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REPORT
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VETERANS INFORMATION MODERNIZATION ACT

JULY 7, 2015.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MILLER of Florida, from the Committee on Veterans' Affairs, submitted the following

R E P O R T

[To accompany H.R. 2256]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 2256) to amend title 38, United States Code, to direct the Secretary of Veterans Affairs to submit an annual report on the Veterans Health Administration and the furnishing of hospital care, medical services, and nursing home care by the Department of Veterans Affairs, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

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49–006

AMENDMENT IN THE NATURE OF A SUBSTITUTE

The amendments are as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited a the "Veterans Information Modernization Act".

SEC. 2. ANNUAL REPORT ON VETERANS HEALTH ADMINISTRATION AND FURNISHING OF HOSPITAL CARE, MEDICAL SERVICES, AND NURSING HOME CARE.

(a) IN GENERAL.—Subchapter II of chapter 73 of title 38, United States Code, is amended by adding at the end the following new section:

"§ 7330B. Annual report on Veterans Health Administration and furnishing of hospital care, medical services, and nursing home care

"(a) REPORT REQUIRED.—Not later than March 1 of each year, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the furnishing of hospital care, medical services, and nursing home care under the laws administered by the Secretary and on the administration of the provision of such care and services by the Veterans Health Administration during the calendar year preceding the calendar year during which the report is submitted.

"(b) CONTENTS OF REPORT.—Each report required by subsection (a) shall include each of the following for the year covered by the report:

"(1) An evaluation of the effectiveness of the Veterans Health Administration program in increasing the access of veterans eligible for hospital care, medical services, and nursing home care furnished by the Secretary to such care.

"(2) An evaluation of the effectiveness of the Veterans Health Administration in improving the quality of health care provided to such veterans, without increasing the costs incurred by the Government or such veterans, which includes the relevant information for each medical center and Veterans Integrated Service Network of the Department set forth separately.

"(3) An assessment of—

"(A) the workload of physicians and other employees of the Veterans Health Administration;

"(B) patient demographics and utilization rates;

"(C) physician compensation;

"(D) the productivity of physicians and other employees of the Veterans Health Administration;

"(E) the percentage of hospital care, medical services, and nursing home care provided to such veterans in Department facilities and in non-Department facilities and any changes in such percentages compared to the year preceding the year covered by the report;

"(F) pharmaceutical prices; and

"(G) third party health billings owed to the Department, including the total amount of such billings and the total amounts collected, set forth separately for claims greater than $1000 and for claims equal to or less than $1000.

"(c) DEFINITIONS.—In this section, the terms 'hospital care', 'medical services', 'nursing home care', and 'non-Department facilities' have the meanings given such terms in section 1701 of this title.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7330A the following new item:

"7330B. Annual report on Veterans Health Administration and furnishing of hospital care, medical services, and nursing home care.".

SEC. 3. EXPANSION OF DEFINITION OF HOMELESS VETERAN FOR PURPOSES OF BENEFITS UNDER THE LAWS ADMINISTERED BY THE SECRETARY OF VETERANS AFFAIRS.

Section 2002(1) of title 38, United States Code, is amended by inserting "or (b)" after "section 103(a)".

SEC. 4. IDENTIFICATION AND TRACKING OF BIOLOGICAL IMPLANTS USED IN DEPARTMENT OF VETERANS AFFAIRS MEDICAL FACILITIES.

(a) IN GENERAL.—Subchapter II of chapter 73 of title 38, United States Code, as amended by section 2, is further amended by adding at the end the following new section:

"§ 7330C. Identification and tracking of biological implants

"(a) STANDARD IDENTIFICATION SYSTEM FOR BIOLOGICAL IMPLANTS.—(1) The Secretary shall adopt the unique device identification system developed for medical devices by the Food and Drug Administration pursuant to section 519(f) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360i(f)), or implement a comparable standard identification system, for use in identifying biological implants intended for use in medical procedures conducted in medical facilities of the Department.

"(2) In adopting or implementing a standard identification system for biological implants under paragraph (1), the Secretary shall permit a vendor to use any of the accredited entities identified by the Food and Drug Administration as an issuing agency pursuant to section 830.100 of title 21, Code of Federal Regulations, or any successor regulation.

"(b) BIOLOGICAL IMPLANT TRACKING SYSTEM.—(1) The Secretary shall implement a system for tracking the biological implants referred to in subsection (a) from human donor or animal source to implantation.

"(2) The tracking system implemented under paragraph (1) shall be compatible with the identification system adopted or implemented under subsection (a).

"(3) The Secretary shall implement inventory controls compatible with the tracking system implemented under paragraph (1) so that all patients who have received, in a medical facility of the Department, a biological implant subject to a recall can be notified of the recall, if based on the evaluation of appropriate medical personnel of the Department of the risks and benefits, the Secretary determines such notification is appropriate.

"(c) CONSISTENCY WITH FOOD AND DRUG ADMINISTRATION REGULATIONS.—To the extent that a conflict arises between this section and a provision of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.) or sections 351 or 361 of the Public Health Service Act (42 U.S.C. 262) (including any regulations issued under such Acts), the provision the Federal Food, Drug, and Cosmetic Act or Public Health Service Act (including any regulations issued under such Acts) shall apply.

"(d) DEFINITION OF BIOLOGICAL IMPLANT.—In this section, the term 'biological implant' means any animal or human cell, tissue, or cellular or tissue-based product—

"(1) under the meaning given the term human cells, tissues, or cellular or tissue-based products in section 1271.3 of title 21, Code of Federal Regulations, or any successor regulation; or

"(2) that is regulated as a device under section 201(h) of the Federal Food, Drug, and Cosmetic Act.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter, as amended by section 2, is further amended by inserting after the item relating to section 7330B, as added by section 2, the following new item:

"7330C. Identification and tracking of biological implants.".

(c) IMPLEMENTATION DEADLINES.—

(1) STANDARD IDENTIFICATION SYSTEM.—

(A) IN GENERAL.—With respect to biological implants described in paragraph (1) of subsection (d) of section 7330C of title 38, United States Code, as added by subsection (a), the Secretary of Veterans Affairs shall adopt or implement a standard identification system for biological implants, as required by subsection (a) of such section, by not later than the date that is 180 days after the date of the enactment of this Act.

(B) IMPLANTS REGULATED AS DEVICES.—With respect to biological implants described in paragraph (2) of subsection (d) of such section, the Secretary of Veterans Affairs shall adopt or implement such standard identification system in compliance with the compliance dates established by the Food and Drug Administration pursuant to section 519(f) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360i(f)).

(2) TRACKING SYSTEM.—The Secretary of Veterans Affairs shall implement the biological implant tracking system required by section 7330C(b), as added by subsection (a), by not later than the date that is 180 days after the date of the enactment of this Act.

(d) REPORTING REQUIREMENT.—

(1) IN GENERAL.—If the biological implant tracking system required by section 7330C(b) of title 38, United States Code, as added by subsection (a), is not operational by the date that is 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a written explanation for why the system is not operational for each month until such time as the system is operational.

(2) ELEMENTS.—Each explanation submitted under paragraph (1) shall include a description of the following:

(A) Each impediment to the implementation of the system described in such paragraph.

(B) Steps being taken to remediate each such impediment.

(C) Target dates for a solution to each such impediment.

SEC. 5. PROCUREMENT OF BIOLOGICAL IMPLANTS USED IN DEPARTMENT OF VETERANS AFFAIRS MEDICAL FACILITIES.

(a) PROCUREMENT.—

(1) IN GENERAL.—Subchapter II of chapter 81 of such title is amended by adding at the end the following new section:

"§ 8129. Procurement of biological implants

"(a) IN GENERAL.—(1) The Secretary may procure biological implants of human origin only from vendors that meet the following conditions:

"(A) The vendor uses the standard identification system adopted or implemented by the Secretary under section 7330C(a) of this title and has safeguards to ensure that a distinct identity code has been in place at each step of distribution of each biological implant from its donor.

"(B) The vendor is registered as required by the Food and Drug Administration under subpart B of part 1271 of title 21, Code of Federal Regulations, or any successor regulation, and in the case of a vendor that uses a tissue distribution intermediary or a tissue processor, the vendor provides assurances that the tissue distribution intermediary or tissue processor is registered as required by the Food and Drug Administration.

"(C) The vendor ensures that donor eligibility determinations and such other records as the Secretary may require accompany each biological implant at all times, regardless of the country of origin of the donor of the biological material.

"(D) The vendor agrees to cooperate with all biological implant recalls conducted on the vendor's own initiative, on the initiative of the original product manufacturer used by the vendor, by the request of the Food and Drug Administration, or by a statutory order of the Food and Drug Administration.

"(E) The vendor agrees to notify the Secretary of any adverse event or reaction report it provides to the Food and Drug Administration, as required by section 1271.350 of title 21, Code of Federal Regulations, or any successor regulation, or any successor regulation, or of any warning letter from the Food and Drug Administration issued to the vendor or a tissue processor or tissue distribution intermediary it uses by not later than 60 days after the vendor receives such report or warning letter.

"(F) The vendor agrees to retain all records associated with the procurement of a biological implant by the Department for at least 10 years after the date of the procurement of the biological implant.

"(G) The vendor provides assurances that the biological implants provided by the vendor are acquired only from tissue processors that maintain active accreditation with the American Association of Tissue Banks or a similar national accreditation specific to biological implants.

"(2) The Secretary may procure biological implants of non-human origin only from vendors that meet the following conditions:

"(A) The vendor uses the standard identification system adopted or implemented by the Secretary under section 7330C(a) of this title.

"(B) The vendor is a registered establishment as required by the Food and Drug Administration under sections 807.20 and 807.40 of title 21, Code of Federal Regulations, or any successor regulation, (or is not required to register pursuant to section 807.65(a) of such title) and in the case of a vendor that is not the original product manufacturer of such implants the vendor provides assurances that the original product manufacturer is registered as required by the Food and Drug Administration.

"(C) The vendor agrees to cooperate with all biological implant recalls conducted on the vendor's own initiative, on the initiative of the original product manufacturer used by the vendor, by the request of the Food and Drug Administration, or by a statutory order of the Food and Drug Administration.

"(D) The vendor agrees to notify the Secretary of any adverse event report it provides to the Food and Drug Administration as required in part 803 of title 21, Code of Federal Regulations, or any warning letter from the Food and Drug Administration issued to the vendor or the original product manufacturer it uses by not later than 60 days after the vendor receives such report or warning letter.

"(E) The vendor agrees to retain all records associated with the procurement of a biological implant by the Department for at least 10 years after the date of the procurement of the biological implant.

"(3)(A) The Secretary shall procure biological implants under the Federal Supply Schedules of the General Services Administration unless such implants are not available under such Schedules.

"(B) With respect to biological implants listed on the Federal Supply Schedules, the Secretary shall accommodate reasonable vendor requests to undertake outreach efforts to educate medical professionals of the Department about the use and efficacy of such biological implants.

"(C) In the case of biological implants that are unavailable for procurement under the Federal Supply Schedules, the Secretary shall procure such implants using competitive procedures in accordance with applicable law and the Federal Acquisition Regulation.

"(4) Section 8123 of this title shall not apply to the procurement of biological implants.

"(b) PENALTIES.—In addition to any applicable penalty under any other provision of law, any procurement employee of the Department who is found responsible for a biological implant procurement transaction with intent to avoid or with reckless disregard of the requirements of this section shall be ineligible to hold a certificate of appointment as a contracting officer or to serve as the representative of an ordering officer, contracting officer, or purchase card holder.

"(c) DEFINITIONS.—In this section:

"(1) The term 'biological implant' shall have the meaning given such term in section 7330C(d) of this title.

"(2) The term 'distinct identity code' means a code that—

"(A) relates a biological implant to the human donor of the implant and to all records pertaining to the implant;

"(B) includes information designed to facilitate effective tracking, using such code, from the donor to the recipient and from the recipient to the donor; and

"(C) satisfies the requirements of section 1271.290 of title 21, Code of Federal Regulations, or any successor regulation.

"(3) The term 'tissue distribution intermediary' means an agency that acquires and stores human tissue for further distribution and performs no other tissue banking functions.

"(4) The term 'tissue processor' means an entity processing human tissue for use in biological implants including activities performed on tissue other than donor screening, donor testing, tissue recovery and collection functions, storage, or distribution.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end of the items relating to such subchapter the following new item:

"8129. Procurement of biological implants.".

(b) EFFECTIVE DATE.—Section 8129 of title 38, United States Code, as added by subsection (a), shall take effect on the date that is 180 days after the date on which the tracking system required under subsection (b) of section 7330C of such title, as added by section 4(a) is implemented.

(c) SPECIAL RULE FOR CRYOPRESERVED PRODUCTS.—During the three-year period beginning on the effective date of section 8129 of title 38, United States Code, as added by subsection (a), biological implants produced and labeled before that date may be procured by the Department of Veterans Affairs without relabeling under the standard identification system adopted or implemented under section 7330C of such title, as added by section 4(a).

SEC. 6. EXTENSION OF ROUNDING DOWN OF PERCENTAGE INCREASES OF RATES OF CERTAIN EDUCATIONAL ASSISTANCE.

(a) MONTGOMERY GI BILL.—Section 3015(h)(2) of title 38, United States Code, is amended—

(1) by striking "fiscal year 2014" and inserting "fiscal year 2020"; and

(2) by striking "fiscal year 2013" and inserting "fiscal year 2019".

(b) SURVIVORS AND DEPENDENTS EDUCATIONAL ASSISTANCE.—Section 3564(b) of such title is amended—

(1) by striking "fiscal year 2014" and inserting "fiscal year 2020"; and

(2) by striking "fiscal year 2013" and inserting "fiscal year 2019".

SEC. 7. VETERANS EXPEDITED RECOVERY COMMISSION.

(a) ESTABLISHMENT.—There is established the Veterans Expedited Recovery Commission (in this section referred to as the "Commission").

(b) DUTIES.—The Commission shall perform the following duties:

(1) Examine the efficacy of the evidence-based therapy model used by the Secretary of Veterans Affairs for treating mental health illnesses of veterans and identify areas to improve wellness-based outcomes.

(2) Conduct a patient-centered survey within each of the Veterans Integrated Service Networks to examine—

(A) the experience of veterans with the Department of Veterans Affairs when seeking medical assistance for mental health issues through the health care system of the Department;

(B) the experience of veterans with non-Department medical facilities and health professionals for treating mental health issues;

(C) the preferences of veterans regarding available treatments for mental health issues and which methods the veterans believe to be most effective;

(D) the experience, if any, of veterans with respect to the complementary alternative treatment therapies described in subparagraphs (A) through (I) in paragraph (3);

(E) the prevalence of prescribing prescription medication among veterans seeking treatment through the health care system of the Department as remedies for addressing mental health issues; and

(F) the outreach efforts of the Secretary regarding the availability of benefits and treatments for veterans for addressing mental health issues, including by identifying ways to reduce barriers to and gaps in such benefits and treatments.

(3) Examine available research on complementary alternative treatment therapies for mental health issues and identify what benefits could be made with the inclusion of such treatments for veterans, including with respect to—

(A) music therapy;

(B) equine therapy;

(C) training and caring for service dogs;

(D) yoga therapy;

(E) acupuncture therapy;

(F) meditation therapy;

(G) outdoor sports therapy;

(H) hyperbaric oxygen therapy;

(I) accelerated resolution therapy; and

(J) other therapies the Commission determines appropriate.

(4) Study the potential increase of claims relating to mental health issues submitted to the Secretary by veterans who served in Operation Enduring Freedom, Operation Iraqi Freedom, or Operation New Dawn, including an assessment of the resources available within the Department to ensure that quality health care demands relating to such claims can be delivered in a timely manner.

(c) MEMBERSHIP.—

(1) NUMBER AND APPOINTMENT.—

(A) IN GENERAL.—The Commission shall be composed of 10 members, appointed as follows:

(i) Two members appointed by the Speaker of the House of Representatives, at least one of whom shall be a veteran.

(ii) Two members appointed by the Minority Leader of the House of Representatives, at least one of whom shall be a veteran.

(iii) Two members appointed by the Majority Leader of the Senate, at least one of whom shall be a veteran.

(iv) Two members appointed by the Minority Leader of the Senate, at least one of whom shall be a veteran.

(v) Two members appointed by the President, at least one of whom shall be a veteran.

(B) QUALIFICATIONS.—Members of the Commission shall be—

(i) individuals who are of recognized standing and distinction within the medical community with a background in treating mental health;

(ii) individuals with experience working with the military and veteran population; and

(iii) individuals who do not have a financial interest in any of the complementary alternative treatments reviewed by the Commission.

(2) CHAIRMAN.—The President shall designate a member of the Commission to be the chairman.

(3) PERIOD OF APPOINTMENT.—Members of the Commission shall be appointed for the life of the Commission.

(4) VACANCY.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(5) APPOINTMENT DEADLINE.—The appointment of members of the Commission in this section shall be made not later than 90 days after the date of the enactment of this Act.

(d) POWERS OF COMMISSION.—

(1) MEETING.—

(A) INITIAL MEETING.—The Commission shall hold its first meeting not later than 30 days after a majority of members are appointed to the Commission.

(B) MEETING.—The Commission shall regularly meet at the call of the Chairman. Such meetings may be carried out through the use of telephonic or other appropriate telecommunication technology if the Commission determines that such technology will allow the members to communicate simultaneously.

(2) HEARING.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive evidence as the Commission considers advisable to carry out the responsibilities of the Commission.

(3) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any department or agency of the Federal Government such information as the Commission considers necessary to carry out the duties of the Commission.

(4) INFORMATION FROM NONGOVERNMENTAL ORGANIZATIONS.—In carrying out subsection (b), the Commission may seek guidance through consultation with foundations, veterans service organizations, nonprofit groups, faith-based organizations, private and public institutions of higher education, and other organizations as the Commission determines appropriate.

(5) COMMISSION RECORDS.—The Commission shall keep an accurate and complete record of the actions and meetings of the Commission. Such record shall be made available for public inspection and the Comptroller General of the United States may audit and examine such record.

(6) PERSONNEL MATTERS.—Upon request of the chairman of the Commission, the head of any department or agency of the Federal Government may detail, on a reimbursable basis, any personnel of that department or agency to assist the Commission in carrying out the duties of the Commission.

(7) COMPENSATION OF MEMBERS; TRAVEL EXPENSES.—Each member shall serve without pay, except that each member shall receive travel expenses to perform the duties of the Commission under subsection (b), including per diem in lieu of subsistence, at rates authorized under subchapter I of chapter 57 of title 5, United States Code.

(8) STAFF.—The Chairman, in accordance with rules agreed upon by the Commission, may appoint and fix the compensation of a staff director and such other personnel as may be necessary to enable the Commission to carry out its functions, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, without regard to the provision of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no rate of pay fixed under this subsection may exceed the equivalent of that payable for a position at a level IV of the Executive Schedule under section 5316 of title 5, United States Code.

(9) PERSONNEL AS FEDERAL EMPLOYEES.—

(A) IN GENERAL.—The executive director and any personnel of the Commission are employees under section 2105 of title 5, United States Code, for purpose of chapters 63, 81, 83, 84, 85, 87, 89, and 90 of such title.

(B) MEMBERS OF THE COMMISSION.—Subparagraph (A) shall not be construed to apply to members of the Commission.

(10) CONTRACTING.—The Commission may, to such extent and in such amounts as are provided in appropriations Acts, enter into contracts to enable the Commission to discharge the duties of the Commission under this section.

(11) EXPERT AND CONSULTANT SERVICE.—The Commission may procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, at rates not to exceed the daily rate paid to a person occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(12) POSTAL SERVICE.—The Commission may use the United States mails in the same manner and under the same conditions as departments and agencies of the United States.

(13) PHYSICAL FACILITIES AND EQUIPMENT.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its responsibilities under this section. These adminis-

trative services may include human resource management, budget, leasing, accounting, and payroll services.

(e) REPORT.—

(1) INTERIM REPORTS.—

(A) IN GENERAL.—Not later than 60 days after the date on which the Commission first meets, and each 30-day period thereafter ending on the date on which the Commission submits the final report under paragraph (2), the Commission shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate and the President a report detailing the level of cooperation the Secretary of Veterans Affairs (and the heads of other departments or agencies of the Federal Government) has provided to the Commission.

(B) OTHER REPORTS.—In carrying out the duties pursuant to subsection (b), at times that the Commission determines appropriate, the Commission shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate and any other appropriate entities an interim report with respect to the findings identified by the Commission.

(2) FINAL REPORT.—Not later than 18 months after the first meeting of the Commission, the Commission shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate, the President, and the Secretary of Veterans Affairs a final report on the findings of the Commission. Such report shall include the following:

(A) Recommendations to implement in a feasible, timely, and cost-effective manner the solutions and remedies identified within the findings of the Commission pursuant to subsection (b).

(B) An analysis of the evidence-based therapy model used by the Secretary of Veterans Affairs for treating veterans with mental health care issues, and an examination of the prevalence and efficacy of prescription drugs as a means for treatment.

(C) The findings of the patient-centered survey conducted within each of the Veterans Integrated Service Networks pursuant to subsection (b)(2).

(D) An examination of complementary alternative treatments described in subsection (b)(3) and the potential benefits of incorporating such treatments in the therapy model used by the Secretary for treating veterans with mental health issues.

(3) PLAN.—Not later than 90 days after the date on which the Commission submits the final report under subsection (b), the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate a report on the following:

(A) An action plan for implementing the recommendations established by the Commission on such solutions and remedies for improving wellness-based outcomes for veterans with mental health care issues.

(B) A feasible timeframe on when complementary alternative treatments described in subsection (b)(3) can be implemented Department-wide.

(C) With respect to each recommendation established by the Commission, including regarding any complementary alternative treatment, that the Secretary determines is not appropriate or feasible to implement, a justification for each such determination and an alternative solution to improve the efficacy of the therapy model used by the Secretary for treating veterans with mental health issues.

(f) TERMINATION OF COMMISSION.—The Commission shall terminate 30 days after the Commission submits the final report under subsection (e)(2).

Amend the title so as to read:

A bill to amend title 38, United States Code, to direct the Secretary of Veterans Affairs to submit an annual report on the Veterans Health Administration, to provide for the identification and tracking of biological implants used in Department of Veterans Affairs facilities, and for other purposes.

PURPOSE AND SUMMARY

H.R. 2256, as amended, the "Veterans Information Modernization Act," was ordered to be favorably reported to the full House on May 21, 2015 by voice vote. In addition to H.R. 2256, introduced on May 12, 2015, by Representative Dan Benishek of Michigan, the Chairman of the Subcommittee on Health of the Committee on Vet-

erans' Affairs, the amended version of the bill reflects the Committee's consideration of three other bills introduced during the 114th Congress: H.R. 627, introduced by Representative Janice Hahn of California on January 30, 2015; H.R. 1016, introduced by Representative David P. Roe of Tennessee on February 20, 2015; and H.R. 271, introduced by Representative Gus Bilirakis of Florida on January 12, 2015.

H.R. 2256, as amended, would require the Department of Veterans Affairs (VA) to submit an annual report to Congress regarding the provision of hospital care, medical services, and nursing home care by the VA health care system for the prior calendar year. It would amend VA's definition of a homeless veteran to include a veteran or veteran's family who is fleeing domestic or dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions in the individual's or family's current housing situation, has no other residence, and lacks the resources or support networks to obtain other permanent housing. It would require VA to implement a standard identification protocol for biological implants that is consistent with the Food and Drug Administration's (FDA's) Unique Identification System and to procure biological implants only through competitive procurement processes from vendors who maintain a 10 year record retention policy and who procure their human tissue from properly accredited sources. The bill would also round down, to the nearest whole dollar, any increases to the Montgomery GI Bill and Survivors' and Dependents' Educational Assistance Program by the cost-of-living-adjustment. Finally, the bill would establish the Veterans Expedited Recovery Commission to study, survey, and evaluate VA's ability to effectively treat veterans with mental health issues and direct VA, upon a report by the Commission, to submit an action plan and a timeframe for implementing complementary and alternative treatments.

BACKGROUND AND NEED FOR LEGISLATION

Section 2—Annual report on Veterans Health Administration and furnishing of hospital care, medical services, and nursing home care

Since the wait time manipulation scandal at the Phoenix VA Health Care System sparked a system-wide review of veteran access to care in 2014, there has been a renewed focus on the cost of care provided to veteran patients by the VA health care system. On December 10, 2014, the Congressional Budget Office (CBO) released a report entitled, "Comparing the Costs of the Veterans' Health Care System with Private-Sector Costs." The purpose of the report was to examine how the costs of health care provided by the Veterans Health Administration (VHA) compare to the costs of care provided in the private sector. In the report, CBO concluded that, "limited evidence and substantial uncertainty make it difficult to reach firm conclusions about those relative costs or about whether it would be cheaper to expand veterans' access to health care in the future through VHA facilities or the private sector."

On January 28, 2015, Matthew S. Goldberg, the Deputy Assistant Director of the CBO's National Security Division, testified before the Subcommittee on Health regarding the report and CBO's

findings. In his testimony, Mr. Goldberg stated that, "[a]mong the many analytical challenges in conducting [studies regarding VA benefits and services] are the problems CBO sometimes encounters in obtaining appropriate data from VHA[.]" He stated that, "VA, which runs VHA, has provided limited data to the Congress and the public about its costs and operational performance," and that, "if it was provided on a regular and systemic basis, could help inform policymakers about the efficiency and cost-effectiveness of VHA's services."

Similar statements were made in other testimony provided during the hearing. Carl Blake, Associate Executive Director for Government Relations for the Paralyzed Veterans of America, speaking on behalf of the co-authors of the Independent Budget (IB), testified that, "the IB co-authors believe that VHA should be far more forthcoming with data that allows for a thorough examination of the timeliness and quality of its services and the capacities VA maintains to meet these requirements." Likewise, Louis Celli, Jr., Director of the Veterans Affairs & Rehabilitation Division of the American Legion, testified that, "CBO needs more data in order to make recommendations or be able to come to any credible conclusion."

To address these calls for greater reporting of data regarding health care, increased transparency, and improved data collection that would allow for greater cost comparisons between VA and the private sector, Section 2 of the bill would require VA to submit an annual report to Congress regarding the provision of hospital care, medical services, and nursing home care by the VA health care system. The report would include, for the prior calendar year, data regarding access to care, quality of care, workload, patient demographics and utilization, physician compensation, productivity, non-VA care, and pharmaceutical prices.

This reporting requirement is similar to the annual report that the Department of Defense publishes pursuant to Section 717 of the National Defense Authorization Act for FY 1996 (Public Law 104–106). That report contains information on the Tricare program including data regarding population, demographics, workload, costs, and trends for both direct and purchased care.

Section 3—Expansion of definition of homeless veteran for purposes of benefits under the laws administered by the Secretary of Veterans Affairs

Section 2002 of title 38, U.S.C., defines a "homeless veteran" as "a veteran who is homeless (as that term is defined in section 103(a) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302(a)))." However, in 2009, the definition of homelessness under the McKinney-Vento Homeless Assistance Act was amended to include section 103(b), which defines as homeless an individual or family who is fleeing their current residence due to domestic or sexual violence or some other life-threatening condition. Because VA's definition of homelessness refers only to section 103(a), veterans who are fleeing their current home due to domestic violence, sexual violence, or other life-threatening conditions are not considered homeless per VA's current statutory definition of that term.

Section 3 of the bill would correct this by amending VA's definition of a homeless veteran to include section 103(b) of the McKin-

ney-Vento Homeless Assistance Act. Under this definition, a veteran or veteran's family who is fleeing domestic or dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions in the individual's or family's current housing situation and has no other residence and lacks the resources or support networks to obtain other permanent housing would be considered a "homeless" veteran.

Section 4—Identification and tracking of biological implants used in Department of Veterans Affairs medical facilities

Currently, there is no requirement in title 38, U.S.C., for VA to identify and track biological implants intended for use in VA Medical facilities. Subcommittee on Oversight and Investigations hearings revealed significant risk to veteran health and safety involving possibly contaminated products and the inability of VA to reliably identify veterans with implants in the event of recall.[1]

Section 4 of the bill would require VA to implement a standard identification system for biological implants and a tracking system that would allow the tracking of such implants from human or animal source to implantation in a veteran/patient. Section 4 of the bill would also contain definitions, reporting requirements, implementation deadlines, and a provision regarding consistency with FDA regulations.

Section 5—Procurement of biological implants used in Department of Veterans Affairs medical facilities

To ensure the ability to track and trace biological implants, section 5 would require that VA procure them only from vendors who use the standard identification system adopted under section 4 by VA. Section 5 of the bill would also impose additional requirements to foster patient safety, including that VA procure biological implants from vendors who: (1) registered with the FDA, (2) agreed to recordkeeping requirements, (3) agreed to cooperate with recalls, (4) agreed to notify VA in the event of adverse event or FDA warning letter, and (5) maintained accreditation from the American Association of Tissue Banks or by a similar national accreditation specific to biological implants.

To promote competition and provide for multiple sources for procuring biological implants, section 5 would further require VA to procure biological implants from vendors on the Federal Supply Schedule unless they are unavailable thereon. Section 5 would require that VA accommodate reasonable requests from vendors to educate VA medical professionals about the efficacy of their products and eliminate the option for VA to procure biological implants under the sole source authority of section 8123 of title 38, U.S.C. Subcommittee on Oversight and Investigations hearings indicated that the authority of section 8123 of title 38 U.S.C., was prone to abuse because sole source justifications were often missing or poorly documented. Section 5 would not eliminate sole source justification for procurement of biological implants when necessary in ac-

[1] *See,* House Committee on Veterans' Affairs, Subcommittee on Oversight and Investigations Hearing, "Vendors in the OR—VA's Failed Oversight of Surgical Implants," dated January 15, 2014 and House Committee on Veterans' Affairs, Subcommittee on Oversight and Investigations Hearing, "VA & Human Tissue: Improvements Needed for Veterans Safety," dated April 2, 2014.

cordance with the Federal Acquisition Regulation and the Veterans Affairs Acquisition Regulation.

Section 6—Extension of rounding down of percentage increases of rates of certain educational assistance

Section 3015(h)(2) and 3564(b) of title 38, U.S.C., requires that any increase in educational assistance rates under the Montgomery GI Bill and the Survivors' and Dependents' Educational Assistance Program be rounded down to the next lower whole dollar amount. However, this authority expires at the end of fiscal year 2014.

Section 6 of the bill would extend this authority through the end of fiscal year 2019. Any increase in educational assistance rates under the Montgomery GI Bill and the Survivors' and Dependents' Educational Assistance Program made after fiscal year 2019 would be rounded to the nearest whole dollar.

Section 7—Veterans Expedited Recovery Commission

The National Institutes of Health's National Center for Complementary and Alternative Medicine defines complementary and alternative medicine (CAM) as a group of diverse medical and health care systems, practices, and products that are not generally considered part of conventional medicine. The term "Complementary" refers to the use of CAM together with conventional medicine, such as using meditation in addition to traditional psychotherapy to treat post-traumatic stress disorder (PTSD). "Alternative" refers to use of CAM in place of conventional medicine, such as using meditation in place of traditional psychotherapy to treat PTSD.

The use of CAM has grown significantly in VA over the past decade. In a 2012 survey completed by the NIH, 96 percent of post-traumatic stress disorder (PTSD) programs surveyed reported the use of at least one CAM therapy and 88 percent offered CAM therapies other than those commonly part of treatment (i.e. guided imagery, progressive muscle relaxation, and stress management-relaxation therapies). Though the use of CAM therapies has become increasingly widespread among VA medical facilities in recent years and demand for CAM services among veteran patients using the VA health care system is increasing, CAM is not uniformly offered to veterans across the system.

In an attempt to remedy this, section 7 would establish the Veterans Expedited Recovery Commission to study, survey, and evaluate VA's ability to effectively treat veterans with mental health issues. Following a report by the Commission, VA would be directed to submit an action plan for implementing recommendations and a timeframe for implementing complementary and alternative treatments, or else it must provide a justification for a determination that a recommendation is not appropriate and an alternative solution to improve the efficacy of VA's therapy model.

HEARINGS

There were no full Committee hearings held on H.R. 2256, as amended. On March 19, 2015, the Subcommittee on Oversight and Investigations conducted a legislative hearing on H.R. 571, H.R. 593, H.R. 1015, H.R. 1016, H.R. 1017, H.R. 1128, and H.R. 1129.

The following witnesses testified:

Meghan Flanz, the Director of the Office of Accountability Review for the Department of Veterans Affairs; Diane Zumatto, the National Legislative Director for AMVETS; Frank Wilton, the Chief Executive Officer for the American Association of Tissue Banks; and, Daimon E. Geopfert, the National Leader, Security and Privacy Consulting for McGladrey, LLP. Ms. Flanz was accompanied by Michael Icardi, M.D., the National Director of Pathology and Laboratory Medicine Services for the Veterans Health Administration of the U.S. Department of Veterans Affairs; Stanley Lowe, the Deputy Assistant Secretary for Information Security and Chief Information Security Officer for the U.S. Department of Veteran Affairs; and, Dennis Milsten, CCM, the Associate Executive Director for the Office of Operations of the Office of Construction and Facilities Management for the U.S. Department of Veterans Affairs.

A Statement for the record was submitted by:

The American Legion.

On April 23, 2015, the Subcommittee on Health conducted a legislative hearing on: draft legislation to improve reproductive treatment provided to certain disabled veterans; draft legislation to direct VA to submit an annual report on the Veterans Health Administration; H.R. 271; H.R. 627; H.R. 1369; H.R. 1575; and H.R. 1769.

The following witnesses testified:

The Honorable Gus Bilirakis of Florida; the Honorable Janice Hahn of California; the Honorable Jackie Walorski of Indiana; Blake Ortner, the Deputy Government Relations Director of the Paralyzed Veterans of America; Louis J. Celli, Jr., the Director of the National Veterans Affairs and Rehabilitation Division for the American Legion; John Rowan, the National President of the Vietnam Veterans of America; Adrian Atizado, the Assistant National Legislative Director for the Disabled American Veterans; and, Rajiv Jain, M.D., the Assistant Deputy Under Secretary for Health for Patient Care Services for the Veterans Health Administration of the U.S. Department of Veterans Affairs. Dr. Jain was accompanied by Janet Murphy, the Acting Deputy Under Secretary for Health for Operations and Management for the Veterans Health Administration of the U.S. Department of Veterans Affairs, and Jennifer Gray, Attorney for the Office of the General Counsel of the U.S. Department of Veterans Affairs.

Statements for the Record were submitted by:

The Honorable Corrine Brown of Florida, the Ranking Member of the Full Committee; the American Health Care Association; the American Society for Reproductive Medicine; Concerned Veterans for America; RESOLVE: National Infertility Association; Veterans of Foreign Wars of the United States; and, Wounded Warrior Project.

SUBCOMMITTEE CONSIDERATION

On April 21, 2015, the Subcommittee on Oversight and Investigations met in an open markup session, a quorum being present, and ordered H.R. 571, as amended, H.R. 1015, as amended, H.R.

1016, as amended, and H.R. 1017, as amended, to be reported favorably to the full Committee by voice vote.

During consideration of H.R. 1016, the following amendment was considered and agreed to by voice vote:

> An amendment in the nature of a substitute offered by Mr. Roe of Tennessee that increased the record retention requirement from 5 years to 10 years, removed the inspection and audit requirement as the FDA is already required to conduct such investigations, and made other technical changes.

The Subcommittee on Health met in an open markup session on May 15, 2015, a quorum being present, and ordered H.R. 271, H.R. 627, H.R. 1575, H.R. 1769, and H.R. 2256, to be reported favorably to the full Committee by voice vote.

COMMITTEE CONSIDERATION

On May 21, 2015, the Full Committee met in an open markup session, a quorum being present, and ordered H.R. 2256, as amended, to be reported favorably to the House of Representatives by voice vote.

During consideration of H.R. 2256, as amended, the following amendment was considered and agreed to by voice vote:

> An amendment in the nature of a substitute offered by Dr. Benishek of Michigan which combined the contents of H.R. 2256, as introduced; H.R. 271; H.R. 627; and, H.R. 1016 and inserted a provision that would round down, to the nearest whole dollar, any increases to the Montgomery GI Bill and Dependents Educational Assistance Program by the cost of living adjustment.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report the legislation and amendments thereto. There were no recorded votes taken on amendments or in connection with ordering H.R. 2256, as amended, reported to the House. A motion by Ranking Member Corrine Brown of Florida to report H.R. 2256, as amended, favorably to the House of Representatives was agreed to by voice vote.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives are reflected in the descriptive portions of this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 2256, as amended, does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate on H.R. 2256, as amended, prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate for H.R. 2256, as amended, provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 23, 2015.

Hon. JEFF MILLER,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2256, the Veterans Information Modernization Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Anne E. Futrell.

Sincerely,

KEITH HALL.

Enclosure.

H.R. 2256—Veterans Information Modernization Act

Summary: H.R. 2256 would establish a tracking system for biological implants, create a commission to assess mental health care at the Department of Veterans Affairs (VA), expand the definition of homeless veterans for purpose of certain programs and benefits offered by VA, and require VA to submit an annual report to the Congress. In total, CBO estimates that implementing this bill would increase costs to VA by $9 million over the 2016–2020 period, assuming appropriation of the necessary amounts.

In addition, CBO estimates that enacting the bill would decrease direct spending by $9 million over the 2016–2025 period by adjusting the monthly payments for VA educational benefits; therefore,

pay-as-you-go procedures apply to the bill. Enacting H.R. 2256 would not affect revenues.

H.R. 2256 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary effect of H.R. 2256 is shown in the following table. The costs of this legislation fall within budget function 700 (veterans benefits and services).

	By fiscal year, in millions of dollars—					
	2016	2017	2018	2019	2020	2016–2020
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Commission on Mental Health Care:						
Estimated Authorization Level	2	2	0	0	0	4
Estimated Outlays	2	2	*	*	0	4
Tracking of Biological Implants:						
Estimated Authorization Level	1	1	1	*	*	3
Estimated Outlays	1	1	1	*	*	3
Annual Report:						
Estimated Authorization Level	*	*	*	*	*	2
Estimated Outlays	*	*	*	*	*	2
Total:						
Estimated Authorization Level	3	3	1	1	1	9
Estimated Outlays	3	3	1	1	1	9
CHANGES IN DIRECT SPENDING						
Estimated Budget Authority	0	−1	−1	−1	−1	−4
Estimated Outlays	0	−1	−1	−1	−1	−4

Notes: In addition to, in the effects shown here, enacting H.R. 2256 would have effects on direct spending beyond 2020. CBO estimates that, in total, direct spending would decrease by $9 million over the 2016–2025 period.
* = less than $500,000.

Basis of estimate: For this estimate, CBO assumes that the legislation will be enacted near the beginning of fiscal year 2016, that estimated amounts will be appropriated for each year, and that outlays will follow historical spending patterns for similar and existing programs.

Spending subject to appropriation

CBO estimates that, in total, implementing H.R. 2256 would cost $9 million over the 2016–2020 period, assuming appropriation of the necessary amounts.

Commission on Mental Health Care. Section 7 would establish the Veterans Expedited Recovery Commission. The commission—consisting of 10 voting members—would examine the treatment of mental health at VA. Members of the commission would serve without pay; however, they would receive travel reimbursement and per diem. The staff director and support staff would receive compensation (not to exceed the salary of senior political officials). The commission also would be authorized to hire contractors and experts to provide additional guidance and recommendations. The commission would be required to conduct a nationwide survey and to submit a final report of its findings within a year and a half from its first meeting.

Based on an examination of other government commissions, we expect this commission would require five full-time employees (including a staff director) with an average salary of $200,000 (includ-

ing benefits) and five part-time contractors at an average salary of $40,000. We also estimate annual costs totaling $4,000 per member for per diem, $1,000 per member for travel, and $30,000 for rent. Based on costs of similar surveys, we estimate that a nationwide survey would cost $1 million per year. In total, CBO estimates that establishing the commission would cost $4 million over the 2016–2020 period.

Tracking of Biological Implants. Within 180 days after enactment, sections 4 and 5 would require VA to establish and implement a tracking system for biological implants (i.e. human cells, tissue, or cellular or tissue-based product) used in medical procedures at VA medical facilities. The bill would allow VA to use the existing unique device identification system administered by the U.S. Food and Drug Administration. By ensuring that surgical implants are labeled with unique device identifiers, the tracking system would help VA to notify patients in cases of device recalls and potentially reduce medical errors.

Over the 2010–2013 period, VA planned and initiated the development of the Veterans Implant Tracking and Alert System (VITAS). That system was intended to document the provenance of surgical implants, allowing VA to identify and locate patients with implants in the event of a recall. However, in 2013, VA stopped developing VITAS prior to the completion of the registry, because of coordination issues with VA's record system for patients. According to VA, such efforts required three full-time staff at $1 million per year. We expect comparable resources and costs to further develop and expand the biological implant tracking system over the next three years. In total, CBO estimates discretionary costs of $3 million over the 2016–2020 period to develop and implement a device tracking system.

Annual Report. Section 2 would require VA to submit an annual report to the Congress on the following information:

- Effectiveness of VA health care and long-term care,
- Workload and compensation of VA employees,
- Demographics of the veterans enrolled and using the VA health care system,
- Usage rates of the VA health care system, and
- Pharmaceutical prices.

The report would include data for each VA health care region and medical center. Currently, VA gathers and reports on some of that data. CBO expects that about five full-time-equivalent staff would be necessary to coordinate and prepare a comprehensive report with facility level data on an annual basis. CBO estimates implementing this section would cost $2 million over the 2016–2020 period.

Definition of Homeless Veterans. Section 3 would expand the definition of homeless veterans to include veterans who are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other life threatening conditions. That change would make veterans who are victims of such conditions eligible for services provided to homeless veterans by VA. In 2015, about $344 million was appropriated for those services.

The Bureau of Justice Statistics reports that less than half of 1 percent of the U.S. population in 2012 were victims of domestic abuse. Most of those individuals (80 percent) were female and

about 20 percent sought support from government or private-sector agencies. Because about 10 percent of veterans are female, CBO expects that the number of veterans who would be newly eligible for homeless benefits under this provision would be quite small (about 20 people a year). Therefore, CBO estimates that implementing this section would cost less than $500,000 over the 2016–2020 period.

Direct spending

Under current law, the rates of certain monthly benefits paid under the Montgomery G.I. Bill and Survivors' and Dependents' Educational Assistance programs are increased annually by specified economic indices. Section 6 of H.R. 2256 would extend through fiscal year 2019 two provisions of law that require those increases to be rounded down to the next lower whole dollar. Those provisions expired at the end of fiscal year 2013. Based on projections of the number of beneficiaries and payments made each year, and assuming that the rounding is not retroactive, CBO estimates that enacting section 6 would reduce direct spending by $9 million over the 2016–2025 period.

Pay-As-You-Go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. H.R. 2256 would modify a program that provides educational benefits to veterans. The changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO ESTIMATE OF PAY-AS-YOU-GO EFFECTS FOR H.R. 2256 AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON VETERANS' AFFAIRS ON MAY 21, 2015

	By Fiscal Year, in millions of dollars—												
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2015–2020	2015–2025
NET DECREASE (−) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	0	−1	−1	−1	−1	−1	−1	−1	−1	−1	−4	−9

Intergovernmental and private-sector impact: H.R. 2256 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

Estimate prepared by: Federal Costs: Ann E. Futrell and David Newman; Impact on State, Local, and Tribal Governments: Jon Sperl; Impact on the Private Sector: Paige Piper/Bach.

Estimate approved by: H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 2256, as amended, prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act would be created by H.R. 2256, as amended.

STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to Article I, section 8 of the United States Constitution, the reported bill is authorized by Congress' power to "provide for the common Defense and general Welfare of the United States."

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

STATEMENT ON DUPLICATION OF FEDERAL PROGRAMS

Pursuant to section 3(g) of H. Res. 5, 114th Cong. (2015), the Committee finds that no provision of H.R. 2256, as amended, establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULEMAKING

Pursuant to section 3(i) of H. Res. 5, 114th Cong. (2015), the Committee estimates that H.R. 2256, as amended, does not require any directed rulemakings.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 of the bill would provide the short title of H.R. 2256, as amended, as the "Veterans Information Modernization Act."

Section 2. Annual report on Veterans Health Administration and furnishing of hospital care, medical services, and nursing home care

Section 2(a) of the bill would amend Subchapter II of chapter 73 of title 38 U.S.C., by creating a new subsection 7330B. This section would require VA to submit annual reports to the Committees on Veterans' Affairs of the House and Senate regarding the furnishing of hospital care, medical services, and nursing home care under the laws administered by VA and on the administration of the provision of such care and services by VHA during the preceding calendar year. The report must contain evaluations of: (1) the effectiveness of VHA in increasing access to hospital care, medical services, and nursing home care for eligible veterans; (2) the effectiveness of VHA in improving the quality of care provided to veterans without increasing costs incurred by the Federal government or by veterans; (3) the workload of physicians and other VHA employees;

(4) patient demographics and utilization rates; (5) physician compensation; (6) productivity of physicians and other VHA employees; (7) the percentage of hospital care, medical services, and nursing home care provided to veterans in VA facilities and in non-VA facilities, as well as any changes in such percentages compared to the preceding year; (8) pharmaceutical prices; and (9) third party billings owed to VA, including the total amount of such billings and the total amounts collected separated by claims greater than, equal to, or less than one thousand dollars. The report would also include relevant information for each VA medical center and Veterans Integrated Service Network. Finally, this section would define the terms "hospital care," "medical care," and "non-Department facilities" as having the same meanings given to such terms in section 1701 of title 38 U.S.C.

Section 2(b) of the bill would amend the table of sections at the beginning of Subchapter II of chapter 73 of title 38 U.S.C., by inserting the item relating to section 7330B after section 7330A.

Section 3. Expansion of definition of homeless veteran for purposes of benefits under the laws administrated by the Secretary of Veterans Affairs

Section 3 of the bill would amend section 2002(1) of title 38 U.S.C., by inserting "or (b)" after "section 103(a)."

Section 4. Identification and tracking of biological implants used in Department of Veterans Affairs medical facilities

Section 4(a) would add a new section, 7330C, to Subchapter II of chapter 73 of title 38, U.S.C. This section would require VA to adopt the unique device identification system developed for medical devices by the Food and Drug Administration (FDA) at Section 360i(f) of title 21, U.S.C., or implement a comparable standard identification system, for use in identifying biological implants intended for use at VA medical facilities. This section would also permit a vendor of biological implants to VA to use any of the accredited entities identified by the FDA as an issuing agency pursuant to Section 830.100 of title 21, U.S.C. VA would be required to implement a system for tracking biological implants from human or animal source to implantation, and the tracking system used must be compatible with the identification system adopted in this section. Further, to the extent that a conflict arises with any provision of the FDA, the FDA provision would apply. Finally, this section would provide a definition for biological implants to mean any animal or human cell, tissue, or cellular or tissue-based product under the meaning given by the FDA at Section 1271.3 of title 21, CFR, or that is regulated as a device at section 201(h) of the Federal Food, Drug, and Cosmetic Act.

Section 4(b) would amend the table of sections at the beginning of chapter 73 of title 38, U.S.C., by inserting after the item relating to section 7330B, as added by section 2 of this bill, the following new item: "7330C. Identification and tracking of biological implants."

Section 4(c) would require VA to implement the identification system required by section 4(a) by not later than 180 days after enactment and in compliance with dates established by the FDA, pursuant to Section 360i(j) of title 21, U.S.C. VA would also be re-

quired to implement the biological implant tracking system required by section 4(a) within the same 180 day timeframe.

Section 4(d) would require that if the standard identification system for biological implants is not operational 180 days after enactment, then VA must submit to the Committees on Veterans' Affairs of the House and the Senate written explanations each month until the system is operational. Such written explanations would require description of the impediments to implementation, the steps being taken to remediate each impediment, and the target dates for solution to each impediment.

Section 5. Procurement of biological implants used in Department of Veterans Affairs medical facilities

Section 5(a) would amend Subchapter II of chapter 81 of title 38, U.S.C., section 2, by adding a new section, 8129. This section would require that VA procure biological implants of human origin only from vendors that: (1) use the standard identification system adopted or implemented by the Secretary under section 4(a) of this bill and have safeguards to ensure that a distinct identity code has been in place at each step of distribution of each biological implant from its donor; (2) are registered with the FDA and, in the case of a vendor that uses a tissue distribution intermediary or a tissue processor, that provide assurances that the tissue distribution intermediary or tissue processor is registered with the FDA; (3) ensure that donor eligibility determinations and such other records as VA may require accompany each biological implant at all times, regardless of the country of origin of the donor of the biological material; (4) agree to cooperate with all biological implant recalls conducted on the vendor's own initiative, on the initiative of the original product manufacturer used by the vendor, by the request of the FDA, or by a statutory order of the FDA; (5) agree to notify VA of any adverse event or reaction report it is required to provide to the FDA or of any warning letter from the FDA issued to the vendor or a tissue processor or tissue distribution intermediary it uses by not later than sixty days after the vendor receives such report or warning letter; (6) agree to retain all records associated with the procurement of a biological implant by VA for at least 10 years after the date of the procurement; and (7) provide assurances that the biological implants provided by the vendor are acquired only from tissue processors that maintain active accreditation with the American Association of Tissue Banks or a similar national accreditation specific to biological implants.

This section would also require that VA procure biological implants of non-human origin only from vendors that: (1) use the standard identification system adopted or implemented by the Secretary under section 4(a); (2) are registered establishments as required by the FDA and, in the case of a vendor that is not the original product manufacturer of such implants, that provide assurances that the original product manufacturer is registered as required by the FDA; (3) agree to cooperate with all biological implant recalls conducted on the vendor's own initiative, on the initiative of the original product manufacturer used by the vendor, by the request of the FDA, or by a statutory order of the FDA; (4) agree to notify VA of any adverse event report it is required to provide to the FDA or any warning letter from the FDA issued to the

vendor or the original product manufacturer it uses by not later than sixty days after the vendor receives such report or warning letter; and (5) agree to retain all records associated with the procurement of a biological implant by VA for at least 10 years after the date of the procurement.

VA would also be required to procure biological implants under Federal Supply Schedule of the General Services Administration unless such implants are unavailable thereon and to accommodate reasonable vendor requests to undertake outreach efforts to educate VA medical professionals about the use and efficacy of such biological implants on the Federal Supply Schedule. When biological implants are unavailable for procurement under the Federal Supply Schedule, VA would be required to procure them using competitive procedures in accordance with applicable law and the Federal Acquisition Regulation. In no case, however, would section 8123 of title 38, U.S.C., apply to the procurement of biological implants.

Additionally, VA employees who procure biological implants with the intent to avoid, or with reckless disregard of, the procurement provisions of this section would be ineligible to hold a certificate of appointment as a contracting officer or serve as a representative of an ordering officer, contracting officer, or purchase card holder. Finally, this section would provide definitions for "biological implant," "distinct identity code," "tissue distribution intermediary," and "tissue processor."

Section 5(b) would provide that section 5(a) would take effect 180 days after the tracking system required by section 4(b) is implemented.

Section 5(c) would provide a special rule for cryopreserved products that would allow, for three years after enactment, such products to be procured by VA without relabeling them with the standard identification system adopted or implemented under section 4(a).

Section 6. Extension of rounding down of percentage increases of rates of certain educational assistance

Section 6(a) would extend the rounding down of percentage increases of Montgomery GI Bill rates by five years, from the end of fiscal year 2014 through the end of fiscal year 2019, and stipulate that any increase in educational assistance rates under the Montgomery GI Bill made after fiscal year 2019 shall be rounded to the nearest whole dollar.

Section 6(b) would extend the rounding down of percentage increases of Survivors' and Dependents' Educational Assistance rates by five years, from fiscal year 2014 through fiscal year 2019, and stipulate that any increase in educational assistance rates under the Survivors' and Dependents' Educational Assistance Program made after fiscal year 2019 shall be rounded to the nearest whole dollar.

Section 7. Veterans expedited recovery commission

Section 7(a) would establish the Veterans Expedited Recovery Commission (the Commission).

Section 7(b) would set out the duties of the Commission as follows: (1) to examine the efficacy of the evidence-based therapy model used by VA to treat mental health illnesses of veterans and

identify areas to improve wellness-based outcomes; (2) to release a patient centered survey within each Veterans Integrated Service Network examining (a) veteran experience when seeking mental health care through the VA health care system, (b) veteran experience when seeking mental health care through non-VA facilities and providers, (c) veteran preference regarding available mental health treatments and most effective methods, (d) veteran experience with complementary and alternative treatment therapies, (e) the prevalence of prescription medication among veterans seeking mental health care through VA, and (f) VA outreach efforts regarding the availability of benefits and treatments for veterans addressing mental health issues, including ways to reduce barriers to and gaps in such benefits and treatments; (3) to examine available research on complementary and alternative treatment therapies for mental health issues and the identification of benefits that could result from the inclusion of treatments including music therapy, equine therapy, service dog training and care, yoga therapy, acupuncture therapy, meditation therapy, outdoor sports therapy, hyperbaric oxygen therapy, accelerated resolution therapy, and other therapies as the Commission deems appropriate; and, (4) to study the potential increase in claims relating to mental health issues submitted to VA by veterans of Operation Enduring Freedom, Operation Iraqi Freedom, or Operation New Dawn, including an assessment of the resources available within VA to ensure that quality health care demands relating to such claims can be delivered in a timely manner.

Section 7(c) would require that the Commission be composed of ten Commissioners, two appointed by the Speaker of the House, two appointed by the Minority Leader of the House, two appointed by the Majority Leader of the Senate, two appointed by the Minority Leader of the Senate, and two appointed by the President. At least one of every two Commissioners chosen by the above named entities must be a veteran, and all appointments would be required to be made within ninety days of enactment. This section would also set out the qualifications of the Commissioners to include individuals of recognized standing and distinction within the medical community with a background in treating mental health, individuals with experience working with the military and veteran populations, and individuals who do not have a financial interest in any of the complementary alternative treatments reviewed by the Commission. The President would be required to designate a Commissioner to serve as Chairman, and all Commissioners would be appointed for the life of the Commission. Vacancies in the Commission would be filled in the manner in which the original appointment was made.

Section 7(d) would set out the powers of the Commission, including: (1) the requirement to hold its first meeting not later than thirty days after a majority of Commissioners have been appointed and regularly at the call of the Chairman, including through the use of telecommunication technology if the Commission determines that such technology would allow Commissioners to communication simultaneously; (2) the authority to hold hearings, sit, act, take testimony, and receive evidence, at such times and places as the Commission considers advisable to carry out its responsibilities; (3) the authority to secure information directly from any department or

agency of the Federal government it considers necessary to carry out its duties; (4) the authority to seek guidance through consultation with foundations, veterans service organizations, nonprofit groups, faith-based organizations, private and public institutions of higher education, and other organizations as it deems appropriate; (5) the requirement to keep accurate and complete records of actions and meetings of the Commission and to make such records available for public inspection and the Comptroller General of the United States to audit and examine; (6) upon request of the Chairman, to authorize the head of any department or agency of the Federal government to detail, on a reimbursable basis, any personnel of that department or agency to assist the Commission in carrying out its duties; (7) the authority to provide Commissioners with travel expenses to perform their duties, including per diem in lieu of subsistence at authorized rates, but otherwise not to provide any pay to such Commissioners; (8) the authority for the Chairman to fix the compensation of a staff director and such other personnel as may be necessary to carry out the duties of the Commission in accordance with rules agreed upon by the Commission without regard to provisions of title 5, U.S.C., and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no rate of pay fixed under this subsection may exceed the equivalent of that payable for a position at level IV of the Executive Schedule under section 5316 of title 5, U.S.C; (9) the stipulation that the executive director and any personnel of the Commission, but not the Commissioners themselves, are employees under section 2105 of title 5, U.S.C., for purposes of chapters 63, 81, 83, 84, 85, 87, 89, and 90 of such title; (10) the authority to enter into contracts to enable it to discharge its duties to such extent and in such amounts as are provided in appropriations acts; (11) the authority to procure the services of experts and consultants in accordance with section 3109 of title 5, U.S.C., at rates not to exceed the daily rate paid to a person occupying a position at level IV of the Executive Schedule under section 5315 of title 5, U.S.C; (12) the authority to use the United States mail in the same manner and under the same conditions as departments and agencies of the United States; and (13) the authority for the Chairman to request the General Services Administration to provide the Commission, on a reimbursable basis, the administrative support services—including human resources management, budget, leasing, accounting, and payroll services—necessary for the Commission to carry out its responsibilities.

Section 7(e) would require the Commission to submit an interim report to the Committees on Veterans' Affairs of the House and Senate, as well as the President, by no later than sixty days after the date on which the Commission first meets, and each 30-day period thereafter, detailing the level of cooperation VA and other departments or agencies have provided to the Commission. This section would also require the Commission to submit to the Committees on Veterans' Affairs of the House and Senate, and any other appropriate entities, an interim report with respect to the findings identified by the Commission. The Commission would also be required to submit to the Committees on Veterans' Affairs of the House and Senate, the President, and the VA Secretary, not later

than 18 months after the first meeting of the Commission, a final report on the findings of the Commission to include: (1) recommendations to implement in a feasible, timely, and cost-effective manner the solutions and remedies identified within the findings of the Commission; (2) an analysis of the evidence-based therapy model used by VA for treating veterans with mental health issues and an examination of the prevalence and efficacy of prescription drugs as a means for treatment; (3) the findings of the patient-centered survey conducted within each Veterans Integrated Service Network; and (4) an examination of complementary and alternative treatments and the potential benefits of incorporating such treatments in the therapy model used by VA for treating veterans with mental health issues. Finally, this section would require VA to submit a report to the Committees on Veterans' Affairs of the House and Senate, not later than ninety days after the Commission submits its final report, with the following: (1) an action plan for implementing the recommendations established by the Commission on such solutions and remedies for improving wellness-based outcomes for veterans with mental health care issues; (2) a feasible timeframe on when complementary and alternative treatments can be implemented department-wide; and (3) a justification and alternative solution for any recommendation made by the Commission that VA determines is not appropriate or feasible to implement.

Section 7(f) would require the Commission to terminate thirty days after the Commission submits its final report.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

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PART II—GENERAL BENEFITS

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CHAPTER 20—BENEFITS FOR HOMELESS VETERANS

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Subchapter I—PURPOSE; DEFINITIONS; ADMINISTRATIVE MATTERS

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§ 2002. Definitions

In this chapter:

(1) The term "homeless veteran" means a veteran who is homeless (as that term is defined in section 103(a) *or (b)* of the

McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302(a))).

(2) The term "grant and per diem provider" means an entity in receipt of a grant under section 2011 or 2012 of this title.

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PART III—READJUSTMENT AND RELATED BENEFITS

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CHAPTER 30—ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE PROGRAM

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Subchapter II—BASIC EDUCATIONAL ASSISTANCE

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§ 3015. Amount of basic educational assistance

(a) The amount of payment of educational assistance under this chapter is subject to section 3032 of this title. Except as otherwise provided in this section, in the case of an individual entitled to an educational assistance allowance under this chapter whose obligated period of active duty on which such entitlement is based is three years, a basic educational assistance allowance under this subchapter shall be paid—

(1) for an approved program of education pursued on a full-time basis, at the monthly rate of—

(A) for months occurring during the period beginning on August 1, 2008, and ending on the last day of fiscal year 2009, $1,321; and

(B) for months occurring during a subsequent fiscal year, the amount for months occurring during the previous fiscal year increased under subsection (h); or

(2) at an appropriately reduced rate, as determined under regulations which the Secretary shall prescribe, for an approved program of education pursued on less than a full-time basis.

(b) In the case of an individual entitled to an educational assistance allowance under section 3011 or 3018 of this title whose obligated period of active duty on which such entitlement is based is two years, a basic educational assistance allowance under this chapter shall (except as provided in the succeeding subsections of this section)be paid—

(1) for an approved program of education pursued on a full-time basis, at the monthly rate of—

(A) for months occurring during the period beginning on August 1, 2008, and ending on the last day of fiscal year 2009, $1,073; and

(B) for months occurring during a subsequent fiscal year, the amount for months occurring during the previous fiscal year increased under subsection (h); or

(2) at an appropriately reduced rate, as determined under regulations which the Secretary shall prescribe, for an approved program of education pursued on less than a full-time basis.

(c)(1) The amount of basic educational allowance payable under this chapter to an individual referred to in paragraph (2) of this subsection is the amount determined under subsection (a) of this section.

(2) Paragraph (1) of this subsection applies to an individual entitled to an educational assistance allowance under section 3011 of this title—

(A) whose obligated period of active duty on which such entitlement is based is less than three years;

(B) who, beginning on the date of the commencement of such obligated period of active duty, serves a continuous period of active duty of not less than three years; and

(C) who, after the completion of that continuous period of active duty, meets one of the conditions set forth in subsection (a)(3) of such section 3011.

(d)(1) In the case of an individual who has a skill or specialty designated by the Secretary concerned as a skill or specialty in which there is a critical shortage of personnel or for which it is difficult to recruit, the Secretary concerned, pursuant to regulations to be prescribed by the Secretary of Defense, may, at the time the individual first becomes a member of the Armed Forces, increase the rate of the basic educational assistance allowance applicable to such individual to such rate in excess of the rate prescribed under subsections (a), (b), and (c) of this section as the Secretary of Defense considers appropriate, but the amount of any such increase may not exceed $950 per month.

(2) In the case of an individual who after October 7, 1997, receives an enlistment bonus under section 308a or 308f of title 37, receipt of that bonus does not affect the eligibility of that individual for an increase under paragraph (1) in the rate of the basic educational assistance allowance applicable to that individual, and the Secretary concerned may provide such an increase for that individual (and enter into an agreement with that individual that the United States agrees to make payments pursuant to such an increase) without regard to any provision of law (enacted before, on, or after the date of the enactment of this paragraph) that limits the authority to make such payments.

(e)(1)(A) Except as provided in subparagraph (B) of this paragraph and subject to paragraph (2) of this subsection, in the case of an individual who on December 31, 1989, was entitled to educational assistance under chapter 34 of this title, the rate of the basic educational assistance allowance applicable to such individual under this chapter shall be increased by the amount equal to one-half of the educational assistance allowance that would be applicable to such individual under such chapter 34 (as of the time the assistance under this chapter is provided and based on the rates in effect on December 31, 1989) if such chapter were in effect.

(B) Notwithstanding subparagraph (A) of this paragraph, in the case of an individual described in that subparagraph who is pursuing a cooperative program on or after October 9, 1996, the rate of the basic educational assistance allowance applicable to such individual under this chapter shall be increased by the amount equal to one-half of the educational assistance allowance that would be applicable to such individual for pursuit of full-time institutional training under chapter 34 (as of the time the assistance under this chapter is provided and based on the rates in effect on December 31, 1989) if such chapter were in effect.

(2) The number of months for which the rate of the basic educational assistance allowance applicable to an individual is increased under paragraph (1) of this subsection may not exceed the number of months of entitlement to educational assistance under chapter 34 of this title that the individual had remaining on December 31, 1989.

(f) In the case of an individual for whom the Secretary of Defense made contributions under section 3222(c) of this title and who is entitled to educational assistance under section 3018A, 3018B, or 3018C of this chapter, the Secretary shall increase the rate of the basic educational assistance allowance applicable to such individual in excess of the rate provided under subsection (a) of this section in a manner consistent with, as determined by the Secretary of Defense, the agreement entered into with such individual pursuant to the rules and regulations issued by the Secretary of Defense under section 3222(c) of this title.

(g) In the case of an individual who has made contributions authorized by section 3011(e) or 3012(f) of this title, effective as of the first day of the enrollment period following receipt of such contributions from such individual by the Secretary concerned, the monthly amount of basic educational assistance allowance applicable to such individual under subsection (a), (b), or (c) shall be the monthly rate otherwise provided for under the applicable subsection increased by—

(1) an amount equal to $5 for each $20 contributed by such individual under section 3011(e) or 3012(f) of this title, as the case may be, for an approved program of education pursued on a full-time basis; or

(2) an appropriately reduced amount based on the amount so contributed, as determined under regulations which the Secretary shall prescribe, for an approved program of education pursued on less than a full-time basis.

(h)(1) With respect to any fiscal year, the Secretary shall provide a percentage increase in the rates payable under subsections (a)(1) and (b)(1) equal to the percentage by which—

(A) the average cost of undergraduate tuition in the United States, as determined by the National Center for Education Statistics, for the last academic year preceding the beginning of the fiscal year for which the increase is made, exceeds

(B) the average cost of undergraduate tuition in the United States, as so determined, for the academic year preceding the academic year described in subparagraph (A).

(2) Any increase under paragraph (1) in a rate with respect to a fiscal year after fiscal year 2004 and before **[**fiscal year 2014**]** *fiscal year 2020* shall be rounded down to the next lower whole dollar

amount. Any such increase with respect to a fiscal year after [fiscal year 2013] *fiscal year 2019* shall be rounded to the nearest whole dollar amount.

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CHAPTER 35—SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE

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Subchapter VI—MISCELLANEOUS PROVISIONS

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§ 3564. Annual adjustment of amounts of educational assistance

(a) With respect to any fiscal year, the Secretary shall provide a percentage increase in the rates payable under sections 3532, 3534(b), and 3542(a) of this title equal to the percentage by which—

(1) the Consumer Price Index (all items, United States city average) for the 12-month period ending on the June 30 preceding the beginning of the fiscal year for which the increase is made, exceeds

(2) such Consumer Price Index for the 12-month period preceding the 12-month period described in paragraph (1).

(b) Any increase under subsection (a) in a rate with respect to a fiscal year after fiscal year 2004 and before [fiscal year 2014] *fiscal year 2020* shall be rounded down to the next lower whole dollar amount. Any such increase with respect to a fiscal year after [fiscal year 2013] *fiscal year 2019* shall be rounded to the nearest whole dollar amount.

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PART V—BOARDS, ADMINISTRATIONS, AND SERVICES

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CHAPTER 73—ORGANIZATION AND FUNCTIONS

SUBCHAPTER I—ORGANIZATION

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SUBCHAPTER II—GENERAL AUTHORITY AND ADMINISTRATION

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Subchapter II—GENERAL AUTHORITY AND ADMINISTRATION

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§ 7330B. Annual report on Veterans Health Administration and furnishing of hospital care, medical services, and nursing home care

(a) REPORT REQUIRED.—Not later than March 1 of each year, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the furnishing of hospital care, medical services, and nursing home care under the laws administered by the Secretary and on the administration of the provision of such care and services by the Veterans Health Administration during the calendar year preceding the calendar year during which the report is submitted.

(b) CONTENTS OF REPORT.—Each report required by subsection (a) shall include each of the following for the year covered by the report:

(1) An evaluation of the effectiveness of the Veterans Health Administration program in increasing the access of veterans eligible for hospital care, medical services, and nursing home care furnished by the Secretary to such care.

(2) An evaluation of the effectiveness of the Veterans Health Administration in improving the quality of health care provided to such veterans, without increasing the costs incurred by the Government or such veterans, which includes the relevant information for each medical center and Veterans Integrated Service Network of the Department set forth separately.

(3) An assessment of—

(A) the workload of physicians and other employees of the Veterans Health Administration;

(B) patient demographics and utilization rates;

(C) physician compensation;

(D) the productivity of physicians and other employees of the Veterans Health Administration;

(E) the percentage of hospital care, medical services, and nursing home care provided to such veterans in Department facilities and in non-Department facilities and any changes in such percentages compared to the year preceding the year covered by the report;

(F) pharmaceutical prices; and

(G) third party health billings owed to the Department, including the total amount of such billings and the total amounts collected, set forth separately for claims greater than $1000 and for claims equal to or less than $1000.

(c) DEFINITIONS.—In this section, the terms "hospital care", "medical services", "nursing home care", and "non-Department facilities" have the meanings given such terms in section 1701 of this title.

§ 7330C. Identification and tracking of biological implants

(a) STANDARD IDENTIFICATION SYSTEM FOR BIOLOGICAL IMPLANTS.—(1) The Secretary shall adopt the unique device identification system developed for medical devices by the Food and Drug Administration pursuant to section 519(f) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360i(f)), or implement a comparable

standard identification system, for use in identifying biological implants intended for use in medical procedures conducted in medical facilities of the Department.

(2) In adopting or implementing a standard identification system for biological implants under paragraph (1), the Secretary shall permit a vendor to use any of the accredited entities identified by the Food and Drug Administration as an issuing agency pursuant to section 830.100 of title 21, Code of Federal Regulations, or any successor regulation.

(b) BIOLOGICAL IMPLANT TRACKING SYSTEM.—(1) The Secretary shall implement a system for tracking the biological implants referred to in subsection (a) from human donor or animal source to implantation.

(2) The tracking system implemented under paragraph (1) shall be compatible with the identification system adopted or implemented under subsection (a).

(3) The Secretary shall implement inventory controls compatible with the tracking system implemented under paragraph (1) so that all patients who have received, in a medical facility of the Department, a biological implant subject to a recall can be notified of the recall, if based on the evaluation of appropriate medical personnel of the Department of the risks and benefits, the Secretary determines such notification is appropriate.

(c) CONSISTENCY WITH FOOD AND DRUG ADMINISTRATION REGULATIONS.—To the extent that a conflict arises between this section and a provision of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.) or sections 351 or 361 of the Public Health Service Act (42 U.S.C. 262) (including any regulations issued under such Acts), the provision the Federal Food, Drug, and Cosmetic Act or Public Health Service Act (including any regulations issued under such Acts) shall apply.

(d) DEFINITION OF BIOLOGICAL IMPLANT.—In this section, the term "biological implant" means any animal or human cell, tissue, or cellular or tissue-based product—

(1) under the meaning given the term human cells, tissues, or cellular or tissue-based products in section 1271.3 of title 21, Code of Federal Regulations, or any successor regulation; or

(2) that is regulated as a device under section 201(h) of the Federal Food, Drug, and Cosmetic Act.

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PART VI—ACQUISITION AND DISPOSITION OF PROPERTY

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CHAPTER 81—ACQUISITION AND OPERATION OF HOSPITAL AND DOMICILIARY FACILITIES; PROCUREMENT AND SUPPLY; ENHANCED-USE LEASES OF REAL PROPERTY

Subchapter II—PROCUREMENT AND SUPPLY

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§ 8129. Procurement of biological implants

(a) IN GENERAL.—(1) The Secretary may procure biological implants of human origin only from vendors that meet the following conditions:

(A) The vendor uses the standard identification system adopted or implemented by the Secretary under section 7330C(a) of this title and has safeguards to ensure that a distinct identity code has been in place at each step of distribution of each biological implant from its donor.

(B) The vendor is registered as required by the Food and Drug Administration under subpart B of part 1271 of title 21, Code of Federal Regulations, or any successor regulation, and in the case of a vendor that uses a tissue distribution intermediary or a tissue processor, the vendor provides assurances that the tissue distribution intermediary or tissue processor is registered as required by the Food and Drug Administration.

(C) The vendor ensures that donor eligibility determinations and such other records as the Secretary may require accompany each biological implant at all times, regardless of the country of origin of the donor of the biological material.

(D) The vendor agrees to cooperate with all biological implant recalls conducted on the vendor's own initiative, on the initiative of the original product manufacturer used by the vendor, by the request of the Food and Drug Administration, or by a statutory order of the Food and Drug Administration.

(E) The vendor agrees to notify the Secretary of any adverse event or reaction report it provides to the Food and Drug Administration, as required by section 1271.350 of title 21, Code of Federal Regulations, or any successor regulation, or any successor regulation, or of any warning letter from the Food and Drug Administration issued to the vendor or a tissue processor or tissue distribution intermediary it uses by not later than 60 days after the vendor receives such report or warning letter.

(F) The vendor agrees to retain all records associated with the procurement of a biological implant by the Department for at least 10 years after the date of the procurement of the biological implant.

(G) The vendor provides assurances that the biological implants provided by the vendor are acquired only from tissue processors that maintain active accreditation with the American Association of Tissue Banks or a similar national accreditation specific to biological implants.

(2) The Secretary may procure biological implants of non-human origin only from vendors that meet the following conditions:

(A) The vendor uses the standard identification system adopted or implemented by the Secretary under section 7330C(a) of this title.

(B) The vendor is a registered establishment as required by the Food and Drug Administration under sections 807.20 and 807.40 of title 21, Code of Federal Regulations, or any successor regulation, (or is not required to register pursuant to section 807.65(a) of such title) and in the case of a vendor that is not the original product manufacturer of such implants the vendor provides assurances that the original product manufacturer is registered as required by the Food and Drug Administration.

(C) The vendor agrees to cooperate with all biological implant recalls conducted on the vendor's own initiative, on the initiative of the original product manufacturer used by the vendor, by the request of the Food and Drug Administration, or by a statutory order of the Food and Drug Administration.

(D) The vendor agrees to notify the Secretary of any adverse event report it provides to the Food and Drug Administration as required in part 803 of title 21, Code of Federal Regulations, or any warning letter from the Food and Drug Administration issued to the vendor or the original product manufacturer it uses by not later than 60 days after the vendor receives such report or warning letter.

(E) The vendor agrees to retain all records associated with the procurement of a biological implant by the Department for at least 10 years after the date of the procurement of the biological implant.

(3)(A) The Secretary shall procure biological implants under the Federal Supply Schedules of the General Services Administration unless such implants are not available under such Schedules.

(B) With respect to biological implants listed on the Federal Supply Schedules, the Secretary shall accommodate reasonable vendor requests to undertake outreach efforts to educate medical professionals of the Department about the use and efficacy of such biological implants.

(C) In the case of biological implants that are unavailable for procurement under the Federal Supply Schedules, the Secretary shall procure such implants using competitive procedures in accordance with applicable law and the Federal Acquisition Regulation.

(4) Section 8123 of this title shall not apply to the procurement of biological implants.

(b) PENALTIES.—In addition to any applicable penalty under any other provision of law, any procurement employee of the Department who is found responsible for a biological implant procurement transaction with intent to avoid or with reckless disregard of the requirements of this section shall be ineligible to hold a certificate of appointment as a contracting officer or to serve as the representative of an ordering officer, contracting officer, or purchase card holder.

(c) DEFINITIONS.—In this section:

(1) The term "biological implant" shall have the meaning given such term in section 7330C(d) of this title.

(2) The term "distinct identity code" means a code that—

(A) relates a biological implant to the human donor of the implant and to all records pertaining to the implant;

(B) includes information designed to facilitate effective tracking, using such code, from the donor to the recipient and from the recipient to the donor; and

(C) satisfies the requirements of section 1271.290 of title 21, Code of Federal Regulations, or any successor regulation.

(3) The term "tissue distribution intermediary" means an agency that acquires and stores human tissue for further distribution and performs no other tissue banking functions.

(4) The term "tissue processor" means an entity processing human tissue for use in biological implants including activities performed on tissue other than donor screening, donor testing, tissue recovery and collection functions, storage, or distribution.

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