

VETERANS HEALTH CARE

Health Security Act	Proposed/Enacted
<u>Eligibility/Enrollment</u>¹ (Sec. 1811-13): All veterans, and certain dependents and survivors of service-connected veterans, would be eligible to select a VA health plan for coverage, and would receive all services included in the comprehensive benefits package, in addition to benefits provided under current law. The Secretary would also have the authority to enroll family members of veterans.	Eligibility Reform/HR 3118 (passed Congress 9/28/96) removes restrictions to outpatient services, making it possible for VA to provide comprehensive health benefits to all of its patients and to de-emphasize inpatient care. Also authorizes VA to treat non-veterans in under-utilized facilities.
<u>Third party payments</u>: VA could retain payments from third parties and use those funds to provide health care.	HR 3118 allows VA to receive and retain payments from non-federal third parties for care provided to DoD beneficiaries or when care provided to non-veterans.
<u>Medicare Subvention</u> (Sec. 1832): VA could retain Medicare reimbursement for care furnished to Medicare-eligible veterans.	The President proposed the "veterans Medicare Reimbursement Model Project Act of 1996" to test Medicare subvention at a limited number of sites. While several proposals were looked at, Congress failed to act on legislation this session.
<u>Contracting</u> (Sec. 1833): VA health plans would have expanded authorities to enter into contracts and sharing agreements for the furnishing of services to enrollees. Certain statutory restrictions on contracting for services at VA facilities would be inapplicable to VA health plans.	HR 3118 authorizes VA to buy health care services when Department facilities cannot provide such services economically. Authorizes the Secretary to make acquisition policies as needed to provide such services. Greatly expands the range of partners with whom VA may contract.

1. Today, eligibility for VA health care is based on disability rating, income, and type of care needed.
- Any veteran with a service-connected disability (rated 0-100%) can receive hospital care for any illness.
 - Any veteran with a service-connected disability rated 50% or more can receive outpatient care for any illness.

-Any veteran with a service-connected disability rated 30-40% can receive outpatient care for that disability, plus any care to prevent a hospital stay.

-Any veteran with a service-connected disability rated 0-20% can receive outpatient care for that disability only.

-If the veteran has no service-connected disability, but satisfies means-tested requirements, then s/he can receive hospital care for any illness but can receive outpatient care only to prepare for a hospital stay or obviate the need for a hospital stay.

All other veterans may receive inpatient care on a space and resource-available basis (and may receive outpatient care only to prepare for a hospital stay or obviate the need for a hospital stay, also on a space and resource-available basis).

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E X E C U T I V E O F F I C E O F T H E P R E S I D E
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09-Oct-1996 06:08pm

TO: (See Below)

FROM: Darby Stott
 Office of Press Secretary

SUBJECT: STATEMENT RE: 3 VETERANS-RELATED BILLS

THE WHITE HOUSE

Office of the Press Secretary

EMBARGOED UNTIL 6:30 pm EDT

October 9, 1996

STATEMENT BY THE PRESIDENT

I have signed into law today three veterans-related bills that will ensure that veterans benefits keep pace with inflation, improve the veterans health care system, and expand other veterans programs and benefits.

The first bill -- H.R. 3458, the Veterans' Compensation Cost-of-Living Adjustment Act of 1996 -- authorizes a cost-of-living adjustment (COLA) on December 1, 1996, for recipients of veterans' disability compensation, Dependency and Indemnity Compensation (DIC), and clothing allowances. The COLA, identical to the one that Social Security recipients will receive on January 1, 1997, will go to about 2.3 million veterans with disabilities who receive disability compensation benefits; over 300,000 individuals who receive DIC as the surviving spouses and children of service members who died in service and veterans whose deaths were service-connected; and veterans who receive clothing allowances because they wear or use prosthetic or orthopedic appliances.

The second bill -- H.R. 3118, the Veterans' Health Care Eligibility Reform Act of 1996 -- includes many elements of the proposal that the National Performance Review, led by Vice President Gore, recommended to establish a modern, integrated health care system that will improve access to, and care for, the Nation's veterans. The bill, for instance, authorizes the

Department of Veterans Affairs to furnish comprehensive medical services to all veterans, expanding the array of services that it now provides. Eligibility reform has been a high priority of veterans for many years, and I am pleased that we finally could enact it.

Finally, the third bill -- S. 1711, the Veterans' Benefits Improvements Act of 1996 -- expands and extends numerous veterans education, housing, life insurance, and employment and training benefits.

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

08-Oct-1996 01:59pm

TO: BROSTROM_M

FROM: Toni S. Hustead

SUBJECT: Re: bill signing

Message Creation Date was at 8-OCT-1996 13:54:00

Molly, I have cut and paste three quick bullets that we did for NEM on the three bills. Let me know if you want more info. We did a quick summary of these three that covers about 7 pages if you would like it.

Congress passes VA eligibility reform - Congress passed H.R. 3118, the "Veterans , Health Care Eligibility Reform Act of 1996". The Bill consists of 24 separate proposals, many of which were proposed by the Administration during the past two years. Two key NPR2 initiatives were passed: reforming VA ,s eligibility criteria to enable the Department to establish a modern, integrated health care system; and expanding the health system ,s ability to purchase and sell commercial health services. In addition, the Bill authorizes VA medical facilities to treat non-veterans -- a real change from past policy.

Veterans Compensation COLA - VA Branch staff reviewed the VA Compensation COLA legislation (H.R. 3458) passed by the Congress and worked with LRD to prepare the enrolled bill memo for the President.

Veterans Benefits Improvements Act of 1996 - VA Branch staff reviewed and completed preliminary scoring the 23 separate provisions contained in S 1711 the Veterans Benefits Improvements Act of 1996. The Act reversed the Davenport decision and allowed VA to go back to their original interpretation for vocational rehabilitation eligibility. In addition, there were modest enhancements to veterans education, life insurance and compensation programs. Overall, the Act will be scored as a savings of almost \$70 million over 5 years -- due mainly to Davenport.

SHORT SIDE-BY-SIDE

	Administration Eligibility Reform Proposal - S 1345	Stump Eligibility Reform Proposal - HR 3118
1. Definitions	Includes broad new definition of "health care" which includes necessary medical equipment.	No change.
2. Eligibility for Health Care	Removes restrictions to outpatient services, making it possible for VA to provide comprehensive health benefits to all of its patients and to de-emphasize inpatient care. Removes restrictions to providing prosthetic devices and other appliances.	Also removes restrictions to outpatient services, making it possible for VA to provide comprehensive health benefits to all of its patients and to de-emphasize inpatient care. Also removes restrictions to providing prosthetic devices and other appliances. Establishes a priority based annual enrollment mechanism, with highest priority reserved for poor veterans and veterans with service-connected disabilities rated 10 percent or greater.
3. Residential Care	Authorizes VA to provide up to 90 days of residential care in lieu of hospital/nursing home care to indigent veterans.	n/a
4. Sharing Authority	Authorizes VA to buy or sell any health-related service. Would VA to enter into contracts with any entity or individual that furnishes any health care resource.	Authorizes VA to buy health care services when Department facilities cannot provide such services economically. Authorizes the Secretary to make acquisition policies as needed to provide such services. Like our bill, greatly expands the range of partners with whom VA may contract. Authorizes VA to treat non-veterans in under-utilized facilities.
5. Gainsharing	Authorizes VA to retain 25% of third part collections in excess of baseline estimates in the President's February budget.	n/a
6. Special Services	n/a	Requires VA to maintain its existing overall capacity to provide services to veterans with spinal cord injuries, blindness, amputations, and mental illness (VA will likely object to this provision).
7. DoD Sharing	n/a	Repeals sunset provision on VA/DoD sharing authority.
8. Expanded Billing Authority	n/a	Authorizes VA hospitals to bill third party insurers for care provided to DoD beneficiaries and retain the resulting collections.

LONG SIDE-BY-SIDE
VERSION

Comparison of Administration's Eligibility Bill with Current Congressional Legislation.

	Administration's Bill S. 1345	House-Passed Bill H.R. 3118	Simpson Bill S.
Definitions	Provides broad new definition for "health care" based on "most appropriate care in the most appropriate setting." (§101)	Divides the continuum of care into hospital care, "medical services," and nursing home care. (§2)	Excludes nursing home and domiciliary care from "health care." §2
Eligibility for Health Care	Removes existing restrictions on inpatient and outpatient care eligibility. Shall provide (in order of priority): 1. SC vets, POWs, vets whose discharge arose from disability incurred in service, vets receiving comp; 2. 0% SC vets, Mexican Border & WWI vets, vets with aid and attendance; 3. low-income vets... May provide: to higher-income NSC vets who agree to copays and per diems... "to the extent and in the amount provided in advance" in appropriations acts. (§102)	Removes existing restrictions on inpatient and outpatient care eligibility. Does not prioritize but retains distinctions between "shall" and "may." Priorities are given in enrollment section (see below). Does not include nursing home care under the umbrella of "shall." Includes the proviso, "to the extent and in the amount provided in advance" (§2)	Removes existing restrictions on inpatient and outpatient care eligibility. Shall furnish health care and may furnish nursing home care: for compensable SC disability, SC 50% and > for any disability, POW, Mexican border and WWI. Shall furnish hospital care to compensable SC for any disability. Shall, to the extent resources allow, furnish health care to disability discharged, §1151s, exposures, indigent. May to other veterans. (§3)
Exposure-Related Treatment	Shall provide hospital and may provide other health care to Vietnam vets who may have been exposed to various chemicals, to vets who were exposed to ionizing radiation, and to PGW vets, for any disability, subj. to appropriations. (§103)	Shall provide hospital and medical services and may provide nursing home care. (§2)	Shall, to the extent resources are available, provide health care (but not nursing home care?) (§3)
Bereavement Counseling	May furnish counseling services to the families of recently deceased veterans. (§104)	No provision.	No provision.
Prosthetics	Consolidates authorities to procure and provide prosthetic devices and aids for the blind and hearing impaired. (§105)	Removes eligibility restrictions for some but not all prosthetic and other devices. (§3)	Eases restrictions on providing prosthetics and other devices on outpatient basis. (§3)
Dental Care	May furnish dental care to certain vets under significant restrictions. (§106)	No provision. Assumption: no change to current authority.	Similar to Administration bill, but with December 31, 1997, sunset date. (§3).

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SENT BY:OFFICE MGT & BUDGET : 8-30-86 :11:08AM :

	Administration's Bill S. 1345	House-Passed Bill H.R. 3118	Simpson Bill S.
Home Improvements	May furnish improvements if necessary for continued treatment of a disability, subject to a limit of \$4,100 in some cases and \$1,200 otherwise. (§107)	No provision.	No provision.
Rx Prescribed by Non-VA Physicians	Shall provide drugs prescribed by non-VA physicians to vets receiving increased C&P or in need of aid and attendance. (§108)	No provision.	No provision. Does include language relating to HHS providing inoculants to VA without charge. (§3)
Residential Care	Authorizes VA to provide up to 90 days of residential care in lieu of hospital care through contract providers only. (§110)	No provision.	No provision.
Expanded Sharing Authority	Broadens authority to share "health care resources" with "health care providers," and waives several procurement and competitive bidding requirements. (§111)	Authorizes contracting out when VA cannot provide care economically. (§4) Repeals sunset date for DoD sharing. (§5) Broadens sharing authority to "health-care resources" and with virtually any provider. Repeals reciprocal reimbursement requirement. (§6) Allows treatment of non-veterans (See below)	No provision.
Repeal of Preventative Health Report	Repeals 38 U.S.C. §1704. (§113)	No provision.	No provision.
Repeal of Tobacco Section	Replaces current 38 U.S.C. §1715 regarding tobacco with dental care provisions. (§106)	No provision.	No provision.
Means Test Reform	Replaces current standard with that used to determine eligibility for pension. (§120)	No provision.	No provision.
Gainsharing	Authorizes VA to keep portions of collections above the baseline projected in the President's Budget. (§121)	No provision.	No provision.
Loan Guaranty Program	Terminates the manufactured home program, adjusts loan fees, and authorizes VA to contract for portfolio loan services. (§201-3)	No provision.	No provision.

	Administration's Bill S. 1345	House-Passed Bill H.R. 3118	Simpson Bill S.
Education Programs	Authorizes electronic signatures (§210) and requires EFT for education benefits (§211).	No provision.	No provision.
Patient Enrollment	No provision.	Requires the annual enrollment of veterans according to the following priorities: SC>30, POWs and SC=10 or 20, vets receiving pension or aid & attendance, and low-income NSC vets. (§4)	Requires the annual enrollment of veterans according to certain priorities; automatic enrollment for highest priority vets. (§4)
Specialized Services	No provision.	Requires VA to maintain national capacity for specialized services within distinct programs or facilities. (§4)	No provision.
Grandfathering O%ers	No provision.	Requires any SC veteran is provided all benefits he/she is eligible for at the time of enactment, effectively grandfathering all O% Scors. (§4)	O%ers have no special status, as only compensable SC disabilities qualify vets in the "shall" category.
Billing Rights	No provision.	Declares a right to collect from third-party insurers on a par with non-federal providers. (§5)	No provision.
Treatment of Non-Veterans	No provision.	Authorizes VA to furnish health care to non-veterans if doing so does not result in the denial or delay of care to veterans and is necessary to maintain quality or improve level of service. (§6)	No provision.
Exemption of Employees	No provision.	Exempts FTE under sharing agreements from FTE limitations. (§7)	No provision.
Per diems and copays	No provision.	No provision.	Similar to current law, with additions for outpatient care. (§3)
Contract dental care	No provision.	No provision.	Requires report if contract dental care expenditures exceed FY 1978 levels. (§3)
Authorization of Appropriations	No provision.	No provision.	Authorizes \$17,068,447,000 for FY 1997 and no greater than an increase equal to CPI for each subsequent year with no sunset. (§6)

BLAYLOCK GAELIGIBLE3BILLS.WPD August 8, 1996

H. CON. RES. 230

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Monday, September 30, 1996, or of Tuesday, October 1, 1996, on a motion offered pursuant to this concurrent resolution by the Majority Leader, or his designee, it stand adjourned sine die, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, and that when the Senate adjourns on Monday, September 30, 1996, or Tuesday, October 1, 1996, on a motion offered pursuant to this concurrent resolution by the Majority Leader, or his designee, it stand adjourned sine die, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

ADJOURNMENT TO MONDAY, SEPTEMBER 30, 1996

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DESIGNATION OF THE HONORABLE CONSTANCE A. MORELLA OR THE HONORABLE FRANK R. WOLF TO ACT AS SPEAKER PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS FOR RE- MAINDER OF SECOND SESSION OF 104TH CONGRESS

The SPEAKER laid before the House the following communication:

WASHINGTON, DC,

September 28, 1996.

I hereby designate the Honorable Constance A. Morella or, if not available to perform this duty, the Honorable Frank R. Wolf to act as Speaker pro tempore to sign enrolled bills and joint resolutions for the remainder of the second session of the One Hundred Fourth Congress.

NEWT GINORICH,

Speaker of the House of Representatives.

The SPEAKER pro tempore (Mr. HANSEN). Without objection, the designation is agreed to.

There was no objection.

VETERANS' HEALTH CARE ELIGIBILITY REFORM ACT OF 1996

Mr. STUMP. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3118) to amend title 38, United States Code, to reform eligibility for health care provided by the Department of Veterans Affairs, with Senate amendments

thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Senate amendments:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the "Veterans' Health Care Eligibility Reform Act of 1996".

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. References to title 38, United States Code.

TITLE I—ELIGIBILITY REFORM

Sec. 101. Eligibility for hospital care and medical services.

Sec. 102. Revision in authorities for provision of priority health care for certain veterans exposed to specified toxic substances.

Sec. 103. Prosthetics and preventive care.

Sec. 104. Management of health care.

Sec. 105. Authorization of appropriations.

Sec. 106. Assessment of implementation and operation.

TITLE II—CONSTRUCTION AUTHORIZATION

Sec. 201. Authorization of major medical facility projects.

Sec. 202. Authorization of major medical facility leases.

Sec. 203. Authorization of appropriations.

Sec. 204. Strategic planning.

Sec. 205. Revision to prospectus requirements.

Sec. 206. Construction authorization requirements.

Sec. 207. Terminology changes.

TITLE III—HEALTH CARE AND ADMINISTRATION

Subtitle A—Health Care Sharing and Administration

Sec. 301. Revision of authority to share medical facilities, equipment, and information.

Sec. 302. Improved efficiency in health care resource management.

Sec. 303. Personnel furnishing shared resources.

Sec. 304. Waiting period for administrative reorganizations.

Sec. 305. Repeal of limitations on contracts for conversion of performance of activities of Department health-care facilities and revised annual reporting requirement.

Subtitle B—Care of Women Veterans

Sec. 321. Mammography quality standards.

Sec. 322. Patient privacy for women patients.

Sec. 323. Assessment of use by women veterans of Department health services.

Sec. 324. Reporting requirements.

Subtitle C—Readjustment Counseling and Mental Health Care

Sec. 331. Expansion of eligibility for readjustment counseling and certain related counseling services.

Sec. 332. Reports relating to Vet Centers.

Sec. 333. Advisory Committee on the Readjustment of Veterans.

Sec. 334. Centers for mental illness research, education, and clinical activities.

Sec. 335. Committee on Care of Severely Chronically Mentally Ill Veterans.

Subtitle D—Other Provisions

Sec. 341. Hospice care study.

Sec. 342. Payment to States of per diem for veterans receiving adult day health care.

Sec. 343. Research corporations.

Sec. 344. Veterans Health Administration headquarters.

Sec. 345. Disbursement agreements relating to medical residents and interns.

Sec. 346. Authority to suspend special pay agreements for physicians and dentists who enter residency training programs.

Sec. 347. Remunerated outside professional activities by Veterans Health Administration personnel.

Sec. 348. Modification of restrictions on real property, Milwaukee County, Wisconsin.

Sec. 349. Modification of restrictions on real property, Cheyenne, Wyoming.

Sec. 350. Name of Department of Veterans Affairs Medical Center, Johnson City, Tennessee.

Sec. 351. Report on health care needs of veterans in east central Florida.

Sec. 352. Evaluation of health status of spouses and children of Persian Gulf War veterans.

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—ELIGIBILITY REFORM

SEC. 101. ELIGIBILITY FOR HOSPITAL CARE AND MEDICAL SERVICES.

(a) **NEW CRITERIA FOR ELIGIBILITY FOR CARE.**—Section 1710(a) is amended to read as follows:

"(a)(1) The Secretary (subject to paragraph (4)) shall furnish hospital care and medical services, and may furnish nursing home care, which the Secretary determines to be needed—

"(A) to any veteran for a service-connected disability; and

"(B) to any veteran who has a service-connected disability rated at 50 percent or more.

"(2) The Secretary (subject to paragraph (4)) shall furnish hospital care and medical services, and may furnish nursing home care, which the Secretary determines to be needed to any veteran—

"(A) who has a compensable service-connected disability rated less than 50 percent;

"(B) whose discharge or release from active military, naval, or air service was for a compensable disability that was incurred or aggravated in the line of duty;

"(C) who is in receipt of, or who, but for a suspension pursuant to section 1151 of this title (or both a suspension and the receipt of retired pay), would be entitled to disability compensation, but only to the extent that such veteran's continuing eligibility for such care is provided for in the judgment or settlement provided for in such section;

"(D) who is a former prisoner of war;

"(E) who is a veteran of the Mexican border period or of World War I;

"(F) who was exposed to a toxic substance, radiation, or environmental hazard, as provided in subsection (e); or

"(G) who is unable to defray the expenses of necessary care as determined under section 1722(a) of this title.

"(3) In the case of a veteran who is not described in paragraphs (1) and (2), the Secretary may, to the extent resources and facilities are available and subject to the provisions of subsections (f) and (g), furnish hospital care, medical services, and nursing home care which the Secretary determines to be needed.

"(4) The requirement in paragraphs (1) and (2) that the Secretary furnish hospital care and medical services shall be effective in any fiscal year only to the extent and in the amount provided in advance in appropriations Acts for such purposes."

(b) **TRANSFER OF PROVISION.**—Chapter 17 is amended—

(1) by redesignating subsection (g) of section 1710 as subsection (h); and

(2) by transferring subsection (f) of section 1712 to section 1710 and inserting such subsection so as to appear after subsection (f), redesignating such subsection as subsection (g), and amending such subsection by striking out "section 1710(a)(2) of this title" in paragraph (1) and inserting in lieu thereof "subsection (a)(3) of this section".

(c) **REPEAL OF SEPARATE OUTPATIENT CARE PRIORITIES.**—(1) Section 1712 is amended—

(A) by striking out subsections (a) and (i);

(B) by redesignating subsections (b), (c), (d), (h) and (j), as subsections (a), (b), (c), (d), and (e), respectively; and

(C) in subsection (b), as so redesignated, by striking out "subsection (b) of this section" and inserting in lieu thereof "subsection (a)".

(2)(A) The heading of such section is amended to read as follows:

"§1712. Dental care; drugs and medicines for certain disabled veterans; vaccines."

(B) The item relating to such section in the table of sections at the beginning of chapter 17 is amended to read as follows:

"1712. Dental care; drugs and medicines for certain disabled veterans; vaccines."

(d) **CONFORMING AMENDMENTS TO CHAPTER 17.**—Chapter 17 is further amended as follows:

(1) Section 1701(6)(B)(i) is amended—

(A) in subclause (I), by striking out "section 1712(a)" and inserting in lieu thereof "paragraph (1) or (2) of section 1710(a)"; and

(B) in subclause (II), by striking out "section 1712(a)(5)(B)" and inserting in lieu thereof "paragraph (1), (2) or (3) of section 1710(a)".

(2) Section 1710(c)(1) is amended by striking out "section 1712(b)" and inserting in lieu thereof "section 1712(a)".

(3) Section 1710(e)(1)(C) is amended by striking out "hospital care and nursing home care under subsection (a)(1)(G) of this section" and inserting in lieu thereof "hospital care, medical services, and nursing home care under subsection (a)(2)(F)".

(4) Section 1710(f) is amended—

(A) in paragraph (1), by striking out "subsection (a)(2)" and inserting in lieu thereof "subsection (a)(3)"; and

(B) in paragraph (3)(E)—

(i) by striking out "section 1712(a) of this title" and inserting in lieu thereof "paragraph (3) of subsection (a)"; and

(ii) by striking out "section 1712(f) of this title" and inserting in lieu thereof "subsection (g)"; and

(C) in paragraph (3)(F), by striking out "section 1712(f) of this title" and inserting in lieu thereof "subsection (g)".

(5) Section 1712A is amended—

(A) in subsection (b)(1), by striking out "under the conditions specified in section 1712(a)(5)(B) of this title"; and

(B) in subsection (e)(1), by striking out "sections 1712(a)(1)(B) and 1703(a)(2)" and inserting in lieu thereof "sections 1703(a)(2) and 1710(a)(1)(B)".

(6) Section 1717(a) is amended—

(A) in paragraph (1), by striking out "section 1712(a)" and inserting in lieu thereof "section 1710(a)"; and

(B) in paragraph (2)—

(i) in subparagraph (A), by striking out "paragraph (1) of section 1712(a) of this title" and inserting in lieu thereof "section 1710(a)(1) of this title, or for a disability described in section 1710(a)(2)(C) of this title"; and

(ii) in subparagraph (B), by striking out "section 1712" and inserting in lieu thereof "section 1710(a)(2)".

(7) Section 1718(e) is amended by striking out "section 1712(i)" and inserting in lieu thereof "section 1705".

(8) Section 1720(f) is amended—

(A) in paragraph (1)(A)(ii), by striking out "section 1712(a)(1)(B)" and inserting in lieu

thereof "paragraph (1), (2), or (3) of section 1710(a)"; and

(B) by striking out paragraph (3).

(9) Section 1722 is amended—

(A) in subsection (a), by striking out "section 1710(a)(1)(I)" and inserting in lieu thereof "section 1710(a)(2)(G)"; and

(B) in subsection (f)(3), by striking out "or 1712(f)".

(10) Section 1729(g)(3)(A) is amended by striking out "under section 1710(f) of this title for hospital care or nursing home care, under section 1712(f) of this title for medical services," and inserting in lieu thereof "under subsection (f) or (g) of section 1710 of this title for hospital care, medical services, or nursing home care".

(e) **OTHER CONFORMING AND TECHNICAL AMENDMENTS.**—

(1) Section 1525 is amended—

(A) in subsection (a), by striking out "section 1712(h) of this title" and all that follows through the period at the end and inserting in lieu thereof "section 1712(d) of this title"; and

(B) in subsection (b), by striking out "remuneration" and inserting in lieu thereof "remuneration".

(2) Section 2104(b) is amended—

(A) in the first sentence, by striking out "section 1712(a)" and inserting in lieu thereof "section 1717(a)(2)"; and

(B) in the second sentence, by striking out "section 1712(a)" and inserting in lieu thereof "section 1717(a)(2)".

(3) Section 5317(c)(3) is amended by striking out "sections 1710(a)(1)(I), 1710(a)(2), 1710(b), and 1712(a)(2)(B)" and inserting in lieu thereof "subsections (a)(2)(G), (a)(3), and (b) of section 1710".

(4) Section 8110(a)(2) is amended by striking out "section 1712" and inserting in lieu thereof "section 1710(a)".

(5) Section 8111A(b)(2)(A) is amended by striking out "subsection (f) of section 1712" and inserting in lieu thereof "subsection (a) of section 1710".

SEC. 102. REVISION IN AUTHORITIES FOR PROVISION OF PRIORITY HEALTH CARE FOR CERTAIN VETERANS EXPOSED TO SPECIFIED TOXIC SUBSTANCES.

(a) **AUTHORIZED INPATIENT CARE.**—Section 1710(e) is amended—

(1) in paragraph (1), by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"(A) A Vietnam-era herbicide-exposed veteran is eligible (subject to paragraph (2)) for hospital care, medical services, and nursing home care under subsection (a)(2)(F) for any disability, notwithstanding that there is insufficient medical evidence to conclude that such disability may be associated with such exposure.

"(B) A radiation-exposed veteran is eligible for hospital care, medical services, and nursing home care under subsection (a)(2)(F) for any disease suffered by the veteran that is—

"(i) a disease listed in section 1112(c)(2) of this title; or

"(ii) any other disease for which the Secretary, based on the advice of the Advisory Committee on Environmental Hazards, determines that there is credible evidence of a positive association between occurrence of the disease in humans and exposure to ionizing radiation."; and

(2) by striking out paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2)(A) In the case of a veteran described in paragraph (1)(A), hospital care, medical services, and nursing home care may not be provided under subsection (a)(2)(F) with respect to—

"(i) a disability that is found, in accordance with guidelines issued by the Under Secretary for Health, to have resulted from a cause other than an exposure described in paragraph (4)(A)(ii); or

"(ii) a disease for which the National Academy of Sciences, in a report issued in accord-

ance with section 2 of the Agent Orange Act of 1991, has determined that there is limited or suggestive evidence of the lack of a positive association between occurrence of the disease in humans and exposure to a herbicide agent.

"(B) In the case of a veteran described in paragraph (1)(C), hospital care, medical services, and nursing home care may not be provided under subsection (a)(2)(F) with respect to a disability that is found, in accordance with guidelines issued by the Under Secretary for Health, to have resulted from a cause other than an exposure described in that paragraph.

"(3) Hospital care, medical services, and nursing home care may not be provided under or by virtue of subsection (a)(2)(F)—

"(A) in the case of care for a veteran described in paragraph (1)(A), after December 31, 2002; and

"(B) in the case of care for a veteran described in paragraph (1)(C), after December 31, 1998.

"(4) For purposes of this subsection—

"(A) The term 'Vietnam-era herbicide-exposed veteran' means a veteran (i) who served on active duty in the Republic of Vietnam during the Vietnam era, and (ii) who the Secretary finds may have been exposed during such service to dioxin or was exposed during such service to a toxic substance found in a herbicide or defoliant used for military purposes during such era.

"(B) The term 'radiation-exposed veteran' has the meaning given that term in section 1112(c)(3) of this title."

(b) **SAVINGS PROVISIONS.**—The provisions of sections 1710(e) and 1712(a) of title 38, United States Code, as in effect on the day before the date of the enactment of this Act, shall continue to apply on and after such date with respect to the furnishing of hospital care, nursing home care, and medical services for any veteran who was furnished such care or services before such date of enactment on the basis of presumed exposure to a substance or radiation under the authority of those provisions, but only for treatment for a disability for which such care or services were furnished before such date.

SEC. 103. PROSTHETICS AND PREVENTIVE CARE.

(a) **ELIGIBILITY.**—Section 1701(6)(A)(i) is amended—

(1) by striking out "(in the case of a person otherwise receiving care or services under this chapter)" and "(except under the conditions described in section 1712(a)(5)(A) of this title)";

(2) by inserting "(in the case of a person otherwise receiving care or services under this chapter)" before "wheelchairs"; and

(3) by inserting "except that the Secretary may not furnish sensori-neural aids other than in accordance with guidelines which the Secretary shall prescribe," after "reasonable and necessary".

(b) **REGULATIONS.**—Not later than 30 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall prescribe the guidelines required by the amendments made by subsection (a) and shall furnish a copy of the guidelines to the Committees on Veterans' Affairs of the Senate and House of Representatives.

SEC. 104. MANAGEMENT OF HEALTH CARE.

(a) **IN GENERAL.**—(1) Chapter 17 is amended by inserting after section 1704 the following new sections:

"§1705. Management of health care: patient enrollment system"

"(a) In managing the provision of hospital care and medical services under section 1710(a) of this title, the Secretary, in accordance with regulations the Secretary shall prescribe, shall establish and operate a system of annual patient enrollment. The Secretary shall manage the enrollment of veterans in accordance with the following priorities, in the order listed:

"(1) Veterans with service-connected disabilities rated 50 percent or greater.

"(2) Veterans with service-connected disabilities rated 30 percent or 40 percent.

"(3) Veterans who are former prisoners of war, veterans with service-connected disabilities rated 10 percent or 20 percent, and veterans described in subparagraphs (B) and (C) of section 1710(a)(2) of this title.

"(4) Veterans who are in receipt of increased pension based on a need of regular aid and attendance or by reason of being permanently housebound and other veterans who are catastrophically disabled.

"(5) Veterans not covered by paragraphs (1) through (4) who are unable to defray the expenses of necessary care as determined under section 1722(a) of this title.

"(6) All other veterans eligible for hospital care, medical services, and nursing home care under section 1710(a)(2) of this title.

(7) Veterans described in section 1710(a)(3) of this title.

"(b) In the design of an enrollment system under subsection (a), the Secretary—

"(1) shall ensure that the system will be managed in a manner to ensure that the provision of care to enrollees is timely and acceptable in quality;

"(2) may establish additional priorities within each priority group specified in subsection (a), as the Secretary determines necessary; and

"(3) may provide for exceptions to the specified priorities where dictated by compelling medical reasons.

"(c)(1) Effective on October 1, 1998, the Secretary may not provide hospital care or medical services to a veteran under paragraph (2) or (3) of section 1710(a) of this title unless the veteran enrolls in the system of patient enrollment established by the Secretary under subsection (a).

"(2) The Secretary shall provide hospital care and medical services under section 1710(a)(1) of this title, and under subparagraph (B) of section 1710(a)(2) of this title, for the 12-month period following such veteran's discharge or release from service, to any veteran referred to in such sections for a disability specified in the applicable subparagraph of such section, notwithstanding the failure of the veteran to enroll in the system of patient enrollment referred to in subsection (a) of this section.

"§1706. Management of health care: other requirements

"(a) In managing the provision of hospital care and medical services under section 1710(a) of this title, the Secretary shall, to the extent feasible, design, establish and manage health care programs in such a manner as to promote cost-effective delivery of health care services in the most clinically appropriate setting.

"(b)(1) In managing the provision of hospital care and medical services under such section, the Secretary shall ensure that the Department maintains its capacity to provide for the specialized treatment and rehabilitative needs of disabled veterans (including veterans with spinal cord dysfunction, blindness, amputations, and mental illness) within distinct programs or facilities of the Department that are dedicated to the specialized needs of those veterans in a manner that (A) affords those veterans reasonable access to care and services for those specialized needs, and (B) ensures that overall capacity of the Department to provide such services is not reduced below the capacity of the Department, nationwide, to provide those services, as of the date of the enactment of this section. The Secretary shall carry out this paragraph in consultation with the Advisory Committee on Prosthetics and Special Disabilities Programs and the Committee on Care of Severely Chronically Mentally Ill Veterans.

"(2) Not later than April 1, 1997, April 1, 1998, and April 1, 1999, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the Secretary's compliance, by facility and by service-network, with the requirements of this subsection."

(2) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 1704 the following new items:

"1705. Management of health care: patient enrollment system.

"1706. Management of health care: other requirements."

(b) CONFORMING AMENDMENTS TO SECTION 1703.—Section 1703(a) is amended—

(1) in the matter preceding paragraph (1), by striking out "or 1712";

(2) in paragraph (2)—

(A) by striking out "1712(a)(1)(B)" in subparagraph (A) and inserting in lieu thereof "1710(a)(1)(B)";

(B) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) a veteran who (i) has been furnished hospital care, nursing home care, domiciliary care, or medical services, and (ii) requires medical services to complete treatment incident to such care or services; or"; and

(C) by striking "section 1712(a)(3) (other than a veteran who is a former prisoner of war) of this title" in subparagraph (C) and inserting in lieu thereof "section 1710(a)(2)(E) of this title, or a veteran who is in receipt of increased pension, or additional compensation or allowances based on the need of regular aid and attendance or by reason of being permanently housebound (or who, but for the receipt of retired pay, would be in receipt of such pension, compensation, or allowance);"; and

(3) in paragraph (7), by striking out "1712(b)(1)(F)" and inserting in lieu thereof "1712(a)(1)(F)".

SEC. 105. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Department of Veterans Affairs for the Medical Care account, for the purposes specified for that account in Public Law 103-327 (108 Stat. 2300), including the cost of providing hospital care and medical services under the amendments made by section this title, not to exceed \$17,250,000,000 for fiscal year 1997 and not to exceed \$17,900,000,000 for fiscal year 1998.

SEC. 106. ASSESSMENT OF IMPLEMENTATION AND OPERATION.

(a) ASSESSMENT SYSTEMS.—The Secretary of Veterans Affairs shall establish information systems to assess the experience of the Department of Veterans Affairs in implementing sections 101, 103, and 104, including the amendments made by those sections, during fiscal year 1997. The Secretary shall establish those information systems in time to include assessments under such systems in the report required under subsection (b).

(b) REPORT.—Not later than March 1, 1998, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report reflecting the experience of the Department during fiscal year 1997 on—

(1) the effect of implementation of, and provision and management of care under, sections 101, 103, and 104 (including the amendments made by those sections) on demand for health care services from the Department of Veterans Affairs by veterans described in paragraphs (1), (2), and (3) of section 1710(a) of title 38, United States Code, as amended by section 101;

(2) any differing patterns of demand on the part of such veterans relating to such factors as relative distance from Department facilities and prior experience, or lack of experience, as recipients of care from the Department;

(3) the extent to which the Department has met such demand for care; and

(4) changes in health-care delivery patterns in Department facilities and the fiscal impact of such changes.

(c) MATTERS TO BE INCLUDED.—The report under subsection (b) shall include detailed information with respect to fiscal year 1997 regarding the following:

(1) The number of veterans enrolled for care at each Department medical facility and, of such veterans, the number enrolled at each such facility who had not received care from the Department during the preceding three fiscal years.

(2) With respect to the veterans who had not received care from the Department during the three preceding fiscal years, the total cost of providing care to such veterans, shown in total and separately (A) by level of care, and (B) by reference to whether care was furnished in Department facilities or under contract arrangements.

(3) With respect to the number of veterans described in paragraphs (1), (2), and (3) of section 1710(a) of title 38, United States Code, as amended by section 101, who applied for health care from the Department during fiscal year 1997—

(A) the number who applied for care (shown in total and separately by facility);

(B) the number who were denied enrollment (shown in total and separately by facility); and

(C) the number who were denied care which was considered to be medically necessary but not of an emergency nature (shown in total and separately by facility).

(4) The numbers and characteristics of, and the type and extent of health care furnished to, veterans enrolled for care (shown in total and separately by facility).

(5) The numbers and characteristics of, and the type and extent of health care furnished to, veterans not enrolled for care (shown separately by reference to each class of eligibility, both in total and separately by facility).

(6) The specific fiscal impact (shown in total and by geographic health-care delivery areas) of changes in delivery patterns instituted under the amendments made by this title.

TITLE II—CONSTRUCTION AUTHORIZATION

SEC. 201. AUTHORIZATION OF MAJOR MEDICAL FACILITY PROJECTS.

(a) AMBULATORY CARE ADDITION PROJECTS.—The Secretary of Veterans Affairs may carry out the following ambulatory care addition major medical facility projects, with each project to be carried out in the amount specified for that project:

(1) Construction of an ambulatory care facility and renovation of "E" wing, Tripler Army Hospital, Honolulu, Hawaii, \$43,000,000.

(2) Addition of ambulatory care facilities at the Department of Veterans Affairs medical center in Brockton, Massachusetts, \$13,500,000.

(3) Addition of ambulatory care facilities for outpatient improvements at the Department of Veterans Affairs medical center in Shreveport, Louisiana, \$25,000,000.

(4) Addition of ambulatory care facilities at the Department of Veterans Affairs medical center in Lyons, New Jersey, \$21,100,000.

(5) Addition of ambulatory care facilities at the Department of Veterans Affairs medical center in Tomah, Wisconsin, \$12,700,000.

(6) Addition of ambulatory care facilities at the Department of Veterans Affairs medical center in Asheville, North Carolina, \$26,300,000.

(7) Addition of ambulatory care facilities at the Department of Veterans Affairs medical center in Temple, Texas, \$9,800,000.

(8) Addition of ambulatory care facilities at the Department of Veterans Affairs medical center in Tucson, Arizona, \$35,500,000.

(9) Construction of an ambulatory care facility at the Department of Veterans Affairs medical center in Leavenworth, Kansas, \$27,750,000.

(b) ENVIRONMENTAL IMPROVEMENT PROJECTS.—The Secretary may carry out the following environmental improvement major medical facility projects, with each project to be carried out in the amount specified for that project:

(1) Environmental improvements for the renovation of nursing home facilities at the Department of Veterans Affairs medical center in Lebanon, Pennsylvania, \$9,500,000.

(2) Environmental improvements at the Department of Veterans Affairs medical center in Marion, Illinois, \$11,500,000.

(3) Environmental improvements for ward renovation for patient privacy at the Department of

Veterans Affairs medical center in Omaha, Nebraska, \$7,700,000.

(4) Environmental improvements at the Department of Veterans Affairs medical center in Pittsburgh, Pennsylvania, \$17,400,000.

(5) Environmental improvements for the renovation of various buildings at the Department of Veterans Affairs medical center in Waco, Texas, \$26,000,000.

(6) Environmental improvements for the replacement of psychiatric beds at the Department of Veterans Affairs medical center in Marion, Indiana, \$17,300,000.

(7) Environmental improvements for the renovation of psychiatric wards at the Department of Veterans Affairs medical center in Perry Point, Maryland, \$15,100,000.

(8) Environmental enhancement at the Department of Veterans Affairs medical center in Salisbury, North Carolina, \$18,200,000.

(c) **SEISMIC CORRECTION PROJECT.**—The Secretary may carry out seismic corrections to Building Number 324 at the Department of Veterans Affairs medical center in Palo Alto, California, in the amount of \$20,800,000.

(d) **PROJECT AUTHORIZATION WHEN PARTIAL FUNDING PROVIDED.**—If the amount of funds appropriated for fiscal year 1997 or 1998 for design and partial construction of a major medical facility project that is authorized in this section is less than the amount required to complete the construction of that project as authorized and if the Secretary obligates funds for such construction, such project shall be deemed to be fully authorized. Any such authorization shall cease to have effect at the close of fiscal year 2001.

SEC. 202. AUTHORIZATION OF MAJOR MEDICAL FACILITY LEASES.

The Secretary of Veterans Affairs may enter into leases for medical facilities as follows:

(1) Lease of a satellite outpatient clinic in Allentown, Pennsylvania, in an amount not to exceed \$2,159,000.

(2) Lease of a satellite outpatient clinic in Beaumont, Texas, in an amount not to exceed \$1,940,000.

(3) Lease of a satellite outpatient clinic in Boston, Massachusetts, in an amount not to exceed \$2,358,000.

(4) Lease of a parking facility in Cleveland, Ohio, in an amount not to exceed \$1,300,000.

(5) Lease of a satellite outpatient clinic and Veterans Benefits Administration field office in San Antonio, Texas, in an amount not to exceed \$2,256,000.

(6) Lease of a satellite outpatient clinic in Toledo, Ohio, in an amount not to exceed \$2,223,000.

SEC. 203. AUTHORIZATION OF APPROPRIATIONS.

(a) **IN GENERAL.**—There are authorized to be appropriated to the Secretary of Veterans Affairs for fiscal year 1997 and fiscal year 1998—

(1) for the Construction, Major Projects, account, a total of \$358,150,000 for the projects authorized in section 201; and

(2) for the Medical Care account, a total of \$12,236,000 for the leases authorized in section 202.

(b) **LIMITATION.**—The projects authorized in section 201 may only be carried out using—

(1) funds appropriated for fiscal year 1997 or fiscal year 1998 consistent with the authorization of appropriations in subsection (a);

(2) funds appropriated for Construction, Major Projects for a fiscal year before fiscal year 1997 that remain available for obligation; and

(3) funds appropriated for Construction, Major Projects for fiscal year 1997 or fiscal year 1998 for a category of activity not specific to a project.

SEC. 204. STRATEGIC PLANNING.

Section 8107 is amended—

(1) by redesignating subsection (b) as subsection (c);

(2) by striking out subsection (a) and inserting in lieu thereof the following new subsections:

“(a) In order to promote effective planning for the efficient provision of care to eligible veterans, the Secretary, based on the analysis and recommendations of the Under Secretary for Health, shall submit to each committee an annual report regarding long-range health planning of the Department. The report shall be submitted each year not later than the date on which the budget for the next fiscal year is submitted to the Congress under section 1105 of title 31.

“(b) Each report under subsection (a) shall include the following:

“(1) A five-year strategic plan for the provision of care under chapter 17 of this title to eligible veterans through coordinated networks of medical facilities operating within prescribed geographic service-delivery areas, such plan to include provision of services for the specialized treatment and rehabilitative needs of disabled veterans (including veterans with spinal cord dysfunction, blindness, amputations, and mental illness) through distinct programs or facilities of the Department dedicated to the specialized needs of those veterans.

“(2) A description of how planning for the networks will be coordinated.

“(3) A profile regarding each such network of medical facilities which identifies—

“(A) the mission of each existing or proposed medical facility in the network;

“(B) any planned change in the mission for any such facility and the rationale for such planned change;

“(C) the population of veterans to be served by the network and anticipated changes over a five-year period and a ten-year period, respectively, in that population and in the health-care needs of that population;

“(D) information relevant to assessing progress toward the goal of achieving relative equivalency in the level of resources per patient distributed to each network, such information to include the plans for and progress toward lowering the cost of care-delivery in the network (by means such as changes in the mix in the network of physicians, nurses, physician assistants, and advance practice nurses);

“(E) the capacity of non-Federal facilities in the network to provide acute, long-term, and specialized treatment and rehabilitative services (described in section 7305 of this title), and determinations regarding the extent to which services to be provided in each service-delivery area and each facility in such area should be provided directly through facilities of the Department or through contract or other arrangements, including arrangements authorized under sections 8111 and 8153 of this title; and

“(F) a five-year plan for construction, replacement, or alteration projects in support of the approved mission of each facility in the network and a description of how those projects will improve access to care, or quality of care, for patients served in the network.

“(4) A status report for each facility on progress toward—

“(A) instituting planned mission changes identified under paragraph (3)(B);

“(B) implementing principles of managed care of eligible veterans; and

“(C) developing and instituting cost-effective alternatives to provision of institutional care.”; and

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

“(d)(1) The Secretary shall submit to each committee, not later than January 31 of each year, a report showing the current priorities of the Department for proposed major medical construction projects. Each such report shall identify the 20 projects, from within all the projects in the Department's inventory of proposed projects, that have the highest priority and, for those 20 projects, the relative priority and rank scoring of each such project and the projected cost of such project (including the projected operating costs, including both recurring and non-

recurring costs). The 20 projects shall be compiled, and their relative rankings shall be shown, by category of project (including the categories of ambulatory care projects, nursing home care projects, and such other categories as the Secretary determines).

“(2) The Secretary shall include in each report, for each project listed, a description of the specific factors that account for the relative ranking of that project in relation to other projects within the same category.

“(3) In a case in which the relative ranking of a proposed project has changed since the last report under this subsection was submitted, the Secretary shall also include in the report a description of the reasons for the change in the ranking, including an explanation of any change in the scoring of the project under the Department's scoring system for proposed major medical construction projects.”

SEC. 205. REVISION TO PROSPECTUS REQUIREMENTS.

(a) **ADDITIONAL INFORMATION.**—Section 8104(b) is amended—

(1) by striking out the matter preceding paragraph (1) and inserting in lieu thereof the following:

“(b) Whenever the President or the Secretary submit to the Congress a request for the funding of a major medical facility project (as defined in subsection (a)(3)(A)) or a major medical facility lease (as defined in subsection (a)(3)(B)), the Secretary shall submit to each committee, on the same day, a prospectus of the proposed medical facility. Any such prospectus shall include the following:—

(2) in paragraph (1)—

(A) by striking out “a detailed” and inserting in lieu thereof “A detailed”; and

(B) by striking out the semicolon at the end and inserting in lieu thereof a period;

(3) in paragraph (2)—

(A) by striking out “an estimate” and inserting in lieu thereof “An estimate”; and

(B) by striking out “; and” and inserting in lieu thereof a period;

(4) in paragraph (3), by striking out “an estimate” and inserting in lieu thereof “An estimate”; and

(5) by adding at the end the following new paragraphs:

“(4) Demographic data applicable to such facility, including information on projected changes in the population of veterans to be served by the facility over a five-year period and a ten-year period.

“(5) Current and projected workload and utilization data regarding the facility.

“(6) Current and projected operating costs of the facility, including both recurring and non-recurring costs.

“(7) The priority score assigned to the project or lease under the Department's prioritization methodology and, if the project or lease is being proposed for funding before a project or lease with a higher score, a specific explanation of the factors other than the priority score that were considered and the basis on which the project or lease is proposed for funding ahead of projects or leases with higher priority scores.

“(8) In the case of a prospectus proposing the construction of a new or replacement medical facility, a description of each alternative to construction of the facility that was considered.”

(b) **APPLICABILITY.**—The amendments made by subsection (a) shall apply with respect to any prospectus submitted by the Secretary of Veterans Affairs after the date of the enactment of this Act.

SEC. 206. CONSTRUCTION AUTHORIZATION REQUIREMENTS.

(a) **DEFINITION OF MAJOR MEDICAL FACILITY PROJECT.**—Paragraph (3)(A) of section 8104(a) is amended by striking out “\$3,000,000” and inserting in lieu thereof “\$4,000,000”.

(b) **APPLICABILITY OF CONSTRUCTION AUTHORIZATION REQUIREMENT.**—(1) Subsection (b) of

section 301 of the Veterans' Medical Programs Amendments of 1992 (Public Law 102-405; 106 Stat. 1994) is repealed.

(2) The amendments made by subsection (a) of such section shall apply with respect to any major medical facility project or any major medical facility lease of the Department of Veterans Affairs, regardless of when funds are first appropriated for that project or lease, except that in the case of a project for which funds were first appropriated before October 9, 1992, such amendments shall not apply with respect to amounts appropriated for that project for a fiscal year before fiscal year 1998.

(c) **LIMITATION ON OBLIGATIONS FOR ADVANCE PLANNING.**—Section 8104 is amended by adding at the end the following new subsection:

"(f) The Secretary may not obligate funds in an amount in excess of \$500,000 from the Advance Planning Fund of the Department toward design or development of a major medical facility project (as defined in subsection (a)(3)(A)) until—

"(1) the Secretary submits to the committees a report on the proposed obligation; and

"(2) a period of 30 days has passed after the date on which the report is received by the committees."

SEC. 307. TERMINOLOGY CHANGES.

(a) **DEFINITION OF "CONSTRUCT"**.—Section 8101(2) is amended—

(1) by striking out "working drawings" and inserting in lieu thereof "construction documents"; and

(2) by striking out "preliminary plans" and inserting in lieu thereof "design development".

(b) **PARKING FACILITIES.**—Section 8109(h)(3)(B) is amended by striking out "working drawings" and inserting in lieu thereof "construction documents".

TITLE III—HEALTH CARE AND ADMINISTRATION

Subtitle A—Health Care Sharing and Administration

SEC. 301. REVISION OF AUTHORITY TO SHARE MEDICAL FACILITIES, EQUIPMENT, AND INFORMATION.

(a) **STATEMENT OF PURPOSE.**—The text of section 8151 is amended to read as follows:

"It is the purpose of this subchapter to strengthen the medical programs at Department facilities and improve the quality of health care provided veterans under this title by authorizing the Secretary to enter into agreements with health-care providers in order to share health-care resources with, and receive health-care resources from, such providers while ensuring no diminution of services to veterans."

(b) **DEFINITIONS.**—Section 8152 is amended—

(1) by striking out paragraphs (1), (2), and (3) and inserting in lieu thereof the following new paragraphs (1) and (2):

"(1) The term 'health-care resource' includes hospital care and medical services (as those terms are defined in section 1701 of this title), any other health-care service, and any health-care support or administrative resource.

"(2) The term 'health-care providers' includes health-care plans and insurers and any organizations, institutions, or other entities or individuals who furnish health-care resources"; and

(2) by redesignating paragraph (4) as paragraph (3).

(c) **AUTHORITY TO SECURE HEALTH-CARE RESOURCES.**—Section 8153 is amended as follows:

(1) Subsection (a) is amended—

(A) in paragraph (1)—

(i) by striking out "certain specialized medical resources" and inserting in lieu thereof "health-care resources";

(ii) by striking out "other medical resources" and inserting in lieu thereof "other health-care resources"; and

(iii) by striking out "of—" and all that follows through "section 1742(a) of this title" and inserting in lieu thereof "of health-care resources between Department health-care facili-

ties and any health-care provider, or other entity or individual";

(B) in paragraph (2), by striking out "only" and all that follows through "are not" and inserting in lieu thereof "if such resources are not, or would not be,"; and

(C) by adding at the end the following:

"(3)(A) If the health-care resource required is a commercial service, the use of medical equipment or space, or research, and is to be acquired from an institution affiliated with the Department in accordance with section 7302 of this title, including medical practice groups and other entities associated with affiliated institutions, blood banks, organ banks, or research centers, the Secretary may make arrangements for acquisition of the resource without regard to any law or regulation that would otherwise require the use of competitive procedures for acquiring the resource.

"(B)(i) If the health-care resource required is a commercial service or the use of medical equipment or space, and is not to be acquired from an entity described in subparagraph (A), any procurement of the resource may be conducted without regard to any law or regulation that would otherwise require the use of competitive procedures for procuring the resource, but only if the procurement is conducted in accordance with the simplified procedures prescribed pursuant to clause (ii).

"(ii) The Secretary, in consultation with the Administrator for Federal Procurement Policy, may prescribe simplified procedures for the procurement of health-care resources under this subparagraph. The Secretary shall publish such procedures for public comment in accordance with section 22 of the Office of Federal Procurement Policy Act (41 U.S.C. 418b). Such procedures shall permit all responsible sources to submit a bid, proposal, or quotation (as appropriate) for the resources to be procured and provide for the consideration by the Department of bids, proposals, or quotations so submitted.

"(iii) Pending publication of the procedures under clause (ii), the Secretary shall (except as provided under subparagraph (A)) procure health-care resources referred to in clause (i) in accordance with all procurement laws and regulations.

"(C) Any procurement of health-care resources other than those covered by subparagraph (A) or (B) shall be conducted in accordance with all procurement laws and regulations.

"(D) For any procurement to be conducted on a sole source basis other than a procurement covered by subparagraph (A), a written justification shall be prepared that includes the information and is approved at the levels prescribed in section 303(f) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(f)).

"(E) As used in this paragraph, the term 'commercial service' means a service that is offered and sold competitively in the commercial marketplace, is performed under standard commercial terms and conditions, and is procured using firm-fixed price contracts."

(2) Subsection (b) is amended by striking out "reciprocal reimbursement" in the first sentence and all that follows through the period at the end of that sentence and inserting in lieu thereof "payment to the Department in accordance with procedures that provide appropriate flexibility to negotiate payment which is in the best interest of the Government."

(3) Subsection (d) is amended by striking out "preclude such payment, in accordance with—" and all that follows through "to such facility therefor" and inserting in lieu thereof "preclude such payment to such facility for such care or services."

(4) Such section is further amended—

(A) by redesignating subsection (e) as subsection (g); and

(B) by inserting after subsection (d) the following new subsections:

"(e) The Secretary may make an arrangement that authorizes the furnishing of services by the

Secretary under this section to individuals who are not veterans only if the Secretary determines—

"(1) that veterans will receive priority under such an arrangement; and

"(2) that such an arrangement—

"(A) is necessary to maintain an acceptable level and quality of service to veterans at that facility; or

"(B) will result in the improvement of services to eligible veterans at that facility.

"(f) Any amount received by the Secretary from a non-Federal entity as payment for services provided by the Secretary during a prior fiscal year under an agreement entered into under this section may be obligated by the Secretary during the fiscal year in which the Secretary receives the payment."

(d) **CLERICAL AMENDMENTS.**—(1) The heading of section 8153 is amended to read as follows:

"§8153. Sharing of health-care resources."

(2) The item relating to section 8153 in the table of sections at the beginning of chapter 81 is amended to read as follows:

"8153. Sharing of health-care resources."

SEC. 302. IMPROVED EFFICIENCY IN HEALTH CARE RESOURCE MANAGEMENT.

(a) **TEMPORARY EXPANSION OF AUTHORITY FOR SHARING AGREEMENTS.**—Section 201 of the Veterans Health Care Act of 1992 (Public Law 102-585; 38 U.S.C. 8111 note) is amended—

(1) by inserting "(a) AUTHORITY.—" before "The Secretary of Veterans Affairs"; and

(2) by adding at the end thereof the following new subsection:

"(b) **USE OF FUNDS.**—Any amount received by the Secretary from a non-Federal entity as payment for services provided by the Secretary during a prior fiscal year under an agreement entered into under this section may be obligated by the Secretary during the fiscal year in which the Secretary receives the payment."

(b) **REPEAL OF SUNSET PROVISION.**—(1) Section 204 of such Act (38 U.S.C. 8111 note) is repealed.

(2) Any services provided pursuant to agreements entered into under section 201 of such Act (38 U.S.C. 8111 note) during the period beginning on October 1, 1996, and ending on the date of the enactment of this Act are hereby ratified.

(c) **COST RECOVERY.**—Title II of such Act is further amended by adding at the end the following new section:

"SEC. 307. AUTHORITY TO BILL HEALTH-PLAN CONTRACTS.

"(a) **RIGHT TO RECOVER.**—In the case of a primary beneficiary (as described in section 201(a)(2)(B)) who has coverage under a health-plan contract, as defined in section 1729(i)(1)(A) of title 38, United States Code, and who is furnished care or services by a Department medical facility pursuant to this title, the United States shall have the right to recover or collect charges for such care or services from such health-plan contract to the extent that the beneficiary (or the provider of the care or services) would be eligible to receive payment for such care or services from such health-plan contract if the care or services had not been furnished by a department or agency of the United States. Any funds received from such health-plan contract shall be credited to funds that have been allotted to the facility that furnished the care or services.

"(b) **ENFORCEMENT.**—The right of the United States to recover under such a beneficiary's health-plan contract shall be enforceable in the same manner as that provided by subsections (a)(3), (b), (c)(1), (d), (f), (h), and (i) of section 1729 of title 38, United States Code."

SEC. 303. PERSONNEL FURNISHING SHARED RESOURCES.

Section 712(b)(2) is amended—

(1) by striking out "the sum of—" and inserting in lieu thereof "the sum of the following:";

(2) by capitalizing the first letter of the first word of each of subparagraphs (A) and (B);

(3) by striking out "and" at the end of subparagraph (A) and inserting in lieu thereof a period; and

(4) by adding at the end the following new subparagraph:

"(C) The number of such positions in the Department during that fiscal year held by persons involved in providing health-care resources under section 8111 or 8153 of this title or under section 201 of the Veterans Health Care Act of 1992 (Public Law 102-585; 106 Stat. 4949; 38 U.S.C. 8111 note)."

SEC. 304. WAITING PERIOD FOR ADMINISTRATIVE REORGANIZATIONS.

Section 510(b) is amended—

(1) in the second sentence, by striking out "a 90-day period of continuous session of Congress following the date of the submission of the report" and inserting in lieu thereof "a 45-day period following the date of the submission of the report, not less than 30 days of which shall be days during which Congress shall have been in continuous session"; and

(2) in the third sentence, by striking out "such 90-day period" and inserting in lieu thereof "any period of continuity of session".

SEC. 305. REPEAL OF LIMITATIONS ON CONTRACTS FOR CONVERSION OF PERFORMANCE OF ACTIVITIES OF DEPARTMENT HEALTH-CARE FACILITIES AND REVISED ANNUAL REPORTING REQUIREMENT.

Subsection (c) of section 8110 is amended to read as follows:

"(c) The Secretary shall include in the materials submitted to Congress each year in support of the budget of the Department for the next fiscal year a report on activities and proposals involving contracting for performance by contractor personnel of work previously performed by Department employees. The report shall—

"(1) identify those specific activities that are currently performed at a Department facility by more than 10 Department employees which the Secretary proposes to study for possible contracting involving conversion from performance by Department employees to performance by employees of a contractor; and

"(2) identify those specific activities that have been contracted for performance by contractor employees during the prior fiscal year (shown by location, subject, scope of contracts, and savings) and shall describe the effect of such contracts on the quality of delivery of health services during such year."

Subtitle B—Care of Women Veterans

SEC. 331. MAMMOGRAPHY QUALITY STANDARDS.

(a) IN GENERAL.—(1) Subchapter II of chapter 73 is amended by adding after section 7318 the following new section:

"§7319. Mammography quality standards

"(a) A mammogram may not be performed at a Department facility unless that facility is accredited for that purpose by a private nonprofit organization designated by the Secretary. An organization designated by the Secretary under this subsection shall meet the standards for accrediting bodies established under subsection (e) of section 354 of the Public Health Service Act (42 U.S.C. 263b).

"(b) The Secretary, in consultation with the Secretary of Health and Human Services, shall prescribe quality assurance and quality control standards relating to the performance and interpretation of mammograms and use of mammogram equipment and facilities of the Department of Veterans Affairs consistent with the requirements of section 354(f)(1) of the Public Health Service Act. Such standards shall be no less stringent than the standards prescribed by the Secretary of Health and Human Services under section 354(f) of the Public Health Service Act.

"(c)(1) The Secretary, to ensure compliance with the standards prescribed under subsection (b), shall provide for an annual inspection of the equipment and facilities used by and in Department health care facilities for the performance of mammograms. Such inspections shall be carried out in a manner consistent with the inspection of certified facilities by the Secretary of

Health and Human Services under section 354(g) of the Public Health Service Act.

"(2) The Secretary may not provide for an inspection under paragraph (1) to be performed by a State agency.

"(d) The Secretary shall ensure that mammograms performed for the Department under contract with any non-Department facility or provider conform to the quality standards prescribed by the Secretary of Health and Human Services under section 354 of the Public Health Service Act.

"(e) For the purposes of this section, the term 'mammogram' has the meaning given such term in paragraph (5) of section 354(a) of the Public Health Service Act."

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7318 the following new item:

"7319. Mammography quality standards."

(b) DEADLINE FOR PRESCRIBING STANDARDS.—The Secretary of Veterans Affairs shall prescribe standards under subsection (b) of section 7319 of title 38, United States Code, as added by subsection (a), not later than the end of the 120-day period beginning on the date of the enactment of this Act.

(c) IMPLEMENTATION REPORT.—The Secretary shall submit to the Committees on Veterans Affairs of the Senate and House of Representatives a report on the Secretary's implementation of section 7319 of title 38, United States Code, as added by subsection (a). The report shall be submitted not later than 120 days after the date of the enactment of this Act.

SEC. 332. PATIENT PRIVACY FOR WOMEN PATIENTS.

(a) IDENTIFICATION OF DEFICIENCIES.—The Secretary of Veterans Affairs shall conduct a survey of each medical center under the jurisdiction of the Secretary to identify deficiencies relating to patient privacy afforded to women patients in the clinical areas at each such center which may interfere with appropriate treatment of such patients.

(b) CORRECTION OF DEFICIENCIES.—The Secretary shall ensure that plans and, where appropriate, interim steps to correct the deficiencies identified in the survey conducted under subsection (a) are developed and are incorporated into the Department's construction planning processes and, in cases in which it is cost-effective to do so, are given a high priority.

(c) REPORTS TO CONGRESS.—The Secretary shall compile an annual inventory, by medical center, of deficiencies identified under subsection (a) and of plans and, where appropriate, interim steps, to correct such deficiencies. The Secretary shall submit to the Committees on Veterans Affairs of the Senate and House of Representatives, not later than October 1, 1997, and not later than October 1 each year thereafter through 1999 a report on such deficiencies. The Secretary shall include in such report the inventory compiled by the Secretary, the proposed corrective plans, and the status of such plans.

SEC. 333. ASSESSMENT OF USE BY WOMEN VETERANS OF DEPARTMENT HEALTH SERVICES.

(a) REPORTS TO UNDER SECRETARY FOR HEALTH.—The Center for Women Veterans of the Department of Veterans Affairs (established under section 509 of Public Law 103-446), in consultation with the Advisory Committee on Women Veterans, shall assess the use by women veterans of health services through the Department of Veterans Affairs, including counseling for sexual trauma and mental health services. The Center shall submit to the Under Secretary for Health of the Department of Veterans Affairs a report not later than April 1, 1997, and April 1 of each of the two following years, on—

(1) the extent to which women veterans described in paragraphs (1) and (2) of section 1710(a) of title 38, United States Code, fail to seek, or face barriers in seeking, health services

through the Department, and the reasons therefor; and

(2) recommendations, if indicated, for encouraging greater use of such services, including (if appropriate) public service announcements and other outreach efforts.

(b) REPORTS TO CONGRESSIONAL COMMITTEES.—Not later than July 1, 1997, and July 1 of each of the two following years, the Secretary of Veterans Affairs shall submit to the Committees on Veterans Affairs of the Senate and House of Representatives a report containing—

(1) the most recent report of the Center for Women Veterans under subsection (a);

(2) the views of the Under Secretary for Health on such report's findings and recommendations; and

(3) a description of the steps being taken by the Secretary to remedy any problems described in the report.

SEC. 334. REPORTING REQUIREMENTS.

(a) EXTENSION OF ANNUAL REPORT REQUIREMENT.—Section 107(a) of the Veterans Health Care Act of 1992 (Public Law 102-585; 106 Stat. 4947) is amended by striking out "Not later than January 1, 1993, January 1, 1994, and January 1, 1995" and inserting in lieu thereof "Not later than January 1 of 1993 and each year thereafter through 1998".

(b) REPORT ON HEALTH CARE AND RESEARCH.—Section 107(b) of such Act is amended—

(1) in paragraph (2)(A), by inserting "(including information on the number of inpatient stays and the number of outpatient visits through which such services were provided)" after "facility"; and

(2) by adding at the end the following new paragraph:

"(5) A description of the actions taken by the Secretary to foster and encourage the expansion of such research."

Subtitle C—Readjustment Counseling and Mental Health Care

SEC. 331. EXPANSION OF ELIGIBILITY FOR READJUSTMENT COUNSELING AND CERTAIN RELATED COUNSELING SERVICES.

(a) EXPANSION OF ELIGIBILITY.—Subsection (a) of section 1712A is amended to read as follows:

"(a)(1)(A) Upon the request of any veteran referred to in subparagraph (B), the Secretary shall furnish counseling to the veteran to assist the veteran in readjusting to civilian life. Such counseling may include a general mental and psychological assessment of the veteran to ascertain whether such veteran has mental or psychological problems associated with readjustment to civilian life.

"(B) Subparagraph (A) applies to the following veterans:

"(i) Any veteran who served on active duty—

"(I) in a theater of combat operations (as determined by the Secretary in consultation with the Secretary of Defense) during the Vietnam era; or

"(II) after May 7, 1975, in an area at a time during which hostilities occurred in that area.

"(ii) Any veteran (other than a veteran covered by clause (i)) who served on active duty during the Vietnam era who seeks or is furnished such counseling before January 1, 2000.

"(2)(A) Upon the request of any veteran (other than a veteran covered by paragraph (1)) who served in the active military, naval, or air service in a theater of combat operations (as so determined) during a period of war, or in any other area during a period in which hostilities (as defined in subparagraph (B)) occurred in such area, the Secretary may furnish counseling to the veteran to assist the veteran in readjusting to civilian life.

"(B) For the purposes of subparagraph (A), the term 'hostilities' means an armed conflict in which the members of the Armed Forces are subjected to danger comparable to the danger to

which members of the Armed Forces have been subjected in combat with enemy armed forces during a period of war, as determined by the Secretary in consultation with the Secretary of Defense."

(b) **REPEAL OF REFERRAL PROVISIONS.**—Subsection (c) of such section is repealed.

SEC. 332. REPORTS RELATING TO VET CENTERS.

(a) **REPORT ON COLLOCATION OF VET CENTERS AND DEPARTMENT OUTPATIENT CLINICS.**—(1) Not later than six months after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the feasibility and desirability of providing for the collocation of Vet Centers and outpatient clinics (including rural mobile clinics) of the Department of Veterans Affairs as current leases for such centers and clinics expire.

(2) The report shall include an assessment of the following:

(A) The results of any collocation of Vet Centers and outpatient clinics carried out by the Secretary before the date of the enactment of this Act, including the effects of such collocation on the quality of care provided at such centers and clinics.

(B) The effect of such collocation on the capacity of such centers and clinics to carry out their primary mission.

(C) The extent to which such collocation will impair the operational independence or administrative integrity of such centers and clinics.

(D) The feasibility of combining the services provided by such centers and clinics in the course of such collocation.

(E) The advisability of the collocation of centers and clinics of significantly different size.

(F) The effect of the locations (including urban and rural locations) of the centers and clinics on the feasibility and desirability of such collocation.

(G) The amount of any costs savings to be achieved by Department as a result of such collocation.

(H) Any other matter that the Secretary considers appropriate.

(b) **REPORT ON PROVISION OF LIMITED HEALTH CARE SERVICES AT READJUSTMENT COUNSELING CENTERS.**—(1) Not later than six months after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the feasibility and desirability of providing a limited battery of health care services (including ambulatory services and health care screening services) to veterans at Department of Veterans Affairs readjustment counseling centers.

(2) The report shall include a discussion of the following:

(A) The effect on the advisability of providing health care services at readjustment counseling centers of the geographic location of such centers, including the urban location and rural location of such centers and the proximity of such centers to Department of Veterans Affairs medical facilities.

(B) The effect on the advisability of providing such services at such centers of the type and level of services to be provided, and the demographic characteristics (including age, socioeconomic status, ethnicity, and sex) of veterans likely to be provided the services.

(C) The effect of providing such services at such centers on the readjustment counseling center program in general and on the efficiency and autonomy of the clinical and administrative operations of the readjustment counseling centers in particular.

(D) Any other matter that the Secretary considers appropriate.

(c) **RULE OF CONSTRUCTION.**—Nothing in this section is intended to preclude the Secretary, during the period before the submission of the reports under this section, from providing limited health care services at Vet Centers.

SEC. 333. ADVISORY COMMITTEE ON THE READJUSTMENT OF VETERANS.

(a) **IN GENERAL.**—(1) Subchapter III of chapter 5 is amended by inserting after section 544 the following new section:

"§545. Advisory Committee on the Readjustment of Veterans

"(a)(1) There is in the Department the Advisory Committee on the Readjustment of Veterans (hereinafter in this section referred to as the 'Committee').

"(2) The Committee shall consist of not more than 18 members appointed by the Secretary from among individuals who—

"(A) have demonstrated significant civic or professional achievement; and

"(B) have experience with the provision of veterans benefits and services by the Department.

"(3) The Secretary shall seek to ensure that members appointed to the Committee include individuals from a wide variety of geographic areas and ethnic backgrounds, individuals from veterans service organizations, individuals with combat experience, and women.

"(4) The Secretary shall determine the terms of service and pay and allowances of the members of the Committee, except that a term of service may not exceed two years. The Secretary may reappoint any member for additional terms of service.

"(b)(1) The Secretary shall, on a regular basis, consult with and seek the advice of the Committee with respect to the provision by the Department of benefits and services to veterans in order to assist veterans in the readjustment to civilian life.

"(2)(A) In providing advice to the Secretary under this subsection, the Committee shall—

"(i) assemble and review information relating to the needs of veterans in readjusting to civilian life;

"(ii) provide information relating to the nature and character of psychological problems arising from service in the Armed Forces;

"(iii) provide an on-going assessment of the effectiveness of the policies, organizational structures, and services of the Department in assisting veterans in readjusting to civilian life; and

"(iv) provide on-going advice on the most appropriate means of responding to the readjustment needs of veterans in the future.

"(B) In carrying out its duties under subparagraph (A), the Committee shall take into special account the needs of veterans who have served in a theater of combat operations.

"(c)(1) Not later than March 31 of each year, the Committee shall submit to the Secretary a report on the programs and activities of the Department that relate to the readjustment of veterans to civilian life. Each such report shall include—

"(A) an assessment of the needs of veterans with respect to readjustment to civilian life;

"(B) a review of the programs and activities of the Department designed to meet such needs; and

"(C) such recommendations (including recommendations for administrative and legislative action) as the Committee considers appropriate.

"(2) Not later than 90 days after the receipt of a report under paragraph (1), the Secretary shall transmit to the Committees on Veterans' Affairs of the Senate and House of Representatives a copy of the report, together with any comments and recommendations concerning the report that the Secretary considers appropriate.

"(3) The Committee may also submit to the Secretary such other reports and recommendations as the Committee considers appropriate.

"(4) The Secretary shall submit with each annual report submitted to the Congress pursuant to section 529 of this title a summary of all reports and recommendations of the Committee, submitted to the Secretary since the previous annual report of the Secretary submitted pursuant to that section.

"(d)(1) Except as provided in paragraph (2), the provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall apply to the activities of the Committee under this section.

"(2) Section 14 of such Act shall not apply to the Committee."

(2) The table of sections at the beginning of chapter 5 is amended by inserting after the relating to section 544 the following new item:

"§45. Advisory Committee on the Readjustment of Veterans."

(b) **ORIGINAL MEMBERS.**—(1) Notwithstanding subsection (a)(2) of section 545 of title 38, United States Code (as added by subsection (a)), the members of the Advisory Committee on the Readjustment of Vietnam and Other War Veterans on the date of the enactment of this Act shall be the original members of the advisory committee recognized under such section.

(2) The original members shall so serve until the Secretary of Veterans Affairs carries out appointments under such subsection (a)(2). The Secretary of Veterans Affairs shall carry out such appointments as soon after such date as is practicable. The Secretary may make such appointments from among such original members.

SEC. 334. CENTERS FOR MENTAL ILLNESS RESEARCH, EDUCATION, AND CLINICAL ACTIVITIES.

(a) **IN GENERAL.**—(1) Subchapter II of chapter 73 is amended by adding after section 7319, as added by section 321(a)(1), the following new section:

"§7320. Centers for mental illness research, education, and clinical activities

"(a) The purpose of this section is to provide for the improvement of the provision of health-care services and related counseling services to eligible veterans suffering from mental ill (especially mental illness related to service-related conditions) through—

"(1) the conduct of research (including research on improving mental health service facilities of the Department and on improving the delivery of mental health services by the Department);

"(2) the education and training of health care personnel of the Department; and

"(3) the development of improved models and systems for the furnishing of mental health services by the Department.

"(b)(1) The Secretary shall establish and operate centers for mental illness research, education, and clinical activities. Such centers shall be established and operated by collaborating Department facilities as provided in subsection (c)(1). Each such center shall function as a center for—

"(A) research on mental health services;

"(B) the use by the Department of specific models for furnishing services to treat serious mental illness;

"(C) education and training of health-care professionals of the Department; and

"(D) the development and implementation of innovative clinical activities and systems of care with respect to the delivery of such services by the Department.

"(2) The Secretary shall, upon the recommendation of the Under Secretary for Health, designate the centers under this section. In making such designations, the Secretary shall ensure that the centers designated are located in various geographic regions of the United States. The Secretary may designate a center under this section only if—

"(A) the proposal submitted for the designation of the center meets the requirements of subsection (c);

"(B) the Secretary makes the finding described in subsection (d); and

"(C) the peer review panel established under subsection (e) makes the determination specified in subsection (e)(3) with respect to that proposal.

"(3) Not more than five centers may be designated under this section.

"(4) The authority of the Secretary to establish and operate centers under this section is subject to the appropriation of funds for that purpose.

"(c) A proposal submitted for the designation of a center under this section shall—

"(1) provide for close collaboration in the establishment and operation of the center, and for the provision of care and the conduct of research and education at the center, by a Department facility or facilities in the same geographic area which have a mission centered on care of the mentally ill and a Department facility in that area which has a mission of providing tertiary medical care;

"(2) provide that no less than 50 percent of the funds appropriated for the center for support of clinical care, research, and education will be provided to the collaborating facility or facilities that have a mission centered on care of the mentally ill; and

"(3) provide for a governance arrangement between the collaborating Department facilities which ensures that the center will be established and operated in a manner aimed at improving the quality of mental health care at the collaborating facility or facilities which have a mission centered on care of the mentally ill.

"(d) The finding referred to in subsection (b)(2)(B) with respect to a proposal for designation of a site as a location of a center under this section is a finding by the Secretary, upon the recommendation of the Under Secretary for Health, that the facilities submitting the proposal have developed (or may reasonably be anticipated to develop) each of the following:

"(1) An arrangement with an accredited medical school that provides education and training in psychiatry and with which one or more of the participating Department facilities is affiliated under which medical residents receive education and training in psychiatry through regular rotation through the participating Department facilities so as to provide such residents with training in the diagnosis and treatment of mental illness.

"(2) An arrangement with an accredited graduate program of psychology under which students receive education and training in clinical, counseling, or professional psychology through regular rotation through the participating Department facilities so as to provide such students with training in the diagnosis and treatment of mental illness.

"(3) An arrangement under which nursing, social work, counseling, or allied health personnel receive training and education in mental health care through regular rotation through the participating Department facilities.

"(4) The ability to attract scientists who have demonstrated achievement in research—

"(A) into the evaluation of innovative approaches to the design of mental health services; or

"(B) into the causes, prevention, and treatment of mental illness.

"(5) The capability to evaluate effectively the activities of the center, including activities relating to the evaluation of specific efforts to improve the quality and effectiveness of mental health services provided by the Department at or through individual facilities.

"(e)(1) In order to provide advice to assist the Secretary and the Under Secretary for Health to carry out their responsibilities under this section, the official within the central office of the Veterans Health Administration responsible for mental health and behavioral sciences matters shall establish a peer review panel to assess the scientific and clinical merit of proposals that are submitted to the Secretary for the designation of centers under this section.

"(2) The panel shall consist of experts in the fields of mental health research, education and training, and clinical care. Members of the panel shall serve as consultants to the Department.

"(3) The panel shall review each proposal submitted to the panel by the official referred to in

paragraph (1) and shall submit to that official its views on the relative scientific and clinical merit of each such proposal. The panel shall specifically determine with respect to each such proposal whether that proposal is among those proposals which have met the highest competitive standards of scientific and clinical merit.

"(4) The panel shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.).

"(f) Clinical and scientific investigation activities at each center established under this section—

"(1) may compete for the award of funding from amounts appropriated for the Department of Veterans Affairs medical and prosthetics research account; and

"(2) shall receive priority in the award of funding from such account insofar as funds are awarded to projects and activities relating to mental illness.

"(g) The Under Secretary for Health shall ensure that at least three centers designated under this section emphasize research into means of improving the quality of care for veterans suffering from mental illness through the development of community-based alternatives to institutional treatment for such illness.

"(h) The Under Secretary for Health shall ensure that information produced by the research, education and training, and clinical activities of centers established under this section that may be useful for other activities of the Veterans Health Administration is disseminated throughout the Veterans Health Administration. Such dissemination shall be made through publications, through programs of continuing medical and related education provided through regional medical education centers under subchapter VI of chapter 74 of this title, and through other means. Such programs of continuing medical education shall receive priority in the award of funding.

"(i) The official within the central office of the Veterans Health Administration responsible for mental health and behavioral sciences matters shall be responsible for supervising the operation of the centers established pursuant to this section and shall provide for ongoing evaluation of the centers and their compliance with the requirements of this section.

"(j)(1) There are authorized to be appropriated to the Department of Veterans Affairs for the basic support of the research and education and training activities of centers established pursuant to this section amounts as follows:

"(A) \$3,125,000 for fiscal year 1998.

"(B) \$6,250,000 for each of fiscal years 1999 through 2001.

"(2) In addition to funds appropriated for a fiscal year pursuant to the authorization of appropriations in paragraph (1), the Under Secretary for Health shall allocate to such centers from other funds appropriated for that fiscal year generally for the Department of Veterans Affairs medical care account and the Department of Veterans Affairs medical and prosthetics research account such amounts as the Under Secretary for Health determines appropriate to carry out the purposes of this section."

"(2) The table of sections at the beginning of chapter 73 is amended by inserting after the item relating to section 7319, as added by section 321(a)(2), the following new item:

"7320. Centers for mental illness research, education, and clinical activities."

(b) ANNUAL REPORTS.—Not later than February 1 of each of 1999, 2000, 2001, and 2002, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the status and activities during the previous fiscal year of the centers for mental illness research, education, and clinical activities established pursuant to section 7320 of title 38, United States Code (as added by subsection (a)). Each such report shall include the following:

(1) A description of the activities carried out at each center and the funding provided for such activities.

(2) A description of the advances made at each of the participating facilities of the center in research, education and training, and clinical activities relating to mental illness in veterans.

(3) A description of the actions taken by the Under Secretary for Health pursuant to subsection (h) of that section (as so added) to disseminate information derived from such activities throughout the Veterans Health Administration.

(4) The Secretary's evaluations of the effectiveness of the centers in fulfilling the purposes of the centers.

(c) IMPLEMENTATION.—The Secretary of Veterans Affairs shall designate at least one center under section 7320 of title 38, United States Code, not later than January 1, 1998.

SEC. 335. COMMITTEE ON CARE OF SEVERELY CHRONICALLY MENTALLY ILL VETERANS.

(a) ESTABLISHMENT.—Subchapter II of chapter 73 is amended by adding after section 7320, as added by section 334(a)(1), the following new section:

"§7321. Committee on Care of Severely Chronically Mentally Ill Veterans

"(a) The Secretary, acting through the Under Secretary for Health, shall establish in the Veterans Health Administration a Committee on Care of Severely Chronically Mentally Ill Veterans. The Under Secretary shall appoint employees of the Department with expertise in the care of the chronically mentally ill to serve on the committee.

"(b) The committee shall assess, and carry out a continuing assessment of, the capability of the Veterans Health Administration to meet effectively the treatment and rehabilitation needs of mentally ill veterans whose mental illness is severe and chronic and who are eligible for health care furnished by the Department, including the needs of such veterans who are women. In carrying out that responsibility, the committee shall—

"(1) evaluate the care provided to such veterans through the Veterans Health Administration;

"(2) identify systemwide problems in caring for such veterans in facilities of the Veterans Health Administration;

"(3) identify specific facilities within the Veterans Health Administration at which program enrichment is needed to improve treatment and rehabilitation of such veterans; and

"(4) identify model programs which the committee considers to have been successful in the treatment and rehabilitation of such veterans and which should be implemented more widely in or through facilities of the Veterans Health Administration.

"(c) The committee shall—

"(1) advise the Under Secretary regarding the development of policies for the care and rehabilitation of severely chronically mentally ill veterans; and

"(2) make recommendations to the Under Secretary—

"(A) for improving programs of care of such veterans at specific facilities and throughout the Veterans Health Administration;

"(B) for establishing special programs of education and training relevant to the care of such veterans for employees of the Veterans Health Administration;

"(C) regarding research needs and priorities relevant to the care of such veterans; and

"(D) regarding the appropriate allocation of resources for all such activities.

"(d)(1) Not later than April 1, 1997, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the implementation of this section. The report shall include the following:

"(A) A list of the members of the committee.

"(B) The assessment of the Under Secretary for Health, after review of the initial findings of the committee, regarding the capability of the Veterans Health Administration, on a system-wide and facility-by-facility basis, to meet effectively the treatment and rehabilitation needs of severely chronically mentally ill veterans who are eligible for Department care.

"(C) The plans of the committee for further assessments.

"(D) The findings and recommendations made by the committee to the Under Secretary for Health and the views of the Under Secretary on such findings and recommendations.

"(E) A description of the steps taken, plans made (and a timetable for their execution), and resources to be applied toward improving the capability of the Veterans Health Administration to meet effectively the treatment and rehabilitation needs of severely chronically mentally ill veterans who are eligible for Department care.

"(2) Not later than February 1, 1998, and February 1 of each of the three following years, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report containing information updating the reports submitted under this subsection before the submission of such report."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 73 is amended by inserting after the item relating to section 7320, as added by section 334(a)(2) the following new item:

"7321. Committee on Care of Severely Chronically Mentally Ill Veterans."

Subtitle D—Other Provisions

SEC. 341. HOSPICE CARE STUDY.

(a) STUDY REQUIRED.—The Secretary of Veterans Affairs shall conduct a research study to determine the desirability of the Secretary furnishing hospice care to terminally ill veterans and to evaluate the most cost effective and efficient way to do so. The Secretary shall carry out the study using resources and personnel of the Department.

(b) CONDUCT OF STUDY.—In carrying out the study required by subsection (a), the Secretary shall—

(1) evaluate the programs, and the program models, through which the Secretary furnishes hospice care services within or through facilities of the Department of Veterans Affairs and the programs and program models through which non-Department facilities provide such services;

(2) assess the satisfaction of patients, and family members of patients, in each of the program models covered by paragraph (1);

(3) compare the costs (or range of costs) of providing care through each of the program models covered by paragraph (1); and

(4) identify any barriers to providing, procuring, or coordinating hospice services through any of the program models covered by paragraph (1).

(c) PROGRAM MODELS.—For purposes of subsection (b)(1), the Secretary shall evaluate a variety of types of models for delivery of hospice care, including the following:

(1) Direct furnishing of full hospice care by the Secretary.

(2) Direct furnishing of some hospice services by the Secretary.

(3) Contracting by the Secretary for the furnishing of hospice care, with a commitment that the Secretary will provide any further required hospital care for the patient.

(4) Contracting for all required care to be furnished outside the Department.

(5) Referral of the patient for hospice care without a contract.

(d) REPORT.—Not later than April 1, 1998, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the research study. The report shall set forth the Secretary's findings and recommendations. The Secretary shall in-

clude in the report information on the extent to which the Secretary advises veterans concerning their eligibility for hospice care and information on the number of veterans (as of the time of the report) who are in each model of hospice care described in subsection (c) and the average cost per patient of hospice care for each such model.

SEC. 342. PAYMENT TO STATES OF PER DIEM FOR VETERANS RECEIVING ADULT DAY HEALTH CARE.

(a) PAYMENT OF PER DIEM FOR VETERANS RECEIVING ADULT DAY CARE.—Section 1741 is amended—

(1) by inserting "(1)" after "(a)";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

(3) by adding at the end the following new paragraph (2):

"(2) The Secretary may pay each State per diem at a rate determined by the Secretary for each veteran receiving adult day health care in a State home, if such veteran is eligible for such care under laws administered by the Secretary."

(b) ASSISTANCE TO STATES FOR CONSTRUCTION OF ADULT DAY CARE FACILITIES.—(1) Section 8131(3) is amended by inserting "adult day health," before "or hospital care".

(2) Section 8132 is amended by inserting "adult day health," before "or hospital care".

(3) Section 8135(b) is amended—

(A) in paragraph (2)(C), by inserting "or adult day health care facilities" after "domiciliary beds"; and

(B) in paragraph (3)(A), by inserting "or construction (other than new construction) of adult day health care buildings" before the semicolon.

SEC. 343. RESEARCH CORPORATIONS.

(a) RENEWAL OF AUTHORITY.—Section 7368 is amended by striking out "December 31, 1992" and inserting in lieu thereof "December 31, 2000".

(b) CLARIFICATION OF TAX-EXEMPT STATUS.—Sections 7361(b) and 7363(c) are amended by striking out "section 501(c)(3) of".

(c) PERIODIC AUDITS.—Subsection (b) of section 7366 is amended by striking out "The corporation" in the second sentence and all that follows through "shall include that report" and inserting in lieu thereof the following: "A corporation with revenues in excess of \$300,000 for any year shall obtain an audit of the corporation for that year. A corporation with annual revenues between \$10,000 and \$300,000 shall obtain an independent audit of the corporation at least once every three years. Any audit under the preceding sentences shall be performed by an independent auditor. The corporation shall include the most recent such audit".

(d) COMPLIANCE WITH CONFLICT OF INTEREST LAWS AND REGULATIONS.—Subsection (c)(2) of section 7366 is amended by striking out "an annual statement signed by the director or employee certifying that the director or" and inserting in lieu thereof "a statement signed by the executive director of the corporation certifying that each director and".

(e) REVISED REPORTING REQUIREMENT.—Subsection (d) of section 7366 is amended to read as follows:

"(d) The Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives an annual report on the corporations established under this subchapter. The report shall set forth the following information:

"(1) The location of each corporation.

"(2) The amount received by each corporation during the previous year, including—

"(A) the total amount received;

"(B) the amount received from governmental entities;

"(C) the amount received from all other sources; and

"(D) if the amount received from a source referred to in subparagraph (C) exceeded \$25,000, information that identifies the source.

"(3) The amount expended by each corporation during the year, including—

"(A) the amount expended for salary for research staff and for salary for support staff;

"(B) the amount expended for direct support of research; and

"(C) if the amount expended with respect to any payee exceeded \$35,000, information that identifies the payee."

SEC. 344. VETERANS HEALTH ADMINISTRATION HEADQUARTERS.

Section 7306 is amended by adding at the end the following new subsection:

"(f) In organizing the Office and appointing persons to positions in the Office, the Under Secretary shall ensure that—

"(1) the Office is staffed so as to provide the Under Secretary, through a designated clinician in the appropriate discipline in each instance, with expertise and direct policy guidance on—

"(A) unique programs operated by the Administration to provide for the specialized treatment and rehabilitation of disabled veterans (including blind rehabilitation, care of spinal cord dysfunction, mental illness, and long-term care); and

"(B) the programs established under section 1712A of this title; and

"(2) with respect to the programs established under section 1712A of this title, a clinician with appropriate expertise in those programs is responsible to the Under Secretary for the management of those programs."

SEC. 345. DISBURSEMENT AGREEMENTS RELATING TO MEDICAL RESIDENTS AND INTERNS.

Section 7406(c) is amended—

(1) by striking out "Department hospital" each place it appears and inserting in lieu thereof "Department facility furnishing hospital care or medical services";

(2) by striking out "participating hospital" in paragraph (4)(C) and inserting in lieu thereof "participating facility"; and

(3) by striking out "hospital" both places it appears in paragraph (5) and inserting in lieu thereof "facility".

SEC. 346. AUTHORITY TO SUSPEND SPECIAL PAY AGREEMENTS FOR PHYSICIANS AND DENTISTS WHO ENTER RESIDENCY TRAINING PROGRAMS.

Section 7432(b)(2) is amended—

(1) by inserting "(A)" after "(2)"; and

(2) by adding at the end the following:

"(B) The Secretary may suspend a special pay agreement entered into under this section in the case of a physician or dentist who, having entered into the special pay agreement, enters a residency training program. Any such suspension shall terminate when the physician or dentist completes, withdraws from, or is no longer a participant in the program. During the period of such a suspension, the physician or dentist is not subject to the provisions of paragraph (1)."

SEC. 347. REMUNERATED OUTSIDE PROFESSIONAL ACTIVITIES BY VETERANS HEALTH ADMINISTRATION PERSONNEL.

(a) AUTHORITY.—Subsection (b) of section 7423 is amended—

(1) by striking out paragraph (1); and

(2) by redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively.

(b) CONFORMING AMENDMENT.—Subsection (c) of such section is amended in the matter preceding paragraph (1) by striking out "subsection (b)(6)" and inserting in lieu thereof "subsection (b)(5)".

SEC. 348. MODIFICATION OF RESTRICTIONS ON REAL PROPERTY, MILWAUKEE COUNTY, WISCONSIN.

(a) MODIFICATION OF REVERSIONARY INTEREST.—The Secretary of Veterans Affairs is authorized to execute such instruments as may be necessary to modify the conditions under which the land described in subsection (b) will revert to the United States in order—

(1) to permit Milwaukee County, Wisconsin, to grant all or part of such land to another party

with a condition on such grant that the grantee use such land only for civic and recreational purposes; and

(2) to provide that the conditions under which title to all or any part of such land reverts to the United States are stated so that any such reversion would occur at the option of the United States.

(b) **DESCRIPTION OF LAND.**—The land covered by this section is the tract of 28 acres of land, more or less, conveyed to Milwaukee County, Wisconsin, pursuant to the Act entitled "An Act authorizing the Administrator of Veterans' Affairs to convey certain property to Milwaukee County, Wisconsin", approved August 27, 1954 (68 Stat. 866).

(c) **GENERAL AUTHORITIES.**—The Secretary may carry out this section subject to such terms and conditions (including reservations of rights for the United States) as the Secretary considers necessary to protect the interests of the United States. In carrying out this section, the Secretary may eliminate any existing covenant or restriction with respect to the tract of land described in subsection (b) which the Secretary determines to be no longer necessary to protect the interests of the United States.

SEC. 349. MODIFICATION OF RESTRICTIONS ON REAL PROPERTY, CHEYENNE, WYOMING.

(a) **MODIFICATION OF REVERSIONARY INTEREST.**—The Secretary of Veterans Affairs is authorized to execute such instruments as may be necessary to modify the conditions under which the land described in subsection (b) will revert to the United States in order to permit the City of Cheyenne, Wyoming, to grant all or part of such land to the First Cheyenne Federal Credit Union (formerly known as the Cheyenne VAF Federal Credit Union) with a condition on such grant that the First Cheyenne Federal Credit Union use such land only for the purpose of constructing a building to house its operations.

(b) **DESCRIPTION OF LAND.**—The land covered by this section is the tract of 27 acres of land, more or less, conveyed to the City of Cheyenne, Wyoming, pursuant to the Act entitled "An Act authorizing the Administrator of Veterans' Affairs to convey certain property to the City of Cheyenne, Wyoming", approved November 8, 1965 (79 Stat. 1304).

(c) **TERMS OF REVERSIONARY INTEREST.**—In carrying out this section, the Secretary may cause the statement of the conditions under which title to all or any part of the land described in subsection (b) reverts to the United States to be revised so that any such reversion would occur at the option of the United States.

(d) **GENERAL AUTHORITIES.**—The Secretary may carry out this section subject to such terms and conditions (including reservations of rights for the United States) as the Secretary considers necessary to protect the interests of the United States. In carrying out this section, the Secretary may eliminate any existing covenant or restriction with respect to the tract of land described in subsection (b) which the Secretary determines to be no longer necessary to protect the interests of the United States.

SEC. 350. NAME OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER, JOHNSON CITY, TENNESSEE.

(a) **NAME.**—The Mountain Home Department of Veterans Affairs Medical Center in Johnson City, Tennessee, shall after the date of the enactment of this Act be known and designated as the "James H. Quillen Department of Veterans Affairs Medical Center". Any reference to such medical center in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the James H. Quillen Department of Veterans Affairs Medical Center.

(b) **EFFECTIVE DATE.**—Subsection (a) shall take effect at noon on January 3, 1997.

SEC. 351. REPORT ON HEALTH CARE NEEDS OF VETERANS IN EAST CENTRAL FLORIDA.

(a) **REPORT REQUIRED.**—Not later than 60 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the health care needs of veterans in east central Florida. In preparing the report, the Secretary shall consider the needs of such veterans for psychiatric and long-term care. The Secretary shall include in the report the Secretary's views, based on the Secretary's determination of such needs, as to the best means of meeting such needs using the amounts appropriated pursuant to the authorization of appropriations in this Act and Public Law 103-452 for projects to meet the health care needs of such veterans. The Secretary may, subject to the availability of appropriations for such purpose, use an independent contractor to assist in the determination of such health care needs.

(b) **LIMITATION.**—The Secretary may not obligate any funds, other than for design work, for the conversion of the former Orlando Naval Training Center Hospital in Orlando, Florida (now under the jurisdiction of the Secretary of Veterans Affairs), to a nursing home care unit until 45 days after the date on which the report required by subsection (a) is submitted.

SEC. 352. EVALUATION OF HEALTH STATUS OF SPOUSES AND CHILDREN OF PERSIAN GULF WAR VETERANS.

(a) **EXTENSION OF AUTHORITY.**—Subsection (b) of section 107 of the Persian Gulf War Veterans' Benefits Act (title I of Public Law 103-446; 108 Stat. 4652; 38 U.S.C. 1117 note) is amended by striking out "September 30, 1996" and inserting in lieu thereof "December 31, 1998".

(b) **RATIFICATION OF ACTIONS.**—Any diagnostic testing and medical examinations undertaken by the Secretary of Veterans Affairs for the purpose of the study required by subsection (a) of such section during the period beginning on October 1, 1996, and ending on the date of the enactment of this Act is hereby ratified.

Mr. STUMP (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Arizona?

Mr. MONTGOMERY. Mr. Speaker, reserving the right to object, and I will not object, I yield to the gentleman from Arizona so he can explain this bill.

(Mr. STUMP asked and was given permission to revise and extend his remarks.)

Mr. STUMP. Mr. Speaker, I thank the gentleman from Mississippi for yielding.

Mr. Speaker, the House-Senate agreement, which produced this legislation, includes provisions from several bills passed by the House during the 104th Congress.

These bills are H.R. 1384, to allow VA employees to work outside the VA; H.R. 3376, VA major medical construction authorization; H.R. 3643, expiring authorities legislation; and, of course, H.R. 3118, the Veterans' Health Care Eligibility Reform Act of 1996, the one we have all worked so hard on for several years.

Mr. Speaker, I hope that all Members will support this bill.

Mr. MONTGOMERY. Mr. Speaker, further reserving the right to object, I yield to the gentleman from New York [Mr. SOLOMON], the chairman of the Rules Committee.

Mr. SOLOMON. Mr. Speaker, I think we ought to call attention to the gentleman that has reserved the right to object. His name happens to be SONNY MONTGOMERY. He is a man who personifies the advocacy for veterans and veterans families throughout this country for so many years in this body. He is retiring, he will no longer be with us, but he will be coming back to keep an eye on all of us because he is still going to stick up for the veterans of this country the way he always has.

I am proud to be the cosponsor of this legislation along with Chairman STUMP, because this guarantees the medical care delivery system for the future for veterans of this country. It is a giant step in the right direction. I commend you, SONNY, and you, BOB, and your committees and your staff for the great job you did.

I thank the gentleman for yielding.

Mr. MONTGOMERY. Mr. Speaker, further reserving the right to object, I want to thank the gentleman from New York [Mr. SOLOMON] and five him a good salute on the House floor.

Mr. Speaker, I will be brief. Mr. Speaker, this is a very important bill. I want to commend our Chairman BOB STUMP who has been a fair chairman, we have worked well together, and also the chairman and ranking member of the Subcommittee on Hospitals and Health Care, the gentleman from Arkansas, Mr. HUTCHINSON and the gentleman from Texas, Mr. EDWARDS.

Mr. Speaker, this bill opens up the eligibility more for veterans to get into our veterans hospitals and be treated.

Throughout this Congress, veterans have called on our committee to adopt eligibility reform. That has been their highest priority, and we have pledged to achieve that goal. The House has, in fact, twice passed eligibility reform legislation. But today we join hands with our colleagues in the Senate, and take up a compromise bill. This bill, the Veterans' Health Care Eligibility Reform Act of 1996, is landmark legislation. It not only reforms outdated rules on when and how VA can care for a veteran, but gives VA important new tools both to streamline and strengthen its health care system.

Many, many veterans rely on VA for care—from the spinal cord injured World War II veteran to women veterans of the Persian Gulf war. With this bill, we make it easier for them to get VA care, and provide them greater assurance that the VA health care system of tomorrow will be an even better system than the one that serves them today.

I urge my colleagues to support this compromise agreement.

Mr. Speaker, further reserving the right to object, I yield to the gentleman from Texas [Mr. EDWARDS].

Mr. EDWARDS. Mr. Speaker, I thank the gentleman for yielding to me. I will be brief.

I think I would be remiss if I did not say that this was landmark legislation in the waning hours of this session of Congress, and I want to congratulate the gentleman from Arizona [Mr. STUMP] and the gentleman from Mississippi [Mr. MONTGOMERY], because in a Congress that has sometimes been very difficult, they have shown us that even in difficult times, civility can prevail.

Mr. Speaker, I think it is appropriate that in the 104th Congress where we have freely exercised our freedom of speech on both sides of the aisle, that we finish this Congress by passing major legislation to honor those who have fought and been willing to give their life to protect that freedom of speech, both on the floor of this House and for all Americans across this country. This legislation is a first step, not a last step.

Mr. Speaker, I will finish by saying that this is landmark legislation. It is not the final step in the effort toward increasing care for our veterans, but it is a major step, a significant step that would not have happened had it not been for the leadership of the gentleman from Arizona [Mr. STUMP] and the gentleman from Mississippi [Mr. MONTGOMERY]. I want to express my thanks to both the gentlemen for their efforts on our veterans' behalf.

Finally, this is a win-win, not only for our veterans who will have simpler eligibility rules; they will know whether they can get VA care or not, but they will also be able to get outpatient care more easily. But it is a win also for our taxpayers because by providing outpatient care rather than more expensive inpatient care, our taxpayers will win from this major legislation.

To the gentleman from New York [Mr. SOLOMON] also, the chairman of the Committee on Rules, I want to express my thanks to him for helping this bill become the law of the land at the end of this session.

To all, this is a great piece of legislation. It is a great day for our veterans. Certainly they have earned this right to receive the care that they were willing to give their lives for our Nation for.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman from Texas.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Arizona?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STUMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the Senate amendments to H.R. 3118.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

□ 2230

VETERANS' COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 1996

Mr. STUMP. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3458) to increase, effective as of December 1, 1996, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Senate amendments:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Compensation Cost-of-Living Adjustment Act of 1996".

SEC. 2. INCREASE IN COMPENSATION RATES AND LIMITATIONS.

(a) IN GENERAL.—(1) the Secretary of Veterans Affairs shall, as provided in paragraph (2), increase, effective December 1, 1996, the rates of and limitations on Department of Veterans Affairs disability compensation and dependency and indemnity compensation.

(2) The Secretary shall increase each of the rates and limitations in sections 1114, 1115(1), 1162, 1311, 1313, and 1314 of title 38, United States Code, that were increased by the amendments made by the Veterans' Compensation Cost-of-Living Adjustment Act of 1995 (Public Law No. 104-57; 109 Stat. 555). This increase shall be made in such rates and limitations as in effect on November 30, 1996, and shall be by the same percentage that benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 1996, as a result of a determination under section 215(1) of such Act (42 U.S.C. 415(1)).

(b) SPECIAL RULE.—The Secretary may adjust administratively, consistent with the increases made under subsection (a)(2), the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 (72 Stat. 1263) who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

(c) PUBLICATION REQUIREMENT.—At the same time as the matters specified in section 215(1)(2)(D) of the Social Security Act (42 U.S.C. 415(1)(2)(D)) are required to be published by reason of a determination made under section 215(1) of such Act during fiscal year 1996, the Secretary shall publish in the Federal Register the rates and limitations referred to in subsection (a)(2) as increased under this section.

Mr. STUMP (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Arizona?

Mr. MONTGOMERY. Mr. Speaker, reserving the right to object, and I will

not object, I yield to the gentleman from Arizona to explain the bill.

Mr. STUMP. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, H.R. 3458, as amended, the COLA bill, increases the rates of compensation for veterans with service connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans.

The increase would be effective on December 1, 1996, and would be the same percentage increase as applied to Social Security benefits.

I would like to take a minute to thank Chairman SIMPSON and Senator ROCKEFELLER and their staff for all of the hard work done on this and the two veterans bills just passed.

I also want to thank all our subcommittee chairman and ranking members on the VA Committee for their hard work and bipartisan approach on our legislation this Congress.

In addition, I want to thank the staff members of the House Veterans' Affairs Committee for their support, hard work and willingness to do things in a bipartisan manner.

The veterans' service organizations have worked well with us on these bills and we appreciate their assistance and cooperation as well. I must take just a moment to express my deep appreciation and sincere thanks to the gentleman from Mississippi and my good friend SONNY MONTGOMERY, the ranking minority member of the full committee for his work on this measure, the final veterans bill to be passed during his career in the House. Without his efforts these bills would not be on the floor today.

And Mr. Speaker, without his leadership on veterans' issues over the past 30 years this country would not have fulfilled its obligation to our veterans of military service the way we have.

SONNY MONTGOMERY's commitment and dedication to the men and women serving in our Armed Forces has rightfully earned him the title "Mr. Veteran".

The members of the National Security Committee and the Veterans' Affairs Committee will miss his energetic support for those individuals wearing our country's uniform and those who have worn it.

I will personally miss his friendship and counsel over the many years we have served together in this body.

We wish this great legislator and champion of veterans the very best in all his future endeavors.

I hope all Members will support this bill and I ask unanimous consent to revise and extend my remarks and that all members may have 5 legislative days to revise and extend their remarks on H.R. 3458, as amended.

Mr. MONTGOMERY. Mr. Speaker, further reserving the right to object, Mr. Chairman, BOB STUMP, thank you for the great ride. We have been together on a nonpartisan committee for

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

22-Aug-1996 03:17pm

TO: BROSTROM_M

FROM: Jeff Blaylock

SUBJECT: Re: final (?) question on hc eligibility

Message Creation Date was at 22-AUG-1996 15:15:00

As we discussed, it depends on the disability rating & type of care.

Any vet with a service-connected disability (rated 0%-100%) can receive hospital care for any illness, whether related to the SC disability or not.

Any vet with a SC disability rated 50% or more can receive outpatient care for any illness.

Any vet with a SC disability rated 30%-40% can receive outpatient care for that disability, plus any care to prepare him/her for a hospital stay or to prevent ("obviate the need") a hospital stay.

Any vet with a SC disability rated 0%-20% can receive outpatient care for that disability only.

If the vet has no SC disability, but is indigent, then he/she can receive hospital care for any illness but can receive outpatient care only to prepare for a hospital stay or obviate the need for a hospital stay.

Yes, this is very confusing. jb

September 5, 1996
5:00 PMELIGIBILITY REFORM BILLS -- SIDE BY SIDE ANALYSIS
H.R. 3118 AND SENATE DRAFT BILL

SENATE BILL

H.R. 3118

VA COMMENTS

ELIGIBILITY
FOR HOSPITAL
AND
OUTPATIENT
CARE

The Secretary "shall" furnish all needed "health care" (defined as hospital, outpatient, respite, preventive, rehabilitative and home care, but not nursing home or domiciliary care) to:

- Veterans with an SC disability for the SC disability.
- Veterans with an SC disability rated at least 50%, for any disability
- former POWs, for any disability.
- Veterans of World War I and the Mexican Border Period, for any disability.
- **FOR HOSPITAL CARE ONLY, veterans with an SC disability rated 10%, 20%, 30%, and 40%, for any disability.

To the extent resources and facilities are available, the Secretary "shall" furnish all needed "health care" (hospital, outpatient, respite, preventive, rehabilitative and home care, but not nursing home or domiciliary care) to:

- veterans with an SC disability rated 10%, 20%, 30%, and 40% EXCEPT HOSPITAL CARE PROVIDED FOR ABOVE.

The Secretary "shall," to the extent and in the amount provided in advance in appropriations Acts, furnish all needed hospital care and outpatient medical services (outpatient, preventive, rehabilitative and home care) to:

- Veterans with a compensable SC disability.
- former POWs.
- Veterans of World War I and the Mexican Border Period.
- Veterans discharged for disability incurred or aggravated in service but not adjudicated SC
- Veterans receiving 1151 benefits.
- NSC veterans with income below means test.
- Veterans receiving care under special Agent Orange, Ionizing Radiation, or Persian Gulf treatment authorities.

With respect to the basic eligibility provisions, the two bills are similar. The House bill is preferable as the eligibility scheme is less complex.

The Senate bill categorizes veterans into one of three eligibility groups: those to whom VA "shall" furnish care; those to whom VA "shall" furnish care to the extent resources are available; and those to whom VA "may" furnish care. The Senate bill apparently intends to create an entitlement to care for the first group of veterans. Veterans in the other two groups would be eligible for care, but not entitled.

VA does not believe that using the word "shall" creates such a legal entitlement. VA's position has long been that veterans are eligible for care, not entitled to care, and that use of the word "shall" simply gives those veterans a higher priority for care.

The Senate bill also splits the eligibilities of veterans rated 10% to 40% -- giving them a higher form of eligibility for hospital care than for outpatient care. VA strongly wishes to avoid creating such a preference or priority for inpatient care.

SEP-11-1996 09:57 TO:144 - M BROSTROM

FROM:DADE, J.

P. 3/10

SENATE BILL

H.R. 3118

VA COMMENTS

ELIGIBILITY
FOR HOSPITAL
AND
OUTPATIENT
CARE
(CONTINUED)

- NSC veterans with income below means test.
- Veterans discharged for disability incurred or aggravated in service but not adjudicated SC
- Veterans receiving 1151 benefits.
- Veterans receiving care under special Agent Orange, Ionizing Radiation, or Persian Gulf treatment authorities.

To the extent resources and facilities are available, and subject to copayments, the Secretary "may" furnish all needed "health care" (hospital, outpatient, respite, preventive, rehabilitative and home care, but not nursing home or domiciliary care) to:

- NSC veterans with income above the means test.

To the extent resources and facilities are available, and subject to copayments, the Secretary "may" furnish all needed hospital care and outpatient medical services to:

- NSC veterans with income above the means test.

The provisions of the Senate bill referred to on this page establish the second eligibility group, veterans to whom VA shall furnish care subject to resources. They are comparable to the House provisions providing "mandatory" (but subject to appropriations) eligibility which are set forth on the previous page.

These provisions of the Senate and House bill are essentially the same and establish discretionary "may" eligibility for veterans with incomes above the means test threshold.

ELIGIBILITY
FOR NURSING
HOME CARE

The Secretary "may" furnish needed nursing home care to:

All veterans (as under current law) and copayments apply if income is above the means test threshold. Must enroll, except SC for SC disability and SC rated 50%.

The Secretary "may" furnish needed nursing home care to:

All veterans (as under current law) and copayments apply if income is above the means test threshold. No enrollment requirement as in Senate bill.

Both bills are the same and do not change current law, except that the Senate bill includes the enrollment requirement which we discuss below as a separate issue. VA does not favor an enrollment requirement for this program as nursing home care is completely discretionary and access is effectively managed considering legal priorities and medical need.

ELIGIBILITY
FOR
DOMICILIARY
CARE

ENROLLMENT

SENATE BILL

H.R. 3118

VA COMMENTS

The Secretary "may" furnish needed domiciliary care to:

- Veterans with income below the Pension A&A level
- Veterans with "no adequate means of support".

Eligibility is unchanged from current law, but veterans must enroll, except SC for SC, and SC rated 50%.

VA must establish an enrollment system and furnish care in accordance with specified priorities (see below).

Veterans must enroll in the VA system during an annual enrollment period to receive care, including nursing home and domiciliary care. Failure to enroll requires denial of care. Provides an exception to this requirement for SC veterans rated at least 50%, and veterans receiving care for a SC disability. VA must enroll those veterans when they seek care, even though it is not during the annual enrollment period.

No provision

Eligibility is the same as in Senate Bill with no change in current law. There is no enrollment requirement as in the Senate bill.

VA must establish an enrollment system and furnish care in accordance with specified priorities (see below).

Would allow VA to deny care to veterans who do not enroll during an annual enrollment period, but would not require that by law.

Requires that VA manage enrollment to ensure timely care of acceptable quality

Both bills are the same and do not change current law, except that the Senate bill includes the enrollment requirement which we discuss below as a separate issue. VA does not favor an enrollment requirement for this program as domiciliary care is completely discretionary and access is effectively managed considering legal priorities and medical need.

VA favors the enrollment provisions in the House bill over those in the Senate bill. They give the Department much greater flexibility to use the required enrollment system as a workload and patient-care management tool. The Senate bill makes patient enrollment an eligibility requirement by providing that VA must deny care to veterans who do not enroll during a specified annual enrollment period (except SC for their SC and SC rated 50%).

VA COMMENTS

With respect to the general prioritization scheme, both bills are similar to VA's proposal and would be acceptable to VA. What is important is that there is a priority scheme.

To implement the House provision giving priority to catastrophically disabled veterans, VA will need to promulgate regulations defining what is meant by catastrophically disabled. Guidance in the legislative history of the provision regarding the intended scope of the term "catastrophically disabled" would be helpful in developing such regulations.

H.R. 3118

Establishes five priority groups, but permits VA to establish additional priorities within each group if necessary. Permits exceptions to the priorities for compelling medical reasons (emergencies).

Priority Group I

Veterans with a SC disability rated at least 30%.

Priority Group II

- Veterans with a SC disability rated 10%, or 20%,
- Veterans who are former POWs

Priority Group III

- Veterans receiving increased pension based on A&A or Housebound status.
- Catastrophically disabled veterans.

SENATE BILL

Establishes four priority groups, but permits VA to establish additional priorities within each group if necessary. Permits exceptions to the priorities for compelling medical reasons (emergencies).

Priority Group I

- Veterans with a SC disability for the SC disability.
- SC veterans rated at least 50%, for any disability.

Priority Group II

- Veterans with a SC disability rated 10%, 20%, 30%, or 40%
- Former POWs, World War I and the Mexican Border Period.
- Veterans discharged for disability incurred or aggravated in service but not adjudicated SC
- Veterans receiving 1151 benefits.

Priority Group III

- NSC veterans with income below means test.
- Veterans receiving care under special Agent Orange, Ionizing Radiation, or Persian Gulf treatment authorities.

PRIORITIES

SENATE BILL

H.R. 3118

VA COMMENTS

PRIORITIES (CONTINUED)

Priority Group IV

All other veterans 100 SC and NSC veterans with incomes above the means test.

Priority Group IV

- Other NSC veterans with income below means test.

Priority Group V

All other veterans to whom VA "shall" provide care (see section 21a) of the bill) including those receiving care under special Agent Orange, Ionizing Radiation, or Persian Gulf treatment authorities.

The House bill does not include 00 SC veterans and veterans to whom VA "may" provide health care in any priority group. They would thus have priority after those in Group V.

PROSTHETICS

Would permit the furnishing of prosthetic devices, appliances and medical equipment on an outpatient basis.

Would permit the furnishing of most prosthetic devices, appliances and medical equipment on an outpatient basis when the person is otherwise receiving VA care or services.

Both bills would change current law to permit VA to furnish needed prosthetics devices on an outpatient basis.

No Provision

Would provide that VA may furnish "sensori-neural" aids (e.g. hearing aids and eyeglasses) only in accordance with guidelines (regulations) prescribed by VA.

VA supports the House provision which would allow VA to put limits on furnishing such commonly needed items as eyeglasses and hearing aids.

ELIGIBILITY FOR DENTAL CARE

Unchanged from current law.

Unchanged from current law.

There is no difference between the two bills.

SENATE BILL

H.R. 3118

VA COMMENTS

SPECIAL AGENT ORANGE, RADIATION, AND PERSIAN GULF TREATMENT AUTHORITY

Authorizes comprehensive outpatient care for disorders possibly associated with exposure to Agent Orange or ionizing radiation. (Current law limits to pre- post- and obviate care.)

Provides that care may only be furnished to the extent resources and facilities are available, and only if the veteran enrolls, except SC rated 50%.

Authorizes comprehensive outpatient care for disorders possibly associated with exposure to Agent Orange or ionizing radiation. (Current law limits to pre- post- and obviate care.)

Provides that care may only be furnished to the extent and in the amount provided in advance in appropriations Acts.

The two bills differ only in that the Senate bill includes the enrollment requirement discussed above, which VA does not favor.

SPECIALIZED TREATMENT PROGRAMS

No Provision

Provides that the Secretary shall ensure that VA maintains its specialized treatment program capacity (including SCI, blind rehab, amputations and mental illness programs) at levels existing upon enactment.

VA will retain the special treatment programs referred to in the House bill making the provision unnecessary. This statutory provision would be difficult to interpret (e.g. does it mandate a certain number of beds) and could unduly limit management discretion (e.g. would beds have to be maintained even if good medicine calls for outpatient care instead.

GRANDFATHERING PROVISION FOR SC VETERANS RATED 0+

No Provision

Provides that service-connected veterans will remain eligible for any benefit for which they are currently eligible. The effect is that SC rated 0+ on date of enactment retain current "shall" eligibility for hospital care.

This House provision seems inconsistent with the eligibility and priority provisions discussed above.

AUTHORIZATION OF APPROPRIATIONS

Authorizes appropriation of \$17,068,447,000 for medical care in FY 1997.

Authorizes increases in appropriation for medical care in years after FY 1997 according to the CPI.

Authorizes appropriation of \$17,250,000,000 for medical care in FY 1997, and \$17,900,000,000 for FY 1998.

VA favors the House version as it is less limiting.

SENATE BILL

H.R. 3118

VA COMMENTS

REPORT

No Provision

Requires, by 3/1/98, a detailed VA report to SVAC and HVAC on implementation and impact of reform.

VA favors the Senate bill as a detailed report is unnecessary. VA will make information available to the Congress upon request.

SHARING AUTHORITY

No Provision in Senate draft bill. However, S. 1359 ordered reported by SVAC also contains enhanced sharing authority.

Would expand VA's current sharing authority to permit:

VA strongly favors enhanced sharing authority as it is integral to eligibility reform. It is preferable to include necessary changes in the sharing law in the same bill that accomplishes eligibility reform. For that reason, the House bill is preferable. Substantively there is little difference between the two bills.

See S. 1359

- sharing of all health care resources, including any health-care support or administrative resource. (currently VA can only share specialized medical resources.)
- sharing with any medical school, health-care provider, health-care plan, insurer, other entity or individual. (currently VA is limited to sharing with health-care facilities, research centers or medical schools.

No similar provision in S. 1359 or any other Senate bill.

Would mandate that HHS pay for Medicare beneficiaries treated at VA under sharing agreements without negotiation of rates and procedures as required by current law.

VA favors this House provision.

No similar provision in S. 1359 or any other Senate bill.

Would permit VA to provide services to nonveterans under a sharing agreement only if the arrangement will not deny or delay care to veterans, and is necessary to maintain quality of care or will improve services to veterans.

VA COMMENTS

VA favors this House provision.

VA favors this House provision.

VA favors this House provision.

7/26

- o Simpson/Rockefeller bill marked up - do
+ guaranteed intent for service-connected disability
- creates enrollment system for < 50% service-connected
- " (today, on resource-available basis, ^{hosp.} entitlement for service-connected disab

Rat O'Neill

- Sec. comfortable w/ concept of S. bill (Thank Mary)

good mem

- Stamp ^{bill} to House ~~side~~ floor

- Medicare Subvention

- Spina Bifida

Elig Reform

VSOs submitted own proposal in Feb (Rockefeller/Singapore intro)
- too exp; not going anywhere

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

LRM NO: 3510

FILE NO: 1878

2/13/96

LEGISLATIVE REFERRAL MEMORANDUM

Total Page(s): LD

TO: Legislative Liaison Officer - See Distribution below:

FROM: Janet FORSGREN *Janet R. Forsgren* (for) Assistant Director for Legislative Reference

OMB CONTACT: Melissa COOK 395-3924

Legislative Assistant's line (for simple responses): 395-7362

C=US, A=TELEMAIL, P=GOV+EOP, O=OMB, OU1=LRD, S=COOK, G=MELISSA, I=Y
cook_my@a1.eop.govSUBJECT: OMB Request for Views RE: S1563, Revise and Improve Eligibility for VA
Medical Care and Services**DEADLINE: C.O.B. Tuesday, February 27, 1996**

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before
advising on its relationship to the program of the President.

Please advise us if this item will affect direct spending or receipts for purposes of the
"Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.

COMMENTS: In addition to the text of S 1563, attached are the statements of Sens. Simpson and
Rockefeller that were made upon the bill's introduction. Please note that Sen. Simpson
says that the S. Veterans' Affairs Committee plans to hold hearings on S 1563 in the
spring sometime.

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⇒ *Have Mary B - H Care Elig Reform
for Veterans*

= *Alex Keenan*

- *VA: doesn't think going anywhere -
too expensive*

LRM NO: 3510
FILE NO: 1878

Please include the LRM number shown above, and the subject shown below.

FROM: _____ (Date)
 _____ (Name)
 _____ (Agency)
 _____ (Telephone)

_____ Concur

_____ No Objection

_____ No Comment

_____ See proposed edits on pages _____

_____ Other: _____

_____ FAX RETURN of _____ pages, attached to this response sheet

February 7, 1996

CONGRESSIONAL RECORD—SENATE

S 1083

Mr. DOLE. I ask unanimous consent that the amendment be agreed to, the bill be deemed read a third time, passed, as amended, the motion to reconsider be laid upon the table, and that any colloquy and statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the amendment (No. 3463) was agreed to.

So the bill (H.R. 2196), as amended, was passed.

MESSAGES FROM THE HOUSE

At 10:25 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has agreed to the following resolution (H. Res. 363) that the Honorable CONSTANCE A. MORELLA, a Representative from the State of Maryland, be, and she is hereby, elected Speaker pro tempore during any absence of the Speaker, such authority to continue not later than Tuesday, February 27, 1996.

MEASURE PLACED ON THE CALENDAR

The following measure was read the second time and placed on the calendar:

S. 1561. A bill for the relief of the individuals whose employment at the White House Travel Office was terminated.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SIMPSON (for himself and Mr. ROCKEFELLER) (by request):

S. 1563. A bill to amend title 38, United States Code, to revise and improve eligibility for medical care and services under that title, and for other purposes; to the Committee on Veterans Affairs.

By Mr. CRAIG:

S. 1564. A bill to amend the Small Reclamation Projects Act of 1956 to authorize the Secretary of the Interior to provide loan guarantees for water supply, conservation, quality and transmission projects, and for other purposes; to the Committee on Energy and Natural Resources.

S. 1565. A bill to supplement the Small Reclamation Projects Act of 1956 and to supplement the Federal Reclamation laws by providing for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects; to the Committee on Energy and Natural Resources.

By Mr. HOLLINGS:

S. 1566. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Marsh Grass Too*; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ROHR:

S. Res. 225. A resolution urging the President to undertake measures to facilitate the immediate withdrawal of the Iranian Revolutionary Guards from Bosnia-Herzegovina; to the Committee on Foreign Relations.

By Mr. INOUYE:

S. Con. Res. 41. A concurrent resolution expressing the sense of the Congress that The George Washington University is important to the Nation and urging that the importance of the University be recognized and celebrated through regular ceremonies; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SIMPSON (for himself and Mr. ROCKEFELLER) (by request):

S. 1563. A bill to amend title 38, United States Code, to revise and improve eligibility for medical care and services under that title, and for other purposes; to the Committee on Veterans Affairs.

VA HEALTH CARE LEGISLATION

• Mr. SIMPSON. Mr. President, I am most pleased to join with the distinguished ranking member of the Committee on Veterans Affairs in introducing, by request, legislation intended to reform the operation of VA's health care program. This legislation places into statutory language the eligibility reform proposal of the many veterans' service organizations who each year prepare and submit to the Congress the so-called independent budget.

The successful operation of the VA health care system has become one of the most pressing issues faced by the Committee on Veterans Affairs and the Congress. Many observers feel that changing the current priorities for health care is the certain key to resolving the problems faced by both VA and the veterans it serves. The proposal we introduce today is one of at least five different proposals before the Congress and introduction of this legislation should be viewed as neither endorsement nor opposition to this specific proposal. I join in introduction of the legislation in order to put before the Congress both the proposal and the ideas upon which it is based. I plan to chair committee hearings on the issue later this spring. Both the committee's hearings and legislative process will be much improved if we can view this proposal in legislative format.

As a life member of the Veterans of Foreign Wars, one of the organizations that has prepared the proposal, I understand how important this issue is to America's veterans, the Congress, to the Department of Veterans Affairs, and to the American people who must fund whatever decision is reached by the Congress.

I thank my fine personal friend from West Virginia for the constructive and active role that he played as chairman

of the Veterans' Committee and continues to play as ranking minority member. He has been most helpful and courteous to me. I always look forward to working with him and the members of the committee as we work together to address the difficult questions we face concerning veterans' health care and the future structure of the Veterans Health Administration.

• Mr. ROCKEFELLER. Mr. President, as the ranking Democrat on the Committee on Veterans Affairs, I am delighted to join today with the chairman of the committee, Senator SIMPSON, in introducing legislation that would reform eligibility for VA health care. We are doing so at the request of the four veterans service organizations—AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and Veterans of Foreign Wars—that develop the so-called independent budget [IB].

While it was my policy, as chairman of the Committee on Veterans Affairs, to introduce legislation proposed by the administration so that my colleagues and others with an interest would have specific bills to which they might direct their attention and comments, I have not done that for entities other than the administration. Senator SIMPSON has followed a similar policy in his two terms as the committee's chairman. However, in this instance, we have agreed to introduce this legislation so that it might be before the committee later in this session when we take up the issue of the reform of the current eligibility criteria for VA health care.

In introducing administration-requested legislation, we always reserved the right to support the provisions of, as well as any amendment to, such by-request legislation. Obviously, that same policy applies to the bill we are introducing today.

While I have been working with representatives of the IB group for many months in an effort to translate the group's narrative description of proposed eligibility reform into legislative language, I have done so without in any way endorsing the result. I intend to wait to support any specific eligibility reform legislation until after the committee has held hearings and the many issues connected with this subject have been explored in some depth and detail.

By Mr. CRAIG:

S. 1564. A bill to amend the Small Reclamation Projects Act of 1956 to authorize the Secretary of the Interior to provide loan guarantees for water supply, conservation, quality and transmission projects, and for other purposes; to the Committee on Energy and Natural Resources.

S. 1565. A bill to supplement the Small Reclamation Projects Act of 1956 and to supplement the Federal Reclamation laws by providing for Federal cooperation in non-Federal projects and for participation by non-Federal

104th CONGRESS
2d Session

S. 1563

To amend title 38, United States Code, to revise and improve eligibility for medical care and services under that title, and for other purposes.

IN THE SENATE OF THE UNITED STATES

February 7, 1996

Mr. Simpson (for himself and Mr. Rockefeller) (by request) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to revise and improve eligibility for medical care and services under that title, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ELIGIBILITY FOR CARE AND SERVICES OF CATASTROPHICALLY DISABLED VETERANS.

(a) Eligibility.--Paragraph (1) of subsection (a) of section 1710 of title 38, United States Code, is amended--

- (1) by striking out ``and'' at the end of subparagraph (H);
- (2) by striking out the period at the end of subparagraph (I) and inserting in lieu thereof ``; and''; and
- (3) by adding at the end the following:
``(J) to a veteran who is catastrophically disabled, for any purpose that the Secretary determines medically necessary.''

(b) Definition.--Such subsection is further amended by adding at the end the following:

``(4) For the purposes of this subsection, the term 'veteran who is catastrophically disabled' means any veteran in any year in which the expenditures of the veteran for hospital care and nursing home care exceeds the amount equal to 7.5 percent of the gross adjusted income of the veteran for Federal income tax purposes during the preceding year.''

SEC. 2. ELIGIBILITY FOR OUTPATIENT SERVICES.

(a) Eligibility.--Subsection (a) of section 1712 of title 38, United States Code, is amended--

- (1) by striking out paragraphs (1) through (3) and inserting in lieu thereof the following new paragraphs (1) and (2):

``(a) (1) The Secretary shall furnish on an ambulatory or outpatient basis such medical services as the Secretary determines are needed to

any veteran described in subparagraph (A), (B), (C), (D), (E), (F), (H), (I), or (J) of section 1710(a)(1) of this title for a disability described in the subparagraph that relates to such veteran.

“(2)(A)(i) Subject to subparagraphs (D) and (E) of this paragraph, a veteran described in clause (ii) is eligible for medical services on an ambulatory or outpatient basis for any disability, notwithstanding that there is insufficient medical evidence to conclude that such disability may be associated with the exposure of the veteran as described in that clause.

“(ii) Clause (i) applies to any veteran--

“(I) who served on active duty in the Republic of Vietnam during the Vietnam era; and

“(II) who the Secretary finds may have been exposed during such service to dioxin or was exposed during such service to a toxic substance found in a herbicide or defoliant used in connection with military purposes during such era.

“(B) Subject to subparagraphs (D) and (E) of this paragraph, a veteran who the Secretary finds was exposed while serving on active duty to ionizing radiation from the detonation of a nuclear device in connection with such veteran's participation in the test of such a device or with the American occupation of Hiroshima and Nagasaki, Japan, during the period beginning on September 11, 1945, and ending on July 1, 1946, is eligible for medical services on an ambulatory or outpatient basis for any disability, notwithstanding that there is insufficient medical evidence to conclude that such disability may be associated with such exposure.

“(C) Subject to subparagraphs (D) and (E) of this paragraph, a veteran who the Secretary finds may have been exposed while serving on active duty in the Southwest Asia theater of operations during the Persian Gulf War to a toxic substance or environmental hazard is eligible for medical services on an ambulatory or outpatient basis for any disability, notwithstanding that there is insufficient medical evidence to conclude that such disability may be associated with such exposure.

“(D) Medical services may not be provided under subparagraph (A), (B), or (C) of this paragraph with respect to a disability that is found, in accordance with guidelines issued by the Under Secretary for Health, to have resulted from a cause other than an exposure described in such subparagraph (A), (B), or (C).

“(E) Medical services may not be provided under or by virtue of subparagraph (A), (B), or (C) of this paragraph after December 31, 1996.”;

(2) by redesignating paragraphs (4), (5), and (6) as paragraphs (3), (4), and (5), respectively;

(3) in paragraph (3), as so redesignated, by striking out “paragraph (5)” and inserting in lieu thereof “paragraph (4)”;

(4) in subparagraph (A) of paragraph (4), as so redesignated, by striking out “paragraph (4)” and inserting in lieu thereof “paragraph (3)”;

(5) by striking out paragraph (7).

(b) Repeal of Order of Priority for Services.--Such section is further amended by striking out subsection (i).

SEC. 3. ELIGIBILITY FOR NURSING HOME CARE, DOMICILIARY CARE, AND LONG-TERM CARE.

(a) Eligibility.--Section 1710(a) of title 38, United States Code, as amended by section 1 of this Act, is further amended by adding at the end the following:

“(5) The Secretary shall furnish nursing home care, domiciliary care, or long-term care to any veteran described in paragraph (1) of this subsection if the Secretary determines that the furnishing of such

care to the veteran is necessary for medical purposes or to obviate the need for hospital care under this section.''.
(b) Definition of Long-Term Care.--Section 1701 of such title is amended by adding at the end the following:

“(10) The term ‘long-term care’ means home care, home services, adult day health care, respite care (as such term is defined in section 1720B(b) of this title), and community residential care (including care under the services authorized in section 1720C(a) of this title).’”.

SEC. 4. AUTHORITY TO PROVIDE HEALTH CARE SERVICES TO ADULT DEPENDENTS OF VETERANS IN DEPARTMENT FACILITIES.

(a) Authority.--Subsection (a)(2) of section 1710 of title 38, United States Code, is amended--

- (1) by inserting ‘(A)’ after ‘(2)’; and
- (2) by adding at the end the following:

“(B) The Secretary may, to the extent resources and facilities are available, furnish hospital care and nursing home care to any adult dependent of a veteran which the Secretary determines is needed for a disability, subject to the provisions of subsection (f) of this section.’”.

(b) Payment for Care.--Paragraph (1) of subsection (f) of such section is amended--

- (1) by inserting ‘(A)’ after ‘(f)(1)’; and
- (2) by adding at the end the following:

“(B) The Secretary may not furnish hospital care or nursing home care under this section to any adult dependent of a veteran who is eligible for such care under subsection (a)(2)(B) of this section unless the adult dependent agrees to pay the United States the applicable amount determined under paragraph (2) of this subsection. An adult dependent shall be treated as a veteran for the purposes of the application of such paragraph to the adult dependent by reason of this subparagraph.’”.

(c) Utilization of Payments for Care.--Paragraph (4) of such subsection (f) is amended to read as follows:

“(4) Amounts collected or received by the United States under this subsection shall be available to the Secretary for payment of the costs of furnishing care and services under this section. Such amounts shall be available without fiscal year limitation.’”.

SEC. 5. AUTHORITY TO PROVIDE PRIMARY HEALTH CARE SERVICES.

(a) In General.--Paragraph (6)(A)(i) of section 1701 of title 38, United States Code, is amended by inserting ‘primary health care services,’ after ‘preventive health services,’.

(b) Definition.--Such section, as amended by section 3(b) of this Act, is further amended by adding at the end the following:

“(11) The term ‘primary health care services’ includes--

“(A) initial diagnostic services (including laboratory services, x-ray services, and pharmacy services), treatment services, referral to specialized care or services, and long-term follow-up care or services with respect to chronic conditions which services, referral, and care or services are provided on an ambulatory basis by physicians (including general and family practitioners, pediatricians, obstetrician/gynecologists, and internists) or by nurse practitioners or physician's assistants under the supervision of physicians; and

“(B) routine services with respect to disabilities that are provided by physicians who specialize in such disabilities.’”.

SEC. 6. CLARIFICATION OF AUTHORITY TO PROVIDE PREVENTIVE HEALTH SERVICES.

Section 1701(6)(A)(i) of title 38, United States Code, as amended by section 5, is further amended by striking out "(in the case of a person otherwise receiving care or services under this chapter)".

SEC. 7. AUTHORITY TO CONTRACT FOR PRIMARY HEALTH CARE SERVICES AND PREVENTIVE HEALTH SERVICES IN NON-DEPARTMENT FACILITIES.

(a) Repeal of Reporting Requirement.--Section 1703 of title 38, United States Code, is amended by striking out subsection (c).

(b) Authority To Contract.--Such section is further amended--

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection (b):

"(b)(1) Subject to paragraph (2), the Secretary may furnish primary health care services or preventive health services under section 1712 of this title to veterans who reside in locations that are more than 50 miles or 1 hour traveling time from a Department facility furnishing such services by or through contract with non-Department facilities.

"(2) The Secretary may contract with a non-Department facility under paragraph (1) of this subsection only if the Secretary determines through sound analysis that--

"(A) the quality of the services to be provided by the non-Department facility under the contract is equal to or exceeds the quality of the services that would otherwise be provided by a Department facility in the absence of the contract; and

"(B) the cost of furnishing the services by contract through the non-Department facility will be equal to or less than the cost of furnishing the services through a Department facility."

SEC. 8. REVISION OF AUTHORITY TO PROVIDE PROSTHETIC APPLIANCES.

(a) Definition of Medical Services.--Section 1701(6)(A)(i) of title 38, United States Code, as amended by this Act, is further amended by striking out "and (except under the conditions" and all that follows through "prosthetic appliances," and inserting in lieu thereof "medical equipment and prosthetic appliances that are prescribed by a physician based on specific medical needs,".

(b) Authority To Provide.--(1) Section 1714 of title 38, United States Code, is amended to read as follows:

"Sec. 1714. Medical equipment and prosthetic appliances; aids for the blind and the hearing impaired

"(a) The Secretary shall furnish medical equipment or a prosthetic appliance to any veteran who is entitled to such equipment or appliance.

"(b)(1) The Secretary shall furnish any veteran furnished medical equipment or a prosthetic appliance under subsection (a) with such fitting and training in the use of the equipment or appliance as the Secretary determines necessary.

"(2) The Secretary may furnish training to a veteran under this subsection in a Department facility or by contract (including by contract with a training institution) and may include in connection with such training travel and incidental expenses (under the terms and conditions set forth in section 111 of this title) to and from the home of the veteran to the facility or institution at which the training is furnished.

"(c) The Secretary may furnish any veteran furnished medical

equipment or a prosthetic appliance under subsection (a) with special clothing made necessary by the wearing of the medical equipment or appliance.

((d) The Secretary may repair or replace any medical equipment or prosthetic appliances reasonably necessary to a veteran and belonging to the veteran which are damaged or destroyed by a fall or other accident caused by a service-connected disability for which the veteran is in receipt of, or but for the receipt of retirement pay would be entitled to, disability compensation.

((e)(1) The Secretary may furnish veterans who are entitled to disability compensation with the following:

((A) Seeing-eye or guide dogs trained for the aid of the blind.

((B) Devices for aiding individuals in overcoming the handicap of blindness.

((2) In furnishing a seeing-eye or guide dog to a veteran under this subsection, the Secretary may furnish training described in subsection (b)(2), including travel expenses, to the veteran in the use of the dog.

((f) The Secretary may furnish devices for assisting in overcoming the handicap of deafness, including telecaptioning decoding devices for television receivers, to veterans who are profoundly deaf and entitled to disability compensation on account of hearing impairment."

(2) The table of sections at the beginning of chapter 17 of such title is amended by striking out the item relating to section 1714 and inserting in lieu thereof the following new item:

"1714. Medical equipment and prosthetic appliances; aids for the blind and the hearing impaired."

(b) Conforming Amendments.--(1) Section 1717 of title 38, United States Code, is amended--

(A) by striking out subsections (b) and (c);

(B) by striking out "(a)(1)" and inserting in lieu thereof "(a)";

(C) by redesignating paragraphs (2) and (3) as subsections (b) and (c), respectively; and

(D) in subsection (b), as so redesignated, by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively.

(2)(A) Section 1719 of title 38, United States Code, is repealed.

(B) The table of sections at the beginning of chapter 17 of such title is amended by striking out the item relating to section 1719.

SEC. 9. UTILIZATION OF MEDICAL CARE COST RECOVERY FUND FOR PAYMENT OF COSTS OF FURNISHING HEALTH CARE SERVICES.

(a) In General.--Paragraph (4) of section 1729(g) of title 38, United States Code, is amended to read as follows:

((4)(A) Not later than January 1 of each year, there shall be available to the Secretary for the purposes described in subparagraph (C) an amount equal to the excess of the amount of the unobligated balance remaining in the Fund at the close of business on September 30 of the preceding year over the amount described in subparagraph (B).

((B) The amount described in this subparagraph is the amount equal to--

((i) the amount of the unobligated balance remaining in the Fund at the close of business on September 30 of the preceding year that the Secretary determines is necessary in order to enable to defray, during the fiscal year in which the amount is available under this paragraph, expenses, payments, and costs described in paragraph (3), plus

((ii) the amount of such balance that is equal to the amount of the Congressional Budget Office baseline for deposits

in the Fund for such fiscal year.

“(C) Amounts available under subparagraph (A) shall be available to the Secretary for payment of the costs of furnishing hospital care and medical services under this chapter, including the costs of salaries of personnel of the Department who furnish such care and services. Such amounts shall be available without fiscal year limitation.”.

(b) Effective Date.--The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and apply to amounts in the Medical-Care Cost Recovery Fund under section 1729(g) of title 38, United States Code, at the close of business on September 30, 1996.

SEC. 10. AUTHORITY FOR REIMBURSEMENT BY MEDICARE OF CERTAIN HEALTH CARE SERVICES PROVIDED BY DEPARTMENT FACILITIES.

(a) Authority.--(1) Subchapter III of chapter 17 of title 38, United States Code, is amended by inserting after section 1729 the following new section:

“Sec. 1729A. Medicare coverage and reimbursement

“(a) A Department facility shall be eligible to participate under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) as a provider of services and shall be eligible for payments under such title if such facility files an agreement with the Secretary of Health and Human Services under section 1866 of the Social Security Act (42 U.S.C. 1395cc).

“(b) (1) In the case of care or services provided under this chapter to an individual described in paragraph (2) (A) by a Department facility, the Secretary of Health and Human Services shall reimburse the Department facility in the same amounts and under the same terms and conditions as that Secretary reimburses other providers of such care and services under title XVIII of such Act with respect to such individual.

“(2) (A) Paragraph (1) applies to any veteran or adult dependent of a veteran who is described in section 1710(a) (2) of this title and who is medicare eligible.

“(B) For purposes of this paragraph, an individual is medicare eligible if the individual is--

“(i) entitled to benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.); or

“(ii) enrolled under part B of such title (42 U.S.C. 1395j et seq.).

“(c) When the Secretary provides care or services to an individual for which the Secretary receives reimbursement under this section, the Secretary shall require the individual to pay to the Department any applicable deductible or copayment that is not reimbursed by the medicare program under title XVIII of the Social Security Act.

“(d) The Secretary shall utilize amounts received by the Secretary under this section for payment of the costs of furnishing care and services under this chapter.”.

(2) The table of sections at the beginning of chapter 17 of such title is amended by inserting after the item relating to section 1729 the following:

“1729A. Medicare coverage and reimbursement.”.

(b) Payments Under Part A of Medicare.--Section 1814(h) of the Social Security Act (42 U.S.C. 1395f(c)) is amended to read as follows:

“Payment for Certain Services Provided in Department of Veterans Affairs Facilities

“(h) Subject to the provisions of section 1729A of title 38, United States Code, subsection (c) shall not apply to care and services furnished under chapter 17 of such title.”.

(c) Payments Under Part B of Medicare.--Section 1835(d) of the

Social Security Act (42 U.S.C. 1395n(d)) is amended--

(1) by striking `` (d) `` and inserting `` (d) (1) ``; and

(2) by adding at the end the following new paragraph:

`` (2) Subject to the provisions of section 1729A of title 38, United States Code, paragraph (1) shall not apply to care and services furnished under chapter 17 of such title.``.

SEC. 11. MAINTENANCE OF CAPACITY OF DEPARTMENT OF VETERANS AFFAIRS TO
PROVIDE SPECIALIZED SERVICES TO VETERANS.

In managing the provision of medical care and services by the Department of Veterans Affairs, the Secretary of Veterans Affairs shall ensure that the Department maintains its capacity to provide for the specialized treatment and rehabilitative needs of disabled veterans described in section 1710(a) of title 38, United States Code, including veterans with spinal cord dysfunction, blindness, and mental illness, within distinct programs or facilities of the Department that are dedicated to the specialized needs of those veterans in a manner that--

(1) affords those veterans reasonable access to care and services for those specialized needs; and

(2) ensures that overall capacity of the Department to provide such services is not reduced below the capacity of the Department, nationwide, to provide those services as of the date of the enactment of this Act.

<all>

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DRAFT -- NOT FOR RELEASE

July, 1996
(House)

H.R. 3118 - Veterans' Health Care Eligibility Reform Act of 1996
(Stump (R) AZ and __ cosponsors)

The Administration strongly supports veterans' health care eligibility reform. The single most important need in the VA health care system at this time is the need for reform of the eligibility system. Last year, through the "reinventing government" program, VA examined its basic missions, reviewed its major programs, and developed several exciting initiatives to enable the Department to better serve veterans, and serve them in a cost-effective manner. On September 12, 1995, VA transmitted legislation to Congress that would enable the Department to establish a modern, integrated health care system to improve access to and care for our Nation's veterans.

The Administration supports House passage of H.R. 3118. It does, however, have some concerns about the bill's contracting provisions and will work with the Senate to resolve them.

Scoring for Purposes of Pay-As-You-Go

H.R. 3118 would affect both direct spending and receipts; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. OMB's preliminary scoring estimate of H.R. 3118 is zero.

(Do Not Distribute Outside Executive Office of the President)

This position was developed by the Legislative Reference Division (Cook/Pellicci) in consultation with VAPD (), NSD (), HD (), OFPP, BASD (), OIRA (), and WH Counsel (). The Departments of Veterans Affairs (), Defense (), Labor (), Transportation (), and Health and Human Services () in this position.

OMB/LA Clearance: _____

On July 18, 1996, H.R. 3118 was reported by the House Veterans Affairs Committee. The description of the bill is based on the Committee report.

Administration Position to Date

Although the Administration has not previously taken a position on H.R. 3118, the Administration sent to Congress on September 12, 1995, draft legislation that contained provisions similar to those in H.R. 3118. This draft legislation was a National Performance Review proposal. Over the past year, VA has testified a number of times in support of veterans health care eligibility reform.

Summary of H.R. 3118

H.R. 3118 would make various changes to veterans' health care programs. The bill would:

- Authorize, within appropriations, VA to provide all needed hospital care and medical services (including preventive and home health care) to: (1) veterans with compensable service-connected disabilities; (2) former prisoners of war; (3) veterans exposed to toxic substances and environmental hazards (for care of conditions specified in existing law); (4) veterans meeting the "means test" as provided under existing law; and (5) veterans of World War I. In the case of a veteran who is not otherwise afforded eligibility for hospital and medical services, H.R. 3118 would providing that such a veterans would continue to be eligible for health care benefits for which that veteran had been eligible prior to the enactment of this Act. These changes would expand the array of services that VA could provide to many of these beneficiaries, while eliminating statutory barriers to providing care in the most economical manner.
- Eliminate a restriction in current law which effectively prohibits VA from furnishing prosthetics to most nonservice-connected veterans unless the VA has hospitalized the individual. VA, however, would only be permitted to furnish these needed devices only as a part of ongoing VA care (regardless of the level at which that care is furnished). In addition, H.R. 3118 would require that VA furnish hearing aids and eye glasses to veterans only in accordance with prescribed guidelines.

- Require VA to manage the provision of hospital care and medical services through an enrollment or registration system based on a system of priorities. Priority is assigned in the following order: (a) veterans 30 percent or more service-connected disabled; (b) former POWs and veterans with service-connected disabilities rated 10 or 20 percent; (c) veterans receiving aide and attendance or housebound benefits and otherwise eligible veterans who suffer from a catastrophic disability, (d) veterans who are unable to defray the cost of their care, and (e) all others. VA is authorized to establish additional priorities within the above groups. In addition, H.R. 3118 would require that veterans with service-connected disabilities continue to be eligible for any benefit for which they were eligible prior to the Act's enactment.
- Permit VA to contact, pursuant to VA-prescribed acquisition procedures and policies, for hospital care and medical services for any enrolled veterans when VA facilities are not capable of furnishing the care or services economically.
- Make permanent the authority for VA and DOD to enter into an agreement under which VA facilities could provide medical services to beneficiaries of DOD's CHAMPUS program. This authority permits VA to provide care to dependents of active-duty and retired servicemembers. In addition, the bill would also clarify VA's authority to collect from insurance plans (including so-called CHAMPUS supplemental plans) of CHAMPUS beneficiaries cared for by VA to the same extent as DOD recovers for care rendered to those beneficiaries in its facilities. H.R. 3118 would authorize VA to retain these recovered funds and credit them to the VA facility that furnished the care.
- Expand VA's authority to execute "sharing" agreements by permitting any medical resource to be provided under such an agreement. The bill would authorize VA to develop such arrangements with any entity and provide for flexibility in establishing payment levels. In addition, personnel involved in providing services under such arrangements would be exempt from the otherwise applicable VA personnel floor.

Pay-As-You-Go Scoring

According to VAPD () and BASD (), H.R. 3118 would affect both direct spending and receipts; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. OMB's preliminary scoring estimate of H.R. 3118 is zero. CBO agrees (formal).

LEGISLATIVE REFERENCE DIVISION DRAFT

July 26, 1996 - 1:00 p.m.

ELIGIBILITY REFORM FOR THE DEPARTMENT OF VETERANS AFFAIRS
JUNE, 1996

H.R. 3118

- VA would be authorized to provide all needed outpatient care service, including preventive care and home health care. Such items as prosthetics and medications are to be provided as part of ongoing VA care, and VA would be authorized to contract for any needed care.
- The bill calls for VA to manage the provision of care and services through an enrollment system. The bill would require that: (1) the numbers enrolled must be limited so as to ensure that provision of care to enrollees is both timely and acceptable in quality; and (2) individual enrollment must be based on a system of priorities.
- Priority for enrollment is assigned as follows: (a) veterans 30% or more service-connected disabled; (b) former POWs and veterans with service-connected disabilities 10 or 20%; (c) veterans receiving aid and attendance or housebound benefits and otherwise eligible veterans who suffer from a catastrophic disability; (d) veterans who are unable to defray the cost; and (e) all others.
- The bill would give VA discretion to determine how an enrollment system would operate, and additional priorities could be established within the above priority groups.
- Benefits for currently eligible veterans would not be reduced. Veterans with special eligibility for care based on exposure to toxic substances would continue to receive benefits under special eligibility provisions. Higher income veterans would continue to be eligible for care subject to existing copayment requirements.
- The bill would expand operational flexibility by enabling VA to contract for hospital care and medical services to increase the cost-effective provision of care and services, and would revamp acquisition procedures and policies to create cost efficiencies.
- VA would be allowed to collect and retain at the facility level monies collected from health plans for care furnished to CHAMPUS-covered individuals.
- VA's ability to share health care resources with any individual or group provider of health care services would be broadened considerably.
- VA's specialized programs would be maintained and protected.

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- The bill would provide that the VA "shall" furnish a specified core group of veterans with needed "health care," including hospital care, outpatient care, disease prevention services, pharmaceuticals, medical equipment, and prosthetic equipment and devices.
- Core group veterans include: those with service-connected disabilities; former POWs and World War I veterans; and nonservice-connected veterans with incomes below the current means test income threshold.
- VA would retain authority to furnish core group veterans with other types of health care, including nursing home care, and would retain authority to furnish all health care to veterans not included in the core group as resources allow.
- The bill would continue in place the current copayment structure, and would retain the Agent Orange, Radiation, and Persian Gulf preferential treatment authorities.

- The bill would completely eliminate the complicated and archaic eligibility rules governing the provision of outpatient care, thereby allowing VA to provide the right care at the right place and time for the right price.
- VA would be allowed to place in temporary residential care those veterans receiving hospital care because of their social conditions, but who medically do not belong in an acute hospital.
- VA would be authorized to enter into agreements with health care providers in order to share health care resources with, and receive health care resources from those health care providers, provided there is no diminution of services to veterans.
- In order to secure health care resources which otherwise might not be feasibly available, or to effectively utilize health care resources, VA would be authorized to make arrangements, by contract or other form of agreement, without regard to any law or regulation pertaining to competitive procedures, for the mutual use, or exchange of use, of health care resources between VA health care facilities and non-VA health care providers.

ELIGIBILITY REFORM - VETERANS HEALTH CARE BENEFITS

- ✓ Last September, the Administration submitted a legislative proposal to the Congress that will ensure veterans receive the care they need in the appropriate setting. Although eligibility reform has been recognized as needed for a number of years, this is the first Administration to ever submit a proposal addressing the problem.
- ✓ Our proposal provides a statutory foundation for the health care benefits offered veterans that is easily comprehensible, enforceable, and predictable, and which encourages efficient delivery of care.
- ✓ It removes the arcane and convoluted rules that currently serve as excuses for unnecessary hospitalizations, wasted bed days, and other inefficiencies.
- ✓ It is a budget neutral proposal which will help VA to achieve "best value health care" while maintaining its top quality and contributing to our commitment to achieve a balanced budget.
- ✓ Much of that which we proposed is reflected in HR 3118, introduced by the Chairman of the House Veterans Affairs Committee on March 20, 1996. We understand that the bill should go to the floor of the House shortly.

= goal of providing best care to as many as vets as possible
= service-connected + low-inc → be able to take care of x board
= praise for VSOs support of change for 6th

Do you think it will happen ~~tomorrow~~ ^{this year}?

I don't care whose name on it, just

5/20/96

Pat O'Neil

Office of Policy and Planning