

or part of the amount otherwise payable to—

(1) Expand or improve its provision of health services;

(2) Increase the number of individuals served;

(3) Renovate or modernize facilities for its provision of health services;

(4) Improve the administration of its health service programs; or

(5) Establish a financial reserve to assure its ability to continue providing health services;

(c) Where the Secretary determines that a National Health Service Corps site is eligible for a waiver under paragraph (a) (1) or (2) of this section, the Secretary may waive the application of the reimbursement requirements of section 334(a)(3) of the Act and apply the reimbursement requirements of section 334(f)(1) of the Act. The Secretary may waive in whole or in part the reimbursement requirements of section 334(f)(1) for such a site if he or she determines that the National Health Service Corps site meets the requirements of paragraph (a)(1) of this section. Funds retained by a National Health Service Corps site as a result of such waiver must be used for the purposes set forth in paragraphs (b) (1) through (5) of this section.

(d) Requests for a prospective or retrospective waiver must be made at the time and in the manner and contain the documentation prescribed by the Secretary.

[45 FR 12790, Feb. 27, 1980, as amended at 51 FR 31948, Sept. 8, 1986]

**§ 23.11 Under what circumstances may the Secretary sell equipment or other property of the United States used by the National Health Service Corps site?**

(a) Upon expiration of the assignment of all Corps personnel to a health manpower shortage area, the Secretary may sell equipment and other property of the United States used by the assigned personnel. The equipment may be sold at the fair market value or less than the fair market value to any entity providing health services in or to a health manpower shortage area if the Secretary determines that an entity is unable to pay the fair market value. In determining whether an entity is fi-

nancially unable to purchase equipment or property at fair market value, the Secretary will consider (1) the present financial resources of the entity available to purchase the equipment or property based upon its current liabilities, and (2) the entity's ability to obtain the funds necessary to purchase the equipment or property. However, the Secretary will not sell the equipment or property for less than fair market value to a profitmaking organization unless the organization gives reasonable assurance that it will use the equipment or property to provide health services in or to the health manpower shortage area.

(b) The Secretary will give priority to sales to an entity providing reasonable assurance that it will use the equipment or property for the purpose of retaining within the health manpower shortage area National Health Service Corps personnel who have completed their assignments.

**§ 23.12 Who will supervise and control the assigned personnel?**

Assigned National Health Service Corps personnel will at all times remain under the direct supervision and control of the Secretary. Observance of institutional rules and regulations by the assigned personnel is a mere incident of the performance of their Federal functions and does not alter their direct professional and administrative responsibility to the Secretary.

**§ 23.13 What nondiscrimination requirements apply to National Health Service Corps sites?**

National Health Service Corps sites are advised that in addition to complying with the terms and conditions of this regulation, the following laws and regulations are applicable—

(a) Title VI of the Civil Rights Act of 1964 (43 U.S.C. 2000d *et seq.*) and its implementing regulations, 45 CFR part 80 (prohibiting discrimination in federally assisted programs on the grounds of race, color, or national origin); and

(b) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and its implementing regulations, 45 CFR part 84 (prohibiting discrimination in federally assisted programs on the basis of handicap).