

TO AMEND TITLE 38, UNITED STATES CODE, TO ENHANCE COOPERATION
AND THE SHARING OF RESOURCES BETWEEN THE DEPARTMENT OF
VETERANS AFFAIRS AND THE DEPARTMENT OF DEFENSE

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MAY 19, 2003.—Ordered to be printed
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Mr. SMITH of New Jersey, from the Committee on Veterans' Affairs,
submitted the following

R E P O R T

[To accompany H.R. 1911]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 1911) to amend title 38, United States Code, to enhance cooperation and the sharing of resources between the Department of Veterans Affairs and the Department of Defense, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

INTRODUCTION

The reported bill reflects the Committee's consideration of H.R. 1911, to amend title 38, United States Code, to enhance cooperation and the sharing of resources between the Department of Veterans Affairs and the Department of Defense.

On May 1, 2003, Honorable John Boozman introduced H.R. 1911 along with Honorable Christopher H. Smith, Honorable Lane Evans, Honorable Rob Simmons, Honorable Jeff Miller, and Honorable Ciro D. Rodriguez.

On May 6, 2003, the Subcommittee on Health met and ordered H.R. 1911 reported favorably to the full Committee by unanimous voice vote.

On May 15, 2003, the full Committee met and ordered H.R. 1911 reported favorably to the House by unanimous voice vote.

SUMMARY OF THE REPORTED BILL

H.R. 1911 would:

1. Expand the mandate of the Department of Veterans Affairs (VA) and the Department of Defense (DOD) Joint Executive

Committee by adding a new section 320 to chapter 3 of title 38, United States Code.

2. Require Joint Executive Committee membership to include the Deputy Secretary of Veterans Affairs and the Under Secretary of Defense for Personnel and Readiness, along with other officers and employees appointed by each Department's Secretary.
3. Require the Deputy Secretary and the Under Secretary to determine administrative and procedural guidelines of the Committee and ensure adequate support for its operations.
4. Create subordinate Health and Benefits Executive Committees, and other committees or working groups considered necessary by the Deputy Secretary and Under Secretary.
5. Require the development of strategic direction recommendations to the Secretaries, and an annual report of recommendations to Congress that would identify changes in policies, procedures and practices to improve the quality, efficiency and effectiveness of the delivery of benefits and services to beneficiaries in both Departments.
6. Mandate that the Committee oversee collaborative efforts to promote increased resource sharing between the two Departments in benefits and other areas of joint departmental concern, in addition to those associated with the delivery of health care services to beneficiaries of the Departments; and
7. Require further improved coordination and opportunities for collaboration to maximize resources by sharing the acquisition of additional resources, especially capital assets such as new facilities, major equipment and technology where both Departments have a joint or mutual interest.

BACKGROUND AND DISCUSSION

In 1982, Congress enacted Public Law 97-174, ("the Sharing Act") to foster more effective sharing of health care resources between the former Veterans Administration, now the Department of Veterans Affairs (VA), and the Department of Defense (DOD). The law was introduced not only to remove legal barriers, but also to provide incentives for military and VA health care executives to engage in health resources sharing through local agreements, joint ventures, national sharing initiatives, and other collaborative efforts pointed to better and more efficient use of Federal health care resources.

The Sharing Act provides virtually unlimited authority to both VA and DOD to share health resources across the entire spectrum of health care and health related activities. With the advent of the Sharing Act, a flurry of VA-DOD sharing activity occurred, with hundreds of agreements having been executed between military and VA medical centers and clinics. However, over the succeeding years, sharing waned because military health care shifted from a facilities-based system to a very large contract effort through the advent of the TRICARE program.

The Sharing Act gave local health care executives flexibility in establishing sharing agreements, including conducting negotiations, developing reimbursement methods and bartering services, as well as governing review and approval processes to minimize bu-

reaucratic delay from Washington. As an incentive to share, it provided that a facility furnishing the services would be permitted to retain funds earned from such sharing. To encourage establishment of sharing as an important priority, the Sharing Act required the VA's Chief Medical Director (now the Under Secretary for Health) and DOD's Assistant Secretary for Health Affairs to recognize health resources sharing as an ongoing responsibility. The Sharing Act established a VA-DOD committee that was charged with reviewing policies and practices relating to sharing, identifying new or potential opportunities, and making recommendations to the Under Secretary, Assistant Secretary and Congress to promote increased sharing. However, the Committee believes that the Joint Committee has not achieved its full potential.

On July 27, 2001, Honorable Christopher H. Smith, Chairman of the Veterans' Affairs Committee, introduced H.R. 2667, the Department of Defense-Department of Veterans Affairs Health Resources Access Improvement Act of 2001. The Committee hoped this bill would spur new opportunities for sharing across both Departments. H.R. 2667 sought to establish a health care facilities sharing demonstration project in keeping with the intent of the original legislation for VA-DOD sharing. Under the bill, five qualifying sites across the country would be selected for participation in a demonstration project. The purpose of the demonstration project was to identify and measure the advantages of sharing, and work through the challenges of the two systems becoming true partners in health care delivery. The two Departments' medical information systems are incompatible, but this legislation would have created a framework for greater technology compatibility. By making such systems communicate better, the Departments could better ensure continuity of care, equality of access, uniform quality of service and seamless transmission of data.

On March 7, 2002, the Subcommittee on Health and the Committee on Armed Services Subcommittee on Military Personnel held a joint hearing to examine collaboration and health resources sharing by the two Departments, including consideration of H.R. 2667. Chairman Smith testified to urge both Subcommittees to aggressively increase resource sharing between these two massive health care systems. Under Secretary Chu of DOD assured the Committees that he and Deputy Secretary Mackay share a common vision of quality health care for the men and women serving our country, their families, and those that have served. According to Secretary Chu, the cooperative efforts of DOD and VA are focused on a proactive partnership that meets the missions of both agencies while benefiting the service member, veteran and taxpayer with new initiatives and increased efficiency. Most of the original concepts and objectives of H.R. 2667 were incorporated in Subtitle VII of Public Law 107-314, the Bob Stump National Defense Authorization Act for Fiscal Year 2003.

H.R. 1911, introduced by Honorable John Boozman, would modify section 8111(c) of title 38, United States Code, concerning the sharing of Department of Veterans Affairs (VA) and Department of Defense (DOD) health care resources. Section 721 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 amended section 8111(c) to create a DOD-VA Health Executive Committee with certain mandates for collaborative activities be-

tween the Departments. It provides for oversight of health care issues by the Under Secretary of Defense for Personnel and Readiness and the Deputy Secretary of Veterans Affairs. This bill would establish a DOD-VA Joint Executive Committee to expand oversight of collaborative efforts to include health, benefits, and other areas as determined by the co-chairs, and to promote increased resource sharing.

Existing law allows each Department to determine individually the number of employees each would designate to support the committee, but requires each one to share equally in the cost, notwithstanding parity in the numbers. It also requires a permanent staff be assigned to the committee. This bill would delete these personnel requirements, thereby enhancing the flexibility of each Department to use their personnel in the most efficient manner possible, while at the same time authorizing the establishment of subordinate committees and work groups as deemed appropriate by the co-chairs.

Existing law specifically authorizes the recommendations of the committee for sharing of resources to improve access, quality, and cost effectiveness. Under H.R. 1911, the committee would also identify changes in policies to improve services, efficiencies, and opportunities for collaboration for delivery of benefits and services to beneficiaries of both Departments.

SECTION-BY-SECTION ANALYSIS

Section 1(a)(1) of the bill would establish a Joint Executive Committee by amending Chapter 3 of Title 38, United States Code.

Section 320(a)(1) would establish an interagency committee to be known as the Department of Veterans Affairs-Department of Defense Joint Executive Committee.

Section 320(a)(2)(A) would require the Committee to be composed of the Deputy Secretary of Veterans Affairs, along with other officers and employees appointed by the Secretary of Veterans Affairs.

Section 320(a)(2)(B) would require the Committee to also be composed of the Under Secretary of Defense for Personnel and Readiness, along with other officers and employees appointed by the Secretary of Defense.

Section 320(b)(1) would require the Deputy Secretary of Veterans Affairs and the Under Secretary of Defense for Personnel and Readiness to determine the administrative and procedural guidelines of the Committee, and ensure adequate support for its operations.

Section 320(b)(2) would create a subordinate Health Executive Committee, a subordinate Benefits Executive Committee, and other committees or working groups considered necessary by the Deputy Secretary and Under Secretary.

Section 320(c)(1) would require the Committee recommend to the Secretaries strategic direction for the joint coordination and sharing efforts between and within the two Departments and to oversee the implementation of those efforts.

Section 320(c)(2) would require the Committee to submit to the two Secretaries and to Congress an annual report containing recommendations.

Section 320(d) would require the Committee to do the following in making recommendations in their annual report under subsection (c)(2): paragraph (1) would require the Committee to review existing policies, procedures, and practices relating to the coordination and sharing of resources between the two Departments; paragraph (2) would require the Committee to identify changes in policies, procedures, and practices that would promote mutually beneficial coordination, use, or exchange of services and resources of the two Departments, with the goal of improving the quality, efficiency, and effectiveness of the delivery of benefits and services to veterans, service members, military retirees and their families; paragraph (3) would require the Committee to identify and assess further opportunities for the coordination and collaboration between the Departments that would not adversely affect the range of services, the quality of care, or the established priorities for benefits provided by either Department; paragraph (4) would require the Committee to review the plans of both Departments for the acquisition of additional resources, especially new facilities and major equipment and technology, in order to assess the potential effect of such plans on further opportunities for the coordination and sharing of resources; and paragraph (5) would require the Committee to review the implementation of activities designed to promote the coordination and sharing of resources between the Departments.

PERFORMANCE GOALS AND OBJECTIVES

The Department of Veterans Affairs and the Department of Defense establish performance goals and objectives in annual performance plans that are subject to the Committee's regular oversight and evaluation by the U.S. General Accounting Office. The Departments also publish performance and accountability reports for each fiscal year.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 13, 2003

Hon. CHRISTOPHER H. SMITH
*Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, DC*

DEAR MR. CHAIRMAN: As you requested, the Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1911, a bill to amend title 38, United States Code, to enhance cooperation and the sharing of resources between the Department of Veterans Affairs and the Department of Defense.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Sam Panpenfuss, who can be reach at 226-2840.

Sincerely,

DOUGLAS HOLTZ-EAKIN,
Director

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R.1911, A bill to amend title 38, United States Code, to enhance cooperation and the sharing of resources between the Department of Veterans Affairs and the Department of Defense

As introduced on May 1, 2003

H.R. 1911 would establish a joint executive committee composed of the Deputy Secretary of Veterans Affairs, the Under Secretary of Defense for Personnel and Readiness, and other employees of the Department of Veterans Affairs (VA) and the Department of Defense (DOD) that the respective department Secretaries may designate. This committee would be charged with promoting inter-departmental cooperation that would improve the quality of all benefits received by veterans, members of the military, military retirees, and their families.

Under the bill, the committee would review current procedures and policies relating to the coordination and sharing of resources between the two departments along with acquisition plans for new facilities and major equipment. The committee would then be charged with identifying opportunities for further cooperation that would mutually benefit veterans, servicemembers, and retirees and their families in an annual report to the Congress.

The joint executive committee would replace an existing committee that, under current law, is only concerned with cooperation between VA and DOD regarding the provision of health care. Because there would be no substantial change in the nature of the committee, CBO estimates that this proposal would have a negligible cost, subject to the availability of appropriated funds. Enacting the bill would not affect direct spending or receipts.

H.R. 1911 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact is Sam Papenfuss, who can be reached at 226-2840. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

STATEMENT OF FEDERAL MANDATES

The preceding Congressional Budget Office cost estimate states that the reported bill contains no intergovernmental or private sector mandates as defined in the Unfunded Mandates Reform Act.

APPLICABILITY TO LEGISLATIVE BRANCH

The reported bill would not be applicable to the legislative branch under the Congressional Accountability Act, Public Law 104-1.

STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to Article I, section 8 of the United States Constitution, the reported bill is authorized by Congress' power to "provide for the common Defense and general Welfare of the United States."

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

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PART I—GENERAL PROVISIONS

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CHAPTER 3—DEPARTMENT OF VETERANS AFFAIRS

Sec.						
301.	Department.	*	*	*	*	*
320.	<i>Department of Veterans Affairs-Department of Defense Joint Executive Committee.</i>	*	*	*	*	*

§ 320. *Department of Veterans Affairs-Department of Defense Joint Executive Committee.*

(a) *JOINT EXECUTIVE COMMITTEE.*—(1) *There is established on interagency committee to be known as the Department of Veterans Affairs-Department of Defense Joint Executive Committee (hereinafter in this section referred to as the “Committee”).*

(2) *The Committee is composed of—*

(A) *the Deputy Secretary of Veterans Affairs and such other officers and employees of the Department of Veterans Affairs as the Secretary of Veterans Affairs may designate; and*

(B) *the Under Secretary of Defense for Personnel and Readiness and such other officers and employees of the Department of Defense as the Secretary of Defense may designate.*

(b) *ADMINISTRATIVE MATTERS.*—(1) *The Deputy Secretary of Veterans Affairs and the Under Secretary of Defense shall determine the size and structure of the Committee, as well as the administrative and procedural guidelines for the operation of the Committee.*

(2) *The two Departments shall supply appropriate staff and resources to provide administrative support and services. Support for such purposes shall be provided at a level sufficient for the efficient operation of the Committee, including a subordinate Health Executive Committee, a subordinate Benefits Executive Committee, and such other committees or working groups as considered necessary by the Deputy Secretary and Under Secretary.*

(c) *RECOMMENDATIONS.*—(1) *The Committee shall recommend to the Secretaries strategic direction for the joint coordination and sharing efforts between and within the two Departments under section 8111 of this title and shall oversee implementation of those efforts.*

(2) *The Committee shall submit to the two Secretaries and to Congress an annual report containing such recommendations as the Committee considers appropriate.*

(d) *FUNCTIONS.*—In order to enable the Committee to make recommendations in its annual report under subsection (c)(2), the Committee shall do the following:

(1) *Review existing policies, procedures, and practices relating to the coordination and sharing of resources between the two Departments.*

(2) *Identify changes in policies, procedures, and practices that, in the judgment of the Committee, would promote mutually beneficial coordination, use, or exchange of use, of services and resources of the two Departments, with the goal of improving the quality, efficiency and effectiveness of the delivery of benefits and services to veterans, service members, military retirees and their families through an enhanced Department of Veterans Affairs and Department of Defense partnership.*

(3) *Identify and assess further opportunities for the coordination and collaboration between the Departments that, in the judgment of the Committee, would not adversely affect the range of services, the quality of care, or the established priorities for benefits provided by either Department.*

(4) *Review the plans of both Departments for the acquisition of additional resources, especially new facilities and major equipment and technology, in order to assess the potential effect of such plans on further opportunities for the coordination and sharing of resources.*

(5) *Review the implementation of activities designed to promote the coordination and sharing of resources between the Departments.*

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PART VI—ACQUISITION AND DISPOSITION OF PROPERTY

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CHAPTER 81—ACQUISITION AND OPERATION OF HOSPITAL AND DOMICILIARY FACILITIES; PROCUREMENT AND SUPPLY; ENHANCED-USE LEASES OF REAL PROPERTY

* * * * *

§ 8111. Sharing of Department of Veterans Affairs and Department of Defense health-care resources

(a) * * *

(b) **JOINT REQUIREMENTS FOR SECRETARIES OF VETERANS AFFAIRS AND DEFENSE.**—To facilitate the mutually beneficial coordination, use, or exchange of use of the health care resources of the two Departments, the two Secretaries shall carry out the following functions:

(1) * * *

(2) **Jointly fund the interagency committee provided for under [subsection (c)] section 320 of this title.**

* * * * *

[(c) DOD-VA HEALTH EXECUTIVE COMMITTEE.-(1) There is established an interagency committee to be known as the Department of Veterans Affairs-Department of Defense Health Executive Committee (hereinafter in this section referred to as the "Committee"). The Committee is composed of—

[(A) the Deputy Secretary of Veterans Affairs and such other officers and employees of the Department of Veterans Affairs as the Secretary of Veterans Affairs may designate; and

[(B) the Under Secretary of Defense for Personnel and Readiness and such other officers and employees of the Department of Defense as the Secretary of Defense may designate.

[(2)(A) During odd-numbered fiscal years, the Deputy Secretary of Veterans Affairs shall chair the Committee. During even-numbered fiscal years, the Under Secretary of Defense shall chair the Committee.

[(B) The Deputy Secretary and the Under Secretary shall determine the size and structure of the Committee, as well as the administrative and procedural guidelines for the operation of the Committee. The two Departments shall share equally the Committee's cost of personnel and administrative support and services. Support for such purposes shall be provided at a level sufficient for the efficient operation of the Committee, including a permanent staff and, as required, other temporary working groups of appropriate departmental staff and outside experts.

[(3) The Committee shall recommend to the Secretaries strategic direction for the joint coordination and sharing efforts between and within the two Departments under this section and shall oversee implementation of those efforts.

[(4) The Committee shall submit to the two Secretaries and to Congress an annual report containing such recommendations as the Committee considers appropriate.

[(5) In order to enable the Committee to make recommendations in its annual report under paragraph (4), the Committee shall do the following:

[(A) Review existing policies, procedures, and practices relating to the coordination and sharing of health care resources between the two Departments.

[(B) Identify changes in policies, procedures, and practices that, in the judgment of the Committee, would promote mutually beneficial coordination, use, or exchange of use of the health care resources of the two Departments, with the goal of improving the access to, and quality and cost effectiveness of, the health care provided by the Veterans Health Administration and the Military Health System to the beneficiaries of both Departments.

[(C) Identify and assess further opportunities for the coordination and sharing of health care resources between the Departments that, in the judgment of the Committee, would not adversely affect the range of services, the quality of care, or the established priorities for care provided by either Department.

[(D) Review the plans of both Departments for the acquisition of additional health care resources, especially new facilities and major equipment and technology, in order to assess

the potential effect of such plans on further opportunities for the coordination and sharing of health care resources.

[(E) Review the implementation of activities designed to promote the coordination and sharing of health care resources between the Departments.

[(6) The Committee chairman, under procedures jointly developed by the two Secretaries, may require the Inspector General of either or both Departments to assist in activities under paragraph (5)(E).]

(d) JOINT INCENTIVES PROGRAM.—(1) Pursuant to subsection (b)(4), the two Secretaries shall carry out a program to identify, provide incentives to, implement, fund, and evaluate creative coordination and sharing initiatives at the facility, intraregional, and nationwide levels. The program shall be administered by the [Committee established in subsection (c)] *Department of Veterans Affairs-Department of Defense Joint Executive Committee*, under procedures jointly prescribed by the two Secretaries.

* * * * *

(e) GUIDELINES AND POLICIES FOR IMPLEMENTATION OF COORDINATION AND SHARING RECOMMENDATIONS, CONTRACTS, AND AGREEMENTS.—(1) To implement the recommendations made by the [Committee under subsection (c)(2)] *Department of Veterans Affairs-Department of Defense Joint Executive Committee with respect to health care resources, as well as to carry out other health care contracts and agreements for coordination and sharing initiatives as they consider appropriate, the two Secretaries shall jointly issue guidelines and policy directives. Such guidelines and policies shall provide for coordination and sharing that—*

(A) * * *

* * * * *

(f) ANNUAL JOINT REPORT.—(1) * * *

(2) Each report under this section shall include the following:

(A) * * *

[(B) The assessment of further opportunities identified under subparagraph (C) of subsection (c)(5) for the sharing of health-care resources between the two Departments.

[(C) Any recommendation made under subsection (c)(4) during such fiscal year.]

(B) *The assessment of further opportunities identified by the Department of Veterans Affairs-Department of Defense Joint Executive Committee under subsection (d)(3) of section 320 of this title for the sharing of health-care resources between the two Departments.*

(C) *Any recommendation made by that committee under subsection (c)(2) of that section during that fiscal year.*

* * * * *

(3) In addition to the matters specified in paragraph (2), the two Secretaries shall include in the annual report under this subsection an overall status report of the progress of health resources sharing between the two Departments as a consequence of subtitle C of title VII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (*Public Law 107-314*) and of other sharing initiatives taken during the period covered by the report. Such status re-

port shall indicate the status of such sharing and shall include appropriate data as well as analyses of that data. The annual report shall include the following:

(A) * * *

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(4) In addition to the matters specified in paragraphs (2) and (3), the two Secretaries shall include in the annual report under this subsection for each year through 2008 the following:

(A) A description of the measures taken, or planned to be taken, to implement the health resources sharing project under section 722 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (*Public Law 107-314*) and any cost savings anticipated, or cost sharing achieved, at facilities participating in the project, including information on improvements in access to care, quality, and timeliness, as well as impediments encountered and legislative recommendations to ameliorate such impediments.

(B) A description of the use of the waiver authority provided by section 722(d)(1) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (*Public Law 107-314*), including—

(i) * * *

* * * * *

(5) In addition to the matters specified in paragraphs (2), (3), and (4), the two Secretaries shall include in the annual report under this subsection for each year through 2009 a report on the pilot program for graduate medical education under section 725 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (*Public Law 107-314*), including activities under the program during the preceding year and each Secretary's assessment of the efficacy of providing education and training under that program.

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