108TH CONGRESS
1ST SESSION

H. R. 271

To require the Secretary of Veterans Affairs to modify the formula, known as the Veterans Equitable Resource Allocation (VERA) system, for the allocation of funds appropriated to the Department of Veterans Affairs for medical care to different geographic regions of the Nation, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 8, 2003

Mr. FRELINGHUYSEN (for himself, Mrs. KELLY, Mr. HINCHEY, and Mr. KING of New York) introduced the following bill; which was referred to the Committee on Veterans' Affairs

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A BILL

To require the Secretary of Veterans Affairs to modify the formula, known as the Veterans Equitable Resource Allocation (VERA) system, for the allocation of funds appropriated to the Department of Veterans Affairs for medical care to different geographic regions of the Nation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4   This Act may be cited as the "Equitable Care for All

5 Veterans Act".

SEC. 2. REVISION TO MEDICAL CARE FUNDING ALLOCA-TION FORMULA FOR DEPARTMENT OF VETERANS AFFAIRS.

(a) MODIFICATION TO VERA FORMULA.—The funding allocation formula for the Department of Veterans Affairs medical care system known as the Veterans Equitable Resource Allocation (VERA) system, established pursuant to section 429 of Public Law 104–204 (110 Stat. 2929), shall be modified by the Secretary of Veterans Affairs in accordance with this section. Such modifications shall provide for the incorporation of regional differences in the cost of providing health care to veterans (due to different regional cost of living, long travel distance, and other appropriate factors) as part of the criteria used to determine the national means differential used in the existing system.

(b) EVALUATION.—At the end of the second fiscal year beginning after the date of the enactment of this Act, the Secretary of Veterans Affairs shall evaluate the effects of the modifications implemented pursuant to subsection (a) on the regional allocation of funds available to the Department of Veterans Affairs for health care. The Secretary shall submit to Congress not later than 60 days after the end of such fiscal year the determination of the Secretary as to whether those modifications have resulted in a substantive shift in the funding allocations among the

1 different service regions of the Veterans Health Adminis-
2 tration compared to the allocations before such modifica-
3 tions.

4 (c) CONTINGENT TERMINATION OF VERA FOR-
5 MULA.—If in the report submitted pursuant to subsection
6 (b) the Secretary of Veterans Affairs determines that the
7 modifications have not resulted in a substantive shift in
8 the funding allocations described in that subsection, the
9 Secretary shall immediately terminate use of the Veterans
10 Equitable Resource Allocation system for the regional allo-
11 cation of funds available to the Department of Veterans
12 Affairs for health care.

SEC. 3. STANDBY ALTERNATIVE SYSTEM.

14 (a) DEVELOPMENT OF REPLACEMENT FORMULA.—
15 If pursuant to section 2(c) the Secretary of Veterans Af-
16 fairs is required to terminate the use of the Veterans Eq-
17 uitable Resource Allocation system, the Secretary shall de-
18 velop a new formula for the allocation of funds appro-
19 priated to the Department of Veterans Affairs for Medical
20 Care to the national service regions, known as Veterans
21 Integrated Service Networks (VISNs), of the Department.
22 In developing such formula, the Secretary shall take the
23 following requirements into account:

24 (1) For any fiscal year for which the amount
25 appropriated for Medical Care is an increase from

1 the preceding year, the funding level provided under

2 the new formula to any VISN may not be less than

3 the amount provided for the preceding year.

4 (2) The new formula shall take into account ad-

5 ditional costs incurred by a VISN due to any of the

6 following factors at that VISN being in excess of the

7 median for all VISNs:

8 (A) The number of veterans moving into

9 the geographic area of that VISN.

10 (B) The median age of veterans in that

11 VISN.

12 (C) The number of veterans in that VISN

13 requiring complex care or nursing home care.

14 (D) The age of Department of Veterans

15 Affairs health care facilities in that VISN.

16 (b) TRANSITION FORMULA.—Until a replacement

17 funding allocation formula is implemented pursuant to

18 subsection (a), the funding allocation formula to be ap-

19 plied by the Secretary to amounts appropriated for vet-

20 erans medical care shall be the formula in effect before

21 the Veterans Equitable Resource Allocation system.

22 **SEC. 4. AUTHORIZATIONS OF APPROPRIATIONS.**

23 (a) AUTHORIZATION FOR REPLACEMENT ALLOCA-

24 TION FORMULA.—There is authorized to be appropriated

1 to the Department of Veterans Affairs for fiscal year 2003

2 the amount of $10,000,000 for purposes of this Act.

3 (b) ADDITIONAL ''MEDICAL CARE'' AUTHORIZA-

4 TIONS.—There is authorized to be appropriated to the De-

5 partment of Veterans Affairs for fiscal year 2003 the

6 amount of $100,000,000 for ''Medical Care'' for the De-

7 partment of Veterans Affairs. Such amount is in addition

8 to any other amount authorized to be appropriated to the

9 Department of Veterans Affairs for fiscal year 2003 and

10 shall be allocated by the Secretary to the national service

11 regions, known as Veterans Integrated Service Networks

12 (VISNs), of the Department of Veterans Affairs on the

13 basis of need, as follows:

14 (1) First, to the VISN that has experienced the

15 greatest reduction in funding from the funding levels

16 for fiscal year 1997.

17 (2) Second, to any other VISN that has experi-

18 enced an overall five-year funding decrease.

19 (3) Third, if any amount appropriated pursuant

20 to such authorization remains after allocations pur-

21 suant to paragraphs (1) and (2), such amount shall

22 be allocated equally among the remaining 22 VISNs

23 before implementation of the new formula.

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