§ 603. Core public health services; implementation. 1. In order to be eligible for state aid under this title, each municipality shall administer its core public health services in accordance with the standards of performance established by the commissioner through rules and regulations pursuant to section six hundred nineteen of this article. Each municipality shall, in particular, ensure that public health services are provided in an efficient and effective manner to all persons in the municipality.

2. The commissioner may withhold state aid reimbursement under this title for the appropriate services if, on any audit, review of a state aid application or periodic claim for state aid, or other information available to the department, the commissioner finds that such services are not furnished or rendered in conformance with the rules and regulations established by the commissioner, including but not limited to the standards of performance established pursuant to section six hundred nineteen of this article, or that the expenditures were not for an activity set forth in section six hundred two of this title. In such cases, the commissioner, in order to ensure that the public health is promoted as defined in section six hundred two of this title, may use any proportionate share of a municipality's per capita or base grant that is withheld to contract with agencies, associations, or organizations. The health department may use any such withheld share to provide services upon approval of the director of the division of the budget. Copies of such transactions shall be filed with the fiscal committees of the legislature.

3. Consistent with paragraph (h) of subdivision two of section six hundred one of this title, when determining whether to approve a state aid application or periodic claim for state aid, the commissioner shall have authority to request any and all financial and other documents necessary or relevant to verify that the claimed expenditures are eligible for state aid under this article.