

Union Calendar No. 300

119TH CONGRESS
1ST SESSION

H. R. 3483

[Report No. 119-348]

To amend title 38, to direct the Secretary of Veterans Affairs to use an information technology system to detect fraud, waste, and abuse regarding claims for payment submitted to the Secretary under the Veterans Community Care Program.

IN THE HOUSE OF REPRESENTATIVES

MAY 19, 2025

Mr. BARRETT introduced the following bill; which was referred to the
Committee on Veterans' Affairs

OCTOBER 21, 2025

Additional sponsor: Mr. HARIDOPOLOS

OCTOBER 21, 2025

Reported with an amendment, committed to the Committee of the Whole
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on May 19, 2025]

A BILL

To amend title 38, to direct the Secretary of Veterans Affairs to use an information technology system to detect fraud, waste, and abuse regarding claims for payment submitted to the Secretary under the Veterans Community Care Program.

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 “Forcing Real Account-*
 5 *ability for Unlawful Distributions Act of 2025” or the*
 6 *“FRAUD Act of 2025”.*

7 **SEC. 2. DETECTION OF FRAUD, WASTE, AND ABUSE IN PRO-**
 8 **GRAMS OF THE VETERANS HEALTH ADMINIS-**
 9 **TRATION.**

10 *(a) IN GENERAL.—Subchapter I of chapter 17 of title*
 11 *38, United States Code, is amended by inserting after sec-*
 12 *tion 1706A the following new section (and amending the*
 13 *table of sections at the beginning of such chapter accord-*
 14 *ingly):*

15 **“§1706B. Management of health care: detection of**
 16 ***fraud, waste, and abuse***

17 *“(a) IN GENERAL.—To detect fraud, waste, and abuse*
 18 *in programs of the Veterans Health Administration, the*
 19 *Secretary shall use processes and systems, including the in-*
 20 *formation technology system described in subsection (b),*
 21 *to—*

22 *“(1) analyze a claim submitted to the Secretary*
 23 *by a health care entity or provider that furnishes hos-*
 24 *pital care, medical services, or extended care services*
 25 *under this chapter; and*

1 “(2) reanalyze a claim, described in paragraph
2 (1) that the Secretary determines may be fraudulent,
3 after paying such claim.

4 “(b) *INFORMATION TECHNOLOGY SYSTEM.*—The infor-
5 mation technology system described in this subsection shall
6 include the following functions:

7 “(1) Continuous monitoring of claims to detect
8 patterns that may indicate fraud, waste, or abuse.

9 “(2) Analysis of historical and real-time claims
10 data to identify and predict potential fraudulent
11 claims.

12 “(3) Ready-made analytic models to identify
13 and analyze fraudulent claims.

14 “(4) Post-payment analysis for overuse of serv-
15 ices or other practices that create unnecessary costs to
16 the Department.

17 “(5) Integration with existing claims processing
18 systems and technologies of the Department.

19 “(6) Logging, storage, analysis, and reports re-
20 garding the nature, frequency, and financial impact
21 of detected fraudulent claims.

22 “(7) Identification of, and machine learning that
23 is based on, patterns of fraudulent claims in order to
24 reduce false positives and predict new forms of fraud.

1 “(8) *Updates to detect new models of fraud,*
2 *waste and abuse.*

3 “(9) *Any other function determined necessary by*
4 *the Secretary.*

5 “(c) *USE OF FRANCHISE FUND.—To carry out this*
6 *section, the Secretary shall use funds from the Department*
7 *of Veterans Affairs franchise fund established under title I*
8 *of Public Law 104–204 (38 U.S.C. 301 note).*

9 “(d) *REPORT.—Not later than two years after the date*
10 *of the enactment of the FRAUD Act of 2025, and annually*
11 *thereafter for five additional years, the Secretary shall sub-*
12 *mit to the Committees on Veterans’ Affairs of the Senate*
13 *and House of Representatives a report regarding the oper-*
14 *ation of the processes and systems under subsection (a) dur-*
15 *ing the preceding year. Each such report shall include the*
16 *determination of the Secretary regarding the following ele-*
17 *ments:*

18 “(1) *The effectiveness of such processes and sys-*
19 *tems in detecting fraud, waste, and abuse described in*
20 *subsection (a).*

21 “(2) *The estimated savings to the Department*
22 *arising from the use of such processes and systems.*

23 “(3) *Any plans to enhance, modify, or add new*
24 *capabilities to such processes and systems.”.*

1 (b) *IMPLEMENTATION DATE.*—*The Secretary of Vet-*
2 *erans Affairs shall carry out section 1706B of such title,*
3 *as added by subsection (a), not later than one year after*
4 *the date of the enactment of this Act.*

5 **SEC. 3. EXTENSION OF CERTAIN LIMITS ON PAYMENT OF**
6 **PENSION.**

7 *Section 5503(d)(7) of title 38, United States Code, is*
8 *amended by striking “November 30, 2031” and inserting*
9 *“January 30, 2034”.*

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