

102
SCHWABE

79TH CONGRESS
1ST SESSION

S. 191

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 12, 1945

Referred to the Committee on Interstate and Foreign Commerce

AN ACT

To amend the Public Health Service Act to authorize grants to the States for surveying their hospitals and public health centers and for planning construction of additional facilities, and to authorize grants to assist in such construction.

1 *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 "Hospital Survey and
4 Construction Act".

5 SEC. 2. The Public Health Service Act (consisting of
6 titles I to V, inclusive, of the Act of July 1, 1944, 58 Stat.
7 682) is hereby amended by adding at the end thereof the
8 following new title:

1 "TITLE VI—CONSTRUCTION OF HOSPITALS

2 "PART A—DECLARATION OF PURPOSE

3 "SEC. 601. The purpose of this title is to assist the
4 several States—

5 "(a) to inventory their existing hospitals (as defined
6 in section 631 (e)), to survey the need for construction
7 of hospitals, and to develop programs for construction of
8 such public and other nonprofit hospitals as will, in con-
9 junction with existing facilities, afford the necessary
10 physical facilities for furnishing adequate hospital, clinic,
11 and similar services to all their people; and

12 "(b) to construct public and other nonprofit hos-
13 pitals in accordance with such programs.

14 "PART B—SURVEYS AND PLANNING

15 "AUTHORIZATION OF APPROPRIATION.

16 "SEC. 611. In order to assist the States in carrying out
17 the purposes of section 601 (a), there is hereby authorized
18 to be appropriated the sum of \$5,000,000, and such further
19 sum as may be necessary to carry out the provisions of
20 section 613 (b), such sums to remain available until ex-
21 pended. The sums appropriated under this section shall
22 be used for making payments to States which have sub-
23 mitted, and had approved by the Surgeon General, State
24 applications for funds for carrying out such purposes.

1 "STATE APPLICATIONS

2 "SEC. 612. (a) To be approved, a State application for
3 funds for carrying out the purposes of section 601 (a)
4 must—

5 "(1) designate a single State agency as the sole
6 agency for carrying out such purposes: *Provided*, That
7 after a State plan has been approved under section 623,
8 any further survey or programing functions shall be
9 carried out, pursuant to section 623 (a) (10), by the
10 agency designated in accordance with section 623 (a)
11 (1);

12 "(2) provide for the designation of a State ad-
13 visory council, which shall include representatives of
14 nongovernment organizations or groups, and of State
15 agencies, concerned with the operation, construction, or
16 utilization of hospitals, including representatives of the
17 consumers of hospital services selected from among per-
18 sons familiar with the need for such services in urban
19 or rural areas, to consult with the State agency in
20 carrying out such purposes;

21 "(3) provide for making an inventory and survey in
22 accordance with section 601 (a) containing all informa-
23 tion required by the Surgeon General, and for develop-
24 ing a program in accordance with section 601 (a) and
25 with regulations prescribed under section 622; and

1 “(4) provide that the State agency will make such
2 reports, in such form and containing such information,
3 as the Surgeon General may from time to time reasonably
4 require, and give the Surgeon General, upon demand,
5 access to the records on which such reports are based.

6 “(b) The Surgeon General shall approve any applica-
7 tion for funds which complies with the provisions of subsec-
8 tion (a).

9 “ALLOTMENTS TO STATES

10 “SEC. 613. (a) Each State for which a State application
11 under section 612 has been approved shall be entitled to an
12 allotment of such proportion of any appropriation (other
13 than an appropriation to carry out the purposes of subsection
14 (b) of this section) made pursuant to section 611 as its popu-
15 lation bears to the population of all the States, and within
16 such allotment it shall be entitled to receive 50 per centum
17 of its expenditures in carrying out the purposes of section 601
18 (a) in accordance with its application: *Provided*, That no
19 such allotment to any State shall be less than \$10,000. The
20 Surgeon General shall from time to time estimate the sum to
21 which each State will be entitled under this section, during
22 such ensuing period as he may determine, and shall thereupon
23 certify to the Secretary of the Treasury the amount so esti-
24 mated, reduced or increased, as the case may be, by any sum
25 by which the Surgeon General finds that his estimate for any

1 prior period was greater or less than the amount to which the
2 State was entitled for such period. The Secretary of the
3 Treasury shall thereupon, prior to audit or settlement by the
4 General Accounting Office, pay to the State, at the time or
5 times fixed by the Surgeon General, the amount so certified.

6 “(b) If at the time of the submission by any State of
7 an application for funds under this part the Governor
8 shall certify to the Surgeon General that no funds are
9 available for carrying out the purposes of section 601 (a)
10 in such State other than funds to be received under this
11 part, and if the application by such State shall be approved
12 in accordance with section 612 (b), the Surgeon General
13 shall make an additional allotment to such State equal to
14 its allotment under subsection (a). In any such case the
15 State shall be entitled to receive, within its allotment under
16 this subsection, an additional 50 per centum of its expendi-
17 tures in carrying out the purposes of section 601 (a) in
18 accordance with its application. Estimates, certifications,
19 and payments shall be made in the manner provided in sub-
20 section (a). An amount equal to 50 per centum of the
21 actual expenditures of such State for carrying out the pur-
22 poses of section 601 (a), less the amount of any repayment
23 which shall have been made by the State to the Treasury of
24 the United States, shall be deducted from any allotment or
25 allotments to such State under section 624.

1 “(c) Any funds paid to a State under this section and
2 not expended for the purposes for which paid shall be repaid
3 to the Treasury of the United States.

4 “PART C—CONSTRUCTION OF HOSPITALS AND RELATED
5 FACILITIES

6 “AUTHORIZATION OF APPROPRIATIONS

7 “SEC. 621. In order to assist the States in carrying
8 out the purposes of section 601 (b) there is hereby authorized
9 to be appropriated for the fiscal year ending June 30, 1947,
10 and for each of the four succeeding fiscal years, the sum of
11 \$75,000,000 for the construction of public and other non-
12 profit hospitals; and there are further authorized to be appro-
13 priated for such construction the sums provided in section
14 624. The sums appropriated pursuant to this section shall
15 be used for making payments to States which have submitted,
16 and had approved by the Surgeon General, State plans for
17 carrying out the purposes of section 601 (b); and for mak-
18 ing payments to political subdivisions of, and public or other
19 nonprofit agencies in, such States.

20 “GENERAL REGULATIONS

21 “SEC. 622. Within six months after the enactment of
22 this title, the Surgeon General, with the approval of the
23 Federal Hospital Council and the Administrator, shall by
24 general regulation prescribe—

25 “(a) The number of general hospital beds required to

1 provide adequate hospital services to the people residing in a
2 State, and the general method or methods by which such beds
3 shall be distributed among base areas, intermediate areas, and
4 rural areas: *Provided*, That for the purposes of this title, the
5 total of such beds for any State shall not exceed four and one-
6 half per thousand population, except that in States having less
7 than twelve and more than six persons per square mile the
8 limit shall be five beds per thousand population, and in
9 States having six persons or less per square mile the limit
10 shall be five and one-half beds per thousand population;
11 but if, in any area (as defined in the regulations) within
12 the State, there are more beds than required by the standards
13 prescribed by the Surgeon General, the excess over such
14 standards may be eliminated in calculating this maximum
15 allowance.

16 “(b) The number of beds required to provide adequate
17 hospital services for tuberculous patients, mental patients,
18 and chronic-disease patients in a State, and the general
19 method or methods by which such beds shall be distributed
20 throughout the State: *Provided*, That for the purposes of
21 this title the total number of beds for tuberculous patients
22 shall not exceed two and one-half times the average annual
23 deaths from tuberculosis in the State over the five-year period
24 from 1940 to 1944, inclusive, the total number of beds for
25 mental patients shall not exceed five per thousand population,

1 and the total number of beds for chronic disease patients shall
2 not exceed two per thousand population.

3 “(c) The number of public health centers and the gen-
4 eral method of distribution of such centers throughout the
5 State, which, for the purposes of this title, shall not exceed
6 one per thirty thousand population, except that in States hav-
7 ing less than twelve persons per square mile, it shall not
8 exceed one per twenty thousand population.

9 “(d) The general manner in which the State agency
10 shall determine the priority of projects based on the relative
11 need of different sections of the population and of different
12 areas lacking adequate hospital facilities, giving special con-
13 sideration to hospitals serving rural communities and areas
14 with relatively small financial resources.

15 “(e) General standards of construction and equipment
16 for hospitals of different classes and in different types of
17 location.

18 “(f) That the State plan shall provide for adequate
19 hospital facilities for the people residing in a State, without
20 discrimination on account of race, creed, or color, and
21 shall provide for adequate hospital facilities for persons
22 unable to pay therefor. Such regulation may require that
23 before approval of any application for a hospital or addi-
24 tion to a hospital is recommended by a State agency, as-
25 surance shall be received by the State from the applicant

1 that (1) such hospital or addition to a hospital will be made
2 available to all persons residing in the territorial area of
3 the applicant, without discrimination on account of race,
4 creed, or color, but an exception shall be made in cases
5 where separate hospital facilities are provided for sep-
6 arate population groups, if the plan makes equitable pro-
7 vision on the basis of need for facilities and services of
8 like quality for each such group; and (2) there will be made
9 available in each such hospital or addition to a hospital a
10 reasonable volume of hospital services to persons unable to
11 pay therefor, but an exception shall be made if such a require-
12 ment is not feasible from a financial standpoint.

13 “(g) General methods of administration of the plan by
14 the designated State agency, subject to the limitations set
15 forth in section 623 (a) (6) and (8).

16 “STATE PLANS

17 “SEC. 623. (a) After such regulations have been issued,
18 any State desiring to take advantage of this part may submit
19 a State plan for carrying out the purposes of section 601 (b).
20 Such State plan must—

21 “(1) designate a single State agency as the sole
22 agency for the administration of the plan, or designate
23 such agency as the sole agency for supervising the
24 administration of the plan;

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

5 “(3) provide for the designation of a State advisory
6 council which shall include representatives of non-
7 government organizations or groups, and of State
8 agencies, concerned with the operation, construction, or
9 utilization of hospitals, including representatives of the
10 consumers of hospital services selected from among per-
11 sons familiar with the need for such services in urban
12 or rural areas, to consult with the State agency in
13 carrying out such plans;

14 “(4) set forth a hospital construction program (A)
15 which is based on a State-wide inventory of existing
16 hospitals and survey of need; (B) which conforms with
17 the regulations prescribed by the Surgeon General under
18 section 622 (a), (b), and (c); (C) which, in the
19 case of a State which has developed a program under
20 part B of this title, conforms to the program so developed
21 except for any modification required in order to comply
22 with regulations prescribed pursuant to section 622 (a),
23 (b), and (c), and except for any modification recom-
24 mended by the State agency designated pursuant to
25 paragraph (1) of this subsection and approved by the

1 Surgeon General; and (D) which meets the require-
2 ments as to lack of discrimination on account of race,
3 creed, or color, and for furnishing needed hospital
4 services to persons unable to pay therefor, required by
5 regulations prescribed under section 622 (f);

6 “(5) set forth the relative need determined in ac-
7 cordance with the regulations prescribed under section
8 622 (d) for the several projects included in such pro-
9 grams, and provide for the construction, insofar as
10 financial resources available therefor and for maintenance
11 and operation make possible, in the order of such relative
12 need;

13 “(6) provide such methods of administration of the
14 State plan, including methods relating to the establish-
15 ment and maintenance of personnel standards on a merit
16 basis (except that the Surgeon General shall exercise
17 no authority with respect to the selection, tenure of
18 office, or compensation of any individual employed in
19 accordance with such methods), as the Surgeon General
20 prescribes by regulation under section 622 (g);

21 “(7) provide minimum standards (to be fixed in
22 the discretion of the State) for the maintenance and
23 operation of hospitals which receive Federal aid under
24 this part;

25 “(8) provide for affording to every applicant for a

1 construction project an opportunity for hearing before
2 the State agency;

3 “(9) provide that the State agency will make such
4 reports in such form and containing such information as
5 the Surgeon General may from time to time reasonably
6 require, and give the Surgeon General, upon demand,
7 access to the records upon which such information is
8 based; and

9 “(10) provide that the State agency will from time
10 to time review its hospital construction program and
11 submit to the Surgeon General any modifications thereof
12 which it considers necessary.

13 “(b) The Surgeon General shall approve any State
14 plan and any modification thereof which complies with the
15 provisions of subsection (a). If any such plan or modifica-
16 tion thereof shall have been disapproved by the Surgeon
17 General for failure to comply with subsection (a), the Fed-
18 eral Hospital Council shall, upon request of the State agency,
19 afford it an opportunity for hearing. If such Council deter-
20 mines that the plan or modification complies with the provi-
21 sions of such subsection, the Surgeon General shall thereupon
22 approve such plan or modification.

23 “(c) No changes in a State plan shall be required within
24 two years after initial approval thereof, or within two years
25 after any change thereafter required therein, by reason of

1 any change in the regulations prescribed pursuant to section
2 622, except with the consent of the State, or in accordance
3 with further action by the Congress.

4 “(d) If any State, prior to July 1, 1947, has not
5 enacted legislation providing that compliance with minimum
6 standards of maintenance and operation shall be required
7 in the case of hospitals which shall have received Federal aid
8 under this title, such State shall not be entitled to any further
9 allotments under section 624.

10 “ALLOTMENTS TO STATES

11 “SEC. 624. Each State for which a State plan has been
12 approved prior to or during a fiscal year shall be entitled
13 for such year to an allotment of a sum bearing the same
14 ratio to the sums authorized to be appropriated pursuant to
15 section 621 for such year as the product of (a) the popula-
16 tion of such State and (b) the square of its Federal per-
17 centage bears to the sum of the corresponding products for
18 all of the States. The amount of the allotment to a State
19 shall be available, in accordance with the provisions of this
20 part, for payment of such State's Federal percentage of the
21 cost of approved projects within such State. The Surgeon
22 General shall calculate the allotments to be made under this
23 section and notify the Secretary of the Treasury of the
24 amounts thereof. Sums allotted to a State for a fiscal year

1 for construction and remaining unencumbered at the end of
 2 such year shall remain available to such State for such pur-
 3 pose for the next fiscal year (and for such year only), in
 4 addition to the sums allotted for such State for such next
 5 fiscal year. Any amount of the sum authorized to be appro-
 6 priated for a fiscal year which is not appropriated for such
 7 year, or which is not allotted in such year by reason of the
 8 failure of any State or States to have plans approved under
 9 this part, and any amount allotted to a State but remaining
 10 unencumbered at the end of the period for which it is avail-
 11 able to such State, is hereby authorized to be appropriated
 12 for the next fiscal year in addition to the sum otherwise au-
 13 thorized under section 621.

14 "APPROVAL OF PROJECTS AND PAYMENTS FOR
 15 CONSTRUCTION

16 "SEC. 625. (a) For each project for construction pur-
 17 suant to a State plan approved under this part, there shall
 18 be submitted to the Surgeon General through the State
 19 agency an application by the State or a political subdivision
 20 thereof or by a public or other nonprofit agency. Such
 21 application shall set forth (1) a description of the site for
 22 such project, (2) plans and specifications therefor in accord-
 23 ance with the regulations prescribed by the Surgeon General
 24 under section 622 (e), (3) reasonable assurance that title to
 25 such site is or will be vested solely in the applicant, (4)

1 reasonable assurance that adequate financial support will be
 2 available for the construction of the project and for its mainte-
 3 nance and operation when completed, and (5) reasonable
 4 assurance that the rates of pay for laborers and mechanics
 5 engaged in construction of the project will be not less than the
 6 prevailing local wage rates for similar work as determined
 7 in accordance with Public Law 403 of the Seventy-fourth
 8 Congress, approved August 30, 1935, as amended. The Sur-
 9 geon General shall approve such application if sufficient funds
 10 for the Federal percentage of the cost of construction of
 11 such project are available from the allotment to the State,
 12 and if the Surgeon General finds (A) that the application
 13 contains such reasonable assurance as to title, financial sup-
 14 port, and payment of prevailing rates of wages, (B) that
 15 the plans and specifications are in accord with the regula-
 16 tions prescribed pursuant to section 622, (C) that the
 17 application is in conformity with the State plan approved
 18 under section 623 and contains an assurance that the appli-
 19 cant will conform to the applicable requirements of the
 20 State plan and of the regulations prescribed pursuant to
 21 section 622 (f) regarding the provision of facilities without
 22 discrimination on account of race, creed, or color, and for
 23 furnishing needed hospital facilities for persons unable to pay
 24 therefor, and an assurance that the applicant will conform
 25 to State standards for operation and maintenance, and (D)

1 that it has been recommended by the State agency and
 2 is entitled to priority over other projects within the State
 3 in accordance with the regulations prescribed pursuant to
 4 section 622 (d). No application shall be disapproved until
 5 the Surgeon General has afforded the applicant and the State
 6 agency an opportunity for a hearing.

7 “(b) Upon approving an application under this section,
 8 the Surgeon General shall certify to the Secretary of the
 9 Treasury an amount equal to the Federal percentage of the
 10 estimated cost of construction of the project and designate
 11 the appropriation from which it is to be paid. Such certi-
 12 fication shall provide for payment to the State, except that if
 13 the State is not authorized by law to make payments to the
 14 applicant the certification shall provide for payment direct
 15 to the applicant. Upon certification by the State agency,
 16 based upon inspection by it, that work has been performed
 17 upon a project, or purchases have been made, in accordance
 18 with the approved plans and specifications, and that payment
 19 of an installment is due to the applicant, the Surgeon Gen-
 20 eral shall certify such installment for payment by the Sec-
 21 retary of the Treasury; except that if the Surgeon General,
 22 after investigation or otherwise, has ground to believe that a
 23 default has occurred requiring action pursuant to section 632
 24 (a) he may, upon giving notice of hearing pursuant to such

1 subsection, withhold certification pending action based on such
 2 hearing.

3 “(c) Amendment of any approved application shall be
 4 subject to approval in the same manner as an original appli-
 5 cation. Certification under subsection (b) may be amended,
 6 either upon approval of an amendment of the application
 7 or upon revision of the estimated cost of a project. An
 8 amended certification may direct that any additional pay-
 9 ment be made from the applicable allotment for the fiscal year
 10 in which such amended certification is made.

11 “(d) The funds paid under this section for the construc-
 12 tion of an approved project shall be used solely for carrying
 13 out such project as so approved.

14 “(e) If any hospital for which funds have been paid
 15 under this section shall, at any time within twenty years
 16 after the completion of construction, (A) be sold or trans-
 17 ferred to any person, agency, or organization, (1) which is
 18 not qualified to file an application under this section, or (2)
 19 which is not approved as a transferee by the State agency
 20 designated pursuant to section 623 (a) (1), or its successor,
 21 or (B) cease to be a nonprofit hospital as defined in section
 22 631 (g), the United States shall be entitled to recover from
 23 either the transferor or the transferee (or, in the case of a
 24 hospital which has ceased to be a nonprofit hospital, from

1 the owners thereof) the Federal percentage of the then value
 2 of such hospital, as determined by agreement of the parties
 3 or by action brought in the district court of the United States
 4 for the district in which such hospital is situated.

5 "PART D—MISCELLANEOUS

6 "DEFINITIONS

7 "SEC. 631. For the purposes of this title—

8 "(a) the Federal percentage with respect to any
 9 State shall be 100 per centum less the non-Federal per-
 10 centage; and the non-Federal percentage shall be that
 11 percentage which bears the same ratio to 50 per centum
 12 as the per capita income of such State bears to the per
 13 capita income of the continental United States (exclud-
 14 ing Alaska), except that (1) the non-Federal percent-
 15 age shall in no case be more than $66\frac{2}{3}$ per centum or
 16 less than 25 per centum, and (2) the non-Federal
 17 percentage for Alaska and Hawaii shall be 50 per
 18 centum each, and the non-Federal percentage for Puerto
 19 Rico shall be 25 per centum;

20 "(b) the Federal percentages shall be promulgated
 21 by the Surgeon General between July 1 and August 31
 22 of each even-numbered year, on the basis of the average
 23 of the per capita incomes of the States and of the con-
 24 tinental United States for the three most recent con-
 25 secutive years for which satisfactory data are available

1 from the Department of Commerce. Such promulgation
 2 shall be conclusive for each of the two fiscal years in the
 3 period beginning July 1 next succeeding such promulga-
 4 tion: *Provided*, That the Surgeon General shall pro-
 5 mulgate such percentages as soon as possible after the
 6 enactment of this title, which promulgation shall be
 7 conclusive for the fiscal year ending June 30, 1947;

8 "(c) the population of the several States shall be
 9 determined on the basis of the latest figures certified by
 10 the Department of Commerce;

11 "(d) the term 'State' includes Alaska, Hawaii,
 12 Puerto Rico, and the District of Columbia;

13 "(e) the term 'hospital' (except as used in section
 14 622 (a) and (b)) includes public health centers and
 15 general, tuberculosis, mental, chronic disease, and other
 16 types of hospitals, and related facilities, such as labora-
 17 tories, out-patient departments, nurses' home and train-
 18 ing facilities, and central service facilities operated in
 19 connection with hospitals, but does not include any hos-
 20 pital furnishing primarily domiciliary care;

21 "(f) the term 'public health center' means a pub-
 22 licly owned facility for the provision of public health
 23 services, including related facilities such as laboratories,
 24 clinics, and administrative offices operated in connection
 25 with public health centers;

1 “(g) the term ‘nonprofit hospital’ means any hos-
 2 pital owned and operated by a corporation or association,
 3 no part of the net earnings of which inures, or may law-
 4 fully inure, to the benefit of any private shareholder or
 5 individual;

6 “(h) the term ‘construction’ includes construction
 7 of new buildings, expansion, remodeling, and alteration
 8 of existing buildings, initial equipment of any such build-
 9 ings, and landscaping the site thereof; including archi-
 10 tects’ fees, legal counsel, and all other expenses incidental
 11 to construction, but excluding the cost of off-site improve-
 12 ments and, except with respect to public health centers,
 13 the cost of the acquisition of land; and

14 “(i) the term ‘cost of construction’ means the
 15 amount found by the Surgeon General to be necessary
 16 for the construction of a project.

17 “WITHHOLDING OF CERTIFICATION

18 “SEC. 632. (a) Whenever the Surgeon General, after
 19 reasonable notice and opportunity for hearing to the State
 20 agency designated in accordance with section 612 (a) (1),
 21 finds that the State agency is not complying substantially
 22 with the provisions required by section 612 (a) to be con-
 23 tained in its application for funds under part B, or after
 24 reasonable notice and opportunity for hearing to the State
 25 agency designated in accordance with section 623 (a) (1)

1 finds (1) that the State agency is not complying substantially
 2 with the provisions required by section 623 (a), or by regu-
 3 lations prescribed pursuant to section 622, to be contained in
 4 its plan submitted under section 623 (a), or (2) that any
 5 funds have been diverted from the purposes for which they
 6 have been allotted or paid, or (3) that any assurance given in
 7 an application filed under section 625 is not being or cannot
 8 be carried out, or (4) that there is a substantial failure to
 9 carry out plans and specifications approved by the Surgeon
 10 General under section 625, the Surgeon General may forth-
 11 with notify the Secretary of the Treasury and the State
 12 agency that no further certification will be made under part
 13 B or part C, as the case may be, or that no further certifica-
 14 tion will be made for any project or projects designated by
 15 the Surgeon General as being affected by the default, as the
 16 Surgeon General may determine to be appropriate under
 17 the circumstances; and, except with regard to any project for
 18 which the application has already been approved and which
 19 is not directly affected by such default, he may withhold
 20 further certifications until there is no longer any failure to
 21 comply, or, if compliance is impossible, until the State re-
 22 pays or arranges for the repayment of Federal moneys which
 23 have been diverted or improperly expended.

24 “(b) (1) If the Surgeon General refuses to approve
 25 any application under section 625, the applicant, or if any

1 State is dissatisfied with the Surgeon General's action under
 2 subsection (a) of this section, such State, may appeal to the
 3 United States circuit court of appeals for the circuit in which
 4 such State is located. The summons and notice of appeal
 5 may be served at any place in the United States. The Sur-
 6 geon General shall forthwith certify and file in the court the
 7 transcript of the proceedings and the record on which he based
 8 his action.

9 “(2) The findings of fact by the Surgeon General,
 10 unless substantially contrary to the weight of the evidence,
 11 shall be conclusive; but the court, for good cause shown, may
 12 remand the case to the Surgeon General to take further evi-
 13 dence, and the Surgeon General may thereupon make new or
 14 modified findings of fact and may modify his previous action,
 15 and shall certify to the court the transcript and record of
 16 the further proceedings. Such new or modified findings
 17 of fact shall likewise be conclusive unless substantially con-
 18 trary to the weight of the evidence.

19 “(3) The court shall have jurisdiction to affirm the
 20 action of the Surgeon General or to set it aside, in whole
 21 or in part. The judgment of the court shall be subject to
 22 review by the Supreme Court of the United States upon
 23 certiorari or certification as provided in sections 239 and
 24 240 of the Judicial Code, as amended.

1 “FEDERAL HOSPITAL COUNCIL; ADMINISTRATION OF TITLE

2 “SEC. 633. (a) The Surgeon General is authorized to
 3 make such administrative regulations and perform such other
 4 functions as he finds necessary to carry out the provisions of
 5 this title. Any such regulations shall be subject to the ap-
 6 proval of the Administrator.

7 “(b) In administering this title, the Surgeon General
 8 shall consult with a Federal Hospital Council consisting of
 9 the Surgeon General, who shall serve as Chairman ex officio,
 10 and eight members appointed by the Administrator. Five of
 11 the eight appointed members shall be persons who are out-
 12 standing in fields pertaining to hospital and health activities,
 13 three of whom shall be authorities in matters relating to the
 14 operation of hospitals, and the other three members shall
 15 be appointed to represent the consumers of hospital services
 16 and shall be persons familiar with the need for hospital
 17 services in urban or rural areas. Each appointed member
 18 shall hold office for a term of four years, except that any mem-
 19 ber appointed to fill a vacancy occurring prior to the expira-
 20 tion of the term for which his predecessor was appointed shall
 21 be appointed for the remainder of such term, and the terms
 22 of office of the members first taking office shall expire, as
 23 designated by the Administrator at the time of appointment,
 24 two at the end of the first year, two at the end of the second

1 year, two at the end of the third year, and two at the end of
 2 the fourth year after the date of appointment. An appointed
 3 member shall not be eligible to serve continuously for more
 4 than two terms but shall be eligible for reappointment if
 5 he has not served immediately preceding his reappointment.

6 The Council is authorized to appoint such special advisory
 7 and technical committees as may be useful in carrying out
 8 its functions. Appointed Council members and members of
 9 advisory or technical committees, while serving on business
 10 of the Council, shall receive compensation at rates fixed by
 11 the Administrator, but not exceeding \$25 per day, and shall
 12 also be entitled to receive an allowance for actual and neces-
 13 sary travel and subsistence expenses while so serving away
 14 from their places of residence. The Council shall meet as
 15 frequently as the Surgeon General deems necessary, but not
 16 less than once each year. Upon request by three or more
 17 members, it shall be the duty of the Surgeon General to call
 18 a meeting of the Council.

19 "(c) In administering the provisions of this title, the
 20 Surgeon General, with the approval of the Administrator,
 21 is authorized to utilize the services and facilities of any
 22 executive department in accordance with an agreement with
 23 the head thereof. Payment for such services and facilities
 24 shall be made in advance or by way of reimbursement, as

1 may be agreed upon between the Administrator and the
 2 head of the executive department furnishing them.

3 "CONFERENCES OF STATE AGENCIES

4 "SEC. 634. Whenever in his opinion the purposes of
 5 this title would be promoted by a conference, the Surgeon
 6 General may invite representatives of as many State agencies,
 7 designated in accordance with section 612 (a) (1) or sec-
 8 tion 623 (a) (1), to confer as he deems necessary or
 9 proper. Upon the application of five or more of such State
 10 agencies, it shall be the duty of the Surgeon General to
 11 call a conference of representatives of all State agencies join-
 12 ing in the request. A conference of the representatives of
 13 all such State agencies shall be called annually by the
 14 Surgeon General.

15 "STATE CONTROL OF OPERATIONS

16 "SEC. 635. Except as otherwise specifically provided,
 17 nothing in this title shall be construed as conferring on any
 18 Federal officer or employee the right to exercise any supervi-
 19 sion or control over the administration, personnel, mainte-
 20 nance, or operation of any hospital with respect to which any
 21 funds have been or may be expended under this title."

22 SEC. 3. Section 1 of the Public Health Service Act is
 23 amended to read:

24 "SECTION 1. Titles I to VI, inclusive, of this Act may
 25 be cited as the 'Public Health Service Act'."

1 SEC. 4. The Act of July 1, 1944 (58 Stat. 682), is
 2 hereby further amended by changing the number of title VI
 3 to title VII and by changing the numbers of section 601 to
 4 612, inclusive, and references thereto, to sections 701 to 712,
 5 respectively.

Passed the Senate December 11 (legislative day, October
 29), 1945.

Attest:

LESLIE L. BIFFLE,

Secretary.

AN ACT

To amend the Public Health Service Act to authorize grants to the States for surveying their hospitals and public health centers and for planning construction of additional facilities, and to authorize grants to assist in such construction.

DECEMBER 12, 1945

Referred to the Committee on Interstate and Foreign
Commerce