

107TH CONGRESS
1ST SESSION

H. R. 2667

To provide for a joint Department of Defense and Department of Veterans Affairs demonstration project to identify benefits of integrated management of health care resources of those departments, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2001

Mr. SMITH of New Jersey (for himself, Mr. BILIRAKIS, Mr. EVERETT, Mr. BUYER, Mr. GIBBONS, Mr. SIMMONS, Mr. BROWN of South Carolina, Mr. WAMP, and Mr. KIRK) introduced the following bill; which was referred to the Committee on Veterans' Affairs, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for a joint Department of Defense and Department of Veterans Affairs demonstration project to identify benefits of integrated management of health care resources of those departments, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Department of De-
3 fense-Department of Veterans Affairs Health Resources
4 Access Improvement Act of 2001”.

5 **SEC. 2. FINDINGS AND SENSE OF CONGRESS CONCERNING**
6 **STATUS OF HEALTH RESOURCES SHARING**
7 **BETWEEN THE DEPARTMENT OF VETERANS**
8 **AFFAIRS AND THE DEPARTMENT OF DE-**
9 **FENSE.**

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

12 (1) Federal health resources provided by the
13 people of the United States through tax receipts are
14 by their nature scarce and thus should be effectively
15 and efficiently used.

16 (2) In 1982, Congress authorized health re-
17 sources sharing between Department of Defense
18 medical treatment facilities and Department of Vet-
19 erans Affairs health care facilities in order to allow
20 more effective and efficient use of their health re-
21 sources.

22 (3) Health care beneficiaries of the Depart-
23 ments of Defense and Veterans Affairs, whether ac-
24 tive servicemembers, veterans, retirees, or family
25 members of active or retired servicemembers, should

1 have full access to the health care and services that
2 Congress has authorized for them.

3 (4) The Secretary of Defense and the Secretary
4 of Veterans Affairs, and the appropriate officials of
5 each of those departments with responsibilities re-
6 lated to health care, have not taken full advantage
7 of the opportunities provided by law to make their
8 respective health resources available to health care
9 beneficiaries of the other department in order to
10 provide improved health care for the whole number
11 of beneficiaries.

12 (5) After the many years of support and en-
13 couragement from Congress, the departments have
14 made little progress in health resource sharing and
15 the intended results of the sharing authority have
16 not been achieved.

17 (b) SENSE OF CONGRESS.—Congress urges the Sec-
18 retary of Defense and the Secretary of Veterans Affairs
19 to commit their respective departments to exploring new
20 ways for significantly improving health resources sharing
21 and to building organizational cultures supportive of
22 health resources sharing.

23 (c) PURPOSE.—It is the purpose of this Act—

24 (1) to authorize a demonstration program to
25 advance the principles of health resources sharing

1 consistent with the expressed intent of Congress;
2 and

3 (2) to establish a basis for joint strategic plan-
4 ning of Department of Defense and Department of
5 Veterans Affairs health systems to ensure that avail-
6 able funds are used more effectively and efficiently
7 in order to enhance access to high quality health
8 care for their beneficiaries.

9 **SEC. 3. HEALTH CARE FACILITIES INTEGRATION DEM-**
10 **ONSTRATION PROJECT.**

11 (a) ESTABLISHMENT.—The Secretary of Veterans
12 Affairs and the Secretary of Defense shall conduct a dem-
13 onstration project to identify advantages of providing for
14 integrated management of military treatment facilities
15 and VA health care facilities that are located in the same
16 geographic area.

17 (b) SITE IDENTIFICATION.—(1) The Secretaries shall
18 jointly identify five qualifying sites at which to conduct
19 the demonstration project under this section.

20 (2) For purposes of this section, a qualifying site is
21 an area in the United States in which—

22 (A) one or more military treatment facilities
23 and one or more VA health care facilities are situ-
24 ated in relative proximity to each other;

1 (B) for which there could be in effect within
2 one year after the date of the enactment of this Act
3 an integrated budget and personnel system for those
4 facilities; and

5 (C) as determined by the Secretaries, both the
6 candidate VA facilities and the candidate military
7 medical treatment facilities have in place informa-
8 tion systems to demonstrate the validity of the ac-
9 tivities of those facilities so that the Secretaries are
10 confident that they will be able to effectively meas-
11 ure differences in activities at those facilities (includ-
12 ing cost, access, quality, patient satisfaction, and
13 other important performance indicators) before the
14 demonstration project, during the period of the dem-
15 onstration project, and after the end of the dem-
16 onstration project.

17 (c) CONDUCT OF DEMONSTRATION PROJECT.—At
18 each site at which the demonstration project is conducted,
19 the Secretaries shall provide for a unified management
20 system for the military treatment facilities and VA health
21 care facilities at that site. To the extent feasible, that uni-
22 fied management system shall include—

23 (1) a unified budget and financial management
24 system for those facilities;

1 (2) a unified staffing and assignment system
2 for the personnel employed at or assigned to those
3 facilities; and

4 (3) medical information and information tech-
5 nology systems for those facilities that—

6 (A) are unified across those facilities;

7 (B) maintain interoperability with medical
8 information and information technology systems
9 of the respective departments of those facilities;
10 and

11 (C) incorporate standards of information
12 quality that are at least equivalent to those
13 adopted for the departments at large.

14 (d) **AUTHORITY TO WAIVE CERTAIN ADMINISTRA-**
15 **TIVE REGULATIONS AND POLICIES.**—(1) In order to carry
16 out subsection (c), the Secretary of Defense may, in the
17 Secretary’s discretion, waive any regulation or administra-
18 tive policy otherwise applicable to the Department of De-
19 fense, and the Secretary of Veterans Affairs may, in the
20 Secretary’s discretion, waive any regulation or administra-
21 tive policy otherwise applicable to the Department of Vet-
22 erans Affairs, as each Secretary determines necessary for
23 the purposes of the demonstration project.

24 (2) Not later than one year after the date of the en-
25 actment of this Act, the Secretary of Veterans Affairs and

1 the Secretary of Defense shall jointly submit to the Com-
2 mittees on Veterans' Affairs and the Committees on
3 Armed Services of the Senate and House of Representa-
4 tives a report on the use of the authority provided by para-
5 graph (1). The report shall include a statement of the
6 numbers and types of requests for waivers of regulations
7 and administrative policies that have been made to that
8 date and the disposition of each.

9 (e) USE OF TITLE 38 PERSONNEL AUTHORITIES.—

10 (1) In order to carry out subsection (c), the Secretary of
11 Defense may apply to civilian personnel of the Department
12 of Defense assigned to or employed at a military treatment
13 facility participating in the demonstration project any of
14 the provisions of subchapters I, III, and IV of chapter 74
15 of title 38, United States Code, determined appropriate
16 by the Secretary.

17 (2) For such purposes, any reference in such
18 chapter—

19 (A) to the “Secretary” or the “Under Secretary
20 for Health” shall be treated as referring to the Sec-
21 retary of Defense; and

22 (B) to the “Veterans Health Administration”
23 shall be treated as referring to the Department of
24 Defense.

1 (f) FACILITIES TO BE DEEMED FACILITIES OF THE
2 OTHER DEPARTMENT.—A VA health care facility partici-
3 pating in the demonstration project shall be considered to
4 be a military treatment facility for purposes of eligibility
5 for care for beneficiaries of the Department of Defense,
6 and a military treatment facility participating in the dem-
7 onstration project shall be considered to be a VA health
8 care facility for purposes of eligibility for care for bene-
9 ficiaries of the Department of Veterans Affairs.

10 (g) BENEFITS, COPAYMENTS, ETC., TO BE EQUAL-
11 IZED.—In the case of facilities of the participating depart-
12 ments selected to participate in the demonstration project,
13 the medical care for which a beneficiary of the Department
14 of Defense or beneficiary of the Department of Veterans
15 Affairs is eligible, and any required copayments or
16 deductibles for such care applicable to the beneficiaries of
17 either participating department, shall to the extent prac-
18 ticable be the same. Regulations to govern such benefits,
19 copayments, and deductibles shall be prescribed by the
20 Secretary of Defense and the Secretary of Veterans Af-
21 fairs. However, in no case may the benefits for which any
22 beneficiary is eligible be reduced or any copayment or de-
23 ductible applicable to any beneficiary be increased.

1 (h) AUTHORIZATION OF APPROPRIATIONS.—There is
2 authorized to be appropriated to each of the participating
3 departments to carry out the demonstration project—

4 (1) \$10,000,000 for fiscal year 2002; and

5 (2) \$25,000,000 for each succeeding year dur-
6 ing which the demonstration project is in effect.

7 (i) DEFINITIONS.—For purposes of this section:

8 (1) The term “military treatment facility”
9 means a medical facility under the jurisdiction of the
10 Secretary of a military department.

11 (2) The term “VA health care facility” means
12 a facility under the jurisdiction of the Veterans
13 Health Administration of the Department of Vet-
14 erans Affairs.

15 (3) The term “participating departments”
16 means the Department of Veterans Affairs and the
17 Department of Defense.

18 (j) TERMINATION.—The demonstration project, and
19 the authority provided by this section, shall terminate on
20 September 30, 2006.

21 **SEC. 4. JOINT PROSPECTUS FOR CONSTRUCTION OF NEW**
22 **MEDICAL FACILITY.**

23 Not later than two years after the date of the enact-
24 ment of this Act, the Secretary of Defense and the Sec-
25 retary of Veterans Affairs shall submit to the appropriate

1 committees of Congress a prospectus for construction of
2 a new joint medical facility for their respective depart-
3 ments. The location for the new joint facility shall be se-
4 lected jointly by the two Secretaries and shall be—

5 (1) at a location where both a current Depart-
6 ment of Veterans Affairs medical center and a cur-
7 rent Department of Defense military treatment facil-
8 ity are in need of replacement and the new facility
9 can be a replacement for both; or

10 (B) situated so as to provide improved access to
11 eligible veterans and eligible military beneficiaries in
12 a location where there is only one Department of
13 Veterans Affairs medical center or military medical
14 treatment facility serving one of those beneficiary
15 populations.

16 **SEC. 5. GRADUATE MEDICAL EDUCATION.**

17 (a) FINDINGS.—Congress finds that integration or
18 consolidation of graduate medical education programs of
19 the Department of Defense and Department of Veterans
20 Affairs would—

21 (1) lead to increased efficiencies by eliminating
22 duplicative administrative processes and stream-
23 lining and consolidating joint training programs;

1 (2) allow increased clinical training sites in De-
2 partment of Defense and Department of Veterans
3 Affairs accredited programs; and

4 (3) make Department of Veterans Affairs facili-
5 ties available to military reserve health care profes-
6 sionals education programs.

7 (b) COMPREHENSIVE REVIEW.—The Secretary of
8 Defense and the Secretary of Veterans Affairs shall enter
9 into a joint contract for the conduct by an organization
10 outside the Government of an independent, comprehensive
11 review to identify opportunities for joint funding for an
12 integrated graduate medical education program at facili-
13 ties of their respective departments where such an inte-
14 grated program is feasible.

15 (c) FUNDING.—Funds for the contract under sub-
16 section (b) shall be provided in equal shares by the De-
17 partment of Defense and the Department of Veterans Af-
18 fairs.

19 (d) COMMON AFFILIATION AGREEMENT.—Based on
20 the results of the review under subsection (b), the Sec-
21 retary of Defense and the Secretary of Veterans Affairs
22 shall develop and implement a common affiliation agree-
23 ment or contract for graduate medical education purposes
24 at locations where the demonstration project under section
25 3 is carried out.

1 **SEC. 6. REQUIRED SHARING OF HEALTH CARE RESOURCES.**

2 (a) REQUIRED SHARING.—Section 8111(a) of title
3 38, United States Code, is amended by striking “may
4 enter into” and inserting “shall enter into”.

5 (b) CONFORMING AMENDMENT.—Section 1104 of
6 title 10, United States Code, is amended by striking
7 “may” and inserting “shall”.

8 (c) REPEAL OF VA BED LIMITS.—(1) Section
9 8110(a)(1) of title 38, United States Code, is amended—

10 (A) in the first sentence, by striking “at not
11 more than 125,000 and not less than 100,000”;

12 (B) in the third sentence, by striking “shall op-
13 erate and maintain a total of not less than 90,000
14 hospital beds and nursing home beds and”; and

15 (C) in the fourth sentence, by striking “to en-
16 able the Department to operate and maintain a total
17 of not less than 90,000 hospital and nursing home
18 beds in accordance with this paragraph and”.

19 (2) Section 8111(a) of such title is amended by strik-
20 ing “, except that” and all that follows through “of the
21 Government” before the period at the end.

22 **SEC. 7. REPORTS.**

23 (a) INTERIM REPORT.—Not later than February 1,
24 2003, the Secretary of Defense and Secretary of Veterans
25 Affairs shall submit to the Committees on Veterans’ Af-
26 fairs and the Committees on Armed Services of the Senate

1 and House of Representatives a joint interim report on
2 the conduct of programs under this Act through the end
3 of the preceding fiscal year. The Secretaries shall include
4 in the report a description of the measures taken, or
5 planned to be taken, to implement the demonstration
6 project under section 3 and the other provisions of this
7 Act and any cost savings anticipated at facilities partici-
8 pating in the demonstration project.

9 (b) FINAL REPORT.—Not later than February 1,
10 2006, the Secretary of Defense and Secretary of Veterans
11 Affairs shall submit to the committees of Congress speci-
12 fied in subsection (a) a joint report on the conduct of pro-
13 grams under this Act through the end of the preceding
14 fiscal year. The Secretaries shall include in the report the
15 following:

16 (1) A description of activities under this Act.

17 (2) Identification of cost savings, access im-
18 provements, and other efficiencies realized under the
19 demonstration project carried out under section 3.

20 (3) Analysis of measurable changes achieved by
21 the demonstration project, including the use of data
22 sources and performance indicators described in sec-
23 tion 3(b)(2)(C).

24 (4) Transmittal of the report resulting from the
25 review required by section 5(b), accompanied by ap-

1 appropriate recommendations by the Under Secretary
2 of Veterans Affairs for Health and the Assistant
3 Secretary of Defense for Health Affairs.

4 (5) Any recommendations of the two Secre-
5 taries for expansion of the demonstration project to
6 additional facilities or for modification to any of the
7 authorities for the demonstration project provided in
8 section 3.

○