

**Union Calendar No. 358**

104TH CONGRESS  
2D SESSION

**H. R. 3118**

**[Report No. 104-690]**

---

---

**A BILL**

To amend title 38, United States Code, to reform eligibility for health care provided by the Department of Veterans Affairs.

---

---

JULY 18, 1996

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

# Union Calendar No. 358

104TH CONGRESS  
2D SESSION

# H. R. 3118

[Report No. 104-690]

To amend title 38, United States Code, to reform eligibility for health care provided by the Department of Veterans Affairs.

---

## IN THE HOUSE OF REPRESENTATIVES

MARCH 20, 1996

Mr. STUMP (for himself, Mr. MONTGOMERY, Mr. HUTCHINSON, and Mr. EDWARDS) introduced the following bill; which was referred to the Committee on Veterans' Affairs

JULY 18, 1996

Additional sponsors: Mr. SMITH of New Jersey, Mr. BILIRAKIS, Mr. ACKERMAN, Mr. GENE GREEN of Texas, Mr. CRAMER, Mr. FROST, Mr. MOAKLEY, Mr. SOLOMON, Mr. MASCARA, Mr. HALL of Texas, Mr. TEJEDA, Mr. FALEOMAVAEGA, Mr. MANTON, Mr. LINDER, Mr. WELLER, Mr. McCRRERY, Mr. GILMAN, Mr. FLAKE, Mr. DOYLE, Mr. WATTS of Oklahoma, Mr. EMERSON, Mr. EVERETT, Mr. BUYER, Mr. BACHUS, Mr. STEARNS, Mr. FOX of Pennsylvania, Mr. FLANAGAN, Mr. BARR of Georgia, Mr. COOLEY of Oregon, Mr. EVANS, Mr. KENNEDY of Massachusetts, Mr. CLEMENT, Mr. FILNER, Mr. BISHOP, Mr. BALDACCI, Mr. CAMP, Mr. BRYANT of Tennessee, Ms. KAPTUR, Mr. FAZIO of California, Mr. RAHALL, Mr. SCARBOROUGH, Mrs. LOWEY, Mr. SAXTON, Mr. QUINN, Mr. McDERMOTT, Mrs. KELLY, Mr. WISE, Mr. JOHNSON of South Dakota, Mr. KENNEDY of Rhode Island, Mr. LIPINSKI, Mr. DOOLEY of California, Mr. SPRATT, Mr. ENGLISH of Pennsylvania, Ms. LOFGREN, Mr. TATE, Mr. SKAGGS, Mr. SANDERS, Mr. BARRETT of Nebraska, Mr. KILDEE, Mr. COYNE, Mr. BOUCHER, Mr. FARR of California

JULY 18, 1996

Committed to the Committee of the Whole House on the State of the Union  
and ordered to be printed

---

# A BILL

To amend title 38, United States Code, to reform eligibility for health care provided by the Department of Veterans Affairs.

1       *Be it enacted by the Senate and House of Representa-  
2 tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED  
4 STATES CODE.**

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

7       (b) REFERENCES TO TITLE 38, UNITED STATES  
8 CODE.—Except as otherwise expressly provided, whenever  
9 in this Act an amendment or repeal is expressed in terms  
10 of an amendment to, or repeal of, a section or other provi-  
11 sion, the reference shall be considered to be made to a  
12 section or other provision of title 38, United States Code.

13 **SEC. 2. HOSPITAL CARE AND MEDICAL SERVICES.**

14       (a) ELIGIBILITY FOR CARE.—Section 1710(a) is  
15 amended by striking out paragraphs (1) and (2) and in-  
16 serting the following:

17       “(a)(1) The Secretary shall, to the extent and in the  
18 amount provided in advance in appropriations Acts for  
19 these purposes, provide hospital care and medical services,  
20 and may provide nursing home care, which the Secretary  
21 determines is needed to any veteran—

1               “(A) with a compensable service-connected dis-  
2         ability;

3               “(B) whose discharge or release from active  
4         military, naval, or air service was for a compensable  
5         disability that was incurred or aggravated in the line  
6         of duty;

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

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

15               “(E) of the Mexican border period or of World  
16      War I;

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

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

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

1 visions of subsection (f), furnish hospital care, medical  
2 services, and nursing home care which the Secretary deter-  
3 mines is needed.”.

4 (b) CONFORMING AMENDMENTS.—(1) Section  
5 1710(e) is amended—

6 (A) in paragraph (1), by striking out “hospital  
7 care and nursing home care” in subparagraphs (A),  
8 (B), and (C) and inserting in lieu thereof “hospital  
9 care, medical services, and nursing home care”;

10 (B) in paragraph (2), by inserting “and medical  
11 services” after “Hospital and nursing home care”;  
12 and

13 (C) by striking out “subsection (a)(1)(G) of  
14 this section” each place it appears and inserting in  
15 lieu thereof “subsection (a)(1)(F)”.

16 (2) Chapter 17 is amended—

17 (A) by redesignating subsection (g) of section  
18 1710 as subsection (h); and

19 (B) by transferring subsection (f) of section  
20 1712 to section 1710 so as to appear after sub-  
21 section (f), redesignating such subsection as sub-  
22 section (g), and amending such subsection by strik-  
23 ing out “section 1710(a)(2) of this title” in para-  
24 graph (1) and inserting in lieu thereof “subsection  
25 (a)(2) of this section”.

1       (3) Section 1712 is amended—  
2           (A) by striking out subsections (a) and (i); and  
3           (B) by redesignating subsections (b), (c), (d),  
4           (h) and (j), as subsections (a), (b), (c), (d), and (e),  
5           respectively.

6 **SEC. 3. PROSTHETICS.**

7       (a) **ELIGIBILITY FOR PROSTHETICS.**—Section  
8 1701(6)(A)(i) is amended—

9           (1) by striking out “(in the case of a person  
10 otherwise receiving care or services under this chap-  
11 ter)” and “(except under the conditions described in  
12 section 1712(a)(5)(A) of this title);”;

13           (2) by inserting “(in the case of a person other-  
14 wise receiving care or services under this chapter)”  
15 before “wheelchairs;”; and

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

20       (b) **REGULATIONS.**—Not later than 30 days after the  
21 date of the enactment of this Act, the Secretary of Veter-  
22 ans Affairs shall prescribe the guidelines required by the  
23 amendments made by subsection (a) and shall furnish a  
24 copy of those guidelines to the Committees on Veterans’  
25 Affairs of the Senate and House of Representatives.

1   **SEC. 4. MANAGEMENT OF HEALTH CARE.**

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

4   **“§ 1705. Management of health care: patient enroll-  
5                      ment system**

6       “(a) In managing the provision of hospital care and  
7     medical services under section 1710(a)(1) of this title, the  
8     Secretary, in accordance with regulations the Secretary  
9     shall prescribe, shall establish and operate a system of an-  
10  nual patient enrollment. The Secretary shall manage the  
11  enrollment of veterans in accordance with the following  
12  priorities, in the order listed:

13       “(1) Veterans with service-connected disabilities  
14  rated 30 percent or greater.

15       “(2) Veterans who are former prisoners of war  
16  and veterans with service-connected disabilities rated  
17  10 percent or 20 percent.

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

22       “(4) Veterans not covered by paragraphs (1)  
23  through (3) who are unable to defray the expenses  
24  of necessary care as determined under section  
25  1722(a) of this title.

1           “(5) All other veterans eligible for hospital care,  
2        medical services, and nursing home care under sec-  
3        tion 1710(a)(1) of this title.

4           “(b) In the design of an enrollment system under  
5        subsection (a), the Secretary—

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

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

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

15   **“§ 1706. Management of health care: other require-  
16        ments**

17          “(a) In managing the provision of hospital care and  
18      medical services under section 1710(a) of this title, the  
19      Secretary shall, to the extent feasible, design, establish  
20      and manage health care programs in such a manner as  
21      to promote cost-effective delivery of health care services  
22      in the most clinically appropriate setting.

23          “(b) In managing the provision of hospital care and  
24      medical services under section 1710(a) of this title, the  
25      Secretary—

1           “(1) may contract for hospital care and medical  
2        services when Department facilities are not capable  
3        of furnishing such care and services economically,  
4        and

5           “(2) shall make such rules and regulations re-  
6        garding acquisition procedures or policies as the Sec-  
7        retary considers appropriate to provide such needed  
8        care and services.

9           “(c) In managing the provision of hospital care and  
10      medical services under section 1710(a) of this title, the  
11      Secretary shall ensure that the Department maintains its  
12      capacity to provide for the specialized treatment and reha-  
13      bilitative needs of disabled veterans described in section  
14      1710(a) of this title (including veterans with spinal cord  
15      dysfunction, blindness, amputations, and mental illness)  
16      within distinct programs or facilities of the Department  
17      that are dedicated to the specialized needs of those veter-  
18      ans in a manner that (1) affords those veterans reasonable  
19      access to care and services for those specialized needs, and  
20      (2) ensures that overall capacity of the Department to pro-  
21      vide such services is not reduced below the capacity of the  
22      Department, nationwide, to provide those services, as of  
23      the date of the enactment of this section.

24           “(d) In managing the provision of hospital care and  
25      medical services under section 1710(a) of this title, the

1 Secretary shall ensure that any veteran with a service-con-  
2 nected disability is provided all benefits under this chapter  
3 for which that veteran was eligible before the date of the  
4 enactment of this section.”.

5 (2) The table of sections at the beginning of chapter  
6 17 is amended by inserting after the item relating to sec-  
7 tion 1704 the following new items:

“1705. Management of health care: patient enrollment system.  
“1706. Management of health care: other requirements.”.

8 (b) CONFORMING AMENDMENTS TO SECTION  
9 1703.—(1) Section 1703 is amended—

10 (A) by striking out subsections (a) and (b); and  
11 (B) in subsection (c) by—  
12 (i) striking out “(c)”, and  
13 (ii) striking out “this section, sections”  
14 and inserting in lieu thereof “sections 1710.”.

15 (2)(A) The heading of such section is amended to  
16 read as follows:

17 **“§ 1703. Annual report on furnishing of care and**  
18 **services by contract”.**

19 (B) The item relating to such section in the table of  
20 sections at the beginning of chapter 17 is amended to read  
21 as follows:

“1703. Annual report on furnishing of care and services by contract.”.

1   **SEC. 5. IMPROVED EFFICIENCY IN HEALTH CARE RE-**  
2                   **SOURCE MANAGEMENT.**

3       (a) REPEAL OF SUNSET PROVISION.—Section 204 of  
4   the Veterans Health Care Act of 1992 (Public Law 102–  
5   585; 106 Stat. 4950) is repealed.

6       (b) COST RECOVERY.—Title II of such Act is further  
7   amended by adding at the end the following new section:

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

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

24           “(b) ENFORCEMENT.—The right of the United  
25   States to recover under such a beneficiary’s health-plan  
26   contract shall be enforceable in the same manner as that

1 provided by subsections (a)(3), (b), (c)(1), (d), (f), (h),  
2 and (i) of section 1729 of title 38, United States Code.”.

3 **SEC. 6. SHARING AGREEMENTS FOR HEALTH CARE RE-**

4 **SOURCES.**

5 (a) REPEAL OF SECTION 8151.—(1) Subchapter IV  
6 of chapter 81 is amended—

7 (A) by striking out section 8151; and  
8 (B) by redesignating sections 8152, 8153,  
9 8154, 8155, 8156, 8157, and 8158 as sections 8151,  
10 8152, 8153, 8154, 8155, 8156, and 8157, respec-  
11 tively.

12 (2) The table of sections at the beginning of such  
13 chapter is amended—

14 (A) by striking out the item relating to section  
15 8151; and

16 (B) by revising the items relating to sections  
17 8152, 8153, 8154, 8155, 8156, 8157, and 8158 to  
18 reflect the redesignations by paragraph (1)(B).

19 (b) REVISED AUTHORITY FOR SHARING AGREE-  
20 MENTS.—Section 8152 (as redesignated by subsection  
21 (a)(1)(B)) is amended—

22 (1) in subsection (a)(1)(A)—

23 (A) by striking out “specialized medical re-  
24 sources” and inserting in lieu thereof “health-  
25 care resources”; and

1                             (B) by striking out “other” and all that  
2                             follows through “medical schools” and inserting  
3                             in lieu thereof “any medical school, health-care  
4                             provider, health-care plan, insurer, or other en-  
5                             tity or individual”;

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

10                            (3) in subsection (b), by striking out “reciprocal  
11                             reimbursement” in the first sentence and all that  
12                             follows through the period at the end of that sen-  
13                             tence and inserting in lieu thereof “payment to the  
14                             Department in accordance with procedures that pro-  
15                             vide appropriate flexibility to negotiate payment  
16                             which is in the best interest of the Government.”;

17                            (4) in subsection (d), by striking out “preclude  
18                             such payment, in accordance with—” and all that  
19                             follows through “to such facility therefor” and in-  
20                             serting in lieu thereof “preclude such payment to  
21                             such facility for such care or services”;

22                            (5) by redesignating subsection (e) as sub-  
23                             section (f); and

24                            (6) by inserting after subsection (d) the follow-  
25                             ing new subsection (e):

1       “(e) The Secretary may make an arrangement that  
2 authorizes the furnishing of services by the Secretary  
3 under this section to individuals who are not veterans only  
4 if the Secretary determines—

5           “(1) that such an arrangement will not result  
6 in the denial of, or a delay in providing access to,  
7 care to any veteran at that facility; and

8           “(2) that such an arrangement—

9            “(A) is necessary to maintain an accept-  
10 able level and quality of service to veterans at  
11 that facility; or

12           “(B) will result in the improvement of  
13 services to eligible veterans at that facility.”.

14       (c) CROSS-REFERENCE AMENDMENTS.—(1) Section  
15 8110(c)(3)(A) is amended by striking out “8153” and in-  
16 serting in lieu thereof “8152”.

17       (2) Subsection (b) of section 8154 (as redesignated  
18 by subsection (a)(1)(B)) is amended by striking out “sec-  
19 tion 8154” and inserting in lieu thereof “section 8153”.

20       (3) Section 8156 (as redesignated by subsection  
21 (a)(1)(B)) is amended—

22           (A) in subsection (a), by striking out “section  
23 8153(a)” and inserting in lieu thereof “section  
24 8152(a)”; and

1                   (B) in subsection (b)(3), by striking out “sec-  
2                   tion 8153” and inserting in lieu thereof “section  
3                   8152”.

4                   (4) Subsection (a) of section 8157 (as redesignated  
5 by subsection (a)(1)(B)) is amended—

6                   (A) in the matter preceding paragraph (1), by  
7                   striking out “section 8157” and “section 8153(a)”  
8                   and inserting in lieu thereof “section 8156” and  
9                   “section 8152(a)”, respectively; and

10                  (B) in paragraph (1), by striking out “section  
11                  8157(b)(4)” and inserting in lieu thereof “section  
12                  8156(b)(4)”.

13 **SEC. 7. PERSONNEL FURNISHING SHARED RESOURCES.**

14                  Section 712(b)(2) is amended—

15                  (1) by striking out “the sum of—” and insert-  
16                  ing in lieu thereof “the sum of the following:”;

17                  (2) by capitalizing the first letter of the first  
18                  word of each of subparagraphs (A) and (B);

19                  (3) by striking out “; and” at the end of sub-  
20                  paragraph (A) and inserting in lieu thereof a period;  
21                  and

22                  (4) by adding at the end the following:

23                         “(C) The number of such positions in the  
24                         Department during that fiscal year held by per-

1           sons involved in providing health-care resources  
2           under section 8111 or 8152 of this title.”.