

VA PRESCRIPTION DATA ACCOUNTABILITY ACT 2017

MAY 22, 2017.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ROE of Tennessee, from the Committee on Veterans' Affairs, submitted the following

R E P O R T

[To accompany H.R. 1545]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 1545) to amend title 38, United States Code, to clarify the authority of the Secretary of Veterans Affairs to disclose certain patient information to State controlled substance monitoring programs, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

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PURPOSE AND SUMMARY

H.R. 1545, the VA Prescription Data Accountability Act of 2017, was introduced by Representative Ann M. Kuster of New Hampshire on March 15, 2017.

H.R. 1545 would require the Department of Veterans Affairs (VA) to disclose information about any individual who is dispensed medication prescribed by a VA employee or a non-VA provider authorized by VA to a state prescription drug monitoring program (PDMP) to the extent necessary to prevent misuse and diversion of prescription medication.

BACKGROUND AND NEED FOR LEGISLATION

Section 2. Secretary of Veterans Affairs disclosure of patient information to state controlled Substance Monitoring Programs

State PDMPs are statewide electronic databases that are used to address prescription drug abuse, addiction, and diversion through the collection and distribution of data on substances dispensed in a given state to authorized individuals or entities.¹ According to the National Alliance for Model State Drug Laws, PDMPs can be beneficial in: supporting access to legitimate medical use of controlled substances; identifying and deterring drug abuse and diversion; facilitating and encouraging the identification of persons addicted to prescription drugs and subsequent intervention and treatment; and, informing public health initiatives through outlining of use and abuse trends.²

§5701(1) of title 38 United States Code (U.S.C.) requires VA to disclose information to PDMPs for either a veteran or the dependent of a veteran who is prescribed medication through VA. However, VA's current information technology (IT) system is unable to differentiate between a dependent of a veteran and other non-veterans and, as a result, VA only transmits veteran data to PDMPs.³ This leaves out approximately 10% of VA's patient population who are non-veterans and who may be prescribed medication from VA that is not shared with State PDMPs. In FY 2017, that translated to approximately 715,928 patients. Non-veterans who may receive prescriptions from VA include: descendants of veterans; caregivers of veterans; individuals receiving disaster relief from VA; TRICARE beneficiaries, active duty service members, or others who receive VA care through sharing agreements with either the Department of Defense or academic affiliates; or, VA staff. The Committee is concerned about ongoing public health risks of the misuse or diversion of prescription medication, which may be exacerbated by VA's failure to provide information about all VA patients—veterans and non-veterans—to PDMPs.

Section 2 of the bill would require VA to disclose information to PDMPs for anyone—veteran or non-veteran—who is prescribed medication through the VA healthcare system. According to VA, enactment of section 2 would, “. . . provide an important authority

¹U.S. Department of Justice—Drug Enforcement Administration. State Prescription Drug Monitoring Programs, https://www.dea/diversion.usdoj.gov/faq/rx_monitor.htm#1. Accessed May 18, 2017.

²Ibid.

³United States Cong. House Committee on Veterans' Affairs Subcommittee on Health. *Legislative Hearing*. March 29, 2017. 115th Cong. 1st sess. Washington: GPO, 2017 (statement from Representative Ann M. Kuster).

to ensure that VA is able to fulfill its public health role in sharing vital clinical information to help guide treatment decisions.”⁴

HEARINGS

There were no full Committee hearings held on H.R. 1545.

On March 29, 2017, the Subcommittee on Health conducted a legislative hearing on a number of bills including H.R. 1545.

The following witnesses testified:

The Honorable David. P. Roe M.D. of Tennessee; The Honorable Jackie Walorski of Indiana; The Honorable Doug Collins of Georgia; The Honorable Mike Coffman of Colorado; The Honorable Stephen Knight of California; The Honorable Ann M. Kuster of New Hampshire; Jennifer S. Lee, M.D., the Deputy Under Secretary for Health for Policy and Services for the Veterans Health Administration of the U.S. Department of Veterans Affairs who was accompanied by Susan Blauert, the Chief Counsel for the Health Care Law Group of the Office of the General Counsel for the U.S. Department of Veterans Affairs; Kayda Keleher, Legislative Associate for the National Legislative Service of the Veterans of Foreign Wars of the United States; Shurhonda Y. Love, the Assistant National Legislative Director for the Disabled American Veterans; and, Sarah S. Dean, the Associate Legislative Director for the Paralyzed Veterans of America.

Statements for the record were submitted by:

The Honorable Lee Zeldin of New York; The American Legion; the National Association of State Veteran Homes; Swords to Plowshares; and, the Wounded Warrior Project.

SUBCOMMITTEE CONSIDERATION

On April 6, 2017, the Subcommittee on Health met in an open markup session, a quorum being present, and ordered H.R. 1545 to be reported favorably to the full Committee by voice vote.

COMMITTEE CONSIDERATION

On May 17, 2017, the full Committee met in open markup session, a quorum being present, and ordered H.R. 1545 to be reported favorably to the House of Representatives by voice vote. A motion by Representative Tim Walz of Minnesota, Ranking Member of the Committee on Veterans' Affairs, to report H.R. 1545 favorably to the House of Representatives was agreed to by voice vote.

COMMITTEE VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, there were no recorded votes taken on amendments or in connection with ordering H.R. 1545 reported to the House.

⁴United States Cong. House Committee on Veterans' Affairs Subcommittee on Health. *Legislative Hearing*. March 29, 2017. 115th Cong. 1st sess. Washington: GPO, 2017 (statement from Jennifer S. Lee, Deputy Under Secretary for Health for Policy and Services, Veterans Health Administration, U.S. Department of Veterans Affairs).

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 to ensure a complete and accurate transmittal of prescription information from VA to PDMPs.

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. 1545 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. 1545 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. 1545 provided by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 19, 2017.

Hon. PHIL ROE, M.D.,
*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. 1545, the VA Prescription Data Accountability Act 2017.

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

Sincerely,

KEITH HALL.

Enclosure.

H.R. 1545—VA Prescription Data Accountability Act 2017

H.R. 1545 would require the Department of Veterans Affairs (VA) to disclose to state programs that monitor prescription drugs certain information about all people who receive prescriptions from VA. Under current law, VA is required to disclose such information only for veterans or their dependents who are prescribed medication through VA. H.R. 1545 would expand that group to include anyone who is prescribed medication through VA, including descendants of veterans, staff at VA, and individuals receiving disaster relief. CBO estimates that implementing the bill would cost less than \$500,000 over the 2018–2022 period, primarily to prepare the necessary regulations; that spending would be subject to the availability of appropriated funds.

Enacting H.R. 1545 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting H.R. 1545 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act, and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Ann E. Futrell. The estimate was 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. 1545 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. 1545.

STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to Article I, section 8 of the United States Constitution, H.R. 1545 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 H.R. 1545 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. 1545 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. 1545 contains no directed rulemaking that would require the Secretary to prescribe regulations.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 of the bill would provide a short title of the “VA Prescription Data Accountability Act of 2017”.

Section 2. Secretary of Veterans Affairs disclosure of patient information to state controlled Substance Monitoring Programs

Section 2 of the bill would amend section 5701(1) of title 38 U.S.C. by:

- (1) inserting “(1)” before “Under”;
- (2) striking “a veteran or the dependent of a veteran” and inserting “a covered individual”;
- (3) adding at the end a new paragraph that would stipulate that a “covered individual” is an individual who is dispensed medication prescribed by a VA employee or by a provider authorized by VA to prescribe such medication.

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 italics, existing law in which no change is proposed is shown in roman):

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, and existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

* * * * *

PART IV—GENERAL ADMINISTRATIVE PROVISIONS

* * * * *

CHAPTER 57—RECORDS AND INVESTIGATIONS

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SUBCHAPTER I—RECORDS

§ 5701. Confidential nature of claims

(a) All files, records, reports, and other papers and documents pertaining to any claim under any of the laws administered by the Secretary and the names and addresses of present or former members of the Armed Forces, and their dependents, in the possession of the Department shall be confidential and privileged, and no disclosure thereof shall be made except as provided in this section.

(b) The Secretary shall make disclosure of such files, records, reports, and other papers and documents as are described in subsection (a) of this section as follows:

(1) To a claimant or duly authorized agent or representative of a claimant as to matters concerning the claimant alone when, in the judgment of the Secretary, such disclosure would not be injurious to the physical or mental health of the claimant and to an independent medical expert or experts for an advisory opinion pursuant to section 5109 or 7109 of this title.

(2) When required by process of a United States court to be produced in any suit or proceeding therein pending.

(3) When required by any department or other agency of the United States Government.

(4) In all proceedings in the nature of an inquest into the mental competency of a claimant.

(5) In any suit or other judicial proceeding when in the judgment of the Secretary such disclosure is deemed necessary and proper.

(6) In connection with any proceeding for the collection of an amount owed to the United States by virtue of a person's participation in any benefit program administered by the Secretary when in the judgment of the Secretary such disclosure is deemed necessary and proper.

(c)(1) The amount of any payment made by the Secretary to any person receiving benefits under a program administered by the Secretary shall be made known to any person who applies for such information.

(2) Any appraisal report or certificate of reasonable value submitted to or prepared by the Secretary in connection with any loan guaranteed, insured, or made under chapter 37 of this title shall be made available to any person who applies for such report or certificate.

(3) Subject to the approval of the President, the Secretary may publish at any time and in any manner any or all information of record pertaining to any claim filed with the Secretary if the Secretary determines that the public interest warrants or requires such publication.

(d) The Secretary as a matter of discretion may authorize an inspection of Department records by duly authorized representatives of recognized organizations.

(e) Except as otherwise specifically provided in this section with respect to certain information, the Secretary may release information, statistics, or reports to individuals or organizations when in the Secretary's judgment such release would serve a useful purpose.

(f) The Secretary may, pursuant to regulations the Secretary shall prescribe, release the name or address, or both, of any present or former member of the Armed Forces, or a dependent of a present or former member of the Armed Forces, (1) to any non-profit organization if the release is directly connected with the conduct of programs and the utilization of benefits under this title, or (2) to any criminal or civil law enforcement governmental agency or instrumentality charged under applicable law with the protection of the public health or safety if a qualified representative of such agency or instrumentality has made a written request that such name or address be provided for a purpose authorized by law. Any organization or member thereof or other person who, knowing that the use of any name or address released by the Secretary pursuant to the preceding sentence is limited to the purpose specified in such sentence, willfully uses such name or address for a purpose other than those so specified, shall be guilty of a misdemeanor and be fined not more than \$5,000 in the case of a first offense and not more than \$20,000 in the case of any subsequent offense.

(g)(1) Subject to the provisions of this subsection, and under regulations which the Secretary shall prescribe, the Secretary may release the name or address, or both, of any person who is a present or former member of the Armed Forces, or who is a dependent of a present or former member of the Armed Forces, to a consumer reporting agency if the release of such information is necessary for a purpose described in paragraph (2) of this subsection.

(2) A release of information under paragraph (1) of this subsection concerning a person described in such paragraph may be made for the purpose of—

(A) locating such a person—

(i) who has been administratively determined to be indebted to the United States by virtue of the person's participation in a benefits program administered by the Secretary; or

(ii) if the Secretary has determined under such regulations that (I) it is necessary to locate such person in order to conduct a study pursuant to section 527 of this title or a study required by any other provision of law, and (II) all reasonable steps have been taken to assure that the release of such information to such reporting agency will not have an adverse effect on such person; or

(B) Obtaining a consumer report in order to assess the ability of a person described in subparagraph (A)(i) of this paragraph to repay the indebtedness of such person to the United States, but the Secretary may release the name or address of such person for the purpose stated in this clause only if the Secretary determines under such regulations that such person has failed to respond appropriately to administrative efforts to collect such indebtedness.

(3) The Secretary may also release to a consumer reporting agency, for the purposes specified in subparagraph (A) or (B) of paragraph (2) of this subsection, such other information as the Secretary determines under such regulations is reasonably necessary to identify a person described in such paragraph, except that the Secretary may not release to a consumer reporting agency any information which indicates any indebtedness on the part of such

person to the United States or any information which reflects adversely on such person. Before releasing any information under this paragraph, the Secretary shall, under such regulations, take reasonable steps to provide for the protection of the personal privacy of persons about whom information is proposed to be released under this paragraph.

(4)(A) If the Secretary determines, under regulations which the Secretary shall prescribe, that a person described in paragraph (1) of this subsection has failed to respond appropriately to reasonable administrative efforts to collect an indebtedness of such person described in paragraph (2)(A)(i) of this subsection, the Secretary may release information concerning the indebtedness, including the name and address of such person, to a consumer reporting agency for the purpose of making such information available for inclusion in consumer reports regarding such person and, if necessary, for the purpose of locating such person, if—

(i) the Secretary has (I) made reasonable efforts to notify such person of such person's right to dispute through prescribed administrative processes the existence or amount of such indebtedness and of such person's right to request a waiver of such indebtedness under section 5302 of this title, (II) afforded such person a reasonable opportunity to exercise such rights, and (III) made a determination with respect to any such dispute or request; and

(ii) thirty calendar days have elapsed after the day on which the Secretary has made a determination that reasonable efforts have been made to notify such person (I) that the Secretary intends to release such information for such purpose or purposes, and (II) that, upon the request of such person, the Secretary shall inform such person of whether such information has been so released and of the name and address of each consumer reporting agency to which such information was released by the Secretary and of the specific information so released.

(B) After release of any information under subparagraph (A) of this paragraph concerning the indebtedness of any person, the Secretary shall promptly notify—

(i) each consumer reporting agency to which such information has been released by the Secretary; and

(ii) each consumer reporting agency described in subsection (i)(3)(B)(i) of this section to which such information has been transmitted by the Secretary through a consumer reporting agency described in subsection (i)(3)(B)(ii)(I) of this section,

of any substantial change in the status or amount of such indebtedness and, upon the request of any such consumer reporting agency for verification of any or all information so released, promptly verify or correct, as appropriate, such information. The Secretary shall also, after the release of such information, inform such person, upon the request of such person, of the name and address of each consumer reporting agency described in clause (i) or (ii) of this subparagraph to which such information was released or transmitted by the Secretary and of the specific information so released or transmitted.

(h)(1) Under regulations which the Secretary shall prescribe, the Secretary may release the name or address, or both, of any person who is a present or former member of the Armed Forces, or who

is a dependent of a present or former member of the Armed Forces (and other information relating to the identity of such person), to any person in a category of persons described in such regulations and specified in such regulations as a category of persons to whom such information may be released, if the release of such information is necessary for a purpose described in paragraph (2) of this subsection.

(2) A release of information under paragraph (1) of this subsection may be made for the purpose of—

(A) determining the creditworthiness, credit capacity, income, or financial resources of a person who has (i) applied for any benefit under chapter 37 of this title, or (ii) submitted an offer to the Secretary for the purchase of property acquired by the Secretary under section 3720(a)(5) of this title;

(B) verifying, either before or after the Secretary has approved a person's application for assistance in the form of a loan guaranty or loan insurance under chapter 37 of this title, information submitted by a lender to the Secretary regarding the creditworthiness, credit capacity, income, or financial resources of such person;

(C) offering for sale or other disposition by the Secretary, pursuant to section 3720 of this title, any loan or installment sale contract owned or held by the Secretary; or

(D) providing assistance to any applicant for benefits under chapter 37 of this title or administering such benefits if the Secretary promptly records the fact of such release in appropriate records pertaining to the person concerning whom such release was made.

(i)(1) No contract entered into for any of the purposes of subsection (g) or (h) of this section, and no action taken pursuant to any such contract or either such subsection, shall result in the application of section 552a of title 5 to any consumer reporting agency or any employee of a consumer reporting agency.

(2) The Secretary shall take reasonable steps to provide for the protection of the personal privacy of persons about whom information is disclosed under subsection (g) or (h) of this section.

(3) For the purposes of this subsection and of subsection (g) of this section—

(A) The term “consumer report” has the meaning provided such term in subsection (d) of section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a(d)).

(B) The term “consumer reporting agency” means—

(i) a consumer reporting agency as such term is defined in subsection (f) of section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)), or

(ii) any person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of (I) obtaining credit or other information on consumers for the purpose of furnishing such information to consumer reporting agencies (as defined in clause (i) of this paragraph), or (II) serving as a marketing agent under arrangements enabling third parties to obtain such information from such reporting agencies.

(j) Except as provided in subsection (i)(1) of this section, any disclosure made pursuant to this section shall be made in accordance with the provisions of section 552a of title 5.

(k)(1)(A) Under regulations that the Secretary shall prescribe, the Secretary may disclose the name and address of any individual described in subparagraph (C) to an entity described in subparagraph (B) in order to facilitate the determination by such entity whether the individual is, or after death will be, a suitable organ, tissue, or eye donor if—

(i) the individual is near death (as determined by the Secretary) or is deceased; and

(ii) the disclosure is permitted under regulations promulgated pursuant to section 264 of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d-2 note).

(B) An entity described in this subparagraph is—

(i) an organ procurement organization, including eye and tissue banks; or

(ii) an entity that the Secretary has determined—

(I) is substantially similar in function, professionalism, and reliability to an organ procurement organization; and

(II) should be treated for purposes of this subsection in the same manner as an organ procurement organization.

(C) An individual described in this subparagraph is—

(i) a veteran; or

(ii) a dependent of veteran.

(2) In this subsection, the term “organ procurement organization” has the meaning given the term “qualified organ procurement organization” in section 371(b) of the Public Health Service Act (42 U.S.C. 273(b)).

(1)(I) Under regulations the Secretary shall prescribe, the Secretary shall disclose information about **[a veteran or the dependent of a veteran]** *a covered individual* to a State controlled substance monitoring program, including a program approved by the Secretary of Health and Human Services under section 399O of the Public Health Service Act (42 U.S.C. 280g-3), to the extent necessary to prevent misuse and diversion of prescription medicines.

(2) *In this subsection, a “covered individual” is an individual who is dispensed medication prescribed by an employee of the Department or by a non-Department provider authorized to prescribe such medication by the Department.*

* * * * *