

GROW OUR OWN DIRECTIVE: PHYSICIAN ASSISTANT
EMPLOYMENT AND EDUCATION ACT OF 2017

JULY 28, 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. 3262]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 3262) to require the Secretary of Veterans Affairs to carry out a pilot program to provide educational assistance to certain former members of the Armed Forces for education and training as physician assistants of the Department of Veterans Affairs, to establish pay grades and require competitive pay for physician assistants of the Department, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Grow Our Own Directive: Physician Assistant Employment and Education Act of 2017”.

SEC. 2. PILOT PROGRAM TO PROVIDE EDUCATIONAL ASSISTANCE TO PHYSICIAN ASSISTANTS TO BE EMPLOYED AT THE DEPARTMENT OF VETERANS AFFAIRS.

(a) **PILOT PROGRAM.**—

(1) **IN GENERAL.**—The Secretary of Veterans Affairs shall carry out a pilot program to be known as the “Grow Our Own Directive” or “G.O.O.D.” pilot program (in this section referred to as the “pilot program”) to provide educational assistance to certain former members of the Armed Forces for education and training as physician assistants of the Department of Veterans Affairs.

(2) **INFORMATION ON PILOT PROGRAM.**—The Secretary shall provide information on the pilot program to eligible individuals under subsection (b), including information on application requirements and a list of entities with which the Secretary has partnered under subsection (g).

(b) **ELIGIBLE INDIVIDUALS.**—An individual is eligible to participate in the pilot program if the individual—

(1) has medical or military health experience gained while serving as a member of the Armed Forces;

(2) has received a certificate, associate degree, baccalaureate degree, master’s degree, or postbaccalaureate training in a science relating to health care;

(3) is not eligible to participate in educational assistance under chapter 30, 31, 32, 33, 34, or 35 of title 38, United States Code, or chapter 1606 or 1607 of title 10, United States Code;

(4) has participated in the delivery of health care services or related medical services, including participation in military training relating to the identification, evaluation, treatment, and prevention of diseases and disorders; and

(5) does not have a degree of doctor of medicine, doctor of osteopathy, or doctor of dentistry.

(c) **DURATION.**—The pilot program shall be carried out during the five-year period beginning on the date that is 180 days after the date of the enactment of this Act.

(d) **SELECTION.**—

(1) **IN GENERAL.**—The Secretary shall select not less than 250 eligible individuals under subsection (b) to participate in the pilot program.

(2) **PRIORITY FOR SELECTION.**—In selecting individuals to participate in the pilot program under paragraph (1), the Secretary shall give priority to the following individuals:

(A) Individuals who participated in the Intermediate Care Technician Pilot Program of the Department that was carried out by the Secretary between January 2011 and February 2015.

(B) Individuals who agree to be employed as a physician assistant for the Veterans Health Administration at a medical facility of the Department located in a community that—

(i) is designated as a medically underserved population under section 330(b)(3)(A) of the Public Health Service Act (42 U.S.C. 254b(b)(3)(A)); and

(ii) is in a State with a per capita population of veterans of more than 9 percent according to the National Center for Veterans Analysis and Statistics and the United States Census Bureau.

(e) **EDUCATIONAL ASSISTANCE.**—

(1) **IN GENERAL.**—In carrying out the pilot program, the Secretary shall provide educational assistance to individuals participating in the pilot program, including through the use of scholarships, to cover the costs to such individuals of obtaining a master’s degree in physician assistant studies or a similar master’s degree.

(2) **USE OF EXISTING PROGRAMS.**—In providing educational assistance under paragraph (1), the Secretary shall use the Department of Veterans Affairs Health Professionals Educational Assistance Program under chapter 76 of title 38, United States Code, and such other educational assistance programs of the Department as the Secretary considers appropriate.

(3) **USE OF SCHOLARSHIPS.**—The Secretary shall provide not less than 35 scholarships under the pilot program to individuals participating in the pilot program during each year in which the pilot program is carried out.

(f) **PERIOD OF OBLIGATED SERVICE.**—

(1) IN GENERAL.—The Secretary shall enter into an agreement with each individual participating in the pilot program in which such individual agrees to be employed as a physician assistant for the Veterans Health Administration for a period of obligated service specified in paragraph (2).

(2) PERIOD SPECIFIED.—With respect to each individual participating in the pilot program, the period of obligated service specified in this paragraph for the individual is—

(A) if the individual is participating in the pilot program through a program described in subsection (e)(2) that specifies a period of obligated service, the period specified with respect to such program; or

(B) if the individual is participating in the pilot program other than through a program described in such subsection, or if such program does not specify a period of obligated service, a period of three years or such other period as the Secretary considers appropriate for purposes of the pilot program.

(g) BREACH.—

(1) LIABILITY.—Except as provided in paragraph (2), an individual who participates in the pilot program and fails to satisfy the period of obligated service under subsection (f) shall be liable to the United States, in lieu of such obligated service, for the amount that has been paid or is payable to or on behalf of the individual under the pilot program, reduced by the proportion that the number of days served for completion of the period of obligated service bears to the total number of days in the period of obligated service of such individual.

(2) EXCEPTION.—If an individual is participating in the pilot program through a program described in subsection (e)(2) that specifies a period of obligated service, the liability of the individual for failing to satisfy the period of obligated service under subsection (f) shall be determined as specified with respect to such program.

(h) MENTORS.—The Secretary shall ensure that a physician assistant mentor or mentors are available for individuals participating in the pilot program at each facility of the Veterans Health Administration at which a participant in the pilot program is employed.

(i) PARTNERSHIPS.—In carrying out the pilot program, the Secretary shall seek to partner with the following:

(1) Not less than 15 institutions of higher education that—

(A) offer a master's degree program in physician assistant studies or a similar area of study that is accredited by the Accreditation Review Commission on Education for the Physician Assistant; and

(B) agree—

(i) to guarantee seats in such master's degree program for individuals participating in the pilot program who meet the entrance requirements for such master's degree program; and

(ii) to provide individuals participating in the pilot program with information on admissions criteria and the admissions process.

(2) Other institutions of higher education that offer programs in physician assistant studies or other similar areas of studies that are accredited by the Accreditation Review Commission on Education for the Physician Assistant.

(3) The Transition Assistance Program of the Department of Defense.

(4) The Veterans' Employment and Training Service of the Department of Labor.

(5) Programs carried out under chapter 41 of title 38, United States Code, for the purpose of marketing and advertising the pilot program to veterans and members of the Armed Forces who may be interested in the pilot program.

(j) ADMINISTRATION OF PILOT PROGRAM.—For purposes of carrying out the pilot program, the Secretary shall appoint or select within the Office of Physician Assistant Services of the Veterans Health Administration the following:

(1) A Deputy Director for Education and Career Development of Physician Assistants who—

(A) is a physician assistant, a veteran, and employed by the Department as of the date of the enactment of this Act;

(B) is responsible for—

(i) overseeing the pilot program;

(ii) recruiting candidates to participate in the pilot program;

(iii) coordinating with individuals participating in the pilot program and assisting those individuals in applying and being admitted to a master's degree program under the pilot program; and

(iv) providing information to eligible individuals under subsection (b) with respect to the pilot program; and

(C) may be employed in the field at a medical center of the Department.

- (2) A Deputy Director of Recruitment and Retention who—
- (A) is a physician assistant, a veteran, and employed by the Department as of the date of the enactment of this Act;
 - (B) is responsible for—
 - (i) identifying and coordinating the needs of the pilot program and assist the Secretary in providing mentors under subsection (h) to participants in the pilot program; and
 - (ii) coordinating the staff of facilities of the Veterans Health Administration with respect to identifying employment positions and mentors under subsection (h) for participants in the pilot program; and
 - (C) may be employed in the field at a medical center of the Department.
- (3) A recruiter who—
- (A) reports directly to the Deputy Director of Recruitment and Retention; and
 - (B) works with the Workforce Management and Consulting Office and the Healthcare Talent Management Office of the Veterans Health Administration to develop and implement national recruiting strategic plans for the recruitment and retention of physician assistants within the Department.
- (4) An administrative assistant, compensated at a rate not less than level GS-6 of the General Schedule, or equivalent, who assists with administrative duties relating to the pilot program in the Office of Physician Assistant Services and such other duties as determined by the Secretary to ensure that the Office runs effectively and efficiently.

(k) REPORT.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Secretary of Veterans Affairs, in collaboration with the Secretary of Labor, the Secretary of Defense, and the Secretary of Health and Human Services, shall submit to Congress a report on the pilot program.

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) The extent to which the pilot program is effective in improving the ability of eligible individuals under subsection (b) to become physician assistants;

(B) An examination of whether the pilot program is achieving the goals of—

(i) enabling individuals to build on medical skills gained as members of the Armed Forces by entering into the physician assistant workforce of the Department; and

(ii) helping to meet the shortage of physician assistants employed by the Department.

(C) An identification of such modifications to the pilot program as the Secretary of Veterans Affairs, the Secretary of Labor, the Secretary of Defense, and the Secretary of Health and Human Services consider necessary to meet the goals described in subparagraph (B).

(D) An assessment of whether the pilot program could serve as a model for other programs of the Department to assist individuals in obtaining certification and employment in other health care fields.

(l) SOURCE OF AMOUNTS.—Not less than \$8,000,000 of the amount necessary to carry out the pilot program shall be derived from amounts appropriated to the Department of Veterans Affairs before the date of the enactment of this Act.

SEC. 3. ESTABLISHMENT OF STANDARDS FOR THE DEPARTMENT OF VETERANS AFFAIRS FOR USING EDUCATIONAL ASSISTANCE PROGRAMS TO EDUCATE AND HIRE PHYSICIAN ASSISTANTS.

(a) IN GENERAL.—The Secretary of Veterans Affairs shall establish standards described in subsection (b) to improve the use by the Department of Veterans Affairs of the Department of Veterans Affairs Health Professionals Educational Assistance Program under chapter 76 of title 38, United States Code, and other educational assistance programs of the Department, including the pilot program under section 2, to educate and hire physician assistants of the Department.

(b) STANDARDS.—The standards described in this subsection are the following:

(1) Holding directors of medical centers of the Department accountable for failure to use the educational assistance programs described in subsection (a) and other incentives—

(A) to advance employees of the Department in their education as physician assistants; and

(B) to improve recruitment and retention of physician assistants.

(2) Ensuring that the Department of Veterans Affairs Education Debt Reduction Program under subchapter VII of chapter 76 of such title is available for

participants in the pilot program under section 2 to fill vacant physician assistant positions at the Department, including by—

(A) including in all vacancy announcements for physician assistant positions the availability of the Education Debt Reduction Program; and

(B) informing applicants to physician assistant positions of their eligibility for the Education Debt Reduction Program.

(3) Monitoring compliance with the application process for educational assistance programs described in subsection (a) to ensure that such programs are being fully utilized to carry out this section.

(4) Creating programs, including through the use of the Department of Veterans Affairs Employee Incentive Scholarship Program under subchapter VI of chapter 76 of such title, to encourage employees of the Department to apply to accredited physician assistant programs.

(c) REGULATIONS.—The Secretary shall prescribe such regulations as the Secretary considers appropriate to carry out this section.

SEC. 4. ESTABLISHMENT OF PAY GRADES FOR PHYSICIAN ASSISTANTS OF THE DEPARTMENT OF VETERANS AFFAIRS AND REQUIREMENT TO PROVIDE COMPETITIVE PAY.

(a) ESTABLISHMENT OF PAY GRADES.—Section 7404(b) of title 38, United States Code, is amended by adding at the end the following:

“PHYSICIAN ASSISTANT SCHEDULE
 “Physician Assistant IV.
 “Physician Assistant III.
 “Physician Assistant II.
 “Physician Assistant I.”

(b) COMPETITIVE PAY.—Section 7451(a)(2) of such title is amended—

(1) by redesignating subparagraph (B) as subparagraph (C);

(2) by inserting after subparagraph (A) the following new subparagraph (B):
 “(B) Physician assistant.”; and

(3) in subparagraph (C), as redesignated by paragraph (1), by striking “and registered nurse” and inserting “registered nurse, and physician assistant”.

(c) NATIONAL STRATEGIC PLAN.—

(1) IN GENERAL.—The Secretary of Veterans Affairs shall implement a national strategic plan for the retention and recruitment of physician assistants of the Department of Veterans Affairs that includes the establishment and adoption of standards for the provision of competitive pay to physician assistants of the Department in comparison to the pay of physician assistants in the private sector.

(2) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to the Committee on Veterans’ Affairs of the Senate and the Committee on Veterans’ Affairs of the House of Representatives a report on the implementation of the national strategic plan under paragraph (1).

SEC. 5. EXTENSION OF REQUIREMENT FOR COLLECTION OF FEES FOR HOUSING LOANS GUARANTEED BY SECRETARY OF VETERANS AFFAIRS.

Section 3729(b)(2) of title 38, United States Code, is amended—

(1) in subparagraph (A)—

(A) in clause (iii), by striking “September 30, 2024” and inserting “December 31, 2024”; and

(B) in clause (iv), by striking “September 30, 2024” and inserting “December 31, 2024”;

(2) in subparagraph (B)—

(A) in clause (i), by striking “September 30, 2024” and inserting “December 31, 2024”; and

(B) in clause (ii), by striking “September 30, 2024” and inserting “December 31, 2024”;

(3) in subparagraph (C)—

(A) in clause (i), by striking “September 30, 2024” and inserting “December 31, 2024”; and

(B) in clause (ii), by striking “September 30, 2024” and inserting “December 31, 2024”; and

(4) in subparagraph (D)—

(A) in clause (i), by striking “September 30, 2024” and inserting “December 31, 2024”; and

(B) in clause (ii), by striking “September 30, 2024” and inserting “December 31, 2024”.

PURPOSE AND SUMMARY

H.R. 3262, the “Grow Our Own Directive: Physician Assistant Employment and Education Act of 2017,” was introduced by Representative Ann McLane Kuster of New Hampshire on July 17, 2017. The bill, as amended, was ordered to be favorably reported to the full House on July 19, 2017, by voice vote.

H.R. 3262, as amended, would direct the Department of Veterans Affairs (VA) to carry out the Grow Our Own Directive—or, G.O.O.D.—pilot program to provide educational assistance to certain former members of the Armed Forces for education and training as VA physician assistants (PAs).

BACKGROUND AND NEED FOR LEGISLATION

The PA profession started in the mid-1960s in response to a nationwide shortage of primary care physicians. The first class of PAs were primarily composed of Army medics and Navy corpsman who had served in the Vietnam War. The significant number of veterans working as PAs has continued since that time and is illustrative of the unique relationship veterans and the VA health care system have historically had with the PA profession. According to testimony from the VA Physician Assistants Association (VAPAA), VA is the largest single federal employer of PAs, and a quarter of all primary care patients in the VA health care system are seen by PAs.¹ However, VA has experienced recent difficulties recruiting and retaining PAs within the VA health care system, and as such, PAs are a top 5 mission-critical occupation for VA, ranking fourth according to a January 2015 VA Office of Inspector General (OIG) report.²

The Committee believes that PAs are critical to VA’s ability to provide access to timely, high-quality care to veteran patients and encourages VA to prioritize recruitment and retention of PAs within the VA health care system. As such, the bill would require VA to carry out the G.O.O.D. pilot for five years to assist certain veterans in obtaining education and training as PAs. Individuals eligible to participate in the G.O.O.D. pilot would include those with medical or military health experience who have received a certificate, associate degree, baccalaureate degree, master’s degree, or post-baccalaureate training in a science relating to health care and that have participated in the delivery of health care services or related medical services but do not have a doctor of medicine, doctor of osteopathy, or doctor of dentistry degree. VA would be required to select not less than 250 eligible individuals to participate in the pilot and give priority to those who participated in the VA Intermediate Care Technician pilot program and who agree to work as a PA at VA medical facilities in medically underserved communities or in states with a per capita population of veterans of more than nine percent. The bill would also require VA to provide educational assistance—to include not less than 35 scholarships—to individuals participating in the pilot program through the VA Health

¹May 15, 2015, Subcommittee on Health hearing, “Overcoming Barriers to More Efficient and Effective VA Staffing,” <http://veterans.house.gov/hearing/overcoming-barriers-to-more-efficient-and-effective-va-staffing>.

²January 30, 2015, VA Inspector General report, “Determination of VHA Occupational Staffing Shortages,” <http://www.va.gov/oig/pubs/VAOIG-15-00430-103.pdf>.

Professionals Educational Assistance program, to enter into an agreement for a period of obligated service with each individual participating in the pilot program who agrees to work as a VA PA, and to ensure PA mentors are available for pilot program participants. Finally, the bill would require VA to appoint a Deputy Director for PA Education and Career Development and a Deputy Director for Recruitment and Retention from within the VA Office of PAs and to submit a report to Congress on the pilot program one year after enactment.

HEARINGS

There were no full Committee hearings held on H.R. 3262, as amended.

There were no Subcommittee hearings held on H.R. 3262, as amended.

SUBCOMMITTEE CONSIDERATION

There were no Subcommittee markups involving H.R. 3262, as amended.

COMMITTEE CONSIDERATION

On July 19, 2017, the full Committee met in open markup session, a quorum being present, and ordered H.R. 3262, as amended, reported favorably to the House of Representatives by voice vote.

During consideration of the bill, the following amendment in the nature of a substitute was considered and agreed to by voice vote:

An Amendment in the Nature of a Substitute to H.R., 3262 as amended, offered by Representative Ann McLane Kuster of New Hampshire.

A motion by Representative Tim Walz of Minnesota to favorably report H.R. 3262, as amended, 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. 3262, as amended, reported to the House.

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 VA provides educational assistance to certain former members of the Armed Forces for education and training as VA physician assistants and increases access to care for vet-

eran patients through the increased availability of VA physician assistants.

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. 3262, 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. 3262, 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. 3262, 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, July 24, 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. 3262, the Grow Our Own Directive: Physician Assistant Employment and Education Act of 2027.

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

Sincerely,

MARK P. HADLEY
(For Keith Hall, Director).

Enclosure.

H.R. 3262—Grow Our Own Directive: Physician Assistant Employment and Education Act of 2017

Summary: H.R. 3262 would require the Department of Veterans Affairs (VA) to modify compensation levels for physician assistants (PAs) and to carry out a five-year pilot program to provide educational assistance to veterans training to be PAs at the department. CBO estimates that implementing the bill would cost \$120

million over the 2017–2022 period, assuming appropriation of the necessary amounts.

The bill also would increase the fees charged to certain veterans who obtain loans guaranteed by VA. CBO estimates that enacting H.R. 3262 would decrease direct spending by \$83 million over the 2017–2027 period. Because enacting the legislation would affect direct spending, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

CBO estimates that enacting H.R. 3262 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 3262 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary effect of H.R. 3262 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—						2017– 2022
	2017	2018	2019	2020	2021	2022	
INCREASES IN SPENDING SUBJECT TO APPROPRIATION							
Competitive Pay for Physician Assistants:							
Estimated Authorization Level	0	12	18	18	21	23	92
Estimated Outlays	0	10	17	17	20	22	86
Pilot Program:							
Estimated Authorization Level	0	2	7	10	11	6	36
Estimated Outlays	0	2	6	9	11	6	34
Total Changes							
Estimated Authorization Level	0	14	25	28	32	29	128
Estimated Outlays	0	12	23	26	31	28	120

Note: In addition to the costs shown above, enacting H.R. 3262 would decrease mandatory spending by \$83 million in 2025.

Basis of estimate: For this estimate, CBO assumes that H.R. 3262 will be enacted near the start of 2018, that the estimated amounts will be appropriated each year, and that outlays will follow historical spending patterns for affected programs.

Spending subject to appropriation

CBO estimates that implementing H.R. 3262 would increase personnel and administrative costs at VA by a total of \$120 million over the 2017–2022 period, subject to appropriation of the necessary amounts.

Competitive Pay for Physician Assistants. Section 4 would require VA to compensate PAs at rates that are competitive with those paid by other health care providers. Currently, VA employs about 2,200 physician assistants. Based on wages paid in the private sector, CBO estimates that pay for those employees would increase by 5 percent in 2018 (from \$114,000 to \$120,000) if VA paid competitive rates. In addition, CBO expects that the higher pay level would help ameliorate VA’s current difficulties in recruiting and retaining physicians assistants and would thus increase the total number of PAs employed by VA. Based on data from VA on hiring and retaining nurses who are paid at competitive rates, CBO estimates that under the bill VA would increase the number of PAs it employs by about 4 percent above the current staffing level. On

that basis, CBO estimates that implementing the section would cost \$86 million over the 2017–2022 period.

Pilot Program. One of VA’s largest staffing shortages is for PAs. Section 2 would require VA to establish a five-year pilot program to improve the recruitment and retention of PAs by providing educational assistance to certain former members of the Armed Forces. Participants in the pilot program must agree to work as PAs for VA for at least three years. The pilot program would offer scholarships to at least 250 candidates and provide no less than 35 scholarships each year.

A master’s degree program in physician assistant studies takes two years to complete, with an average annual cost of \$40,000. CBO expects that VA would cover the full tuition of 35 people in 2018 and up to 145 people a year by 2021. After accounting for anticipated inflation, CBO estimates that costs for tuition would total \$30 million over the 2017–2022 period.

Section 2 also would require VA to hire two senior administrators to oversee and coordinate the pilot program. On the basis of information from VA on salaries of senior officials, CBO estimates that the salary and fringe benefits would be roughly \$150,000 (the equivalent of a GS–15 level) for each person. In addition, CBO expects VA would need to hire a recruiter, with annual costs of \$70,000, and an administrative assistant, with annual costs of \$47,000. In total, CBO estimates that the administrative costs of implementing the pilot program would be \$4 million over the 2017–2022 period.

Direct spending

Under its Home Loan program, VA guarantees mortgages made to veterans; those guarantees enable veterans to get better loan terms, such as lower interest rates or smaller down payments. The loan guarantee provides a lender a payment of up to 25 percent of the outstanding loan balances (subject to some limitations on the original loan amounts) in the event that a veteran defaults on a guaranteed loan. Section 3 would increase some of the fees that VA charges veterans for providing those guarantees. Those fees lower the subsidy cost of the guarantees by partially offsetting the costs of subsequent defaults.¹

Under current law, the up-front fee varies on the basis of the size of the down payment and whether the veteran has previously used the loan-guarantee benefit. Borrowers who are members of the reserve component pay an additional fee of 0.25 percent of the loan amount. Veterans who receive compensation for service-connected disabilities are exempt from paying the fee. The current fees that would be affected by section 5 are:

- 2.15 percent of the loan amount for loans with no down payment,
- 1.50 percent of the loan amount for loans with a 5 percent down payment, and

¹Under the Federal Credit Reform Act of 1990, the subsidy cost of a loan guarantee is the net present value of estimated payments by the government to cover defaults and delinquencies, interest subsidies, or other expenses, offset by any payments to the government, including origination fees, other fees, penalties, and recoveries on defaulted loans. Such subsidy costs are calculated by discounting those expected cash flows using the rate on Treasury securities of comparable maturity. The resulting estimated subsidy costs are recorded in the budget when the loans are disbursed.

- 0.75 percent of the loan amount for loans with a 10 percent down payment.

Those fees are scheduled to decline on October 1, 2024, to 1.40 percent, 0.75 percent, and 0.50 percent, respectively.

Under section 5, that scheduled fee reduction would be delayed by three months, until December 31, 2024. Continuing the fees at their current level would increase collections by VA, thereby lowering the subsidy cost of the loan guarantees. Based on data from VA, CBO estimates that enacting section 5 would reduce direct spending by \$83 million in 2025.

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. The net 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. 3262, THE GROW OUR OWN DIRECTIVE: PHYSICIAN ASSISTANT EMPLOYMENT AND EDUCATION ACT OF 2017, AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON VETERANS' AFFAIRS ON JULY 19, 2017

	By fiscal year, in millions of dollars—													
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2017–2022	2017–2027	
NET INCREASE OR DECREASE (–) IN THE [ON-BUDGET] DEFICIT														
Statutory Pay-As-You-Go Impact	0	0	0	0	0	0	0	0	–83	0	0	0	–83	

Increase in long-term direct spending and deficits: CBO estimates that enacting H.R. 3262 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

Intergovernmental and private-sector impact: H.R. 3262 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on 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: 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. 3262, 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. 3262, as amended.

STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to Article I, section 8 of the United States Constitution, H.R. 3262, as amended, is authorized by Congress' power to "pro-

vide for the common Defense and general Welfare of the United States.”

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that H.R. 3262, as amended, 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, 115th Cong. (2017), the Committee finds that no provision of H.R. 3262, 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, 115th Cong. (2017), the Committee estimates that H.R. 3262, as amended, contains no directed rule making 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 H.R. 3262, as amended, as the “Grow Our Own Directive: Physician Assistant Employment and Education Act of 2017”.

Section 2. Pilot program to provide educational assistance to be employed at the Department of Veterans Affairs

Section 2(a) of the bill would require VA to carry out a pilot program called the “Grow Our Own Directive” (or, “G.O.O.D.”) to provide assistance to certain former members of the Armed Forces for education and training as VA physician assistants. Section 2(a) would also require VA to provide relevant information—to include information regarding the application process and a list of entities with which VA has partnered—to individuals eligible for the G.O.O.D. pilot.

Section 2(b) of the bill would require that the eligibility criteria for the G.O.O.D. pilot be defined as follows: (1) possession of medical or military health experience gained while serving as a member of the Armed Forces; (2) possession of a certificate, associate degree, baccalaureate degree, master’s degree, or post baccalaureate training in a science relating to health care; (3) is not eligible to participate in education assistance under chapter 30, 31, 32, 33, 34, or 55 of title 38, U.S.C., or chapter 1606 or 1607 of title 10, U.S.C.; (4) participation in the delivery of health care services or related medical services, including military training relating to identification, evaluation, treatment, and prevention of diseases

and disorders; and, (5) is not a doctor of medicine, doctor of osteopathy, or doctor of dentistry degree.

Section 2(c) of the bill would require that the G.O.O.D. pilot be carried out for five years, beginning 180 days after the date of enactment.

Section 2(d) of the bill would require VA to select at least 250 eligible individuals to participate in the G.O.O.D. pilot. This section would stipulate that in selecting eligible individuals, VA must give priority to those who participated in the Intermediate Care Technician pilot program and those who agree to be employed as a physician assistant at a VA facility in a community that is designated as serving a medically underserved population in a state with a per capita veteran population of more than nine percent.

Section 2(e) of the bill would require VA to provide assistance, including through scholarships, to individuals participating in the G.O.O.D. pilot to cover the costs of obtaining a master's degree in physician assistant studies or a similar master's degree. VA would also be required to use the VA Health Professionals Education Assistance Program and such other educational assistance programs as considered appropriate to individuals participating in the G.O.O.D. pilot. VA would be required to provide at least 35 scholarships to individuals participating in the G.O.O.D. pilot during each year in which the pilot is carried out.

Section 2(f) of the bill would require VA to enter into agreements with each G.O.O.D. pilot participant stipulating that the participant will be employed as a VA physician assistant for a period of three years, unless a participating individual is in a program described in subsection (e)(2) of the bill and that program specified a period of time during which that individual agreed to work for VA.

Section 2(g) of the bill would require that an individual who participated in the G.O.O.D. pilot and who fails to satisfy the period of obligated service described in subsection (f)(2) of the bill is liable for the amount that has been paid or is payable to or on behalf of the individual reduced by the number of days served for completion of the period of obligated service. If an individual is participating in the G.O.O.D. pilot through a program described in subsection (e)(2) that specifies a period of obligated service, the liability of the individual for failing to satisfy the period of obligated service under subsection (f)(1) would be determined as specified with respect to such program.

Section 2(h) of the bill would require VA to ensure physician assistant mentors are available for individuals participating in the G.O.O.D. pilot at each VA facility at which pilot participants are working.

Section 2(i) of the bill would require that, in carrying out the G.O.O.D. pilot, VA seek to partner with: (1) at least 15 institutions of higher education that offer a master's degree program in physician assistant studies or a similar area of study that is accredited by the Accreditation Review Commission on Education for the Physician Assistant and that agree to guarantee seats in such programs for individuals participating in the G.O.O.D. pilot who meet the entrance requirements and to provide pilot participants with information on admissions; (2) other institutions of higher education that offer programs in physician assistant studies or other

similar areas of studies that are accredited by the Accreditation Review Commission on Education for the Physician Assistant; (3) the Department of Defense Transition Assistance Program; (4) the Department of Labor Veterans' Employment and Training Service; and (5) programs carried out under chapter 41 of title 38, U.S.C., for the purpose of marketing and advertising the G.O.O.D. pilot to veterans and members of the Armed Forces who may be interested.

Section 2(j) of the bill would require that, for the purposes of carrying out the G.O.O.D. pilot, VA appoint from within the Office of Physician Assistants, a Deputy Director for Education and Career Development of Physician Assistants who is a physician assistant, a veteran, and a VA employee to be responsible for the following: (1) overseeing the G.O.O.D. pilot; (2) recruiting candidates to participate in the G.O.O.D. pilot; (3) coordinating with individuals participating in the G.O.O.D. pilot; and (4) assisting individuals participating in the G.O.O.D. pilot in applying to master's programs. VA would also be required to select a Deputy Director of Recruitment and Retention who is a physician assistant employed by VA to be responsible for: (1) identifying and coordinating the needs of the pilot program; (2) assisting VA in providing mentors to G.O.O.D. pilot participants; and (3) coordinating VA facility staff with respect to identifying employment positions and mentors. This section would also require VA to select a recruiter to report directly to the Deputy Director of Recruitment and Retention and work with the Workforce Management and Consulting Office and the Healthcare Talent Management Office to develop and implement national recruiting strategic plans for the recruitment and retention of VA physician assistants. Further, section 2(j) of the bill would require VA to select an administrative assistant, compensated at a rate not less than level GS-6 or equivalent, to assist with administrative duties relating to the G.O.O.D. pilot in the Office of Physician Assistant Services and such other duties as determined by the Secretary to ensure that the Office runs effectively and efficiently.

Section 2(k) of the bill would require that, within one year of enactment, VA submit to Congress a report on the pilot program, in collaboration with the Department of Labor, the Department of Defense, and the Department of Health and Human Services. The report must include: (1) the extent to which the G.O.O.D. pilot is effective in improving the ability of participants to become physician assistants; (2) an examination of whether the G.O.O.D. pilot is achieving the goal of enabling individuals to build on medical skills gained as members of the Armed Forces by entering into the VA physician assistant workforce and helping to meet the shortage of physician assistants employed by VA; (3) an identification of such modifications to the pilot program as considered necessary; and (4) an assessment of whether the G.O.O.D. pilot could serve as a model for other VA programs.

Section 2(l) of the bill would require that no less than \$8,000,000 of the amount necessary to carry out the pilot program be derived from amounts appropriated to VA before the date of the enactment of this act.

Section 3. Establishment of standards for the Department of Veterans Affairs for using educational assistance programs to educate and hire physician assistants

Section 3(a) of the bill would require VA to establish standards described in subsection (b) to improve VA's use of the Department's Health Professionals Educational Assistance Program under chapter 76 of title 38, U.S.C., and other VA educational assistance programs, including the G.O.O.D. pilot, to educate and hire physician assistants in VA.

Section 3(b) of the bill would require that the standards described consist of the following: (1) holding directors of medical centers of the Department accountable for failure to use the educational assistance programs described in subsection (a) and other incentives to advance employees of the Department in their education as physician assistants and to improve recruitment and retention of physician assistants; (2) ensuring that the Department of Veterans Affairs Education Debt Reduction Program under subchapter VII of chapter 76 of such title is available for participants in the pilot program under section 2 to fill vacant physician assistant positions at the Department, including by including in all vacancy announcements for physician assistant positions the availability of the Education Debt Reduction Program, and informing applicants to physician assistant positions of their eligibility for the Education Debt Reduction Program; (3) Monitoring compliance with the application process for educational assistance programs described in subsection (a) to ensure that such programs are being fully utilized to carry out this section; and, Creating programs, including through the use of the Department of Veterans Affairs Employee Incentive Scholarship Program under subchapter VI of chapter 76 of such title, to encourage employees of the Department to apply to accredited physician assistant programs.

Section 3(c) of the bill would require that VA prescribe such regulations as the Secretary considers appropriate to carry out this section.

Section 4. Establishment of pay grades for physician assistants of the Department of Veterans Affairs and requirement to provide competitive pay

Section 4(a) of the bill would amend section 7404(b) of title 38, U.S.C., by adding at the end, "PHYSICIAN ASSISTANT SCHEDULE," "Physician Assistant IV," "Physician Assistant III," "Physician Assistant II," and "Physician Assistant I."

Section 4(b) of the bill would amend section 7451(a)(2) by redesignating subparagraph (B) as subparagraph (C); by inserting after subparagraph (A) the following new subparagraph (B): "(B) Physician assistant."; and, in subparagraph (C), as redesignated by paragraph (1), by striking "and registered nurse" and inserting "registered nurse, and physician assistant".

Section 4(c) of the bill would require that VA implement a national strategic plan for the retention and recruitment of VA physician assistants that includes the establishment and adoption of standards for the provision of competitive pay to physician assistants of the Department in comparison to the pay of physician assistants in the private sector. This section would also require that no later than one year after the date of the enactment of this act,

the Secretary shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a report on the implementation of the national strategic plan under paragraph (1).

Section 5. Extension of requirement for collection of fees for housing loans guaranteed by Secretary of Veterans Affairs

Section 3 of the bill would amend section 3729(b)(2) of title 38, U.S.C. clause (iii) in subparagraph (A) by striking "September 30, 2024" and inserting "September 30, 2025;" clause (iv) in subparagraph (A) by striking "September 30, 2024" and inserting "September 30, 2025;" clause (i) in subparagraph (B) by striking "September 30, 2024" and inserting "September 30, 2025;" clause (ii) in subparagraph (B) by striking "September 30, 2024" and inserting "September 30, 2025;" clause (i) in subparagraph (C) by striking "September 30, 2024" and inserting "September 30, 2025;" clause (ii) in subparagraph (C) by striking "September 30, 2024" and inserting "September 30, 2025;" clause (i) in subparagraph (D) by striking "September 30, 2024" and inserting "September 30, 2025;" and, clause (ii) in subparagraph (D) by striking "September 30, 2024" and inserting "September 30, 2025."

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):

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

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PART III—READJUSTMENT AND RELATED BENEFITS

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CHAPTER 37—HOUSING AND SMALL BUSINESS LOANS

* * * * *

Subchapter III—ADMINISTRATIVE PROVISIONS

* * * * *

§ 3729. Loan fee

(a) REQUIREMENT OF FEE.—(1) Except as provided in subsection (c), a fee shall be collected from each person obtaining a housing loan guaranteed, insured, or made under this chapter, and each person assuming a loan to which section 3714 of this title applies. No such loan may be guaranteed, insured, made, or assumed until the fee payable under this section has been remitted to the Secretary.

(2) The fee may be included in the loan and paid from the proceeds thereof.

(b) DETERMINATION OF FEE.—(1) The amount of the fee shall be determined from the loan fee table in paragraph (2). The fee is expressed as a percentage of the total amount of the loan guaranteed, insured, or made, or, in the case of a loan assumption, the unpaid principal balance of the loan on the date of the transfer of the property.

(2) The loan fee table referred to in paragraph (1) is as follows:

LOAN FEE TABLE

Type of loan	Active duty veteran	Reservist	Other obligor
(A)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed before January 1, 2004)	2.00	2.75	NA
(A)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after January 1, 2004, and before October 1, 2004)	2.20	2.40	NA
(A)(iii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2004, and before September 30, 2024 December 31, 2024)	2.15	2.40	NA

LOAN FEE TABLE—Continued

Type of loan	Active duty veteran	Reservist	Other obligor
(A)(iv) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after September 30, 2024 December 31, 2024)	1.40	1.65	NA
(B)(i) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed before September 30, 2024 December 31, 2024)	3.30	3.30	NA
(B)(ii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after September 30, 2024 December 31, 2024)	1.25	1.25	NA
(C)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed before September 30, 2024 December 31, 2024)	1.50	1.75	NA
(C)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after September 30, 2024 December 31, 2024)	0.75	1.00	NA
(D)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed before September 30, 2024 December 31, 2024)	1.25	1.50	NA
(D)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after September 30, 2024 December 31, 2024)	0.50	0.75	NA
(E) Interest rate reduction refinancing loan	0.50	0.50	NA
(F) Direct loan under section 3711	1.00	1.00	NA

LOAN FEE TABLE—Continued

Type of loan	Active duty veteran	Reservist	Other obligor
(G) Manufactured home loan under section 3712 (other than an interest rate reduction refinancing loan)	1.00	1.00	NA
(H) Loan to Native American veteran under section 3762 (other than an interest rate reduction refinancing loan)	1.25	1.25	NA
(I) Loan assumption under section 3714	0.50	0.50	0.50
(J) Loan under section 3733(a)	2.25	2.25	2.25

(3) Any reference to a section in the “Type of loan” column in the loan fee table in paragraph (2) refers to a section of this title.

(4) For the purposes of paragraph (2):

(A) The term “active duty veteran” means any veteran eligible for the benefits of this chapter other than a Reservist.

(B) The term “Reservist” means a veteran described in section 3701(b)(5)(A) of this title who is eligible under section 3702(a)(2)(E) of this title.

(C) The term “other obligor” means a person who is not a veteran, as defined in section 101 of this title or other provision of this chapter.

(D) The term “initial loan” means a loan to a veteran guaranteed under section 3710 or made under section 3711 of this title if the veteran has never obtained a loan guaranteed under section 3710 or made under section 3711 of this title.

(E) The term “subsequent loan” means a loan to a veteran, other than an interest rate reduction refinancing loan, guaranteed under section 3710 or made under section 3711 of this title if the veteran has previously obtained a loan guaranteed under section 3710 or made under section 3711 of this title.

(F) The term “interest rate reduction refinancing loan” means a loan described in section 3710(a)(8), 3710(a)(9)(B)(i), 3710(a)(11), 3712(a)(1)(F), or 3762(h) of this title.

(G) The term “0-down” means a downpayment, if any, of less than 5 percent of the total purchase price or construction cost of the dwelling.

(H) The term “5-down” means a downpayment of at least 5 percent or more, but less than 10 percent, of the total purchase price or construction cost of the dwelling.

(I) The term “10-down” means a downpayment of 10 percent or more of the total purchase price or construction cost of the dwelling.

(c) WAIVER OF FEE.—(1) A fee may not be collected under this section from a veteran who is receiving compensation (or who, but for the receipt of retirement pay or active service pay, would be en-

titled to receive compensation) or from a surviving spouse of any veteran (including a person who died in the active military, naval, or air service) who died from a service-connected disability.

(2)(A) A veteran described in subparagraph (B) shall be treated as receiving compensation for purposes of this subsection as of the date of the rating described in such subparagraph without regard to whether an effective date of the award of compensation is established as of that date.

(B) A veteran described in this subparagraph is a veteran who is rated eligible to receive compensation—

(i) as the result of a pre-discharge disability examination and rating; or

(ii) based on a pre-discharge review of existing medical evidence (including service medical and treatment records) that results in the issuance of a memorandum rating.

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PART V—BOARDS, ADMINISTRATIONS, AND SERVICES

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CHAPTER 74—VETERANS HEALTH ADMINISTRATION—PERSONNEL

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SUBCHAPTER I—APPOINTMENTS

* * * * *

§ 7404. Grades and pay scales

(a)(1)(A) The annual rates or ranges of rates of basic pay for positions provided in section 7306 and 7401(4) of this title shall be prescribed from time to time by Executive order as authorized by chapter 53 of title 5 or as otherwise authorized by law.

(B) Section 5377 of title 5 shall apply to a position under section 7401(4) of this title as if such position were included in the definition of “position” in section 5377(a) of title 5.

(2) The pay of physicians and dentists serving in positions to which an Executive order applies under paragraph (1) shall be determined under subchapter III of this chapter instead of such Executive order.

(3)(A) The rate of basic pay for a position to which an Executive order applies under paragraph (1) and is not described by paragraph (2) shall be set in accordance with section 5382 of title 5 as if such position were a Senior Executive Service position (as such term is defined in section 3132(a) of title 5).

(B) A rate of basic pay for a position may not be set under subparagraph (A) in excess of—

(i) in the case the position is not described in clause (ii), the rate of basic pay payable for level III of the Executive Schedule; or

(ii) in the case that the position is covered by a performance appraisal system that meets the certification criteria established by regulation under section 5307(d) of title 5, the rate of basic pay payable for level II of the Executive Schedule.

(C) Notwithstanding the provisions of subsection (d) of section 5307 of title 5, the Secretary may make any certification under that subsection instead of the Office of Personnel Management and without concurrence of the Office of Management and Budget.

(b) The grades for positions provided for in paragraph (1) of section 7401 of this title shall be as follows. The annual ranges of rates of basic pay for those grades shall be prescribed from time to time by Executive order as authorized by chapter 53 of title 5 or as otherwise authorized by law:

PHYSICIAN AND DENTIST SCHEDULE

Physician grade.

Dentist grade.

NURSE SCHEDULE

Nurse V.

Nurse IV.

Nurse III.

Nurse II.

Nurse I.

CLINICAL PODIATRIST, CHIROPRACTOR, AND OPTOMETRIST SCHEDULE

Chief grade.

Senior grade.

Intermediate grade.

Full grade.

Associate grade.

PHYSICIAN ASSISTANT SCHEDULE

Physician Assistant IV.

Physician Assistant III.

Physician Assistant II.

Physician Assistant I.

(c) Notwithstanding the provisions of section 7425(a) of this title, a person appointed under section 7306 of this title who is not eligible for pay under subchapter III shall be deemed to be a career appointee for the purposes of sections 4507 and 5384 of title 5.

(d) Except as provided under subsection (e), subchapter III, and section 7457 of this title, pay for positions for which basic pay is paid under this section may not be paid at a rate in excess of the rate of basic pay authorized by section 5316 of title 5 for positions in Level V of the Executive Schedule.

(e) The position of Chief Nursing Officer, Office of Nursing Services, shall be exempt from the provisions of section 7451 of this title and shall be paid at a rate determined by the Secretary, not to exceed the maximum rate established for the Senior Executive Service under section 5382 of title 5.

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SUBCHAPTER IV—PAY FOR NURSES AND OTHER HEALTH-CARE PERSONNEL

§ 7451. Nurses and other health-care personnel: competitive pay

(a)(1) It is the purpose of this section to ensure, by a means providing increased responsibility and authority to directors of Department health-care facilities, that the rates of basic pay for health-care personnel positions described in paragraph (2) in each Department health-care facility (including the rates of basic pay of personnel employed in such positions on a part-time basis) are sufficient for that facility to be competitive, on the basis of pay and other employee benefits, with non-Department health-care facilities in the same labor-market area in the recruitment and retention of qualified personnel for those positions.

(2) The health-care personnel positions referred to in paragraph (1) (hereinafter in this section referred to as “covered positions”) are the following:

(A) Registered nurse.

(B) *Physician assistant*.

[(B)] (C) Such positions referred to in paragraphs (1) and (3) of section 7401 of this title (other than the positions of physician, dentist, **[and registered nurse]** *registered nurse, and physician assistant*) as the Secretary may determine upon the recommendation of the Under Secretary for Health.

(3)(A) Except as provided in subparagraph (B), the rates of basic pay for covered positions in the Department shall be established and adjusted in accordance with this section instead of subsection (b)(1) of section 7404 of this title or chapter 53 of title 5.

(B) Under such regulations as the Secretary shall prescribe, the Secretary shall establish and adjust the rates of basic pay for covered positions at the following health-care facilities in order to provide rates of basic pay that enable the Secretary to recruit and retain sufficient numbers of health-care personnel in such positions at those facilities:

(i) The Veterans Memorial Medical Center in the Republic of the Philippines.

(ii) Department of Veterans Affairs health-care facilities located outside the contiguous States, Alaska, and Hawaii.

(4) The Secretary, after receiving the recommendation of the Under Secretary for Health, shall prescribe regulations setting forth criteria and procedures to carry out this section and section 7452 of this title. Requirements in such regulations for directors to provide and maintain documentation of actions taken under this section shall require no more documentation than the minimum essential for responsible administration.

(b) The Secretary shall maintain the five grade levels for nurses employed by the Department under section 7401(1) of this title as specified in the Nurse Schedule in section 7404(b) of this title. The Secretary shall, pursuant to regulations prescribed to carry out this

subchapter, establish grades for other covered positions as the Secretary considers appropriate.

(c)(1) For each grade in a covered position, there shall be a range of basic pay. The maximum rate of basic pay for a grade shall be 133 percent of the minimum rate of basic pay for the grade, except that, if the Secretary determines that a higher maximum rate is necessary with respect to any such grade in order to recruit and retain a sufficient number of high-quality health-care personnel, the Secretary may raise the maximum rate of basic pay for that grade to a rate not in excess of 175 percent of the minimum rate of basic pay for the grade. Whenever the Secretary exercises the authority under the preceding sentence to establish the maximum rate of basic pay at a rate in excess of 133 percent of the minimum rate for that grade, the Secretary shall, in the next annual report required by subsection (g), provide justification for doing so to the Committees on Veterans' Affairs of the Senate and House of Representatives.

(2) The maximum rate of basic pay for any grade for a covered position may not exceed the maximum rate of basic pay established for positions in level IV of the Executive Schedule under section 5316 of title 5. The maximum rate of basic pay for a grade for the position of certified registered nurse anesthetist pursuant to an adjustment under subsection (d) may exceed the maximum rate otherwise provided in the preceding sentence.

(3) The range of basic pay for each such grade shall be divided into equal increments, known as "steps". The Secretary shall prescribe the number of steps. Each grade in a covered position shall have the same number of steps. Rates of pay within a grade may not be established at rates other than whole steps. Any increase (other than an adjustment under subsection (d)) within a grade in the rate of basic pay payable to an employee in a covered position shall be by one or more of such step increments.

(d)(1) Subject to subsection (e), the rates of basic pay for each grade in a covered position shall be adjusted periodically in accordance with this subsection in order to achieve the purposes of this section. Such adjustments shall be made—

(A) whenever there is an adjustment under section 5303 of title 5 in the rates of pay under the General Schedule, with the adjustment under this subsection to have the same effective date and to be by the same percentage as the adjustment in the rates of basic pay under the General Schedule; and

(B) at such additional times as the director of a Department health-care facility, with respect to employees in that grade at that facility, or the Under Secretary for Health, with respect to covered Regional and Central Office employees in that grade, determines.

(2) An adjustment in rates of basic pay under this subsection for a grade shall be carried out by adjusting the amount of the minimum rate of basic pay for that grade in accordance with paragraph (3) and then adjusting the other rates for that grade to conform to the requirements of subsection (c). Except as provided in paragraph (1)(A), such an adjustment in the minimum

rate of basic pay for a grade shall be made by the director of a Department health-care facility so as to achieve consistency with the beginning rate of compensation for corresponding health-care professionals in the Bureau of Labor Statistics (BLS) labor-market area of that facility.

(3)(A) In the case of a Department health-care facility located in an area for which there is current information, based upon an industry-wage survey by the Bureau of Labor Statistics for that labor market, on compensation for corresponding health-care professionals for the BLS labor-market area of that facility, the director of the facility concerned shall use that information as the basis for making adjustments in rates of pay under this subsection. Whenever the Bureau of Labor Statistics releases the results of a new industry-wage survey for that labor market that includes information on compensation for corresponding health-care professionals, the director of that facility shall determine, not later than 30 days after the results of the survey are released, whether an adjustment in rates of pay for employees at that facility for any covered position is necessary in order to meet the purposes of this section. If the director determines that such an adjustment is necessary, the adjustment, based upon the information determined in the survey, shall take effect on the first day of the first pay period beginning after that determination.

(B) In the case of a Department health-care facility located in an area for which the Bureau of Labor Statistics does not have current information on compensation for corresponding health-care professionals for the labor-market area of that facility for any covered position, the director of that facility shall conduct a survey in accordance with this subparagraph and shall adjust the amount of the minimum rate of basic pay for grades in that covered position at that facility based upon that survey. To the extent practicable, the director shall use third-party industry wage surveys to meet the requirements of the preceding sentence. Any such survey shall be conducted in accordance with regulations prescribed by the Secretary. Those regulations shall be developed in consultation with the Secretary of Labor in order to ensure that the director of a facility collects information that is valid and reliable and is consistent with standards of the Bureau. The survey should be conducted using methodology comparable to that used by the Bureau in making industry-wage surveys except to the extent determined infeasible by the Secretary. To the extent practicable, all surveys conducted pursuant to this subparagraph or subparagraph (A) shall include the collection of salary midpoints, actual salaries, lowest and highest salaries, average salaries, bonuses, incentive pays, differential pays, actual beginning rates of pay, and such other information needed to meet the purpose of this section. Upon conducting a survey under this subparagraph, the director concerned shall determine, not later than 30 days after the date on which the collection of information through the survey is completed or published, whether an adjustment in rates of pay for employees at that facility for

any covered position is necessary in order to meet the purposes of this section. If the director determines that such an adjustment is necessary, the adjustment, based upon the information determined in the survey, shall take effect on the first day of the first pay period beginning after that determination.

(C)(i) A director of a Department health-care facility may use data on the compensation paid to certified registered nurse anesthetists who are employed on a salary basis by entities that provide anesthesia services through certified registered nurse anesthetists in the labor-market area only if the director—

(I) has conducted a survey of compensation for certified registered nurse anesthetists in the local labor-market area of the facility under subparagraph (B);

(II) has used all available administrative authority with regard to collection of survey data; and

(III) makes a determination (under regulations prescribed by the Secretary) that such survey methods are insufficient to permit the adjustments referred to in subparagraph (B) for such nurse anesthetists employed by the facility.

(ii) For the purposes of this subparagraph, certified registered nurse anesthetists who are so employed by such entities shall be deemed to be corresponding health-care professionals to the certified registered nurse anesthetists employed by the facility.

(D) The Under Secretary for Health shall prescribe regulations providing for the adjustment of the rates of basic pay for Regional and Central Office employees in covered positions in order to assure that those rates are sufficient and competitive.

(E) The director of a facility or Under Secretary for Health may not adjust rates of basic pay under this subsection for any pay grade so that the minimum rate of basic pay for that grade is greater than the beginning rates of compensation for corresponding positions at non-Department health-care facilities.

(F) The Under Secretary for Health shall provide appropriate education, training, and support to directors of Department health care facilities in the conduct and use of surveys, including the use of third-party surveys, under this paragraph.

(4) If the director of a Department health-care facility, or the Under Secretary for Health with respect to Regional and Central Office employees, determines, after any survey under paragraph (3)(B) that it is not necessary to adjust the rates of basic pay for employees in a grade of a covered position at that facility in order to carry out the purpose of this section, such an adjustment for employees at that facility in that grade shall not be made.

(5) Information collected by the Department in surveys conducted under this subsection is not subject to disclosure under section 552 of title 5.

(6) In this subsection—

(A) The term “beginning rate of compensation”, with respect to health-care personnel positions in non-Department health-care facilities corresponding to a grade of a covered position, means the sum of—

(i) the minimum rate of pay established for personnel in such positions who have education, training, and experience equivalent or similar to the education, training, and experience required for health-care personnel employed in the same category of Department covered positions; and

(ii) other employee benefits for those positions to the extent that those benefits are reasonably quantifiable.

(B) The term “corresponding”, with respect to health-care personnel positions in non-Department health-care facilities, means those positions for which the education, training, and experience requirements are equivalent or similar to the education, training, and experience requirements for health-care personnel positions in Department health-care facilities.

(e)(1) An adjustment in a rate of basic pay under subsection (d) may not reduce the rate of basic pay applicable to any grade of a covered position.

(2) The director of a Department health-care facility, in determining whether to carry out a wage survey under subsection (d)(3) with respect to rates of basic pay for a grade of a covered position, may not consider as a factor in such determination the absence of a current recruitment or retention problem for personnel in that grade of that position. The director shall make such a determination based upon whether, in accordance with criteria established by the Secretary, there is a significant pay-related staffing problem at that facility in any grade for a position. If the director determines that there is such a problem, or that such a problem is likely to exist in the near future, the Director shall provide for a wage survey in accordance with subsection (d)(3).

(3) The Under Secretary for Health may, to the extent necessary to carry out the purposes of subsection (d), modify any determination made by the director of a Department health-care facility with respect to adjusting the rates of basic pay applicable to covered positions. If the determination of the director would result in an adjustment in rates of basic pay applicable to covered positions, any action by the Under Secretary under the preceding sentence shall be made before the effective date of such pay adjustment. Upon such action by the Under Secretary, any adjustment shall take effect on the first day of the first pay period beginning after such action. The Secretary shall ensure that the Under Secretary establishes a mechanism for the timely exercise of the authority in this paragraph.

(4) Each director of a Department health-care facility shall provide to the Secretary, not later than July 31 each year, a

report on staffing for covered positions at that facility. The report shall include the following:

(A) Information on turnover rates and vacancy rates for each covered position, including a comparison of those rates with the rates for the preceding three years.

(B) The director's findings concerning the review and evaluation of the facility's staffing situation, including whether there is, or is likely to be, in accordance with criteria established by the Secretary, a significant pay-related staffing problem at that facility for any covered position and, if so, whether a wage survey was conducted, or will be conducted with respect to that position.

(C) In any case in which the director conducts such a wage survey during the period covered by the report, information describing the survey and any actions taken or not taken based on the survey, and the reasons for taking (or not taking) such actions.

(D) In any case in which the director conducts such a wage survey during the period covered by the report and makes adjustment in rates of basic pay applicable to one or more covered positions at the facility, information on the methodology used in making such adjustment or adjustments.

(E) In any case in which the director, after finding that there is, or is likely to be, in accordance with criteria established by the Secretary, a significant pay-related staffing problem at that facility for any covered position, determines not to conduct a wage survey with respect to that position, a statement of the reasons why the director did not conduct such a survey.

(5) Not later than September 30 of each year, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on staffing for covered positions at Department health care facilities. Each such report shall include the following:

(A) A summary and analysis of the information contained in the most recent reports submitted by facility directors under paragraph (4).

(B) The information for each such facility specified in paragraph (4).

(6)(A) Upon the request of an individual described in subparagraph (B) for a report provided under paragraph (4) with respect to a Department health-care facility, the Under Secretary for Health or the director of such facility shall provide to the individual the most current report for such facility provided under such paragraph.

(B) An individual described in this subparagraph is—

(i) an individual in a covered position at a Department health-care facility; or

(ii) a representative of the labor organization representing that individual who is designated by that individual to make the request.

(f) For the purposes of this section, the term “health-care facility” means a medical center, an independent outpatient clinic, or an independent domiciliary facility.

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