

## AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 642 of this title as this section.

Subsec. (a). Pub. L. 102-83, §5(c)(1), substituted “1720(b)” for “620(b)”.

Pub. L. 102-83, §4(b)(1), (2)(E), substituted “Secretary” for “Administrator” wherever appearing.

Subsec. (b). Pub. L. 102-83, §4(b)(1), (2)(E), substituted “Secretary” for “Administrator”.

1976—Subsec. (a). Pub. L. 94-581 substituted “as the Administrator deems necessary” for “as he deems necessary” in existing provisions and inserted provision that no payment or grant may be made to any home under this subchapter unless such home is determined by the Administrator to meet such standards as the Administrator shall prescribe, which standards with respect to nursing home care shall be no less stringent than those prescribed pursuant to section 620(b) of this title.

**Statutory Notes and Related Subsidiaries**

## EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by Pub. L. 94-581 effective Oct. 21, 1976, see section 211 of Pub. L. 94-581, set out as a note under section 111 of this title.

**§ 1743. Applications**

Payments on account of any veteran cared for in a State home shall be made under this subchapter only from the date the Secretary receives a request for determination of such veteran's eligibility; however, if such request is received by the Secretary within ten days after care of such veteran begins, payments shall be made on account of such veteran from the date care began.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1147, §643; Pub. L. 97-251, §7, Sept. 8, 1982, 96 Stat. 716; renumbered §1743 and amended Pub. L. 102-83, §4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

**Editorial Notes**

## PRIOR PROVISIONS

Prior section 1743 was renumbered section 3543 of this title.

## AMENDMENTS

1991—Pub. L. 102-83 renumbered section 643 of this title as this section and substituted “Secretary” for “Administrator” in two places.

1982—Pub. L. 97-251 struck out “of any war” after “Payments on account of any veteran”.

**§ 1744. Hiring and retention of nurses: payments to assist States**

(a) **PAYMENT PROGRAM.**—The Secretary shall make payments to States under this section for the purpose of assisting State homes in the hiring and retention of nurses and the reduction of nursing shortages at State homes.

(b) **ELIGIBLE RECIPIENTS.**—Payments to a State for a fiscal year under this section shall, subject to submission of an application, be made to any State that during that fiscal year—

(1) receives per diem payments under this subchapter for that fiscal year; and

(2) has in effect an employee incentive scholarship program or other employee incentive program at a State home designed to promote the hiring and retention of nursing staff and to reduce nursing shortages at that home.

(c) **USE OF FUNDS RECEIVED.**—A State may use an amount received under this section only to provide funds for a program described in subsection (b)(2). Any program shall meet such criteria as the Secretary may prescribe. In prescribing such criteria, the Secretary shall take into consideration the need for flexibility and innovation.

(d) **LIMITATIONS ON AMOUNT OF PAYMENT.**—(1) A payment under this section may not be used to provide more than 50 percent of the costs for a fiscal year of the employee incentive scholarship or other employee incentive program for which the payment is made.

(2) The amount of the payment to a State under this section for any fiscal year is, for each State home in that State with a program described in subsection (b)(2), the amount equal to 2 percent of the amount of payments estimated to be made to that State, for that State home, under section 1741 of this title for that fiscal year.

(e) **APPLICATIONS.**—A payment under this section for any fiscal year with respect to any State home may only be made based upon an application submitted by the State seeking the payment with respect to that State home. Any such application shall describe the nursing shortage at the State home and the employee incentive scholarship program or other employee incentive program described in subsection (c) for which the payment is sought.

(f) **SOURCE OF FUNDS.**—Payments under this section shall be made from funds available for other payments under this subchapter.

(g) **DISBURSEMENT.**—Payments under this section to a State home shall be made as part of the disbursement of payments under section 1741 of this title with respect to that State home.

(h) **USE OF CERTAIN RECEIPTS.**—The Secretary shall require as a condition of any payment under this section that, in any case in which the State home receives a refund payment made by an employee in breach of the terms of an agreement for employee assistance that used funds provided under this section, the payment shall be returned to the State home's incentive program account and credited as a non-Federal funding source.

(i) **ANNUAL REPORT FROM PAYMENT RECIPIENTS.**—Any State home receiving a payment under this section for any fiscal year, shall, as a condition of the payment, be required to agree to provide to the Secretary a report setting forth in detail the use of funds received through the payment, including a descriptive analysis of how effective the incentive program has been on nurse staffing in the State home during that fiscal year. The report for any fiscal year shall be provided to the Secretary within 60 days of the close of the fiscal year and shall be subject to audit by the Secretary. Eligibility for a payment under this section for any later fiscal year is contingent upon the receipt by the Secretary of the annual report under this subsection for the previous fiscal year in accordance with this subsection.

(j) **REGULATIONS.**—The Secretary shall prescribe regulations to carry out this section. The regulations shall include the establishment of criteria for the award of payments under this section.

(Added Pub. L. 108-422, title II, §201(a)(1), Nov. 30, 2004, 118 Stat. 2380.)

### Statutory Notes and Related Subsidiaries

#### IMPLEMENTATION

Pub. L. 108-422, title II, §201(b), Nov. 30, 2004, 118 Stat. 2382, provided that: "The Secretary of Veterans Affairs shall implement section 1744 of title 38, United States Code, as added by subsection (a), as expeditiously as possible. The Secretary shall establish such interim procedures as necessary so as to ensure that payments are made to eligible States under that section commencing not later than June 1, 2005, notwithstanding that regulations under subsection (j) of that section may not have become final."

### § 1745. Nursing home care, adult day health care, and medications for veterans with service-connected disabilities

(a)(1) The Secretary shall enter into a contract (or an agreement) with each State home for payment by the Secretary for nursing home care provided in the home, in any case in which such care is provided to any veteran as follows:

(A) Any veteran in need of such care for a service-connected disability.

(B) Any veteran who—

- (i) has a service-connected disability rated at 70 percent or more; and
- (ii) is in need of such care.

(2) Payment under each contract (or agreement) between the Secretary and a State home under paragraph (1) shall be based on a methodology, developed by the Secretary in consultation with the State home, to adequately reimburse the State home for the care provided by the State home under the contract (or agreement).

(3) Payment by the Secretary under paragraph (1) to a State home for nursing home care provided to a veteran described in that paragraph constitutes payment in full to the State home for such care furnished to that veteran.

(4)(A) An agreement under this section may be authorized by the Secretary or any Department official authorized by the Secretary, and any such action is not an award for purposes of such laws that would otherwise require the use of competitive procedures for the furnishing of hospital care, medical services, and extended care services.

(B)(i) Except as provided in the agreement itself, in clause (ii), and unless otherwise provided in this section or regulations prescribed pursuant to this section, a State home that enters into an agreement under this section is not subject to, in the carrying out of the agreement, any provision of law to which providers of services and suppliers under the Medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) are not subject.

(ii) A State home that enters into an agreement under this section is subject to—

- (I) all provisions of law regarding integrity, ethics, or fraud, or that subject a person to civil or criminal penalties;
- (II) all provisions of law that protect against employment discrimination or that otherwise ensure equal employment opportunities; and
- (III) all provisions in this subchapter.

(iii) Notwithstanding subparagraph (B)(ii)(I), a State home that enters into an agreement under this section may not be treated as a Federal contractor or subcontractor for purposes of chapter 67 of title 41 (known as the "McNamara-O'Hara Service Contract Act of 1965").

(b) The Secretary shall furnish such drugs and medicines as may be ordered on prescription of a duly licensed physician as specific therapy in the treatment of illness or injury to any veteran as follows:

(1) Any veteran who—

(A) is not being provided nursing home care for which payment is payable under subsection (a); and

(B) is in need of such drugs and medicines for a service-connected disability.

(2) Any veteran who—

(A) has a service-connected disability rated at 50 percent or more;

(B) is not being provided nursing home care for which payment is payable under subsection (a); and

(C) is in need of such drugs and medicines.

(3) Any veteran who has been determined by the Secretary to be catastrophically disabled, as defined in section 17.36(e) of title 38, Code of Federal Regulations, or successor regulations, and on whose behalf the Secretary is paying a per diem for nursing home or domiciliary care in a State home under this chapter.

(c) Any State home that requests payment or reimbursement for services provided to a veteran under this section shall provide to the Secretary such information as the Secretary considers necessary to identify each individual veteran eligible for payment under such section.

(d)(1) The Secretary shall enter into an agreement with each State home for payment by the Secretary for medical supervision model adult day health care provided to a veteran described in subsection (a)(1) on whose behalf the State home is not in receipt of payment for nursing home care from the Secretary.

(2)(A) Payment under each agreement between the Secretary and a State home under paragraph (1) for each veteran who receives medical supervision model adult day health care under such agreement shall be made at a rate established through regulations prescribed by the Secretary to adequately reimburse the State home for the care provided by the State home, including necessary transportation expenses.

(B) The Secretary shall consult with the State homes in prescribing regulations under subparagraph (A).

(C) The rate established through regulations under subparagraph (A) shall not take effect until the date that is 30 days after the date on which those regulations are published in the Federal Register.

(3) Payment by the Secretary under paragraph (1) to a State home for medical supervision model adult day health care provided to a veteran described in that paragraph constitutes payment in full to the State home for such care furnished to that veteran.

(4) In this subsection, the term "medical supervision model adult day health care" means adult day health care that includes the coordi-