

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 3992

To amend title 10, United States Code, to codify authority for the Joint Medical Facility Fund of the Department of Defense and the Department of Veterans Affairs, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 4, 2026

Mr. BANKS (for himself, Ms. HIRONO, and Mr. SULLIVAN) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

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## A BILL

To amend title 10, United States Code, to codify authority for the Joint Medical Facility Fund of the Department of Defense and the Department of Veterans Affairs, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Joint Medical Facili-  
5 ties Fund Act of 2026”.

1 **SEC. 2. CODIFICATION OF AUTHORITY FOR JOINT MEDICAL**  
2 **FACILITY FUND OF DEPARTMENT OF DE-**  
3 **FENSE AND DEPARTMENT OF VETERANS AF-**  
4 **FAIRS.**

5 (a) IN GENERAL.—Chapter 55 of title 10, United  
6 States Code, is amended by adding at the end the fol-  
7 lowing new section:

8 **“§ 1110c. Joint Medical Facility Fund**

9 “(a) ESTABLISHMENT.—There is established on the  
10 books of the Treasury under the Department of Veterans  
11 Affairs a fund to be known as the ‘Joint Medical Facility  
12 Fund’ (in this section referred to as the ‘Fund’).

13 “(b) PURPOSE.—The purpose of the Fund shall be  
14 to facilitate the joint funding of designated combined Fed-  
15 eral medical facilities of the Department of Defense and  
16 the Department of Veterans Affairs.

17 “(c) TRANSFERS TO FUND.—

18 “(1) IN GENERAL.—Amounts may be trans-  
19 ferred to the Fund by the Secretary of Defense from  
20 amounts authorized and appropriated for the De-  
21 partment of Defense and by the Secretary of Vet-  
22 erans Affairs from amounts authorized and appro-  
23 priated for the Department of Veterans Affairs, as  
24 determined by a methodology jointly established by  
25 the Secretary of Defense and the Secretary of Vet-  
26 erans Affairs that reflects the mission-specific activi-

1 ties, workload, and costs of provision of health care  
2 at the facilities of the Department of Defense and  
3 the Department of Veterans Affairs, respectively.

4 “(2) TRANSFERS OF AMOUNTS FROM MEDICAL  
5 CARE COLLECTIONS.—Amounts may be transferred  
6 to the Fund from medical care collections under the  
7 following authorities for health care provided at des-  
8 ignated combined Federal medical facilities of the  
9 Department of Defense and the Department of Vet-  
10 erans Affairs:

11 “(A) Section 1095 of this title.

12 “(B) Section 1729 of title 38.

13 “(C) The Act entitled ‘An Act to provide  
14 for the recovery from tortiously liable third per-  
15 sons of the cost of hospital and medical care  
16 and treatment furnished by the United States’  
17 (Public Law 87–693; 42 U.S.C. 2651 et seq.;  
18 commonly known as the ‘Federal Medical Care  
19 Recovery Act’).

20 “(d) AVAILABILITY OF AMOUNTS IN FUND.—

21 “(1) IN GENERAL.—Amounts transferred to the  
22 Fund under subsection (c) shall be available to fund  
23 the operations of designated combined Federal med-  
24 ical facilities of the Department of Defense and the  
25 Department of Veterans Affairs, including capital

1 equipment, real property maintenance, and minor  
2 construction projects that are not required to be spe-  
3 cifically authorized by law under section 2805 of this  
4 title or section 8104 of title 38.

5 “(2) CAPTAIN JAMES A. LOVELL FEDERAL  
6 HEALTH CARE CENTER.—Amounts transferred to  
7 the Fund by the Secretary of Defense under sub-  
8 section (c) may be used for facility operations of the  
9 Captain James A. Lovell Federal Health Care Cen-  
10 ter, consisting of the North Chicago Veterans Af-  
11 fairs Medical Center, the Navy Ambulatory Care  
12 Center, and supporting facilities designated as a  
13 combined Federal medical facility under an oper-  
14 ational agreement covered by section 706 of the  
15 Duncan Hunter National Defense Authorization Act  
16 for Fiscal Year 2009 (Public Law 110–417; 122  
17 Stat. 4500).

18 “(3) LIMITATION.—The availability of amounts  
19 transferred to the Fund under subsection (c)(2)  
20 shall be subject to the provisions of section 1729A  
21 of title 38.

22 “(4) PERIOD OF AVAILABILITY.—

23 “(A) IN GENERAL.—Except as provided in  
24 subparagraph (B), amounts transferred to the  
25 Fund under subsection (c) shall remain avail-

1           able under this subsection until the end of the  
2           first fiscal year beginning after the date of the  
3           transfer.

4           “(B) EXCEPTION.—Of the amount trans-  
5           ferred to the Fund under subsection (c) in a  
6           fiscal year, an amount not to exceed two per-  
7           cent of such amount shall remain available  
8           under this subsection until the end of the sec-  
9           ond fiscal year beginning after the date of the  
10          transfer.

11         “(e) EXECUTIVE AGREEMENT.—

12           “(1) FUND ADMINISTRATION.—

13           “(A) IN GENERAL.—The Fund shall be ad-  
14           ministered in accordance with an executive  
15           agreement between the Secretary of Defense  
16           and the Secretary of Veterans Affairs.

17           “(B) GUIDELINES.—The executive agree-  
18           ment under subparagraph (A) shall be con-  
19           sistent with section 706 of the Duncan Hunter  
20           National Defense Authorization Act for Fiscal  
21           Year 2009 (Public Law 110–417; 122 Stat.  
22           4500) and shall provide for an independent re-  
23           view of the methodology established under sub-  
24           section (c)(1).

25           “(2) FINANCIAL RECONCILIATION.—

1           “(A) IN GENERAL.—The executive agree-  
2           ment between the Secretary of Defense and the  
3           Secretary of Veterans Affairs under paragraph  
4           (1)(A) shall provide for the development and  
5           implementation of an integrated financial rec-  
6           onciliation process that meets the fiscal rec-  
7           onciliation requirements of the Department of  
8           Defense and the Department of Veterans Af-  
9           fairs.

10           “(B) IDENTIFICATION OF CONTRIBU-  
11           TIONS.—The process under subparagraph (A)  
12           shall permit the Department of Defense and the  
13           Department of Veterans Affairs to identify  
14           their fiscal contributions to the Fund, taking  
15           into consideration accounting, workload, and fi-  
16           nancial management differences.”.

17           (b) CONFORMING REPEAL.—Section 1704 of the Na-  
18           tional Defense Authorization Act for Fiscal Year 2010  
19           (Public Law 111–84; 123 Stat. 2571), as most recently  
20           amended by section 1421 of the Servicemember Quality  
21           of Life Improvement and National Defense Authorization  
22           Act for Fiscal Year 2025 (Public Law 118–159), is re-  
23           pealed.

24           (c) REPORT.—Not later than 180 days after the date  
25           of the enactment of this Act, the Secretary of Defense and

1 the Secretary of Veterans Affairs shall jointly submit to  
2 the Committee on Veterans' Affairs and the Committee  
3 on Appropriations of the Senate and the Committee on  
4 Veterans' Affairs and the Committee on Appropriations  
5 of the House of Representatives a report indicating med-  
6 ical facilities of the Department of Defense or the Depart-  
7 ment of Veterans Affairs that either Secretary, or both,  
8 considers appropriate to be designated as combined Fed-  
9 eral medical facilities of the Department of Defense and  
10 the Department of Veterans Affairs.

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