

LONG-TERM CARE VETERANS CHOICE ACT

MARCH 2, 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. 294]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 294) to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to enter into contracts and agreements for the transfer of veterans to non-Department medical foster homes for certain veterans who are unable to live independently, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

CONTENTS

	Page
Amendment	2
Purpose and Summary	2
Background and Need for Legislation	3
Hearings	4
Subcommittee Consideration	5
Committee Consideration	5
Committee Votes	5
Committee Oversight Findings	5
Statement of General Performance Goals and Objectives	6
New Budget Authority, Entitlement Authority, and Tax Expenditures	6
Earmarks and Tax and Tariff Benefits	6
Committee Cost Estimate	6
Congressional Budget Office Estimate	6
Federal Mandates Statement	8
Advisory Committee Statement	8
Statement of Constitutional Authority	8
Applicability to Legislative Branch	9
Statement on Duplication of Federal Programs	9
Disclosure of Directed Rulemaking	9
Section-by-Section Analysis of the Legislation	9
Changes in Existing Law Made by the Bill as Reported	10

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 as the “Long-Term Care Veterans Choice Act”.

SEC. 2. SECRETARY OF VETERANS AFFAIRS CONTRACT AUTHORITY FOR PLACEMENT OF VETERANS IN NON-DEPARTMENT MEDICAL FOSTER HOMES.**(a) AUTHORITY.—**

(1) **IN GENERAL.**—Section 1720 of title 38, United States Code, is amended by adding at the end the following new subsection:

“(h)(1) During the three-year period beginning on October 1, 2015, and subject to paragraph (2), at the request of a veteran for whom the Secretary is required to provide nursing home care under section 1710A of this title, the Secretary may place the veteran in a medical foster home that meets Department standards, at the expense of the United States, pursuant to a contract or agreement entered into between the Secretary and the medical foster home for such purpose. A veteran who is placed in a medical foster home under this subsection shall agree, as a condition of such placement, to accept home health services furnished by the Secretary under section 1717 of this title.

“(2) Not more than 900 veterans placed in a medical foster home, whether placed before or after the enactment of the Long-Term Care Veterans Choice Act, may have their care covered at the expense of the United States under subsection (a).

“(3) In this subsection, the term ‘medical foster home’ means a home designed to provide non-institutional, long-term, supportive care for veterans who are unable to live independently and prefer a family setting.”

(2) **EFFECTIVE DATE.**—Subsection (h) of title 38, United States Code, as added by subsection (a), shall take effect on October 1, 2015.

(b) **LIMITATIONS ON AWARDS AND BONUSES.**—Section 705 of the Veterans Access, Choice, and Accountability Act of 2014 (Public Law 113–146; 38 U.S.C. 703 note) is amended to read as follows:

“SEC. 705. LIMITATION ON AWARDS AND BONUSES PAID TO EMPLOYEES OF DEPARTMENT OF VETERANS AFFAIRS.

“The Secretary of Veterans Affairs shall ensure that the aggregate amount of awards and bonuses paid by the Secretary in a fiscal year under chapter 45 or 53 of title 5, United States Code, or any other awards or bonuses authorized under such title or title 38, United States Code, does not exceed the following amounts:

“(1) With respect to each of fiscal years 2015 through 2018, \$300,000,000.

“(2) With respect to each of fiscal years 2019 through 2024, \$360,000,000.”

Amend the title so as to read:

A bill to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to enter into contracts and agreements for the placement of veterans in non-Department medical foster homes for certain veterans who are unable to live independently.

PURPOSE AND SUMMARY

H.R. 294, the Long-Term Care Veterans Choice Act, was introduced by Representative Jeff Miller of Florida, the Chairman of the Committee, on January 13, 2015.

H.R. 294, as amended would authorize the Department of Veterans Affairs (VA), for three years beginning on October 1, 2015, to enter into a contract or agreement with a certified medical foster home to pay for long-term care for not more than 900 eligible veterans. Eligible veterans are defined as those who are eligible for VA-paid nursing home care and agree to receive VA home health services. H.R. 294, as amended, would also limit the amount of the awards and bonuses paid to VA employees to \$300 million over each of fiscal years (FYs) 2015–2018.

BACKGROUND

Section 2—Secretary of Veterans Affairs contract authority for placement of veterans in non-department medical foster homes

Section 101 of the Veterans Millennium Health Care and Benefits Act, Public Law 106–117 (113 Stat. 1545, 1547) requires VA to provide nursing home services to all enrolled veterans who are: 70 percent or more service-connected; 60 percent or more service-connected and unemployable and in need of such care; or, who are service-connected for a condition that makes such care necessary. VA meets the requirements of the law by providing short- and long-term nursing home care, respite care, and end-of-life care through Community Living Centers located on VA medical center (VAMC) campuses; purchased care in Community Nursing Homes; and, through the State Veterans Nursing Home program.

Additionally, VA provides a variety of non-institutional long-term care services to allow many veterans to remain within their homes and delay or avoid nursing home placement. One of the many non-institutional long-term care programs VA provides is the Community Residential Care (CRC) program.

The CRC program is authorized under section 1730 of title 38, United States Code (U.S.C.) and is a form of enriched housing which provides health care supervision to eligible veterans who do not require hospital or nursing home care but are not able to live independently because of medical or psychosocial limitations or care needs that exceed the capabilities of their families. VA health care personnel may assist veterans by referring them for placement in a privately or publicly owned community residential care facility if certain criteria—codified at 38 C.F.R. § 17.61 through § 17.72—are met.

A relatively new variant of CRC is known as Medical Foster Home (MFH) care. VA's MFH program began in 1999 as a pilot project for veterans who prefer to live in a family setting but have complex medical conditions and/or disabilities due to chronic disease, frailty, or traumatic injury and, consequently, are unable to live independently. In general, a MFH is an adult foster home that, combined with a VA interdisciplinary home care team, provides non-institutional long-term care for veterans.

A MFH is distinguished from other CRC homes because, in general: the home is owned or rented by the MFH caregiver; the MFH caregiver lives in the MFH and provides personal care and supervision; there are not more than three residents receiving care in the MFH, including both veterans and non-veterans; and, veteran MFH residents are enrolled in a VA Home Based Primary Care or Spinal Cord Injury Home Care Program.

However, because a MFH is not considered institutional care that is eligible for VA nursing home payments, VA does not have the authority under the CRC program to pay for the cost of the MFH. A veteran who chooses to live in a MFH must pay out of pocket with personal funds, regardless of whether or not such veteran is eligible for VA-paid nursing home care.

The inability of VA to pay for this type of long term care has forced service-connected veterans eligible for VA paid nursing home care who choose to reside in MFHs to pay for the service themselves, or to defer the MFH option in order to reside in an institu-

tional setting that may not be the best option for the veteran's needs. VA believes many more veterans would elect to receive care in a MFH should VA be granted the authority to pay for care in such facilities.

According to VA testimony from January 2015, VA considers MFHs to offer safe, highly veteran-centric care that many veterans prefer at a lower cost than traditional nursing home care while increasing access and promoting veteran choice. More than 900 veterans receive care in MFHs—at their own cost—and more than two-thirds of VAMCs currently manage a MFH program. These programs are managed by local MFH Coordinators who oversee the approval, inspection and placement process for MFHs in the community.

VA also provides safeguards to ensure veterans receive safe, high-quality care by requiring MFH caregivers to: pass a federal background check and VA screening, agree to undergo annual training, and allow VA to make both announced and unannounced home visits.

The Committee commends VA for these efforts and for focusing on education and training of MFH caregivers to ensure they provide safe, quality, and effective specialized care for veterans. The Committee recommends VA enter into partnerships with ongoing caregiver training initiatives to develop and host additional training to ensure incoming MFH caregivers are adequately trained and experienced and to help support and retain existing MFH caregivers.

As the veteran population continues to age, the need for long-term care services will continue to grow. The Committee believes it is important to expand the long term care choices offered to veterans beyond traditional services and provide VA authority to pay for long term care in qualifying MFHs for eligible veterans. Granting VA the authority to pay for veterans who are eligible for VA-paid nursing home care to receive care in a MFH would allow veterans a choice of a more tailored long term care option that may better fit the quality of life they seek. Of additional benefit, VA has found that this action would ultimately provide a cost saving for the Department.

Section 2 would authorize VA for three years beginning on October 1, 2015, to enter into a contract or agreement with a certified medical foster home to pay for long-term care for not more than 900 eligible veterans. It would also require an eligible veteran to receive VA home health services as a component of such payment and to be eligible for VA-paid nursing home care. To pay for this authority, Section 2 would also limit the amount the awards and bonuses paid to VA employees at \$300 million over fiscal years (FYs) 2015–2018.

HEARINGS

On May 21, 2013, the Full Committee conducted a legislative hearing on various bills introduced during the 114th Congress, including H.R. 189, H.R. 216, H.R. 245, H.R. 294, and H.R. 294.

The following witnesses testified:

The Honorable Alan Grayson of Florida; David R. McLenachen, Acting Deputy Under Secretary for Disability Assistance for the Veterans Benefits Administration of the U.S. Department of Vet-

erans Affairs, accompanied by Dr. Rajiv Jain, the Assistant Deputy Under Secretary for Health for Patient Services for the Veterans Health Administration of the U.S. Department of Veterans Affairs, Susan Sullivan, the Deputy Assistant Secretary for Policy Office of Policy and Planning for the U.S. Department of Veterans Affairs, and Kim McLeod, Counsel for the Office of General Counsel of the U.S. Department of Veterans Affairs; Joseph A. Violante, the National Legislative Director for the Disabled American Veterans; Aleks Morosky, the Deputy Director of the National Legislative Service of the Veterans of Foreign Wars; Zachary Hearn, the Deputy Director of Claims for the Veterans Affairs and Rehabilitation Commission of The American Legion; and, Blake Ortner, the Deputy Government Relations Director for the Paralyzed Veterans of America.

Statements for the record were submitted by the following:
Vietnam Veterans of America and the Housing Policy Council.

SUBCOMMITTEE CONSIDERATION

There was no Subcommittee consideration of H.R. 294, as amended.

COMMITTEE CONSIDERATION

On February 12, 2015, the full Committee met in an open markup session, a quorum being present, and ordered H.R. 294, as amended, reported favorably to the House of Representatives by voice vote.

During consideration of H.R. 294, the following amendment was considered and agreed to by voice vote:

An amendment in the nature of a substitute offered by Chairman Miller of Florida which limited the number of veterans eligible for VA-paid medical foster home care to 900 and also limited the awards and bonuses paid to VA employees at \$300 million for each of FYs 2015–2018.

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. 294, as amended, reported to the House. A motion by Ranking Member Corrine Brown of Florida to report H.R. 294, 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. 294, 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. 294, 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. 294, 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, March 2, 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. 294, the Long-Term Care Veterans Choice Act.

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

Sincerely,

DOUGLAS W. ELMENDORF,
Director.

Enclosure.

H.R. 294—Long-Term Care Veterans Choice Act

H.R. 294 would authorize the Department of Veterans Affairs (VA) to provide long-term care in medical foster homes (MFHs) for certain veterans with severe service-connected disabilities. The bill also would limit the awards and bonuses paid to VA employees. On

net, CBO estimates that implementing the bill would reduce discretionary costs by \$253 million over the 2016–2020 period, subject to appropriation action consistent with the bill.

Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

H.R. 294 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. 294 is shown in the following table. The costs of this legislation fall within budget function 700 (veterans benefits and services).

Basis of estimate: For this estimate, CBO assumes that the legislation will be enacted near the end of fiscal year 2015, that the necessary amounts will be appropriated for each year, and that outlays will follow historical spending patterns for similar and existing programs.

	By fiscal year, in millions of dollars—						2015– 2020
	2015	2016	2017	2018	2019	2020	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION							
Medical Foster Care:							
Estimated Authorization Level	0	27	33	40	39	38	177
Estimated Outlays	0	24	32	39	39	38	172
Limitation on Awards and Bonuses:							
Estimated Authorization Level	0	–101	–105	–109	–53	–57	–425
Estimated Outlays	0	–101	–105	–109	–53	–57	–425
Total Changes:							
Estimated Authorization Level	0	–74	–72	–69	–14	–19	–248
Estimated Outlays	0	–77	–73	–70	–14	–19	–253

Medical foster care

For the three-year period beginning on October 1, 2015, the bill would authorize VA to place up to 900 veterans with severe service-connected disabilities in MFHs and to pay the full cost of their stay in those establishments. A MPH is a private home in which a trained caregiver provides services to a few individuals. VA has an existing program under which it inspects and approves MFHs for veterans. Veterans currently living in such homes are eligible to receive VA’s Home Based Primary Care services, which include case management and health care provided in the home. VA is not currently authorized to pay for the cost of living in MFHs, but under this bill, VA could pay that cost. CBO expects that once veterans are placed in medical foster care under this new program, VA will pay for their stays in those facilities indefinitely.

CBO estimates that half of the veterans eligible for this program (or 450 individuals) would become residents of MFHs as a result of the bill’s enactment. For those veterans, VA would pay for their living expenses, as well as the costs for Home Based Primary Care services. We estimate that those veterans would receive health care that would cost \$9,000 per year more than they would receive under current law because providing care in the individual homes is costlier than providing health care at VA medical facilities. Including the costs for living expenses at the MFHs of \$39,000 per

year, we estimate total costs per new resident of \$48,000 per year. As a result, total costs for new MPH residents would be about \$22 million a year, CBO estimates.

CBO estimates that the remaining half of the eligible population (450 veterans) would be individuals already living in MFHs. Because VA already provides those veterans with in-home health care services, the incremental cost would be \$39,000 a year per veteran to cover the expense of living in the MFHs. Those costs would total about \$18 million a year for those 450 veterans, CBO estimates.

After factoring in inflation, appropriate mortality rates, and a gradual implementation period to reflect the time for VA to transition additional veterans into the MFH program, CBO estimates that implementing this bill would cost an additional \$172 million over the 2016–2020 period, assuming appropriation of the necessary amounts.

Limitation on awards and bonuses

This bill also would limit to \$300 million the amount that VA could pay in awards and bonuses to VA employees through 2018 and \$360 million from 2019 to 2024. Over the 2010–2013 period, VA paid an average of \$395 million each year in awards and bonus payments to employees. Assuming such payments will grow with inflation under current law, CBO estimates that implementing this provision would reduce discretionary spending for pay and performance by \$425 million over the 2016–2020 period, assuming appropriation actions consistent with the bill.

Pay-As-You-Go considerations: None.

Intergovernmental and private-sector impact: H.R. 294 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 Dwayne M. Wright; Impact on State, Local, and Tribal Governments: Jon Sperl; Impact on the Private Sector: Paige Piper-Bach.

Estimate approved by: Theresa Gullo, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 294, 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. 294, 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. 294, 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. 294, as amended, does not require directed rule making.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 of the bill would provide that the short title of H.R. 294, as amended, would be the “Long-Term Care Veterans Choice Act.”

Section 2—Secretary of Veterans Affairs contract authority for placement of veterans in non-department medical foster homes

Section 2(a)(1) of the bill would amend section 1720 of title 38, United States Code, by adding a new subsection (h) that would authorize VA, during the three year period beginning on October 1, 2015, to facilitate the placement of veterans to medical foster homes at the request of the veteran for whom VA is required to provide nursing home care under 38 U.S.C. § 1710(A). Under this subsection, the medical foster home would be required to meet department standards, and not more than 900 veterans, whether placed in a MFH before or after enactment, would be eligible to have the cost of their MFH care paid for by VA. Such care would be pursuant to a contract or agreement entered into between the Secretary and the medical foster home. A veteran who is placed in a medical foster home under this subsection would be required to agree, as a condition of such transfer, to accept home health services furnished by the Secretary under 38 U.S.C. § 1717.

Section 2(a)(2) of the bill would set an effective date of October 1, 2015, for the (h).

Section 2(b) of the bill would amend Section 705 of Public Law 113–146 to limit the aggregate amount of awards and bonuses that can be paid to VA employees to \$300 million for each of FYs 2015–2018.

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

* * * * *

PART II—GENERAL BENEFITS

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**CHAPTER 17—HOSPITAL, NURSING HOME,
DOMICILIARY, AND MEDICAL CARE**

* * * * *

**SUBCHAPTER II—HOSPITAL, NURSING HOME, OR
DOMICILIARY CARE AND MEDICAL TREATMENT**

* * * * *

§ 1720. Transfers for nursing home care; adult day health care

(a)(1) Subject to subsection (b) of this section, the Secretary may transfer to a non-Department nursing home, for care at the expense of the United States—

(A) a veteran—

(i) who has been furnished care by the Secretary in a facility under the direct jurisdiction of the Secretary; and

(ii) who the Secretary determines—

(I) requires a protracted period of nursing home care which can be furnished in the non-Department nursing home; and

(II) in the case of a veteran who has been furnished hospital care in a facility under the direct jurisdiction of the Secretary, has received maximum benefits from such care; and

(B) a member of the Armed Forces—

(i) who has been furnished care in a hospital of the Armed Forces;

(ii) who the Secretary concerned determines has received maximum benefits from such care but requires a protracted period of nursing home care; and

(iii) who upon discharge from the Armed Forces will become a veteran.

(2) The Secretary may transfer a person to a nursing home under this subsection only if the Secretary determines that the cost to the United States of the care of such person in the nursing home will not exceed—

(A) the amount equal to 45 percent of the cost of care furnished by the Department in a general hospital under the di-

rect jurisdiction of the Secretary (as such cost may be determined annually by the Secretary); or

(B) the amount equal to 50 percent of such cost, if such higher amount is determined to be necessary by the Secretary (upon the recommendation of the Under Secretary for Health) to provide adequate care.

(3) Nursing home care may not be furnished under this subsection at the expense of the United States for more than six months in the aggregate in connection with any one transfer except—

(A) in the case of a veteran—

(i) who is transferred to a non-Department nursing home from a hospital under the direct jurisdiction of the Secretary; and

(ii) whose hospitalization was primarily for a service-connected disability;

(B) in a case in which the nursing home care is required for a service-connected disability; or

(C) in a case in which, in the judgment of the Secretary, a longer period of nursing home care is warranted.

(4) A veteran who is furnished care by the Secretary in a hospital or domiciliary facility in Alaska or Hawaii may be furnished nursing home care at the expense of the United States under this subsection even if such hospital or domiciliary facility is not under the direct jurisdiction of the Secretary.

(b) No veteran may be transferred or admitted to any institution for nursing home care under this section, unless such institution is determined by the Secretary to meet such standards as the Secretary may prescribe. The standards prescribed and any report of inspection of institutions furnishing care to veterans under this section made by or for the Secretary shall, to the extent possible, be made available to all Federal, State, and local agencies charged with the responsibility of licensing or otherwise regulating or inspecting such institutions.

(c)(1)(A) In furnishing nursing home care, adult day health care, or other extended care services under this section, the Secretary may enter into agreements for furnishing such care or services with—

(i) in the case of the medicare program, a provider of services that has entered into a provider agreement under section 1866(a) of the Social Security Act (42 U.S.C. 1395cc(a));

(ii) in the case of the medicaid program, a provider participating under a State plan under title XIX of such Act (42 U.S.C. 1396 et seq.); and

(iii) a provider of services eligible to enter into a contract pursuant to section 1745(a) of this title that is not otherwise described in clause (i) or (ii).

(B) In entering into an agreement under subparagraph (A) with a provider of services described in clause (i) of that subparagraph or a provider described in clause (ii) of that subparagraph, the Secretary may use the procedures available for entering into provider agreements under section 1866(a) of the Social Security Act.

(2) In applying the provisions of section 6704(a) of title 41 with respect to any contract entered into under this section to provide nursing home care of veterans, the payment of wages not less than

those specified in section 6(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(b)) shall be deemed to constitute compliance with such provisions.

(d)(1) Subject to subsection (b) of this section, the Secretary may authorize for any veteran requiring nursing home care for a service-connected disability direct admission for such care at the expense of the United States to any non-Department nursing home. The Secretary may also authorize a direct admission to such a nursing home for nursing home care for any veteran who has been discharged from a hospital under the direct jurisdiction of the Secretary and who is currently receiving medical services as part of home health services from the Department.

(2) Direct admission authorized by paragraph (1) of this subsection may be authorized upon determination of need therefor—

(A) by a physician employed by the Department; or

(B) in areas where no such physician is available, by a physician carrying out such function under contract or fee arrangement,

based on an examination by such physician.

(3) The amount which may be paid for such care and the length of care available under this subsection shall be the same as authorized under subsection (a) of this section.

(e)(1) The cost of intermediate care for purposes of payment by the United States pursuant to subsection (a)(2)(B) of this section shall be determined by the Secretary except that the rate of reimbursement shall be commensurately less than that provided for nursing home care.

(2) For the purposes of this section, the term “non-Department nursing home” means a public or private institution not under the direct jurisdiction of the Secretary which furnishes nursing home care.

(f)(1)(A) The Secretary may furnish adult day health care services to a veteran enrolled under section 1705(a) of this title who would otherwise require nursing home care.

(B) The Secretary may provide in-kind assistance (through the services of Department employees and the sharing of other Department resources) to a facility furnishing care to veterans under subparagraph (A) of this paragraph. Any such in-kind assistance shall be provided under a contract or agreement between the Secretary and the facility concerned. The Secretary may provide such assistance only for use solely in the furnishing of adult day health care and only if, under such contract or agreement, the Department receives reimbursement for the full cost of such assistance, including the cost of services and supplies and normal depreciation and amortization of equipment. Such reimbursement may be made by reduction in the charges to the United States or by payment to the United States. Any funds received through such reimbursement shall be credited to funds allotted to the Department facility that provided the assistance.

(2) The Secretary may conduct, at facilities over which the Secretary has direct jurisdiction, programs for the furnishing of adult day health care to veterans who are eligible for such care under paragraph (1) of this subsection, except that necessary travel and incidental expenses (or transportation in lieu thereof) may be furnished under such a program only under the terms and conditions

set forth in section 111 of this title. The furnishing of care under any such program shall be subject to the limitations that are applicable to the duration of adult day health care furnished under paragraph (1) of this subsection.

(g) The Secretary may contract with appropriate entities to provide specialized residential care and rehabilitation services to a veteran of Operation Enduring Freedom or Operation Iraqi Freedom who the Secretary determines suffers from a traumatic brain injury, has an accumulation of deficits in activities of daily living and instrumental activities of daily living, and because of these deficits, would otherwise require admission to a nursing home even though such care would generally exceed the veteran’s nursing needs.

(h)(1) During the three-year period beginning on October 1, 2015, and subject to paragraph (2), at the request of a veteran for whom the Secretary is required to provide nursing home care under section 1710A of this title, the Secretary may place the veteran in a medical foster home that meets Department standards, at the expense of the United States, pursuant to a contract or agreement entered into between the Secretary and the medical foster home for such purpose. A veteran who is placed in a medical foster home under this subsection shall agree, as a condition of such placement, to accept home health services furnished by the Secretary under section 1717 of this title.

(2) Not more than 900 veterans placed in a medical foster home, whether placed before or after the enactment of the Long-Term Care Veterans Choice Act, may have their care covered at the expense of the United States under subsection (a).

(3) In this subsection, the term “medical foster home” means a home designed to provide non-institutional, long-term, supportive care for veterans who are unable to live independently and prefer a family setting.

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**VETERANS ACCESS, CHOICE, AND ACCOUNTABILITY
ACT OF 2014**

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TITLE VII—OTHER VETERANS MATTERS

* * * * *

[SEC. 705. LIMITATION ON AWARDS AND BONUSES PAID TO EMPLOYEES OF DEPARTMENT OF VETERANS AFFAIRS.

[In each of fiscal years 2015 through 2024, the Secretary of Veterans Affairs shall ensure that the aggregate amount of awards and bonuses paid by the Secretary in a fiscal year under chapter 45 or 53 of title 5, United States Code, or any other awards or bonuses authorized under such title does not exceed \$360,000,000.]

SEC. 705. LIMITATION ON AWARDS AND BONUSES PAID TO EMPLOYEES OF DEPARTMENT OF VETERANS AFFAIRS.

The Secretary of Veterans Affairs shall ensure that the aggregate amount of awards and bonuses paid by the Secretary in a fiscal

year under chapter 45 or 53 of title 5, United States Code, or any other awards or bonuses authorized under such title or title 38, United States Code, does not exceed the following amounts:

(1) With respect to each of fiscal years 2015 through 2018, \$300,000,000.

(2) With respect to each of fiscal years 2019 through 2024, \$360,000,000.

* * * * *

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