

104TH CONGRESS
1ST SESSION

S. 1345

To amend title 53, United States Code, and various other statutes, to reform eligibility for Department of Veterans Affairs health-care benefits, improve the operation of the Department, and improve the processes and procedures the Department uses to administer various benefit programs for veterans; and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 19 (legislative day, OCTOBER 18), 1995

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

A BILL

To amend title 53, United States Code, and various other statutes, to reform eligibility for Department of Veterans Affairs health-care benefits, improve the operation of the Department, and improve the processes and procedures the Department uses to administer various benefit programs for 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Department of Veterans Affairs Improvement and
6 Reinvention Act of 1995”.

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

- Sec. 1. Short title; table of contents.
 Sec. 2. References to title 38, United States Code.

TITLE I—VETERANS HEALTH-CARE PROGRAMS

PART A—REFORM OF THE HEALTH-CARE ELIGIBILITY SYSTEM

- Sec. 101. Definitions.
 Sec. 102. Eligibility for health care.
 Sec. 103. Exposure related treatment authorities.
 Sec. 104. Mental health services and bereavement counseling for family members.
 Sec. 105. Consolidation of special authorities pertaining to prosthetic devices, aids for the blind, and aids for the hearing impaired.
 Sec. 106. Dental care.
 Sec. 107. Home improvements and structural alterations.
 Sec. 108. Furnishing medications prescribed by non-VA physicians.
 Sec. 109. Furnishing care in community nursing homes.
 Sec. 110. Furnishing residential care.
 Sec. 111. Expansion of authority to share health-care resources.
 Sec. 112. Authorization of appropriations.
 Sec. 113. Conforming amendments.

PART B—ADMINISTRATION OF HEALTH-CARE BENEFITS

- Sec. 120. Means test reform.
 Sec. 121. VA retention of funds collected from third parties.

TITLE II—BENEFIT PROGRAMS

PART A—LOAN GUARANTY PROGRAM

- Sec. 201. Termination of the manufactured housing loan program.
 Sec. 202. Loan fees.
 Sec. 203. Contracting for portfolio loan services.

PART B—EDUCATION PROGRAMS

- Sec. 210. Electronic signatures on documents concerning education benefits for veterans.
 Sec. 211. Electronic funds transfer for education benefits payments.

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

4 Except as otherwise expressly provided, whenever in
 5 this Act an amendment is expressed in terms of an amend-
 6 ment to a section or other provision, the reference shall

1 be considered to be made to a section or other provision
2 of title 38, United States Code.

3 **TITLE I—VETERANS HEALTH-CARE**

4 **PROGRAMS**

5 **PART A—REFORM OF THE HEALTH CARE**

6 **ELIGIBILITY SYSTEM**

7 **SEC. 101. DEFINITIONS.**

8 Section 1701 is amended by striking out paragraphs
9 numbered (5), (6), (7), (8), and (9) and inserting in lieu
10 thereof the following:

11 “(5) The term ‘health care’ means the most appro-
12 priate care and treatment for the patient furnished in the
13 most appropriate setting, as determined by the Secretary,
14 including the provision of such pharmaceuticals, supplies,
15 equipment, devices, appliances and other materials as the
16 Secretary determines to be necessary, and including hos-
17 pital care, nursing home care, domiciliary care, outpatient
18 care, rehabilitative care, home care, respite care, preven-
19 tive care, and dental care.

20 “(6) The term ‘hospital care’ means care and treat-
21 ment for a disability furnished to an individual who has
22 been admitted to a hospital as a patient.

23 “(7) The term ‘nursing home care’ means care and
24 treatment for a disability furnished to an individual who
25 has been admitted to a nursing home as a resident.

1 “(8) The term ‘domiciliary care’ means the furnish-
2 ing of shelter and food, and includes necessary care and
3 treatment for a disability furnished to a veteran with no
4 adequate means of support, who has been admitted as a
5 resident to a domiciliary facility under the direct jurisdic-
6 tion of the Secretary.

7 “(9) The term ‘outpatient care’ means care and treat-
8 ment for a disability, and preventive health services, fur-
9 nished to an individual other than hospital, nursing home,
10 or domiciliary care.

11 “(10) The term ‘rehabilitative care’ means such pro-
12 fessional, counseling, and guidance services and treatment
13 programs (other than those types of vocational rehabilita-
14 tion services provided under chapter 31 of this title) as
15 are necessary to restore, to the maximum extent possible,
16 the physical, mental, and psychological functioning of an
17 ill or disabled person.

18 “(11) The term ‘home care’ means outpatient care,
19 rehabilitative care, and preventive health services fur-
20 nished to an individual in the individual’s home or other
21 place of residence but may not include care or services
22 that any other person or entity has a contractual or legal
23 obligation to provide.

24 “(12) The term ‘residential care’ means the provision
25 of room and board and such limited personal care for and

1 supervision of residents as the Secretary determines, in
2 accordance with regulations, are necessary for the health,
3 safety, and welfare of residents, and the term ‘community
4 residential-care’ means the provision of residential-care in
5 a non-VA facility.

6 “(13) The term ‘respite care’ means care furnished
7 on an intermittent basis in a department facility for a lim-
8 ited period to a veteran suffering from a chronic illness,
9 who resides primarily in a private residence when such
10 care will help the veteran to continue residing in such pri-
11 vate residence.

12 “(14) The term ‘preventive health services’ means
13 care and treatment furnished to prevent disease or illness
14 including periodic examinations, immunization, patient
15 health education, and such other services as the Secretary
16 determines are necessary to provide effective and economi-
17 cal preventive health care.”.

18 **SEC. 102. ELIGIBILITY FOR HEALTH CARE.**

19 Section 1710 is amended to read as follows:

20 **“§ 1710. Eligibility for health care**

21 “(a)(1) The Secretary shall, to the extent and in the
22 amount provided in advance in appropriations acts for
23 these purposes, furnish health care which the Secretary
24 determines is needed to any veteran described in clauses
25 (A), (C), and (D) of subsection (c)(1), subject to the prior-

ities set forth in subsection (c) and to section 1715 and excluding care described in subsection (b).

“(2) The Secretary may furnish health care which the Secretary determines is needed to any veteran not described in clauses (A) through (D) of subsection (c)(1).

“(b) Subject to the priorities set forth in subsection (c), the Secretary may furnish nursing home care, respite care, home care, and domiciliary care which the Secretary determines is needed to any veteran.

“(c)(1) To the extent and in the amount provided in advance in appropriations acts for these purposes, the Secretary shall furnish health care under subsections (a) and (b) and sections 1712, 1712A, 1712B, 1714, 1717, 1718, 1719, 1720B, and 1751, in accordance with the following order of priority:

“(A) Veterans (i) who have compensable service-connected disabilities, (ii) who are former prisoners of war, (iii) whose discharge or release from the active military, naval or air service was for a disability incurred or aggravated in line of duty, and (iv) who are in receipt of, or who, but for a suspension pursuant to section 1152 (or both such a suspension and the receipt of retired pay), would be entitled to disability compensation, but only to the extent that the veterans’ continuing eligibility for such

1 care is provided for in the judgment or settlement
2 described in section 1151.

3 “(B) Veterans receiving care under sections
4 1712, 1712A, 1719, and 1720B.

5 “(C) Veterans with noncompensable service-con-
6 nected disabilities, veterans of the Mexican Border
7 period or World War I, and veterans receiving in-
8 creased pension or additional compensation or allow-
9 ances based on the need of regular aid and attend-
10 ance or by reason of being permanently housebound.

11 “(D) Veterans with attributable income less
12 than the threshold amount specified in section 1722
13 which is applicable to those veterans, provided they
14 sign a declaration that their net worth, together with
15 that of their spouse and dependent children, if any,
16 does not exceed \$50,000, and veterans receiving care
17 under section 1751.

18 “(E) Veterans with attributable income greater
19 than the threshold amount specified in section 1722
20 which is applicable to those veterans and veterans
21 who do not sign the declaration described in clause
22 (D).

23 “(2) The Secretary may, by regulation, establish ad-
24 ditional priorities within each priority group established

1 in paragraph (1) of this subsection, as the Secretary deter-
2 mines necessary.

3 “(d) Nothing in this section requires the Secretary
4 to furnish care to a veteran to whom another agency of
5 Federal, State, or local government has a duty under law
6 to provide care in an institution of such government.

7 “(e)(1) The Secretary may furnish health care under
8 subsections (a) and (b) of this section to any veteran de-
9 scribed in subsection (c)(1)(E) who has attributable in-
10 come greater than the amount specified in section 1722(a)
11 which is applicable to that veteran, only if the veteran
12 agrees to pay the United States the applicable amount de-
13 termined under paragraph (2) of this subsection.

14 “(2) A veteran who is required under paragraph (1)
15 of this subsection to agree to pay an amount to the United
16 States in order to be furnished such care shall be liable
17 to the United States for an amount equal to—

18 “(A) for hospital care—

19 “(i) the lesser of the cost of furnishing
20 such care, as determined by the Secretary, or
21 the amount determined under paragraph (3) of
22 this subsection; and

23 “(ii) \$10 for every day the veteran receives
24 hospital care;

25 “(B) for nursing home care—

1 “(i) the lesser of the cost of furnishing
2 such care, as determined by the Secretary, or
3 the amount determined under paragraph (3) of
4 this subsection; and

5 “(ii) \$5 for every day the veteran receives
6 hospital care; and

7 “(C) for outpatient care, an amount equal to 20
8 percent of the estimated cost of care, as determined
9 by the Secretary.

10 “(3)(A) In the case of hospital care furnished during
11 any 365-day period, the amount referred to in paragraph
12 (2)(A)(i) of this subsection is—

13 “(i) the amount of the inpatient Medicare de-
14 ductible, plus

15 “(ii) one-half of such amount for each 90 days
16 of care (or fraction thereof) after the first 90 days
17 of such care during such 365-day period.

18 “(B) In the case of nursing home care furnished dur-
19 ing any 365-day period, the amount referred to in para-
20 graph (2)(B)(i) of this subsection is the amount of the
21 inpatient Medicare deductible for each 90 days of such
22 care (or fraction thereof) during such 365-day period.

23 “(C)(i) Except as provided in clause (ii) of this sub-
24 paragraph, in the case of a veteran who is admitted for
25 nursing home care under this section after being furnished

1 during the preceding 365-day period, hospital care for
2 which the veteran has paid the amount of the inpatient
3 Medicare deductible under this subsection and who has
4 not been furnished 90 days of hospital care in connection
5 with such payment, the veteran shall not incur any liability
6 under paragraph (2)(B)(i) of this subsection with respect
7 to such nursing home care until—

8 “(I) the veteran has been furnished, beginning
9 with the first day of such hospital care furnished in
10 connection with such payment, a total of 90 days of
11 hospital care and nursing home care; or

12 “(II) the end of the 365-day period applicable
13 to the hospital care for which payment was made,
14 whichever occurs first.

15 “(ii) In the case of a veteran who is admitted for
16 nursing home care under this section after being fur-
17 nished, during any 365-day period, hospital care for which
18 the veteran has paid an amount under subparagraph
19 (A)(ii) of this paragraph and who has not been furnished
20 90 days of hospital care in connection with such payment,
21 the amount of the liability of the veteran under paragraph
22 (2)(B)(i) of this subsection with respect to the number of
23 days of such nursing home care which, when added to the
24 number of days of such hospital care, is 90 or less, is the

1 difference between the inpatient Medicare deductible and
2 the amount paid under such subparagraph until—

3 “(I) the veteran has been furnished, beginning
4 with the first day of such hospital care furnished in
5 connection with such payment, a total of 90 days of
6 hospital care and nursing home care; or

7 “(II) the end of the 365-day period applicable
8 to the hospital care for which payment was made,
9 whichever occurs first.

10 “(D) In the case of a veteran who is admitted for
11 hospital care under this section after having been fur-
12 nished, during the preceding 365-day period, nursing
13 home care for which the veteran has paid the amount of
14 the inpatient Medicare deductible under this subsection
15 and who has not been furnished 90 days of nursing home
16 care in connection with such payment, the veteran shall
17 not incur any liability under paragraph (2) of this sub-
18 section with respect to such hospital care until—

19 “(i) the veteran has been furnished, beginning
20 with the first day of such nursing home care fur-
21 nished in connection with such payment, a total of
22 90 days of nursing home care and hospital care; or

23 “(ii) the end of the 365-day period applicable to
24 the nursing home care for which payment was made,
25 whichever occurs first.

1 “(E) A veteran may not be required to make a pay-
2 ment under paragraph (2)(A)(i) or paragraph (2)(B)(i) of
3 this subsection for any days of care in excess of 360 days
4 of care during any 365-calendar-day period.

5 “(4) Amounts collected or received on behalf of the
6 United States under this subsection shall be deposited in
7 the Treasury as miscellaneous receipts.

8 “(5) For the purposes of this subsection, the term
9 ‘inpatient Medicare deductible’ means the amount of the
10 inpatient hospital deductible in effect under section
11 1813(b) of the Social Security Act (42 U.S.C. 1395(b))
12 on the first day of the 365-day period applicable under
13 paragraph (3) of this subsection.”.

14 **SEC. 103. EXPOSURE-RELATED TREATMENT AUTHORITIES.**

15 Section 1712 is amended to read as follows:

16 **“§1712. Treatment for veterans exposed to certain**
17 **toxic substances or hazards**

18 “(a) Subject to subsections (b) and (c), and to the
19 extent and in the amount provided in advance in appro-
20 priations acts for these purposes, the Secretary shall fur-
21 nish hospital care and may furnish other health care to—

22 “(1) a veteran—

23 “(A) who served on active duty in the Re-
24 public of Vietnam during the Vietnam era, and

1 “(B) who the Secretary finds may have
2 been exposed during such service to dioxin or
3 was exposed during such service to a toxic sub-
4 stance found in a herbicide or defoliant used in
5 connection with military purposes during such
6 era,

7 for any disability, notwithstanding that there is in-
8 sufficient medical evidence to conclude that such dis-
9 ability may be associated with such exposure;

10 “(2) a veteran who the Secretary finds was ex-
11 posed while serving on active duty to ionizing radi-
12 ation from the detonation of a nuclear device in con-
13 nection with such veteran’s participation in the test
14 of such a device or with the American occupation of
15 Hiroshima and Nagasaki, Japan, during the period
16 beginning on September 11, 1945, and ending on
17 July 1, 1946, for any disability, notwithstanding
18 that there is insufficient medical evidence to con-
19 clude that such disability may be associated with
20 such exposure; and

21 “(3) a veteran who the Secretary finds may
22 have been exposed while serving on active duty in
23 the Southwest Asia theater of operations during the
24 Persian Gulf War to a toxic substance or environ-
25 mental hazard for any disability, notwithstanding

1 that there is insufficient medical evidence to con-
2 clude that such disability may be associated with
3 such exposure.

4 “(b) Hospital and health care may not be provided
5 under subsection (a) with respect to a disability that is
6 found, in accordance with guidelines issued by the Under
7 Secretary for Health, to have resulted from a cause other
8 than an exposure described in paragraph (1), (2), or (3)
9 of subsection (a) in the case of a veteran described in the
10 applicable paragraph.

11 “(c) Hospital and health care may not be provided—

12 “(1) after December 31, 1996, in the case of a
13 veteran described in paragraph (1) of subsection (a);
14 and

15 “(2) after September 30, 1997, in the case of a vet-
16 eran described in paragraph (3) of subsection (a).”.

17 **SEC. 104. MENTAL HEALTH SERVICES AND BEREAVEMENT**
18 **COUNSELING FOR FAMILY MEMBERS.**

19 Chapter 17 is amended by adding the following new
20 section:

21 **“§ 1712C. Mental Health services and bereavement**
22 **counseling for family members**

23 “(a) If necessary for the effective treatment and re-
24 habilitation of a patient who is either a veteran or a de-
25 pendent or survivor receiving care under the last sentence

1 of section 1713(b), the Secretary may furnish the services
2 described in subsection (b) to members of the immediate
3 family of the patient, the patient's legal guardian, or the
4 individual in whose household such patient certifies an in-
5 tention to live.

6 “(b) The services referred to in subsection (a) are—

7 “(1) consultation, professional counseling, and
8 training as necessary in connection with the treat-
9 ment of any disability of a patient receiving out-
10 patient care for a physical condition;

11 “(2) mental health services, consultation, pro-
12 fessional counseling, and training as necessary in
13 connection with the treatment of a patient receiving
14 hospital care for any disability, or receiving out-
15 patient care for a service-connected mental health
16 condition; and

17 “(3) mental health services, consultation, pro-
18 fessional counseling, and training as necessary in
19 connection with the treatment of a patient receiving
20 outpatient care for a nonservice-connected mental
21 health condition, but only if the patient's treatment
22 for the mental health condition was begun during a
23 period of hospitalization and the services to the fam-
24 ily member, guardian, or other person were com-

1 menced prior to the patient's discharge from such
2 period of hospital care.

3 “(c) The Secretary may furnish counseling services
4 for a limited period to any individual who was a recipient
5 of services under subsection (a) of this section at the time
6 of—

7 “(1) the unexpected death of the veteran; or

8 “(2) the death of the veteran while the veteran
9 was participating in a hospice program (or a similar
10 program) conducted by the Secretary,

11 if the Secretary determines that furnishing such services
12 would be reasonable and necessary to assist such individ-
13 ual with the emotional and psychological stress accom-
14 panying the veteran's death.”.

15 **SEC. 105. CONSOLIDATION OF SPECIAL AUTHORITIES PER-**
16 **TAINING TO PROSTHETIC DEVICES, AIDS FOR**
17 **THE BLIND, AND AIDS FOR THE HEARING IM-**
18 **PAIRED.**

19 Section 1714 is amended—

20 (1) by amending the heading to read as follows:

21 **“§ 1714. Prosthetic devices and aids for the blind and**
22 **hearing impaired”;**

23 (2) by designating subsection (b) as subsections
24 (d) and inserting after subsection (a) the following
25 new subsections (b) and (c):

1 “(b) The Secretary may procure medical equipment,
2 prosthetic devices and similar appliances furnished under
3 section 1710 or subsections (d) and (e) of this section by
4 purchase or by manufacture, whichever the Secretary de-
5 termines may be advantageous and reasonably necessary.

6 “(c) The Secretary may repair or replace any pros-
7 thetic or orthotic device or similar appliance (not including
8 dental appliances) reasonably necessary to a veteran and
9 belonging to such veteran which was damaged or de-
10 stroyed by a fall or other accident caused by a service-
11 connected disability for which such veteran is in receipt
12 of, or but for the receipt of retirement pay would be enti-
13 tled to, disability compensation.”; and

14 “(3) by adding at the end the following new
15 subsection (e):

16 “(e) The Secretary may furnish devices for assisting
17 in overcoming the handicap of deafness (including
18 telecaptioning television decoders) to any veteran who is
19 profoundly deaf and is entitled to compensation on ac-
20 count of hearing impairment.”.

21 **SEC. 106. DENTAL CARE.**

22 Section 1715 is amended to read as follows:

23 **“§ 1715. Dental care**

24 “(a) The Secretary may, within the limits of Depart-
25 ment facilities, furnish a veteran receiving hospital, nurs-

1 ing home, or domiciliary care in a Department facility
2 with—

3 “(1) any dental services and treatment, and re-
4 lated dental appliances necessary for continued safe
5 and effective treatment of other disabilities for which
6 the veteran is receiving care in the VA facility; and

7 “(2) any dental services and treatment for
8 which the veteran is eligible under subsection (b) of
9 this section.

10 “(b)(1) The Secretary may furnish outpatient dental
11 services and treatment, and related dental appliances
12 under this chapter only for a dental condition or disabil-
13 ity—

14 “(A) which is service-connected and compen-
15 sable in degree;

16 “(B) which is service-connected, but not com-
17 pensable in degree, but only if—

18 “(i) the dental condition or disability is
19 shown to have been in existence at the time of
20 the veteran’s discharge or release from active
21 military, naval, or air service;

22 “(ii) the veteran had served on active duty
23 for a period of not less than 180 days or, in the
24 case of a veteran who served on active duty

1 during the Persian Gulf War, 90 days imme-
2 diately before such discharge or release;

3 “(iii) application for treatment is made
4 within 90 days after such discharge or release,
5 except that (I) in the case of a veteran who re-
6 entered active military, naval, or air service
7 within 90 days after the date of such veteran’s
8 prior discharge or release from such service, ap-
9 plication may be made within 90 days from the
10 date of such veteran’s subsequent discharge or
11 release from such service, and (II) if a disquali-
12 fying discharge or release has been corrected by
13 competent authority, application may be made
14 within 90 days after the date of correction; and

15 “(iv) the veteran’s certificate of discharge
16 or release from active duty does not bear a cer-
17 tification that the veteran was provided, within
18 the 90-day period immediately before the date
19 of such discharge or release, a complete dental
20 examination (including dental X-rays) and all
21 appropriate dental services and treatment indi-
22 cated by the examination to be needed;

23 “(C) which is a service-connected dental condi-
24 tion or disability due to combat wounds or other
25 service trauma, or of a former prisoner of war;

1 “(D) which is associated with and is aggravat-
2 ing a disability resulting from some other disease or
3 injury which was incurred in or aggravated by active
4 military, naval, or air service;

5 “(E) which is a nonservice-connected condition
6 or disability of a veteran for which treatment was
7 begun while such veteran was receiving hospital care
8 under this chapter and such services and treatment
9 are reasonably necessary to complete such treat-
10 ment;

11 “(F) from which a veteran who is a former
12 prisoner of war and who was detained or interned
13 for a period of not less than 90 days is suffering;

14 “(G) from which a veteran who has a service-
15 connected disability rated as total is suffering; or

16 “(H) the treatment of which is medically nec-
17 essary (i) in preparation for hospital admission, or
18 (ii) for veteran otherwise receiving care or services
19 under this chapter.

20 “(2) The Secretary concerned shall at the time a
21 member of the Armed Forces is discharged or released
22 from a period of active military, naval, or air service of
23 not less than 180 days or, in the case of a veteran who
24 served on active duty during the Persian Gulf War, 90
25 days to provide to such member a written explanation of

1 the provisions of clause (B) of paragraph (1) of this sec-
2 tion and enter in the service records of the member a
3 statement signed by the member acknowledging receipt of
4 such explanation (or, if the member refuses to sign such
5 statement, a certification from an officer designated for
6 such purpose by the Secretary concerned that the member
7 was provided such explanation).

8 “(3) The total amount which the Secretary may ex-
9 pend for furnishing, during any twelve-month period, out-
10 patient dental services, treatment, or related dental appli-
11 ances to a veteran under this section through private fa-
12 cilities for which the Secretary has contracted under
13 clause (1), (2), or (5) of section 1703(a) of this title may
14 not exceed \$1,000 unless the Secretary determines, prior
15 to the furnishing of such services, treatment, or appliances
16 and based on an examination of the veteran by a dentist
17 employed by the Department (or, in an area where no such
18 dentist is available, by a dentist conducting such examina-
19 tion under a contract or fee arrangement), that the fur-
20 nishing of such services, treatment, or appliances at such
21 cost is reasonably necessary.

22 “(4)(A) Except as provided in subparagraph (B) of
23 this subsection, in any year in which the President’s Budg-
24 et for the fiscal year beginning October 1 of such year
25 includes an amount for expenditures for contract dental

1 care under the provisions of section 1710(a) of this title
2 (other than care for a veteran of the Mexican border pe-
3 riod or of World War I, and a veteran who is in receipt
4 of increased pension or additional compensation or allow-
5 ances based on the need of regular aid and attendance
6 or by reason of being permanently housebound (or who,
7 but for the receipt of retired pay, would be in receipt of
8 such pension, compensation or allowance)) and section
9 1703 of this title during such fiscal year in excess of the
10 level of expenditures made for such purpose during fiscal
11 year 1978, the Secretary shall, not later than February
12 15 of such year, submit a report to the appropriate com-
13 mittees of the Congress justifying the requested level of
14 expenditures for contract dental care and explaining why
15 the application of the criteria prescribed in section 1703
16 of this title for contracting with private facilities and in
17 section 1715(a) of this title for furnishing incidental den-
18 tal care to hospitalized veterans will not preclude the need
19 for expenditures for contract dental care in excess of the
20 fiscal year 1978 level of expenditures for such purpose.
21 In any case in which the amount included in the Presi-
22 dent's Budget for any fiscal year for expenditures for con-
23 tract dental care under such provisions is not in excess
24 of the level of expenditures made for such purpose during
25 fiscal year 1978 and the Secretary determines after the

1 date of submission of such budget and before the end of
2 such fiscal year that the level of expenditures for such con-
3 tract dental care during such fiscal year will exceed the
4 fiscal year 1978 level of expenditures, the Secretary shall
5 submit a report to the appropriate committees of the Con-
6 gress containing both a justification (with respect to the
7 projected level of expenditures for such fiscal year) and
8 an explanation as required in the preceding sentence in
9 the case of a report submitted pursuant to such sentence.
10 Any report submitted pursuant to this paragraph shall in-
11 clude a comment by the Secretary on the effect of the ap-
12 plication of the criteria prescribed in section 1715(a) of
13 this title for furnishing incidental dental care to hospital-
14 ized veterans.

15 “(B) A report under subparagraph (A) of this para-
16 graph with respect to a fiscal year is not required if, in
17 the documents submitted by the Secretary to the Congress
18 in justification for the amounts included for Department
19 programs in the President’s Budget, the Secretary speci-
20 fies with respect to contract dental care described in such
21 subparagraph—

22 “(i) actual level of expenditures for such care in
23 the fiscal year preceding the fiscal year in which
24 such Budget is submitted;

1 for the effective and economical treatment of a disability
2 of the veteran, but only if the improvements or alterations
3 are necessary to assure the continuation of treatment or
4 to provide the veteran access to the home or to essential
5 lavatory and sanitary facilities.

6 “(b) The cost of improvements and structural alter-
7 ations (or the amount of reimbursement therefor) fur-
8 nished under subsection (a) may not exceed—

9 “(1) \$4,100 if needed—

10 “(A) for treatment of a service-connected
11 disability (including a disability that was in-
12 curred or aggravated in line of duty and for
13 which the veteran was discharged or released
14 from the active military, naval, or air service);

15 “(B) for any disability of a veteran who
16 has a service-connected disability rated at 50
17 percent or more; and

18 “(C) to any veteran for a disability for
19 which the veteran is in receipt of compensation
20 under section 1151 of this title or for which the
21 veteran would be entitled to compensation
22 under that section but for a suspension pursu-
23 ant to that section (but in the case of such a
24 suspension, such medical services may be fur-
25 nished only to the extent that such person’s

1 continuing eligibility for medical services is pro-
2 vided for in the judgment or settlement de-
3 scribed in that section); and

4 “(2) \$1,200 in all other cases.”.

5 **SEC. 108. FURNISHING MEDICATIONS PRESCRIBED BY NON-**
6 **VA PHYSICIANS.**

7 Section 1719 is amended to read as follows:

8 **“§ 1719 Medications prescribed by non-VA physicians;**
9 **immunization programs**

10 “(a) The Secretary shall, to the extent and in the
11 amount provided in advance in appropriation acts for
12 these purposes, furnish to each veteran who is receiving
13 additional compensation or allowance under chapter 11 of
14 this title, or increased pension as a veteran of a period
15 of war, by reason of being permanently housebound or in
16 need of regular aid and attendance, such drugs and medi-
17 cines as may be ordered on prescription of a duly licensed
18 physician as specific therapy in the treatment of any ill-
19 ness or injury suffered by such veteran: *Provided*, That
20 the Secretary shall continue to furnish such drugs and
21 medicines so ordered to any such veteran in need of regu-
22 lar aid and attendance whose pension payments have been
23 discontinued solely because such veteran’s annual income
24 is greater than the applicable maximum annual income
25 limitation, but only so long as such veteran’s annual in-

1 come does not exceed such maximum annual income limi-
2 tation by more than \$1,000.

3 “(b) In order to assist the Secretary of Health and
4 Human Services in carrying out national immunization
5 programs under other provisions of law, the Secretary may
6 authorize the administration of immunizations to eligible
7 veterans who voluntarily request such immunizations in
8 connection with the provision of care for a disability under
9 this chapter in any Department health care facility. Any
10 such immunization shall be made using vaccine furnished
11 by the Secretary of Health and Human Services at no cost
12 to the Department. For such purpose, notwithstanding
13 any other provision of law, the Secretary of Health and
14 Human Services may provide such vaccine to the Depart-
15 ment at no cost. Section 7316 of this title shall apply to
16 claims alleging negligence or malpractice on the part of
17 Department personnel granted immunity under such sec-
18 tion.”.

19 **SEC. 109. FURNISHING CARE IN COMMUNITY NURSING**
20 **HOMES.**

21 Section 1720 is amended—

22 (1) in the heading by striking out the semicolon
23 and all that follows;

1 (2) in subsection (a)(1)(A)(i), by striking out
2 “hospital care, nursing home care, or domiciliary”
3 and inserting in lieu thereof “health”;

4 (3) by striking out subsection (d) and redesignating
5 subsection (e) as subsection (d); and

6 (4) by striking out subsection (f).

7 **SEC. 110. FURNISHING RESIDENTIAL CARE.**

8 Section 1730 is amended—

9 (1) by redesignating subsections (a), (b), (c),
10 (d), and (e) as subsections (b), (c), (d), (e), and (f),
11 respectively;

12 (2) by inserting the following new subsection
13 (a):

14 “(a)(1) The Secretary may furnish residential care
15 to a veterans in receipt of hospital care in a VA facility
16 when such care would be an alternative to continued hos-
17 pital care.

18 “(2) The Secretary may only furnish care under
19 paragraph (1) of this subsection through contracts with
20 community residential-care facilities—

21 “(A) when the veteran has no resources to pay
22 for the care, as determined by the Secretary in regu-
23 lations;

24 “(B) for a period not to exceed 90 days during
25 any 12-month period.”;

1 (3) by amending subsection (b), as so rede-
2 signed, to read as follows:

3 “(b) Subject to this section and regulations to be pre-
4 scribed by the Secretary under this section, the Secretary
5 may assist a veteran who does not meet the requirement
6 set forth in subsection (a)(2)(A) of this section by refer-
7 ring the veteran for placement in, and aiding the veteran
8 in obtaining placement in, a community residential-care
9 facility if—

10 “(1) at the time of initiating the assistance, the
11 Secretary—

12 “(A) is furnishing the veteran hospital,
13 domiciliary, nursing home, or outpatient care;
14 or

15 “(B) has furnished the veteran such care
16 or services within the preceding 12 months; and

17 “(2) placement of the veteran in a community
18 residential-care facility is appropriate.”;

19 (4) in subsection (c), as so redesignated, by
20 striking out “subsection (a) of” in paragraph (1),
21 and by inserting “community residential-care” be-
22 fore “facility” the first time it appears in paragraph
23 (2);

1 (5) in subsection (d), as so redesignated, by
2 striking out “(b)” and inserting in lieu thereof
3 “(c)”;

4 (6) in subsection (e), as so redesignated, by
5 striking out “(b)” and inserting in lieu thereof
6 “(c)”;

7 (7) in subsection (f), as so redesignated, by
8 striking out “(b)(2) or (c)(1)” and “(d)” and insert-
9 ing in lieu thereof “(c)(2) or (d)(1)” and “(e)”; and
10 (8) by striking subsection (g).

11 **SEC. 111. EXPANSION OF AUTHORITY TO SHARE HEALTH-**
12 **CARE RESOURCES.**

13 (a) The text of section 8151 is amended to read as
14 follows: “It is the purpose of this subchapter to improve
15 the quality of health care provided veterans under this
16 title, by authorizing the Secretary to enter into agree-
17 ments with health-care providers in order to share health-
18 care resources with, and receive health-care resources
19 from those health care providers, provided there is no dim-
20 inution of services to veterans. Among other things, it is
21 intended by these means to strengthen the medical pro-
22 grams at Department facilities located in small cities or
23 rural areas that are remote from major medical centers.”.

24 (b) Section 8152 is amended—

1 (1) by striking out paragraphs (1) and (2) and
2 redesignating paragraphs (3) and (4) as paragraphs
3 (1) and (2), respectively;

4 (2) by amending paragraph (1), as so redesign-
5 nated, to read as follows:

6 “(1) The term ‘health-care resource’ includes
7 health care as that term is defined in paragraph (5)
8 of section 1701, any other health-care service, and
9 any health-care support or administrative resource.”;
10 and

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

13 “(3) The term ‘health-care providers’ includes
14 health-care plans, insurers, organizations, institu-
15 tions, or any other entity or individual who furnishes
16 any health-care resource.”.

17 (c) Section 8153 is amended—

18 (1) by amending the heading to read as follows:

19 **“§ 8153. Health-care resource sharing”;**

20 (2) by amending paragraph (1) of subsection
21 (a) to read as follows:

22 “(a)(1) The Secretary may, when the Secretary de-
23 termines it to be necessary in order to secure health-care
24 resources which otherwise might not be feasibly available,
25 or to effectively utilize health-care resources, make ar-

1 rangements, by contract or other form of agreement, with-
 2 out regard to any law or regulation pertaining to competi-
 3 tive procedures, for the mutual use, or exchange of use,
 4 of health-care resources between Department health-care
 5 facilities and non-Department health-care providers.”;

6 (3) in subsection (c), by striking out “hospital
 7 care and medical services” and “hospital care or
 8 medical services” and inserting in lieu thereof
 9 “health care” in both places;

10 (4) in subsection (d), by striking out “hospital
 11 care and health services” and inserting in lieu there-
 12 of “health care”; and

13 (5) by striking out subsection (e).

14 (d) The table of sections at the beginning of chapter
 15 81 is amended by striking out the item relating to section
 16 8153 and inserting in lieu thereof the following:

“8153. Health care resource sharing”.

17 **SEC. 112. AUTHORIZATION OF APPROPRIATIONS.**

18 Subchapter II of chapter 17 is amended by adding
 19 at the end the following new section:

20 **“§ 1720D. Authorization of appropriations**

21 “There are authorized to be appropriated such sums
 22 as are necessary to carry out this subchapter.”

23 **SEC. 113. CONFORMING AMENDMENTS.**

24 (a) Section 1703 is amended—

1 (1) by amending the section heading to read as
2 follows:

3 **“§ 1703. Contracts for hospital and outpatient care”;**

4 (2) by striking out the words “medical services”
5 wherever they appear and inserting in lieu thereof
6 “outpatient care”;

7 (3) in the first sentence of subsection (a), by
8 striking out “or services” and “ or 1712”;

9 (4) by amending paragraph (2) of subsection
10 (a) to read as follows:

11 “(2) Outpatient care for the treatment of any
12 disability of—

13 “(A) a veteran with a service-connected
14 disability rated at 50 percent or more;

15 “(B) a veteran who has been furnished
16 hospital care, nursing home care, or domiciliary
17 care, when reasonably necessary to complete
18 treatment incident to such care for a period up
19 to 12 months after discharge from such care
20 unless the Secretary authorizes a longer period
21 of care after finding that a longer period is re-
22 quired by reason of the disability being treated;
23 or

24 “(C) a veteran of the Mexican border pe-
25 riod or World War I, or a veteran who is in re-

1 ceipt of increased pension or additional com-
2 pensation or allowances based on the need of
3 regular aid and attendance or by reason of
4 being permanently housebound (or who, but for
5 the receipt of retired pay, would be in receipt
6 of such pension, compensation, or allowance) if
7 the Secretary has determined, based on an ex-
8 amination by a physician employed by the De-
9 partment (or, in areas where no such physician
10 is available, by a physician carrying out such
11 function under a contract or fee arrangement),
12 that the medical condition of such veteran pre-
13 cludes appropriate treatment in Department fa-
14 cilities.”;

15 (5) by amending paragraph (5) of subsection
16 (a) to read as follows:

17 “(5) Hospital care, or outpatient care for veter-
18 ans in a State (other than the Commonwealth of
19 Puerto Rico) not contiguous to the contiguous
20 States.”;

21 (6) in paragraph (6) of subsection (a), by strik-
22 ing out “to obviate the need for hospital admission”;
23 and

1 (7) in paragraph (7) of subsection (a), by strik-
2 ing out “1712(b)(1)(F)” and inserting in lieu there-
3 of “1715(b)(1)(F)”.

4 (b) Section 1704 is repealed.

5 (c) Section 1711 is amended by striking “medical
6 services” wherever it appears and inserting in lieu thereof
7 “outpatient care”.

8 (d) Section 1712A is amended—

9 (1) in subsection (b)(1), by striking
10 “1712(a)(5)(B) and inserting in lieu thereof
11 “1710”;

12 (2) in subsection (b)(2), by striking
13 “1701(6)(B)” and inserting in lieu thereof
14 “1712C”; and

15 (3) in subsection (e)(1), by striking “sections
16 1712(a)(1)(B) and” and inserting in lieu thereof
17 “section”.

18 (e) Section 1713 is amended by striking out “medical
19 care” each place it appears and inserting in lieu thereof
20 “health care”.

21 (f) Section 1718 is amended in subsection (e), by
22 striking out “1712(i) of this title” and inserting
23 “1710(c)” in lieu thereof.

24 (g) Section 1720A is amended—

1 (1) by striking out “hospital, nursing home,
2 and domiciliary care and medical and rehabilitative
3 services” and inserting in lieu thereof “health care”;
4 and

5 (2) by striking out “1995” and inserting in lieu
6 thereof “1997”.

7 (h) Section 1720B is repealed.

8 (i) Section 1720D is redesignated as section 1720B.

9 (j) Section 1724 is amended—

10 (1) by amending the heading to read as follows:

11 **“§ 1724. Health care abroad”**; and

12 (2) by striking out ““medical services” wherever
13 it appears and inserting in lieu thereof “outpatient
14 care”.

15 (k) Section 1727 is amended by striking out “medical
16 services” and inserting in lieu thereof “outpatient care”.

17 (l) Section 1728 is amended by striking out “medical
18 services” and inserting in lieu thereof “outpatient care”.

19 (m) Section 1734 is amended—

20 (1) by amending the heading to read as follows:

21 **“§ 1734. Health care in the United States”**; and

22 (2) by striking “hospital and nursing home care
23 and medical services” and inserting in lieu thereof
24 “health care”.

1 (n) The table of sections for subchapters I, II, and
 2 III and IV at the beginning of chapter 17 is amended to
 3 read as follows:

“SUBCHAPTER I—GENERAL

“Sec.

“1701. Definitions.

“1702. Presumption relating to psychosis.

“1703. Contracts for hospital and outpatient care.

“SUBCHAPTER II—HOSPITAL, NURSING HOME, OR DOMICILIARY
 CARE AND MEDICAL TREATMENT

“1710. Eligibility for health care.

“1711. Care during examinations and in emergencies.

“1712. Treatment for veterans exposed to certain toxic substances or hazards.

“1712A. Eligibility for readjustment counseling and related mental health services.

“1712B. Counseling for former prisoners of war.

“1712C. Mental health services and bereavement counseling for family members.

“1713. Medical care for survivors and dependents of certain veterans.

“1714. Prosthetic devices and aids for the blind and hearing impaired.

“1715. Dental care.

“1716. Hospital care by other agencies of the United States.

“1717. Home improvements and structural alterations.

“1718. Therapeutic and rehabilitative activities.

“1719. Medications prescribed by non-VA physicians; immunization programs.

“1720. Transfers for nursing home care.

“1720A. Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities.

“1720B. Counseling and treatment for sexual trauma.

“1720C. Noninstitutional alternatives to nursing home care: pilot program.

“1720D. Authorization of Appropriations.

“SUBCHAPTER III—MISCELLANEOUS PROVISIONS RELATING TO
 HOSPITAL AND NURSING HOME CARE AND MEDICAL TREAT-
 MENT OF VETERANS

“1721. Power to make rules and regulations.

“1722. Income thresholds.

“1722A. Copayment for medications.

“1723. Furnishing of clothing.

“1724. Hospital care, medical services, and nursing home care abroad.

“1726. Reimbursement for loss of personal effects by natural disaster.

“1727. Persons eligible under prior law.

“1728. Reimbursement of certain medical expenses.

“1729. Recovery by the United States of the cost of certain care and services.

“1730. Community residential care.

“SUBCHAPTER IV—HOSPITAL CARE AND MEDICAL TREATMENT
 FOR VETERANS IN THE REPUBLIC OF THE PHILIPPINES

“1731. Assistance to the Republic of the Philippines.

“1732. Contracts and grants to provide for the care and treatment of United States veterans by the Veterans Memorial Medical Center.

“1733. Supervision of program by the President.

“1734. Health care in the United States.

“1735. Definitions.”.

1 **PART B—GENERAL PROGRAM ADMINISTRATION**

2 **IMPROVEMENTS**

3 **SEC. 120. MEANS TEST REFORM.**

4 (a) Section 1722 is amended to read as follows:

5 **“§ 1722. Income thresholds**

6 “(a)(1) For purposes of section 1710(c)(1)(D), sec-
7 tion 1710(c)(1)(E) and section 1710(e), the income
8 threshold for the calendar year beginning on January 1,
9 1995, is—

10 “(A) \$20,469 in the case of a veteran with no
11 dependents; and

12 “(B) \$24,585 in the case of a veteran with one
13 dependent, plus \$1,368 for each additional depend-
14 ent.

15 “(2) Effective on January 1, of each year after 1995,
16 the amounts specified in paragraph (1) shall be increased
17 by the percentage by which the maximum rates of pension
18 were increased under section 5312(a) during the preceding
19 calendar year.

20 “(b) For purposes of this chapter, the term ‘attrib-
21 utable income of a veteran’ means the income of a veteran
22 for the previous year determined in the same manner as

1 the manner in which a determination is made of the total
2 amount of income by which the rate of pension for such
3 veteran under section 1521 of this title would be reduced
4 if such veteran were eligible for pension under that sec-
5 tion.

6 “(c) If a veteran has attributable income greater than
7 the applicable amount specified in subsection (a), but pro-
8 jections of the veteran’s income for the current year are
9 that it will be substantially below that amount, then to
10 avoid a hardship to the veteran, the Secretary may deem
11 the veteran to have an attributable income less than the
12 applicable amount specified in subsection (a).

13 “(d) For the purposes of section 1724(c) of this title,
14 the fact that a veteran is—

15 “(1) eligible to receive medical assistance under
16 a State plan approved under title XIX of the Social
17 Security Act (42 U.S.C. 1396 et seq.);

18 “(2) a veteran with a service-connected disabili-
19 ty; or

20 “(3) in receipt of pension under any law admin-
21 istered by the Secretary,

22 shall be accepted as sufficient evidence of such veteran’s
23 inability to defray necessary expenses.”.

24 (b) Section 1722A(a)(3)(B) is amended by inserting
25 “attributable” before “income”.

1 **SEC. 121. VA RETENTION OF FUNDS COLLECTED FROM**
2 **THIRD PARTIES.**

3 (a) Section 1729(g) is amended—

4 (1) in paragraph (3)(A) by striking “1710(f) of
5 this title for hospital care or nursing home care,
6 under section 1712(f) of this title for medical serv-
7 ices” and inserting in lieu thereof “1710(e) of this
8 title for health care”.

9 (2) by amending paragraph (4) to read as fol-
10 lows:

11 “(4) Not later than January 1 of each year,
12 there shall be deposited into the Treasury as mis-
13 cellaneous receipts an amount equal to the amount
14 of the unobligated balance remaining in the Fund at
15 the close of business on September 30 of the preced-
16 ing year—

17 “(A) minus any part of such balance that
18 the Secretary determines is necessary in order
19 to enable the Secretary to defray, during the
20 fiscal year in which the deposit is made, the ex-
21 penses, payments, and costs described in para-
22 graph (3); and

23 “(B) minus twenty-five percent of that
24 part of such balance that exceeds the baseline
25 in the President’s Budget for third party depos-
26 its in that fund for that fiscal year, which shall

1 be retained by VA and distributed to VA health
2 care facilities for use in improving the quality
3 of health care provided by those facilities.”.

4 **TITLE II—BENEFIT PROGRAMS**

5 **PART A—LOAN GUARANTY PROGRAM**

6 **SEC. 201. TERMINATION OF MANUFACTURED HOUSING** 7 **LOAN PROGRAM.**

8 Section 3712 is amended—

9 (1) by striking out subsection (l) in its entirety;

10 (2) by redesignating subsection (m) as sub-
11 section (l); and

12 (3) by inserting after subsection (l), as so re-
13 designated, the following new subsection:

14 “(m)(1) Except as provided in paragraph (2) of this
15 subsection, no loan closed after September 30, 1995, may
16 be guaranteed under this section.

17 “(2) Paragraph (1) of this subsection shall not apply
18 to a loan described in subsection (a)(1)(F) of this sec-
19 tion.”.

20 **SEC. 202. LOAN FEES.**

21 (a) Section 3729(a)(2) is amended—

22 (1) by striking out in subparagraph (A) “or for
23 any purpose specified in section 3712 (other than
24 section 3712(a)(1)(F)) of this title”;

1 (2) by striking out in subparagraphs (B) and
2 (C) “(except for a purchase referred to in section
3 3712(a) of this title)” each place it appears;

4 (3) by inserting “or” at the end of clause (i) of
5 subparagraph (D);

6 (4) by striking out clause (ii) of subparagraph
7 (D);

8 (5) by striking out in clause (iii) of subpara-
9 graph (D) “(other than a purchase referred to in
10 section 3712 of this title)”; and

11 (6) by redesignating clause (iii) of subpara-
12 graph (D) as clause (ii).

13 (b) The amendments made by this section shall take
14 effect October 1, 1995.

15 **SEC. 203. CONTRACTING FOR PORTFOLIO LOAN SERVICES.**

16 (a) Subchapter III of chapter 37 is amended by in-
17 serting after section 3735 the following new section:

18 **“§ 3736. Portfolio loan servicing**

19 “(a) Notwithstanding the provisions of any other law,
20 the Secretary is authorized to contract with a private en-
21 tity for the servicing of loans made or acquired by the
22 Secretary under this chapter. The contract may provide
23 for the contractor to retain, as compensation for the work
24 performed under such contract, a portion of the interest

1 collected on such loans. A contract under this subsection
2 may be for a term not in excess of 15 years.

3 “(b) For purposes of the Federal Credit Reform Act
4 of 1990, the deduction from interest retained by a contrac-
5 tor as authorized by subsection (a) of this section shall
6 be deemed to be a cost of a direct loan or the cost of a
7 loan guarantee, and not an administrative expense.”.

8 (b) The table of sections at the beginning of such
9 chapter is amended by inserting below the item relating
10 to section 3735 the following new item:

“3736. Portfolio loan servicing.”.

11 **PART B—EDUCATION PROGRAMS**

12 **SEC. 210. ELECTRONIC SIGNATURES ON DOCUMENTS CON-**
13 **CERNING EDUCATION BENEFITS FOR VETER-**
14 **ANS.**

15 (a) Section 3674(a)(3) is amended by inserting “(A)”
16 before “Each” and by adding at the end the following new
17 subparagraph (B):

18 “(B) The Secretary may require that any report or
19 certification required by this subsection be submitted to
20 the Department electronically by such means and in such
21 format as the Secretary may prescribe, including a re-
22 quirement for the use of a digital signature or other indi-
23 vidually identified electronic designation of the reporting
24 or certifying party on the electronic reports and certifi-
25 cations submitted. Such a digital signature or other elec-

1 tronic designation will be deemed to be the original signa-
2 ture of the reporting or certifying party.”.

3 (b) Section 3680(g) is amended—

4 (1) by inserting “(1)” after the “(g)” at the be-
5 ginning; and

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

8 “(2) The Secretary may require that any report
9 or certification required under this section be sub-
10 mitted to the Department electronically by such
11 means and in such format as the Secretary may pre-
12 scribe, including a requirement for the use of a digi-
13 tal signature or other individually identified elec-
14 tronic designation of the reporting or certifying
15 party on the electronic reports and certifications
16 submitted. Such digital signature or other electronic
17 designation will be deemed to be the original signa-
18 ture of the reporting or certifying party.”

19 (c) Section 3684 is amended by adding at the end
20 the following new subsection:

21 “(d) For purposes of this section, the Secretary may
22 require that any report or certification required by this
23 section is to be submitted to the Department electronically
24 by such means and in such format as the Secretary may
25 prescribe, including a requirement for the use of a digital

1 signature or other individually identified electronic des-
2 ignation of the reporting or certifying party on the elec-
3 tronic reports and certifications submitted. Such a digital
4 signature or other electronic designation will be deemed
5 to be the original signature of the reporting or certifying
6 party.”.

7 (d) Section 5101(a) is amended—

8 (1) by inserting “(1)” after the “(a)” at the be-
9 ginning; and

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

12 “(2) The Secretary is authorized to provide that
13 a claim for education benefits under laws adminis-
14 tered by the Department may be submitted to the
15 Department electronically through an electronic ter-
16 minal, telephone, computer or other electronic means
17 in such manner as the Secretary may prescribe, in-
18 cluding a requirement for the use of a digital signa-
19 ture or other individually identified electronic des-
20 ignation of the claimant on the electronic claim sub-
21 mitted by the claimant. Such a digital signature or
22 other electronic designation will be deemed to be the
23 individual claimant’s original signature.”.

24 (e) Chapter 53 is amended—

1 (1) by adding at the end the following new
2 section:

3 **“§ 5320. Verification of education benefits informa-**
4 **tion.**

5 “(a) The Department may utilize data electronically
6 provided to the Department by any individual in initially
7 establishing or verifying eligibility or continued eligibility
8 of an individual for education benefits under laws adminis-
9 tered by the Department. The data will be in the form
10 prescribed by the Secretary.

11 “(b) Notwithstanding section 552a(o) and (p) of title
12 5, the Secretary may suspend, terminate, or reduce pay-
13 ments based on the data described in subsection (a) once
14 the Secretary (1) informs the individual of the data pro-
15 vided electronically, (2) gives the individual an explanation
16 of the procedures to contest such data, and (3) gives no-
17 tice of the individual’s right to appeal the decision in the
18 same manner as applies to other information and findings
19 relating to eligibility for or entitlement to the payment of
20 such benefits.”; and

21 (2) by amending the table of sections for such
22 chapter by adding at the end the following new item:

“5320. Verification of education benefits information.”.

23 **SEC. 211. ELECTRONIC FUNDS TRANSFER FOR EDUCATION**
24 **BENEFITS PAYMENTS.**

25 Section 5120(d) is amended—

1 (1) by striking out “Notwithstanding” and in-
2 serting in lieu thereof “(1) Except as provided in
3 paragraph (2) of this subsection, and notwithstand-
4 ing”; and

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

7 “(2)(A) Notwithstanding the provisions of section
8 3680(d)(4) of this title and subsection (a) of this section,
9 the Secretary is authorized to require, pursuant to an
10 agreement with the Secretary of the Treasury under which
11 the Secretary certifies such benefits for payment, that
12 education benefits provided under laws administered by
13 the Department be paid through electronic funds transfer,
14 to include a program combining use of vouchers and feder-
15 ally established electronic benefit transfer accounts or any
16 other electronic funds transfer program designated by the
17 Secretary.

18 “(B) For purposes of this paragraph, the term “elec-
19 tronic funds transfer” means any transfer of funds, other
20 than a transaction originated by cash, check or similar
21 paper instrument, that is initiated through an electronic
22 terminal, telephone, computer, or magnetic tape, for the
23 purpose of ordering, instructing, or authorizing a financial
24 institution to debit or credit an account.”.

○

- 1 S 1345 IS—2
- 2 S 1345 IS—3
- 3 S 1345 IS—4
- 4 S 1345 IS—5
- 5 S 1345 IS—6