

**Calendar No. 530**

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

**S. 2309**

**A BILL**

To amend title 38, United States Code, to provide for reform of the health care benefits furnished by the Department of Veterans Affairs and the administration of health care benefits by the Department, and for other purposes.

JULY 21 (legislative day, JULY 20), 1994  
Placed on the calendar

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**IN THE SENATE OF THE UNITED STATES**

JULY 21 (legislative day, JULY 20), 1994

Mr. ROCKEFELLER, from the Committee on Veterans' Affairs, reported the following original bill; which was read twice and placed on the calendar

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To amend title 38, United States Code, to provide for reform of the health care benefits furnished by the Department of Veterans Affairs and the administration of health care benefits by the Department, 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 "Veterans Health Care  
5 Reform Act of 1994".

1 **SEC. 2. BENEFITS AND ELIGIBILITY THROUGH DEPART-**  
 2 **MENT OF VETERANS AFFAIRS MEDICAL SYS-**  
 3 **TEM.**

4 (a) DEPARTMENT OF VETERANS AFFAIRS AS A PAR-  
 5 TICIPANT IN HEALTH CARE REFORM.—

6 (1) IN GENERAL.—Title 38, United States  
 7 Code, is amended by inserting after chapter 17 the  
 8 following new chapter:

9 **“CHAPTER 18—ELIGIBILITY AND BENEFITS**  
 10 **UNDER HEALTH SECURITY ACT**

“SUBCHAPTER I—GENERAL

“1801. Definitions.

“SUBCHAPTER II—ENROLLMENT

“1811. Enrollment: veterans.

“1812. Enrollment: CHAMPVA eligibles.

“1813. Enrollment: family members.

“SUBCHAPTER III—BENEFITS

“1821. Benefits for VA enrollees.

“1822. Chapter 17 benefits.

“1823. Supplemental benefits packages and policies.

“1824. Limitation regarding veterans enrolled with health plans outside Depart-  
 ment.

“SUBCHAPTER IV—FINANCIAL MATTERS

“1831. Premiums, copayments, and other charges.

“1832. Medicare coverage and reimbursement.

“1833. Recovery of cost of certain care and services.

“1834. Health Plan Fund.

11 “SUBCHAPTER I—GENERAL

12 **“§ 1801. Definitions**

13 “For purposes of this chapter:

1           “(1) The term ‘health plan’ means an entity  
2 that has been certified under the Health Security  
3 Act as a health plan.

4           “(2) The term ‘VA health plan’ means a health  
5 plan that is operated by the Secretary under section  
6 7341 of this title.

7           “(3) The term ‘VA enrollee’ means an individ-  
8 ual enrolled under the Health Security Act in a VA  
9 health plan.

10           “(4) The term ‘comprehensive benefit package’  
11 means the package of benefits required to be pro-  
12 vided by a health plan under the Health Security  
13 Act.

14           “SUBCHAPTER II—ENROLLMENT

15   **“§ 1811. Enrollment: veterans**

16           “Each veteran who is an eligible individual within the  
17 meaning of section 1001 of the Health Security Act (in-  
18 cluding a veteran who is a medicare-eligible individual as  
19 defined in section 1902 of that Act) may enroll with a  
20 VA health plan. A veteran who wants to receive the com-  
21 prehensive benefit package through the Department shall  
22 enroll with a VA health plan.

23   **“§ 1812. Enrollment: CHAMPVA eligibles**

24           “An individual who is eligible for benefits under sec-  
25 tion 1713 of this title and who is eligible to enroll in a

1 health plan pursuant to section 1001 of the Health Secu-  
2 rity Act may enroll under that Act with a VA health plan  
3 in the same manner as a veteran.

4 **“§ 1813. Enrollment: family members**

5 “(a) The Secretary may authorize a VA health plan  
6 to enroll members of the family of an enrollee under sec-  
7 tion 1811 or 1812 of this title, subject to payment of pre-  
8 miums, deductibles, copayments, and coinsurance as re-  
9 quired under the Health Security Act.

10 “(b) For purposes of subsection (a), an enrollee’s  
11 family is those individuals (other than the enrollee) in-  
12 cluded within the term ‘family’ as defined in section  
13 1011(b) of the Health Security Act.

14 “SUBCHAPTER III—BENEFITS

15 **“§ 1821. Benefits for VA enrollees**

16 “The Secretary shall ensure that each VA health plan  
17 provides to each individual enrolled with it the items and  
18 services in the comprehensive benefit package under the  
19 Health Security Act.

20 **“§ 1822. Chapter 17 benefits**

21 “The Secretary shall provide to a veteran the care  
22 and services not included in the comprehensive benefits  
23 package that are authorized to be provided under chapter  
24 17 of this title in accordance with the terms and conditions

1 applicable to that veteran and that care under such chap-  
2 ter.

3 **“§ 1823. Supplemental benefits packages and policies**

4 “(a) As part of a VA health plan, the Secretary may  
5 offer to veterans—

6 “(1) supplemental health benefits policies for  
7 the care and services described in subsection (b);  
8 and

9 “(2) cost-sharing policies consistent with the re-  
10 quirements of part 2 of subtitle E of title I of the  
11 Health Security Act.

12 “(b) The care and services referred to in subsection  
13 (a) are care and services that—

14 “(1) are not available under the comprehensive  
15 benefit package; and

16 “(2) can be provided by the Secretary at rea-  
17 sonable cost.

18 **“§ 1824. Limitation regarding veterans enrolled with**  
19 **health plans outside Department**

20 “A veteran who is residing in a regional alliance area  
21 in which the Department operates a health plan and who  
22 is enrolled in a health plan that is not operated by the  
23 Department may be provided the items and services in the  
24 comprehensive benefit package by a VA health plan only  
25 if the plan is reimbursed for the care provided.

1 “SUBCHAPTER IV—FINANCIAL MATTERS

2 “§ 1831. Premiums, copayments, and other charges

3 “(a)(1) Except as provided in paragraph (2), the Sec-  
4 retary may not impose on or collect from a veteran de-  
5 scribed in subsection (b) who is a VA enrollee a cost-share  
6 charge of any kind (whether a premium, copayment, de-  
7 ductible, coinsurance charge, or other charge) for items  
8 and services in the comprehensive benefit package that a  
9 VA health plan provides. The Secretary shall make such  
10 arrangements as necessary with health alliances in order  
11 to carry out this subsection.

12 “(2) The Secretary shall collect from a veteran re-  
13 ferred to in paragraph (1) an appropriate cost-share  
14 charge for any items and services that are available to the  
15 veteran through the VA health plan but which the veteran  
16 obtains from a health care provider other than a VA  
17 health plan network provider.

18 “(b) The veterans referred to in subsection (a) are  
19 the following:

20 “(1) Any veteran with a compensable service-  
21 connected disability.

22 “(2) Any veteran whose discharge or release  
23 from the active military, naval or air service was for  
24 a disability incurred or aggravated in the line of  
25 duty.

1           “(3) Any veteran who is in receipt of, or who,  
2           but for a suspension pursuant to section 1151 of  
3           this title (or both such a suspension and the receipt  
4           of retired pay), would be entitled to disability com-  
5           pensation, but only to the extent that such a veter-  
6           an’s continuing eligibility for such care is provided  
7           for in the judgment or settlement provided for in  
8           such section.

9           “(4) Any veteran who is a former prisoner of  
10          war.

11          “(5) Any veteran of the Mexican border period  
12          or World War I.

13          “(6) Any veteran who is unable to defray the  
14          expenses of necessary care as determined under sec-  
15          tion 1722(a) of this title.

16          “(7) Any veteran referred to in subparagraph  
17          (A), (B), or (C) of section 1710(e) of this title.

18          “(c)(1) Except as provided in paragraph (2), in the  
19          case of a VA enrollee who is not described in subsection  
20          (b), the Secretary shall charge premiums and establish  
21          copayments, deductibles, and coinsurance amounts for  
22          care and services provided under this chapter. The pre-  
23          mium rate, and the rates for deductibles and copayments,  
24          for each VA health plan shall be established by that health

1 plan based on rules established by the health alliance  
2 under which it is operating.

3 “(2) The Secretary may not charge a veteran referred  
4 to in paragraph (1) a premium for any care or service  
5 that the Secretary provides the veteran under a supple-  
6 mental benefits policy offered under section 1823 of this  
7 title if the Secretary is required to provide such care or  
8 service under chapter 17 of this title.

9 “(d) In the case of a veteran with a compensable serv-  
10 ice-connected disability who is enrolled in a VA health plan  
11 and who has net earnings from self-employment, the Sec-  
12 retary shall, under regulations prescribed by the Sec-  
13 retary, provide for a reduction in any premium payment  
14 (or alliance credit repayment) owed by the veteran under  
15 section 6126 or 6111 of the Health Security Act by virtue  
16 of the veteran’s net earnings from self-employment.

17 **“§ 1832. Medicare coverage and reimbursement**

18 “(a) For purposes of any program administered by  
19 the Secretary of Health and Human Services under title  
20 XVIII of the Social Security Act (42 U.S.C. 1395 et seq.),  
21 a Department facility shall be deemed to be a Medicare  
22 provider.

23 “(b)(1) A VA health plan shall be considered to be  
24 a Medicare HMO.

1       “(2) For purposes of this section, the term ‘Medicare  
2 HMO’ means an eligible organization under section 1876  
3 of the Social Security Act.

4       “(c) In the case of care provided under this chapter  
5 to a veteran (other than a veteran described in section  
6 1831(b) of this title), or to a family member of a veteran,  
7 who is eligible for benefits under the Medicare program  
8 under title XVIII of the Social Security Act, the Secretary  
9 of Health and Human Services shall reimburse a VA  
10 health plan or Department health-care facility providing  
11 services as a Medicare provider or Medicare HMO in the  
12 same amounts and under the same terms and conditions  
13 as that Secretary reimburses other Medicare providers or  
14 Medicare HMOs, respectively. The Secretary of Health  
15 and Human Services shall include with each such reim-  
16 bursement a Medicare explanation of benefits.

17       “(d) When the Secretary provides care to a veteran,  
18 or a family member of a veteran, for which the Secretary  
19 receives reimbursement under this section, the Secretary  
20 shall require the veteran to pay to the Department any  
21 applicable deductible or copayment that is not covered by  
22 Medicare.

23       **“§ 1833. Recovery of cost of certain care and services**

24       “(a) In the case of an individual provided care or  
25 services through a VA health plan who has coverage under

1 a supplemental health insurance policy pursuant to part  
2 2 of subtitle E of title I of the Health Security Act, a  
3 Medicare supplemental health insurance plan (as defined  
4 in the Health Security Act), or any other provision of law,  
5 the Secretary has the right to recover or collect charges  
6 for care or services (as determined by the Secretary, but  
7 not including care or services for a service-connected dis-  
8 ability) from the party providing that coverage to the ex-  
9 tent that the individual (or the provider of the care or  
10 services) would be eligible to receive payment for such care  
11 or services from such party if the care or services had not  
12 been furnished by a department or agency of the United  
13 States.

14 “(b) In the case of a veteran referred to in section  
15 1831(b) of this title who is enrolled in a health plan other  
16 than a VA health plan and who is provided care or services  
17 for a service-connected disability by a VA health plan, the  
18 Secretary has the right to recover or collect charges for  
19 such care and services from the party operating the health  
20 plan to the extent that the veteran (or the provider of the  
21 care or services) would be eligible to receive payment for  
22 such care or services from such party if the care or serv-  
23 ices had not been furnished by a department or agency  
24 of the United States.

1       “(c) The provisions of subsections (b) through (f) of  
2 section 1729 of this title shall apply with respect to claims  
3 by the United States under subsection (a) or (b) in the  
4 same manner as they apply to claims under subsection (a)  
5 of that section.

6       **“§ 1834. Health Plan Fund**

7       “(a) There is hereby established in the Treasury a  
8 revolving fund to be known as the ‘Department of Veter-  
9 ans Affairs Health Plan Fund’.

10       “(b)(1) Subject to paragraphs (2) and (3), amounts  
11 collected or recovered by the Department under this sub-  
12 chapter by reason of the furnishing of care and services  
13 to an individual by a VA health plan or the enrollment  
14 of an individual with a VA health plan (including amounts  
15 received as premiums, premium discount payments,  
16 copayments or coinsurance, and deductibles, amounts re-  
17 ceived as third-party reimbursements, and amounts re-  
18 ceived as reimbursements from another health plan for  
19 care furnished to one of its enrollees) shall be credited to  
20 the revolving fund.

21       “(2) Premiums collected by the Department under  
22 this subchapter during fiscal year 1996 or 1997 by reason  
23 of the furnishing of care and services under a VA health  
24 plan to a veteran referred to in section 1831(b) of this  
25 title shall be credited to the revolving fund established

1 under subsection (a) only if the amount of funds appro-  
2 priated to the Veterans Health Care Investment Fund es-  
3 tablished under subsection (a)(1) of section 7346 of this  
4 title for the fiscal year concerned is less than the amount  
5 specified to be credited to that fund for that fiscal year  
6 under subsection (c) of such section 7346.

7       “(3) Premiums received by the Department under  
8 this subchapter in any fiscal year after fiscal year 1997  
9 by reason of the furnishing of care and services under a  
10 VA health plan to a veteran referred to in paragraph (2)  
11 shall be credited to the revolving fund established under  
12 subsection (a) only if the cost of providing such care and  
13 services is not covered by appropriations. The amount so  
14 credited shall be the amount of such premiums received  
15 that is necessary to cover the difference between the cost  
16 of such care and services and such appropriations.

17       “(c) The Secretary shall establish in the revolving  
18 fund a separate account for each VA health plan. The Sec-  
19 retary shall credit any amount received under subsection  
20 (b) by reason of the furnishing of care and services in or  
21 through a VA health plan or the enrollment of an individ-  
22 ual with a VA health plan.

23       “(d) Amounts credited to the account of the revolving  
24 fund for a VA health plan under subsection (b) are hereby  
25 made available to the VA health plan for the expenses of

1 the delivery by the VA health plan of the items and serv-  
 2 ices in the comprehensive benefit package and any supple-  
 3 mental benefits package or policy offered by the VA health  
 4 plan.”.

5 (2) The table of chapters at the beginning of  
 6 title 38, United States Code, and at the beginning  
 7 of part II of such title, is amended by inserting after  
 8 the item relating to chapter 17 the following new  
 9 item:

“18. Benefits and Eligibility Under Health Security Act ..... 1801.”.

10 (b) PRESERVATION OF EXISTING BENEFITS FOR FA-  
 11 CILITIES NOT OPERATING AS HEALTH PLANS.—(1)  
 12 Chapter 17 of title 38, United States Code, is amended  
 13 by inserting after section 1704 the following new section:  
 14 **“§ 1705. Facilities not operating within health plans;  
 15 veterans not eligible to enroll in health  
 16 plans**

17 “The provisions of this chapter shall apply with re-  
 18 spect to the furnishing of care and services—

19 “(1) by any facility of the Department when it  
 20 is not operating as or within a health plan certified  
 21 as a health plan under the Health Security Act; and

22 “(2) by any facility of the Department (whether  
 23 or not operating as or within a health plan certified  
 24 as a health plan under the Health Security Act) in  
 25 the case of a veteran who is not an eligible individ-

1 ual with the meaning of section 1001 of the Health  
2 Security Act.”.

3 (2) The table of sections at the beginning of such  
4 chapter is amended by inserting after the item relating  
5 to section 1704 the following new item:

“1705. Facilities not operating within health plans; veterans not eligible to enroll in health plans.”.

6 **SEC. 3. ORGANIZATION OF DEPARTMENT OF VETERANS AFFAIRS FACILITIES AS HEALTH PLANS.**

7  
8 (a) IN GENERAL.—Chapter 73 of title 38, United  
9 States Code, is amended—

10 (1) by redesignating subchapter IV as sub-  
11 chapter V; and

12 (2) by inserting after subchapter III the follow-  
13 ing new subchapter IV:

14 “SUBCHAPTER IV—PARTICIPATION AS PART OF  
15 NATIONAL HEALTH CARE REFORM

16 **“§ 7341. Organization of health care facilities as  
17 health plans**

18 “(a)(1) The Secretary shall organize health plans and  
19 operate Department facilities as or within health plans  
20 under the Health Security Act.

21 “(2)(A) The Secretary shall prescribe regulations es-  
22 tablishing standards for the operation of Department  
23 health care facilities as or within health plans under that  
24 Act. In prescribing such standards, the Secretary shall en-

1 sure that they conform, to the maximum extent prac-  
2 ticable, to the requirements for health plans generally set  
3 forth in part 1 of subtitle E of title I of the Health Secu-  
4 rity Act.

5 “(B) Not later than 30 days after prescribing such  
6 standards, the Secretary shall submit to the Committees  
7 on Veterans’ Affairs of the Senate and the House of Rep-  
8 resentatives a report describing the differences, if any, be-  
9 tween such standards and the requirements for health  
10 plans generally referred to in subparagraph (A).

11 “(b) Health care facilities of the Department located  
12 within an area or region may be organized to operate as  
13 a single health plan encompassing all Department facili-  
14 ties within that area or region or may be organized to op-  
15 erate as several health plans.

16 “(c) In carrying out responsibilities under the Health  
17 Security Act, a State (or a State-established entity)—

18 “(1) may not impose any standard or require-  
19 ment on a VA health plan that is inconsistent with  
20 this chapter or any regulation prescribed under this  
21 chapter or other Federal laws regarding the oper-  
22 ation of this chapter; and

23 “(2) may not deny certification of a VA health  
24 plan under the Health Security Act on the basis of  
25 a conflict between a rule of a State or health alliance

1 and this chapter or regulations prescribed under this  
2 chapter or other Federal laws regarding the oper-  
3 ation of this chapter.

4 **“§ 7342. Contract authority for facilities operating as**  
5 **or within health plans**

6 “(a) The Secretary shall designate a health plan di-  
7 rector for each VA health plan organized and operated  
8 under this subchapter.

9 “(b) The health plan director of a VA health plan  
10 may enter into contracts and agreements for the provision  
11 of care and services to be provided under the VA health  
12 plan and contracts and agreements for other services (in-  
13 cluding procurement of equipment, maintenance and re-  
14 pair services, and other services related to the provision  
15 of health care services) that are necessary for the provision  
16 of care and services under the VA health plan.

17 “(c) Contracts and agreements (including leases)  
18 under subsection (a) shall not be subject to the following  
19 provisions of law:

20 “(1) Section 8110(c) of this title, relating to  
21 the contracting of services at Department health-  
22 care facilities.

23 “(2) Section 8122(a)(1) of this title, relating to  
24 the lease of Department property.

1           “(3) Section 8125 of this title, relating to local  
2 contracts for the procurement of health-care items.

3           “(4) Section 702 of title 5, relating to the right  
4 of review of agency wrongs by courts of the United  
5 States.

6           “(5) Sections 1346(a)(2) and 1491 of title 28,  
7 relating to the jurisdiction of the district courts of  
8 the United States and the United States Court of  
9 Federal Claims, respectively, for the actions enumer-  
10 ated in such sections.

11           “(6) Subchapter V of chapter 35 of title 31, re-  
12 lating to adjudication of protests of violations of pro-  
13 curement statutes and regulations.

14           “(7) Sections 3526 and 3702 of such title, re-  
15 lating to the settlement of accounts and claims, re-  
16 spectively, of the United States.

17           “(8) Subsections (b)(7), (e), (f), (g), and (h) of  
18 section 8 of the Small Business Act (15 U.S.C.  
19 637(b)(7), (e), (f), (g), and (h)), relating to require-  
20 ments with respect to small businesses for contracts  
21 for property and services.

22           “(9) The provisions of law assembled for pur-  
23 poses of codification of the United States Code as  
24 section 471 through 544 of title 40 that relate to the  
25 authority of the Administrator of General Services

1 over the lease and disposal of Federal Government  
2 property.

3 “(10) The provisions of the Office of Federal  
4 Procurement Policy Act (41 U.S.C. 401 et seq.), re-  
5 lating to the procurement of property and services  
6 by the Federal Government.

7 “(11) Chapter 3 of the Federal Property and  
8 Administrative Services Act of 1949 (41 U.S.C. 251  
9 et seq.), relating to the procurement of property and  
10 services by the Federal Government.

11 “(12) Office of Management and Budget Cir-  
12 cular A-76.

13 “(d)(1) Contracts and agreements for the provision  
14 of care and services under subsection (a) may include any  
15 contract or other agreement that the health plan director  
16 of a VA health plan determines appropriate in order to  
17 provide care and services under the VA health plan.

18 “(2) Contracts and agreements under this subsection  
19 may be entered into without prior review by the Central  
20 Office of the Department.

21 “(e)(1) The entry into a contract or agreement under  
22 this section for services other than the services referred  
23 to in subsection (c) (including contracts and agreements  
24 for procurement of equipment, maintenance and repair  
25 services, and other services related to the provision of

1 health care services) shall not be subject to prior review  
2 by the Central Office if the amount of the contract or  
3 agreement is less than \$250,000.

4 “(2)(A) The Central Office may conduct a prior re-  
5 view of a contract or agreement referred to in paragraph  
6 (1) if the amount of the contract or agreement is  
7 \$250,000 or greater.

8 “(B) If the Central Office fails to approve or reject  
9 a contract or agreement referred to under subparagraph  
10 (A) within 30 days of its submittal to the Central Office,  
11 such contract or agreement shall be deemed approved by  
12 the Central Office.

13 **“§ 7343. Resource sharing authority**

14 “(a) The Secretary may enter into agreements under  
15 section 8153 of this title with other health care plans, with  
16 health care providers, and with other health industry orga-  
17 nizations, and with individuals, for the sharing of re-  
18 sources of the Department under a VA health plan.

19 “(b) The Secretary may enter into agreements with  
20 other departments and agencies of the Federal Govern-  
21 ment for the sharing of resources of the Department and  
22 such departments and agencies in order to provide care  
23 and services under a VA health plan.

1 **“§ 7344. Administrative and personnel flexibility**

2 “(a) Notwithstanding any other provision of law, the  
3 Secretary may—

4 “(1) appoint health care personnel to positions  
5 in any facility of the Department operating as or  
6 within a VA health plan in accordance with such  
7 qualifications for such positions as the Secretary  
8 may establish; and

9 “(2) promote and advance personnel serving in  
10 such positions in accordance with such qualifications  
11 as the Secretary may establish.

12 “(b) Subject to the provisions of section 1404 of the  
13 Health Security Act, the Secretary may carry out appro-  
14 priate promotional, advertising, and marketing activities  
15 to inform individuals of the availability of VA health plans.

16 **“§ 7345. Expenditure authority**

17 “(a)(1) Except as provided in subsection (b) and not-  
18 withstanding any other provision of law, the director of  
19 a VA health plan may expend funds available to a VA  
20 health plan (including funds available under section  
21 1834(c) of this title, funds available under section  
22 7346(d)(2)(B) of this title, and funds otherwise made  
23 available to the VA health plan by the Secretary) for any  
24 purpose, and in any amount, that the director determines  
25 appropriate in order to ensure that the VA health plan  
26 meets the requirements and the requirements of furnish-

1 ing care and services to veterans under chapter 17 of this  
2 title.

3 “(2) Funds may be expended under this subsection  
4 in order to cover the following costs:

5 “(A) The costs of marketing and advertising  
6 under a VA health plan.

7 “(B) The costs of legal services provided to a  
8 VA health plan by the General Counsel of the De-  
9 partment.

10 “(C) The costs of acquisition (including acquisi-  
11 tion of land), construction, repair, or renovation of  
12 facilities.

13 “(3) The exercise by a health plan director of the au-  
14 thority provided in paragraph (1) shall not be subject to  
15 prior review by the Central Office of the Department.

16 “(b) Subsection (a) shall not apply to expenditures  
17 of funds provided to a facility by the Central Office of  
18 the Department exclusively for the purpose of the provi-  
19 sion of the following services:

20 “(1) Services relating to post-traumatic stress  
21 disorder.

22 “(2) Services relating to spinal-cord injuries.

23 “(3) Services relating to substance abuse.

24 “(4) Services relating to the rehabilitation of  
25 blind veterans.

1 **“§ 7346. Veterans Health Care Investment Fund**

2 “(a)(1) There is hereby established in the Treasury  
3 of the United States a fund to be known as the Veterans  
4 Health Care Investment Fund (in this section referred to  
5 as the ‘Fund’).

6 “(2) The Fund shall be added to the list of accounts  
7 that are considered mandatory for the purposes of scoring  
8 appropriations bills.

9 “(b) There is hereby authorized to be appropriated  
10 to the Department, in addition to amounts otherwise au-  
11 thorized to be appropriated to the Department for VA  
12 health plans, such amounts as are necessary for the Sec-  
13 retary of the Treasury to fulfill the requirement of sub-  
14 section (c).

15 “(c) For each of fiscal years 1995, 1996, and 1997,  
16 the Secretary of the Treasury shall, subject to the avail-  
17 ability of appropriated funds, credit to the Fund an  
18 amount in that fiscal year as follows:

19 “(1) For fiscal year 1995, \$1,225,000,000.

20 “(2) For fiscal year 1996, \$600,000,000.

21 “(3) For fiscal year 1997, \$1,700,000,000.

22 “(d)(1) Subject to paragraph (2), amounts in the  
23 Fund shall be available to the Secretary only for the VA  
24 health plans organized and operated under this sub-  
25 chapter.

1       “(2)(A) For each of fiscal years 1996 and 1997, the  
2 Secretary shall estimate the total amount to be collected  
3 or recovered under sections 1831, 1832, and 1833 of this  
4 title by reason of the provision of care and services  
5 through VA health plans under chapter 18 of this title  
6 or the enrollment of individuals in such plans under that  
7 chapter. The Secretary shall estimate the amount to be  
8 so collected or recovered with respect to each VA health  
9 plan and with respect to all VA health plans.

10       “(B) For each such fiscal year, the Secretary shall  
11 make available to each VA health plan an amount that  
12 bears the same relationship to the total amount available  
13 in the Fund for the fiscal year as the amount estimated  
14 to be collected or recovered by the VA health plan during  
15 the fiscal year bears to the total amount estimated to be  
16 collected or recovered by all VA health plans during that  
17 fiscal year.

18       “(e) Not later than March 1, 1997, the Secretary  
19 shall submit to Congress a report concerning the operation  
20 of the Department of Veterans Affairs health care system  
21 in preparing for, and operating under, national health care  
22 reform under the Health Security Act during fiscal years  
23 1995 and 1996. The report shall include a discussion of—

24               “(1) the adequacy of amounts in the Fund for  
25       the operation of VA health plans;

1 “(2) the quality of care provided by such plans;

2 “(3) the ability of such plans to attract pa-  
3 tients; and

4 “(4) the need (if any) for additional funds for  
5 the Fund in fiscal years after fiscal year 1997.

6 **“§ 7347. Funding provisions: grants and other sources  
7 of assistance**

8 “The Secretary may apply for and accept, if awarded,  
9 any grant or other source of funding that is intended to  
10 meet the needs of special populations and that but for this  
11 section is unavailable to facilities of the Department or  
12 to health plans operated by the Government if funds ob-  
13 tained through the grant or other source of funding will  
14 be used through a facility of the Department operating  
15 as or within a health plan.”.

16 (b) CLERICAL AMENDMENT.—The table of sections  
17 at the beginning of chapter 73 is amended by striking out  
18 the item relating to the heading for subchapter IV and  
19 inserting in lieu thereof the following:

“SUBCHAPTER IV—PARTICIPATION AS PART OF NATIONAL HEALTH CARE  
REFORM

“7341. Organization of health care facilities as health plans.

“7342. Contract authority for facilities operating as or within health plans.

“7343. Resource sharing authority.

“7344. Administrative and personnel flexibility.

“7345. Expenditure authority.

“7346. Veterans Health Care Investment Fund.

“7347. Funding provisions: grants and other sources of assistance.

“SUBCHAPTER V—RESEARCH CORPORATIONS”.

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