

114TH CONGRESS
2D SESSION

H. R. 5936

To amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to enter into agreements with certain health care providers to furnish health care to veterans, to authorize the Secretary to enter into certain leases at the Department of Veterans Affairs West Los Angeles Campus in Los Angeles, California, to make certain improvements to the enhanced-use lease authority of the Department, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 6, 2016

Mr. MILLER of Florida (for himself and Mr. TED LIEU of California) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to enter into agreements with certain health care providers to furnish health care to veterans, to authorize the Secretary to enter into certain leases at the Department of Veterans Affairs West Los Angeles Campus in Los Angeles, California, to make certain improvements to the enhanced-use lease authority of the Department, 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 “Veterans Care Agree-
3 ment and West Los Angeles Leasing Act of 2016”.

4 **SEC. 2. VETERANS CARE AGREEMENTS.**

5 (a) IN GENERAL.—Subchapter I of chapter 17 of title
6 38, United States Code, is amended by inserting after sec-
7 tion 1703 the following new section:

8 **“§ 1703A. Veterans Care Agreements with certain**
9 **health care providers**

10 “(a) VETERANS CARE AGREEMENTS.—(1) In addi-
11 tion to furnishing hospital care, medical services, or ex-
12 tended care under this chapter at facilities of the Depart-
13 ment or under contracts or sharing agreements entered
14 into pursuant to provisions of law other than this section,
15 the Secretary may furnish such care and services to eligi-
16 ble veterans through the use of agreements entered into
17 under this section by the Secretary with eligible providers.

18 “(2) The Secretary may enter into Veterans Care
19 Agreements under this section with eligible providers to
20 furnish hospital care, medical services, and extended care
21 to veterans whom the Secretary determines that fur-
22 nishing such care and services at facilities of the Depart-
23 ment or under contracts or sharing agreements under pro-
24 visions of law other than this section is impracticable or
25 inadvisable because of the medical condition of the vet-

1 eran, the travel involved, or the nature of the care or serv-
2 ices required, or a combination of such factors.

3 “(3) The Secretary may enter into Veterans Care
4 Agreements under this section with eligible providers if the
5 Secretary determines that the hospital care or medical
6 services to be furnished under the agreement is not avail-
7 able to be furnished by a non-Department health care pro-
8 vider under a contract or sharing agreement entered into
9 pursuant to provisions of law other than this section.

10 “(b) VETERAN ELIGIBILITY.—Eligibility of a veteran
11 for care and services under this section shall be deter-
12 mined as if such care or services were furnished in a facil-
13 ity of the Department, and provisions of this title applica-
14 ble to veterans receiving such care and services in a facility
15 of the Department shall apply to veterans receiving care
16 and services under this section.

17 “(c) PROVIDER ELIGIBILITY.—Subject to the certifi-
18 cation process pursuant to subsection (d)(1), a provider
19 of hospital care, medical services, or extended care is eligi-
20 ble to enter into a Veterans Care Agreement under this
21 section if the Secretary determines that the provider meets
22 each of the following criteria:

23 “(1) The gross annual revenue of the provider
24 in the year preceding the year in which the provider
25 enters into the Veterans Care Agreement does not

1 exceed \$11,000,000 (as adjusted in a manner simi-
2 lar to amounts adjusted pursuant to section 5312 of
3 this title) or, with respect to a provider that is a
4 nursing care facility (skilled nursing facility),
5 \$27,500,000 (as so adjusted).

6 “(2) The provider does not otherwise provide
7 such care or services to patients pursuant to a con-
8 tract entered into with a department or agency of
9 the Federal Government.

10 “(3) The provider is—

11 “(A) a provider of services that has en-
12 rolled and entered into a provider agreement
13 under section 1866(a) of the Social Security
14 Act (42 U.S.C. 1395cc(a));

15 “(B) a physician or supplier that has en-
16 rolled and entered into a participation agree-
17 ment under section 1842(h) of such Act (42
18 U.S.C. 1395u(h));

19 “(C) a provider of items and services re-
20 ceiving payment under a State plan under title
21 XIX of such Act (42 U.S.C. 1396 et seq.) or
22 a waiver of such a plan;

23 “(D) an Aging and Disability Resource
24 Center, an area agency on aging, or a State

1 agency (as defined in section 102 of the Older
2 Americans Act of 1965 (42 U.S.C. 3002)); or

3 “(E) a center for independent living (as
4 defined in section 702 of the Rehabilitation Act
5 of 1973 (29 U.S.C. 796a)).

6 “(4) Any additional criteria determined appro-
7 priate by the Secretary.

8 “(d) PROVIDER CERTIFICATION.—(1) The Secretary
9 shall establish a process for the certification of eligible
10 providers to enter into Veterans Care Agreements under
11 this section that shall, at a minimum, set forth the fol-
12 lowing:

13 “(A) Procedures for the submission of applica-
14 tions for certification and deadlines for actions taken
15 by the Secretary with respect to such applications.

16 “(B) Standards and procedures for the ap-
17 proval and denial of certifications and the revocation
18 of certifications.

19 “(C) Procedures for assessing eligible providers
20 based on the risk of fraud, waste, and abuse of such
21 providers similar to the level of screening under sec-
22 tion 1866(j)(2)(B) of the Social Security Act (42
23 U.S.C. 1395(j)(2)(B)) and the standards set forth
24 under section 9.104 of title 48, Code of Federal
25 Regulations, or any successor regulation.

1 “(D) Requirement for denial or revocation of
2 certification if the Secretary determines that the
3 otherwise eligible provider is—

4 “(i) excluded from participation in a Fed-
5 eral health care program (as defined in section
6 1128B(f) of the Social Security Act (42 U.S.C.
7 1320a–7b(f))) under section 1128 or 1128A of
8 the Social Security Act (42 U.S.C. 1320a–7
9 and 1320a–7a); or

10 “(ii) identified as an excluded source on
11 the list maintained in the System for Award
12 Management, or any successor system.

13 “(E) Procedures by which a provider whose cer-
14 tification is denied or revoked under the procedures
15 established under this subsection will be identified as
16 an excluded source on the list maintained in the Sys-
17 tem for Award Management, or successor system, if
18 the Secretary determines that such exclusion is ap-
19 propriate.

20 “(2) To the extent practicable, the Secretary shall es-
21 tablish the procedures under paragraph (1) in a manner
22 that takes into account any certification process adminis-
23 tered by another department or agency of the Federal
24 Government that an eligible provider has completed by

1 reason of being a provider described in any of subpara-
2 graphs (A) through (E) of subsection (c)(3).

3 “(e) TERMS OF AGREEMENTS.—(1) The Secretary
4 shall ensure that each Veterans Care Agreement include
5 provisions requiring the eligible provider to do the fol-
6 lowing:

7 “(A) To accept payment for care and services
8 furnished under this section in accordance with
9 paragraph (2).

10 “(B) To accept payment under subparagraph
11 (A) as payment in full for care and services fur-
12 nished under this section and to not seek any pay-
13 ment for such care and services from the recipient
14 of such care.

15 “(C) To furnish under this section only the care
16 and services authorized by the Department under
17 this section unless the eligible provider receives prior
18 written consent from the Department to furnish care
19 and services outside the scope of such authorization.

20 “(D) To bill the Department for care and serv-
21 ices furnished under this section in accordance with
22 a methodology established by the Secretary for pur-
23 poses of this section.

24 “(E) Not to seek to recover or collect from a
25 health-plan contract or third party (as those terms

1 are defined in section 1729 of this title) for any care
2 or services for which payment is made by the De-
3 partment under this section.

4 “(F) To provide medical records for veterans
5 furnished care and services under this section to the
6 Department in a timeframe and format specified by
7 the Secretary for purposes of this section, except the
8 Secretary may not require that any payment by the
9 Secretary to the eligible provider be contingent on
10 such provision of medical records.

11 “(G) To meet other such terms and conditions,
12 including quality of care assurance standards, as the
13 Secretary may specify for purposes of this section.

14 “(2)(A) Except as provided in subparagraphs (B)
15 through (G), rates negotiated for care and services fur-
16 nished under a Veterans Care Agreement shall not be
17 more than the rates paid by the United States to a pro-
18 vider of services (as defined in section 1861(u) of the So-
19 cial Security Act (42 U.S.C. 1395x(u))) or a supplier (as
20 defined in section 1861(d) of such Act (42 U.S.C.
21 1395x(d))) under the Medicare program under title XVIII
22 of the Social Security Act (42 U.S.C. 1395 et seq.) for
23 the same care or services.

24 “(B) With respect to the furnishing of care or serv-
25 ices under this section to an eligible veteran who resides

1 in a highly rural area (as defined under the rural-urban
2 commuting area codes developed by the Secretary of Agri-
3 culture and the Secretary of Health and Human Services),
4 the Secretary of Veterans Affairs may negotiate a rate
5 that is more than the rate paid by the United States as
6 described in subparagraph (B).

7 “(C) With respect to furnishing care or services
8 under a Veterans Care Agreement in Alaska, the Alaska
9 Fee Schedule of the Department of Veterans Affairs will
10 be followed, except for when another payment agreement,
11 including a contract or provider agreement, is in place.

12 “(D) With respect to furnishing care or services
13 under a Veterans Care Agreement in a State with an All-
14 Payer Model Agreement under the Social Security Act
15 that became effective on or after January 1, 2014, the
16 Medicare payment rates under clause (i) shall be cal-
17 culated based on the payment rates under such agreement,
18 or any such successor agreement.

19 “(E) With respect to furnishing care or services
20 under a Veterans Care Agreement in a region in which
21 the Secretary determines that adjusting the rate paid by
22 the United States as described in subparagraph (A) is ap-
23 propriate, the Secretary may negotiate such an adjusted
24 rate.

1 “(F) With respect to furnishing care or services
2 under a Veterans Care Agreement in a location or in a
3 situation in which an exception to the rates paid by the
4 United States under the Medicare program under title
5 XVIII of the Social Security Act (42 U.S.C. 1395 et seq.)
6 for the same care or services applies, the Secretary shall
7 follow such exception.

8 “(G) With respect to furnishing care or services
9 under a Veterans Care Agreement for care or services not
10 covered under the Medicare program under title XVIII of
11 the Social Security Act (42 U.S.C. 1395 et seq.), the Sec-
12 retary shall establish a schedule of fees for such care or
13 services.

14 “(f) EXCLUSION OF CERTAIN FEDERAL CON-
15 TRACTING PROVISIONS.—(1) Notwithstanding any other
16 provision of law, the Secretary may enter into a Veterans
17 Care Agreement using procedures other than competitive
18 procedures.

19 “(2)(A) Except as provided in subparagraph (B) and
20 unless otherwise provided in this section, an eligible pro-
21 vider that enters into a Veterans Care Agreement under
22 this section is not subject to, in the carrying out of the
23 agreement, any provision of law that providers of services
24 and suppliers under the original Medicare fee-for-service
25 program under parts A and B of title XVIII of the Social

1 Security Act (42 U.S.C. 1395 et seq.) or the Medicaid pro-
2 gram under title XIX of such Act (42 U.S.C. 1396 et seq.)
3 are not subject to.

4 “(B) In addition to the provisions of laws covered by
5 subparagraph (A), an eligible provider shall be subject to
6 the following provisions of law:

7 “(i) Any applicable law regarding integrity, eth-
8 ics, or fraud, or that subject a person to civil or
9 criminal penalties.

10 “(ii) Section 431 of title 18.

11 “(iii) Section 1352 of title 31, except for the fil-
12 ing requirements under subsection (b) of such sec-
13 tion.

14 “(iv) Section 4705 or 4712 of title 41, and any
15 other applicable law regarding the protection of
16 whistleblowers.

17 “(v) Section 4706(d) of title 41.

18 “(vi) Title VII of the Civil Rights Act of 1964
19 (42 U.S.C. 2000e et seq.) to the same extent as
20 such title applies with respect to the eligible provider
21 in providing care or services through an agreement
22 or arrangement other than under a Veterans Care
23 Agreement.

24 “(C) An eligible provider that receives a payment
25 from the Federal Government pursuant to a Veterans

1 Care Agreement shall not be treated as a Federal con-
2 tractor or subcontractor by the Office of Federal Contract
3 Compliance Programs of the Department of Labor based
4 on the work performed or actions taken by such eligible
5 provider that resulted in the receipt of such payments.

6 “(g) TERMINATION OF A VETERANS CARE AGREE-
7 MENT.—(1) An eligible provider may terminate a Veterans
8 Care Agreement with the Secretary under this section at
9 such time and upon such notice to the Secretary as the
10 Secretary may specify for purposes of this section.

11 “(2) The Secretary may terminate a Veterans Care
12 Agreement with an eligible provider under this section at
13 such time and upon such notice to the eligible provider
14 as the Secretary may specify for the purposes of this sec-
15 tion, if the Secretary—

16 “(A) determines that the eligible provider failed
17 to comply with the provisions of the agreement or
18 this section or other applicable provision of law;

19 “(B) makes a revocation pursuant to subsection
20 (d)(1)(4);

21 “(C) ascertains that the eligible provider has
22 been convicted of a felony or other serious offense
23 under Federal or State law and determines that the
24 continued participation of the eligible provider would

1 be detrimental to the best interests of veterans of
2 the Department; or

3 “(D) determines that it is reasonable to termi-
4 nate the agreement based on the health care needs
5 of veterans.

6 “(h) DISPUTES.—(1) The Secretary shall establish
7 administrative procedures for eligible providers with which
8 the Secretary has entered into a Veterans Care Agreement
9 to present any dispute arising under or related to the
10 agreement.

11 “(2) Before using any dispute resolution mechanism
12 under chapter 71 of title 41 with respect to a dispute aris-
13 ing under a Veterans Care Agreement under this section,
14 an eligible provider must first exhaust the administrative
15 procedures established by the Secretary under paragraph
16 (1).

17 “(i) ANNUAL REPORTS.—Not later than October 1
18 of the year following the fiscal year in which the Secretary
19 first enters into a Veterans Care Agreement, and each
20 year thereafter, the Secretary shall submit to the appro-
21 priate congressional committees an annual report that in-
22 cludes—

23 “(1) a list of all Veterans Care Agreements en-
24 tered into as of the date of the report; and

1 “(2) summaries of each determination made by
2 the Secretary under subsection (h)(2) during the fis-
3 cal year covered by the report.

4 “(j) QUALITY OF CARE.—In carrying out this sec-
5 tion, the Secretary shall use the quality of care standards
6 set forth or used by the Centers for Medicare & Medicaid
7 Services.

8 “(k) DELEGATION.—The Secretary may delegate the
9 authority to enter into or terminate a Veterans Care
10 Agreement, or to make a determination described in sub-
11 section (h)(2), at a level not below the Assistant Deputy
12 Under Secretary for Health for Community Care.

13 “(l) SUNSET.—The Secretary may not enter into or
14 renew a Veterans Care Agreement under this section after
15 September 30, 2017.

16 “(m) DEFINITIONS.—In this section:

17 “(1) The term ‘appropriate congressional com-
18 mittees’ means—

19 “(A) the Committees on Veterans’ Affairs
20 of the House of Representatives and the Sen-
21 ate; and

22 “(B) the Committees on Appropriations of
23 the House of Representatives and the Senate.

24 “(2) The term ‘eligible provider’ means a pro-
25 vider of hospital care, medical services, or extended

1 care that the Secretary determines is eligible to
2 enter into Veterans Care Agreements under sub-
3 section (c).

4 “(3) The term ‘Veterans Care Agreement’
5 means an agreement entered into by the Secretary
6 with an eligible provider under subsection (a)(1).”.

7 (b) CLERICAL AMENDMENT.—The table of sections
8 at the beginning of such chapter is amended by inserting
9 after the item relating to section 1703 the following new
10 item:

“1703A. Veterans Care Agreements with certain health care providers.”.

11 **SEC. 3. AUTHORITY TO ENTER INTO CERTAIN LEASES AT**
12 **THE DEPARTMENT OF VETERANS AFFAIRS**
13 **WEST LOS ANGELES CAMPUS.**

14 (a) IN GENERAL.—The Secretary of Veterans Affairs
15 may carry out leases described in subsection (b) at the
16 Department of Veterans Affairs West Los Angeles Cam-
17 pus in Los Angeles, California (hereinafter in this section
18 referred to as the “Campus”).

19 (b) LEASES DESCRIBED.—Leases described in this
20 subsection are the following:

21 (1) Any enhanced-use lease of real property
22 under subchapter V of chapter 81 of title 38, United
23 States Code, for purposes of providing supportive
24 housing, as that term is defined in section 8161(3)

1 of such title, that principally benefit veterans and
2 their families.

3 (2) Any lease of real property for a term not to
4 exceed 50 years to a third party to provide services
5 that principally benefit veterans and their families
6 and that are limited to one or more of the following
7 purposes:

8 (A) The promotion of health and wellness,
9 including nutrition and spiritual wellness.

10 (B) Education.

11 (C) Vocational training, skills building, or
12 other training related to employment.

13 (D) Peer activities, socialization, or phys-
14 ical recreation.

15 (E) Assistance with legal issues and Fed-
16 eral benefits.

17 (F) Volunteerism.

18 (G) Family support services, including
19 child care.

20 (H) Transportation.

21 (I) Services in support of one or more of
22 the purposes specified in subparagraphs (A)
23 through (H).

24 (3) A lease of real property for a term not to
25 exceed 10 years to The Regents of the University of

1 California, a corporation organized under the laws of
2 the State of California, on behalf of its University of
3 California, Los Angeles (UCLA) campus (herein-
4 after in this section referred to as “The Regents”),
5 if—

6 (A) the lease is consistent with the master
7 plan described in subsection (g);

8 (B) the provision of services to veterans is
9 the predominant focus of the activities of The
10 Regents at the Campus during the term of the
11 lease;

12 (C) The Regents expressly agrees to pro-
13 vide, during the term of the lease and to an ex-
14 tent and in a manner that the Secretary con-
15 siders appropriate, additional services and sup-
16 port (for which The Regents is either not com-
17 pensated by the Secretary or is compensated
18 through an existing medical affiliation agree-
19 ment) that—

20 (i) principally benefit veterans and
21 their families, including veterans that are
22 severely disabled, women, aging, or home-
23 less; and

24 (ii) may consist of activities relating
25 to the medical, clinical, therapeutic, die-

1 tary, rehabilitative, legal, mental, spiritual,
2 physical, recreational, research, and coun-
3 seling needs of veterans and their families
4 or any of the purposes specified in any of
5 subparagraphs (A) through (I) of para-
6 graph (1); and

7 (D) The Regents maintains records docu-
8 menting the value of the additional services and
9 support that The Regents provides pursuant to
10 subparagraph (C) for the duration of the lease
11 and makes such records available to the Sec-
12 retary.

13 (c) LIMITATION ON LAND-SHARING AGREEMENTS.—
14 The Secretary may not carry out any land-sharing agree-
15 ment pursuant to section 8153 of title 38, United States
16 Code, at the Campus unless such agreement—

17 (1) provides additional health-care resources to
18 the Campus; and

19 (2) benefits veterans and their families other
20 than from the generation of revenue for the Depart-
21 ment of Veterans Affairs.

22 (d) REVENUES FROM LEASES AT THE CAMPUS.—
23 Any funds received by the Secretary under a lease de-
24 scribed in subsection (b) shall be credited to the applicable
25 Department medical facilities account and shall be avail-

1 able, without fiscal year limitation and without further ap-
2 propriation, exclusively for the renovation and mainte-
3 nance of the land and facilities at the Campus.

4 (e) EASEMENTS.—

5 (1) IN GENERAL.—Notwithstanding any other
6 provision of law (other than Federal laws relating to
7 environmental and historic preservation), pursuant
8 to section 8124 of title 38, United States Code, the
9 Secretary may grant easements or rights-of-way on,
10 above, or under lands at the Campus to—

11 (A) any local or regional public transpor-
12 tation authority to access, construct, use, oper-
13 ate, maintain, repair, or reconstruct public
14 mass transit facilities, including, fixed guideway
15 facilities and transportation centers; and

16 (B) the State of California, County of Los
17 Angeles, City of Los Angeles, or any agency or
18 political subdivision thereof, or any public util-
19 ity company (including any company providing
20 electricity, gas, water, sewage, or telecommuni-
21 cation services to the public) for the purpose of
22 providing such public utilities.

23 (2) IMPROVEMENTS.—Any improvements pro-
24 posed pursuant to an easement or right-of-way au-
25 thorized under paragraph (1) shall be subject to

1 such terms and conditions as the Secretary considers
2 appropriate.

3 (3) TERMINATION.—Any easement or right-of-
4 way authorized under paragraph (1) shall be termi-
5 nated upon the abandonment or nonuse of the ease-
6 ment or right-of-way and all right, title, and interest
7 in the land covered by the easement or right-of-way
8 shall revert to the United States.

9 (f) PROHIBITION ON SALE OF PROPERTY.—Notwith-
10 standing section 8164 of title 38, United States Code, the
11 Secretary may not sell or otherwise convey to a third party
12 fee simple title to any real property or improvements to
13 real property made at the Campus.

14 (g) CONSISTENCY WITH MASTER PLAN.—The Sec-
15 retary shall ensure that each lease carried out under this
16 section is consistent with the draft master plan approved
17 by the Secretary on January 28, 2016, or successor mas-
18 ter plans.

19 (h) COMPLIANCE WITH CERTAIN LAWS.—

20 (1) LAWS RELATING TO LEASES AND LAND
21 USE.—If the Inspector General of the Department of
22 Veterans Affairs determines, as part of an audit re-
23 port or evaluation conducted by the Inspector Gen-
24 eral, that the Department is not in compliance with
25 all Federal laws relating to leases and land use at

1 the Campus, or that significant mismanagement has
2 occurred with respect to leases or land use at the
3 Campus, the Secretary may not enter into any lease
4 or land-sharing agreement at the Campus, or renew
5 any such lease or land-sharing agreement that is not
6 in compliance with such laws, until the Secretary
7 certifies to the Committee on Veterans' Affairs of
8 the Senate, the Committee on Veterans' Affairs of
9 the House of Representatives, and each Member of
10 the Senate and the House of Representatives who
11 represents the area in which the Campus is located
12 that all recommendations included in the audit re-
13 port or evaluation have been implemented.

14 (2) COMPLIANCE OF PARTICULAR LEASES.—
15 Except as otherwise expressly provided by this sec-
16 tion, no lease may be entered into or renewed under
17 this section unless the lease complies with chapter
18 33 of title 41, United States Code, and all Federal
19 laws relating to environmental and historic preserva-
20 tion.

21 (i) COMMUNITY VETERANS ENGAGEMENT BOARD.—

22 (1) IN GENERAL.—Not later than 180 days
23 after the date of the enactment of this Act, the Sec-
24 retary shall establish a Community Veterans En-
25 gagement Board (in this subsection referred to as

1 the “Board”) for the Campus to coordinate locally
2 with the Department of Veterans Affairs to—

3 (A) identify the goals of the community;

4 and

5 (B) provide advice and recommendations
6 to the Secretary to improve services and out-
7 comes for veterans, members of the Armed
8 Forces, and the families of such veterans and
9 members.

10 (2) MEMBERS.—The Board shall be comprised
11 of a number of members that the Secretary deter-
12 mines appropriate, of which not less than 50 percent
13 shall be veterans. The nonveteran members shall be
14 family members of veterans, veteran advocates, serv-
15 ice providers, or stakeholders.

16 (3) COMMUNITY INPUT.—In carrying out sub-
17 paragraphs (A) and (B) of paragraph (1), the Board
18 shall—

19 (A) provide the community opportunities to
20 collaborate and communicate with the Board,
21 including by conducting public forums on the
22 Campus; and

23 (B) focus on local issues regarding the De-
24 partment that are identified by the community,

1 including with respect to health care, benefits,
2 and memorial services at the Campus.

3 (j) NOTIFICATION AND REPORTS.—

4 (1) CONGRESSIONAL NOTIFICATION.—With re-
5 spect to each lease or land-sharing agreement in-
6 tended to be entered into or renewed at the Campus,
7 the Secretary shall notify the Committee on Vet-
8 erans' Affairs of the Senate, the Committee on Vet-
9 erans' Affairs of the House of Representatives, and
10 each Member of the Senate and the House of Rep-
11 resentatives who represents the area in which the
12 Campus is located of the intent of the Secretary to
13 enter into or renew the lease or land-sharing agree-
14 ment not later than 45 days before entering into or
15 renewing the lease or land-sharing agreement.

16 (2) ANNUAL REPORT.—Not later than one year
17 after the date of the enactment of this Act, and not
18 less frequently than annually thereafter, the Sec-
19 retary shall submit to the Committee on Veterans'
20 Affairs of the Senate, the Committee on Veterans'
21 Affairs of the House of Representatives, and each
22 Member of the Senate and the House of Representa-
23 tives who represents the area in which the Campus
24 is located an annual report evaluating all leases and

1 land-sharing agreements carried out at the Campus,
2 including—

3 (A) an evaluation of the management of
4 the revenue generated by the leases; and

5 (B) the records described in subsection
6 (b)(3)(D).

7 (3) INSPECTOR GENERAL REPORT.—

8 (A) IN GENERAL.—Not later than each of
9 two years and five years after the date of the
10 enactment of this Act, and as determined nec-
11 cessary by the Inspector General of the Depart-
12 ment of Veterans Affairs thereafter, the Inspec-
13 tor General shall submit to the Committee on
14 Veterans' Affairs of the Senate, the Committee
15 on Veterans' Affairs of the House of Represent-
16 atives, and each Member of the Senate and the
17 House of Representatives who represents the
18 area in which the Campus is located a report on
19 all leases carried out at the Campus and the
20 management by the Department of the use of
21 land at the Campus, including an assessment of
22 the efforts of the Department to implement the
23 master plan described in subsection (g) with re-
24 spect to the Campus.

1 (B) CONSIDERATION OF ANNUAL RE-
2 PORT.—In preparing each report required by
3 subparagraph (A), the Inspector General shall
4 take into account the most recent report sub-
5 mitted to Congress by the Secretary under
6 paragraph (2).

7 (k) RULE OF CONSTRUCTION.—Nothing in this sec-
8 tion shall be construed as a limitation on the authority
9 of the Secretary to enter into other agreements regarding
10 the Campus that are authorized by law and not incon-
11 sistent with this section.

12 (l) PRINCIPALLY BENEFIT VETERANS AND THEIR
13 FAMILIES DEFINED.—In this section the term “prin-
14 cipally benefit veterans and their families”, with respect
15 to services provided by a person or entity under a lease
16 of property or land-sharing agreement—

17 (1) means services—

18 (A) provided exclusively to veterans and
19 their families; or

20 (B) that are designed for the particular
21 needs of veterans and their families, as opposed
22 to the general public, and any benefit of those
23 services to the general public is distinct from
24 the intended benefit to veterans and their fami-
25 lies; and

1 (2) excludes services in which the only benefit
2 to veterans and their families is the generation of
3 revenue for the Department of Veterans Affairs.

4 (m) CONFORMING AMENDMENTS.—

5 (1) PROHIBITION ON DISPOSAL OF PROP-
6 erty.—Section 224(a) of the Military Construction
7 and Veterans Affairs and Related Agencies Appro-
8 priations Act, 2008 (Public Law 110–161; 121 Stat.
9 2272) is amended by striking “The Secretary of
10 Veterans Affairs” and inserting “Except as author-
11 ized under the Los Angeles Homeless Veterans
12 Leasing Act of 2016, the Secretary of Veterans Af-
13 fairs”.

14 (2) ENHANCED-USE LEASES.—Section 8162(c)
15 of title 38, United States Code, is amended by in-
16 sserting “, other than an enhanced-use lease under
17 the Los Angeles Homeless Veterans Leasing Act of
18 2016,” before “shall be considered”.

19 **SEC. 4. IMPROVEMENTS TO ENHANCED-USE LEASE AU-**
20 **THORITY OF DEPARTMENT OF VETERANS AF-**
21 **FAIRS.**

22 (a) PROHIBITION ON WAIVER OF OBLIGATION OF
23 LESSEE.—Paragraph (3) of section 8162(b) of title 38,
24 United States Code, is amended by adding at the following
25 new subparagraph:

1 “(D) The Secretary may not waive or postpone the
2 obligation of a lessee to pay any consideration under an
3 enhanced-use lease, including monthly rent.”.

4 (b) CLARIFICATION OF LIABILITY OF FEDERAL GOV-
5 ERNMENT TO THIRD PARTIES.—Section 8162 of such title
6 is amended by adding at the end the following new sub-
7 section:

8 “(d)(1) Nothing in this subchapter authorizes the
9 Secretary to enter into an enhanced-use lease that pro-
10 vides for, is contingent upon, or otherwise authorizes the
11 Federal Government to guarantee a loan made by a third
12 party to a lessee for purposes of the enhanced-use lease.

13 “(2) Nothing in this subchapter shall be construed
14 to abrogate or constitute a waiver of the sovereign immu-
15 nity of the United States with respect to any loan, financ-
16 ing, or other financial agreement entered into by the lessee
17 and a third party relating to an enhanced-use lease.”.

18 (c) TRANSPARENCY.—

19 (1) NOTICE.—Section 8163(c)(1) of such title
20 is amended—

21 (A) by inserting “and the Committees on
22 the Budget of the House of Representatives and
23 the Senate” after “congressional veterans’ af-
24 fairs committees”;

1 (B) by striking “and shall publish” and in-
2 serting “, shall publish”;

3 (C) by inserting before the period at the
4 end the following: “, and shall submit to the
5 congressional veterans’ affairs committees a
6 copy of the proposed lease”; and

7 (D) by adding at the end the following new
8 sentence: “With respect to a major enhanced-
9 use lease, upon the request of the congressional
10 veterans’ affairs committees, not later than 30
11 days after the date of such notice, the Secretary
12 shall testify before the committees on the major
13 enhanced-use lease, including with respect to
14 the status of the lease, the cost, and the plans
15 to carry out the activities under the lease. The
16 Secretary may not delegate such testifying
17 below the level of the head of the Office of
18 Asset Enterprise Management of the Depart-
19 ment or any successor to such office.”.

20 (2) ANNUAL REPORTS.—Section 8168 of such
21 title is amended—

22 (A) by striking “to Congress” each place it
23 appears and inserting “to the congressional vet-
24 erans’ affairs committees and the Committees

1 on the Budget of the House of Representatives
2 and the Senate”;

3 (B) in subsection (a)—

4 (i) by striking “Not later” and insert-
5 ing “(1) Not later”;

6 (ii) by striking “a report” and all that
7 follows through the period at the end and
8 inserting “a report on enhanced-use
9 leases.”; and

10 (iii) by adding at the end the fol-
11 lowing new paragraph:

12 “(2) Each report under paragraph (1) shall include
13 the following:

14 “(A) Identification of the actions taken by the
15 Secretary to implement and administer enhanced-use
16 leases.

17 “(B) For the most recent fiscal year covered by
18 the report, the amounts deposited into the Medical
19 Care Collection Fund account that were derived
20 from enhanced-use leases.

21 “(C) Identification of the actions taken by the
22 Secretary using the amounts described in subpara-
23 graph (B).

1 “(D) Documents of the Department supporting
2 the contents of the report described in subpara-
3 graphs (A) through (C).”; and

4 (C) in subsection (b)—

5 (i) by striking “Each year” and in-
6 serting “(1) Each year”;

7 (ii) by striking “this subchapter,” and
8 all that follows through the period at the
9 end and inserting “this subchapter.”; and

10 (iii) by adding at the end the fol-
11 lowing new paragraph:

12 “(2) Each report under paragraph (1) shall include
13 the following with respect to each enhanced-use lease cov-
14 ered by the report:

15 “(A) An overview of how the Secretary is using
16 consideration received by the Secretary under the
17 lease to support veterans.

18 “(B) The amount of consideration received by
19 the Secretary under the lease.

20 “(C) The amount of any revenues collected by
21 the Secretary relating to the lease not covered by
22 subparagraph (B), including a description of any in-
23 kind assistance or services provided by the lessee to
24 the Secretary or to veterans under an agreement en-

1 tered into by the Secretary pursuant to any provi-
2 sion of law.

3 “(D) The costs to the Secretary of carrying out
4 the lease.

5 “(E) Documents of the Department supporting
6 the contents of the report described in subpara-
7 graphs (A) through (D).”.

8 (d) ADDITIONAL DEFINITIONS.—Section 8161 of
9 such title is amended by adding at the end the following
10 new paragraphs:

11 “(4) The term ‘lessee’ means the party with
12 whom the Secretary has entered into an enhanced-
13 use lease under this subchapter.

14 “(5) The term ‘major enhanced-use lease’
15 means an enhanced-use lease that includes consider-
16 ation consisting of an average annual rent of more
17 than \$10,000,000.”.

18 (e) COMPTROLLER GENERAL AUDIT.—

19 (1) REPORT.—Not later than 270 days after
20 the date of the enactment of this Act, the Comp-
21 troller General of the United States shall submit to
22 the appropriate congressional committees a report
23 containing an audit of the enhanced-use lease pro-
24 gram of the Department of Veterans Affairs under

1 subchapter V of chapter 81 of title 38, United
2 States Code.

3 (2) MATTERS INCLUDED.—The report under
4 paragraph (1) shall include the following:

5 (A) The financial impact of the enhanced-
6 use lease authority on the Department of Vet-
7 erans Affairs and whether the revenue realized
8 from such authority and other financial benefits
9 would have been realized without such author-
10 ity.

11 (B) The use by the Secretary of such au-
12 thority and whether the arrangements made
13 under such authority would have been made
14 without such authority.

15 (C) An identification of the controls that
16 are in place to ensure accountability and trans-
17 parency and to protect the Federal Govern-
18 ment.

19 (D) An overall assessment of the activities
20 of the Secretary under such authority to ensure
21 procurement cost avoidance, negotiated cost
22 avoidance, in-contract cost avoidance, and rate
23 reductions.

1 (3) APPROPRIATE CONGRESSIONAL COMMIT-
2 TEES DEFINED.—In this subsection, the term “ap-
3 propriate congressional committees” means—

4 (A) the Committees on Veterans’ Affairs of
5 the House of Representatives and the Senate;
6 and

7 (B) the Committees on the Budget of the
8 House of Representatives and the Senate.

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