

104TH CONGRESS  
1ST SESSION

# H. R. 2207

To provide for substance abuse and mental health performance partnerships,  
and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

AUGUST 4, 1995

Mr. DINGELL (for himself and Mr. WAXMAN) (both by request) introduced the  
following bill; which was referred to the Committee on Commerce

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## A BILL

To provide for substance abuse and mental health  
performance partnerships, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE AND REFERENCES IN ACT.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Substance Abuse and Mental Health Performance Part-  
6 nership Act of 1995”.

7 (b) REFERENCES IN ACT.—The amendments in this  
8 Act apply to the Public Health Service Act unless other-  
9 wise specifically stated.

# **TITLE I—MENTAL HEALTH**

## **SEC. 101. REPLACEMENT OF STATE PLAN PROGRAM WITH PERFORMANCE PARTNERSHIPS.**

(a) **ELIMINATION OF STATE PLAN PROGRAM REQUIREMENTS.**—Subpart I of part B of title XIX is amended by striking sections 1911 (concerning formula grants to States), 1912 (concerning State plans for community mental health services), and 1913 (concerning services for children and community programs).

(b) **PERFORMANCE PARTNERSHIP FRAMEWORK.**—Subpart I of part B of title XIX is further amended by inserting after the subpart heading the following new sections:

### **“SEC. 1911. PERFORMANCE PARTNERSHIP GOALS AND OBJECTIVES.**

“(a) **GOALS.**—The goals of this subpart are for the States and the Federal Government, working together in a partnership, to improve the quality of life of adults with serious mental illness and children with a serious emotional disturbance, and to improve the overall mental health of the Nation, by—

“(1) promoting access to comprehensive community mental health services for adults with serious mental illness and children with a serious emotional disturbance; and

1           “(2) increasing development of systems of inte-  
2           grated comprehensive community based services for  
3           adults with serious mental illness and children with  
4           a serious emotional disturbance.

5           “(b) PERFORMANCE PARTNERSHIP OBJECTIVES.—

6           “(1) The Secretary, in consultation with the  
7           States, local governments, Indian tribes, and other  
8           interested parties designated by the Secretary (in-  
9           cluding consumers and relatives of consumers), shall  
10          specify by the end of September 1996 (and from  
11          time to time revise, as needed)—

12                   “(A) a list of performance partnership ob-  
13                   jectives to carry out the goals of this subpart,  
14                   and

15                   “(B) a core set of not more than five of  
16                   those objectives that address mental health  
17                   problems of national significance.

18          “(2) Each performance partnership objective  
19          shall include—

20                   “(A) a performance indicator;

21                   “(B) the specific population being ad-  
22                   dressed;

23                   “(C) a quantifiable performance target;  
24                   and

1           “(D) a date by which the target level is to  
2           be achieved.

3           “(3) In specifying the performance partnership  
4           objectives, the Secretary shall be guided by the fol-  
5           lowing principles—

6           “(A) objectives should be closely related to  
7           the goals of this subpart, and be viewed as im-  
8           portant by and understandable to State policy-  
9           makers and the general public;

10          “(B) actions taken under the partnership  
11          agreement should be expected to have an im-  
12          pact on the objective;

13          “(C) measurable progress in achieving the  
14          objective should be expected over the period of  
15          the grant;

16          “(D) objectives should be result-oriented,  
17          including a mix of outcome, process and capac-  
18          ity measures, and, if an objective measures  
19          process or capacity, it should be demonstrably  
20          linked to the achievement of a health outcome;  
21          and

22          “(E) data to track the objective should, to  
23          the extent practicable, be comparable for all  
24          grant recipients, meet reasonable statistical  
25          standards for quality, and be available in a

1           timely fashion, at appropriate periodicity, and  
2           at reasonable cost.

3   **“SEC. 1913. STATE PERFORMANCE PARTNERSHIP PRO-**  
4                           **POSAL.**

5           “(a) IN GENERAL.—In order to be eligible to receive  
6 a grant under this subpart, a State shall propose to the  
7 Secretary a performance partnership in accordance with  
8 the provisions of this section.

9           “(b) ELEMENTS RELATED TO PERFORMANCE OB-  
10 JECTIVES.—The State proposal under this section shall  
11 contain—

12           “(1) a list on one or more objectives (derived  
13 from the performance partnership objectives speci-  
14 fied under section 1911(b)) toward which the State  
15 will work and a performance target for each objec-  
16 tive which the State will seek to achieve by the end  
17 of the partnership period;

18           “(2) a rationale for the State’s selection of its  
19 objectives, including its performance targets, and  
20 timeframes;

21           “(3) a statement of the State’s strategies for  
22 achieving the objectives over the course of the grant  
23 period;

24           “(4) a statement of the estimate amount to be  
25 expended to carry out each strategy; and

1           “(5) an assurance that the State will report an-  
2 nually on all core performance objectives specified  
3 under section 1911(b)(1)(B) (regardless of whether  
4 it is working toward those objectives) and the spe-  
5 cific objectives toward which the State will work  
6 under the performance partnership.

7 A State may select an objective that is not a specified per-  
8 formance partnership objective under section 1911 if it  
9 demonstrates to the Secretary that the objective relates  
10 to a significant mental health problem in the State that  
11 would not otherwise be addressed appropriately (and that  
12 a suitable performance indicator exists to measure  
13 progress toward the objective).

14 **“SEC. 1913. FEDERAL-STATE PERFORMANCE PARTNERSHIP.**

15           “(a) NEGOTIATIONS CONCERNING STATE PRO-  
16 POSAL.—

17           “(1) A State submitting a proposed perform-  
18 ance partnership and the Secretary shall make all  
19 reasonable efforts to agree on a performance part-  
20 nership pursuant to which the State shall expend the  
21 grant provided under this subpart.

22           “(2) In the negotiations concerning the State’s  
23 proposal, the Secretary shall consider the extent to  
24 which the State’s proposed objectives, performance  
25 targets, timeframes, and strategies are likely to ad-

1 dress appropriately the most significant mental  
2 health problems (as measured by applicable indica-  
3 tors) within the State, including the mental health  
4 problems of vulnerable populations (such as home-  
5 less individuals and children with a serious emo-  
6 tional disturbance).

7 “(b) PARTNERSHIP PERIOD.—The Secretary, in con-  
8 sultation with the State, shall set the duration of the part-  
9 nership with the State under this subpart. Initial and sub-  
10 sequent partnership periods shall be not less than three  
11 nor more than five years, except that the Secretary may  
12 agree to a partnership period of less than three years  
13 where a State demonstrates to the Secretary’s satisfaction  
14 that such shorter period is appropriate.

15 “(c) ASSESSMENT AND ADJUSTMENT.—

16 “(1) THE SECRETARY SHALL ASSESS ANNU-  
17 ALLY.—

18 “(A) the progress achieved nationally to-  
19 ward each of the objectives in the core set of  
20 performance partnership objectives; and

21 “(B) in consultation with each State, the  
22 State’s progress toward each objective agreed  
23 upon in the performance partnership under this  
24 subpart.

1 The Secretary shall make assessments publicly avail-  
2 able.

3 “(2) The Secretary and a State may at any  
4 time in the course of a performance partnership re-  
5 negotiate, and revise by mutual agreement, the ele-  
6 ments of the partnership in light of new information  
7 or changed circumstances (including information or  
8 changes identified during assessments under para-  
9 graph (1)).

10 “(d) GRANTS TO STATES; USE OF FUNDS.—

11 “(1) A grant shall be made to each State which  
12 has reached agreement with the Secretary on a per-  
13 formance partnership under this subpart, and is car-  
14 rying out activities in accordance with the terms of  
15 such partnership, in an amount equal to its allot-  
16 ment under section 1918, for each fiscal year for  
17 which the partnership is in effect.

18 “(2) Funds paid to a State from a grant de-  
19 scribed in paragraph (1) may be used only for the  
20 purpose of carrying out the partnership developed  
21 under this section (including related data collection,  
22 evaluation, planning, administration, and edu-  
23 cational activities), except that a State may transfer  
24 up to 10 percent of its grant to its allotment under  
25 subpart II.”.

1 (c) ADDITIONAL GENERAL PROVISIONS CONCERNING  
2 PARTNERSHIPS.—

3 (1) Subsection (a) of section 1917 is relocated  
4 and redesignated as subsection (c) of section 1912,  
5 as added by subsection (b) of this section, and is  
6 amended—

7 (A) in the matter preceding paragraph (2),  
8 to read as follows:

9 “(c) ADDITIONAL ELEMENTS.—A State proposal is  
10 in accordance with this subsection if—”;

11 (B) by striking “application” throughout  
12 and substituting “proposal”;

13 (C) in paragraph (3), by inserting “pro-  
14 posed performance partnership and” before  
15 “agreements”;

16 (D) in paragraph (7), by striking “includ-  
17 ing the plan under section 1912(a)”;

18 (E) by striking paragraph (5) and redesign-  
19 ating paragraphs (2) through (4), (6), and (7)  
20 as paragraphs (1) through (5).

21 (2) Section 1917(b) is—

22 (A) amended by striking “section 1911”  
23 and inserting “this subpart”, and

1 (B) relocated and redesignated as sub-  
2 section (e) of section 1913, as added by sub-  
3 section (b) of this section.

4 (3) The heading of section 1917 is repealed.

5 (d) CONFORMING AMENDMENTS.—

6 (1) The heading to subpart I of part B of title  
7 XIX is amended by striking “Block” and inserting  
8 “Performance Partnership”.

9 (2) Sections 1914(a), 1915, 1916, 1918, and  
10 1919(2) are each amended by striking “section  
11 1911” each place it occurs and inserting “this sub-  
12 part”.

13 (3) Section 1914(b)(1) is amended by striking  
14 “plans” each place it occurs and inserting “perform-  
15 ance partnerships”.

16 (4) Sections 1915(a) and 1941 are each amend-  
17 ed by striking “plan” each place it occurs and in-  
18 serting “performance partnership”.

19 (5) The heading to section 1915(a) is amended  
20 by striking “PLAN” and inserting “PERFORMANCE  
21 PARTNERSHIPS”.

22 (6) The heading to section 1941 is amended by  
23 striking “**PLANS**” and inserting “**PARTNER-**  
24 **SHIPS**”.

1 (7) Section 1944(b)(3) is amended by striking  
2 “1912(d) or”.

3 (8) Section 1945(d)(2)(A) is amended by strik-  
4 ing “the condition established in section 1912(d)  
5 and”.

6 (9) Subpart III of part B of title XIX is  
7 amended throughout by striking “section 1911” and  
8 inserting “subpart I”.

9 (10) Section 520(b) is amended—

10 (A) by striking paragraph (5), and

11 (B) by renumbering paragraphs (6)  
12 through (14) as (5) through (13).

13 **SEC. 102. REVIEW BY PLANNING COUNCIL OF STATE'S RE-**  
14 **PORT.**

15 Section 1915(a)(1) is amended by inserting “(and the  
16 State’s report under section 1942(a) concerning the pre-  
17 ceding fiscal year)” after “to the grant”.

18 **SEC. 103. STATE OPPORTUNITY TO CORRECT OR MITIGATE**  
19 **FAILURE TO MAINTAIN EFFORT.**

20 Section 1915(b)(3)(A) is amended by striking the  
21 second sentence and adding the following: “If the Sec-  
22 retary determines that a State has failed to maintain such  
23 compliance, the Secretary may permit the State, within  
24 one year (or less) after notification, to correct or mitigate  
25 the noncompliance. If the State does not carry out a cor-

1 rection or mitigation as specified by the Secretary (or if  
2 the Secretary decided it was not appropriate to provide  
3 that opportunity), the Secretary shall reduce the amount  
4 of the grant under this subpart for the State for the cur-  
5 rent fiscal year by an amount equal to the amount con-  
6 stituting such failure. That reduction shall be applied first  
7 to the amounts for administrative expenses under section  
8 1916(b).”.

9 **SEC. 104. FUNDING FOR ORGANIZATIONS THAT ARE FOR-**  
10 **PROFIT.**

11 Section 1916(a) is amended—

- 12 (1) by adding “or” at the end of paragraph (3),  
13 (2) by striking “; or” at the end of paragraph  
14 (4) and adding a period, and  
15 (3) by striking paragraph (5).

16 **SEC. 105. MINIMUM AMOUNT FOR ALLOTMENTS.**

17 (a) IN GENERAL.—Section 1918(b) is amended to  
18 read as follows:

19 “(b) MINIMUM ALLOTMENTS.—For each fiscal year,  
20 the amount of the allotment of a State shall be at least  
21 equal to the amount the State received for fiscal year 1995  
22 under this subpart and former part C of title V (but this  
23 minimum shall be proportionately reduced to the extent  
24 that the appropriation under this subpart for a fiscal year

1 is less than the sum of the appropriations under this sub-  
2 part and former part C of title V for fiscal year 1995).”.

3 (b) CONFORMING AMENDMENT.—Section  
4 1918(c)(2)(C) is amended to read as follows:

5 “(C) the amount determined under sub-  
6 section (b).”.

7 **SEC. 106. APPROPRIATION AUTHORIZATIONS.**

8 Section 1920(a) is amended by striking  
9 “\$450,000,000” and all that follows and inserting  
10 “\$305,000,000 for fiscal year 1996, and such sums as  
11 may be necessary for each of the four succeeding fiscal  
12 years.”.

13 **SEC. 107. DATA COLLECTION, TECHNICAL ASSISTANCE,**  
14 **EVALUATIONS, INCENTIVE GRANTS, AND**  
15 **FUNDING FOR INDIAN TRIBES.**

16 (a) RESERVED FUNDS.—Section 1920(b) is amended  
17 to read as follows:

18 “(b) RESERVED FUNDS.—

19 “(1) DATA COLLECTION, TECHNICAL ASSIST-  
20 ANCE, AND PROGRAM EVALUATIONS.—The Secretary  
21 shall reserve 5 percent of the amounts appropriated  
22 for a fiscal year under subsection (a)—

23 “(A) to carry out sections 505 (providing  
24 for data collection) and 1948(a) (providing for

1 technical assistance to States) with respect to  
2 mental health, and

3 “(B) to conduct evaluations concerning  
4 programs supported under this subpart.

5 The Secretary may carry out activities funded pur-  
6 suant to this paragraph directly, or through grants,  
7 contracts, or cooperative agreements.

8 “(2) INCENTIVE GRANTS.—The Secretary may  
9 reserve up to 10 percent of the amounts appro-  
10 priated for a fiscal year under subsection (a) to  
11 make payments to States that the Secretary has de-  
12 termined demonstrate high or improved performance  
13 towards achieving their targets. In making payments  
14 under the preceding sentence the Secretary shall  
15 take into account the comparable difficulty of a  
16 State’s objectives and performance targets.

17 “(3) FUNDING FOR INDIAN TRIBES.—The Sec-  
18 retary shall reserve 3 percent of the amounts appro-  
19 priated for a fiscal year under subsection (a) to  
20 make payments to Indian tribes and tribal organiza-  
21 tions to carry out the goals of this subpart.”.

22 (b) DATA COLLECTION AUTHORITY.—Section 505(a)  
23 is amended—

24 (1) by striking “and” at the end of paragraph

25 (1),

1 (2) by striking the period at the end of para-  
2 graph (2) and inserting “; and”, and

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

4 “(3) other factors as needed to carry out part  
5 B of title XIX.

6 The Secretary may conduct activities under the preceding  
7 sentence directly, or through grants, contracts, or coopera-  
8 tive agreements.”.

9 (c) CONFORMING AMENDMENT.—Section 1948(a) is  
10 amended by striking “through contract, or through  
11 grants” and inserting “or through grants, contracts, or  
12 cooperative agreements”.

13 **SEC. 108. REPEAL OF GRANT PROGRAM FOR TRANSITION**  
14 **FROM HOMELESSNESS.**

15 Part C of title V is repealed.

16 **SEC. 109. MENTAL HEALTH SERVICES AND TRAINING DEM-**  
17 **ONSTRATION PROJECTS.**

18 (a) GENERAL DEMONSTRATION AUTHORITY.—Sec-  
19 tion 520A is amended to read as follows:

20 “MENTAL HEALTH SERVICES AND TRAINING  
21 DEMONSTRATION PROJECTS

22 “SEC. 520A. (a) IN GENERAL.—The Secretary may  
23 make grants to, and enter into contracts and cooperative  
24 agreements with, States, local governments, Indian tribes,  
25 and other public and private entities for mental health pre-  
26 vention, treatment, and training demonstration projects

1 (and may establish financial matching, maintenance of ef-  
2 fort, or non-supplementation requirements for any or all  
3 projects). A specific project may receive funding under  
4 this section for no more than three years.

5 “(b) FOCUS OF PROJECTS.—Projects will be chosen  
6 based on practical service needs and current policy ques-  
7 tions as determined by the Secretary in consultation with  
8 the States, local governments, Indian tribes, consumers,  
9 and relatives of consumers. Projects shall be designed for  
10 the development of timely, relevant, and replicable results  
11 of immediate use to service providers and officials who de-  
12 velop policy.

13 “(c) EVALUATION.—The Secretary shall evaluate  
14 each project carried out under subsection (a) and shall dis-  
15 seminate to appropriate public and private entities infor-  
16 mation on effective projects.”.

17 (b) REPEAL OF AUTHORITIES FOR DEMONSTRATION  
18 PROJECTS FOR INDIVIDUALS WITH POSITIVE HIV TEST  
19 RESULTS.—Section 520B is repealed.

20 (c) CONFORMING AMENDMENTS.—

21 (1) Section 520(b)(6) (as renumbered by sec-  
22 tion 101(d)(8) of this Act) is amended by striking  
23 “sections 520A” and all that follows and inserting  
24 “section 520A”.

1           (2) Section 612 of the Stewart B. McKinney  
2 Homeless Assistance Act is repealed.

3 **SEC. 110. PROTECTION AND ADVOCACY FOR MENTALLY ILL**  
4 **INDIVIDUALS.**

5           (a) APPROPRIATION AUTHORIZATIONS.—Section 117  
6 of the Protection and Advocacy for Mentally Ill Individuals  
7 Act of 1986 is amended—

8           (1) by striking “and” after “1992,”, and

9           (2) by inserting before the period the following: “,  
10 \$22,000,000 for fiscal year 1996, and such sums as may  
11 be necessary for each of the four succeeding fiscal years”.

12           (b) ADJUSTMENT TO HOLD-HARMLESS.—

13           (1) Section 112(a)(2) of the Protection and Ad-  
14 vocacy for Mentally Ill Individuals Act of 1986 is  
15 amended to read as follows:

16           “(2)(A) The minimum amount of the allotment of an  
17 eligible system shall be the product (rounded to the near-  
18 est 100 dollars) of the appropriate base amount specified  
19 in subparagraph (B) and the factor specified in subpara-  
20 graph (C).

21           “(B) For purposes of subparagraph (A), the appro-  
22 priate base amount is—

23           “(i) for American Samoa, Guam, the Marshall  
24 Islands, the Federated States of Micronesia, the  
25 Commonwealth of the Northern Mariana Islands,

1 the Republic of Palau, and the Virgin Islands,  
2 \$139,300, and

3 “(ii) for any other State, \$260,000.

4 “(C) For purposes of subparagraph (A), the factor  
5 is the ratio of the appropriation under section 117 for the  
6 fiscal year for which the allotment is made to that appro-  
7 priation for fiscal year 1995.”.

8 (2)(A) Section 112(a) of that Act is amended  
9 by striking paragraph (3).

10 (B) Section 112(a)(1)(B) of that Act is amend-  
11 ed by striking “Trust Territory of the Pacific Is-  
12 lands” and inserting “Marshall Islands, the Fed-  
13 erated States of Micronesia, the Republic of Palau”.

14 **SEC. 111. COMPREHENSIVE COMMUNITY SERVICES FOR**  
15 **CHILDREN WITH A SERIOUS EMOTIONAL DIS-**  
16 **TURBANCE.**

17 (a) APPROPRIATION AUTHORIZATIONS.—Section  
18 565(f)(1) is amended—

19 (1) by striking “and” after “1993,”, and

20 (2) by inserting before the period the following:  
21 “, \$60,000,000 for fiscal year 1996, and such sums  
22 as may be necessary for each of the four succeeding  
23 fiscal years”.

24 (b) FLEXIBILITY FOR INDIAN TRIBES AND TERRI-  
25 TORIES.—Section 562(c) is amended by adding at the end

1 the following: “The Secretary may waive one or more of  
2 the requirements of the preceding sentence (for a public  
3 entity that is an Indian tribe or tribal organization, or  
4 American Samoa, Guam, the Marshall Islands, the Fed-  
5 erated States of Micronesia, the Commonwealth of the  
6 Northern Mariana Islands, the Republic of Palau, or the  
7 Virgin Islands) if the Secretary finds, after peer review,  
8 that the system of care is family-centered and uses the  
9 least restrictive environment that is clinically appro-  
10 priate.”.

11 **SEC. 112. NONDISCHARGEABILITY IN BANKRUPTCY OF PAY-**  
12 **BACK FOR MENTAL HEALTH CLINICAL**  
13 **TRAINEESHIPS.**

14 (a) GENERAL RULE.—Section 303(d) is amended by  
15 adding at the end the following:

16 “(6) Any obligation of an individual under paragraph  
17 (3) may be released by a discharge in bankruptcy under  
18 title 11, United States Code, only if the discharge is grant-  
19 ed after the expiration of the seven-year period beginning  
20 on the first date that payment under that paragraph is  
21 required, and only if the Bankruptcy Court finds that the  
22 nondischarge of the obligation would be unconscionable.”.

23 (b) CONFORMING AMENDMENTS TO BANKRUPTCY  
24 CODE.—

1 (1) Section 523(a) of title 11, United States  
2 Code, is amended—

3 (A) by striking “or” at the end of para-  
4 graph (11),

5 (B) by adding “or” at the end of para-  
6 graph (12), and

7 (C) by adding at the end the following:

8 “(13) that under provisions of the Public  
9 Health Service Act is not to be discharged.”.

10 (2) Section 1328(a)(2) of title 11, United  
11 States Code, is amended by striking “or (8)” and in-  
12 sserting “, (8), or (13)”.

## 13 **TITLE II—SUBSTANCE ABUSE**

### 14 **SEC. 201. REPLACEMENT OF STATE PLAN PROGRAM WITH** 15 **PERFORMANCE PARTNERSHIPS.**

16 (a) ELIMINATION OF STATE PLAN PROGRAM RE-  
17 QUIREMENTS.—Subpart II of part B of title XIX is  
18 amended—

19 (1) by striking section 1921 (concerning for-  
20 mula grants to States),

21 (2) by redesignating section 1922 as section  
22 1923A, and

23 (3) by striking section 1923 (concerning intra-  
24 venous substance abuse programs).

1 (b) PERFORMANCE PARTNERSHIP FRAMEWORK.—  
2 Subpart II of part B of title XIX is further amended by  
3 inserting after the subpart heading the following new sec-  
4 tions:

5 **“SEC. 1921. PERFORMANCE PARTNERSHIP GOALS AND OB-**  
6 **JECTIVES.**

7 “(a) GOALS.—The goals of this subpart are for the  
8 States and the Federal Government, working together in  
9 a partnership—

10 “(1) to reduce the incidence and prevalence of  
11 substance abuse and dependence;

12 “(2) to improve access to and availability of ap-  
13 propriate prevention and treatment programs for  
14 targeted populations;

15 “(3) to enhance the effectiveness of substance  
16 abuse prevention and treatment programs; and

17 “(4) to reduce the community and personal  
18 health risks for substance abuse.

19 “(b) PERFORMANCE PARTNERSHIP OBJECTIVES.—

20 “(1) The Secretary, in consultation with the  
21 States, local governments, Indian tribes, and other  
22 interested parties designated by the Secretary (in-  
23 cluding consumers and relatives of consumers), shall  
24 specify by the end of September 1996 (and from  
25 time to time revise, as needed)—

1           “(A) a list of performance partnership ob-  
2           jectives to carry out the goals of this subpart,  
3           and

4           “(B) a core set of not more than five of  
5           those objectives that address substance abuse  
6           problems of national significance.

7           “(2) Each performance partnership objective  
8           shall include—

9           “(A) a performance indicator;

10           “(B) the specific population being ad-  
11           dressed;

12           “(C) a quantifiable performance target;  
13           and

14           “(D) a date by which the target level is to  
15           be achieved.

16           “(3) In specifying the performance partnership  
17           objectives, the Secretary shall consider the goals,  
18           priorities, and objectives of the National Drug Con-  
19           trol Strategy and be guided by the following prin-  
20           ciples—

21           “(A) objectives should be closely related to  
22           the goals of this subpart, and be viewed as im-  
23           portant by and understandable to State policy-  
24           makers and the general public;

1           “(B) actions taken under the partnership  
2 agreement should be expected to have an im-  
3 pact on the objective;

4           “(C) measurable progress in achieving the  
5 objective should be expected over the period of  
6 the grant;

7           “(D) objectives should be results-oriented,  
8 including a mix of outcome, process and capac-  
9 ity measurers, and, if an objective measures  
10 process or capacity, it should be demonstrably  
11 linked to the achievement of a health outcome;  
12 and

13           “(E) data to track the objective should, to  
14 the extent practicable, be comparable for all  
15 grant recipients, meet reasonable statistical  
16 standards for quality, and be available in a  
17 timely fashion, at appropriate periodicity, and  
18 at reasonable cost.

19 **“SEC. 1922. STATE PERFORMANCE PARTNERSHIP PRO-**  
20 **POSAL.**

21           “(a) IN GENERAL.—In order to be eligible to receive  
22 a grant under this subpart, a State shall propose to the  
23 Secretary a performance partnership in accordance with  
24 the provisions of this section.

1       “(b) ELEMENTS RELATED TO PERFORMANCE OB-  
2 JECTIVES.—The State proposal under this section shall  
3 contain—

4           “(1) a list of one or more objectives (derived  
5 from the performance partnership objectives speci-  
6 fied under section 1921(b)) toward which the State  
7 will work and a performance target for each objec-  
8 tive which the State will seek to achieve by the end  
9 of the partnership period;

10          “(2) a rationale for the State’s selection of its  
11 objectives, including its performance targets, and  
12 timeframes;

13          “(3) a statement of the State’s strategies for  
14 achieving the objectives over the course of the grant  
15 period;

16          “(4) a statement of the estimated amount to be  
17 expended to carry out each strategy; and

18          “(5) an assurance that the State will report an-  
19 nually on all core performance objectives specified  
20 under section 1921(b)(1)(B) (regardless of whether  
21 it is working toward those objectives) and the spe-  
22 cific objectives toward which the State will work  
23 under the performance partnership.

24 A State may select an objective that is not a specified per-  
25 formance partnership objective under section 1921 if it

1 demonstrates to the Secretary that the objective relates  
2 to a significant health problem related to substance abuse  
3 in the State that would not otherwise be addressed appro-  
4 priately (and that a suitable performance indicator exists  
5 to measure progress toward the objective).

6 **“SEC. 1923. FEDERAL-STATE PERFORMANCE PARTNERSHIP.**

7 “(a) NEGOTIATIONS CONCERNING STATE PRO-  
8 POSAL.—

9 “(1) A State submitting a proposed perform-  
10 ance partnership and the Secretary shall make all  
11 reasonable efforts to agree on a performance part-  
12 nership pursuant to which the State shall expend the  
13 grant provided under this subpart.

14 “(2) In the negotiations concerning the State’s  
15 proposal, the Secretary shall consider the extent to  
16 which the State’s proposed objectives, performance  
17 targets, timeframes, and strategies are likely to ad-  
18 dress appropriately the most significant health prob-  
19 lems associated with substance abuse (as measured  
20 by applicable indicators) within the State, including  
21 the health problems associated with substance abuse  
22 of vulnerable populations (such as pregnant women  
23 and women with children).

24 “(b) PARTNERSHIP PERIOD.—The Secretary, in con-  
25 sultation with the State, shall set the duration of the part-

1 nership with the State under this subpart. Initial and sub-  
2 sequent partnership periods shall be not less than three  
3 nor more than five years, except that the Secretary may  
4 agree to a partnership period of less than three years  
5 where a State demonstrates to the Secretary's satisfaction  
6 that such shorter period is appropriate.

7 “(c) ASSESSMENT AND ADJUSTMENT.—

8 “(1) THE SECRETARY SHALL ASSESS ANNU-  
9 ALLY—

10 “(A) the progress achieved nationally to-  
11 ward each of the objectives in the core set of  
12 performance partnership objectives; and

13 “(B) in consultation with each State, the  
14 State's progress toward each objective agreed  
15 upon in the performance partnership under this  
16 subpart.

17 The Secretary shall make assessments publicly avail-  
18 able.

19 “(2) REVISION OF PERFORMANCE PARTNER-  
20 SHIPS.—The Secretary and a State may at any time  
21 in the course of a performance partnership renegoti-  
22 tiate, and revise by mutual agreement, the elements  
23 of the partnership in light of new information or  
24 changed circumstances (including information or

1 changes identified during assessments under para-  
2 graph (1)).

3 “(d) GRANTS TO STATES; USE OF FUNDS.—

4 “(1) A grant shall be made to each State which  
5 has reached agreement with the Secretary on a per-  
6 formance partnership under this subpart, and is car-  
7 rying out activities in accordance with the terms of  
8 such partnership, in an amount equal to its allot-  
9 ment under section 1933, for each fiscal year in  
10 which the partnership is in effect.

11 “(2) Funds paid to a State from a grant de-  
12 scribed in paragraph (1) may be used only for the  
13 purpose of carrying out the partnership developed  
14 under this section (including related data collection,  
15 evaluation, planning, administration, and edu-  
16 cational activities), except that a State may transfer  
17 up to 10 percent of its grant to its allotment under  
18 subpart I.”.

19 (c) ADDITIONAL GENERAL PROVISIONS CONCERNING  
20 PARTNERSHIPS.—

21 (1) Section 1932 is amended by striking “sec-  
22 tion 1921” each place it occurs and inserting “this  
23 subpart”.

24 (2) Subsection (a) of section 1932 is relocated  
25 and redesignated as subsection (c) of section 1922,

1 as added by subsection (b) of this section, and is  
2 amended—

3 (A) in the matter preceding paragraph (2),  
4 to read as follows:

5 “(c) ADDITIONAL ELEMENTS.—A State proposal is  
6 in accordance with this subsection if—”;

7 (B) by striking “application” throughout  
8 and substituting “proposal”;

9 (C) in paragraph (3), by inserting “pro-  
10 posed performance partnership and” before  
11 “agreements”;

12 (D) in paragraph (7), by striking “includ-  
13 ing the plan under paragraph (6))”;

14 (E) by striking paragraphs (5) and (6) and  
15 redesignating paragraphs (2) through (4) and  
16 (7) as paragraphs (1) through (4).

17 (3) Section 1932(c) is relocated and redesign-  
18 dated as subsection (e) of section 1923, as added by  
19 subsection (b) of this section.

20 (4) The remainder of section 1932 is repealed.

21 (d) CONFORMING AMENDMENTS.—

22 (1) The heading to subpart II of part B of title  
23 XIX is amended by striking “Block” and inserting  
24 “Performance Partnership”.

1           (2) Sections 1924, 1926, 1928, 1930, 1931,  
2           1933, and 1934(2) are each amended by striking  
3           “section 1921” each place it occurs and inserting  
4           “this subpart”.

5           (3) Subpart III of part B of title XIX is  
6           amended throughout by striking “section 1921” and  
7           inserting “subpart II”.

8   **SEC. 202. REPEALS, REDESIGNATIONS, AND CONFORMING**  
9                                   **AMENDMENTS.**

10          (a) **SUBSTANCE ABUSE AND TUBERCULOSIS.**—Sec-  
11          tion 1924 is amended—

12                 (1) in the heading, by striking “**TUBER-**  
13                 **CULOSIS AND**”;

14                 (2) by striking subsection (a);

15                 (3) in subsection (c)—

16                         (A) in the heading, by striking “**AGREE-**  
17                         **MENTS**” and inserting “**PARTNERSHIPS**”, and

18                         (B) in paragraph (1), by striking “**Agree-**  
19                         **ments**” and inserting “**Partnerships**”; and

20                 (4) by redesignating subsections (b) through (e)  
21                 as subsections (a) through (d).

22          (b) **GROUP HOMES FOR RECOVERING SUBSTANCE**  
23          **ABUSERS.**—

24                 (1) Section 1925 is repealed.

25                 (2) Section 507(b) is amended—

1 (A) in paragraph (11), by striking “includ-  
2 ing the effect of living in housing provided by  
3 programs established under section 1925,”,

4 (B) in paragraph (12), by striking “para-  
5 graph (11)” and inserting “paragraph (9)”,

6 (C) by striking paragraphs (1) and (5),  
7 and

8 (D) by renumbering paragraphs (2), (3),  
9 (4), (6), (7), (8), (9), (10), (11) and (12) as  
10 (1), (2), (3), (4), (5), (6), (7), (8), (9), and  
11 (10), respectively.

12 (c) CERTAIN ALLOCATIONS.—Section 1923A (as re-  
13 designated by section 201(a)) is further redesignated and  
14 relocated as section 1925, and is amended—

15 (1) in the matter in subsection (b) preceding  
16 paragraph (1), by striking “section 1921” and in-  
17 serting “this subpart”,

18 (2) by striking subsections (a) (concerning allo-  
19 cations regarding alcohol and other drugs) and (c)  
20 (concerning allocations regarding women);

21 (3) in the heading, by striking “**CERTAIN AL-**  
22 **LOCATIONS**” and inserting **ALLOCATION RE-**  
23 **GARDING PRIMARY PREVENTION PROGRAMS**”;  
24 and

1 (4) by striking the subsection designation “(b)”  
2 and the heading that follows.

3 (d) TREATMENT SERVICES FOR PREGNANT  
4 WOMEN.—

5 (1) Section 1927 is repealed.

6 (2) CONFORMING AMENDMENT.—Section  
7 1934(6) is repealed.

8 (e) ADDITIONAL AGREEMENTS.—Section 1928 is  
9 amended—

10 (1) by striking subsections (a) (concerning  
11 treatment referral process), (b) (concerning continu-  
12 ing education), and (d) (concerning waivers);

13 (2) in the heading, by striking “**ADDITIONAL**  
14 **AGREEMENTS**” and inserting “**COORDINATION**  
15 **OF VARIOUS ACTIVITIES AND SERVICES**”; and

16 (3) by striking the subsection designation “(c)”  
17 and the heading that follows.

18 (f) STATEWIDE ASSESSMENT OF NEEDS.—Section  
19 1929 is repealed.

20 **SEC. 203. HIGHER THRESHOLD FOR REQUIREMENT CON-**  
21 **CERNING HUMAN IMMUNODEFICIENCY**  
22 **VIRUS.**

23 Section 1924(b)(2) is amended by striking “10”  
24 and inserting “15”.

1 **SEC. 204. STATE OPPORTUNITY TO CORRECT OR MITIGATE**  
2 **FAILURE TO MAINTAIN EFFORT.**

3 Section 1930(c)(1) is amended by striking the second  
4 sentence and adding the following: “If the Secretary deter-  
5 mines that a State has failed to maintain such compliance,  
6 the Secretary may permit the State, within one year (or  
7 less) after notification, to correct or mitigate the non-  
8 compliance. If the State does not carry out a correction  
9 or mitigation as specified by the Secretary (or if the Sec-  
10 retary decided it was not appropriate to provide that op-  
11 portunity), the Secretary shall reduce the amount of the  
12 grant under this subpart for the State for the current fis-  
13 cal year by an amount equal to the amount constituting  
14 such failure. That reduction shall be applied first to the  
15 amounts for administrative expenses under section  
16 1931(a)(2).”.

17 **SEC. 205. FUNDING FOR ORGANIZATIONS THAT ARE FOR-**  
18 **PROFIT.**

19 Section 1931(a)(1) is amended—

20 (1) by adding “or” at the end of subparagraph  
21 (D); and

22 (2) by striking subparagraph (E).

23 **SEC. 206. APPROPRIATION AUTHORIZATIONS.**

24 Section 1935(a) is amended by striking  
25 “\$1,500,000,000” and all that follows and inserting  
26 “\$1,294,000,000 for fiscal year 1996, and such sums as

1 may be necessary for each of the four succeeding fiscal  
2 years.”.

3 **SEC. 207. DATA COLLECTION, TECHNICAL ASSISTANCE,**  
4 **EVALUATIONS, INCENTIVE GRANTS, AND**  
5 **FUNDING FOR INDIAN TRIBES.**

6 Section 1935(b) is amended to read as follows:

7 “(b) RESERVED FUNDS.—

8 “(1) DATA COLLECTION, TECHNICAL ASSIST-  
9 ANCE, AND PROGRAM EVALUATIONS.—

10 “(A) The Secretary shall reserve 5 percent  
11 of the amounts appropriated for a fiscal year  
12 under subsection (a)—

13 “(i) to carry out sections 505 (provid-  
14 ing for data collection) and 1948(a) (pro-  
15 viding for technical assistance to States)  
16 with respect to substance abuse;

17 “(ii) to carry out section 515(d) (pro-  
18 viding for a substance abuse prevention  
19 data base); and

20 “(iii) to conduct evaluations concern-  
21 ing programs supported under this sub-  
22 part.

23 The Secretary may carry out activities funded  
24 pursuant to this paragraph directly, or through  
25 grants, contracts, or cooperative agreements.



1 and other public and private entities for substance abuse  
2 prevention, treatment, and training demonstration  
3 projects (and may establish financial matching, mainte-  
4 nance of effort, or non-supplantation requirements for any  
5 or all projects). A specific project may receive funding  
6 under this section for no more than three years.

7 “(b) FOCUS OF PROJECTS.—Projects will be chosen  
8 based on practical service needs and currant policy ques-  
9 tions as determined by the Secretary in consultation with  
10 the States, local governments, Indian tribes, consumers,  
11 and relatives of consumers. Projects shall be designed for  
12 the development of timely, relevant, and replicable results  
13 of immediate use to service providers and officials who de-  
14 velop policy. Projects should consider the goals, priorities,  
15 and objectives of the National Drug Control Strategy.

16 “(c) EVALUATION.—The Secretary shall evaluate  
17 each project carried out under subsection (a) and shall dis-  
18 seminate to appropriate public and private entities infor-  
19 mation on effective projects.”.

20 (b) REPEAL OF REDUNDANT AUTHORITIES.—

21 (1) Sections 508, 509, 510, 511, 512,  
22 515(b)(5), 516, 517, 518, part F of title V, and sub-  
23 part I of part C of title XIX are repealed.

1           (2) Section 515(b) is further amended by re-  
2 numbering paragraphs (6) through (10) as (5)  
3 through (9).

4           (3) Part C of title XIX is further amended—

5                   (A) by striking the heading to subpart  
6 II, and

7                   (B) by striking “CERTAIN PROGRAMS  
8 REGARDING SUBSTANCE ABUSE” in the  
9 heading to the part and inserting “TREAT-  
10 MENT OF NARCOTICS DEPENDENCE”.

11 **SEC. 209. STATE SUBSTANCE ABUSE PREVENTION AND**  
12 **TREATMENT PLANNING COUNCIL.**

13           Subpart II of part B of title XIX is further amended  
14 by inserting after section 1926 the following:

15 **“SEC. 1927. STATE SUBSTANCE ABUSE PREVENTION AND**  
16 **TREATMENT PLANNING COUNCIL.**

17           “(a) IN GENERAL.—A funding agreement for a grant  
18 under this subpart is that the State involved will establish  
19 and maintain a State substance abuse prevention and  
20 treatment planning council in accordance with the condi-  
21 tions described in this section.

22           “(b) DUTIES.—A condition under subsection (a) for  
23 a council is that the duties of the council are—

24                   “(1) to review performance partnerships and re-  
25 lated reports provided to the council by the State in-

1       volved and to submit to the State any recommenda-  
2       tions of the council for modifications,

3             “(2) to serve as an advocate for individuals suf-  
4       fering from substance abuse, and

5             “(3) to monitor, review, and evaluate, not less  
6       than once each year, the allocation and adequacy of  
7       substance abuse prevention and treatment services  
8       within the State.

9       “(c) MEMBERSHIP.—

10            “(1) IN GENERAL.—A condition under sub-  
11       section (a) for a council is that the council be com-  
12       posed of residents of the State, including representa-  
13       tives of—

14            “(A) the principal State agencies with re-  
15       spect to—

16            “(i) substance abuse prevention and  
17       treatment, education, vocational rehabilita-  
18       tion, criminal justice, housing, and social  
19       services, and

20            “(ii) the development of the plan sub-  
21       mitted pursuant to title XIX of the Social  
22       Security Act,

23            “(B) public and private entities concerned  
24       with the need, planning, operation, funding, and

1 use of substance abuse prevention and treat-  
2 ment services and related support services,

3 “(C) individuals who are receiving (or have  
4 received) substance abuse prevention or treat-  
5 ment services, and

6 “(D) the families of such individuals.

7 “(2) LIMITATION ON STATE EMPLOYEES AND  
8 PROVIDERS.—A condition under subsection (a) for a  
9 council is that not less than 50 percent of the mem-  
10 bers of the council are individuals who are not State  
11 employees or providers of substance abuse preven-  
12 tion or treatment services.

13 “(d) REVIEW OF STATE PERFORMANCE PARTNER-  
14 SHIP BY PLANNING COUNCIL.—The Secretary may make  
15 a grant under this subpart only if—

16 “(1) the performance partnership submitted  
17 under this subpart with respect to the grant (and  
18 the State’s report under section 1942(a) concerning  
19 the preceding fiscal year) has been reviewed by the  
20 council, and

21 “(2) the State submits to the Secretary any  
22 recommendations received by the State from the  
23 council for modifications to the performance partner-  
24 ship (without regard to whether the State has made  
25 the recommended modifications).”.

1 **SEC. 210. REPEAL OF OBSOLETE PROVISIONS CONCERNING**  
2 **SUBSTANCE ABUSE ALLOCATIONS.**

3 (a) IN GENERAL—Section 1933 is amended—

4 (1) by striking subsection (b);

5 (2) in subsection (c)(2)—

6 (A) by adding “and” at the end of sub-  
7 paragraph (A);

8 (B) by striking “; and” at the end of sub-  
9 paragraph (B) and adding a period; and

10 (C) by striking subparagraph (C); and

11 (3) by redesignating subsections (c) and (d) as  
12 (b) and (c), respectively.

13 (b) CONFORMING AMENDMENT.—Section 1992(c) (as  
14 redesignated by section 201(c)(2) of this Act) is amended  
15 by striking “section 1933(c)(2)(B)” and inserting “section  
16 1933(b)(2)(B)”.

17 **SEC. 211. REPEAL OF OBSOLETE ADDICT REFERRAL PROVI-**  
18 **SIONS.**

19 (a) REPEAL OF OBSOLETE PUBLIC HEALTH SERV-  
20 ICE ACT AUTHORITIES.—Part E of title III is repealed.

21 (b) REPEAL OF OBSOLETE NARA AUTHORITIES.—  
22 Titles III and IV of the Narcotic Addict Rehabilitation  
23 Act of 1966 are repealed.

24 (c) REPEAL OF OBSOLETE TITLE 28 AUTHORI-  
25 TIES.—

1 (1) Chapter 175 of title 28, United States  
2 Code, is repealed.

3 (2) The table of contents to part VI of title 28,  
4 United States Code, is amended by striking the ma-  
5 terial related to chapter 175.

## 6 **TITLE III—GENERAL**

### 7 **SEC. 301. REPORTING BY STATES ON PERFORMANCE.**

8 Section 1942(a) is amended—

9 (1) by striking “and” at the end of paragraph  
10 (1),

11 (2) by striking the period at the end of para-  
12 graph (2) and inserting “; and”, and

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

14 “(3) the performance of the State in relation to  
15 the objectives specified or agreed upon under section  
16 1911(b)(1)(B) and 1913, or section 1921(b)(1)(B)  
17 and 1923, as applicable.”.

### 18 **SEC. 302. ELIMINATION OF STATE PEER REVIEW REQUIRE-**

19 **MENT.**

20 Section 1943(a) is amended—

21 (1) by striking paragraph (1), and

22 (2) by renumbering paragraphs (2) and (3) as  
23 (1) and (2), respectively.

1 **SEC. 303. ON SITE PERFORMANCE REVIEWS.**

2 Section 1945(g)(1) is amended by striking “in fiscal  
3 year 1994” and all that follows and inserting “, not more  
4 frequently than every three nor less frequently than every  
5 five years, conduct an on-site performance review of a  
6 State’s activities supported under this part.”.

7 **SEC. 304. ADDITIONAL YEAR FOR OBLIGATION BY STATE.**

8 Section 1952(a) is amended by striking everything  
9 after “available for obligation” and inserting “and expend-  
10 iture until the end of the fiscal year following the fiscal  
11 year for which the amounts were paid.”.

12 **SEC. 305. DEFINITIONS.**

13 Section 1954(b) is amended by striking paragraph  
14 (4) and inserting the following:

15 “(4) The term ‘performance indicator’ means a  
16 quantifiable characteristic used as a measurement.

17 “(5) The term ‘performance target’ means a  
18 numerical value sought to be achieved within a spec-  
19 ified period of time.”.

20 **SEC. 306. APPROPRIATION AUTHORIZATIONS FOR DEM-**  
21 **ONSTRATION PROGRAMS.**

22 Part A of title V is amended by adding after section  
23 506 the following:

1 “APPROPRIATION AUTHORIZATIONS FOR DEMONSTRATION  
2 PROJECTS

3 “SEC. 506A. For the purpose of carrying out sections  
4 506 and 520A there are authorized to be appropriated  
5 \$506,000,000 for fiscal year 1996, \$483,000,000 for fis-  
6 cal year 1997, \$300,000,000 for fiscal year 1998, and  
7 such sums as may be necessary for each of the two suc-  
8 ceeding fiscal years.”.

9 **SEC. 307. HEADINGS.**

10 (a) HEADING TO TITLE XIX.—The heading to title  
11 XIX is amended by striking “BLOCK” and inserting  
12 “PERFORMANCE PARTNERSHIP”.

13 (b) HEADING TO PART B OF TITLE XIX.—The head-  
14 ing to part B of title XIX is amended by striking  
15 “BLOCK” and inserting “PERFORMANCE PARTNERSHIP”.

16 **SEC. 308. REGULATIONS.**

17 Section 1949 is amended to read as follows:

18 **“SEC. 1949. REGULATIONS.**

19 “The Secretary shall prescribe regulations as needed  
20 to carry out this part.”.

21 **SEC. 309. EFFECTIVE DATES AND TRANSITIONAL PROVI-**  
22 **SIONS.**

23 (a) APPROPRIATION AUTHORIZATIONS AND DEM-  
24 ONSTRATIONS.—

1           (1) The amendments made by sections 105,  
2           106, 108, 109, 110, 111, 206, 208, and 306 of this  
3           Act apply to periods beginning after fiscal year  
4           1995.

5           (2) A project that receives support for fiscal  
6           year 1996, 1997, or 1998 under section 506 or  
7           520A of the Public Health Service Act (as amended  
8           by section 109(a) or 208(a) of this Act, respec-  
9           tively), and that previously received support under  
10          title V of the Public Health Service Act for fiscal  
11          year 1995, shall be subject to the requirements to  
12          which that project was subject for fiscal year 1995  
13          unless the Secretary of Health and Human Services  
14          determines otherwise.

15          (b) STATE OPPORTUNITY TO CORRECT OR MITIGATE  
16          FAILURE TO MAINTAIN EFFORT.—The amendments  
17          made by sections 103 and 204 apply to failures occurring  
18          after fiscal year 1994.

19          (c) REPEAL OF PENALTY PROVISION FOR FAILURE  
20          TO IMPLEMENT COMPLETELY, AND OF OBSOLETE PROVI-  
21          SIONS.—The repeal of section 1912(d) of the Public  
22          Health Service Act by section 101(a) of this Act, and the  
23          amendments enacted by sections 210 and 211 of this Act,  
24          are effective upon enactment.

1 (d) EFFECTIVE DATE FOR NONDISCHARGEABILITY  
2 IN BANKRUPTCY.—The amendment made by section  
3 112(a) applies to bankruptcy proceedings in which a dis-  
4 charge has not been granted before 31 days after the date  
5 of enactment of this Act.

6 (e) FUNDING FOR INDIAN TRIBES.—Sections  
7 1920(b)(3) and 1935(b)(3) of the Public Health Service  
8 Act (as amended and enacted by sections 107(a) and 207,  
9 respectively, of this Act) apply to fiscal years after fiscal  
10 year 1996.

11 (f) PERFORMANCE PARTNERSHIP AND RELATED  
12 PROVISIONS.—

13 (1) The amendments made by the preceding  
14 sections of this Act (other than the amendments list-  
15 ed in the preceding subsections of this section) apply  
16 to activities related to grants for periods after fiscal  
17 year 1996, except that the amendments apply with  
18 respect to a State (for either of the grant programs  
19 affected by those amendments), if earlier, on the ef-  
20 fective date of a performance partnership under such  
21 program.

22 (2) The Secretary of Health and Human Serv-  
23 ices may select a list of prototype performance part-  
24 nership objectives and a core set of those objectives  
25 on which all States should report (as provided in

1 section 1911 or 1921 of the Public Health Service  
2 Act, as amended by sections 101(a) and 201(a), re-  
3 spectively, of this Act, but without consultation with  
4 other parties). The amendments made by the preced-  
5 ing sections of this Act (other than the amendments  
6 listed in the preceding subsections of this section),  
7 in conjunction with the first sentence of this para-  
8 graph, apply (until the time applicable under para-  
9 graph (1) of this subsection with respect to a State  
10 (for either of the grant programs affected by those  
11 amendments) at such time as the Secretary of  
12 Health and Human Services and the State may  
13 agree.

14 (3) In the case of the initial partnership pro-  
15 posal by a State under paragraph (2) of this sub-  
16 section, or under subpart I or II of part B of title  
17 XIX of the Public Health Service Act—

18 (A) if the Secretary of Health and Human  
19 Services and a State reach agreement on or be-  
20 fore March 31 of a fiscal year, the performance  
21 partnership shall take effect, at State option, as  
22 of the beginning of such fiscal year or of the  
23 succeeding fiscal year; and

24 (B) if such agreement is reached after  
25 March 31 of a fiscal year, the performance

1 partnership shall take effect as of the beginning  
2 of the succeeding fiscal year.

3 (4) The requirements of part C of title V of the  
4 Public Health Service Act (as in effect on the day  
5 before the date of enactment of this Act) shall con-  
6 tinue to apply (until the time applicable under para-  
7 graph (1) or (2) of this subsection), with respect to  
8 a State, to that portion of a grant to the State for  
9 a fiscal year under subpart I of part B of title XIX  
10 of that Act that bears the same relationship to the  
11 entire grant as the amount granted to the State for  
12 fiscal year 1995 under part C of title V of that Act  
13 bore to the amount granted to the State for fiscal  
14 year 1995 under part C of title V and subpart I of  
15 part B of title XIX of that Act.

○

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