

109TH CONGRESS
1ST SESSION

H. R. 2988

To direct the Secretary of Veterans Affairs to conduct a demonstration project for the improvement of business practices of the Veterans Health Administration.

IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 2005

Mr. BILIRAKIS (for himself, Mr. BUYER, and Mr. EVERETT) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To direct the Secretary of Veterans Affairs to conduct a demonstration project for the improvement of business practices of the Veterans Health Administration.

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 Medical Care
5 Revenue Enhancement Act of 2005”.

6 **SEC. 2. DEMONSTRATION PROJECT TO IMPROVE BUSINESS**

7 **PRACTICES OF VETERANS HEALTH ADMINIS-**
8 **TRATION.**

9 (a) DEMONSTRATION PROJECT REQUIRED.—

1 (1) IN GENERAL.—The Secretary of Veterans
2 Affairs shall conduct a demonstration project under
3 this section for the improvement of business prac-
4 tices of the Veterans Health Administration.

5 (2) PERFORMANCE-BASED CONTRACT.— To
6 carry out the demonstration project, the Secretary
7 shall enter into a performance-based contract for a
8 contractor to carry out the functions specified in
9 subsection (e).

10 (3) COST LIMITATION.—The total amount paid
11 to the contractor under the contract may not exceed
12 \$10,000,000.

13 (b) COMMENCEMENT AND DURATION OF PROJECT.—
14 The demonstration project shall be conducted during the
15 two-year period beginning on the first day of the first
16 month beginning more than 120 days after the date of
17 the enactment of this Act.

18 (c) SITES FOR CONDUCT OF PROJECT.—The Sec-
19 retary shall conduct the demonstration project at two
20 medical centers of the Veterans Health Administration
21 within the same service area (referred to as a Veterans
22 Integrated Service Network) of the Veterans Health Ad-
23 ministration. The two medical centers at which the project
24 is conducted shall be selected by the Secretary from among
25 medical centers that are located in those services areas

1 of the Veterans Health Administration that the Secretary
2 determines have relatively low rates of recovery or collec-
3 tion of indebtedness from third-party payors under section
4 1729 of title 38, United States Code.

5 (d) SELECTION OF CONTRACTOR.—The Secretary
6 shall carry out the process for selection of the contractor
7 for the demonstration project so that the contractor to
8 perform the contract is selected, and the contract is
9 awarded, not later than three months after the date of
10 the enactment of this Act. The contractor shall be an enti-
11 ty or organization that has significant experience in the
12 administrative processing of health care charges and
13 claims.

14 (e) FUNCTIONS OF CONTRACTOR.—The Secretary
15 shall provide in the contract for the following functions
16 of the contractor with respect to each facility at which the
17 demonstration project is conducted:

18 (1) Establishment of a plan to standardize and
19 coordinate all activities related to billing for health-
20 care items and services furnished to veterans for
21 non-service-connected disabilities.

22 (2) Reengineering of the business processes for
23 billing and accounts receivable activities.

1 (3) Application of commercial-industry stand-
2 ards for measures of access, timeliness, and per-
3 formance.

4 (4) Establishment of a database containing
5 third-party payor information for veterans receiving
6 health care and services.

7 (5) Such other requirements with respect to
8 business practices as the Secretary may specify.

9 (f) VHA PROJECT MANAGER.—As part of the dem-
10 onstration project, the Secretary shall ensure that a Vet-
11 erans Health Administration employee is designated to be
12 the full-time project manager for the project and that such
13 employee's duty station is at one of the medical centers
14 at which the project is conducted, with provision for visits
15 as needed to the other medical center at which the project
16 is conducted.

17 (g) EMPLOYEE PROTECTION.—The Secretary shall
18 administer the demonstration project so that during the
19 period of the conduct of the demonstration project there
20 is no reduction in full-time equivalent employees of the
21 Department of Veterans Affairs at the medical centers at
22 which the project is conducted that is attributable to the
23 conduct of the demonstration project.

24 (h) REPORTS TO CONGRESS.—

1 (1) PERIODIC PROGRESS REPORTS ON PROJECT
2 IMPLEMENTATION.—

3 (A) REPORTS REQUIRED.—The Secretary
4 shall submit to Congress progress reports on
5 the implementation of the demonstration
6 project.

7 (B) TIME FOR PROGRESS REPORTS.—
8 Such reports shall be submitted as expeditiously
9 as feasible after the end of—

10 (i) the 60-day period, the 90-day pe-
11 riod, and the 180-day period beginning on
12 the date of the enactment of this Act; and

13 (ii) the 60-day period, the 90-day pe-
14 riod, and the 180-day period beginning on
15 the date of the award of the contract
16 under subsection (d).

17 (C) MATTER TO BE INCLUDED.—Each re-
18 port under this paragraph shall set out the
19 progress to date on the implementation of the
20 demonstration project, including—

21 (i) before the contractor has been se-
22 lected, progress toward selection of the
23 contractor (identified by the steps in the
24 acquisition process that have been accom-

1 plished and that remain to be accom-
2 plished); and

3 (ii) after the contractor has been se-
4 lected, the contractor's progress in initi-
5 ating and carrying out the demonstration
6 project in accordance with the require-
7 ments of this section.

8 (2) INTERIM REPORTS ON PROJECT OPER-
9 ATION.—After the completion of the first 12 months,
10 and after the completion of the first 18 months, of
11 the demonstration project, the Secretary shall sub-
12 mit to Congress an interim report on the operation
13 of the demonstration project to that date. Each such
14 report shall include the following:

15 (A) The assessment of the Secretary as to
16 whether the rate of recovery or collection of in-
17 debtedness owed the United States from third-
18 party payors has improved by reason of the
19 project.

20 (B) The assessment of the Secretary as to
21 the performance of the contractor.

22 (C) Estimated cost savings to the Depart-
23 ment as a result of the project.

24 (3) FINAL REPORT.—After the conclusion of
25 the demonstration project, the Secretary shall sub-

1 mit to Congress a final report on the project. The
2 Secretary shall include in that report the matters
3 specified in paragraph (2) and the Secretary's rec-
4 ommendation for implementing on a permanent
5 basis the recovery or collection system tested in the
6 demonstration project and expanding the demonstra-
7 tion project to other facilities of the Veterans Health
8 Administration. The final report shall be submitted
9 not later than 90 days after the conclusion of the
10 demonstration project.

11 (i) COMPTROLLER GENERAL REVIEW AND RE-
12 PORTS.—

13 (1) REVIEW.—The Comptroller General shall
14 review the demonstration project on an ongoing
15 basis.

16 (2) REPORTS.—The Comptroller General shall
17 submit to Congress a report on the Comptroller
18 General's findings and recommendations concerning
19 the demonstration project—

20 (A) after the operation of the demonstra-
21 tion project for a period of one year; and

22 (B) after the operation of the demonstra-
23 tion project for a period of two years.

24 (j) AUTHORIZATION OF APPROPRIATIONS.—There is
25 authorized to be appropriated to the Secretary of Veterans

- 1 Affairs for the conduct of the demonstration project under
- 2 this section the sum of \$10,000,000.

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