunity for a hearing.

(b) Amendment of any approved application shall be
subject to approval in the same manner as an original
application.
PAYMENTS FOR CONSTRUCTION
SEC. 106. (a) Upon certification to the Secretary by the
State agency, based upon inspection by it, that work has
been performed upon a project, or purchases have been
made, in accordance with the approved plans and specifications, and that payment of an installment is due to the applicant, such installment shall be paid to the State, from the

applicable allotment of such State, except that (1) if the 1 2 State is not authorized by law to make payments to the ap-3 plicant, the payment shall be made directly to the applicant, 4 (2) if the Secretary, after investigation or otherwise, has 5 reason to believe that any act (or failure to act) has occurred 6 requiring action pursuant to section 107, payment may, after 7 he has given the State agency notice of opportunity for hear-8 ing pursuant to such section, be withheld, in whole or in 9 part, pending corrective action or action based on such hear-10 ing, and (3) the total of payments under this subsection 11 with respect to such project may not exceed an amount equal 12 to the Federal share of the cost of construction of such 13 project. (a) she in a single real that out (a) she is a fait

(b) In case an amendment to an approved application is
approved as provided in section 105 or the estimated cost
of a project is revised upward, any additional payment with
respect thereto may be made from the applicable allotment
of the State for the fiscal year in which such amendment or
revision is approved.

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WITHHOLDING OF PAYMENTS

SEC. 107. Whenever the Secretary, after reasonable
notice and opportunity for hearing to the State agency
designated as provided in section 104 (a) (1), finds—
(1) that the State agency is not complying substantially with the provisions required by section 104

to be included in its State plan or with regulations under
 this title; or

3 (2) that any assurance required to be given in an
4 application filed under section 105 is not being or
5 cannot be carried out; or

6 (3) that there is a substantial failure to carry out
7 plans and specifications approved by the Secretary under
8 section 105; or

9 (4) that adequate State funds are not being pro10 vided annually for the direct administration of the State
11 plan,

12 the Secretary may forthwith notify the State agency that—
13 (5) no further payments will be made to the State
14 under this title, or

15 (6) no further payments will be made under this 16 title for any project or projects designated by the Sec-17 retary as being affected by the action or inaction 18 referred to in paragraph (1), (2), (3), or (4) of this 19 section,

20 as the Secretary may determine to be appropriate under 21 the circumstances; and, except with regard to any project 22 for which the application has already been approved and 23 which is not directly affected, further payments may be with-24 held, in whole or in part, until there is no longer any failure 25 to comply (or to carry out the assurance or plans and specifications or to provide adequate State funds, as the case
 may be) or, if such compliance (or other action) is impos sible, until the State repays or arranges for the repayment
 of Federal moneys to which the recipient was not entitled.
 JUDICIAL REVIEW

6 SEC. 108. (a) If the Secretary refuses to approve any application for a project submitted under section 105, the 7 State agency through which such application was submitted, 8 9 or if any State is dissatisfied with his action under section 104 (b) or section 107, such State may appeal to the United 10 States court of appeals for the circuit in which such State 11 12 is located, by filing a petition with such court within sixty days after such action. A copy of the petition shall be forth-13 14 with transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secre-15 tary thereupon shall file in the court the record of the pro-16 ceedings on which he based his action, as provided in section 17 2112 of title 28, United States Code. Upon the filing of 18 such petition, the court shall have jurisdiction to affirm the 19 action of the Secretary or to set it aside, in whole or in part, 20temporarily or permanently, but until the filing of the record, 21 22 the Secretary may modify or set aside his order. The findings of the Secretary as to the facts, if supported by substantial 23evidence, shall be conclusive, but the court, for good cause 24shown, may remand the case to the Secretary to take further 25

evidence, and the Secretary may thereupon make new or 1 2 modified findings of fact and may modify his previous action, 3 and shall file in the court the record of the further proceed-4 ings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. 5 The 6 judgment of the court affirming or setting aside, in whole or 7 in part, any action of the Secretary shall be final, subject to 8 review by the Supreme Court of the United States upon 9 certiorari or certification as provided in section 1254 of 10 title 28, United States Code. The commencement of pro-11 ceedings under this subsection shall not, unless so specifically 12 ordered by the court, operate as a stay of the Secretary's 13 action.

RECOVERY

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15 SEC. 109. If any facility with respect to which funds 16 have been paid under section 106 shall, at any time within 17 twenty years after the completion of construction—

(1) be sold or transferred to any person, agency,
or organization (A) which is not qualified to file an
application under section 105, or (B) which is not
approved as a transferee by the State agency designated
pursuant to section 104, or its successor, or

23 (2) cease to be a public or other nonprofit com-

A structure sindly be conductive, but the court, for good cause a strown, may remard the circerte the for dury or the formation of the first for the formation of the second structure of the secon munity mental health center, unless the Secretary determines. in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to continue as such a center,

5 the United States shall be entitled to recover from either the 6 transferor or the transferee (or, in the case of a facility which has ceased to be a public or other nonprofit community men-7 8 tal health center, from the owners thereof) an amount bear-9 ing the same ratio to the then value (as determined by the agreement of the parties or by action brought in the district 10 11 court of the United States for the district in which the center 12 is situated) of so much of the center as constituted an approved project or projects, as the amount of the Federal 13 14 participation bore to the cost of the construction of such 15 project or projects. Such right of recovery shall not consti-16 tute a lien upon such center prior to judgment.

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STATE CONTROL OF OPERATIONS

18 SEC. 110. Except as otherwise specifically provided, 19 nothing in this title shall be construed as conferring on any 20 Federal officer or employee the right to exercise any super-21 vision or control over the administration, personnel, main-22 tenance, or operation of any facility with respect to which 23 any funds have been or may be expended under this title. TITLE II—INITIAL STAFFING OF COMPREHEN SIVE COMMUNITY MENTAL HEALTH CEN TERS

AUTHORIZATION OF APPROPRIATIONS

5 SEC. 201. For the purpose of assisting in the estab-6 lishment and initial operation of comprehensive community 7 mental health centers, there are authorized to be appro-8 priated for each fiscal year beginning after June 30, 1965, 9 such sums as may be necessary for grants by the Secretary, 10 in accordance with this title, to assist in meeting the cost 11 of initial staffing of community mental health centers.

12 APPLICATIONS AND GRANTS

13 SEC. 202. Grants under this title with respect to any
14 center may be made only upon application, and only if—
15 (1) the applicant is a public or nonprofit private
16 agency or organization which owns or operates the cen-

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ter:

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(2) a grant was made under title I to assist in
financing the construction of the center;
(3) the services to be provided by such center,
alone or in conjunction with other facilities owned or
operated by the applicant or affiliated or associated
with the applicant, are part of a program which provides, principally for persons residing in a particular
community or communities in or near which such cen-

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ter is situated, at least diagnostic services, inpatient care, outpatient care, and day care for mentally ill persons.

DURATION AND AMOUNT OF GRANTS

4 SEC. 203. Grants for staffing of any center under this 5 title may be made only for the period beginning with the 6 commencement of the operation of such center and ending 7 with the close of four years and three months after the 8 month in which such operation commenced. Such grants 9 with respect to any center may not exceed 75 per centum of the cost of such staffing for the period ending with the 10 11 close of the fifteenth month following the month in which 12 such operation commenced, 60 per centum of such cost for 13 the first year thereafter, 45 per centum of such cost for the second year thereafter, and 30 per centum of such cost for 14 15 the third year thereafter.

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PAYMENTS

17 SEC. 204. Payment of grants under this title may be 18 made (after necessary adjustment on account of previously 19 made overpayments or underpayments) in advance or by 20 way of reimbursement, and on such terms and conditions 21 and in such installments, as the Secretary may determine.

REGULATIONS

SEC. 205. The Secretary shall, after consultation with
the National Advisory Mental Health Council (appointed
pursuant to the Public Health Service Act), prescribe gen-

eral regulations concerning eligibility of centers and the
 terms and conditions for approving applications under this

- 3 title. ATTAND TO TOTOMA TAKA NOT ASTA DA DOLLAS
- 4 TITLE III—GENERAL

5 DEFINITIONS Definitions

6 SEC. 301. For purposes of this Act-

7 (a) The term "State" includes Puerto Rico, Guam,
8 American Samoa, the Virgin Islands, and the District of
9 Columbia;

10 (b) The term "community mental health center" 11 means a facility providing services for the prevention or 12 diagnosis of mental illness, or care and treatment of mentally 13 ill patients, or rehabilitation of such persons, which services 14 are provided principally for persons residing in a particular 15 community or communities in or near which the facility is 16 situated;

(c) The term "nonprofit community mental health center" means a community mental health center which is
owned and operated by one or more nonprofit corporations
or associations no part of the net earnings of which inures,
or may lawfully inure, to the benefit of any private shareholder or individual;

(d) The term "construction" includes construction of
new buildings, expansion, remodeling, and alteration of existing buildings, and initial equipment of any such buildings

1 (including medical transportation facilities); including archi2 tects' fees, but excluding the cost of off-site improvements
3 and the cost of the acquisition of land;

4 (e) The term "cost of construction" means the amount
5 found by the Secretary to be necessary for the construction
6 of a project;

(f) The term "title", when used with reference to a
site for a project, means a fee simple, or such other estate
or interest (including a leasehold on which the rental does
not exceed 4 per centum of the value of the land) as the
Secretary finds sufficient to assure for a period of not less
than fifty years undisturbed use and possession for the purposes of construction and operation of the project;

(g) The term "Federal share" with respect to any
project means—

(1) if the State plan, as of the date of approval
of the project application, contains standards approved
by the Secretary pursuant to section 104 (c) the amount
determined by the State agency in accordance with such
standards; or

(2) if the State plan does not contain such standards, the amount (not less than 45 per centum and not
more than either 75 per centum or the State's Federal
percentage, whichever is the lower) established by the
State agency for all projects in the State: *Provided*,

That prior to the approval of the first project in the 1 State during any fiscal year the State agency shall give 2 to the Secretary written notification of the Federal share 3 4 established under this subparagraph for projects in 5 such State to be approved by the Secretary during such fiscal year, and the Federal share for projects in 6 7 such State approved during such fiscal year shall not 8 be changed after such approval;

9 (h) The Federal percentage for any State shall be 100 10 per centum less that percentage which bears the same ratio 11 to 40 per centum as the per capita income of such State 12 bears to the per capita income of the United States, except 13 that the Federal percentage for Puerto Rico, Guam, Ameri-14 can Samoa, and the Virgin Islands shall be 75 per centum;

(i) (1) The Federal percentages shall be promulgated 15 by the Secretary between July 1 and August 31 of each 16 even-numbered year, on the basis of the average of the per 17 capita incomes of the States and of the United States for 18 the three most recent consecutive years for which satisfac-19 tory data are available from the Department of Commerce. 20 Such promulgation shall be conclusive for each of the two 21 fiscal years in the period beginning July 1 next succeeding 22 23 such promulgation; except that the Secretary shall promul-24 gate such percentages as soon as possible after the enactment of this title, which promulgation shall be conclusive for the
 fiscal year ending June 30, 1965;

3 (2) The term "United States" means (but only for
4 purposes of this subsection and subsection (h)) the fifty
5 States and the District of Columbia;

6 (j) The term "Secretary" means the Secretary of
7 Health, Education, and Welfare.

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CONFORMING AMENDMENT

9 SEC. 302. (a) The first sentence of section 633 (b) of 10 the Public Health Service Act is amended by striking out 11 "eight" and inserting in lieu thereof "twelve". The second 12sentence thereof is amended to read: "Six of the twelve 13 appointed members shall be persons who are outstanding in 14 fields pertaining to medical facility and health activities, 15 three of these six shall be authorities in matters relating to the 16 operation of hospitals or other medical facilities and one of 17 them shall be an authority in matters relating to mental 18 health, and the other six members shall be appointed to 19 represent the consumers of services provided by such facili-20ties and shall be persons familiar with the need for such serv-21ices in urban or rural areas."

(b) The terms of office of the additional members of
the Federal Hospital Council authorized by the amendment
made by subsection (a) who first take office after enactment

1 of this Act shall expire, as designated by the Secretary at 2 the time of appointment, one at the end of the first year, 3 one at the end of the second year, one at the end of the third 4 year, and one at the end of the fourth year after the date of 5 appointment.

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June 30, 1965, and each of the next four fiscal years such

ALLOTMONTH TO STATES

Size, 100, (a) Personal faired year, the Secretary shall, in accordance with wentstance, make allocation from the more appropriated under metion 107 to the several States

BRTH CONGRESS H. R. 7137

A BILL

To provide for assistance in the construction and initial operation of community mental health centers, and for other purposes.

By Mr. FOGARTY

JUNE 19, 1963 Referred to the Committee on Interstate and Foreign Commerce