

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4890

To provide for Medicare reimbursement for health care services provided to Medicare-eligible veterans in facilities of the Department of Veterans Affairs.

---

## IN THE HOUSE OF REPRESENTATIVES

JUNE 6, 2002

Mrs. KELLY introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, and Veterans' Affairs, 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 Medicare reimbursement for health care services provided to Medicare-eligible veterans in facilities 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.**

4 This Act may be cited as the “Veterans Medicare Re-  
5 imbursement Act of 2002”.

1 **SEC. 2. ESTABLISHMENT OF MEDICARE SUBVENTION FOR**  
2 **VETERANS.**

3 Section 1862 of the Social Security Act (42 U.S.C.  
4 1395y) is amended by inserting after subsection (c) the  
5 following new subsection:

6 “(d) MEDICARE SUBVENTION FOR VETERANS.—

7 “(1) ESTABLISHMENT OF PROCEDURE FOR RE-  
8 IMBURSEMENT.—

9 “(A) IN GENERAL.—The administering  
10 Secretaries shall establish a procedure under  
11 which the Secretary shall reimburse the Sec-  
12 retary of Veterans Affairs, from the trust  
13 funds, for medicare health care services fur-  
14 nished to medicare-eligible veterans.

15 “(B) REQUIREMENTS.—Under the  
16 procedure—

17 “(i) the administering Secretaries  
18 shall certify, that any Department of Vet-  
19 erans Affairs medical facility that fur-  
20 nishes medicare health care services for  
21 which the Secretary of Veterans Affairs is  
22 reimbursed under this subsection has  
23 sufficient—

24 “(I) resources and expertise to  
25 provide the health care benefits re-

1                   quired to be provided to beneficiaries;  
2                   and

3                   “**(II)** information and billing sys-  
4                   tems in place to ensure accurate and  
5                   timely submission of claims for health  
6                   care benefits to the Secretary;

7                   “(ii) the Secretary shall have access to  
8                   all data of the Department of Veterans Af-  
9                   fairs that the Secretary determines is nec-  
10                  essary to verify accuracy in billing and  
11                  claims information; and

12                  “(iii) the Secretary shall waive re-  
13                  quirements for conditions of participation  
14                  otherwise applicable to a provider of serv-  
15                  ices, physician, practitioner, supplier, or  
16                  facility under this title in the case of a De-  
17                  partment of Veterans Affairs medical facil-  
18                  ity consistent with paragraph (3).

19                  “**(C) RESTRICTION ON NEW OR EXPANDED**  
20                  **FACILITIES.**—No new Veterans Affairs medical  
21                  facilities may be built or expanded with funds  
22                  received under this subsection.

23                  “**(2) COST-SHARING.**—The amount of reim-  
24                  bursement for medicare health care services to the  
25                  Secretary of Veterans Affairs for medicare health

1 care services shall be reduced by amounts attrib-  
2 utable to applicable deductible, coinsurance, and  
3 cost-sharing requirements under this title.

4 “(3) MEDICARE REQUIREMENTS.—

5 “(A) WAIVER.—The Secretary shall waive  
6 any requirements referred to in paragraph  
7 (1)(B)(iii) (relating to requirements for condi-  
8 tions of participation) in the case of a Depart-  
9 ment of Veterans Affairs medical facility, or ap-  
10 prove equivalent or alternative ways of meeting  
11 such a requirement, but only if such waiver or  
12 approval—

13 “(i) reflects the unique status of the  
14 Department of Veterans Affairs as an  
15 agency of the Federal Government; and

16 “(ii) is necessary to carry out, or im-  
17 prove the efficiency of, to provide for reim-  
18 bursement for medicare health care serv-  
19 ices under this subsection.

20 “(B) WAIVER OF PROHIBITION ON PAY-  
21 MENTS TO FEDERAL PROVIDERS OF SERV-  
22 ICES.—The prohibition of payments to Federal  
23 providers of services under sections 1814(c) and  
24 1835(d), and paragraphs (2) and (3) of sub-  
25 section (a), shall not apply.

1 “(4) VERIFICATION OF ELIGIBILITY.—

2 “(A) IN GENERAL.—The Secretary of Vet-  
3 erans Affairs shall establish procedures for de-  
4 termining whether an individual is a medicare-  
5 eligible veteran.

6 “(B) RESTRICTION.—No reimbursement  
7 shall be made under this subsection for any  
8 medicare health care service provided to an in-  
9 dividual unless the individual has been deter-  
10 mined to be a medicare-eligible veteran pursu-  
11 ant to the procedures established under sub-  
12 paragraph (A).

13 “(5) DATA REQUIREMENTS.—Reimbursements  
14 for medicare health care services furnished to medi-  
15 care-eligible veterans may not be made until such  
16 time as the administering Secretaries certify to Con-  
17 gress that the—

18 “(A) cost accounting and related trans-  
19 action systems of the Veterans Health Adminis-  
20 tration provide cost information and encounter  
21 data regarding health care delivered at each  
22 Department of Veterans Affairs medical facility  
23 on an inpatient and outpatient basis; and

1           “(B) cost information and encounter data  
2           provided by such systems is accurate, reliable,  
3           and consistent across all facilities.

4           “(6) PAYMENTS BASED ON REGULAR MEDICARE  
5           PAYMENT RATES.—

6           “(A) AMOUNT.—Subject to the succeeding  
7           provisions of this paragraph, the Secretary shall  
8           reimburse the Secretary of Veterans Affairs for  
9           health care benefits provided to medicare-eli-  
10          gible veterans at a rate equal to 100 percent of  
11          the amounts that otherwise would be payable  
12          under this title on a noncapitated basis for such  
13          service if the Department of Veterans Affairs  
14          medical facility were a provider of services, were  
15          participating in the medicare program, and im-  
16          posed charges for such service.

17          “(B) EXCLUSION OF CERTAIN AMOUNTS.—  
18          In computing the amount of payment under  
19          subparagraph (A), the following amounts shall  
20          be excluded:

21                  “(i) DISPROPORTIONATE SHARE HOS-  
22                  PITAL ADJUSTMENT.—Any amount attrib-  
23                  utable to an adjustment under section  
24                  1886(d)(5)(F).

1           “(ii) DIRECT GRADUATE MEDICAL  
2 EDUCATION PAYMENTS.—Any amount at-  
3 tributable to a payment under section  
4 1886(h).

5           “(iii) INDIRECT MEDICAL EDUCATION  
6 ADJUSTMENT.—Any amount attributable  
7 to the adjustment under section  
8 1886(d)(5)(B).

9           “(iv) PERCENTAGE OF CAPITAL PAY-  
10 MENTS.—67 percent of any amounts at-  
11 tributable to payments for capital-related  
12 costs under medicare payment policies  
13 under section 1886(g).

14           “(C) PERIODIC PAYMENTS FROM MEDI-  
15 CARE TRUST FUNDS.—Payments under this  
16 paragraph shall be made—

17           “(i) on a periodic basis consistent  
18 with the periodicity of payments under this  
19 title; and

20           “(ii) in appropriate part, as deter-  
21 mined by the Secretary, from the trust  
22 funds.

23           “(7) CREDITING OF PAYMENTS.—Any payment  
24 shall be deposited in the Department of Veterans Af-

1       fairs Medical Care Collections Fund established  
2       under section 1729A of title 38, United States Code.

3               “(8) RULES OF CONSTRUCTION.—Nothing in  
4       this subsection shall be construed—

5                       “(A) as prohibiting the Inspector General  
6                       of the Department of Health and Human Serv-  
7                       ices from investigating any matters regarding  
8                       the expenditure of funds under this subsection,  
9                       including compliance with the provisions of this  
10                      title and all other relevant laws; or

11                     “(B) as adding or requiring additional cri-  
12                     teria for eligibility for health care benefits fur-  
13                     nished to veterans by the Secretary of Veterans  
14                     Affairs, as established under chapter 17 of title  
15                     38, United States Code.

16               “(9) EVALUATION AND REPORTS.—The admin-  
17       istering Secretaries shall conduct ongoing evalua-  
18       tions of the procedure established under this sub-  
19       section, and shall submit periodic reports to Con-  
20       gress on—

21                     “(A) any savings or costs to the medicare  
22                     program by reason of this subsection; and

23                     “(B) effects of this subsection on access to  
24                     care by medicare-eligible veterans.

25               “(10) DEFINITIONS.—In this subsection:

1           “(A) ADMINISTERING SECRETARIES.—The  
2 term ‘administering Secretaries’ means the Sec-  
3 retary and the Secretary of Veterans Affairs  
4 acting jointly.

5           “(B) MEDICARE HEALTH CARE SERV-  
6 ICES.—The term ‘medicare health care services’  
7 means items or services covered under part A  
8 or B of this title.

9           “(C) MEDICARE-ELIGIBLE VETERAN.—The  
10 term ‘medicare-eligible veteran’ means an indi-  
11 vidual who—

12                   “(i) is a veteran (as defined in section  
13 101 of title 38, United States Code) who  
14 is eligible for care and services under sec-  
15 tion 1705(a) of title 38, United States  
16 Code;

17                   “(ii) has attained age 65;

18                   “(iii) is entitled to, or enrolled for,  
19 benefits under part A of this title; and

20                   “(iv) is enrolled for benefits under  
21 part B of this title.

22           “(D) TRUST FUNDS.—The term ‘trust  
23 funds’ means the Federal Hospital Insurance  
24 Trust Fund established in section 1817 and the

1 Federal Supplementary Medical Insurance  
2 Trust Fund established in section 1841.

3 “(E) DEPARTMENT OF VETERANS AFFAIRS  
4 MEDICAL FACILITY.—The term ‘Department of  
5 Veterans Affairs medical facility’ means a med-  
6 ical facility as defined in section 8101(3) of title  
7 38, United States Code alone or in conjunction  
8 with other facilities under the jurisdiction of the  
9 Secretary of Veterans Affairs.”.

○