

review, the period within which a public hearing during the course of the review may be requested (which must be a reasonable period from the transmittal of the written notification required above), and the manner in which notification will be provided of the time and place of any hearings so requested. Written notification to members of the public may be provided through newspapers of general circulation in the area and public information channels. Notification to the applicant whose application is being reviewed and all other applicants for assistance under section 1625 of the Act providing health service in the health service area shall be by mail (which may be as part of a newsletter). The health systems agency must simultaneously notify the Federal funding agency of the beginning of the review.

2. Schedules for reviews which provide that such reviews shall not exceed 60 days from the date of notification made in accordance with paragraph 1 of this section to the date of the written findings made in accordance with paragraph 4 of this section. This does not preclude a health systems agency from conducting its review in less than 60 days.

3. Provision for applicants to submit to the health systems agency (in such form and manner as the agency shall require) such information as the agency deems necessary in order to conduct its review.

4. Written findings which state the basis for the approval or disapproval of the application by the health systems agency. Such findings shall be sent to the applicant, the State health planning and development agency (or agencies), and the Secretary, and shall be available to other upon request.

5. Access by the general public to all such applications reviewed by the health systems agency and to all other written materials pertinent to the agency review.

6. Public hearings in the course of agency review, if requested by one or more persons directly affected by the review. For purposes of this paragraph, a "person directly affected by the review" is as defined in 42 CFR 122.306 (a)(7).

#### CRITERIA

The specific criteria adopted and utilized by a health systems of this agency to conduct reviews of applications for grants under section 1625 of the Act shall include at least the following:

1. The relationship of the health services of the facility to the applicable health systems plan and annual implementation plan.
2. The relationship of the health services of the facility to the long-range development plan (if any) of the applicant.
3. The need that the population served or to be served by the facility has for the health services of such facility.
4. The availability of alternative, less costly, or more effective methods of providing

the health services which the facility provides.

5. The relationship of the health services provided by the facility to the existing health care system of the area.

6. The availability of resources (including health manpower, management personnel, and funds for capital and operating needs) for the provision of services by the facility and the availability of alternative uses of such resources for the provision of other health services.

7. The special needs and circumstances of those entities which provide a substantial portion of their services or resources, or both, to individuals not residing in the health service area in which the entities are located or in adjacent health service areas. Such entities may include medical and other health professions schools, multidisciplinary clinics, and other speciality centers.

8. The special needs and circumstances of health maintenance organizations for which assistance may be provided under title XIII.

9. The costs and methods of the proposed construction or modernization, including the costs and methods of energy provision.

10. The probable impact of the project reviewed on the applicant's costs of providing health services.

### Subpart H—Recovery of Grant Funds

AUTHORITY: Secs. 609 and 1622 of the Public Health Service Act as amended 98 Stat. 112 (42 U.S.C. 291i and 300s-1a).

SOURCE: 51 FR 7939, Mar. 7, 1986, unless otherwise noted.

#### § 124.701 Applicability.

The provisions of this subpart apply to facilities with respect to which grant funds were paid for construction or modernization—

- (a) Under title VI or XVI of the Public Health Service Act; or
- (b) Pursuant to the authority of the Secretary under any of the following statutes:

(1) The Public Works Acceleration Act of 1962, Pub. L. 87-658 (42 U.S.C. 2641 *et seq.*);

(2) The District of Columbia Medical Facilities Construction Act of 1968, 82 Stat. 631 (Pub. L. 90-457);

(3) The Appalachian Regional Development Act of 1965, as amended (40 U.S.C. App.).

#### § 124.702 Definitions.

As used in this subpart—