

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1385

To amend title 38, United States Code, to improve the delivery of health care to veterans, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

APRIL 4, 1995

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

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## A BILL

To amend title 38, United States Code, to improve the delivery of health care to veterans, and for other purposes.

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. SHORT TITLE.**

4 This Act may be cited as the “Veterans Health Care  
5 Reform Act of 1995”.

6 **SEC. 2. HEALTH CARE REFORM PROGRAM.**

7 (a) IN GENERAL.—Chapter 17 of title 38, United  
8 States Code, is amended by inserting after section 1704  
9 the following new section:

1 **“§ 1705. Delivery of health care through reformed**  
2 **management of care**

3 “(a) The Secretary shall conduct a program to reform  
4 the way in which the Secretary manages delivery of health  
5 care to veterans. The program shall be carried out in ac-  
6 cordance with this section.

7 “(b)(1) In carrying out the program of reformed  
8 health care under this section, the Secretary shall take ap-  
9 propriate action to (A) expand the capacity of the Depart-  
10 ment of Veterans Affairs to provide outpatient care to eli-  
11 gible veterans, and (B) allocate resources to Department  
12 facilities in such a manner as to enable such facilities in  
13 carrying out the provisions of this section to provide to  
14 veterans described in subsection (c) access to care which  
15 is reasonably similar, without regard to the State in which  
16 those veterans reside.

17 “(2) In carrying out paragraph (1), the Secretary  
18 shall take appropriate steps, within service-delivery areas  
19 established by the Secretary, to reduce duplication of serv-  
20 ices and to realign services and programs.

21 “(c)(1) During the period through September 30,  
22 1999, the Secretary shall, for purposes of the program of  
23 reformed health care under this section, manage Depart-  
24 ment health care facilities so as to provide needed hospital  
25 care and outpatient medical treatment—

1           “(A) to any veteran described in subsection (e)  
2           without regard to otherwise applicable limitations in  
3           this chapter (other than the limitations specified in  
4           section 1712(b) of this title); and

5           “(B) to all other veterans, subject to the limita-  
6           tions in this chapter.

7           “(2) The care and treatment described in paragraph  
8           (1) includes the provision of preventive health services and  
9           prosthetic appliances and may include home care services.

10          “(3) The Secretary shall, in carrying out the pro-  
11          gram, ensure that any veteran with a service-connected  
12          disability is provided all benefits to which that veteran is  
13          entitled under this chapter.

14          “(d)(1) The Secretary, in order to manage the provi-  
15          sion of care and services under this section, shall coordi-  
16          nate care of veterans through facilities under the jurisdic-  
17          tion of, or under contract to, the Secretary and through  
18          referral to other appropriate providers in a veteran’s com-  
19          munity.

20          “(2) The Secretary, to further the provision of care  
21          and services under this section, may make such rules and  
22          regulations regarding acquisition procedures or policies as  
23          the Secretary considers appropriate to obtain needed care  
24          and services under this section.

1       “(3) The Secretary, in managing the provision of care  
2 and services under this section, may—

3               “(A) use systems of patient prioritization, con-  
4 sistent with the relative priorities described in sec-  
5 tion 1712(i) of this title; and

6               “(B) establish a program of enrollment of eligi-  
7 ble veterans.

8       “(4) The Secretary, in managing the provision of care  
9 and services under this section, shall ensure that the De-  
10 partment maintains its capacity to provide for the special-  
11 ized treatment and rehabilitative needs of disabled veter-  
12 ans described in section 1710(a) of this title (including  
13 veterans with spinal cord dysfunction, blindness, and men-  
14 tal illness) within distinct programs or facilities of the De-  
15 partment that are dedicated to the specialized needs of  
16 those veterans in a manner that (A) affords those veterans  
17 reasonable access to care and services for those specialized  
18 needs, and (B) ensures that overall capacity of the Depart-  
19 ment to provide such services is not reduced below the ca-  
20 pacity of the Department, nationwide, to provide those  
21 services as of the date of the enactment of this section.

22       “(e) A veteran referred to in subsection (c)(1)(A) is  
23 any veteran—

24               “(1) with a compensable service-connected dis-  
25 ability;

1           “(2) whose discharge or release from active  
2           military, naval, or air service was for a compensable  
3           disability that was incurred or aggravated in the line  
4           of duty;

5           “(3) who is in receipt of, or who, but for a sus-  
6           pension pursuant to section 1151 of this title (or  
7           both a suspension and the receipt of retired pay),  
8           would be entitled to disability compensation, but  
9           only to the extent that such veteran’s continuing eli-  
10          gibility for such care is provided for in the judgment  
11          or settlement provided for in such section;

12          “(4) who is a former prisoner of war;

13          “(5) of the Mexican border period or of World  
14          War I; or

15          “(6) who is unable to defray the expenses of  
16          necessary care, as determined in accordance with  
17          section 1722(a) of this title.

18          “(f) Not later than February 1, 1999, the Secretary  
19          shall submit to the Committees on Veterans’ Affairs of  
20          the Senate and the House of Representatives a report on  
21          the experience of the Department in establishing and ad-  
22          ministering the program required by this section. The re-  
23          port shall include any recommendations of the Secretary  
24          for legislation to expand access of eligible veterans to  
25          health care services furnished by the Department.

1       “(g) This section shall expire at the close of Septem-  
2 ber 30, 1999.”.

3       (b) CLERICAL AMENDMENT.—The table of sections  
4 at the beginning of such chapter is amended by inserting  
5 after the item relating to section 1704 the following new  
6 item:

“1705. Delivery of health care through reformed management of care.”.

7       (c) DEADLINE FOR IMPLEMENTATION.—The Sec-  
8 retary shall implement the program under section 1705  
9 of title 38, United States Code, as added by subsection  
10 (a), not later than October 1, 1996.

11 **SEC. 3. FUNDS RECOVERED FROM THIRD PARTIES.**

12       (a) AUTHORIZED USES.—Section 1729 of title 38,  
13 United States Code, is amended by adding at the end of  
14 paragraph (3) of subsection (g) the following new subpara-  
15 graph:

16               “(C) Expenses of (i) establishing new out-  
17 patient clinics, (ii) altering or remodeling medical fa-  
18 cilities to provide additional space for provision of  
19 outpatient care, and (iii) other measures as deter-  
20 mined necessary by the Secretary to increase the  
21 number of outpatient visits provided eligible veterans  
22 through facilities of the Department or under con-  
23 tract arrangements.”.

1 (b) AVAILABILITY OF FUNDS.—Subsection (g) of  
2 such section is further amended by striking out paragraph  
3 (4) and inserting the following:

4 “(4)(A) There shall be within the Fund a reserve to  
5 be available for the purposes specified in paragraph  
6 (3)(C). Not later than December 1 of each year, there  
7 shall be set aside for the reserve amounts as provided in  
8 this paragraph. If the amount to be set aside for the re-  
9 serve for any year is less than zero, the amount added  
10 to the reserve for that year shall be zero. Funds may be  
11 obligated under paragraph (3)(C) only to the extent of the  
12 availability of unobligated amounts in the reserve.  
13 Amounts in the reserve shall remain available for obliga-  
14 tion until expended.

15 “(B) On December 1, 1995, the amount set aside for  
16 the reserve under subparagraph (A) shall be the amount  
17 by which—

18 “(i) the unobligated balance remaining in the  
19 Fund at the close of business on September 30,  
20 1995, minus any part of such balance that the Sec-  
21 retary determines is necessary to defray the ex-  
22 penses, payments, and costs described in paragraph  
23 (3), exceeds

24 “(ii) \$579,282,000.

1       “(C) On December 1, 1996, the amount set aside for  
2 the reserve under subparagraph (A) shall be the amount  
3 by which—

4           “(i) the unobligated balance remaining in the  
5 Fund at the close of business on September 30,  
6 1996, minus any part of such balance that the Sec-  
7 retary determines is necessary to defray the ex-  
8 penses, payments, and costs described in paragraph  
9 (3), exceeds

10          “(ii) \$640,918,000.

11       “(D) On December 1, 1997, the amount set aside for  
12 the reserve under subparagraph (A) shall be the amount  
13 by which—

14           “(i) the unobligated balance remaining in the  
15 Fund at the close of business on September 30,  
16 1997, minus any part of such balance that the Sec-  
17 retary determines is necessary to defray the ex-  
18 penses, payments, and costs described in paragraph  
19 (3), exceeds

20          “(ii) \$731,334,000.

21       “(E) On December 1, 1998, the amount set aside for  
22 the reserve under subparagraph (A) shall be the amount  
23 by which—

24           “(i) the unobligated balance remaining in the  
25 Fund at the close of business on September 30,

1 1998, minus any part of such balance that the Sec-  
2 retary determines is necessary to defray the ex-  
3 penses, payments, and costs described in paragraph  
4 (3), exceeds

5 “(ii) \$758,321,000.

6 “(F) On December 1, 1999, the amount set aside for  
7 the reserve under subparagraph (A) shall be the amount  
8 by which—

9 “(i) the unobligated balance remaining in the  
10 Fund at the close of business on September 30,  
11 1999, minus any part of such balance that the Sec-  
12 retary determines is necessary to defray the ex-  
13 penses, payments, and costs described in paragraph  
14 (3), exceeds

15 “(ii) \$372,435,000.

16 “(5) Not later than January 1 of each year, there  
17 shall be deposited into the Treasury as miscellaneous re-  
18 ceipts an amount equal to the amount of the unobligated  
19 balance remaining in the Fund at the close of business  
20 on September 30 of the preceding year minus (A) any part  
21 of such balance that the Secretary determines is necessary  
22 in order to enable the Secretary to defray, during the fiscal  
23 year in which the deposit is made, the expenses, payments,  
24 and costs described in paragraph (3), and (B) the amount  
25 in the reserve described in paragraph (4).

1       “(6) The Secretary shall prescribe regulations for the  
2 allocation of amounts in the reserve under paragraph (4)  
3 for the purposes stated in paragraph (3)(C). Those regula-  
4 tions shall be designed to provide incentives to increase  
5 the recoveries and collections under this section. Such reg-  
6 ulations may provide that up to 25 percent of those  
7 amounts be made available each year directly to the medi-  
8 cal centers, or networks of medical centers, at which such  
9 recoveries have been at above average levels. The remain-  
10 der of those funds shall be allocated by the Secretary,  
11 based on the plan developed pursuant to paragraph (7),  
12 in a manner such that funds are targeted to areas deter-  
13 mined to have the greatest unmet need for outpatient care.

14       “(7) In order to promote effective planning for or-  
15 derly development of needed capacity for providing out-  
16 patient care to eligible veterans, the Under Secretary for  
17 Health shall conduct an annual study to evaluate the rel-  
18 ative need within service-delivery areas of the Department  
19 for expanding that capacity (directly or through contract  
20 arrangements).”.

21       (c) ANNUAL REPORT ON MEDICAL CARE COST RE-  
22 COVERY.—Such section is further amended by adding at  
23 the end the following new subsection:

24       “(j) Not later than February 1 each year, the Sec-  
25 retary shall submit to the Committees on Veterans’ Affairs

1 of the Senate and House of Representatives a report on  
2 medical care cost recovery under this section. The report  
3 shall include (1) the plan described in subsection (g)(7),  
4 (2) the regulations promulgated under subsection (g)(6),  
5 (3) the specific allocations made pursuant to such regula-  
6 tions, and (4) the actions taken by the Secretary to carry  
7 out section 2(d)(4) of the Veterans Health Care Reform  
8 Act of 1995 during the preceding fiscal year.”.

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