

103^D CONGRESS
2^D SESSION

H. R. 4124

To amend title 38, United States Code, to reform health care policy in the Department of Veterans Affairs.

IN THE HOUSE OF REPRESENTATIVES

MARCH 24, 1994

Mr. MONTGOMERY (for himself and Mr. ROWLAND) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to reform health care policy in the Department of Veterans Affairs.

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

3 **SECTION 1. BENEFITS AND ELIGIBILITY THROUGH DE-**
4 **PARTMENT OF VETERANS AFFAIRS MEDICAL**
5 **SYSTEM.**

6 (a) DVA AS A PARTICIPANT IN HEALTH CARE RE-
7 FORM.—

8 (1) IN GENERAL.—Title 38, United States
9 Code, is amended by inserting after chapter 17 the
10 following new chapter:

1 **“CHAPTER 18—ELIGIBILITY AND BENEFITS**
2 **UNDER HEALTH SECURITY ACT**

 “SUBCHAPTER I—GENERAL

“1801. Definitions.

 “SUBCHAPTER II—ENROLLMENT

“1811. Enrollment: veterans.

“1812. Enrollment: CHAMPVA eligibles.

“1813. Enrollment: family members.

 “SUBCHAPTER III—BENEFITS

“1821. Benefits for VA enrollees.

“1822. Chapter 17 benefits.

“1823. Supplemental benefits packages and policies.

“1824. Limitation regarding veterans enrolled with health plans outside Department.

 “SUBCHAPTER IV—FINANCIAL MATTERS

“1831. Premiums, copayments, etc.

“1832. Medicare coverage and reimbursement.

“1833. Recovery of cost of certain care and services.

“1834. Health Plan Fund.

“1835. Guaranteed funding of Government costs.

3 **“SUBCHAPTER I—GENERAL**

4 **“§ 1801. Definitions**

5 “For purposes of this chapter:

6 “(1) The term ‘health plan’ means an entity
7 that has been certified under the Health Security
8 Act as a health plan.

9 “(2) The term ‘VA health plan’ means a health
10 plan that is operated by the Secretary under section
11 7341 of this title.

1 “(3) The term ‘VA enrollee’ means an individ-
2 ual enrolled under the Health Security Act and sub-
3 chapter II of this chapter in a VA health plan.

4 “(4) The term ‘comprehensive benefit package’
5 means the package of benefits required to be pro-
6 vided by a health plan under the Health Security
7 Act.

8 “(5) The term ‘Health Security Act’ means the
9 bill H.R. 3600 of the 103d Congress, as introduced
10 in the House of Representatives on November 20,
11 1993.

12 “SUBCHAPTER II—ENROLLMENT

13 **“§ 1811. Enrollment: veterans**

14 “Each veteran who is an eligible individual within the
15 meaning of section 1001 of the Health Security Act (in-
16 cluding a veteran who is a medicare-eligible individual as
17 defined in section 1902 of that Act) may enroll with a
18 VA health plan. A veteran who wants to receive the com-
19 prehensive benefit package through the Department shall
20 enroll with a VA health plan.

21 **“§ 1812. Enrollment: CHAMPVA eligibles**

22 “(a) An individual described in subsection (b) who
23 is eligible to enroll in a health plan pursuant to section
24 1001 of the Health Security Act may enroll under that
25 Act with a VA health plan.

1 “(b) This section applies to—

2 “(1) the surviving spouse or child of a veteran
3 who (A) died as a result of a service-connected dis-
4 ability, or (B) at the time of death had a total dis-
5 ability permanent in nature, resulting from a serv-
6 ice-connected disability, and

7 “(2) the surviving spouse or child of a person
8 who died in the active military, naval, or air service
9 in the line of duty and not due to such person’s own
10 misconduct,

11 who are not otherwise eligible for medical care under chap-
12 ter 55 of title 10 (CHAMPUS).

13 “(c) For purposes of this section, the term ‘child’ has
14 the meaning given that term in section 1011 of the Health
15 Security Act.

16 **“§ 1813. Enrollment: family members**

17 “(a) The Secretary shall authorize a VA health plan
18 to enroll members of the family of an enrollee under sec-
19 tion 1811 or 1812 of this title, subject to payment of pre-
20 miums, deductibles, copayments, and coinsurance as re-
21 quired under the Health Security Act. The enrollee shall
22 have the option of enrolling in the VA health plan as an
23 individual or with family members. If the enrollee chooses
24 to enroll in the VA health plan with family members, all
25 such family members must be so enrolled.

1 “(b) An individual who is enrolled with a VA health
2 plan pursuant to subsection (a) as a member of the family
3 of a veteran enrolled under section 1811 of this title shall
4 not lose eligibility to be enrolled with VA health plans by
5 reason of the death of that veteran.

6 “(c) For purposes of subsection (a), the members of
7 the family of an enrollee are those individuals (other than
8 the enrollee) included within the term ‘family’ as defined
9 in section 1011(b) of the Health Security Act.

10 “SUBCHAPTER III—BENEFITS

11 “**§ 1821. Benefits for VA enrollees**

12 “The Secretary shall ensure that each VA health plan
13 provides to each individual enrolled with it the items and
14 services in the comprehensive benefit package under the
15 Health Security Act.

16 “**§ 1822. Chapter 17 benefits**

17 “(a)(1) In the case of care and services that may be
18 provided under chapter 17 of this title that are not in-
19 cluded in the comprehensive benefit package, the Sec-
20 retary shall provide to any veteran (whether not enrolled
21 with a health plan) the care and services authorized under
22 that chapter in accordance with the terms and conditions
23 applicable to that veteran and that care under that chap-
24 ter, notwithstanding that such care and services are not
25 included in the comprehensive benefit package.

1 “(2) In the case of a veteran who is not an eligible
2 individual within the meaning of section 1001 of the
3 Health Security Act, the Secretary shall provide to the vet-
4 eran the care and services that may be provided under
5 chapter 17 of this title through any facility of the depart-
6 ment, whether or not the facility is operating as or within
7 a VA health plan.

8 “(b) In carrying out subsection (a), the Secretary
9 shall ensure that the Department maintains, within facili-
10 ties of the Department, the capacity to provide for the
11 specialized treatment and rehabilitative needs of disabled
12 veterans described in section 1710(a) of this title, includ-
13 ing veterans with spinal cord dysfunction, blindness, and
14 mental illness, in a manner that affords those veterans
15 reasonable access to such services.

16 **“§ 1823. Supplemental benefits packages and policies**

17 “A VA health plan may offer supplemental health
18 benefits policies for health care services not provided
19 under chapter 17 of this title and cost sharing policies con-
20 sistent with the requirements of part 2 of subtitle E of
21 title I of the Health Security Act.

22 **“§ 1824. Limitation regarding veterans enrolled with**
23 **health plans outside Department**

24 “(a) A veteran who is residing in a regional alliance
25 area in which the Department operates a health plan and

1 who is enrolled in a health plan that is not operated by
2 the Department may be provided the items and services
3 in the comprehensive benefit package by a VA health plan
4 operating in that regional alliance area only if (except as
5 provided in subsection (b)) the plan is reimbursed for the
6 cost of the care provided in accordance with the Health
7 Security Act.

8 “(b) The Secretary may not impose on or collect from
9 a veteran described in subsection (a) a cost-share charge
10 of any kind in the case of treatment for a service-con-
11 nected disability requiring a specialized treatment capacity
12 that is not widely available in the community and for
13 which the Department has particular expertise.

14 “SUBCHAPTER IV—FINANCIAL MATTERS

15 “§ 1831. Premiums, copayments, etc.

16 “(a) In the case of a veteran described in subsection
17 (b) who is a VA enrollee, the Secretary may not impose
18 or collect from the veteran a cost-share charge of any kind
19 (whether a premium, copayment, deductible, coinsurance
20 charge, or other charge). The Secretary shall make such
21 arrangements as necessary with health alliances in order
22 to carry out this subsection.

23 “(b) The veterans referred to in subsection (a) are
24 the following:

1 “(1) Any veteran with a service-connected dis-
2 ability.

3 “(2) Any veteran whose discharge or release
4 from the active military, naval or air service was for
5 a disability incurred or aggravated in the line of
6 duty.

7 “(3) Any veteran who is in receipt of, or who,
8 but for a suspension pursuant to section 1151 of
9 this title (or both such a suspension and the receipt
10 of retired pay), would be entitled to disability com-
11 pensation, but only to the extent that such a veter-
12 an’s continuing eligibility for such care is provided
13 for in the judgment or settlement provided for in
14 such section.

15 “(4) Any veteran who is a former prisoner of
16 war.

17 “(5) Any veteran of the Mexican border period
18 or World War I.

19 “(6) Any veteran who is unable to defray the
20 expenses of necessary care as determined under sec-
21 tion 1722(a) of this title.

22 “(c) In the case of a VA enrollee who is not described
23 in subsection (b), the Secretary shall charge premiums
24 and establish copayments, deductibles, and coinsurance
25 amounts. The premium rate, and the rates for deductibles

1 and copayments, for each VA health plan shall be estab-
2 lished by that health plan based on rules established by
3 the health alliance under which it is operating.

4 “(d) In the case of a veteran with a service-connected
5 disability who is enrolled in a VA health plan and who
6 has net earnings from self-employment, the Secretary
7 shall, under regulations prescribed by the Secretary, pro-
8 vide for a reduction in any premium payment (or alliance
9 credit repayment) owed by the veteran under section 6126
10 or 6111 of the Health Security Act by virtue of the veter-
11 an’s net earnings from self-employment.

12 **“§ 1832. Medicare coverage and reimbursement**

13 “(a) For purposes of any program administered by
14 the Secretary of Health and Human Services under title
15 XVIII of the Social Security Act, a Department facility
16 shall be deemed to be a Medicare provider.

17 “(b)(1) A VA health plan shall be considered to be
18 a Medicare HMO.

19 “(2) For purposes of this section, the term ‘Medicare
20 HMO’ means an eligible organization under section 1876
21 of the Social Security Act.

22 “(c) In the case of care provided to a veteran other
23 than a veteran described in section 1831(b) of this title
24 who is eligible for benefits under the Medicare program
25 under title XVIII of the Social Security Act, the Secretary

1 of Health and Human Services shall reimburse a VA
2 health plan or Department health-care facility providing
3 services as a Medicare provider or Medicare HMO in the
4 same amounts and under the same terms and conditions
5 as that Secretary reimburses other Medicare providers or
6 Medicare HMOs, respectively. The Secretary of Health
7 and Human Services shall include with each such reim-
8 bursement a Medicare explanation of benefits.

9 “(d) When the Secretary provides care to a veteran
10 for which the Secretary receives reimbursement under this
11 section, the Secretary shall require the veteran to pay to
12 the Department any applicable deductible or copayment
13 that is not covered by Medicare.

14 **“§ 1833. Recovery of cost of certain care and services**

15 “(a) In the case of an individual provided care or
16 services through a VA health plan who has coverage under
17 a supplemental health insurance policy pursuant to part
18 2 of subtitle E of title I of the Health Security Act or
19 under any other provision of law, or who has coverage
20 under a Medicare supplemental health insurance plan (as
21 defined in the Health Security Act) or under any other
22 provision of law, the Secretary has the right to recover
23 or collect charges for care or services (as determined by
24 the Secretary, but not including care or services for a serv-
25 ice-connected disability) from the party providing that cov-

1 erage to the extent that the individual (or the provider
2 of the care or services) would be eligible to receive pay-
3 ment for such care or services from such party if the care
4 or services had not been furnished by a department or
5 agency of the United States.

6 “(b) The provisions of subsections (b) through (f) of
7 section 1729 of this title shall apply with respect to claims
8 by the United States under subsection (a) in the same
9 manner as they apply to claims under subsection (a) of
10 that section.

11 **“§ 1834. Health Plan Fund**

12 “(a) There is hereby established in the Treasury a
13 revolving fund to be known as the ‘Department of Veter-
14 ans Affairs Health Plan Fund’.

15 “(b) Any amount received by the Department by rea-
16 son of the furnishing of health care by a VA health plan
17 to an individual other than a veteran described in section
18 1831(b) of this title or the enrollment of an individual
19 other than such a veteran with a VA health plan (includ-
20 ing amounts received as premiums, premium discount pay-
21 ments, copayments or coinsurance, and deductibles,
22 amounts received as third-party reimbursements, and
23 amounts received as reimbursements from another health
24 plan for care furnished to one of its enrollees) shall be
25 credited to the revolving fund.

1 “(c) Amounts in the revolving fund are hereby made
2 available for the expenses of the delivery by a VA health
3 plan of the items and services in the comprehensive benefit
4 package and any supplemental benefits package or policy
5 offered by that health plan.

6 **“§ 1835. Guaranteed funding of Government costs**

7 “(a) The Secretary of the Treasury shall deposit into
8 the Department of Veterans Affairs Health Plan Fund on
9 the first day of each fiscal year quarter, from amounts
10 not otherwise appropriated, the amount certified to the
11 Secretary under subsection (b) with respect to the fiscal
12 year quarter beginning on that date. The first such deposit
13 shall be made with respect to the first fiscal year quarter
14 during which the Secretary operates a VA health plan
15 under the Health Security Act.

16 “(b) Not later than 30 days before the beginning of
17 each fiscal year quarter, the Secretary of Veterans Affairs
18 shall certify to the Secretary of the Treasury the amount
19 determined for that quarter under subsection (c).

20 “(c)(1) The amount to be certified to the Secretary
21 of the Treasury under subsection (b) for any fiscal year
22 quarter is the product of—

23 “(A) the projected number of VA enrollees de-
24 scribed in section 1831(b) of this title as of the be-
25 ginning of that fiscal year quarter, and

1 “(B) the capitated enrollment amount for that
2 fiscal year determined under subsection (d).

3 “(2) The Secretary shall adjust future certifications
4 under this subsection to take account of differences be-
5 tween the actual number of veterans described in section
6 1831(b) of this title enrolled for a fiscal year quarter and
7 the projected number used in the certification for that
8 quarter pursuant to paragraph (1).

9 “(d)(1) The Secretary shall determine the capitated
10 enrollment amount for purposes of subsection (c). The ini-
11 tial capitated enrollment amount shall be determined as
12 the amount equal to—

13 “(A) the annual full cost (as defined in OMB
14 Circular A-25, issued on July 8, 1993) that has
15 been incurred by the Department in providing those
16 services that are specified to be included in the com-
17 prehensive benefit package, based upon the most re-
18 cent cost data available as of the time of the deter-
19 mination, adjusted for inflation to the date of the
20 determination based upon the medical care consumer
21 price index calculated by the Bureau of Labor Sta-
22 tistics, divided by

23 “(B) the total number of veterans described in
24 section 1831(b) of this title who received those
25 services.

1 “(2) The Secretary shall include in the total annual
2 cost for purposes of paragraph (1)(A) the amount appro-
3 priated for fiscal year 1994 for the medical and prosthetic
4 research functions of the Veterans Health Administration.

5 “(3) The Secretary shall develop the methodology for
6 determining the initial capitated enrollment amount under
7 paragraph (1) in consultation with the Comptroller Gen-
8 eral of the United States. If the Comptroller General dis-
9 agrees with the methodology proposed to be used by the
10 Secretary, the Comptroller General shall promptly notify
11 the Committees on Veterans’ Affairs of the Senate and
12 House of Representatives. The determination of that
13 amount shall be made not later than June 1, 1995.

14 “(4) The initial capitated enrollment amount, as ad-
15 justed annually for inflation based upon the medical care
16 consumer price index calculated by the Bureau of Labor
17 Statistics, shall apply for the first five fiscal years during
18 which the Secretary operates a VA health plan.

19 “(5)(A) Not later than the end of the third fiscal year
20 during which the Secretary operates a VA health plan, the
21 Secretary shall submit to the Committees on Veterans’ Af-
22 fairs of the Senate and House of Representatives a report
23 on what actions, if any, would be necessary in order for
24 the Department to change the annual capitated enrollment
25 amount by the end of the fifth such year from the initial

1 amount determined under paragraph (1) to an amount de-
 2 termined using the method described in subparagraph (B),
 3 or to amounts determined using some other methodology,
 4 without a reduction in quality of care.

5 “(B) The method for determining the annual
 6 capitated enrollment amount for purposes of the study
 7 under this paragraph is to determine the average premium
 8 that would be payable under the Health Security Act for
 9 individuals enrolled in health plans other than VA health
 10 plans which have enrollment populations with dispro-
 11 portionate numbers of persons with similar demographic
 12 and patient-risk characteristics to the population of VA
 13 enrollees.”.

14 (2) The table of chapters at the beginning of
 15 part II of title 38, United States Code, is amended
 16 by inserting after the item relating to chapter 17 the
 17 following new item:

“18. Benefits and Eligibility Under Health Security Act 1801.”.

18 (b) PRESERVATION OF EXISTING BENEFITS FOR FA-
 19 CILITIES NOT OPERATING AS HEALTH PLANS.—(1)
 20 Chapter 17 of title 38, United States Code, is amended
 21 by inserting after section 1704 the following new section:

1 **“§ 1705. Facilities not operating within health plans;**
 2 **veterans not eligible to enroll in health**
 3 **plans**

4 “The provisions of this chapter shall apply with re-
 5 spect to the furnishing of care and services—

6 “(1) by any facility of the Department that is
 7 not operating as or within a health plan certified as
 8 a health plan under the Health Security Act; and

9 “(2) by any facility of the Department (whether
 10 or not operating as or within a health plan certified
 11 as a health plan under the Health Security Act) in
 12 the case of a veteran who is not an eligible individ-
 13 ual within the meaning of section 1001 of the
 14 Health Security Act.”.

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

“1705. Facilities not operating within health plans; veterans not eligible to en-
 roll in health plans.”.

18 **SEC. 2. ORGANIZATION OF DEPARTMENT OF VETERANS AF-**
 19 **FAIRS FACILITIES AS HEALTH PLANS.**

20 (a) IN GENERAL.—Chapter 73 of title 38, United
 21 States Code, is amended—

22 (1) by redesignating subchapter IV as sub-
 23 chapter V; and

1 (2) by inserting after subchapter III the follow-
2 ing new subchapter:

3 “SUBCHAPTER IV—PARTICIPATION AS PART OF
4 NATIONAL HEALTH CARE REFORM

5 “§ 7341. **Organization of health care facilities as**
6 **health plans**

7 “(a) The Secretary shall organize health plans and
8 operate Department facilities as or within health plans
9 under the Health Security Act. The Secretary shall pre-
10 scribe regulations establishing standards for the operation
11 of Department health care facilities as or within health
12 plans under that Act. In prescribing those standards, the
13 Secretary shall assure that they conform, to the maximum
14 extent practicable, to the requirements for health plans
15 generally set forth in part 1 of subtitle E of title I of the
16 Health Security Act.

17 “(b) Within a geographic area or region, health care
18 facilities of the Department located within that area or
19 region may be organized to operate as a single health plan
20 encompassing all Department facilities within that area or
21 region or may be organized to operate as several health
22 plans.

23 “(c) In carrying out responsibilities under the Health
24 Security Act, a State (or a State-established entity)—

1 “(1) may not impose any standard or require-
2 ment on a VA health plan that is inconsistent with
3 this section or any regulation prescribed under this
4 section or other Federal laws regarding the oper-
5 ation of this section; and

6 “(2) may not deny certification of a VA health
7 plan under the Health Security Act on the basis of
8 a conflict between a rule of a State or health alliance
9 and this section or regulations prescribed under this
10 section or other Federal laws regarding the oper-
11 ation of this section.

12 **“§ 7342. Health care resource agreements**

13 “(a) A VA health plan or the director of a Depart-
14 ment of Veterans Affairs’ health care facility that is oper-
15 ating as or within a VA health plan may, without regard
16 to section 1703 of this title or any other law or regulation
17 pertaining to competitive procedures, acquisition proce-
18 dures or policies (other than contract dispute settlement
19 procedures), or bid protests, enter into agreements with
20 health care plans, insurers, and health care providers, and
21 with any other entity or individual, to furnish or obtain
22 any health-care resource, as that term is defined in section
23 8152 of this title.

24 “(b) Any proceeds to the Government received from
25 an agreement under subsection (a) shall be credited to the

1 Department of Veterans Affairs Health Plan Fund estab-
2 lished under section 1834 of this title and to funds that
3 have been allotted to the facility that furnished the re-
4 source involved.

5 **“§ 7343. Administrative and personnel flexibility**

6 “(a) In order to carry out this subchapter, the Sec-
7 retary may—

8 “(1) subject to section 1822(b) of this title,
9 carry out administrative reorganizations of the De-
10 partment without regard to those provisions of sec-
11 tion 510 of this title following subsection (a) of that
12 section; and

13 “(2) when the Secretary finds it is cost-effective
14 or necessary in order to provide health care services
15 in a timely manner—

16 “(A) enter into contracts for procurement
17 of any commercially available item at a cost of
18 under \$100,000 without regard to any provision
19 of law or regulation (i) requiring competitive
20 procedures; (ii) mandating or giving priority to
21 any source of supply; or (iii) pertaining to pro-
22 tests; and

23 “(B) enter into contracts without regard to
24 section 8110(c) of this title for the performance

1 of services previously performed by employees
2 of the Department.

3 “(b) The Secretary may establish alternative person-
4 nel systems or procedures for personnel at facilities oper-
5 ating as or with health plans under the Health Security
6 Act whenever the Secretary considers such action nec-
7 essary in order to carry out the terms of that Act, except
8 that the Secretary shall provide for preference eligibles (as
9 defined in section 2108 of title 5, United States Code)
10 in a manner comparable to the preference for such eligi-
11 bles under subchapter I of chapter 33, and subchapter I
12 of chapter 35, of such title.

13 “(c) Subject to the provisions of section 1404 of the
14 Health Security Act, the Secretary may carry out appro-
15 priate promotional, advertising, and marketing activities
16 to inform individuals of the availability of facilities of the
17 Department operating as or within health plans.

18 **“§ 7344. Veterans Health Care Transition Fund**

19 “(a) For each of fiscal years 1995, 1996, and 1997,
20 the Secretary of the Treasury shall, subject to subsection
21 (a), credit to a special fund (in this section referred to
22 as the ‘Fund’) of the Treasury an amount equal to—

23 “(1) \$1,250,000,000 for fiscal year 1995;

24 “(2) \$850,000,000 for fiscal year 1996; and

25 “(3) \$1,950,000,000 for fiscal year 1997.

1 “(b) Amounts in the Fund shall be available to the
2 Secretary only for the VA health plans authorized under
3 this chapter. Such amounts are available without fiscal
4 year limitation for costs of commencing operation of VA
5 health plans, including consulting services, procurement of
6 equipment, marketing, and other costs, minor construc-
7 tion, and (subject to section 8104 of this title) major con-
8 struction.

9 “(c) The Secretary shall submit to Congress, no later
10 than March 1, 1997, a report concerning the operation
11 of the Department of Veterans Affairs health care system
12 in preparing for, and operating under, national health care
13 reform under the Health Security Act during fiscal years
14 1995 and 1996. The report shall include a discussion of—

15 “(1) the adequacy of amounts in the Fund for
16 the operation of VA health plans;

17 “(2) the quality of care provided by such plans;

18 “(3) the ability of such plans to attract pa-
19 tients; and

20 “(4) the need (if any) for additional funds for
21 the Fund in fiscal years after fiscal year 1997.

22 **“§ 7345. Funding provisions: grants and other sources**
23 **of assistance**

24 “The Secretary may apply for and accept, if awarded,
25 any grant or other source of funding that is intended to

1 meet the needs of special populations and that but for this
 2 section is unavailable to facilities of the Department or
 3 to health plans operated by the Government if funds ob-
 4 tained through the grant or other source of funding will
 5 be used through a facility of the Department operating
 6 as or within a health plan.”.

7 (b) CLERICAL AMENDMENT.—The table of sections
 8 at the beginning of chapter 73 is amended by striking out
 9 the item relating to the heading for subchapter IV and
 10 inserting in lieu thereof the following:

“SUBCHAPTER IV—PARTICIPATION AS PART OF NATIONAL HEALTH CARE
 REFORM

“7341. Organization of health care facilities as health plans.

“7342. Health care resource agreements.

“7343. Administrative and personnel flexibility.

“7344. Veterans Health Care Transition Fund.

“7345. Funding provisions: grants and other sources of assistance.

“SUBCHAPTER V—RESEARCH CORPORATIONS”.

11 **SEC. 3. ELIGIBILITY FOR CHAPTER 17 CARE.**

12 (a) NURSING HOME CARE.—Section 1710(a)(1) of
 13 title 38, United States Code, is amended by inserting “(or,
 14 in the case of a veteran described in subparagraph (A)
 15 or (D) below, shall furnish nursing home care)” after
 16 “may furnish nursing home care”.

17 (b) OUTPATIENT CARE FOR ENROLLED VETER-
 18 ANS.—Paragraph (1) of section 1712(a) of such title is
 19 amended—

1 (1) by striking out “and” at the end of sub-
2 paragraph (B);

3 (2) by striking out the period at the end of sub-
4 paragraph (C) and inserting in lieu thereof “; and”;
5 and

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

7 “(D) to any veteran described in section
8 1831(b) of this title who is enrolled under section
9 1811 of this title and the Health Security Act with
10 a VA health plan (as defined in section 1801 of this
11 title), for any disability for which care and treatment
12 is not included within the comprehensive benefit
13 package (as defined in section 1801 of this title).”.

14 (c) ~~OBVIATE-THE-NEED~~ ~~OUTPATIENT CARE~~.—(1)
15 Paragraph (2) of such section is amended by striking out
16 “The Secretary” and all the follows through “this sub-
17 section—” and inserting in lieu thereof “Except as pro-
18 vided in subsection (b) of this section, the Secretary shall
19 furnish on an ambulatory or outpatient basis such medical
20 services as the Secretary determines are needed—”.

21 (2) Paragraph (4) of such section is amended by
22 striking out “medical services for a purpose described in
23 paragraph (5) of this subsection” and inserting in lieu
24 thereof “, to the extent that facilities are available, such
25 medical services as the Secretary determines are needed”.

1 (3) Such section is further amended by striking out
2 paragraph (5) and redesignating paragraph (6) as para-
3 graph (5).

4 **SEC. 4. EFFECTIVE DATE OF COVERAGE FOR HIGH-PRIOR-**
5 **ITY VETERANS.**

6 Notwithstanding any other provision of this Act, the
7 provisions of the amendments made by sections 1, 2, and
8 3 shall take effect with respect to veterans described in
9 section 1831(b) of title 38, United States Code, as added
10 by section 1, on October 1, 1995. The Secretary of Veter-
11 ans Affairs shall take such steps as necessary to imple-
12 ment those provisions with respect to those veterans by
13 that date.

○

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