

In the Senate of the United States,

September 28, 1996.

Resolved, That the bill from the House of Representatives (H.R. 3118) entitled “An Act to amend title 38, United States Code, to reform eligibility for health care provided by the Department of Veterans Affairs.”, do pass with the following

AMENDMENTS:

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE; TABLE OF CONTENTS.***

2 (a) *SHORT TITLE.*—*This Act may be cited as the “Veterans’ Health Care Eligibility Reform Act of 1996”.*

3 (b) *TABLE OF CONTENTS.*—*The table of contents of this*
4 *Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. References to title 38, United States Code.

TITLE I—ELIGIBILITY REFORM

Sec. 101. Eligibility for hospital care and medical services.

Sec. 102. Revision in authorities for provision of priority health care for certain veterans exposed to specified toxic substances.

Sec. 103. Prosthetics and preventive care.

Sec. 104. Management of health care.

Sec. 105. Authorization of appropriations.

Sec. 106. Assessment of implementation and operation.

TITLE II—CONSTRUCTION AUTHORIZATION

- Sec. 201. Authorization of major medical facility projects.*
- Sec. 202. Authorization of major medical facility leases.*
- Sec. 203. Authorization of appropriations.*
- Sec. 204. Strategic planning.*
- Sec. 205. Revision to prospectus requirements.*
- Sec. 206. Construction authorization requirements.*
- Sec. 207. Terminology changes.*

TITLE III—HEALTH CARE AND ADMINISTRATION

Subtitle A—Health Care Sharing and Administration

- Sec. 301. Revision of authority to share medical facilities, equipment, and information.*
- Sec. 302. Improved efficiency in health care resource management.*
- Sec. 303. Personnel furnishing shared resources.*
- Sec. 304. Waiting period for administrative reorganizations.*
- Sec. 305. Repeal of limitations on contracts for conversion of performance of activities of Department health-care facilities and revised annual reporting requirement.*

Subtitle B—Care of Women Veterans

- Sec. 321. Mammography quality standards.*
- Sec. 322. Patient privacy for women patients.*
- Sec. 323. Assessment of use by women veterans of Department health services.*
- Sec. 324. Reporting requirements.*

Subtitle C—Readjustment Counseling and Mental Health Care

- Sec. 331. Expansion of eligibility for readjustment counseling and certain related counseling services.*
- Sec. 332. Reports relating to Vet Centers.*
- Sec. 333. Advisory Committee on the Readjustment of Veterans.*
- Sec. 334. Centers for mental illness research, education, and clinical activities.*
- Sec. 335. Committee on Care of Severely Chronically Mentally Ill Veterans.*

Subtitle D—Other Provisions

- Sec. 341. Hospice care study.*
- Sec. 342. Payment to States of per diem for veterans receiving adult day health care.*
- Sec. 343. Research corporations.*
- Sec. 344. Veterans Health Administration headquarters.*
- Sec. 345. Disbursement agreements relating to medical residents and interns.*
- Sec. 346. Authority to suspend special pay agreements for physicians and dentists who enter residency training programs.*
- Sec. 347. Remunerated outside professional activities by Veterans Health Administration personnel.*
- Sec. 348. Modification of restrictions on real property, Milwaukee County, Wisconsin.*
- Sec. 349. Modification of restrictions on real property, Cheyenne, Wyoming.*
- Sec. 350. Name of Department of Veterans Affairs Medical Center, Johnson City, Tennessee.*
- Sec. 351. Report on health care needs of veterans in east central Florida.*

Sec. 352. Evaluation of health status of spouses and children of Persian Gulf War veterans.

1 **SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.**

2 *Except as otherwise expressly provided, whenever in*
3 *this Act an amendment or repeal is expressed in terms of*
4 *an amendment to or repeal of a section or other provision,*
5 *the reference shall be considered to be made to a section or*
6 *other provision of title 38, United States Code.*

7 **TITLE I—ELIGIBILITY REFORM**

8 **SEC. 101. ELIGIBILITY FOR HOSPITAL CARE AND MEDICAL**
9 **SERVICES.**

10 *(a) NEW CRITERIA FOR ELIGIBILITY FOR CARE.—Sec-*
11 *tion 1710(a) is amended to read as follows:*

12 *“(a)(1) The Secretary (subject to paragraph (4)) shall*
13 *furnish hospital care and medical services, and may furnish*
14 *nursing home care, which the Secretary determines to be*
15 *needed—*

16 *“(A) to any veteran for a service-connected dis-*
17 *ability; and*

18 *“(B) to any veteran who has a service-connected*
19 *disability rated at 50 percent or more.*

20 *“(2) The Secretary (subject to paragraph (4)) shall*
21 *furnish hospital care and medical services, and may furnish*
22 *nursing home care, which the Secretary determines to be*
23 *needed to any veteran—*

1 “(A) *who has a compensable service-connected*
2 *disability rated less than 50 percent;*

3 “(B) *whose discharge or release from active mili-*
4 *tary, naval, or air service was for a compensable dis-*
5 *ability that was incurred or aggravated in the line of*
6 *duty;*

7 “(C) *who is in receipt of, or who, but for a sus-*
8 *pension pursuant to section 1151 of this title (or both*
9 *a suspension and the receipt of retired pay), would be*
10 *entitled to disability compensation, but only to the ex-*
11 *tent that such veteran’s continuing eligibility for such*
12 *care is provided for in the judgment or settlement*
13 *provided for in such section;*

14 “(D) *who is a former prisoner of war;*

15 “(E) *who is a veteran of the Mexican border pe-*
16 *riod or of World War I;*

17 “(F) *who was exposed to a toxic substance, radi-*
18 *ation, or environmental hazard, as provided in sub-*
19 *section (e); or*

20 “(G) *who is unable to defray the expenses of nec-*
21 *essary care as determined under section 1722(a) of*
22 *this title.*

23 “(3) *In the case of a veteran who is not described in*
24 *paragraphs (1) and (2), the Secretary may, to the extent*
25 *resources and facilities are available and subject to the pro-*

1 *visions of subsections (f) and (g), furnish hospital care,*
2 *medical services, and nursing home care which the Sec-*
3 *retary determines to be needed.*

4 “(4) *The requirement in paragraphs (1) and (2) that*
5 *the Secretary furnish hospital care and medical services*
6 *shall be effective in any fiscal year only to the extent and*
7 *in the amount provided in advance in appropriations Acts*
8 *for such purposes.”.*

9 **(b) TRANSFER OF PROVISION.**—*Chapter 17 is amend-*
10 *ed—*

11 (1) *by redesignating subsection (g) of section*
12 *1710 as subsection (h); and*

13 (2) *by transferring subsection (f) of section 1712*
14 *to section 1710 and inserting such subsection so as to*
15 *appear after subsection (f), redesignating such sub-*
16 *section as subsection (g), and amending such sub-*
17 *section by striking out “section 1710(a)(2) of this*
18 *title” in paragraph (1) and inserting in lieu thereof*
19 *“subsection (a)(3) of this section”.*

20 **(c) REPEAL OF SEPARATE OUTPATIENT CARE PRIOR-**
21 *ITIES.*—(1) *Section 1712 is amended—*

22 (A) *by striking out subsections (a) and (i);*

23 (B) *by redesignating subsections (b), (c), (d), (h)*
24 *and (j), as subsections (a), (b), (c), (d), and (e), re-*
25 *spectively; and*

1 *thereof “hospital care, medical services, and nursing*
2 *home care under subsection (a)(2)(F)”.*

3 (4) *Section 1710(f) is amended—*

4 (A) *in paragraph (1), by striking out “sub-*
5 *section (a)(2)” and inserting in lieu thereof*
6 *“subsection (a)(3)”;* and

7 (B) *in paragraph (3)(E)—*

8 (i) *by striking out “section 1712(a) of*
9 *this title” and inserting in lieu thereof*
10 *“paragraph (3) of subsection (a)”;* and

11 (ii) *by striking out “section 1712(f) of*
12 *this title” and inserting in lieu thereof*
13 *“subsection (g)”;* and

14 (C) *in paragraph (3)(F), by striking out*
15 *“section 1712(f) of this title” and inserting in*
16 *lieu thereof “subsection (g)”.*

17 (5) *Section 1712A is amended—*

18 (A) *in subsection (b)(1), by striking out*
19 *“under the conditions specified in section*
20 *1712(a)(5)(B) of this title”;* and

21 (B) *in subsection (e)(1), by striking out*
22 *“sections 1712(a)(1)(B) and 1703(a)(2)” and in-*
23 *serting in lieu thereof “sections 1703(a)(2) and*
24 *1710(a)(1)(B)”.*

25 (6) *Section 1717(a) is amended—*

1 (A) in paragraph (1), by striking out “sec-
2 tion 1712(a)” and inserting in lieu thereof “sec-
3 tion 1710(a)”; and

4 (B) in paragraph (2)—

5 (i) in subparagraph (A), by striking
6 out “paragraph (1) of section 1712(a) of
7 this title” and inserting in lieu thereof “sec-
8 tion 1710(a)(1) of this title, or for a disabil-
9 ity described in section 1710(a)(2)(C) of
10 this title”; and

11 (ii) in subparagraph (B), by striking
12 out “section 1712” and inserting in lieu
13 thereof “section 1710(a)(2)”.

14 (7) Section 1718(e) is amended by striking out
15 “section 1712(i)” and inserting in lieu thereof “sec-
16 tion 1705”.

17 (8) Section 1720(f) is amended—

18 (A) in paragraph (1)(A)(i), by striking out
19 “section 1712(a)(1)(B)” and inserting in lieu
20 thereof “paragraph (1), (2), or (3) of section
21 1710(a)”; and

22 (B) by striking out paragraph (3).

23 (9) Section 1722 is amended—

1 (A) in subsection (a), by striking out “sec-
2 tion 1710(a)(1)(I)” and inserting in lieu thereof
3 “section 1710(a)(2)(G)”; and

4 (B) in subsection (f)(3), by striking out “or
5 1712(f)”.

6 (10) Section 1729(g)(3)(A) is amended by strik-
7 ing out “under section 1710(f) of this title for hospital
8 care or nursing home care, under section 1712(f) of
9 this title for medical services,” and inserting in lieu
10 thereof “under subsection (f) or (g) of section 1710 of
11 this title for hospital care, medical services, or nurs-
12 ing home care”.

13 (e) *OTHER CONFORMING AND TECHNICAL AMEND-*
14 *MENTS.—*

15 (1) Section 1525 is amended—

16 (A) in subsection (a), by striking out “sec-
17 tion 1712(h) of this title” and all that follows
18 through the period at the end and inserting in
19 lieu thereof “section 1712(d) of this title.”; and

20 (B) in subsection (b), by striking out “re-
21 numeration” and inserting in lieu thereof “re-
22 muneration”.

23 (2) Section 2104(b) is amended—

1 (A) *in the first sentence, by striking out*
 2 “*section 1712(a)*” *and inserting in lieu thereof*
 3 “*section 1717(a)(2)*”; *and*

4 (B) *in the second sentence, by striking out*
 5 “*section 1712(a)*” *and inserting in lieu thereof*
 6 “*section 1717(a)(2)*”.

7 (3) *Section 5317(c)(3) is amended by striking*
 8 *out “sections 1710(a)(1)(I), 1710(a)(2), 1710(b), and*
 9 *1712(a)(2)(B)” and inserting in lieu thereof “sub-*
 10 *sections (a)(2)(G), (a)(3), and (b) of section 1710”.*

11 (4) *Section 8110(a)(2) is amended by striking*
 12 *out “section 1712” and inserting in lieu thereof “sec-*
 13 *tion 1710(a)”.*

14 (5) *Section 8111A(b)(2)(A) is amended by strik-*
 15 *ing out “subsection (f) of section 1712” and inserting*
 16 *in lieu thereof “subsection (a) of section 1710”.*

17 **SEC. 102. REVISION IN AUTHORITIES FOR PROVISION OF**
 18 **PRIORITY HEALTH CARE FOR CERTAIN VET-**
 19 **ERANS EXPOSED TO SPECIFIED TOXIC SUB-**
 20 **STANCES.**

21 (a) *AUTHORIZED INPATIENT CARE.*—*Section 1710(e)*
 22 *is amended—*

23 (1) *in paragraph (1), by striking out subpara-*
 24 *graphs (A) and (B) and inserting in lieu thereof the*
 25 *following:*

1 “(A) A Vietnam-era herbicide-exposed veteran is eligi-
2 ble (subject to paragraph (2)) for hospital care, medical
3 services, and nursing home care under subsection (a)(2)(F)
4 for any disability, notwithstanding that there is insufficient
5 medical evidence to conclude that such disability may be
6 associated with such exposure.

7 “(B) A radiation-exposed veteran is eligible for hos-
8 pital care, medical services, and nursing home care under
9 subsection (a)(2)(F) for any disease suffered by the veteran
10 that is—

11 “(i) a disease listed in section 1112(c)(2) of this
12 title; or

13 “(ii) any other disease for which the Secretary,
14 based on the advice of the Advisory Committee on En-
15 vironmental Hazards, determines that there is credi-
16 ble evidence of a positive association between occur-
17 rence of the disease in humans and exposure to ioniz-
18 ing radiation.”; and

19 (2) by striking out paragraphs (2) and (3) and
20 inserting in lieu thereof the following:

21 “(2)(A) In the case of a veteran described in paragraph
22 (1)(A), hospital care, medical services, and nursing home
23 care may not be provided under subsection (a)(2)(F) with
24 respect to—

1 “(i) a disability that is found, in accordance
2 with guidelines issued by the Under Secretary for
3 Health, to have resulted from a cause other than an
4 exposure described in paragraph (4)(A)(ii); or

5 “(ii) a disease for which the National Academy
6 of Sciences, in a report issued in accordance with sec-
7 tion 2 of the Agent Orange Act of 1991, has deter-
8 mined that there is limited or suggestive evidence of
9 the lack of a positive association between occurrence
10 of the disease in humans and exposure to a herbicide
11 agent.

12 “(B) In the case of a veteran described in paragraph
13 (1)(C), hospital care, medical services, and nursing home
14 care may not be provided under subsection (a)(2)(F) with
15 respect to a disability that is found, in accordance with
16 guidelines issued by the Under Secretary for Health, to have
17 resulted from a cause other than an exposure described in
18 that paragraph.

19 “(3) Hospital care, medical services, and nursing home
20 care may not be provided under or by virtue of subsection
21 (a)(2)(F)—

22 “(A) in the case of care for a veteran described
23 in paragraph (1)(A), after December 31, 2002; and

24 “(B) in the case of care for a veteran described
25 in paragraph (1)(C), after December 31, 1998.

1 “(4) For purposes of this subsection—

2 “(A) The term ‘Vietnam-era herbicide-exposed
3 veteran’ means a veteran (i) who served on active
4 duty in the Republic of Vietnam during the Vietnam
5 era, and (ii) who the Secretary finds may have been
6 exposed during such service to dioxin or was exposed
7 during such service to a toxic substance found in a
8 herbicide or defoliant used for military purposes dur-
9 ing such era.

10 “(B) The term ‘radiation-exposed veteran’ has
11 the meaning given that term in section 1112(c)(3) of
12 this title.”.

13 (b) SAVINGS PROVISIONS.—The provisions of sections
14 1710(e) and 1712(a) of title 38, United States Code, as in
15 effect on the day before the date of the enactment of this
16 Act, shall continue to apply on and after such date with
17 respect to the furnishing of hospital care, nursing home
18 care, and medical services for any veteran who was fur-
19 nished such care or services before such date of enactment
20 on the basis of presumed exposure to a substance or radi-
21 ation under the authority of those provisions, but only for
22 treatment for a disability for which such care or services
23 were furnished before such date.

1 **SEC. 103. PROSTHETICS AND PREVENTIVE CARE.**

2 (a) *ELIGIBILITY.*—Section 1701(6)(A)(i) is amend-
3 ed—

4 (1) by striking out “(in the case of a person oth-
5 erwise receiving care or services under this chapter)”
6 and “(except under the conditions described in section
7 1712(a)(5)(A) of this title),”;

8 (2) by inserting “(in the case of a person oth-
9 erwise receiving care or services under this chapter)”
10 before “wheelchairs,”; and

11 (3) by inserting “except that the Secretary may
12 not furnish sensori-neural aids other than in accord-
13 ance with guidelines which the Secretary shall pre-
14 scribe,” after “reasonable and necessary,”.

15 (b) *REGULATIONS.*—Not later than 30 days after the
16 date of the enactment of this Act, the Secretary of Veterans
17 Affairs shall prescribe the guidelines required by the amend-
18 ments made by subsection (a) and shall furnish a copy of
19 those guidelines to the Committees on Veterans’ Affairs of
20 the Senate and House of Representatives.

21 **SEC. 104. MANAGEMENT OF HEALTH CARE.**

22 (a) *IN GENERAL.*—(1) Chapter 17 is amended by in-
23 serting after section 1704 the following new sections:

1 **“§1705. Management of health care: patient enroll-**
2 **ment system**

3 *“(a) In managing the provision of hospital care and*
4 *medical services under section 1710(a) of this title, the Sec-*
5 *retary, in accordance with regulations the Secretary shall*
6 *prescribe, shall establish and operate a system of annual*
7 *patient enrollment. The Secretary shall manage the enroll-*
8 *ment of veterans in accordance with the following priorities,*
9 *in the order listed:*

10 *“(1) Veterans with service-connected disabilities*
11 *rated 50 percent or greater.*

12 *“(2) Veterans with service-connected disabilities*
13 *rated 30 percent or 40 percent.*

14 *“(3) Veterans who are former prisoners of war,*
15 *veterans with service-connected disabilities rated 10*
16 *percent or 20 percent, and veterans described in sub-*
17 *paragraphs (B) and (C) of section 1710(a)(2) of this*
18 *title.*

19 *“(4) Veterans who are in receipt of increased*
20 *pension based on a need of regular aid and attend-*
21 *ance or by reason of being permanently housebound*
22 *and other veterans who are catastrophically disabled.*

23 *“(5) Veterans not covered by paragraphs (1)*
24 *through (4) who are unable to defray the expenses of*
25 *necessary care as determined under section 1722(a) of*
26 *this title.*

1 “(6) *All other veterans eligible for hospital care,*
2 *medical services, and nursing home care under section*
3 *1710(a)(2) of this title.*

4 (7) *Veterans described in section 1710(a)(3) of*
5 *this title.*

6 “(b) *In the design of an enrollment system under sub-*
7 *section (a), the Secretary—*

8 “(1) *shall ensure that the system will be man-*
9 *aged in a manner to ensure that the provision of care*
10 *to enrollees is timely and acceptable in quality;*

11 “(2) *may establish additional priorities within*
12 *each priority group specified in subsection (a), as the*
13 *Secretary determines necessary; and*

14 “(3) *may provide for exceptions to the specified*
15 *priorities where dictated by compelling medical rea-*
16 *sons.*

17 “(c)(1) *Effective on October 1, 1998, the Secretary may*
18 *not provide hospital care or medical services to a veteran*
19 *under paragraph (2) or (3) of section 1710(a) of this title*
20 *unless the veteran enrolls in the system of patient enroll-*
21 *ment established by the Secretary under subsection (a).*

22 “(2) *The Secretary shall provide hospital care and*
23 *medical services under section 1710(a)(1) of this title, and*
24 *under subparagraph (B) of section 1710(a)(2) of this title,*
25 *for the 12-month period following such veteran’s discharge*

1 *or release from service, to any veteran referred to in such*
2 *sections for a disability specified in the applicable subpara-*
3 *graph of such section, notwithstanding the failure of the vet-*
4 *eran to enroll in the system of patient enrollment referred*
5 *to in subsection (a) of this section.*

6 **“§1706. Management of health care: other require-**
7 **ments**

8 *“(a) In managing the provision of hospital care and*
9 *medical services under section 1710(a) of this title, the Sec-*
10 *retary shall, to the extent feasible, design, establish and*
11 *manage health care programs in such a manner as to pro-*
12 *vide cost-effective delivery of health care services in the*
13 *most clinically appropriate setting.*

14 *“(b)(1) In managing the provision of hospital care and*
15 *medical services under such section, the Secretary shall en-*
16 *sure that the Department maintains its capacity to provide*
17 *for the specialized treatment and rehabilitative needs of dis-*
18 *abled veterans (including veterans with spinal cord dys-*
19 *function, blindness, amputations, and mental illness) with-*
20 *in distinct programs or facilities of the Department that*
21 *are dedicated to the specialized needs of those veterans in*
22 *a manner that (A) affords those veterans reasonable access*
23 *to care and services for those specialized needs, and (B) en-*
24 *sures that overall capacity of the Department to provide*
25 *such services is not reduced below the capacity of the De-*

1 *partment, nationwide, to provide those services, as of the*
2 *date of the enactment of this section. The Secretary shall*
3 *carry out this paragraph in consultation with the Advisory*
4 *Committee on Prosthetics and Special Disabilities Pro-*
5 *grams and the Committee on Care of Severely Chronically*
6 *Mentally Ill Veterans.*

7 “(2) Not later than April 1, 1997, April 1, 1998, and
8 April 1, 1999, the Secretary shall submit to the Committees
9 on Veterans’ Affairs of the Senate and House of Representa-
10 tives a report on the Secretary’s compliance, by facility and
11 by service-network, with the requirements of this sub-
12 section.”.

13 (2) *The table of sections at the beginning of chapter*
14 *17 is amended by inserting after the item relating to section*
15 *1704 the following new items:*

 “1705. *Management of health care: patient enrollment system.*

 “1706. *Management of health care: other requirements.*”.

16 (b) *CONFORMING AMENDMENTS TO SECTION 1703.—*

17 *Section 1703(a) is amended—*

18 (1) *in the matter preceding paragraph (1), by*
19 *striking out “or 1712”;*

20 (2) *in paragraph (2)—*

21 (A) *by striking out “1712(a)(1)(B)” in sub-*
22 *paragraph (A) and inserting in lieu thereof*
23 *“1710(a)(1)(B)”;*

1 (B) by striking out subparagraph (B) and
2 inserting in lieu thereof the following:

3 “(B) a veteran who (i) has been furnished
4 hospital care, nursing home care, domiciliary
5 care, or medical services, and (ii) requires medi-
6 cal services to complete treatment incident to
7 such care or services; or”; and

8 (C) by striking “section 1712(a)(3) (other
9 than a veteran who is a former prisoner of war)
10 of this title” in subparagraph (C) and inserting
11 in lieu thereof “section 1710(a)(2)(E) of this
12 title, or a veteran who is in receipt of increased
13 pension, or additional compensation or allow-
14 ances based on the need of regular aid and at-
15 tendance or by reason of being permanently
16 housebound (or who, but for the receipt of retired
17 pay, would be in receipt of such pension, com-
18 pensation, or allowance),”; and

19 (3) in paragraph (7), by striking out
20 “1712(b)(1)(F)” and inserting in lieu thereof
21 “1712(a)(1)(F)”.

22 **SEC. 105. AUTHORIZATION OF APPROPRIATIONS.**

23 There is authorized to be appropriated for the Depart-
24 ment of Veterans Affairs for the Medical Care account, for
25 the purposes specified for that account in Public Law 103–

1 327 (108 Stat. 2300), including the cost of providing hos-
2 pital care and medical services under the amendments made
3 by section this title, not to exceed \$17,250,000,000 for fiscal
4 year 1997 and not to exceed \$17,900,000,000 for fiscal year
5 1998.

6 **SEC. 106. ASSESSMENT OF IMPLEMENTATION AND OPER-**
7 **ATION.**

8 (a) *ASSESSMENT SYSTEMS.*—The Secretary of Veter-
9 ans Affairs shall establish information systems to assess the
10 experience of the Department of Veterans Affairs in imple-
11 menting sections 101, 103, and 104, including the amend-
12 ments made by those sections, during fiscal year 1997. The
13 Secretary shall establish those information systems in time
14 to include assessments under such systems in the report re-
15 quired under subsection (b).

16 (b) *REPORT.*—Not later than March 1, 1998, the Sec-
17 retary shall submit to the Committees on Veterans' Affairs
18 of the Senate and House of Representatives a report reflect-
19 ing the experience of the Department during fiscal year
20 1997 on—

21 (1) the effect of implementation of, and provision
22 and management of care under, sections 101, 103,
23 and 104 (including the amendments made by those
24 sections) on demand for health care services from the
25 Department of Veterans Affairs by veterans described

1 *in paragraphs (1), (2), and (3) of section 1710(a) of*
2 *title 38, United States Code, as amended by section*
3 *101;*

4 *(2) any differing patterns of demand on the part*
5 *of such veterans relating to such factors as relative*
6 *distance from Department facilities and prior experi-*
7 *ence, or lack of experience, as recipients of care from*
8 *the Department;*

9 *(3) the extent to which the Department has met*
10 *such demand for care; and*

11 *(4) changes in health-care delivery patterns in*
12 *Department facilities and the fiscal impact of such*
13 *changes.*

14 *(c) MATTERS TO BE INCLUDED.—The report under*
15 *subsection (b) shall include detailed information with re-*
16 *spect to fiscal year 1997 regarding the following:*

17 *(1) The number of veterans enrolled for care at*
18 *each Department medical facility and, of such veter-*
19 *ans, the number enrolled at each such facility who*
20 *had not received care from the Department during the*
21 *preceding three fiscal years.*

22 *(2) With respect to the veterans who had not re-*
23 *ceived care from the Department during the three pre-*
24 *ceding fiscal years, the total cost of providing care to*
25 *such veterans, shown in total and separately (A) by*

1 *level of care, and (B) by reference to whether care was*
2 *furnished in Department facilities or under contract*
3 *arrangements.*

4 *(3) With respect to the number of veterans de-*
5 *scribed in paragraphs (1), (2), and (3) of section*
6 *1710(a) of title 38, United States Code, as amended*
7 *by section 101, who applied for health care from the*
8 *Department during fiscal year 1997—*

9 *(A) the number who applied for care (shown*
10 *in total and separately by facility);*

11 *(B) the number who were denied enrollment*
12 *(shown in total and separately by facility); and*

13 *(C) the number who were denied care which*
14 *was considered to be medically necessary but not*
15 *of an emergency nature (shown in total and sep-*
16 *arately by facility).*

17 *(4) The numbers and characteristics of, and the*
18 *type and extent of health care furnished to, veterans*
19 *enrolled for care (shown in total and separately by fa-*
20 *cility).*

21 *(5) The numbers and characteristics of, and the*
22 *type and extent of health care furnished to, veterans*
23 *not enrolled for care (shown separately by reference to*
24 *each class of eligibility, both in total and separately*
25 *by facility).*

1 (6) *The specific fiscal impact (shown in total*
2 *and by geographic health-care delivery areas) of*
3 *changes in delivery patterns instituted under the*
4 *amendments made by this title.*

5 **TITLE II—CONSTRUCTION**
6 **AUTHORIZATION**

7 **SEC. 201. AUTHORIZATION OF MAJOR MEDICAL FACILITY**
8 **PROJECTS.**

9 (a) *AMBULATORY CARE ADDITION PROJECTS.—The*
10 *Secretary of Veterans Affairs may carry out the following*
11 *ambulatory care addition major medical facility projects,*
12 *with each project to be carried out in the amount specified*
13 *for that project:*

14 (1) *Construction of an ambulatory care facility*
15 *and renovation of “E” wing, Tripler Army Hospital,*
16 *Honolulu, Hawaii, \$43,000,000.*

17 (2) *Addition of ambulatory care facilities at the*
18 *Department of Veterans Affairs medical center in*
19 *Brockton, Massachusetts, \$13,500,000.*

20 (3) *Addition of ambulatory care facilities for*
21 *outpatient improvements at the Department of Veter-*
22 *ans Affairs medical center in Shreveport, Louisiana,*
23 *\$25,000,000.*

1 (4) *Addition of ambulatory care facilities at the*
2 *Department of Veterans Affairs medical center in*
3 *Lyons, New Jersey, \$21,100,000.*

4 (5) *Addition of ambulatory care facilities at the*
5 *Department of Veterans Affairs medical center in*
6 *Tomah, Wisconsin, \$12,700,000.*

7 (6) *Addition of ambulatory care facilities at the*
8 *Department of Veterans Affairs medical center in*
9 *Asheville, North Carolina, \$26,300,000.*

10 (7) *Addition of ambulatory care facilities at the*
11 *Department of Veterans Affairs medical center in*
12 *Temple, Texas, \$9,800,000.*

13 (8) *Addition of ambulatory care facilities at the*
14 *Department of Veterans Affairs medical center in*
15 *Tucson, Arizona, \$35,500,000.*

16 (9) *Construction of an ambulatory care facility*
17 *at the Department of Veterans Affairs medical center*
18 *in Leavenworth, Kansas, \$27,750,000.*

19 (b) *ENVIRONMENTAL IMPROVEMENT PROJECTS.—The*
20 *Secretary may carry out the following environmental im-*
21 *provement major medical facility projects, with each project*
22 *to be carried out in the amount specified for that project:*

23 (1) *Environmental improvements for the renova-*
24 *tion of nursing home facilities at the Department of*

1 *Veterans Affairs medical center in Lebanon, Penn-*
2 *sylvania, \$9,500,000.*

3 *(2) Environmental improvements at the Depart-*
4 *ment of Veterans Affairs medical center in Marion,*
5 *Illinois, \$11,500,000.*

6 *(3) Environmental improvements for ward ren-*
7 *ovation for patient privacy at the Department of Vet-*
8 *erans Affairs medical center in Omaha, Nebraska,*
9 *\$7,700,000.*

10 *(4) Environmental improvements at the Depart-*
11 *ment of Veterans Affairs medical center in Pittsburgh,*
12 *Pennsylvania, \$17,400,000.*

13 *(5) Environmental improvements for the renova-*
14 *tion of various buildings at the Department of Veter-*
15 *ans Affairs medical center in Waco, Texas,*
16 *\$26,000,000.*

17 *(6) Environmental improvements for the replace-*
18 *ment of psychiatric beds at the Department of Veter-*
19 *ans Affairs medical center in Marion, Indiana,*
20 *\$17,300,000.*

21 *(7) Environmental improvements for the renova-*
22 *tion of psychiatric wards at the Department of Veter-*
23 *ans Affairs medical center in Perry Point, Maryland,*
24 *\$15,100,000.*

1 (3) *Lease of a satellite outpatient clinic in Bos-*
2 *ton, Massachusetts, in an amount not to exceed*
3 *\$2,358,000.*

4 (4) *Lease of a parking facility in Cleveland,*
5 *Ohio, in an amount not to exceed \$1,300,000.*

6 (5) *Lease of a satellite outpatient clinic and Vet-*
7 *erans Benefits Administration field office in San An-*
8 *tonio, Texas, in an amount not to exceed \$2,256,000.*

9 (6) *Lease of a satellite outpatient clinic in To-*
10 *ledo, Ohio, in an amount not to exceed \$2,223,000.*

11 **SEC. 203. AUTHORIZATION OF APPROPRIATIONS.**

12 (a) *IN GENERAL.*—*There are authorized to be appro-*
13 *priated to the Secretary of Veterans Affairs for fiscal year*
14 *1997 and fiscal year 1998—*

15 (1) *for the Construction, Major Projects, account,*
16 *a total of \$358,150,000 for the projects authorized in*
17 *section 201; and*

18 (2) *for the Medical Care account, a total of*
19 *\$12,236,000 for the leases authorized in section 202.*

20 (b) *LIMITATION.*—*The projects authorized in section*
21 *201 may only be carried out using—*

22 (1) *funds appropriated for fiscal year 1997 or*
23 *fiscal year 1998 consistent with the authorization of*
24 *appropriations in subsection (a);*

1 (2) *funds appropriated for Construction, Major*
2 *Projects for a fiscal year before fiscal year 1997 that*
3 *remain available for obligation; and*

4 (3) *funds appropriated for Construction, Major*
5 *Projects for fiscal year 1997 or fiscal year 1998 for*
6 *a category of activity not specific to a project.*

7 **SEC. 204. STRATEGIC PLANNING.**

8 *Section 8107 is amended—*

9 (1) *by redesignating subsection (b) as subsection*
10 *(c);*

11 (2) *by striking out subsection (a) and inserting*
12 *in lieu thereof the following new subsections:*

13 “(a) *In order to promote effective planning for the effi-*
14 *cient provision of care to eligible veterans, the Secretary,*
15 *based on the analysis and recommendations of the Under*
16 *Secretary for Health, shall submit to each committee an an-*
17 *nual report regarding long-range health planning of the De-*
18 *partment. The report shall be submitted each year not later*
19 *than the date on which the budget for the next fiscal year*
20 *is submitted to the Congress under section 1105 of title 31.*

21 “(b) *Each report under subsection (a) shall include the*
22 *following:*

23 “(1) *A five-year strategic plan for the provision*
24 *of care under chapter 17 of this title to eligible veter-*
25 *ans through coordinated networks of medical facilities*

1 *operating within prescribed geographic service-deliv-*
2 *ery areas, such plan to include provision of services*
3 *for the specialized treatment and rehabilitative needs*
4 *of disabled veterans (including veterans with spinal*
5 *cord dysfunction, blindness, amputations, and mental*
6 *illness) through distinct programs or facilities of the*
7 *Department dedicated to the specialized needs of those*
8 *veterans.*

9 *“(2) A description of how planning for the net-*
10 *works will be coordinated.*

11 *“(3) A profile regarding each such network of*
12 *medical facilities which identifies—*

13 *“(A) the mission of each existing or pro-*
14 *posed medical facility in the network;*

15 *“(B) any planned change in the mission for*
16 *any such facility and the rationale for such*
17 *planned change;*

18 *“(C) the population of veterans to be served*
19 *by the network and anticipated changes over a*
20 *five-year period and a ten-year period, respec-*
21 *tively, in that population and in the health-care*
22 *needs of that population;*

23 *“(D) information relevant to assessing*
24 *progress toward the goal of achieving relative*
25 *equivalency in the level of resources per patient*

1 distributed to each network, such information to
2 include the plans for and progress toward lower-
3 ing the cost of care-delivery in the network (by
4 means such as changes in the mix in the network
5 of physicians, nurses, physician assistants, and
6 advance practice nurses);

7 “(E) the capacity of non-Federal facilities
8 in the network to provide acute, long-term, and
9 specialized treatment and rehabilitative services
10 (described in section 7305 of this title), and de-
11 terminations regarding the extent to which serv-
12 ices to be provided in each service-delivery area
13 and each facility in such area should be provided
14 directly through facilities of the Department or
15 through contract or other arrangements, includ-
16 ing arrangements authorized under sections 8111
17 and 8153 of this title; and

18 “(F) a five-year plan for construction, re-
19 placement, or alteration projects in support of
20 the approved mission of each facility in the net-
21 work and a description of how those projects will
22 improve access to care, or quality of care, for pa-
23 tients served in the network.

24 “(4) A status report for each facility on progress
25 toward—

1 “(A) instituting planned mission changes
2 identified under paragraph (3)(B);

3 “(B) implementing principles of managed
4 care of eligible veterans; and

5 “(C) developing and instituting cost-effective
6 alternatives to provision of institutional
7 care.”; and

8 (3) by adding at the end the following new sub-
9 section:

10 “(d)(1) The Secretary shall submit to each committee,
11 not later than January 31 of each year, a report showing
12 the current priorities of the Department for proposed major
13 medical construction projects. Each such report shall iden-
14 tify the 20 projects, from within all the projects in the De-
15 partment’s inventory of proposed projects, that have the
16 highest priority and, for those 20 projects, the relative pri-
17 ority and rank scoring of each such project and the pro-
18 jected cost of such project (including the projected operating
19 costs, including both recurring and nonrecurring costs). The
20 20 projects shall be compiled, and their relative rankings
21 shall be shown, by category of project (including the cat-
22 egories of ambulatory care projects, nursing home care
23 projects, and such other categories as the Secretary deter-
24 mines).

1 “(2) *The Secretary shall include in each report, for*
2 *each project listed, a description of the specific factors that*
3 *account for the relative ranking of that project in relation*
4 *to other projects within the same category.*

5 “(3) *In a case in which the relative ranking of a pro-*
6 *posed project has changed since the last report under this*
7 *subsection was submitted, the Secretary shall also include*
8 *in the report a description of the reasons for the change*
9 *in the ranking, including an explanation of any change in*
10 *the scoring of the project under the Department’s scoring*
11 *system for proposed major medical construction projects.”.*

12 **SEC. 205. REVISION TO PROSPECTUS REQUIREMENTS.**

13 (a) *ADDITIONAL INFORMATION.—Section 8104(b) is*
14 *amended—*

15 (1) *by striking out the matter preceding para-*
16 *graph (1) and inserting in lieu thereof the following:*

17 “(b) *Whenever the President or the Secretary submit*
18 *to the Congress a request for the funding of a major medical*
19 *facility project (as defined in subsection (a)(3)(A)) or a*
20 *major medical facility lease (as defined in subsection*
21 *(a)(3)(B)), the Secretary shall submit to each committee,*
22 *on the same day, a prospectus of the proposed medical facil-*
23 *ity. Any such prospectus shall include the following:”;*

24 (2) *in paragraph (1)—*

1 (A) by striking out “a detailed” and insert-
2 ing in lieu thereof “A detailed”; and

3 (B) by striking out the semicolon at the end
4 and inserting in lieu thereof a period;

5 (3) in paragraph (2)—

6 (A) by striking out “an estimate” and in-
7 serting in lieu thereof “An estimate”; and

8 (B) by striking out “; and” and inserting
9 in lieu thereof a period;

10 (4) in paragraph (3), by striking out “an esti-
11 mate” and inserting in lieu thereof “An estimate”;
12 and

13 (5) by adding at the end the following new para-
14 graphs:

15 “(4) Demographic data applicable to such facil-
16 ity, including information on projected changes in the
17 population of veterans to be served by the facility over
18 a five-year period and a ten-year period.

19 “(5) Current and projected workload and utiliza-
20 tion data regarding the facility.

21 “(6) Current and projected operating costs of the
22 facility, including both recurring and non-recurring
23 costs.

24 “(7) The priority score assigned to the project or
25 lease under the Department’s prioritization methodol-

1 ogy and, if the project or lease is being proposed for
 2 funding before a project or lease with a higher score,
 3 a specific explanation of the factors other than the
 4 priority score that were considered and the basis on
 5 which the project or lease is proposed for funding
 6 ahead of projects or leases with higher priority scores.

7 “(8) In the case of a prospectus proposing the
 8 construction of a new or replacement medical facility,
 9 a description of each alternative to construction of the
 10 facility that was considered.”.

11 (b) *APPLICABILITY.*—The amendments made by sub-
 12 section (a) shall apply with respect to any prospectus sub-
 13 mitted by the Secretary of Veterans Affairs after the date
 14 of the enactment of this Act.

15 **SEC. 206. CONSTRUCTION AUTHORIZATION REQUIRE-**
 16 **MENTS.**

17 (a) *DEFINITION OF MAJOR MEDICAL FACILITY*
 18 *PROJECT.*—Paragraph (3)(A) of section 8104(a) is amend-
 19 ed by striking out “\$3,000,000” and inserting in lieu there-
 20 of “\$4,000,000”.

21 (b) *APPLICABILITY OF CONSTRUCTION AUTHORIZA-*
 22 *TION REQUIREMENT.*—(1) Subsection (b) of section 301 of
 23 the Veterans’ Medical Programs Amendments of 1992 (Pub-
 24 lic Law 102–405; 106 Stat. 1984) is repealed.

1 (2) *The amendments made by subsection (a) of such*
2 *section shall apply with respect to any major medical facil-*
3 *ity project or any major medical facility lease of the De-*
4 *partment of Veterans Affairs, regardless of when funds are*
5 *first appropriated for that project or lease, except that in*
6 *the case of a project for which funds were first appropriated*
7 *before October 9, 1992, such amendments shall not apply*
8 *with respect to amounts appropriated for that project for*
9 *a fiscal year before fiscal year 1998.*

10 (c) *LIMITATION ON OBLIGATIONS FOR ADVANCE PLAN-*
11 *NING.—Section 8104 is amended by adding at the end the*
12 *following new subsection:*

13 “(f) *The Secretary may not obligate funds in an*
14 *amount in excess of \$500,000 from the Advance Planning*
15 *Fund of the Department toward design or development of*
16 *a major medical facility project (as defined in subsection*
17 *(a)(3)(A)) until—*

18 “(1) *the Secretary submits to the committees a*
19 *report on the proposed obligation; and*

20 “(2) *a period of 30 days has passed after the*
21 *date on which the report is received by the commit-*
22 *tees.”.*

23 **SEC. 207. TERMINOLOGY CHANGES.**

24 (a) *DEFINITION OF “CONSTRUCT”.—Section 8101(2)*
25 *is amended—*

1 (1) by striking out “working drawings” and in-
2 serting in lieu thereof “construction documents”; and

3 (2) by striking out “preliminary plans” and in-
4 serting in lieu thereof “design development”.

5 (b) *PARKING FACILITIES*.—Section 8109(h)(3)(B) is
6 amended by striking out “working drawings” and inserting
7 in lieu thereof “construction documents”.

8 **TITLE III—HEALTH CARE AND**
9 **ADMINISTRATION**

10 **Subtitle A—Health Care Sharing**
11 **and Administration**

12 **SEC. 301. REVISION OF AUTHORITY TO SHARE MEDICAL FA-**
13 **CILITIES, EQUIPMENT, AND INFORMATION.**

14 (a) *STATEMENT OF PURPOSE*.—The text of section
15 8151 is amended to read as follows:

16 *“It is the purpose of this subchapter to strengthen the*
17 *medical programs at Department facilities and improve the*
18 *quality of health care provided veterans under this title by*
19 *authorizing the Secretary to enter into agreements with*
20 *health-care providers in order to share health-care resources*
21 *with, and receive health-care resources from, such providers*
22 *while ensuring no diminution of services to veterans.”.*

23 (b) *DEFINITIONS*.—Section 8152 is amended—

1 (1) *by striking out paragraphs (1), (2), and (3)*
2 *and inserting in lieu thereof the following new para-*
3 *graphs (1) and (2):*

4 “(1) *The term ‘health-care resource’ includes hos-*
5 *pital care and medical services (as those terms are de-*
6 *finied in section 1701 of this title), any other health-*
7 *care service, and any health-care support or adminis-*
8 *trative resource.*”

9 “(2) *The term ‘health-care providers’ includes*
10 *health-care plans and insurers and any organiza-*
11 *tions, institutions, or other entities or individuals*
12 *who furnish health-care resources.”; and*

13 (2) *by redesignating paragraph (4) as para-*
14 *graph (3).*

15 (c) *AUTHORITY TO SECURE HEALTH-CARE RE-*
16 *SOURCES.—Section 8153 is amended as follows:*

17 (1) *Subsection (a) is amended—*

18 (A) *in paragraph (1)—*

19 (i) *by striking out “certain specialized*
20 *medical resources” and inserting in lieu*
21 *thereof “health-care resources”;*

22 (ii) *by striking out “other medical re-*
23 *sources” and inserting in lieu thereof “other*
24 *health-care resources”; and*

1 (iii) by striking out “of—” and all
2 that follows through “section 1742(a) of this
3 title” and inserting in lieu thereof “of
4 health-care resources between Department
5 health-care facilities and any health-care
6 provider, or other entity or individual”;

7 (B) in paragraph (2), by striking out
8 “only” and all that follows through “are not”
9 and inserting in lieu thereof “if such resources
10 are not, or would not be,”; and

11 (C) by adding at the end the following:

12 “(3)(A) If the health-care resource required is a com-
13 mercial service, the use of medical equipment or space, or
14 research, and is to be acquired from an institution affiliated
15 with the Department in accordance with section 7302 of
16 this title, including medical practice groups and other enti-
17 ties associated with affiliated institutions, blood banks,
18 organ banks, or research centers, the Secretary may make
19 arrangements for acquisition of the resource without regard
20 to any law or regulation that would otherwise require the
21 use of competitive procedures for acquiring the resource.

22 “(B)(i) If the health-care resource required is a com-
23 mercial service or the use of medical equipment or space,
24 and is not to be acquired from an entity described in sub-
25 paragraph (A), any procurement of the resource may be

1 *conducted without regard to any law or regulation that*
2 *would otherwise require the use of competitive procedures*
3 *for procuring the resource, but only if the procurement is*
4 *conducted in accordance with the simplified procedures pre-*
5 *scribed pursuant to clause (ii).*

6 “(ii) *The Secretary, in consultation with the Adminis-*
7 *trator for Federal Procurement Policy, may prescribe sim-*
8 *plified procedures for the procurement of health-care re-*
9 *sources under this subparagraph. The Secretary shall pub-*
10 *lish such procedures for public comment in accordance with*
11 *section 22 of the Office of Federal Procurement Policy Act*
12 *(41 U.S.C. 418b). Such procedures shall permit all respon-*
13 *sible sources to submit a bid, proposal, or quotation (as ap-*
14 *propriate) for the resources to be procured and provide for*
15 *the consideration by the Department of bids, proposals, or*
16 *quotations so submitted.*

17 “(iii) *Pending publication of the procedures under*
18 *clause (ii), the Secretary shall (except as provided under*
19 *subparagraph (A)) procure health-care resources referred to*
20 *in clause (i) in accordance with all procurement laws and*
21 *regulations.*

22 “(C) *Any procurement of health-care resources other*
23 *than those covered by subparagraph (A) or (B) shall be con-*
24 *ducted in accordance with all procurement laws and regula-*
25 *tions.*

1 “(D) For any procurement to be conducted on a sole
2 source basis other than a procurement covered by subpara-
3 graph (A), a written justification shall be prepared that in-
4 cludes the information and is approved at the levels pre-
5 scribed in section 303(f) of the Federal Property and Ad-
6 ministrative Services Act of 1949 (41 U.S.C. 253(f)).

7 “(E) As used in this paragraph, the term ‘commercial
8 service’ means a service that is offered and sold competi-
9 tively in the commercial marketplace, is performed under
10 standard commercial terms and conditions, and is procured
11 using firm-fixed price contracts.”.

12 (2) Subsection (b) is amended by striking out
13 “reciprocal reimbursement” in the first sentence and
14 all that follows through the period at the end of that
15 sentence and inserting in lieu thereof “payment to the
16 Department in accordance with procedures that pro-
17 vide appropriate flexibility to negotiate payment
18 which is in the best interest of the Government.”.

19 (3) Subsection (d) is amended by striking out
20 “preclude such payment, in accordance with—” and
21 all that follows through “to such facility therefor” and
22 inserting in lieu thereof “preclude such payment to
23 such facility for such care or services”.

24 (4) Such section is further amended—

1 (A) by redesignating subsection (e) as sub-
2 section (g); and

3 (B) by inserting after subsection (d) the fol-
4 lowing new subsections:

5 “(e) The Secretary may make an arrangement that au-
6 thorizes the furnishing of services by the Secretary under
7 this section to individuals who are not veterans only if the
8 Secretary determines—

9 “(1) that veterans will receive priority under
10 such an arrangement; and

11 “(2) that such an arrangement—

12 “(A) is necessary to maintain an acceptable
13 level and quality of service to veterans at that fa-
14 cility; or

15 “(B) will result in the improvement of serv-
16 ices to eligible veterans at that facility.

17 “(f) Any amount received by the Secretary from a non-
18 Federal entity as payment for services provided by the Sec-
19 retary during a prior fiscal year under an agreement en-
20 tered into under this section may be obligated by the Sec-
21 retary during the fiscal year in which the Secretary receives
22 the payment.”.

23 (d) CLERICAL AMENDMENTS.—(1) The heading of sec-
24 tion 8153 is amended to read as follows:

1 **“§ 8153. Sharing of health-care resources”.**

2 (2) *The item relating to section 8153 in the table of*
 3 *sections at the beginning of chapter 81 is amended to read*
 4 *as follows:*

“8153. Sharing of health-care resources.”.

5 **SEC. 302. IMPROVED EFFICIENCY IN HEALTH CARE RE-**
 6 **SOURCE MANAGEMENT.**

7 (a) *TEMPORARY EXPANSION OF AUTHORITY FOR*
 8 *SHARING AGREEMENTS.*—*Section 201 of the Veterans*
 9 *Health Care Act of 1992 (Public Law 102–585; 38 U.S.C.*
 10 *8111 note) is amended—*

11 (1) *by inserting “(a) AUTHORITY.—” before “The*
 12 *Secretary of Veterans Affairs”;* and

13 (2) *by adding at the end thereof the following*
 14 *new subsection:*

15 **“(b) USE OF FUNDS.**—*Any amount received by the*
 16 *Secretary from a non-Federal entity as payment for services*
 17 *provided by the Secretary during a prior fiscal year under*
 18 *an agreement entered into under this section may be obli-*
 19 *gated by the Secretary during the fiscal year in which the*
 20 *Secretary receives the payment.”.*

21 (b) *REPEAL OF SUNSET PROVISION.*—(1) *Section 204*
 22 *of such Act (38 U.S.C. 8111 note) is repealed.*

23 (2) *Any services provided pursuant to agreements en-*
 24 *tered into under section 201 of such Act (38 U.S.C. 8111*
 25 *note) during the period beginning on October 1, 1996, and*

1 ending on the date of the enactment of this Act are hereby
2 ratified.

3 (c) *COST RECOVERY.*—Title II of such Act is further
4 amended by adding at the end the following new section:

5 **“SEC. 207. AUTHORITY TO BILL HEALTH-PLAN CONTRACTS.**

6 “(a) *RIGHT TO RECOVER.*—In the case of a primary
7 beneficiary (as described in section 201(a)(2)(B)) who has
8 coverage under a health-plan contract, as defined in section
9 1729(i)(1)(A) of title 38, United States Code, and who is
10 furnished care or services by a Department medical facility
11 pursuant to this title, the United States shall have the right
12 to recover or collect charges for such care or services from
13 such health-plan contract to the extent that the beneficiary
14 (or the provider of the care or services) would be eligible
15 to receive payment for such care or services from such
16 health-plan contract if the care or services had not been fur-
17 nished by a department or agency of the United States. Any
18 funds received from such health-plan contract shall be cred-
19 ited to funds that have been allotted to the facility that fur-
20 nished the care or services.

21 “(b) *ENFORCEMENT.*—The right of the United States
22 to recover under such a beneficiary’s health-plan contract
23 shall be enforceable in the same manner as that provided
24 by subsections (a)(3), (b), (c)(1), (d), (f), (h), and (i) of
25 section 1729 of title 38, United States Code.”.

1 **SEC. 303. PERSONNEL FURNISHING SHARED RESOURCES.**

2 *Section 712(b)(2) is amended—*

3 *(1) by striking out “the sum of—” and inserting*
4 *in lieu thereof “the sum of the following:”;*

5 *(2) by capitalizing the first letter of the first*
6 *word of each of subparagraphs (A) and (B);*

7 *(3) by striking out “; and” at the end of sub-*
8 *paragraph (A) and inserting in lieu thereof a period;*
9 *and*

10 *(4) by adding at the end the following new sub-*
11 *paragraph:*

12 *“(C) The number of such positions in the*
13 *Department during that fiscal year held by per-*
14 *sons involved in providing health-care resources*
15 *under section 8111 or 8153 of this title or under*
16 *section 201 of the Veterans Health Care Act of*
17 *1992 (Public Law 102–585; 106 Stat. 4949; 38*
18 *U.S.C. 8111 note).”.*

19 **SEC. 304. WAITING PERIOD FOR ADMINISTRATIVE REORGA-**
20 **NIZATIONS.**

21 *Section 510(b) is amended—*

22 *(1) in the second sentence, by striking out “a 90-*
23 *day period of continuous session of Congress following*
24 *the date of the submission of the report” and inserting*
25 *in lieu thereof “a 45-day period following the date of*
26 *the submission of the report, not less than 30 days of*

1 *which shall be days during which Congress shall have*
2 *been in continuous session”;* and

3 (2) *in the third sentence, by striking out “such*
4 *90–day period” and inserting in lieu thereof “any pe-*
5 *riod of continuity of session”.*

6 **SEC. 305. REPEAL OF LIMITATIONS ON CONTRACTS FOR**
7 **CONVERSION OF PERFORMANCE OF ACTIVI-**
8 **TIES OF DEPARTMENT HEALTH-CARE FACILI-**
9 **TIES AND REVISED ANNUAL REPORTING RE-**
10 **QUIREMENT.**

11 *Subsection (c) of section 8110 is amended to read as*
12 *follows:*

13 “(c) *The Secretary shall include in the materials sub-*
14 *mitted to Congress each year in support of the budget of*
15 *the Department for the next fiscal year a report on activi-*
16 *ties and proposals involving contracting for performance by*
17 *contractor personnel of work previously performed by De-*
18 *partment employees. The report shall—*

19 “(1) *identify those specific activities that are*
20 *currently performed at a Department facility by more*
21 *than 10 Department employees which the Secretary*
22 *proposes to study for possible contracting involving*
23 *conversion from performance by Department employ-*
24 *ees to performance by employees of a contractor; and*

1 “(2) identify those specific activities that have
2 been contracted for performance by contractor em-
3 ployees during the prior fiscal year (shown by loca-
4 tion, subject, scope of contracts, and savings) and
5 shall describe the effect of such contracts on the qual-
6 ity of delivery of health services during such year.”.

7 **Subtitle B—Care of Women**
8 **Veterans**

9 **SEC. 321. MAMMOGRAPHY QUALITY STANDARDS.**

10 (a) *IN GENERAL.*—(1) Subchapter II of chapter 73 is
11 amended by adding after section 7318 the following new
12 section:

13 **“§ 7319. Mammography quality standards**

14 “(a) A mammogram may not be performed at a De-
15 partment facility unless that facility is accredited for that
16 purpose by a private nonprofit organization designated by
17 the Secretary. An organization designated by the Secretary
18 under this subsection shall meet the standards for accredit-
19 ing bodies established under subsection (e) of section 354
20 of the Public Health Service Act (42 U.S.C. 263b).

21 “(b) The Secretary, in consultation with the Secretary
22 of Health and Human Services, shall prescribe quality as-
23 surance and quality control standards relating to the per-
24 formance and interpretation of mammograms and use of
25 mammogram equipment and facilities of the Department

1 of Veterans Affairs consistent with the requirements of sec-
2 tion 354(f)(1) of the Public Health Service Act. Such stand-
3 ards shall be no less stringent than the standards prescribed
4 by the Secretary of Health and Human Services under sec-
5 tion 354(f) of the Public Health Service Act.

6 “(c)(1) The Secretary, to ensure compliance with the
7 standards prescribed under subsection (b), shall provide for
8 an annual inspection of the equipment and facilities used
9 by and in Department health care facilities for the perform-
10 ance of mammograms. Such inspections shall be carried out
11 in a manner consistent with the inspection of certified fa-
12 cilities by the Secretary of Health and Human Services
13 under section 354(g) of the Public Health Service Act.

14 “(2) The Secretary may not provide for an inspection
15 under paragraph (1) to be performed by a State agency.

16 “(d) The Secretary shall ensure that mammograms
17 performed for the Department under contract with any non-
18 Department facility or provider conform to the quality
19 standards prescribed by the Secretary of Health and
20 Human Services under section 354 of the Public Health
21 Service Act.

22 “(e) For the purposes of this section, the term ‘mammo-
23 gram’ has the meaning given such term in paragraph (5)
24 of section 354(a) of the Public Health Service Act.”.

1 (2) *The table of sections at the beginning of such chap-*
2 *ter is amended by inserting after the item relating to section*
3 *7318 the following new item:*

“7319. Mammography quality standards.”.

4 (b) *DEADLINE FOR PRESCRIBING STANDARDS.—The*
5 *Secretary of Veterans Affairs shall prescribe standards*
6 *under subsection (b) of section 7319 of title 38, United*
7 *States Code, as added by subsection (a), not later than the*
8 *end of the 120-day period beginning on the date of the en-*
9 *actment of this Act.*

10 (c) *IMPLEMENTATION REPORT.—The Secretary shall*
11 *submit to the Committees on Veterans’ Affairs of the Senate*
12 *and House of Representatives a report on the Secretary’s*
13 *implementation of section 7319 of title 38, United States*
14 *Code, as added by subsection (a). The report shall be sub-*
15 *mitted not later than 120 days after the date of the enact-*
16 *ment of this Act.*

17 **SEC. 322. PATIENT PRIVACY FOR WOMEN PATIENTS.**

18 (a) *IDENTIFICATION OF DEFICIENCIES.—The Sec-*
19 *retary of Veterans Affairs shall conduct a survey of each*
20 *medical center under the jurisdiction of the Secretary to*
21 *identify deficiencies relating to patient privacy afforded to*
22 *women patients in the clinical areas at each such center*
23 *which may interfere with appropriate treatment of such pa-*
24 *tients.*

1 (b) *CORRECTION OF DEFICIENCIES.*—*The Secretary*
2 *shall ensure that plans and, where appropriate, interim*
3 *steps to correct the deficiencies identified in the survey con-*
4 *ducted under subsection (a) are developed and are incor-*
5 *porated into the Department’s construction planning proc-*
6 *esses and, in cases in which it is cost-effective to do so, are*
7 *given a high priority.*

8 (c) *REPORTS TO CONGRESS.*—*The Secretary shall*
9 *compile an annual inventory, by medical center, of defi-*
10 *ciencies identified under subsection (a) and of plans and,*
11 *where appropriate, interim steps, to correct such defi-*
12 *ciencies. The Secretary shall submit to the Committees on*
13 *Veterans’ Affairs of the Senate and House of Representa-*
14 *tives, not later than October 1, 1997, and not later than*
15 *October 1 each year thereafter through 1999 a report on*
16 *such deficiencies. The Secretary shall include in such report*
17 *the inventory compiled by the Secretary, the proposed cor-*
18 *rective plans, and the status of such plans.*

19 **SEC. 323. ASSESSMENT OF USE BY WOMEN VETERANS OF**
20 **DEPARTMENT HEALTH SERVICES.**

21 (a) *REPORTS TO UNDER SECRETARY FOR HEALTH.*—
22 *The Center for Women Veterans of the Department of Veter-*
23 *ans Affairs (established under section 509 of Public Law*
24 *103–446), in consultation with the Advisory Committee on*
25 *Women Veterans, shall assess the use by women veterans*

1 of health services through the Department of Veterans Af-
2 fairs, including counseling for sexual trauma and mental
3 health services. The Center shall submit to the Under Sec-
4 retary for Health of the Department of Veterans Affairs a
5 report not later than April 1, 1997, and April 1 of each
6 of the two following years, on—

7 (1) the extent to which women veterans described
8 in paragraphs (1) and (2) of section 1710(a) of title
9 38, United States Code, fail to seek, or face barriers
10 in seeking, health services through the Department,
11 and the reasons therefor; and

12 (2) recommendations, if indicated, for encourag-
13 ing greater use of such services, including (if appro-
14 priate) public service announcements and other out-
15 reach efforts.

16 (b) *REPORTS TO CONGRESSIONAL COMMITTEES.*—Not
17 later than July 1, 1997, and July 1 of each of the two fol-
18 lowing years, the Secretary of Veterans Affairs shall submit
19 to the Committees on Veterans' Affairs of the Senate and
20 House of Representatives a report containing—

21 (1) the most recent report of the Center for
22 Women Veterans under subsection (a);

23 (2) the views of the Under Secretary for Health
24 on such report's findings and recommendations; and

1 (3) a description of the steps being taken by the
2 Secretary to remedy any problems described in the re-
3 port.

4 **SEC. 324. REPORTING REQUIREMENTS.**

5 (a) *EXTENSION OF ANNUAL REPORT REQUIREMENT.*—
6 Section 107(a) of the Veterans Health Care Act of 1992
7 (Public Law 102–585; 106 Stat. 4947) is amended by strik-
8 ing out “Not later than January 1, 1993, January 1, 1994,
9 and January 1, 1995” and inserting in lieu thereof “Not
10 later than January 1 of 1993 and each year thereafter
11 through 1998”.

12 (b) *REPORT ON HEALTH CARE AND RESEARCH.*—Sec-
13 tion 107(b) of such Act is amended—

14 (1) in paragraph (2)(A), by inserting “(includ-
15 ing information on the number of inpatient stays and
16 the number of outpatient visits through which such
17 services were provided)” after “facility”; and

18 (2) by adding at the end the following new para-
19 graph:

20 “(5) A description of the actions taken by the
21 Secretary to foster and encourage the expansion of
22 such research.”.

1 ***Subtitle C—Readjustment Counsel-***
2 ***ing and Mental Health Care***

3 ***SEC. 331. EXPANSION OF ELIGIBILITY FOR READJUSTMENT***
4 ***COUNSELING AND CERTAIN RELATED COUN-***
5 ***SELING SERVICES.***

6 *(a) EXPANSION OF ELIGIBILITY.—Subsection (a) of*
7 *section 1712A is amended to read as follows:*

8 *“(a)(1)(A) Upon the request of any veteran referred*
9 *to in subparagraph (B), the Secretary shall furnish counsel-*
10 *ing to the veteran to assist the veteran in readjusting to*
11 *civilian life. Such counseling may include a general mental*
12 *and psychological assessment of the veteran to ascertain*
13 *whether such veteran has mental or psychological problems*
14 *associated with readjustment to civilian life.*

15 *“(B) Subparagraph (A) applies to the following veter-*
16 *ans:*

17 *“(i) Any veteran who served on active duty—*

18 *“(I) in a theater of combat operations (as*
19 *determined by the Secretary in consultation with*
20 *the Secretary of Defense) during the Vietnam*
21 *era; or*

22 *“(II) after May 7, 1975, in an area at a*
23 *time during which hostilities occurred in that*
24 *area.*

1 “(ii) Any veteran (other than a veteran covered
2 by clause (i)) who served on active duty during the
3 Vietnam era who seeks or is furnished such counseling
4 before January 1, 2000.

5 “(2)(A) Upon the request of any veteran (other than
6 a veteran covered by paragraph (1)) who served in the ac-
7 tive military, naval, or air service in a theater of combat
8 operations (as so determined) during a period of war, or
9 in any other area during a period in which hostilities (as
10 defined in subparagraph (B)) occurred in such area, the
11 Secretary may furnish counseling to the veteran to assist
12 the veteran in readjusting to civilian life.

13 “(B) For the purposes of subparagraph (A), the term
14 ‘hostilities’ means an armed conflict in which the members
15 of the Armed Forces are subjected to danger comparable to
16 the danger to which members of the Armed Forces have been
17 subjected in combat with enemy armed forces during a pe-
18 riod of war, as determined by the Secretary in consultation
19 with the Secretary of Defense.”.

20 (b) **REPEAL OF REFERRAL PROVISIONS.**—Subsection
21 (c) of such section is repealed.

22 **SEC. 332. REPORTS RELATING TO VET CENTERS.**

23 (a) **REPORT ON COLLOCATION OF VET CENTERS AND**
24 **DEPARTMENT OUTPATIENT CLINICS.**—(1) Not later than
25 six months after the date of the enactment of this Act, the

1 *Secretary of Veterans Affairs shall submit to the Committees*
2 *on Veterans' Affairs of the Senate and House of Representa-*
3 *tives a report on the feasibility and desirability of provid-*
4 *ing for the collocation of Vet Centers and outpatient clinics*
5 *(including rural mobile clinics) of the Department of Veter-*
6 *ans Affairs as current leases for such centers and clinics*
7 *expire.*

8 (2) *The report shall include an assessment of the fol-*
9 *lowing:*

10 (A) *The results of any collocation of Vet Centers*
11 *and outpatient clinics carried out by the Secretary*
12 *before the date of the enactment of this Act, including*
13 *the effects of such collocation on the quality of care*
14 *provided at such centers and clinics.*

15 (B) *The effect of such collocation on the capacity*
16 *of such centers and clinics to carry out their primary*
17 *mission.*

18 (C) *The extent to which such collocation will im-*
19 *pair the operational independence or administrative*
20 *integrity of such centers and clinics.*

21 (D) *The feasibility of combining the services pro-*
22 *vided by such centers and clinics in the course of such*
23 *collocation.*

24 (E) *The advisability of the collocation of centers*
25 *and clinics of significantly different size.*

1 (F) *The effect of the locations (including urban*
2 *and rural locations) of the centers and clinics on the*
3 *feasibility and desirability of such collocation.*

4 (G) *The amount of any costs savings to be*
5 *achieved by Department as a result of such collocation.*
6 *tion.*

7 (H) *Any other matter that the Secretary considers*
8 *appropriate.*

9 (b) *REPORT ON PROVISION OF LIMITED HEALTH CARE*
10 *SERVICES AT READJUSTMENT COUNSELING CENTERS.—(1)*
11 *Not later than six months after the date of the enactment*
12 *of this Act, the Secretary of Veterans Affairs shall submit*
13 *to the Committees on Veterans' Affairs of the Senate and*
14 *House of Representatives a report on the feasibility and desirability*
15 *of providing a limited battery of health care services*
16 *(including ambulatory services and health care screening*
17 *services) to veterans at Department of Veterans Affairs*
18 *readjustment counseling centers.*

19 (2) *The report shall include a discussion of the following:*
20 *ing:*

21 (A) *The effect on the advisability of providing*
22 *health care services at readjustment counseling centers*
23 *of the geographic location of such centers, including*
24 *the urban location and rural location of such centers*

1 **“§ 545. Advisory Committee on the Readjustment of**
2 **Veterans**

3 “(a)(1) *There is in the Department the Advisory Com-*
4 *mittee on the Readjustment of Veterans (hereinafter in this*
5 *section referred to as the ‘Committee’).*

6 “(2) *The Committee shall consist of not more than 18*
7 *members appointed by the Secretary from among individ-*
8 *uals who—*

9 “(A) *have demonstrated significant civic or pro-*
10 *fessional achievement; and*

11 “(B) *have experience with the provision of veter-*
12 *ans benefits and services by the Department.*

13 “(3) *The Secretary shall seek to ensure that members*
14 *appointed to the Committee include individuals from a*
15 *wide variety of geographic areas and ethnic backgrounds,*
16 *individuals from veterans service organizations, individuals*
17 *with combat experience, and women.*

18 “(4) *The Secretary shall determine the terms of service*
19 *and pay and allowances of the members of the Committee,*
20 *except that a term of service may not exceed two years. The*
21 *Secretary may reappoint any member for additional terms*
22 *of service.*

23 “(b)(1) *The Secretary shall, on a regular basis, consult*
24 *with and seek the advice of the Committee with respect to*
25 *the provision by the Department of benefits and services to*

1 *veterans in order to assist veterans in the readjustment to*
2 *civilian life.*

3 “(2)(A) *In providing advice to the Secretary under*
4 *this subsection, the Committee shall—*

5 “(i) *assemble and review information relating to*
6 *the needs of veterans in readjusting to civilian life;*

7 “(ii) *provide information relating to the nature*
8 *and character of psychological problems arising from*
9 *service in the Armed Forces;*

10 “(iii) *provide an on-going assessment of the ef-*
11 *fectiveness of the policies, organizational structures,*
12 *and services of the Department in assisting veterans*
13 *in readjusting to civilian life; and*

14 “(iv) *provide on-going advice on the most appro-*
15 *priate means of responding to the readjustment needs*
16 *of veterans in the future.*

17 “(B) *In carrying out its duties under subparagraph*
18 *(A), the Committee shall take into special account the needs*
19 *of veterans who have served in a theater of combat oper-*
20 *ations.*

21 “(c)(1) *Not later than March 31 of each year, the Com-*
22 *mittee shall submit to the Secretary a report on the pro-*
23 *grams and activities of the Department that relate to the*
24 *readjustment of veterans to civilian life. Each such report*
25 *shall include—*

1 “(A) an assessment of the needs of veterans with
2 respect to readjustment to civilian life;

3 “(B) a review of the programs and activities of
4 the Department designed to meet such needs; and

5 “(C) such recommendations (including rec-
6 ommendations for administrative and legislative ac-
7 tion) as the Committee considers appropriate.

8 “(2) Not later than 90 days after the receipt of a report
9 under paragraph (1), the Secretary shall transmit to the
10 Committees on Veterans’ Affairs of the Senate and House
11 of Representatives a copy of the report, together with any
12 comments and recommendations concerning the report that
13 the Secretary considers appropriate.

14 “(3) The Committee may also submit to the Secretary
15 such other reports and recommendations as the Committee
16 considers appropriate.

17 “(4) The Secretary shall submit with each annual re-
18 port submitted to the Congress pursuant to section 529 of
19 this title a summary of all reports and recommendations
20 of the Committee submitted to the Secretary since the pre-
21 vious annual report of the Secretary submitted pursuant
22 to that section.

23 “(d)(1) Except as provided in paragraph (2), the pro-
24 visions of the Federal Advisory Committee Act (5 U.S.C.

1 *App.) shall apply to the activities of the Committee under*
 2 *this section.*

3 “(2) Section 14 of such Act shall not apply to the Com-
 4 mittee.”.

5 (2) *The table of sections at the beginning of chapter*
 6 *5 is amended by inserting after the item relating to section*
 7 *544 the following new item:*

“545. Advisory Committee on the Readjustment of Veterans.”.

8 (b) *ORIGINAL MEMBERS.—(1) Notwithstanding sub-*
 9 *section (a)(2) of section 545 of title 38, United States Code*
 10 *(as added by subsection (a)), the members of the Advisory*
 11 *Committee on the Readjustment of Vietnam and Other War*
 12 *Veterans on the date of the enactment of this Act shall be*
 13 *the original members of the advisory committee recognized*
 14 *under such section.*

15 (2) *The original members shall so serve until the Sec-*
 16 *retary of Veterans Affairs carries out appointments under*
 17 *such subsection (a)(2). The Secretary of Veterans Affairs*
 18 *shall carry out such appointments as soon after such date*
 19 *as is practicable. The Secretary may make such appoint-*
 20 *ments from among such original members.*

21 **SEC. 334. CENTERS FOR MENTAL ILLNESS RESEARCH, EDU-**
 22 **CATION, AND CLINICAL ACTIVITIES.**

23 (a) *IN GENERAL.—(1) Subchapter II of chapter 73 is*
 24 *amended by adding after section 7319, as added by section*
 25 *321(a)(1), the following new section:*

1 **“§ 7320. Centers for mental illness research, edu-**
2 **cation, and clinical activities**

3 *“(a) The purpose of this section is to provide for the*
4 *improvement of the provision of health-care services and re-*
5 *lated counseling services to eligible veterans suffering from*
6 *mental illness (especially mental illness related to service-*
7 *related conditions) through—*

8 *“(1) the conduct of research (including research*
9 *on improving mental health service facilities of the*
10 *Department and on improving the delivery of mental*
11 *health services by the Department);*

12 *“(2) the education and training of health care*
13 *personnel of the Department; and*

14 *“(3) the development of improved models and*
15 *systems for the furnishing of mental health services by*
16 *the Department.*

17 *“(b)(1) The Secretary shall establish and operate cen-*
18 *ters for mental illness research, education, and clinical ac-*
19 *tivities. Such centers shall be established and operated by*
20 *collaborating Department facilities as provided in sub-*
21 *section (c)(1). Each such center shall function as a center*
22 *for—*

23 *“(A) research on mental health services;*

24 *“(B) the use by the Department of specific mod-*
25 *els for furnishing services to treat serious mental ill-*
26 *ness;*

1 “(C) education and training of health-care pro-
2 fessionals of the Department; and

3 “(D) the development and implementation of in-
4 novative clinical activities and systems of care with
5 respect to the delivery of such services by the Depart-
6 ment.

7 “(2) The Secretary shall, upon the recommendation of
8 the Under Secretary for Health, designate the centers under
9 this section. In making such designations, the Secretary
10 shall ensure that the centers designated are located in var-
11 ious geographic regions of the United States. The Secretary
12 may designate a center under this section only if—

13 “(A) the proposal submitted for the designation
14 of the center meets the requirements of subsection (c);

15 “(B) the Secretary makes the finding described
16 in subsection (d); and

17 “(C) the peer review panel established under sub-
18 section (e) makes the determination specified in sub-
19 section (e)(3) with respect to that proposal.

20 “(3) Not more than five centers may be designated
21 under this section.

22 “(4) The authority of the Secretary to establish and
23 operate centers under this section is subject to the appro-
24 priation of funds for that purpose.

1 “(c) A proposal submitted for the designation of a cen-
2 ter under this section shall—

3 “(1) provide for close collaboration in the estab-
4 lishment and operation of the center, and for the pro-
5 vision of care and the conduct of research and edu-
6 cation at the center, by a Department facility or fa-
7 cilities in the same geographic area which have a
8 mission centered on care of the mentally ill and a De-
9 partment facility in that area which has a mission
10 of providing tertiary medical care;

11 “(2) provide that no less than 50 percent of the
12 funds appropriated for the center for support of clini-
13 cal care, research, and education will be provided to
14 the collaborating facility or facilities that have a mis-
15 sion centered on care of the mentally ill; and

16 “(3) provide for a governance arrangement be-
17 tween the collaborating Department facilities which
18 ensures that the center will be established and oper-
19 ated in a manner aimed at improving the quality of
20 mental health care at the collaborating facility or fa-
21 cilities which have a mission centered on care of the
22 mentally ill.

23 “(d) The finding referred to in subsection (b)(2)(B)
24 with respect to a proposal for designation of a site as a
25 location of a center under this section is a finding by the

1 *Secretary, upon the recommendation of the Under Secretary*
2 *for Health, that the facilities submitting the proposal have*
3 *developed (or may reasonably be anticipated to develop)*
4 *each of the following:*

5 “(1) *An arrangement with an accredited medical*
6 *school that provides education and training in psy-*
7 *chiatry and with which one or more of the participat-*
8 *ing Department facilities is affiliated under which*
9 *medical residents receive education and training in*
10 *psychiatry through regular rotation through the par-*
11 *ticipating Department facilities so as to provide such*
12 *residents with training in the diagnosis and treat-*
13 *ment of mental illness.*

14 “(2) *An arrangement with an accredited grad-*
15 *uate program of psychology under which students re-*
16 *ceive education and training in clinical, counseling,*
17 *or professional psychology through regular rotation*
18 *through the participating Department facilities so as*
19 *to provide such students with training in the diag-*
20 *nosis and treatment of mental illness.*

21 “(3) *An arrangement under which nursing, so-*
22 *cial work, counseling, or allied health personnel re-*
23 *ceive training and education in mental health care*
24 *through regular rotation through the participating*
25 *Department facilities.*

1 “(4) *The ability to attract scientists who have*
2 *demonstrated achievement in research—*

3 “(A) *into the evaluation of innovative ap-*
4 *proaches to the design of mental health services;*
5 *or*

6 “(B) *into the causes, prevention, and treat-*
7 *ment of mental illness.*

8 “(5) *The capability to evaluate effectively the ac-*
9 *tivities of the center, including activities relating to*
10 *the evaluation of specific efforts to improve the qual-*
11 *ity and effectiveness of mental health services pro-*
12 *vided by the Department at or through individual fa-*
13 *cilities.*

14 “(e)(1) *In order to provide advice to assist the Sec-*
15 *retary and the Under Secretary for Health to carry out*
16 *their responsibilities under this section, the official within*
17 *the central office of the Veterans Health Administration re-*
18 *sponsible for mental health and behavioral sciences matters*
19 *shall establish a peer review panel to assess the scientific*
20 *and clinical merit of proposals that are submitted to the*
21 *Secretary for the designation of centers under this section.*

22 “(2) *The panel shall consist of experts in the fields of*
23 *mental health research, education and training, and clini-*
24 *cal care. Members of the panel shall serve as consultants*
25 *to the Department.*

1 “(3) The panel shall review each proposal submitted
2 to the panel by the official referred to in paragraph (1)
3 and shall submit to that official its views on the relative
4 scientific and clinical merit of each such proposal. The
5 panel shall specifically determine with respect to each such
6 proposal whether that proposal is among those proposals
7 which have met the highest competitive standards of sci-
8 entific and clinical merit.

9 “(4) The panel shall not be subject to the Federal Advi-
10 sory Committee Act (5 U.S.C. App.).

11 “(f) Clinical and scientific investigation activities at
12 each center established under this section—

13 “(1) may compete for the award of funding from
14 amounts appropriated for the Department of Veterans
15 Affairs medical and prosthetics research account; and

16 “(2) shall receive priority in the award of fund-
17 ing from such account insofar as funds are awarded
18 to projects and activities relating to mental illness.

19 “(g) The Under Secretary for Health shall ensure that
20 at least three centers designated under this section empha-
21 size research into means of improving the quality of care
22 for veterans suffering from mental illness through the devel-
23 opment of community-based alternatives to institutional
24 treatment for such illness.

1 “(h) *The Under Secretary for Health shall ensure that*
2 *information produced by the research, education and train-*
3 *ing, and clinical activities of centers established under this*
4 *section that may be useful for other activities of the Veterans*
5 *Health Administration is disseminated throughout the Vet-*
6 *erans Health Administration. Such dissemination shall be*
7 *made through publications, through programs of continuing*
8 *medical and related education provided through regional*
9 *medical education centers under subchapter VI of chapter*
10 *74 of this title, and through other means. Such programs*
11 *of continuing medical education shall receive priority in*
12 *the award of funding.*

13 “(i) *The official within the central office of the Veter-*
14 *ans Health Administration responsible for mental health*
15 *and behavioral sciences matters shall be responsible for su-*
16 *pervising the operation of the centers established pursuant*
17 *to this section and shall provide for ongoing evaluation of*
18 *the centers and their compliance with the requirements of*
19 *this section.*

20 “(j)(1) *There are authorized to be appropriated to the*
21 *Department of Veterans Affairs for the basic support of the*
22 *research and education and training activities of centers*
23 *established pursuant to this section amounts as follows:*

24 “(A) *\$3,125,000 for fiscal year 1998.*

1 “(B) \$6,250,000 for each of fiscal years 1999
2 through 2001.

3 “(2) In addition to funds appropriated for a fiscal
4 year pursuant to the authorization of appropriations in
5 paragraph (1), the Under Secretary for Health shall allo-
6 cate to such centers from other funds appropriated for that
7 fiscal year generally for the Department of Veterans Affairs
8 medical care account and the Department of Veterans Af-
9 fairs medical and prosthetics research account such
10 amounts as the Under Secretary for Health determines ap-
11 propriate to carry out the purposes of this section.”.

12 (2) The table of sections at the beginning of chapter
13 73 is amended by inserting after the item relating to section
14 7319, as added by section 321(a)(2), the following new item:
 “7320. Centers for mental illness research, education, and clinical activities.”.

15 (b) ANNUAL REPORTS.—Not later than February 1 of
16 each of 1999, 2000, 2001, and 2002, the Secretary of Veter-
17 ans Affairs shall submit to the Committees on Veterans’ Af-
18 fairs of the Senate and House of Representatives a report
19 on the status and activities during the previous fiscal year
20 of the centers for mental illness research, education, and
21 clinical activities established pursuant to section 7320 of
22 title 38, United States Code (as added by subsection (a)).
23 Each such report shall include the following:

1 (1) *A description of the activities carried out at*
2 *each center and the funding provided for such activi-*
3 *ties.*

4 (2) *A description of the advances made at each*
5 *of the participating facilities of the center in research,*
6 *education and training, and clinical activities relat-*
7 *ing to mental illness in veterans.*

8 (3) *A description of the actions taken by the*
9 *Under Secretary for Health pursuant to subsection*
10 *(h) of that section (as so added) to disseminate infor-*
11 *mation derived from such activities throughout the*
12 *Veterans Health Administration.*

13 (4) *The Secretary's evaluations of the effective-*
14 *ness of the centers in fulfilling the purposes of the cen-*
15 *ters.*

16 (c) *IMPLEMENTATION.—The Secretary of Veterans Af-*
17 *airs shall designate at least one center under section 7320*
18 *of title 38, United States Code, not later than January 1,*
19 *1998.*

20 **SEC. 335. COMMITTEE ON CARE OF SEVERELY CHRON-**
21 **ICALLY MENTALLY ILL VETERANS.**

22 (a) *ESTABLISHMENT.—Subchapter II of chapter 73 is*
23 *amended by adding after section 7320, as added by section*
24 *334(a)(1), the following new section:*

1 **“§ 7321. Committee on Care of Severely Chronically**
2 **Mentally Ill Veterans**

3 “(a) *The Secretary, acting through the Under Sec-*
4 *retary for Health, shall establish in the Veterans Health Ad-*
5 *ministration a Committee on Care of Severely Chronically*
6 *Mentally Ill Veterans. The Under Secretary shall appoint*
7 *employees of the Department with expertise in the care of*
8 *the chronically mentally ill to serve on the committee.*

9 “(b) *The committee shall assess, and carry out a con-*
10 *tinuing assessment of, the capability of the Veterans Health*
11 *Administration to meet effectively the treatment and reha-*
12 *ilitation needs of mentally ill veterans whose mental illness*
13 *is severe and chronic and who are eligible for health care*
14 *furnished by the Department, including the needs of such*
15 *veterans who are women. In carrying out that responsibil-*
16 *ity, the committee shall—*

17 “(1) *evaluate the care provided to such veterans*
18 *through the Veterans Health Administration;*

19 “(2) *identify systemwide problems in caring for*
20 *such veterans in facilities of the Veterans Health Ad-*
21 *ministration;*

22 “(3) *identify specific facilities within the Veter-*
23 *ans Health Administration at which program enrich-*
24 *ment is needed to improve treatment and rehabilita-*
25 *tion of such veterans; and*

1 “(4) identify model programs which the commit-
2 tee considers to have been successful in the treatment
3 and rehabilitation of such veterans and which should
4 be implemented more widely in or through facilities
5 of the Veterans Health Administration.

6 “(c) The committee shall—

7 “(1) advise the Under Secretary regarding the
8 development of policies for the care and rehabilitation
9 of severely chronically mentally ill veterans; and

10 “(2) make recommendations to the Under Sec-
11 retary—

12 “(A) for improving programs of care of such
13 veterans at specific facilities and throughout the
14 Veterans Health Administration;

15 “(B) for establishing special programs of
16 education and training relevant to the care of
17 such veterans for employees of the Veterans
18 Health Administration;

19 “(C) regarding research needs and priorities
20 relevant to the care of such veterans; and

21 “(D) regarding the appropriate allocation
22 of resources for all such activities.

23 “(d)(1) Not later than April 1, 1997, the Secretary
24 shall submit to the Committees on Veterans’ Affairs of the
25 Senate and House of Representatives a report on the imple-

1 *mentation of this section. The report shall include the fol-*
2 *lowing:*

3 “(A) *A list of the members of the committee.*

4 “(B) *The assessment of the Under Secretary for*
5 *Health, after review of the initial findings of the com-*
6 *mittee, regarding the capability of the Veterans*
7 *Health Administration, on a systemwide and facility-*
8 *by-facility basis, to meet effectively the treatment and*
9 *rehabilitation needs of severely chronically mentally*
10 *ill veterans who are eligible for Department care.*

11 “(C) *The plans of the committee for further as-*
12 *sessments.*

13 “(D) *The findings and recommendations made*
14 *by the committee to the Under Secretary for Health*
15 *and the views of the Under Secretary on such findings*
16 *and recommendations.*

17 “(E) *A description of the steps taken, plans*
18 *made (and a timetable for their execution), and re-*
19 *sources to be applied toward improving the capability*
20 *of the Veterans Health Administration to meet effec-*
21 *tively the treatment and rehabilitation needs of se-*
22 *verely chronically mentally ill veterans who are eligi-*
23 *ble for Department care.*

24 “(2) *Not later than February 1, 1998, and February*
25 *1 of each of the three following years, the Secretary shall*

1 *submit to the Committees on Veterans' Affairs of the Senate*
 2 *and House of Representatives a report containing informa-*
 3 *tion updating the reports submitted under this subsection*
 4 *before the submission of such report.”.*

5 (b) *CLERICAL AMENDMENT.*—*The table of sections at*
 6 *the beginning of chapter 73 is amended by inserting after*
 7 *the item relating to section 7320, as added by section*
 8 *334(a)(2) the following new item:*

“7321. Committee on Care of Severely Chronically Mentally Ill Veterans.”.

9 ***Subtitle D—Other Provisions***

10 ***SEC. 341. HOSPICE CARE STUDY.***

11 (a) *STUDY REQUIRED.*—*The Secretary of Veterans Af-*
 12 *fairs shall conduct a research study to determine the desir-*
 13 *ability of the Secretary furnishing hospice care to termi-*
 14 *nally ill veterans and to evaluate the most cost effective and*
 15 *efficient way to do so. The Secretary shall carry out the*
 16 *study using resources and personnel of the Department.*

17 (b) *CONDUCT OF STUDY.*—*In carrying out the study*
 18 *required by subsection (a), the Secretary shall—*

19 (1) *evaluate the programs, and the program*
 20 *models, through which the Secretary furnishes hospice*
 21 *care services within or through facilities of the De-*
 22 *partment of Veterans Affairs and the programs and*
 23 *program models through which non-Department fa-*
 24 *cilities provide such services;*

1 (2) *assess the satisfaction of patients, and family*
2 *members of patients, in each of the program models*
3 *covered by paragraph (1);*

4 (3) *compare the costs (or range of costs) of pro-*
5 *viding care through each of the program models cov-*
6 *ered by paragraph (1); and*

7 (4) *identify any barriers to providing, procur-*
8 *ing, or coordinating hospice services through any of*
9 *the program models covered by paragraph (1).*

10 (c) *PROGRAM MODELS.—For purposes of subsection*
11 *(b)(1), the Secretary shall evaluate a variety of types of*
12 *models for delivery of hospice care, including the following:*

13 (1) *Direct furnishing of full hospice care by the*
14 *Secretary.*

15 (2) *Direct furnishing of some hospice services by*
16 *the Secretary.*

17 (3) *Contracting by the Secretary for the furnish-*
18 *ing of hospice care, with a commitment that the Sec-*
19 *retary will provide any further required hospital care*
20 *for the patient.*

21 (4) *Contracting for all required care to be fur-*
22 *nished outside the Department.*

23 (5) *Referral of the patient for hospice care with-*
24 *out a contract.*

1 (b) *ASSISTANCE TO STATES FOR CONSTRUCTION OF*
2 *ADULT DAY CARE FACILITIES.*—(1) *Section 8131(3) is*
3 *amended by inserting “adult day health,” before “or hos-*
4 *pital care”.*

5 (2) *Section 8132 is amended by inserting “adult day*
6 *health,” before “or hospital care”.*

7 (3) *Section 8135(b) is amended—*

8 (A) *in paragraph (2)(C), by inserting “or adult*
9 *day health care facilities” after “domiciliary beds”;*
10 *and*

11 (B) *in paragraph (3)(A), by inserting “or con-*
12 *struction (other than new construction) of adult day*
13 *health care buildings” before the semicolon.*

14 **SEC. 343. RESEARCH CORPORATIONS.**

15 (a) *RENEWAL OF AUTHORITY.*—*Section 7368 is*
16 *amended by striking out “December 31, 1992” and insert-*
17 *ing in lieu thereof “December 31, 2000”.*

18 (b) *CLARIFICATION OF TAX-EXEMPT STATUS.*—*Sec-*
19 *tions 7361(b) and 7363(c) are amended by striking out*
20 *“section 501(c)(3) of”.*

21 (c) *PERIODIC AUDITS.*—*Subsection (b) of section 7366*
22 *is amended by striking out “The corporation” in the second*
23 *sentence and all that follows through “shall include that re-*
24 *port” and inserting in lieu thereof the following: “A cor-*
25 *poration with revenues in excess of \$300,000 for any year*

1 shall obtain an audit of the corporation for that year. A
2 corporation with annual revenues between \$10,000 and
3 \$300,000 shall obtain an independent audit of the corpora-
4 tion at least once every three years. Any audit under the
5 preceding sentences shall be performed by an independent
6 auditor. The corporation shall include the most recent such
7 audit”.

8 (d) COMPLIANCE WITH CONFLICT OF INTEREST LAWS
9 AND REGULATIONS.—Subsection (c)(2) of section 7366 is
10 amended by striking out “an annual statement signed by
11 the director or employee certifying that the director or” and
12 inserting in lieu thereof “a statement signed by the execu-
13 tive director of the corporation certifying that each director
14 and”.

15 (e) REVISED REPORTING REQUIREMENT.—Subsection
16 (d) of section 7366 is amended to read as follows:

17 “(d) The Secretary shall submit to the Committees on
18 Veterans’ Affairs of the Senate and House of Representa-
19 tives an annual report on the corporations established
20 under this subchapter. The report shall set forth the follow-
21 ing information:

22 “(1) The location of each corporation.

23 “(2) The amount received by each corporation
24 during the previous year, including—

25 “(A) the total amount received;

1 “(B) the amount received from govern-
2 mental entities;

3 “(C) the amount received from all other
4 sources; and

5 “(D) if the amount received from a source
6 referred to in subparagraph (C) exceeded
7 \$25,000, information that identifies the source.

8 “(3) The amount expended by each corporation
9 during the year, including—

10 “(A) the amount expended for salary for re-
11 search staff and for salary for support staff;

12 “(B) the amount expended for direct sup-
13 port of research; and

14 “(C) if the amount expended with respect to
15 any payee exceeded \$35,000, information that
16 identifies the payee.”.

17 **SEC. 344. VETERANS HEALTH ADMINISTRATION HEAD-**
18 **QUARTERS.**

19 Section 7306 is amended by adding at the end the fol-
20 lowing new subsection:

21 “(f) In organizing the Office and appointing persons
22 to positions in the Office, the Under Secretary shall ensure
23 that—

24 “(1) the Office is staffed so as to provide the
25 Under Secretary, through a designated clinician in

1 *the appropriate discipline in each instance, with ex-*
2 *pertise and direct policy guidance on—*

3 “(A) *unique programs operated by the Ad-*
4 *ministration to provide for the specialized treat-*
5 *ment and rehabilitation of disabled veterans (in-*
6 *cluding blind rehabilitation, care of spinal cord*
7 *dysfunction, mental illness, and long-term care);*
8 *and*

9 “(B) *the programs established under section*
10 *1712A of this title; and*

11 “(2) *with respect to the programs established*
12 *under section 1712A of this title, a clinician with ap-*
13 *propriate expertise in those programs is responsible to*
14 *the Under Secretary for the management of those pro-*
15 *grams.”.*

16 **SEC. 345. DISBURSEMENT AGREEMENTS RELATING TO MED-**
17 **ICAL RESIDENTS AND INTERNS.**

18 *Section 7406(c) is amended—*

19 (1) *by striking out “Department hospital” each*
20 *place it appears and inserting in lieu thereof “De-*
21 *partment facility furnishing hospital care or medical*
22 *services”;*

23 (2) *by striking out “participating hospital” in*
24 *paragraph (4)(C) and inserting in lieu thereof “par-*
25 *ticipating facility”; and*

1 (3) by striking out “hospital” both places it ap-
2 pears in paragraph (5) and inserting in lieu thereof
3 “facility”.

4 **SEC. 346. AUTHORITY TO SUSPEND SPECIAL PAY AGREE-**
5 **MENTS FOR PHYSICIANS AND DENTISTS WHO**
6 **ENTER RESIDENCY TRAINING PROGRAMS.**

7 Section 7432(b)(2) is amended—

8 (1) by inserting “(A)” after “(2)”; and

9 (2) by adding at the end the following:

10 “(B) The Secretary may suspend a special pay agree-
11 ment entered into under this section in the case of a physi-
12 cian or dentist who, having entered into the special pay
13 agreement, enters a residency training program. Any such
14 suspension shall terminate when the physician or dentist
15 completes, withdraws from, or is no longer a participant
16 in the program. During the period of such a suspension,
17 the physician or dentist is not subject to the provisions of
18 paragraph (1).”.

19 **SEC. 347. REMUNERATED OUTSIDE PROFESSIONAL ACTIVI-**
20 **TIES BY VETERANS HEALTH ADMINISTRA-**
21 **TION PERSONNEL.**

22 (a) *AUTHORITY*.—Subsection (b) of section 7423 is
23 amended—

24 (1) by striking out paragraph (1); and

1 *Affairs to convey certain property to Milwaukee County,*
2 *Wisconsin”, approved August 27, 1954 (68 Stat. 866).*

3 (c) *GENERAL AUTHORITIES.*—*The Secretary may*
4 *carry out this section subject to such terms and conditions*
5 *(including reservations of rights for the United States) as*
6 *the Secretary considers necessary to protect the interests of*
7 *the United States. In carrying out this section, the Sec-*
8 *retary may eliminate any existing covenant or restriction*
9 *with respect to the tract of land described in subsection (b)*
10 *which the Secretary determines to be no longer necessary*
11 *to protect the interests of the United States.*

12 **SEC. 349. MODIFICATION OF RESTRICTIONS ON REAL PROP-**
13 **ERTY, CHEYENNE, WYOMING.**

14 (a) *MODIFICATION OF REVERSIONARY INTEREST.*—
15 *The Secretary of Veterans Affairs of Veterans Affairs is au-*
16 *thorized to execute such instruments as may be necessary*
17 *to modify the conditions under which the land described*
18 *in subsection (b) will revert to the United States in order*
19 *to permit the City of Cheyenne, Wyoming, to grant all or*
20 *part of such land to the First Cheyenne Federal Credit*
21 *Union (formerly known as the Cheyenne VAF Federal Cred-*
22 *it Union) with a condition on such grant that the First*
23 *Cheyenne Federal Credit Union use such land only for the*
24 *purpose of constructing a building to house its operations.*

1 (b) *DESCRIPTION OF LAND.*—The land covered by this
2 section is the tract of 27 acres of land, more or less, con-
3 veyed to the City of Cheyenne, Wyoming, pursuant to the
4 Act entitled “An Act authorizing the Administrator of Vet-
5 erans’ Affairs to convey certain property to the City of
6 Cheyenne, Wyoming”, approved November 8, 1965 (79 Stat.
7 1304).

8 (c) *TERMS OF REVERSIONARY INTEREST.*—In carry-
9 ing out this section, the Secretary may cause the statement
10 of the conditions under which title to all or any part of
11 the land described in subsection (b) reverts to the United
12 States to be revised so that any such reversion would occur
13 at the option of the United States.

14 (d) *GENERAL AUTHORITIES.*—The Secretary may
15 carry out this section subject to such terms and conditions
16 (including reservations of rights for the United States) as
17 the Secretary considers necessary to protect the interests of
18 the United States. In carrying out this section, the Sec-
19 retary may eliminate any existing covenant or restriction
20 with respect to the tract of land described in subsection (b)
21 which the Secretary determines to be no longer necessary
22 to protect the interests of the United States.

1 **SEC. 350. NAME OF DEPARTMENT OF VETERANS AFFAIRS**

2 **MEDICAL CENTER, JOHNSON CITY, TEN-**

3 **NESSEE.**

4 (a) *NAME.*—*The Mountain Home Department of Vet-*
5 *erans Affairs Medical Center in Johnson City, Tennessee,*
6 *shall after the date of the enactment of this Act be known*
7 *and designated as the “James H. Quillen Department of*
8 *Veterans Affairs Medical Center”. Any reference to such*
9 *medical center in any law, regulation, map, document,*
10 *record, or other paper of the United States shall be consid-*
11 *ered to be a reference to the James H. Quillen Department*
12 *of Veterans Affairs Medical Center.*

13 (b) *EFFECTIVE DATE.*—*Subsection (a) shall take effect*
14 *at noon on January 3, 1997.*

15 **SEC. 351. REPORT ON HEALTH CARE NEEDS OF VETERANS**

16 **IN EAST CENTRAL FLORIDA.**

17 (a) *REPORT REQUIRED.*—*Not later than 60 days after*
18 *the date of the enactment of this Act, the Secretary of Veter-*
19 *ans Affairs shall submit to the Committees on Veterans’ Af-*
20 *fairs of the Senate and House of Representatives a report*
21 *on the health care needs of veterans in east central Florida.*
22 *In preparing the report, the Secretary shall consider the*
23 *needs of such veterans for psychiatric and long-term care.*
24 *The Secretary shall include in the report the Secretary’s*
25 *views, based on the Secretary’s determination of such needs,*
26 *as to the best means of meeting such needs using the*

1 amounts appropriated pursuant to the authorization of ap-
2 propriations in this Act and Public Law 103–452 for
3 projects to meet the health care needs of such veterans. The
4 Secretary may, subject to the availability of appropriations
5 for such purpose, use an independent contractor to assist
6 in the determination of such health care needs.

7 (b) *LIMITATION.*—The Secretary may not obligate any
8 funds, other than for design work, for the conversion of the
9 former Orlando Naval Training Center Hospital in Or-
10 lando, Florida (now under the jurisdiction of the Secretary
11 of Veterans Affairs), to a nursing home care unit until 45
12 days after the date on which the report required by sub-
13 section (a) is submitted.

14 **SEC. 352. EVALUATION OF HEALTH STATUS OF SPOUSES**
15 **AND CHILDREN OF PERSIAN GULF WAR VET-**
16 **ERANS.**

17 (a) *EXTENSION OF AUTHORITY.*—Subsection (b) of sec-
18 tion 107 of the Persian Gulf War Veterans’ Benefits Act
19 (title I of Public Law 103–446; 108 Stat. 4652; 38 U.S.C.
20 1117 note) is amended by striking out “September 30,
21 1996” and inserting in lieu thereof “December 31, 1998”.

22 (b) *RATIFICATION OF ACTIONS.*—Any diagnostic test-
23 ing and medical examinations undertaken by the Secretary
24 of Veterans Affairs for the purpose of the study required
25 by subsection (a) of such section during the period begin-

1 *ning on October 1, 1996, and ending on the date of the*
2 *enactment of this Act is hereby ratified.*

Amend the title so as to read: “An Act to amend title 38, United States Code, to reform eligibility for health care provided by the Department of Veterans Affairs, to authorize major medical facility construction projects for the Department, to improve administration of health care by the Department, and for other purposes.”.

Attest:

Secretary.

104TH CONGRESS
2^D SESSION

H. R. 3118

AMENDMENTS

HR 3118 EAS—2
HR 3118 EAS—3
HR 3118 EAS—4
HR 3118 EAS—5
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HR 3118 EAS—9
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