

104TH CONGRESS
2D SESSION

H. R. 3118

IN THE SENATE OF THE UNITED STATES

JULY 31, 1996

Received; read twice and referred to the Committee on Veterans' Affairs

AN ACT

To amend title 38, United States Code, to reform eligibility for health care provided by 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,*

1 **SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.**
2

3 (a) **SHORT TITLE.**—This Act may be cited as the
4 “Veterans’ Health Care Eligibility Reform Act of 1996”.

5 (b) **REFERENCES TO TITLE 38, UNITED STATES CODE.**—Except as otherwise expressly provided, whenever
6
7 in this Act an amendment or repeal is expressed in terms
8 of an amendment to, or repeal of, a section or other provision,
9 the reference shall be considered to be made to a
10 section or other provision of title 38, United States Code.

11 **SEC. 2. HOSPITAL CARE AND MEDICAL SERVICES.**

12 (a) **ELIGIBILITY FOR CARE.**—Section 1710(a) is
13 amended by striking out paragraphs (1) and (2) and inserting the following:
14

15 “(a)(1) The Secretary shall, to the extent and in the
16 amount provided in advance in appropriations Acts for
17 these purposes, provide hospital care and medical services,
18 and may provide nursing home care, which the Secretary
19 determines is needed to any veteran—

20 “(A) with a compensable service-connected disability;
21

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

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

8 “(D) who is a former prisoner of war;

9 “(E) of the Mexican border period or of World
10 War I;

11 “(F) who was exposed to a toxic substance, ra-
12 diation, or environmental hazard, as provided in sub-
13 section (e); and

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

17 “(2) In the case of a veteran who is not described
18 in paragraph (1), the Secretary may, to the extent re-
19 sources and facilities are available and subject to the pro-
20 visions of subsection (f), furnish hospital care, medical
21 services, and nursing home care which the Secretary deter-
22 mines is needed.”.

23 (b) CONFORMING AMENDMENTS.—(1) Section
24 1710(e) is amended—

1 (A) in paragraph (1), by striking out “hospital
2 care and nursing home care” in subparagraphs (A),
3 (B), and (C) and inserting in lieu thereof “hospital
4 care, medical services, and nursing home care”;

5 (B) in paragraph (2), by inserting “and medical
6 services” after “Hospital and nursing home care”;
7 and

8 (C) by striking out “subsection (a)(1)(G) of
9 this section” each place it appears and inserting in
10 lieu thereof “subsection (a)(1)(F)”.

11 (2) Chapter 17 is amended—

12 (A) by redesignating subsection (g) of section
13 1710 as subsection (h); and

14 (B) by transferring subsection (f) of section
15 1712 to section 1710 so as to appear after sub-
16 section (f), redesignating such subsection as sub-
17 section (g), and amending such subsection by strik-
18 ing out “section 1710(a)(2) of this title” in para-
19 graph (1) and inserting in lieu thereof “subsection
20 (a)(2) of this section”.

21 (3) Section 1712 is amended—

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

23 (B) by redesignating subsections (b), (c), (d),
24 (h) and (j), as subsections (a), (b), (c), (d), and (e),
25 respectively.

1 **SEC. 3. PROSTHETICS.**

2 (a) ELIGIBILITY FOR PROSTHETICS.—Section
3 1701(6)(A)(i) is amended—

4 (1) by striking out “(in the case of a person
5 otherwise receiving care or services under this chap-
6 ter)” and “(except under the conditions described in
7 section 1712(a)(5)(A) of this title),”;

8 (2) by inserting “(in the case of a person other-
9 wise receiving care or services under this chapter)”
10 before “wheelchairs,”; and

11 (3) by inserting “except that the Secretary may
12 not furnish sensori-neural aids other than in accord-
13 ance with guidelines which the Secretary shall pre-
14 scribe,” after “reasonable and necessary,”.

15 (b) REGULATIONS.—Not later than 30 days after the
16 date of the enactment of this Act, the Secretary of Veter-
17 ans Affairs shall prescribe the guidelines required by the
18 amendments made by subsection (a) and shall furnish a
19 copy of those guidelines to the Committees on Veterans’
20 Affairs of the Senate and House of Representatives.

21 **SEC. 4. MANAGEMENT OF HEALTH CARE.**

22 (a) IN GENERAL.—(1) Chapter 17 is amended by in-
23 serting after section 1704 the following new sections:

1 **“§ 1705. Management of health care: patient enroll-**
2 **ment system**

3 “(a) In managing the provision of hospital care and
4 medical services under section 1710(a)(1) of this title, the
5 Secretary, in accordance with regulations the Secretary
6 shall prescribe, shall establish and operate a system of an-
7 nual patient enrollment. The Secretary shall manage the
8 enrollment of veterans in accordance with the following
9 priorities, in the order listed:

10 “(1) Veterans with service-connected disabilities
11 rated 30 percent or greater.

12 “(2) Veterans who are former prisoners of war
13 and veterans with service-connected disabilities rated
14 10 percent or 20 percent.

15 “(3) Veterans who are in receipt of increased
16 pension based on a need of regular aid and attend-
17 ance or by reason of being permanently housebound
18 and other veterans who are catastrophically disabled.

19 “(4) Veterans not covered by paragraphs (1)
20 through (3) who are unable to defray the expenses
21 of necessary care as determined under section
22 1722(a) of this title.

23 “(5) All other veterans eligible for hospital care,
24 medical services, and nursing home care under sec-
25 tion 1710(a)(1) of this title.

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

3 “(1) shall ensure that the system will be man-
4 aged in a manner to ensure that the provision of
5 care to enrollees is timely and acceptable in quality;

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

9 “(3) may provide for exceptions to the specified
10 priorities where dictated by compelling medical rea-
11 sons.

12 **“§ 1706. Management of health care: other require-**
13 **ments**

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

20 “(b) In managing the provision of hospital care and
21 medical services under section 1710(a) of this title, the
22 Secretary—

23 “(1) may contract for hospital care and medical
24 services when Department facilities are not capable

1 of furnishing such care and services economically,
2 and

3 “(2) shall make such rules and regulations re-
4 garding acquisition procedures or policies as the Sec-
5 retary considers appropriate to provide such needed
6 care and services.

7 “(c) In managing the provision of hospital care and
8 medical services under section 1710(a) of this title, the
9 Secretary shall ensure that the Department maintains its
10 capacity to provide for the specialized treatment and reha-
11 bilitative needs of disabled veterans described in section
12 1710(a) of this title (including veterans with spinal cord
13 dysfunction, blindness, amputations, and mental illness)
14 within distinct programs or facilities of the Department
15 that are dedicated to the specialized needs of those veter-
16 ans in a manner that (1) affords those veterans reasonable
17 access to care and services for those specialized needs, and
18 (2) ensures that overall capacity of the Department to pro-
19 vide such services is not reduced below the capacity of the
20 Department, nationwide, to provide those services, as of
21 the date of the enactment of this section.

22 “(d) In managing the provision of hospital care and
23 medical services under section 1710(a) of this title, the
24 Secretary shall ensure that any veteran with a service-con-
25 nected disability is provided all benefits under this chapter

1 for which that veteran was eligible before the date of the
2 enactment of this section.”.

3 (2) The table of sections at the beginning of chapter
4 17 is amended by inserting after the item relating to sec-
5 tion 1704 the following new items:

“1705. Management of health care: patient enrollment system.
“1706. Management of health care: other requirements.”.

6 (b) CONFORMING AMENDMENTS TO SECTION
7 1703.—(1) Section 1703 is amended—

8 (A) by striking out subsections (a) and (b); and

9 (B) in subsection (c) by—

10 (i) striking out “(c)”, and

11 (ii) striking out “this section, sections”

12 and inserting in lieu thereof “sections 1710,”.

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

15 **“§ 1703. Annual report on furnishing of care and**
16 **services by contract”.**

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

“1703. Annual report on furnishing of care and services by contract.”.

1 **SEC. 5. IMPROVED EFFICIENCY IN HEALTH CARE RE-**
2 **SOURCE MANAGEMENT.**

3 (a) REPEAL OF SUNSET PROVISION.—Section 204 of
4 the Veterans Health Care Act of 1992 (Public Law 102–
5 585; 106 Stat. 4950) is repealed.

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

8 **“SEC. 207. AUTHORITY TO BILL HEALTH-PLAN CONTRACTS.**

9 “(a) RIGHT TO RECOVER.—In the case of a primary
10 beneficiary (as described in section 201(2)(B)) who has
11 coverage under a health-plan contract, as defined in sec-
12 tion 1729(i)(1)(A) of title 38, United States Code, and
13 who is furnished care or services by a Department medical
14 facility pursuant to this title, the United States shall have
15 the right to recover or collect charges for such care or
16 services from such health-plan contract to the extent that
17 the beneficiary (or the provider of the care or services)
18 would be eligible to receive payment for such care or serv-
19 ices from such health-plan contract if the care or services
20 had not been furnished by a department or agency of the
21 United States. Any funds received from such health-plan
22 contract shall be credited to funds that have been allotted
23 to the facility that furnished the care or services.

24 “(b) ENFORCEMENT.—The right of the United
25 States to recover under such a beneficiary’s health-plan
26 contract shall be enforceable in the same manner as that

1 provided by subsections (a)(3), (b), (c)(1), (d), (f), (h),
 2 and (i) of section 1729 of title 38, United States Code.”.

3 **SEC. 6. SHARING AGREEMENTS FOR HEALTH CARE RE-**
 4 **SOURCES.**

5 (a) REPEAL OF SECTION 8151.—(1) Subchapter IV
 6 of chapter 81 is amended—

7 (A) by striking out section 8151; and

8 (B) by redesignating sections 8152, 8153,
 9 8154, 8155, 8156, 8157, and 8158 as sections 8151,
 10 8152, 8153, 8154, 8155, 8156, and 8157, respec-
 11 tively.

12 (2) The table of sections at the beginning of such
 13 chapter is amended—

14 (A) by striking out the item relating to section
 15 8151; and

16 (B) by revising the items relating to sections
 17 8152, 8153, 8154, 8155, 8156, 8157, and 8158 to
 18 reflect the redesignations by paragraph (1)(B).

19 (b) REVISED AUTHORITY FOR SHARING AGREE-
 20 MENTS.—Section 8152 (as redesignated by subsection
 21 (a)(1)(B)) is amended—

22 (1) in subsection (a)(1)(A)—

23 (A) by striking out “specialized medical re-
 24 sources” and inserting in lieu thereof “health-
 25 care resources”; and

1 (B) by striking out “other” and all that
2 follows through “medical schools” and inserting
3 in lieu thereof “any medical school, health-care
4 provider, health-care plan, insurer, or other en-
5 tity or individual”;

6 (2) in subsection (a)(2) by striking out “only”
7 and all that follows through “are not” and inserting
8 in lieu thereof “if such resources are not, or would
9 not be,”;

10 (3) in subsection (b), by striking out “reciprocal
11 reimbursement” in the first sentence and all that
12 follows through the period at the end of that sen-
13 tence and inserting in lieu thereof “payment to the
14 Department in accordance with procedures that pro-
15 vide appropriate flexibility to negotiate payment
16 which is in the best interest of the Government.”;

17 (4) in subsection (d), by striking out “preclude
18 such payment, in accordance with—” and all that
19 follows through “to such facility therefor” and in-
20 serting in lieu thereof “preclude such payment to
21 such facility for such care or services”;

22 (5) by redesignating subsection (e) as sub-
23 section (f); and

24 (6) by inserting after subsection (d) the follow-
25 ing new subsection (e):

1 “(e) The Secretary may make an arrangement that
2 authorizes the furnishing of services by the Secretary
3 under this section to individuals who are not veterans only
4 if the Secretary determines—

5 “(1) that such an arrangement will not result
6 in the denial of, or a delay in providing access to,
7 care to any veteran at that facility; and

8 “(2) that such an arrangement—

9 “(A) is necessary to maintain an accept-
10 able level and quality of service to veterans at
11 that facility; or

12 “(B) will result in the improvement of
13 services to eligible veterans at that facility.”.

14 (c) CROSS-REFERENCE AMENDMENTS.—(1) Section
15 8110(c)(3)(A) is amended by striking out “8153” and in-
16 serting in lieu thereof “8152”.

17 (2) Subsection (b) of section 8154 (as redesignated
18 by subsection (a)(1)(B)) is amended by striking out “sec-
19 tion 8154” and inserting in lieu thereof “section 8153”.

20 (3) Section 8156 (as redesignated by subsection
21 (a)(1)(B)) is amended—

22 (A) in subsection (a), by striking out “section
23 8153(a)” and inserting in lieu thereof “section
24 8152(a)”; and

1 (B) in subsection (b)(3), by striking out “sec-
2 tion 8153” and inserting in lieu thereof “section
3 8152”.

4 (4) Subsection (a) of section 8157 (as redesignated
5 by subsection (a)(1)(B)) is amended—

6 (A) in the matter preceding paragraph (1), by
7 striking out “section 8157” and “section 8153(a)”
8 and inserting in lieu thereof “section 8156” and
9 “section 8152(a)”, respectively; and

10 (B) in paragraph (1), by striking out “section
11 8157(b)(4)” and inserting in lieu thereof “section
12 8156(b)(4)”.

13 **SEC. 7. PERSONNEL FURNISHING SHARED RESOURCES.**

14 Section 712(b)(2) is amended—

15 (1) by striking out “the sum of—” and insert-
16 ing in lieu thereof “the sum of the following:”;

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

19 (3) by striking out “; and” at the end of sub-
20 paragraph (A) and inserting in lieu thereof a period;
21 and

22 (4) by adding at the end the following:

23 “(C) The number of such positions in the
24 Department during that fiscal year held by per-

1 sons involved in providing health-care resources
2 under section 8111 or 8152 of this title.”.

3 **SEC. 8. AUTHORIZATION OF APPROPRIATIONS.**

4 There is authorized to be appropriated for the De-
5 partment of Veterans Affairs for the Medical Care ac-
6 count, for the purposes specified for that account in Public
7 Law 103–327 (108 Stat. 2300), including the cost of pro-
8 viding hospital care and medical services under the amend-
9 ments made by section 2, not to exceed \$17,250,000,000
10 for fiscal year 1997 and not to exceed \$17,900,000,000
11 for fiscal year 1998.

12 **SEC. 9. REPORT ON IMPLEMENTATION AND OPERATION.**

13 (a) REPORT REQUIRED.—In carrying out sections 2,
14 3, and 4 (including the amendments made by those sec-
15 tions), the Secretary of Veterans Affairs shall establish in-
16 formation systems to assess, and, not later than March
17 1, 1998, shall submit to the Committees on Veterans’ Af-
18 fairs of the Senate and House of Representatives, a report
19 reflecting the experience of the Department during fiscal
20 year 1997 on—

21 (1) the effect of implementation of, and provi-
22 sion and management of care under, sections 2, 3,
23 and 4, on demand for health care services from the
24 Department of Veterans Affairs by veterans de-

1 scribed in section 1710(a)(1), as amended by section
2 2;

3 (2) any differing patterns of demand on the
4 part of such veterans relating to such factors as rel-
5 ative distance from Department facilities and prior
6 experience, or lack of experience, as recipients of
7 care from the Department;

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

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

13 (b) MATTERS TO BE INCLUDED.—The report under
14 subsection (a) shall include detailed information with re-
15 spect to fiscal year 1997 regarding the following:

16 (1) The number of veterans enrolled for care at
17 each Department medical facility and, of those veter-
18 ans, the number enrolled at each such facility who
19 had not received care from the Department during
20 the preceding three fiscal years.

21 (2) With respect to those veterans who had not
22 received care from the Department during the three
23 preceding fiscal years, the total cost of providing
24 care to those veterans, shown in total and separately
25 (A) by level of care, and (B) by reference to whether

1 care is furnished in Department facilities or under
2 contract arrangements.

3 (3) With respect to the number of veterans de-
4 scribed in section 1710(a)(1), as amended by this
5 Act, who applied for health care from the Depart-
6 ment during fiscal year 1997—

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

9 (B) the number who were denied enroll-
10 ment (shown in total and separately by facility);
11 and

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

16 (4)(A) The numbers and characteristics of, and
17 the type and extent of health care furnished to, vet-
18 erans enrolled for care (shown in total and sepa-
19 rately by facility).

20 (B) The numbers and characteristics of, and
21 the type and extent of health care furnished to, vet-
22 erans not enrolled for care (shown separately by ref-
23 erence to each class of eligibility, both in total and
24 separately by facility).

1 (5) The specific fiscal impact (shown in total
2 and by geographic health-care delivery areas) of
3 changes in delivery patterns instituted under the
4 amendments made by this Act.

Passed the House of Representatives July 30, 1996.

Attest:

ROBIN H. CARLE,
Clerk.