

106TH CONGRESS
1ST SESSION

H. R. 2116

To amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of the Department of Veterans Affairs.

IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 1999

Mr. STEARNS (for himself, Mr. GUTIERREZ, Mr. STUMP, and Mr. EVANS) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of 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. SHORT TITLE; TABLE OF CONTENTS; REF-**
4 **ERENCES TO TITLE 38, UNITED STATES CODE.**

5 (a) SHORT TITLE.—This Act may be cited as the
6 “Veterans’ Millennium Health Care Act”.

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

Sec. 1. Short title; table of contents; references to title 38, United States Code.

TITLE I—ACCESS TO CARE

- Sec. 101. Extended care services.
- Sec. 102. Reimbursement for emergency treatment.
- Sec. 103. Eligibility for care of combat-injured veterans.
- Sec. 104. Access to care for military retirees.
- Sec. 105. Benefits for persons disabled by participation in compensated work therapy program.
- Sec. 106. Pilot program of medical care for certain dependents of enrolled veterans.
- Sec. 107. Enhanced services program at designated medical centers.
- Sec. 108. Counseling and treatment for veterans who have experienced sexual trauma.

TITLE II—PROGRAM ADMINISTRATION

- Sec. 201. Medical care collections.
- Sec. 202. Health Services Improvement Fund.
- Sec. 203. Veterans Tobacco Trust Fund.
- Sec. 204. Authority to accept funds for education and training.
- Sec. 205. Extension and revision of certain authorities.
- Sec. 206. State Home grant program.
- Sec. 207. Expansion of enhanced-use lease authority.
- Sec. 208. Ineligibility for employment by Veterans Health Administration of health care professionals who have lost license to practice in one jurisdiction while still licensed in another jurisdiction.

TITLE III—MISCELLANEOUS

- Sec. 301. Review of proposed changes to operation of medical facilities.
- Sec. 302. Patient services at Department facilities.
- Sec. 303. Report on assisted living services.
- Sec. 304. Chiropractic treatment.

1 (c) REFERENCES TO TITLE 38, UNITED STATES
 2 CODE.—Except as otherwise expressly provided, whenever
 3 in this Act an amendment or repeal is expressed in terms
 4 of an amendment to, or repeal of, a section or other provi-
 5 sion, the reference shall be considered to be made to a
 6 section or other provision of title 38, United States Code.

1 **TITLE I—ACCESS TO CARE**

2 **SEC. 101. EXTENDED CARE SERVICES.**

3 (a) REQUIREMENT TO PROVIDE EXTENDED CARE
4 SERVICES.—(1) Chapter 17 is amended by inserting after
5 section 1710 the following new section:

6 **“§ 1710A. Extended care services**

7 “(a) The Secretary (subject to section 1710(a)(4) of
8 this title and subsection (c) of this section) shall operate
9 and maintain a program to provide extended care services
10 to eligible veterans in accordance with this section. Such
11 services shall include the following:

12 “(1) Geriatric evaluation.

13 “(2) Nursing home care (A) in facilities oper-
14 ated by the Secretary, and (B) in community-based
15 facilities through contracts under section 1720 of
16 this title.

17 “(3) Domiciliary services under section 1710(b)
18 of this title.

19 “(4) Adult day health care under section
20 1720(f) of this title.

21 “(5) Such other noninstitutional alternatives to
22 nursing home care, including those described in sec-
23 tion 1720C of this title, as the Secretary considers
24 reasonable and appropriate.

1 “(6) Respite care under section 1720B of this
2 title.

3 “(b)(1) In carrying out subsection (a), the Secretary
4 shall provide extended care services which the Secretary
5 determines are needed (A) to any veteran in need of such
6 care for a service-connected disability, and (B) to any vet-
7 eran who is in need of such care and who has a service-
8 connected disability rated at 50 percent or more.

9 “(2) The Secretary, in making placements for nurs-
10 ing home care in Department facilities, shall give highest
11 priority to veterans (A) who are in need of such care for
12 a service-connected disability, or (B) who have a service-
13 connected disability rated at 50 percent or more. The Sec-
14 retary shall ensure that a veteran described in this sub-
15 section who continues to need nursing home care shall not
16 after placement in a Department nursing home be trans-
17 ferred from the facility without the consent of the veteran,
18 or, in the event the veteran cannot provide informed con-
19 sent, the representative of the veteran.

20 “(c)(1) The Secretary, in carrying out subsection (a),
21 shall prescribe regulations governing the priorities for the
22 provision of nursing home care in Department facilities
23 so as to ensure that priority for such care is given (A)
24 for patient rehabilitation, (B) for clinically complex pa-

1 tient populations, and (C) for patients for whom there are
2 not other suitable placement options.

3 “(2) The Secretary may not furnish extended care
4 services for a non-service-connected disability other than
5 in the case of a veteran who has a service-connected dis-
6 ability rated at 50 percent or more unless the veteran
7 agrees to pay to the United States a copayment for ex-
8 tended care services of more than 21 days in any year.

9 “(d)(1) A veteran who is furnished extended care
10 services under this chapter and who is required under sub-
11 section (e)(2) to pay an amount to the United States in
12 order to be furnished such services shall be liable to the
13 United States for that amount.

14 “(2) In implementing subsection (e)(2), the Secretary
15 shall develop a methodology for establishing the amount
16 of the copayment for which a veteran described in sub-
17 section (e) is liable. That methodology shall provide for—

18 “(A) establishing a maximum monthly copay-
19 ment (based on all income and assets of the veteran
20 and the spouse of such veteran);

21 “(B) protecting the spouse of a veteran from fi-
22 nancial hardship by not counting all of the income
23 and assets of the veteran and spouse (in the case of
24 a spouse who resides in the community) as available
25 for determining the copayment obligation; and

1 “(C) allowing the veteran to retain a monthly
2 personal allowance.

3 “(e)(1) There is established in the Treasury of the
4 United States a revolving fund known as the Department
5 of Veterans Affairs Extended Care Fund (hereinafter in
6 this section referred to as the “fund”). Amounts in the
7 fund shall be available, without fiscal year limitation and
8 without further appropriation, exclusively for the purpose
9 of providing extended care services under subsection (a).

10 “(2) All amounts received by the Department under
11 this section shall be deposited in or credited to the fund.”.

12 (2) The table of sections at the beginning of such
13 chapter is amended by inserting after the item relating
14 to section 1710 the following new item:

 “1710A. Requirement to provide extended care.”.

15 (b) REQUIREMENT TO INCREASE EXTENDED CARE
16 SERVICES.—(1) Not later than January 1, 2000, the Sec-
17 retary of Veterans Affairs shall develop and begin to im-
18 plement a plan for carrying out the recommendation of
19 the Federal Advisory Committee on the Future of Long-
20 Term Care to increase, above the level of extended care
21 services which were provided as of September 30, 1998—

22 (A) the options and services for home and com-
23 munity-based care for eligible veterans; and

1 (B) the percentage of the Department of Vet-
2 erans Affairs medical care budget dedicated to such
3 care.

4 (2) The Secretary shall ensure that the staffing and
5 level of extended care services provided by the Secretary
6 nationally in facilities operated by the Secretary during
7 any fiscal year is not less than the level of such services
8 provided nationally in facilities operated by the Secretary
9 during fiscal year 1998.

10 (c) ADULT DAY HEALTH CARE.—Section
11 1720(f)(1)(A) is amended to read as follows:

12 “(f)(1)(A) The Secretary may furnish adult day
13 health care services to a veteran enrolled under section
14 1705(a) of this title who would otherwise require nursing
15 home care.”

16 (d) RESPITE CARE PROGRAM.—Section 1720B is
17 amended—

18 (1) in subsection (a), by striking “eligible” and
19 inserting “enrolled”;

20 (2) in subsection (b)—

21 (A) by striking “the term ‘respite care’
22 means hospital or nursing home care” and in-
23 serting “the term ‘respite care services’ means
24 care and services”;

1 (B) by striking “is” at the beginning of
2 each of paragraphs (1), (2), and (3) and insert-
3 ing “are”; and

4 (C) by striking “in a Department facility”
5 in paragraph (2); and

6 (3) by adding at the end the following new sub-
7 section:

8 “(c) In furnishing respite care services, the Secretary
9 may enter into contract arrangements.”.

10 (e) CONFORMING AMENDMENTS.—Section 1710 is
11 amended—

12 (1) in subsection (a)(1), by striking “may fur-
13 nish nursing home care,”; and

14 (2) in subsection (a)(4), by inserting “, and the
15 requirement in section 1710A of this title that the
16 Secretary provide a program of extended care serv-
17 ices,” after “medical services”.

18 (f) STATE HOMES.—Section 1741(a)(2) is amended
19 by striking “adult day health care in a State home” and
20 inserting “extended care services described in any of para-
21 graphs (3) through (6) of section 1710A(a) of this title
22 under a program administered by a State home”.

23 (g) EFFECTIVE DATE.—(1) Except as provided in
24 paragraph (2), the amendments made by this section shall
25 take effect on the date of the enactment of this Act.

1 (2) Subsection (c)(2) of section 1710A(a) of title 38,
2 United States Code (as added by subsection (a)), shall
3 take effect on the effective date of regulations prescribed
4 by the Secretary of Veterans Affairs under subsections
5 (c)(2) and (d) of such section. The Secretary shall publish
6 the effective date of such regulations in the Federal Reg-
7 ister.

8 (3) The provisions of section 1710(f) of title 38,
9 United States Code, shall not apply to any day of nursing
10 home care on or after the effective date of regulations
11 under paragraph (2).

12 **SEC. 102. REIMBURSEMENT FOR EMERGENCY TREATMENT.**

13 (a) **AUTHORITY TO PROVIDE REIMBURSEMENT.**—
14 Chapter 17 is amended by inserting after section 1724 the
15 following new section:

16 **“§ 1725. Reimbursement for emergency treatment**

17 “(a) **GENERAL AUTHORITY.**—(1) Subject to sub-
18 sections (c) and (d), the Secretary may reimburse a vet-
19 eran described in subsection (b) for the reasonable value
20 of emergency treatment furnished the veteran in a non-
21 Department facility.

22 “(2) In any case in which reimbursement is author-
23 ized under subsection (a)(1), the Secretary, in the Sec-
24 retary’s discretion, may, in lieu of reimbursing the vet-

1 eran, make payment of the reasonable value of the fur-
2 nished emergency treatment directly—

3 “(A) to a hospital or other health care provider
4 that furnished the treatment; or

5 “(B) to the person or organization that paid for
6 such treatment on behalf of such veteran.

7 “(b) ELIGIBILITY.—(1) A veteran referred to in sub-
8 section (a)(1) is an individual who is an active Department
9 health-care participant who is personally liable for emer-
10 gency treatment furnished the veteran in a non-Depart-
11 ment facility.

12 “(2) A veteran is an active Department health-care
13 participant if the veteran—

14 “(A) is described in any of paragraphs (1)
15 through (6) of section 1705(a) of this title;

16 “(B) is enrolled in the health care system estab-
17 lished under such section; and

18 “(C) received care under this chapter within the
19 12-month period preceding the furnishing of such
20 emergency treatment.

21 “(3) A veteran is personally liable for emergency
22 treatment furnished the veteran in a non-Department fa-
23 cility if the veteran—

24 “(A) is financially liable to the provider of
25 emergency treatment for that treatment;

1 “(B) has no entitlement to care or services
2 under a health-plan contract;

3 “(C) has no other contractual or legal recourse
4 against a third party that would, in whole or in part,
5 extinguish such liability to the provider; and

6 “(D) is not eligible for reimbursement for med-
7 ical care or services under section 1728 of this title.

8 “(c) LIMITATIONS ON REIMBURSEMENT.—(1) The
9 Secretary, in accordance with regulations prescribed by
10 the Secretary, shall—

11 “(A) establish the maximum amount payable
12 under subsection (a);

13 “(B) delineate the circumstances under which
14 such payments may be made, to include such re-
15 quirements on requesting reimbursement as the Sec-
16 retary shall establish; and

17 “(C) provide that in no event may a payment
18 under that subsection include any amount for which
19 the veteran is not personally liable.

20 “(2) Subject to paragraph (1), the Secretary may
21 provide reimbursement under this section only after the
22 veteran or the provider of emergency treatment has ex-
23 hausted without success all claims and remedies reason-
24 ably available to the veteran or provider against a third
25 party for payment of such treatment.

1 “(3) Payment by the Secretary under this section, on
2 behalf of a veteran described in subsection (b), to a pro-
3 vider of emergency treatment, shall, unless rejected and
4 refunded by the provider within 30 days of receipt, extin-
5 guish any liability on the part of the veteran for that treat-
6 ment. Neither the absence of a contract or agreement be-
7 tween the Secretary and the provider nor any provision
8 of a contract, agreement, or assignment to the contrary
9 shall operate to modify, limit, or negate the requirement
10 in the preceding sentence.

11 “(d) INDEPENDENT RIGHT OF RECOVERY.—(1) In
12 accordance with regulations prescribed by the Secretary,
13 the United States shall have the independent right to re-
14 cover any amount paid under this section when, and to
15 the extent that, a third party subsequently makes a pay-
16 ment for the same emergency treatment.

17 “(2) Any amount paid by the United States to the
18 veteran (or the veteran’s personal representative, suc-
19 cessor, dependents, or survivors) or to any other person
20 or organization paying for such treatment shall constitute
21 a lien in favor of the United States against any recovery
22 the payee subsequently receives from a third party for the
23 same treatment.

24 “(3) Any amount paid by the United States to the
25 provider that furnished the veteran’s emergency treatment

1 shall constitute a lien against any subsequent amount the
2 provider receives from a third party for the same emer-
3 gency treatment for which the United States made pay-
4 ment.

5 “(4) The veteran (or the veteran’s personal rep-
6 resentative, successor, dependents, or survivors) shall en-
7 sure that the Secretary is promptly notified of any pay-
8 ment received from any third party for emergency treat-
9 ment furnished to the veteran. The veteran (or the vet-
10 eran’s personal representative, successor, dependents, or
11 survivors) shall immediately forward all documents relat-
12 ing to such payment, cooperate with the Secretary in the
13 investigation of such payment, and assist the Secretary
14 in enforcing the United States right to recover any pay-
15 ment made under subsection (c)(3).

16 “(e) WAIVER.—The Secretary, in the Secretary’s dis-
17 cretion, may waive recovery of a payment made to a vet-
18 eran under this section that is otherwise required by sub-
19 section (d)(1) when the Secretary determines that such
20 waiver would be in the best interest of the United States,
21 as defined by regulations prescribed by the Secretary.

22 “(f) DEFINITIONS.—For purposes of this section:

23 “(1) The term ‘emergency treatment’ means
24 medical care or services furnished, in the judgment
25 of the Secretary—

1 “(A) when Department or other Federal
2 facilities are not feasibly available and an at-
3 tempt to use them beforehand would not be rea-
4 sonable;

5 “(B) when such care or services are ren-
6 dered in a medical emergency of such nature
7 that delay would be hazardous to life or health;
8 and

9 “(C) until such time as the veteran can be
10 transferred safely to a Department facility or
11 other Federal facility.

12 “(2) The term ‘health-plan contract’ includes
13 any of the following:

14 “(A) An insurance policy or contract, med-
15 ical or hospital service agreement, membership
16 or subscription contract, or similar arrangement
17 under which health services for individuals are
18 provided or the expenses of such services are
19 paid.

20 “(B) An insurance program described in
21 section 1811 of the Social Security Act (42
22 U.S.C. 1395c) or established by section 1831 of
23 such Act (42 U.S.C. 1395j).

1 “(C) A State plan for medical assistance
2 approved under title XIX of such Act (42
3 U.S.C. 1396 et seq.).

4 “(D) A workers’ compensation law or plan
5 described in section 1729(a)(2)(A) of this title.

6 “(E) A law of a State or political subdivi-
7 sion described in section 1729(a)(2)(B) of this
8 title.

9 “(3) The term ‘third party’ means any of the
10 following:

11 “(A) A Federal entity.

12 “(B) A State or political subdivision of a
13 State.

14 “(C) An employer or an employer’s insur-
15 ance carrier.

16 “(D) An automobile accident reparations
17 insurance carrier.

18 “(E) A person or entity obligated to pro-
19 vide, or to pay the expenses of, health services
20 under a health-plan contract.”.

21 (b) CONFORMING AMENDMENTS.—(1) Section
22 1729A(b) is amended—

23 (A) by redesignating paragraph (6) as para-
24 graph (7); and

1 (B) by inserting after paragraph (5) the fol-
2 lowing new paragraph:

3 “(6) Section 1725 of this title.”.

4 (2) The table of sections at the beginning of chapter
5 17 is amended by inserting after the item relating to sec-
6 tion 1724 the following new item:

“1725. Reimbursement for emergency treatment.”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall take effect 180 days after the date of
9 the enactment of this Act.

10 (d) IMPLEMENTATION REPORTS.—The Secretary of
11 Veterans Affairs shall include with the budget justification
12 materials submitted to Congress in support of the Depart-
13 ment of Veterans Affairs budget for fiscal year 2002 and
14 for fiscal year 2003 a report on the implementation of sec-
15 tion 1725 of title 38, United States Code, as added by
16 subsection (a). Each such report shall include information
17 on the experience of the Department under that section
18 and the costs incurred, and expected to be incurred, under
19 that section.

20 **SEC. 103. ELIGIBILITY FOR CARE OF COMBAT-INJURED**
21 **VETERANS.**

22 (a) PRIORITY OF CARE.—Chapter 17 is amended —

23 (1) in section 1710(a)(2)(D), by inserting “or
24 who was injured in combat” after “former prisoner
25 of war”; and

1 (2) in section 1705(a)(3), by inserting “or who
2 were injured in combat” after “former prisoner of
3 war”.

4 (b) DEFINITION OF INJURED IN COMBAT.—Section
5 1701 is amended by adding at the end the following new
6 paragraph:

7 “(10) The term ‘injured in combat’ means
8 wounded in action as the result of an act of an
9 enemy of the United States or otherwise wounded in
10 action by weapon fire while directly engaged in
11 armed conflict (other than as the result of willful
12 misconduct by the wounded individual).”.

13 **SEC. 104. ACCESS TO CARE FOR MILITARY RETIREES.**

14 (a) IMPROVED ACCESS.—(1) Section 1710(a)(2) is
15 amended—

16 (A) by striking “or” at the end of subpara-
17 graph (F);

18 (B) by striking the period at the end of sub-
19 paragraph (G) and inserting “; or”; and

20 (C) by adding at the end the following new sub-
21 paragraph:

22 “(H) who has retired from active military,
23 naval, or air service in the Army, Navy, Air Force,
24 or Marine Corps, is eligible for care under the
25 TRICARE program established by the Secretary of

1 Defense, and is not otherwise described in paragraph
2 (1) or in this paragraph.”.

3 (2) Section 1705(a) is amended—

4 (A) by redesignating paragraph (7) as para-
5 graph (8);

6 (B) by inserting after paragraph (6) the fol-
7 lowing new paragraph (7):

8 “(7) Veterans who are eligible for hospital care,
9 medical services, and nursing home care under sec-
10 tion 1710(a)(2)(H) of this title.”; and

11 (C) in paragraph (6), by inserting “(other than
12 subparagraph (H) of such section)” before the pe-
13 riod at the end.

14 (b) MEMORANDUM OF UNDERSTANDING.—(1) The
15 Secretary of Defense, not later than May 1, 2000, shall
16 enter into a memorandum of understanding with the Sec-
17 retary of Veterans Affairs which shall provide for the Sec-
18 retary of Defense to reimburse the Secretary of Veterans
19 Affairs for medical care provided by the Secretary of Vet-
20 erans Affairs to a member of the Army, Navy, Air Force,
21 or Marine Corps who (A) has retired from active military,
22 naval, or air service, (B) is eligible for care under the
23 TRICARE program established by the Secretary of De-
24 fense, (C) has enrolled for care under section 1705 of title
25 38, United States Code, and (D) is not described in para-

1 graph (1) or (2) of section 1710(a) of such title (other
2 than subparagraph (H) of such paragraph (2)), as amend-
3 ed by subsection (a).

4 (2) Such reimbursement shall be at the rate which
5 the Secretary of Defense would have paid to a contractor
6 for the care of such retired member under the TRICARE
7 program in the region in which the retired member re-
8 sides.

9 (c) REIMBURSEMENTS UNDER MEMORANDUM OF
10 UNDERSTANDING.—Amounts received by the Secretary of
11 Veterans Affairs under the memorandum of under-
12 standing with the Secretary of Defense under subsection
13 (b) shall be deposited in the Department of Veterans Af-
14 fairs Health Services Improvement Fund established
15 under section 1729B of title 38, United States Code, as
16 added by section 202.

17 (d) EFFECTIVE DATE.—The amendments made by
18 subsection (a) and the provisions of the agreement under
19 subsection (b)(2) shall take effect on October 1, 2000.

20 **SEC. 105. BENEFITS FOR PERSONS DISABLED BY PARTICI-**
21 **PATION IN COMPENSATED WORK THERAPY**
22 **PROGRAM.**

23 Section 1151(a)(2) is amended—

24 (1) by inserting “(A)” after “proximately
25 caused”; and

1 (2) by inserting before the period at the end the
2 following: “, or (B) by participation in a program
3 (known as a ‘compensated work therapy program’)
4 under section 1718 of this title”.

5 **SEC. 106. PILOT PROGRAM OF MEDICAL CARE FOR CER-**
6 **TAIN DEPENDENTS OF ENROLLED VET-**
7 **ERANS.**

8 (a) IN GENERAL.—(1) Chapter 17 is amended by in-
9 serting after section 1713 the following new section:

10 **“§ 1713A. Medical care for certain dependents of en-**
11 **rolled veterans: pilot program**

12 “(a) The Secretary may, during the program period,
13 carry out a pilot program to provide primary health care
14 services for eligible dependents of veterans in accordance
15 with this section.

16 “(b) For purposes of this section:

17 “(1) The term ‘program period’ means the pe-
18 riod beginning on the first day of the first month be-
19 ginning more than 180 days after the date of the en-
20 actment of this section and ending three years after
21 that day.

22 “(2) The term ‘eligible dependent’ means an in-
23 dividual who—

24 “(A) is the spouse or child of a veteran
25 who is enrolled in the system of patient enroll-

1 ment established by the Secretary under section
2 1705 of this title; and

3 “(B) is determined by the Secretary to
4 have the ability to pay for such care or services
5 either directly or through reimbursement or in-
6 demnification from a third party.

7 “(c) The Secretary may furnish health care services
8 to an eligible dependent under this section only if the de-
9 pendent (or, in the case of a minor, the parent or guardian
10 of the dependent) agrees—

11 “(1) to pay to the United States an amount
12 representing the reasonable charges for the care or
13 services furnished (as determined by the Secretary);
14 and

15 “(2) to cooperate with and provide the Sec-
16 retary an appropriate assignment of benefits, au-
17 thorization to release medical records, and any other
18 executed documents, information, or evidence rea-
19 sonably needed by the Secretary to recover the De-
20 partment’s charges for the care or services furnished
21 by the Secretary.

22 “(d)(1) The health care services provided under the
23 pilot program under this section may consist of such pri-
24 mary hospital care services and such primary medical
25 services as may be authorized by the Secretary. The Sec-

1 retary may furnish those services directly through a De-
2 partment medical facility or, subject to paragraphs (2)
3 and (3), pursuant to a contract or other agreement with
4 a non-Department facility (including a health-care pro-
5 vider, as defined in section 8152(2) of this title).

6 “(2) The Secretary may enter into a contract or
7 agreement to furnish primary health care services under
8 this section in a non-Department facility on the same basis
9 as provided under subsections (a) and (b) of section 1703
10 of this title or may include such care in an existing or
11 new agreement under section 8153 of this title when the
12 Secretary determines it to be in the best interest of the
13 prevailing standards of the Department medical care pro-
14 gram.

15 “(3) Primary health care services may not be author-
16 ized to be furnished under this section at any medical fa-
17 cility if the furnishing of those services would result in
18 the denial of, or a delay in providing, access to care for
19 any enrolled veteran at that facility.

20 “(e)(1) In the case of an eligible dependent who is
21 furnished primary health care services under this section
22 and who has coverage under a health-plan contract, as de-
23 fined in section 1729(i)(1) of this title, the United States
24 shall have the right to recover or collect the reasonable
25 charges for such care or services from such health-plan

1 contract to the extent that the individual or the provider
2 of the care or services would be eligible to receive payment
3 for such care or services from such health-plan contract
4 if the care or services had not been furnished by a depart-
5 ment or agency of the United States.

6 “(2) The right of the United States to recover under
7 paragraph (1) shall be enforceable with respect to an eligi-
8 ble dependent in the same manner as applies under sub-
9 sections (a)(3), (b), (c)(1), (d), (f), (h), and (i) of section
10 1729 of this title with respect to a veteran.

11 “(f)(1) Subject to paragraphs (2) and (3), the pilot
12 program under this section shall be carried out during the
13 program period in not more than four veterans integrated
14 service networks, as designated by the Secretary. In desig-
15 nating networks under the preceding sentence, the Sec-
16 retary shall favor designation of networks that are suited
17 to serve dependents of veterans because of—

18 “(A) the capability of one or more medical fa-
19 cilities within the network to furnish primary health
20 care services to eligible dependents while assuring
21 that veterans continue to receive priority for care
22 and services;

23 “(B) the demonstrated success of such medical
24 facilities in billings and collections;

1 (2) Not later than 14 months after the commence-
2 ment of the pilot program, the Comptroller General shall
3 submit to the Secretary of Veterans Affairs a report set-
4 ting forth the Comptroller General’s findings and rec-
5 ommendations with respect to the first 12 months of oper-
6 ation of the pilot program.

7 (3)(A) The report under paragraph (2) shall include
8 the findings of the Comptroller General regarding—

9 (i) whether the collection of reasonable charges
10 for the care or services provided reasonably covers
11 the costs of providing such care and services; and

12 (ii) whether the Secretary, in carrying out the
13 program, is in compliance with the limitation in sub-
14 section (d)(3) of section 1713A of title 38, United
15 States Code, as added by subsection (a).

16 (B) The report shall include the recommendations of
17 the Comptroller General regarding any remedial steps that
18 the Secretary should take in the conduct of the program
19 or in the billing and collection of charges under the pro-
20 gram.

21 (4) The Secretary, in consultation with, and following
22 receipt of the report of, the Comptroller General, shall
23 take such steps as may be needed to ensure that any rec-
24 ommendations of the Comptroller General in the report
25 under paragraph (2) with respect to billings and collec-

1 tions, and with respect to compliance with the limitation
2 in subsection (d)(3) of such section, are carried out.

3 (5) For purposes of this subsection, the term “com-
4 mencement of the pilot program” means the date on which
5 the Secretary of Veterans Affairs begins to furnish serv-
6 ices to eligible dependents under the pilot program under
7 section 1713A of title 38, United States Code, as added
8 by subsection (a).

9 **SEC. 107. ENHANCED SERVICES PROGRAM AT DESIGNATED**
10 **MEDICAL CENTERS.**

11 (a) FINDINGS.—Congress makes the following find-
12 ings:

13 (1) Historically, health care facilities under the
14 jurisdiction of the Department of Veterans Affairs
15 have not consistently been located in proximity to
16 veteran population concentrations.

17 (2) Hospital occupancy rates at numbers of De-
18 partment medical centers are at levels substantially
19 below a level needed for efficient operation and opti-
20 mal quality of care.

21 (3) The costs of maintaining highly inefficient
22 medical centers, which were designed and con-
23 structed decades ago to standards no longer consid-
24 ered acceptable, substantially diminish the avail-

1 ability of resources which could be devoted to the
2 provision of needed direct care services.

3 (4) Freeing resources currently devoted to high-
4 ly inefficient provision of hospital care could,
5 through contracting for acute hospital care and es-
6 tablishing new facilities for provision of outpatient
7 care, yield improved access and service to veterans.

8 (b) ENHANCED SERVICES PROGRAM AT DESIGNATED
9 MEDICAL CENTERS.—The Secretary of Veterans Affairs,
10 in carrying out the responsibilities of the Secretary to fur-
11 nish hospital care and medical services through network-
12 based planning, shall establish an enhanced service pro-
13 gram at Department medical centers (hereinafter in this
14 section referred to as “designated centers”) that are des-
15 ignated by the Secretary for the purposes of this section.
16 Medical centers shall be designated to improve access, and
17 quality of service provided, to veterans served by those
18 medical centers. The Secretary may designate a medical
19 center for the program only if the Secretary determines,
20 on the basis of a market and data analysis (which shall
21 include a study of the cost-effectiveness of the care pro-
22 vided at such center), that the medical center—

23 (1) can, in whole or in part, no longer be oper-
24 ated in a manner that provides hospital or other

1 care efficiently and at optimal quality because of
2 such factors as—

3 (A) the current and projected need for hos-
4 pital or other care capacity at such center;

5 (B) the extent to which the facility is func-
6 tionally obsolete; and

7 (C) the cost of operation and maintenance
8 of the physical plant; and

9 (2) is located in proximity (A) to one or more
10 community hospitals which have the capacity to pro-
11 vide primary and secondary hospital care of appro-
12 priate quality to veterans under contract arrange-
13 ments with the Secretary which the Secretary deter-
14 mines are advantageous to the Department, or (B)
15 to another Department medical center which is capa-
16 ble of absorbing some or all of the patient workload
17 of such medical center.

18 (c) MEDICAL CENTER PLAN.—The Secretary shall,
19 with respect to each designated center, develop a plan
20 aimed at improving the accessibility and quality of service
21 provided to veterans. Each plan shall be developed in ac-
22 cordance with the requirements for strategic network-
23 based planning described in section 8107 of title 38,
24 United States Code. In the plan for a designated center,
25 the Secretary shall describe a program which, if imple-

1 mented, would allow the Secretary to do any of the fol-
2 lowing:

3 (1) Provide for a Department facility described
4 in subsection (b)(2)(B) to absorb some or all of the
5 patient workload of the designated center.

6 (2) Contract, under such arrangements as the
7 Secretary determines appropriate, for needed pri-
8 mary and secondary hospital care for veterans—

9 (A) who reside in the catchment area of
10 each designated center;

11 (B) who are described in paragraphs (1)
12 through (6) of section 1705(a) of title 38,
13 United States Code; and

14 (C) whom the Secretary has enrolled for
15 care pursuant to section 1705 of title 38,
16 United States Code.

17 (3) Cease to provide hospital care, or hospital
18 care and other medical services, at such center.

19 (4) If practicable, lease, under subchapter V of
20 chapter 81 of title 38, United States Code, land and
21 improvements which had been dedicated to providing
22 care described in paragraph (3).

23 (5) Establish, through reallocation of oper-
24 ational funds and through appropriate lease arrange-
25 ments or renovations, facilities for—

1 (A) delivery of outpatient care; and

2 (B) services which would obviate a need for
3 nursing home care or other long-term institu-
4 tional care.

5 (d) EMPLOYEE PROTECTIONS.—(1) In entering into
6 any contract or lease under subsection (c), the Secretary
7 shall attempt to ensure that employees of the Secretary
8 who would be displaced under this section be given priority
9 in hiring by such contractor, lessee, or other entity.

10 (2) In carrying out subsection (c)(5), the Secretary
11 shall give preference to providing services through em-
12 ployee-based delivery models.

13 (e) REQUIRED CONSULTATION.—In developing a
14 plan under subsection (c), the Secretary shall obtain the
15 views of veterans organizations, exclusive employee rep-
16 resentatives, and other interested parties and provide for
17 such organizations and parties to participate in the devel-
18 opment of the plan.

19 (f) SUBMISSION OF PLAN TO CONGRESS.—The Sec-
20 retary may not implement a plan described in subsection
21 (c) with respect to a medical center unless the Secretary
22 has first submitted a report containing a detailed plan and
23 justification to the appropriate committees of Congress.
24 No action to carry out such plan may be taken after the
25 submission of such report until the end of a 45-day period

1 following the date of the submission of the report, not less
2 than 30 days of which shall be days during which Con-
3 gress shall have been in continuous session. For purposes
4 of the preceding sentence, continuity of a session of Con-
5 gress is broken only by adjournment sine die, and there
6 shall be excluded from the computation of any period of
7 continuity of session any day during which either House
8 of Congress is not in session during an adjournment of
9 more than three days to a day certain.

10 (g) IMPLEMENTATION OF PLAN.—In carrying out the
11 plan described in subsection (c), or a modification to that
12 plan following the submission of such plan to the appro-
13 priate committees of Congress, the Secretary—

14 (1) may, without regard to any limitation under
15 section 1703 of title 38, United States Code, con-
16 tract for hospital care for veterans who are—

17 (A) described in paragraphs (1) through
18 (6) of section 1705(a) of title 38, United States
19 Code; and

20 (B) enrolled under subsection (a) of such
21 section 1705;

22 (2) may enter into any contract under section
23 8153 of title 38, United States Code;

24 (3) shall, in exercising the authority of the Sec-
25 retary under this section to contract for hospital

1 care, provide for ongoing oversight and management,
2 by employees of the Department, of the hospital care
3 furnished such veterans; and

4 (4) shall, in the case of a designated center
5 which ceases to provide services under the
6 program—

7 (A) ensure a reallocation of funds as pro-
8 vided in subsection (g); and

9 (B) provide reemployment assistance to
10 employees.

11 (h) FUNDS ALLOCATION.—In carrying out subsection
12 (g)(3), the Secretary shall ensure that not less than 90
13 percent of the funds that would have been made available
14 to a designated center to support the provision of services,
15 but for such mission change, shall be made available to
16 the appropriate health care region of the Veterans Health
17 Administration to ensure that the implementation of the
18 plan under subsection (g) will result in demonstrable im-
19 provement in the accessibility, and quality of service pro-
20 vided, to veterans in the catchment area of such center.

21 (i) SPECIALIZED SERVICES.—The provisions of this
22 section do not diminish the obligations of the Secretary
23 under section 1706(b) of title 38, United States Code.

24 (j) REPORT.—Not later than 12 months after imple-
25 mentation of any plan under subsection (b), the Secretary

1 shall submit to Congress a report on the implementation
2 of the enhanced service program.

3 (k) RESIDUAL AUTHORITY.—Nothing in this section
4 may be construed to diminish the authority of the Sec-
5 retary to—

6 (1) consolidate, eliminate, abolish, or redis-
7 tribute the functions or missions of facilities in the
8 Department;

9 (2) revise the functions or missions of any such
10 facility or activity; or

11 (3) create new facilities or activities in the De-
12 partment.

13 **SEC. 108. COUNSELING AND TREATMENT FOR VETERANS**
14 **WHO HAVE EXPERIENCED SEXUAL TRAUMA.**

15 (a) EXTENSION OF PERIOD OF PROGRAM.—Sub-
16 section (a) of section 1720D is amended—

17 (1) in paragraph (1), by striking “December
18 31, 2001” and inserting “December 31, 2002”; and

19 (2) in paragraph (3), by striking “December
20 31, 2001” and inserting “December 31, 2002”.

21 (b) MANDATORY NATURE OF PROGRAM.—(1) Sub-
22 section (a)(1) of such section is further amended by strik-
23 ing “may provide counseling to a veteran who the Sec-
24 retary determines requires such counseling” and inserting
25 “shall operate a program under which the Secretary pro-

1 vides counseling and appropriate care and services to vet-
2 erans who the Secretary determines require such coun-
3 seling and care and services”.

4 (2) Subsection (a) of such section is further
5 amended—

6 (A) by striking paragraph (2); and

7 (B) by redesignating paragraph (3) (as amend-
8 ed by subsection (a)(2)) as paragraph (2).

9 (c) OUTREACH EFFORTS.—Subsection (c) of such
10 section is amended—

11 (1) by inserting “and treatment” in the first
12 sentence and in paragraph (2) after “counseling”;

13 (2) by striking “and” at the end of paragraph
14 (1);

15 (3) by redesignating paragraph (2) as para-
16 graph (3); and

17 (4) by inserting after paragraph (1) the fol-
18 lowing new paragraph (2):

19 “(2) shall ensure that information about the
20 counseling and treatment available to veterans under
21 this section—

22 “(A) is revised and updated as appro-
23 priate;

24 “(B) is made available and visibly posted
25 at appropriate facilities of the Department; and

1 “(C) is made available through appropriate
2 public information services; and”.

3 (d) REPORT ON IMPLEMENTATION OF OUTREACH
4 ACTIVITIES.—Not later than six months after the date of
5 the enactment of this Act, the Secretary of Veterans Af-
6 fairs shall submit to the Committees on Veterans’ Affairs
7 of the Senate and House of Representatives a report on
8 the Secretary’s implementation of paragraph (2) of section
9 1720D(c) of title 38, United States Code, as added by
10 subsection (c). Such report shall include examples of the
11 documents and other means of communication developed
12 for compliance with that paragraph.

13 (e) STUDY OF EXPANDING ELIGIBILITY FOR COUN-
14 SELING AND TREATMENT.—(1) The Secretary of Veterans
15 Affairs, in consultation with the Secretary of Defense,
16 shall conduct a study to determine—

17 (A) the extent to which former members of the
18 reserve components of the Armed Forces experienced
19 physical assault of a sexual nature or battery of a
20 sexual nature while serving on active duty for train-
21 ing;

22 (B) the extent to which such former members
23 have sought counseling from the Department of Vet-
24 erans Affairs relating to those incidents; and

1 (C) the additional resources that, in the judg-
2 ment of the Secretary, would be required to meet the
3 projected need of those former members for such
4 counseling.

5 (2) Not later than 16 months after the date of the
6 enactment of this Act, the Secretary of Veterans Affairs
7 shall submit to the Committees on Veterans' Affairs of
8 the Senate and House of Representatives a report on the
9 results of the study conducted under paragraph (1).

10 (f) OVERSIGHT OF OUTREACH ACTIVITIES.—Not
11 later than 14 months after the date of the enactment of
12 this Act, the Secretary of Veterans Affairs and the Sec-
13 retary of Defense shall submit to the appropriate congres-
14 sional committees a joint report describing in detail the
15 collaborative efforts of the Department of Veterans Affairs
16 and the Department of Defense to ensure that members
17 of the Armed Forces, upon separation from active mili-
18 tary, naval, or air service, are provided appropriate and
19 current information about programs of the Department of
20 Veterans Affairs to provide counseling and treatment for
21 sexual trauma that may have been experienced by those
22 members while in the active military, naval, or air service,
23 including information about eligibility requirements for,
24 and procedures for applying for, such counseling and
25 treatment. The report shall include proposed recommenda-

1 tions from both the Secretary of Veterans Affairs and the
2 Secretary of Defense for the improvement of their collabo-
3 rative efforts to provide such information.

4 (g) REPORT ON IMPLEMENTATION OF SEXUAL
5 TRAUMA TREATMENT PROGRAM.—Not later than 14
6 months after the date of the enactment of this Act, the
7 Secretary of Veterans Affairs shall submit to the Commit-
8 tees on Veterans' Affairs of the Senate and House of Rep-
9 resentatives a report on the use made of the authority pro-
10 vided under section 1720D of title 38, United States Code,
11 as amended by this section. The report shall include the
12 following with respect to activities under that section since
13 the enactment of this Act:

14 (1) The number of veterans who have received
15 counseling under that section.

16 (2) The number of veterans who have been re-
17 ferred to non-Department mental health facilities
18 and providers in connection with sexual trauma
19 counseling and treatment.

20 **TITLE II—PROGRAM**

21 **ADMINISTRATION**

22 **SEC. 201. MEDICAL CARE COLLECTIONS.**

23 (a) LIMITED AUTHORITY TO SET COPAYMENTS.—

24 (1) Section 1722A is amended—

1 (A) by redesignating subsections (b) and (c) as
2 subsections (c) and (d), respectively;

3 (B) by inserting after subsection (a) the fol-
4 lowing new subsection (b):

5 “(b) The Secretary, pursuant to regulations which
6 the Secretary shall prescribe, may—

7 “(1) increase the copayment amount in effect
8 under subsection (a);

9 “(2) establish a maximum annual pharma-
10 ceutical copayment amount under subsection (a) for
11 veterans who have multiple outpatient prescriptions;
12 and

13 “(3) require a veteran, other than a veteran de-
14 scribed in subsection (a)(3), to pay to the United
15 States a reasonable copayment for sensori-neural
16 aids, electronic equipment, and any other costly item
17 or equipment furnished the veteran for a nonservice-
18 connected condition, other than a wheelchair or arti-
19 ficial limb.”; and

20 (C) in subsection (c), as redesignated by sub-
21 paragraph (A)—

22 (i) by striking “this section” and inserting
23 “subsection (a)”; and

24 (ii) by adding at the end the following new
25 sentence: “Amounts collected through use of

1 the authority under subsection (b) shall be de-
 2 posited in Department of Veterans Affairs
 3 Health Services Improvement Fund.”.

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

6 **“§ 1722A. Copayments for medications and certain**
 7 **costly items and equipment”.**

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

“1722A. Copayments for medications and certain costly items and equipment.”.

11 (b) OUTPATIENT TREATMENT OF CATEGORY C VET-
 12 ERANS.—(1) Section 1710(g) is amended—

13 (A) in paragraph (1), by striking “the amount
 14 under paragraph (2) of this subsection” and insert-
 15 ing “in the case of each outpatient visit the applica-
 16 ble amount or amounts established by the Secretary
 17 by regulation”; and

18 (B) in paragraph (2), by striking all after “for
 19 an amount” and inserting “which the Secretary shall
 20 establish by regulation.”.

21 **SEC. 202. HEALTH SERVICES IMPROVEMENT FUND.**

22 (a) ESTABLISHMENT OF FUND.—Chapter 17 is
 23 amended by inserting after section 1729A the following
 24 new section:

1 **“§ 1729B. Health Services Improvement Fund**

2 “(a) There is established in the Treasury of the
3 United States a fund to be known as the ‘Department of
4 Veterans Affairs Health Services Improvement Fund’.

5 “(b) Amounts received or collected after the date of
6 the enactment of this section under any of the following
7 provisions of law shall be deposited in the fund:

8 “(1) Section 1713A of this title.

9 “(2) Section 1722A(b) of this title.

10 “(3) Section 8165(a) of this title.

11 “(4) Section 4(c) of the Veterans’ Millennium
12 Health Care Act.

13 “(c) Amounts in the fund are hereby available, with-
14 out fiscal year limitation, to the Secretary for the purposes
15 stated in subparagraphs (A) and (B) of section
16 1729A(c)(1) of this title.”.

17 (b) CLERICAL AMENDMENT.—The table of sections
18 at the beginning of such chapter is amended by inserting
19 after the item relating to section 1729A the following new
20 item:

“1729B. Health Services Improvement Fund.”.

21 **SEC. 203. VETERANS TOBACCO TRUST FUND.**

22 (a) FINDINGS.—Congress finds the following:

23 (1) Smoking related illnesses, including cancer,
24 heart disease, and emphysema, are highly prevalent
25 among the more than 3,000,000 veterans who use

1 the Department of Veterans Affairs health care sys-
2 tem annually.

3 (2) The Department of Veterans Affairs esti-
4 mates that it spent \$3,600,000,000 in 1997 to treat
5 smoking-related illnesses and that over the next five
6 years it will spend \$20,000,000,000 on such care.

7 (3) Congress established the Department of
8 Veterans Affairs in furtherance of its constitutional
9 power to provide for the national defense in order to
10 provide benefits and services to veterans of the uni-
11 formed services.

12 (4) There is in the Department of Veterans Af-
13 fairs a health care system which has as its primary
14 function to provide a complete medical and hospital
15 service for the medical care and treatment of such
16 veterans as can be served through available appro-
17 priations.

18 (5) The Federal Government, including the De-
19 partment of Veterans Affairs, has lacked the means
20 to prevent the onset of smoking-related illnesses
21 among veterans and has had no authority to deny
22 needed treatment to any veteran on the basis that
23 an illness is or might be smoking-related.

24 (6) With some 20 percent of its health care
25 budget absorbed in treating smoking-related ill-

1 nesses, the Department of Veterans Affairs health
2 care system has lacked resources to provide needed
3 nursing home care, home care, community-based
4 ambulatory care, and other services to tens of thou-
5 sands of other veterans.

6 (7) The network of academically affiliated med-
7 ical centers of the Department of Veterans Affairs
8 provides a unique system within which outstanding
9 medical research is conducted and which has the po-
10 tential to expand significantly ongoing research on
11 tobacco-related illnesses.

12 (8) It is in the public interest for Congress to
13 enact legislation requiring that a portion of any
14 amounts received from manufacturers of tobacco
15 products be used to meet the costs of (A) treatment
16 for diseases and adverse health effects associated
17 with the use of tobacco products by those who served
18 their country in uniform, and (B) medical and
19 health services research relating to prevention and
20 treatment of, and rehabilitation from, tobacco addic-
21 tion and diseases associated with tobacco use.

22 (b) ESTABLISHMENT OF TRUST FUND.—(1) Chapter
23 17 is amended by inserting after section 1729B, as added
24 by section 202(a), the following new section:

1 **“§ 1729C. Veterans Tobacco Trust Fund**

2 “(a) There is established in the Treasury of the
3 United States a trust fund to be known as the ‘Veterans
4 Tobacco Trust Fund’, consisting of such amounts as may
5 be appropriated, credited, or donated to the trust fund.

6 “(b) If a lawsuit is brought by the United States
7 against the tobacco manufacturers seeking recovery of
8 costs incurred or to be incurred by the United States that
9 are attributable to tobacco-related illnesses, there shall be
10 credited to the trust fund from any amount recovered by
11 the United States pursuant to that lawsuit, without fur-
12 ther appropriation, the amount that bears the same ratio
13 to the amount recovered as the amount of the Depart-
14 ment’s costs for health care attributable to tobacco-related
15 illnesses for which recovery is sought in the suit bears to
16 the total amount sought by the United States in the suit.

17 “(c) Amounts in the trust fund shall be available,
18 without fiscal year limitation, to the Secretary of Veterans
19 Affairs for the following purposes:

20 “(1) Furnishing medical care and services
21 under this chapter, to be available during any fiscal
22 year for the same purposes and subject to the same
23 limitations (other than with respect to the period of
24 availability for obligation) as apply to amounts ap-
25 propriated from the general fund of the Treasury for
26 that fiscal year for medical care.

1 “(2) Conducting medical research, rehabilita-
 2 tion research, and health systems research, with par-
 3 ticular emphasis on research relating to prevention
 4 and treatment of, and rehabilitation from, tobacco
 5 addiction and diseases associated with tobacco use.”.

6 (2) The table of sections at the beginning of such
 7 chapter is amended by inserting after the item relating
 8 to section 1729B, as added by section 202(b), the fol-
 9 lowing new item:

 “1729C. Veterans Tobacco Trust Fund.”.

10 **SEC. 204. AUTHORITY TO ACCEPT FUNDS FOR EDUCATION**
 11 **AND TRAINING.**

12 (a) ESTABLISHMENT OF NONPROFIT CORPORATIONS
 13 AT MEDICAL CENTERS.—Section 7361(a) is amended—

14 (1) by inserting “and education” after “re-
 15 search”;

16 (2) by adding at the end the following: “Such
 17 a corporation may be established to facilitate either
 18 research or education or both research and edu-
 19 cation.”.

20 (b) PURPOSE OF CORPORATIONS.—Section 7362 is
 21 amended—

22 (1) in the first sentence, by inserting “and edu-
 23 cation and training as described in sections 7302,
 24 7471, 8154, and 1701(6)(B) of this title” after “of
 25 this title”; and

1 (2) in the second sentence—

2 (A) by inserting “or education” after “re-
3 search”; and

4 (B) by striking “that purpose” and insert-
5 ing “these purposes”.

6 (c) BOARD OF DIRECTORS.—Section 7363(a) is
7 amended—

8 (1) in subsection (a)(1), by striking all after
9 “medical center, and” and inserting “as appropriate,
10 the assistant chief of staff for research for the med-
11 ical center and the associate chief of staff for edu-
12 cation for the medical center, or, in the case of a fa-
13 cility at which such positions do not exist, those offi-
14 cials who are responsible for carrying out the re-
15 sponsibilities of the medical center director, chief of
16 staff, and, as appropriate, the assistant chief of staff
17 for research and the assistant chief for education;
18 and”;

19 (2) in subsection (a)(2), by inserting “or edu-
20 cation, as appropriate” after “research”; and

21 (3) in subsection (c), by inserting “or edu-
22 cation” after “research”.

23 (d) APPROVAL OF EXPENDITURES.—Section 7364 is
24 amended by adding at the end the following new sub-
25 section:

1 “(c)(1) A corporation established under this sub-
2 chapter may not spend funds for an education activity un-
3 less the activity is approved in accordance with procedures
4 prescribed by the Under Secretary for Health.

5 “(2) The Under Secretary for Health shall prescribe
6 policies and procedures to guide the expenditure of funds
7 by corporations under paragraph (1) consistent with the
8 purpose of such corporations as flexible funding mecha-
9 nisms.”.

10 **SEC. 205. EXTENSION AND REVISION OF CERTAIN AU-**
11 **THORITIES.**

12 (a) READJUSTMENT COUNSELING PROGRAM.—Sec-
13 tion 1712A(a)(1)(B)(ii) is amended by striking “2000”
14 and inserting “2003”.

15 (b) COMMITTEE ON MENTALLY ILL VETERANS.—
16 Section 7321(d)(2) is amended by striking “three” and
17 inserting “five”.

18 (c) COMMITTEE ON POST-TRAUMATIC STRESS DIS-
19 ORDER.—Section 110 of Public Law 98–528 (38 U.S.C.
20 1712A note) is amended—

21 (1) in subsection (e)(1), by striking “March 1,
22 1985” and inserting “March 1, 2000”; and

23 (2) in subsection (e)(2), by striking “February
24 1, 1986” and inserting “February 1, 2001”.

1 (d) EXTENSION OF AUTHORITY TO MAKE
2 GRANTS.—Section 3(a)(2) of the Homeless Veterans Com-
3 prehensive Service Programs Act of 1992 (38 U.S.C. 7721
4 note) is amended by striking “September 30, 1999” and
5 inserting “September 30, 2002”.

6 (e) AUTHORITY TO MAKE GRANTS FOR HOMELESS
7 VETERANS.—Section 3(b)(2) of the Homeless Veterans
8 Comprehensive Service Programs Act of 1992 (38 U.S.C.
9 7721 note) is amended by striking “and no more than 20
10 programs which incorporate the procurement of vans as
11 described in paragraph (1)”.

12 **SEC. 206. STATE HOME GRANT PROGRAM.**

13 (a) GENERAL REGULATIONS.—Section 8134 is
14 amended—

15 (1) by redesignating subsection (b) as sub-
16 section (c);

17 (2) by striking the matter in subsection (a) pre-
18 ceding paragraph (2) and inserting the following:

19 “(a)(1) The Secretary shall prescribe regulations for
20 the purposes of this subchapter.

21 “(2) In those regulations, the Secretary shall pre-
22 scribe for each State the number of nursing home and
23 domiciliary beds for which assistance under this sub-
24 chapter may be furnished. Such regulations shall be based
25 on projected demand for such care 10 years after the date

1 of the enactment of the Veterans Millennium Health Care
2 Act by veterans who at such time are 65 years of age or
3 older and who reside in that State. In determining such
4 projected demand, the Secretary shall take into account
5 travel distances for veterans and their families.

6 “(3)(A) In those regulations, the Secretary shall es-
7 tablish criteria under which the Secretary shall determine,
8 with respect to an application for assistance under this
9 subchapter for a project described in subparagraph (B)
10 which is from a State that has a need for additional beds
11 as determined under subsections (a)(2) and (d)(1), wheth-
12 er the need for such beds is most aptly characterized as
13 great, significant, or limited. Such criteria shall take into
14 account the availability of beds already operated by the
15 Secretary and other providers which appropriately serve
16 the needs which the State proposes to meet with its appli-
17 cation.

18 “(B) This paragraph applies to a project for the con-
19 struction or acquisition of a new State home facility, to
20 a project to increase the number of beds available at a
21 State home facility, and a project to replace beds at a
22 State home facility.

23 “(4) The Secretary shall review and, as necessary, re-
24 vise regulations prescribed under paragraphs (2) and (3)
25 not less often than every four years.

1 “(b) The Secretary shall prescribe the following by
2 regulation.”;

3 (3) by redesignating paragraphs (2) and (3) of
4 subsection (b), as designated by paragraph (2), as
5 paragraphs (1) and (2);

6 (4) in subsection (c), as redesignated by para-
7 graph (1), by striking “subsection (a)(3)” and in-
8 serting “subsection (b)(2)”; and

9 (5) by adding at the end the following new sub-
10 section:

11 “(d)(1) In prescribing regulations to carry out this
12 subchapter, the Secretary shall provide that in the case
13 of a State that seeks assistance under this subchapter for
14 a project described in subsection (a)(3)(B), the determina-
15 tion of the unmet need for beds for State homes in that
16 State shall be reduced by the number of beds in all pre-
17 vious applications submitted by that State under this sub-
18 chapter, including beds which have not been recognized
19 by the Secretary under section 1741 of this title.

20 “(2)(A) Financial assistance under this subchapter
21 for a renovation project may only be provided for a project
22 for which the total cost of construction is in excess of
23 \$400,000 (as adjusted from time to time in such regula-
24 tions to reflect changes in costs of construction).

1 “(B) For purposes of this paragraph, a renovation
2 project is a project to remodel or alter existing buildings
3 for which financial assistance under this subchapter may
4 be provided and does not include maintenance and repair
5 work which is the responsibility of the State.”.

6 (b) APPLICATIONS WITH RESPECT TO PROJECTS.—

7 Section 8135 is amended—

8 (1) in subsection (a)—

9 (A) by striking “set forth—” in the matter
10 preceding paragraph (1) and inserting “set
11 forth the following:”;

12 (B) by capitalizing the first letter of the
13 first word in each of paragraphs (1) through
14 (9);

15 (C) by striking the comma at the end of
16 each of paragraphs (1) through (7) and insert-
17 ing a period; and

18 (D) by striking “, and” at the end of para-
19 graph (8) and inserting a period;

20 (2) by redesignating subsections (b), (c), (d),
21 and (e) as subsections (c), (d), (e), and (f), respec-
22 tively;

23 (3) by inserting after subsection (a) the fol-
24 lowing new subsection (b):

1 “(b)(1) Any State seeking to receive assistance under
2 this subchapter for a project that would involve construc-
3 tion or acquisition of either nursing home or domiciliary
4 facilities shall include with its application under subsection
5 (a) the following:

6 “(A) Documentation (i) that the site for the
7 project is in reasonable proximity to a sufficient con-
8 centration and population of veterans who are 65
9 years of age and older, and (ii) that there is a rea-
10 sonable basis to conclude that the facilities when
11 complete will be fully occupied.

12 “(B) A financial plan for the first three years
13 of operation of such facilities.

14 “(C) A five-year capital plan for the State home
15 program for that State.

16 “(2) Failure to provide adequate documentation
17 under paragraph (1)(A) or to provide an adequate finan-
18 cial plan under paragraph (1)(B) shall be a basis for dis-
19 approving the application.”;

20 (4) in subsection (c), as redesignated by para-
21 graph (2)—

22 (A) in paragraph (1), by striking “for a
23 grant under subsection (a) of this section” in
24 the matter preceding subparagraph (A) and in-

1 serting “under subsection (a) for financial as-
2 sistance under this subchapter”;

3 (B) in paragraph (2)—

4 (i) by striking “the construction or ac-
5 quisition of” in subparagraph (A); and

6 (ii) by striking subparagraphs (B),
7 (C), and (D) and inserting the following:

8 “(B) An application from a State for a project
9 at an existing facility to remedy a condition or con-
10 ditions that have been cited by an accrediting insti-
11 tution, by the Secretary, or by a local licensing or
12 approving body of the State as being threatening to
13 the lives or safety of the patients in the facility.

14 “(C) An application from a State that has not
15 previously applied for award of a grant under this
16 subchapter for construction or acquisition of a State
17 nursing home.

18 “(D) An application for construction or acquisi-
19 tion of a nursing home or domiciliary from a State
20 that the Secretary determines, in accordance with
21 regulations under this subchapter, has a great need
22 for the beds to be established at such home or facil-
23 ity.

1 “(E) An application from a State for renova-
2 tions to a State home facility other than renovations
3 described in subparagraph (B).

4 “(F) An application for construction or acquisi-
5 tion of a nursing home or domiciliary from a State
6 that the Secretary determines, in accordance with
7 regulations under this subchapter, has a significant
8 need for the beds to be established at such home or
9 facility.

10 “(G) An application that meets other criteria as
11 the Secretary determines appropriate and has estab-
12 lished in regulations.

13 “(H) An application for construction or acquisi-
14 tion of a nursing home or domiciliary from a State
15 that the Secretary determines, in accordance with
16 regulations under this subchapter, has a limited
17 need for the beds to be established at such home or
18 facility”; and

19 (C) in paragraph (3), by striking subpara-
20 graph (A) and inserting the following:

21 “(A) may not accord any priority to a project
22 for the construction or acquisition of a hospital;
23 and”.

24 (c) TRANSITION.—The provisions of sections 8134
25 and 8135 of title 38, United States Code, as in effect on

1 June 1, 1999, shall continue in effect after such date with
2 respect to applications described in section 8135(b)(2)(A)
3 of such title, as in effect on that date, that are identified
4 on the list that (1) is described in section 8135(b)(4) of
5 such title, as in effect on that date, and (2) was estab-
6 lished by the Secretary of Veterans Affairs on October 29,
7 1998.

8 (d) EFFECTIVE DATE FOR INITIAL REGULATIONS.—
9 The Secretary of Veterans Affairs shall prescribe the ini-
10 tial regulations under subsection (a) of section 8134 of
11 title 38, United States Code, as added by subsection (a),
12 not later than April 30, 2000,

13 **SEC. 207. EXPANSION OF ENHANCED-USE LEASE AUTHOR-**
14 **ITY.**

15 (a) AUTHORITY.—Section 8162(a)(2) is amended—

16 (1) by striking “only if the Secretary” and in-
17 serting “only if—

18 “(A) the Secretary”;

19 (2) by redesignating subparagraphs (A), (B),
20 and (C) as clauses (i), (ii), and (iii), respectively,
21 and realigning those clauses so as to be four ems
22 from the left margin;

23 (3) by striking the period at the end of clause
24 (iii), as so redesignated, and inserting “; or”; and

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

1 “(B) the Secretary determines that the imple-
2 mentation of a business plan proposed by the Under
3 Secretary for Health for applying the consideration
4 under such a lease to the provision of medical care
5 and services would result in a demonstrable improve-
6 ment of services to eligible veterans in the geo-
7 graphic service-delivery area within which the prop-
8 erty is located.”.

9 (b) TERM OF ENHANCED-USE LEASE.—Section
10 8162(b) is amended—

11 (1) in paragraph (2), by striking “may not ex-
12 ceed—” and all that follows and inserting “may not
13 exceed 75 years.”; and

14 (2) by striking paragraph (4) and inserting the
15 following:

16 “(4) The terms of an enhanced-use lease may provide
17 for the Secretary to—

18 “(A) obtain facilities, space, or services on the
19 leased property; and

20 “(B) use minor construction funds for capital
21 contribution payments.”.

22 (c) DESIGNATION OF PROPERTY PROPOSED TO BE
23 LEASED.—(1) Subsection (b) of section 8163 is
24 amended—

1 (A) by striking “include—” and inserting “in-
2 clude the following:”;

3 (B) by capitalizing the first letter of the first
4 word of each of paragraphs (1), (2), (3), (4), and
5 (5);

6 (C) by striking the semicolon at the end of
7 paragraphs (1), (2), and (3) and inserting a period;
8 and

9 (D) by striking subparagraphs (A), (B), and
10 (C) of paragraph (4) and inserting the following:

11 “(A) would—

12 “(i) contribute in a cost-effective man-
13 ner to the mission of the Department;

14 “(ii) not be inconsistent with the mis-
15 sion of the Department;

16 “(iii) not adversely affect the mission
17 of the Department; and

18 “(iv) affect services to veterans; or

19 “(B) would result in a demonstrable im-
20 provement of services to eligible veterans in the
21 geographic service-delivery area within which
22 the property is located.”.

23 (2) Subparagraph (E) of subsection (c)(1) of that
24 section is amended by striking clauses (i), (ii), and (iii)
25 and inserting the following:

1 “(i) would—
2 “(I) contribute in a cost-effective
3 manner to the mission of the Department;
4 “(II) not be inconsistent with the mis-
5 sion of the Department;
6 “(III) not adversely affect the mission
7 of the Department; and
8 “(IV) affect services to veterans; or
9 “(ii) would result in a demonstrable im-
10 provement of services to eligible veterans in the
11 geographic service-delivery area within which
12 the property is located.”.

13 (d) USE OF PROCEEDS.—Section 8165(a) is
14 amended—

15 (1) by striking paragraph (1) and inserting the
16 following:

17 “(a)(1) Funds received by the Department under an
18 enhanced-use lease and remaining after any deduction
19 from those funds under subsection (b) shall be deposited
20 in the Department of Veterans Affairs Health Services
21 Improvement Fund established under section 1729B of
22 this title. The Secretary shall make available to the des-
23 ignated health care region of the Veterans Health Admin-
24 istration within which the leased property is located not

1 less than 75 percent of the amount deposited in the fund
2 attributable to that lease.”; and

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

5 “(3) For the purposes of paragraph (1), the term
6 ‘designated health care region of the Veterans Health Ad-
7 ministration’ means a geographic area designated by the
8 Secretary for the purposes of the management of, and al-
9 location of resources for, health care services provided by
10 the Veterans Health Administration.”.

11 (e) REPEAL OF TERMINATION PROVISION.—(1) Sec-
12 tion 8169 is repealed.

13 (2) The table of sections at the beginning of chapter
14 81 is amended by striking the item relating to section
15 8169.

16 (f) REPEAL OF OBSOLETE PROVISIONS.—Section
17 8162 is amended—

18 (1) by striking the last sentence of subsection

19 (a)(1); and

20 (2) by striking subsection (c).

1 **SEC. 208. INELIGIBILITY FOR EMPLOYMENT BY VETERANS**
2 **HEALTH ADMINISTRATION OF HEALTH CARE**
3 **PROFESSIONALS WHO HAVE LOST LICENSE**
4 **TO PRACTICE IN ONE JURISDICTION WHILE**
5 **STILL LICENSED IN ANOTHER JURISDICTION.**

6 Section 7402 is amended by adding at the end the
7 following new subsection:

8 “(f) A person may not be employed in a position
9 under subsection (b) (other than under paragraph (4) of
10 that subsection) if—

11 “(1) the person is or has been licensed, reg-
12 istered, or certified (as applicable to such position)
13 in more than one State; and

14 “(2) either—

15 “(A) any of those States has terminated
16 such license, registration, or certification for
17 cause; or

18 “(B) the person has voluntarily relin-
19 quished such license, registration, or certifi-
20 cation in any of those States after being noti-
21 fied in writing by that State of potential termi-
22 nation for cause.”.

1 **TITLE III—MISCELLANEOUS**

2 **SEC. 301. REVIEW OF PROPOSED CHANGES TO OPERATION**
3 **OF MEDICAL FACILITIES.**

4 Section 8110 of title 38, United States Code, is
5 amended by adding at the end the following new sub-
6 sections:

7 “(d) The Secretary may not in any fiscal year close
8 more than 50 percent of the beds within a bed section
9 (of 20 or more beds) of a Department medical center un-
10 less the Secretary first submits to the Committees on Vet-
11 erans’ Affairs of the Senate and the House of Representa-
12 tives a report providing a justification for the closure. No
13 action to carry out such closure may be taken after the
14 submission of such report until the end of the 21-day pe-
15 riod beginning on the date of the submission of the report.

16 “(e) The Secretary shall submit to the Committees
17 on Veterans’ Affairs of the Senate and the House of Rep-
18 resentatives, not later than January 20 of each year, a
19 report documenting by network for the preceding fiscal
20 year the following:

21 “(1) The number of medical service and sur-
22 gical service beds, respectively, that were closed dur-
23 ing that fiscal year and, for each such closure, a de-
24 scription of the changes in delivery of services that
25 allowed such closure to occur.

1 “(2) The number of nursing home beds that
2 were the subject of a mission change during that fis-
3 cal year and the nature of each such mission change.

4 “(f) For purposes of this section:

5 “(1) The term ‘closure’, with respect to beds in
6 a medical center, means ceasing to provide staffing
7 for, and to operate, those beds. Such term includes
8 converting the provision of such bed care from care
9 in a Department facility to care under contract ar-
10 rangements.

11 “(2) The term ‘bed section’, with respect to a
12 medical center, means psychiatric beds (including
13 beds for treatment of substance abuse and post-trau-
14 matic stress disorder), intermediate, neurology, and
15 rehabilitation medicine beds, extended care (other
16 than nursing home) beds, and domiciliary beds.

17 “(3) The term ‘justification’, with respect to
18 closure of beds, means a written report that includes
19 the following:

20 “(A) An explanation of the reasons for the
21 determination that the closure is appropriate
22 and advisable.

23 “(B) A description of the changes in the
24 functions to be carried out and the means by

1 which such care and services would continue to
2 be provided to eligible veterans.

3 “(C) A description of the anticipated ef-
4 fects of the closure on veterans and on their ac-
5 cess to care.”.

6 **SEC. 302. PATIENT SERVICES AT DEPARTMENT FACILITIES.**

7 (a) **SCOPE OF SERVICES.**—Section 7803 is
8 amended—

9 (1) in subsection (a), by striking “in this sub-
10 section;” and all that follows through “the premises”
11 and inserting “in this section”; and

12 (2) by striking subsection (b).

13 (b) **TECHNICAL AMENDMENTS.**—(1) Paragraphs (1)
14 and (11) of section 7802 are each amended by striking
15 “hospitals and homes” and inserting “medical facilities”.

16 (2) Section 7803(a) is amended—

17 (A) by striking “hospitals and homes” each
18 place it appears and inserting “medical facilities”;
19 and

20 (B) by striking “hospital or home” and insert-
21 ing “medical facility”.

22 **SEC. 303. REPORT ON ASSISTED LIVING SERVICES.**

23 Not later than April 1, 2000, the Secretary of Vet-
24 erans Affairs shall submit to the Committees on Veterans
25 Affairs of the Senate and House of Representatives a re-

1 port on the feasibility of establishing a pilot program to
2 assist veterans in receiving needed assisted living services.
3 The Secretary shall include in such report recommenda-
4 tions on—

5 (1) the services and staffing that should be pro-
6 vided to a veteran receiving assisted living services
7 under such a pilot program;

8 (2) the appropriate design of such a pilot pro-
9 gram; and

10 (3) the issues that such a pilot program should
11 be designed to address.

12 **SEC. 304. CHIROPRACTIC TREATMENT.**

13 (a) ESTABLISHMENT OF PROGRAM.—(1) Within 120
14 days after the date of the enactment of this Act, the Under
15 Secretary for Health of the Department of Veterans Af-
16 fairs, after consultation with chiropractors, shall establish
17 a policy for the Veterans Health Administration regarding
18 the role of chiropractic treatment in the care of veterans
19 under chapter 17 of title 38, United States Code.

20 (b) DEFINITIONS.—For purposes of this section:

21 (1) The term “chiropractic treatment” means
22 the manual manipulation of the spine performed by
23 a chiropractor for the treatment of such musculo-
24 skeletal conditions as the Secretary considers appro-
25 priate.

1 (2) The term “chiropractor” means an indi-
2 vidual who—

3 (A) is licensed to practice chiropractic in
4 the State in which the individual performs
5 chiropractic services; and

6 (B) holds the degree of doctor of chiro-
7 practic from a chiropractic college accredited by
8 the Council on Chiropractic Education.

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