

Union Calendar No. 135

106<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**H. R. 2116**

[Report No. 106-237]

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## **A BILL**

To amend title 38, United States Code, to establish a program of extended care services for veterans and to make other improvements in health care programs of the Department of Veterans Affairs.

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JULY 16, 1999

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 1999

Mr. STEARNS (for himself, Mr. GUTIERREZ, Mr. STUMP, and Mr. EVANS) introduced the following bill; which was referred to the Committee on Veterans' Affairs

JULY 16, 1999

Additional sponsors: Mr. COOKSEY, Mr. RODRIGUEZ, Mr. SMITH of New Jersey, Mr. BILIRAKIS, Mr. MCINTOSH, Mrs. CUBIN, Mr. TANCREDO, Mr. HANSEN, Mr. LAHOOD, Mr. REYES, Ms. CARSON, Ms. BROWN of Florida, Ms. BERKLEY, Mr. HILL of Indiana, Mr. FILNER, Mr. UDALL of New Mexico, and Mr. SHOWS

JULY 16, 1999

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on July 27, 1999]

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## A BILL

To amend title 38, United States Code, to establish a program of extended care services for veterans and to make

other improvements in health care programs of the Department of Veterans Affairs.

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; TABLE OF CONTENTS; REF-**  
 4 **ERENCES TO TITLE 38, UNITED STATES CODE.**

5        (a) *SHORT TITLE.*—*This Act may be cited as the “Vet-*  
 6 *erans’ Millennium Health Care Act”.*

7        (b) *TABLE OF CONTENTS.*—*The table of contents of this*  
 8 *Act is as follows:*

*Sec. 1. Short title; table of contents; references to title 38, United States Code.*

**TITLE I—ACCESS TO CARE**

*Sec. 101. Extended care services.*

*Sec. 102. Reimbursement for emergency treatment.*

*Sec. 103. Eligibility for care of combat-injured veterans.*

*Sec. 104. Access to care for military retirees.*

*Sec. 105. Benefits for persons disabled by participation in compensated work therapy program.*

*Sec. 106. Pilot program of medical care for certain dependents of enrolled veterans.*

*Sec. 107. Enhanced services program at designated medical centers.*

*Sec. 108. Counseling and treatment for veterans who have experienced sexual trauma.*

**TITLE II—PROGRAM ADMINISTRATION**

*Sec. 201. Medical care collections.*

*Sec. 202. Health Services Improvement Fund.*

*Sec. 203. Veterans Tobacco Trust Fund.*

*Sec. 204. Authority to accept funds for education and training.*

*Sec. 205. Extension and revision of certain authorities.*

*Sec. 206. State Home grant program.*

*Sec. 207. Expansion of enhanced-use lease authority.*

*Sec. 208. Ineligibility for employment by Veterans Health Administration of health care professionals who have lost license to practice in one jurisdiction while still licensed in another jurisdiction.*

**TITLE III—MISCELLANEOUS**

*Sec. 301. Review of proposed changes to operation of medical facilities.*

*Sec. 302. Patient services at Department facilities.*

*Sec. 303. Report on assisted living services.*

*Sec. 304. Chiropractic treatment.*

*Sec. 305. Designation of hospital bed replacement building at Ioannis A. Lougaris Department of Veterans Affairs Medical Center, Reno, Nevada.*

**TITLE IV—CONSTRUCTION AND FACILITIES MATTERS**

*Sec. 401. Authorization of major medical facility projects.*

*Sec. 402. Authorization of major medical facility leases.*

*Sec. 403. Authorization of appropriations.*

1           (c) **REFERENCES TO TITLE 38, UNITED STATES**  
 2 **CODE.**—*Except as otherwise expressly provided, whenever*  
 3 *in this Act an amendment or repeal is expressed in terms*  
 4 *of an amendment to, or repeal of, a section or other provi-*  
 5 *sion, the reference shall be considered to be made to a section*  
 6 *or other provision of title 38, United States Code.*

7           **TITLE I—ACCESS TO CARE**

8 **SEC. 101. EXTENDED CARE SERVICES.**

9           (a) **REQUIREMENT TO PROVIDE EXTENDED CARE**  
 10 **SERVICES.**—(1) *Chapter 17 is amended by inserting after*  
 11 *section 1710 the following new section:*

12 **“§ 1710A. Extended care services**

13           “(a) *The Secretary (subject to section 1710(a)(4) of*  
 14 *this title and subsection (c) of this section) shall operate*  
 15 *and maintain a program to provide extended care services*  
 16 *to eligible veterans in accordance with this section. Such*  
 17 *services shall include the following:*

18                   “(1) *Geriatric evaluation.*

19                   “(2) *Nursing home care (A) in facilities operated*  
 20 *by the Secretary, and (B) in community-based facili-*  
 21 *ties through contracts under section 1720 of this title.*

1           “(3) *Domiciliary services under section 1710(b)*  
2           *of this title.*

3           “(4) *Adult day health care under section 1720(f)*  
4           *of this title.*

5           “(5) *Such other noninstitutional alternatives to*  
6           *nursing home care, including those described in sec-*  
7           *tion 1720C of this title, as the Secretary considers*  
8           *reasonable and appropriate.*

9           “(6) *Respite care under section 1720B of this*  
10          *title.*

11          “(b)(1) *In carrying out subsection (a), the Secretary*  
12          *shall provide extended care services which the Secretary de-*  
13          *termines are needed (A) to any veteran in need of such care*  
14          *for a service-connected disability, and (B) to any veteran*  
15          *who is in need of such care and who has a service-connected*  
16          *disability rated at 50 percent or more.*

17          “(2) *The Secretary, in making placements for nursing*  
18          *home care in Department facilities, shall give highest pri-*  
19          *ority to veterans (A) who are in need of such care for a*  
20          *service-connected disability, or (B) who have a service-con-*  
21          *nected disability rated at 50 percent or more. The Secretary*  
22          *shall ensure that a veteran described in this subsection who*  
23          *continues to need nursing home care shall not after place-*  
24          *ment in a Department nursing home be transferred from*  
25          *the facility without the consent of the veteran, or, in the*

1 *event the veteran cannot provide informed consent, the rep-*  
2 *resentative of the veteran.*

3       “(c)(1) *The Secretary, in carrying out subsection (a),*  
4 *shall prescribe regulations governing the priorities for the*  
5 *provision of nursing home care in Department facilities so*  
6 *as to ensure that priority for such care is given (A) for*  
7 *patient rehabilitation, (B) for clinically complex patient*  
8 *populations, and (C) for patients for whom there are not*  
9 *other suitable placement options.*

10       “(2) *The Secretary may not furnish extended care serv-*  
11 *ices for a non-service-connected disability other than in the*  
12 *case of a veteran who has a service-connected disability*  
13 *rated at 50 percent or more unless the veteran agrees to*  
14 *pay to the United States a copayment for extended care*  
15 *services of more than 21 days in any year.*

16       “(d)(1) *A veteran who is furnished extended care serv-*  
17 *ices under this chapter and who is required under sub-*  
18 *section (c)(2) to pay an amount to the United States in*  
19 *order to be furnished such services shall be liable to the*  
20 *United States for that amount.*

21       “(2) *In implementing subsection (c)(2), the Secretary*  
22 *shall develop a methodology for establishing the amount of*  
23 *the copayment for which a veteran described in subsection*  
24 *(c) is liable. That methodology shall provide for—*

1           “(A) *establishing a maximum monthly copay-*  
2           *ment (based on all income and assets of the veteran*  
3           *and the spouse of such veteran);*

4           “(B) *protecting the spouse of a veteran from fi-*  
5           *nancial hardship by not counting all of the income*  
6           *and assets of the veteran and spouse (in the case of*  
7           *a spouse who resides in the community) as available*  
8           *for determining the copayment obligation; and*

9           “(C) *allowing the veteran to retain a monthly*  
10          *personal allowance.*

11          “(e)(1) *There is established in the Treasury of the*  
12          *United States a revolving fund known as the Department*  
13          *of Veterans Affairs Extended Care Fund (hereinafter in this*  
14          *section referred to as the “fund”). Amounts in the fund shall*  
15          *be available, without fiscal year limitation and without fur-*  
16          *ther appropriation, exclusively for the purpose of providing*  
17          *extended care services under subsection (a).*

18          “(2) *All amounts received by the Department under*  
19          *this section shall be deposited in or credited to the fund.”.*

20          “(2) *The table of sections at the beginning of such chap-*  
21          *ter is amended by inserting after the item relating to section*  
22          *1710 the following new item:*

          “1710A. *Requirement to provide extended care.”.*

23          “(b) *REQUIREMENT TO INCREASE EXTENDED CARE*  
24          *SERVICES.—(1) Not later than January 1, 2000, the Sec-*  
25          *retary of Veterans Affairs shall develop and begin to imple-*

1 *ment a plan for carrying out the recommendation of the*  
2 *Federal Advisory Committee on the Future of Long-Term*  
3 *Care to increase, above the level of extended care services*  
4 *which were provided as of September 30, 1998—*

5 *(A) the options and services for home and com-*  
6 *munity-based care for eligible veterans; and*

7 *(B) the percentage of the Department of Veterans*  
8 *Affairs medical care budget dedicated to such care.*

9 *(2) The Secretary shall ensure that the staffing and*  
10 *level of extended care services provided by the Secretary na-*  
11 *tionally in facilities operated by the Secretary during any*  
12 *fiscal year is not less than the level of such services provided*  
13 *nationally in facilities operated by the Secretary during fis-*  
14 *cal year 1998.*

15 *(c) ADULT DAY HEALTH CARE.—Section*  
16 *1720(f)(1)(A) is amended to read as follows:*

17 *“(f)(1)(A) The Secretary may furnish adult day health*  
18 *care services to a veteran enrolled under section 1705(a)*  
19 *of this title who would otherwise require nursing home*  
20 *care.”*

21 *(d) RESPITE CARE PROGRAM.—Section 1720B is*  
22 *amended—*

23 *(1) in subsection (a), by striking “eligible” and*  
24 *inserting “enrolled”;*

25 *(2) in subsection (b)—*

1           (A) by striking “the term ‘respite care’  
2           means hospital or nursing home care” and in-  
3           serting “the term ‘respite care services’ means  
4           care and services”;

5           (B) by striking “is” at the beginning of  
6           each of paragraphs (1), (2), and (3) and insert-  
7           ing “are”; and

8           (C) by striking “in a Department facility”  
9           in paragraph (2); and

10          (3) by adding at the end the following new sub-  
11          section:

12          “(c) In furnishing respite care services, the Secretary  
13          may enter into contract arrangements.”.

14          (e) *CONFORMING AMENDMENTS.*—Section 1710 is  
15          amended—

16               (1) in subsection (a)(1), by striking “may fur-  
17               nish nursing home care,”; and

18               (2) in subsection (a)(4), by inserting “, and the  
19               requirement in section 1710A of this title that the  
20               Secretary provide a program of extended care serv-  
21               ices,” after “medical services”.

22          (f) *STATE HOMES.*—Section 1741(a)(2) is amended by  
23          striking “adult day health care in a State home” and in-  
24          serting “extended care services described in any of para-

1 *graphs (4) through (6) of section 1710A(a) of this title*  
2 *under a program administered by a State home”.*

3 *(g) EFFECTIVE DATE.—(1) Except as provided in*  
4 *paragraph (2), the amendments made by this section shall*  
5 *take effect on the date of the enactment of this Act.*

6 *(2) Subsection (c)(2) of section 1710A(a) of title 38,*  
7 *United States Code (as added by subsection (a)), shall take*  
8 *effect on the effective date of regulations prescribed by the*  
9 *Secretary of Veterans Affairs under subsections (c)(2) and*  
10 *(d) of such section. The Secretary shall publish the effective*  
11 *date of such regulations in the Federal Register.*

12 *(3) The provisions of section 1710(f) of title 38, United*  
13 *States Code, shall not apply to any day of nursing home*  
14 *care on or after the effective date of regulations under para-*  
15 *graph (2).*

16 **SEC. 102. REIMBURSEMENT FOR EMERGENCY TREATMENT.**

17 *(a) AUTHORITY TO PROVIDE REIMBURSEMENT.—*  
18 *Chapter 17 is amended by inserting after section 1724 the*  
19 *following new section:*

20 **“§ 1725. Reimbursement for emergency treatment**

21 *“(a) GENERAL AUTHORITY.—(1) Subject to subsections*  
22 *(c) and (d), the Secretary may reimburse a veteran de-*  
23 *scribed in subsection (b) for the reasonable value of emer-*  
24 *gency treatment furnished the veteran in a non-Department*  
25 *facility.*

1       “(2) *In any case in which reimbursement is authorized*  
2 *under subsection (a)(1), the Secretary, in the Secretary’s*  
3 *discretion, may, in lieu of reimbursing the veteran, make*  
4 *payment of the reasonable value of the furnished emergency*  
5 *treatment directly—*

6               “(A) *to a hospital or other health care provider*  
7 *that furnished the treatment; or*

8               “(B) *to the person or organization that paid for*  
9 *such treatment on behalf of such veteran.*

10       “(b) *ELIGIBILITY.—(1) A veteran referred to in sub-*  
11 *section (a)(1) is an individual who is an active Department*  
12 *health-care participant who is personally liable for emer-*  
13 *gency treatment furnished the veteran in a non-Department*  
14 *facility.*

15       “(2) *A veteran is an active Department health-care*  
16 *participant if the veteran—*

17               “(A) *is described in any of paragraphs (1)*  
18 *through (6) of section 1705(a) of this title;*

19               “(B) *is enrolled in the health care system estab-*  
20 *lished under such section; and*

21               “(C) *received care under this chapter within the*  
22 *12-month period preceding the furnishing of such*  
23 *emergency treatment.*

1       “(3) *A veteran is personally liable for emergency treat-*  
2 *ment furnished the veteran in a non-Department facility*  
3 *if the veteran—*

4               “(A) *is financially liable to the provider of emer-*  
5 *gency treatment for that treatment;*

6               “(B) *has no entitlement to care or services under*  
7 *a health-plan contract;*

8               “(C) *has no other contractual or legal recourse*  
9 *against a third party that would, in whole or in part,*  
10 *extinguish such liability to the provider; and*

11               “(D) *is not eligible for reimbursement for med-*  
12 *ical care or services under section 1728 of this title.*

13       “(c) *LIMITATIONS ON REIMBURSEMENT.—(1) The Sec-*  
14 *retary, in accordance with regulations prescribed by the*  
15 *Secretary, shall—*

16               “(A) *establish the maximum amount payable*  
17 *under subsection (a);*

18               “(B) *delineate the circumstances under which*  
19 *such payments may be made, to include such require-*  
20 *ments on requesting reimbursement as the Secretary*  
21 *shall establish; and*

22               “(C) *provide that in no event may a payment*  
23 *under that subsection include any amount for which*  
24 *the veteran is not personally liable.*

1       “(2) *Subject to paragraph (1), the Secretary may pro-*  
2 *vide reimbursement under this section only after the veteran*  
3 *or the provider of emergency treatment has exhausted with-*  
4 *out success all claims and remedies reasonably available to*  
5 *the veteran or provider against a third party for payment*  
6 *of such treatment.*

7       “(3) *Payment by the Secretary under this section, on*  
8 *behalf of a veteran described in subsection (b), to a provider*  
9 *of emergency treatment, shall, unless rejected and refunded*  
10 *by the provider within 30 days of receipt, extinguish any*  
11 *liability on the part of the veteran for that treatment. Nei-*  
12 *ther the absence of a contract or agreement between the Sec-*  
13 *retary and the provider nor any provision of a contract,*  
14 *agreement, or assignment to the contrary shall operate to*  
15 *modify, limit, or negate the requirement in the preceding*  
16 *sentence.*

17       “(d) *INDEPENDENT RIGHT OF RECOVERY.—(1) In ac-*  
18 *cordance with regulations prescribed by the Secretary, the*  
19 *United States shall have the independent right to recover*  
20 *any amount paid under this section when, and to the extent*  
21 *that, a third party subsequently makes a payment for the*  
22 *same emergency treatment.*

23       “(2) *Any amount paid by the United States to the vet-*  
24 *eran (or the veteran’s personal representative, successor, de-*  
25 *pendents, or survivors) or to any other person or organiza-*

1 *tion paying for such treatment shall constitute a lien in*  
2 *favor of the United States against any recovery the payee*  
3 *subsequently receives from a third party for the same treat-*  
4 *ment.*

5       “(3) *Any amount paid by the United States to the pro-*  
6 *vider that furnished the veteran’s emergency treatment shall*  
7 *constitute a lien against any subsequent amount the pro-*  
8 *vider receives from a third party for the same emergency*  
9 *treatment for which the United States made payment.*

10       “(4) *The veteran (or the veteran’s personal representa-*  
11 *tive, successor, dependents, or survivors) shall ensure that*  
12 *the Secretary is promptly notified of any payment received*  
13 *from any third party for emergency treatment furnished to*  
14 *the veteran. The veteran (or the veteran’s personal rep-*  
15 *resentative, successor, dependents, or survivors) shall imme-*  
16 *diately forward all documents relating to such payment, co-*  
17 *operate with the Secretary in the investigation of such pay-*  
18 *ment, and assist the Secretary in enforcing the United*  
19 *States right to recover any payment made under subsection*  
20 *(c)(3).*

21       “(e) *WAIVER.—The Secretary, in the Secretary’s dis-*  
22 *cretion, may waive recovery of a payment made to a vet-*  
23 *eran under this section that is otherwise required by sub-*  
24 *section (d)(1) when the Secretary determines that such*

1 *waiver would be in the best interest of the United States,*  
2 *as defined by regulations prescribed by the Secretary.*

3 “(f) *DEFINITIONS.—For purposes of this section:*

4 “(1) *The term ‘emergency treatment’ means med-*  
5 *ical care or services furnished, in the judgment of the*  
6 *Secretary—*

7 “(A) *when Department or other Federal fa-*  
8 *cilities are not feasibly available and an attempt*  
9 *to use them beforehand would not be reasonable;*

10 “(B) *when such care or services are ren-*  
11 *dered in a medical emergency of such nature*  
12 *that delay would be hazardous to life or health;*  
13 *and*

14 “(C) *until such time as the veteran can be*  
15 *transferred safely to a Department facility or*  
16 *other Federal facility.*

17 “(2) *The term ‘health-plan contract’ includes*  
18 *any of the following:*

19 “(A) *An insurance policy or contract, med-*  
20 *ical or hospital service agreement, membership*  
21 *or subscription contract, or similar arrangement*  
22 *under which health services for individuals are*  
23 *provided or the expenses of such services are*  
24 *paid.*

1           “(B) An insurance program described in  
2 section 1811 of the Social Security Act (42  
3 U.S.C. 1395c) or established by section 1831 of  
4 such Act (42 U.S.C. 1395j).

5           “(C) A State plan for medical assistance  
6 approved under title XIX of such Act (42 U.S.C.  
7 1396 et seq.).

8           “(D) A workers’ compensation law or plan  
9 described in section 1729(a)(2)(A) of this title.

10           “(E) A law of a State or political subdivi-  
11 sion described in section 1729(a)(2)(B) of this  
12 title.

13           “(3) The term ‘third party’ means any of the fol-  
14 lowing:

15           “(A) A Federal entity.

16           “(B) A State or political subdivision of a  
17 State.

18           “(C) An employer or an employer’s insur-  
19 ance carrier.

20           “(D) An automobile accident reparations  
21 insurance carrier.

22           “(E) A person or entity obligated to pro-  
23 vide, or to pay the expenses of, health services  
24 under a health-plan contract.”.

1       (b) *CONFORMING AMENDMENTS.*—(1) *Section*  
2 *1729A(b) is amended—*

3           (A) *by redesignating paragraph (6) as para-*  
4 *graph (7); and*

5           (B) *by inserting after paragraph (5) the fol-*  
6 *lowing new paragraph:*

7           “(6) *Section 1725 of this title.*”.

8       (2) *The table of sections at the beginning of chapter*  
9 *17 is amended by inserting after the item relating to section*  
10 *1724 the following new item:*

      “1725. *Reimbursement for emergency treatment.*”.

11       (c) *EFFECTIVE DATE.*—*The amendments made by this*  
12 *section shall take effect 180 days after the date of the enact-*  
13 *ment of this Act.*

14       (d) *IMPLEMENTATION REPORTS.*—*The Secretary of*  
15 *Veterans Affairs shall include with the budget justification*  
16 *materials submitted to Congress in support of the Depart-*  
17 *ment of Veterans Affairs budget for fiscal year 2002 and*  
18 *for fiscal year 2003 a report on the implementation of sec-*  
19 *tion 1725 of title 38, United States Code, as added by sub-*  
20 *section (a). Each such report shall include information on*  
21 *the experience of the Department under that section and*  
22 *the costs incurred, and expected to be incurred, under that*  
23 *section.*

1 **SEC. 103. ELIGIBILITY FOR CARE OF COMBAT-INJURED VET-**  
2 **ERANS.**

3 (a) *PRIORITY OF CARE.*—Chapter 17 is amended —

4 (1) in section 1710(a)(2)(D), by inserting “or  
5 who was injured in combat” after “former prisoner of  
6 war”; and

7 (2) in section 1705(a)(3), by inserting “or who  
8 were injured in combat” after “former prisoners of  
9 war”.

10 (b) *DEFINITION OF INJURED IN COMBAT.*—Section  
11 1701 is amended by adding at the end the following new  
12 paragraph:

13 “(10) The term ‘injured in combat’ means  
14 wounded in action as the result of an act of an enemy  
15 of the United States or otherwise wounded in action  
16 by weapon fire while directly engaged in armed con-  
17 flict (other than as the result of willful misconduct by  
18 the wounded individual).”.

19 **SEC. 104. ACCESS TO CARE FOR MILITARY RETIREES.**

20 (a) *IMPROVED ACCESS.*—(1) Section 1710(a)(2) is  
21 amended—

22 (A) by striking “or” at the end of subparagraph  
23 (F);

24 (B) by striking the period at the end of subpara-  
25 graph (G) and inserting “; or”; and

1           (C) by adding at the end the following new sub-  
2 paragraph:

3           “(H) who has retired from active military,  
4 naval, or air service in the Army, Navy, Air Force,  
5 or Marine Corps, is eligible for care under the  
6 TRICARE program established by the Secretary of  
7 Defense, and is not otherwise described in paragraph  
8 (1) or in this paragraph.”.

9           (2) Section 1705(a) is amended—

10           (A) by redesignating paragraph (7) as para-  
11 graph (8);

12           (B) by inserting after paragraph (6) the fol-  
13 lowing new paragraph (7):

14           “(7) Veterans who are eligible for hospital care,  
15 medical services, and nursing home care under section  
16 1710(a)(2)(H) of this title.”; and

17           (C) in paragraph (6), by inserting “(other than  
18 subparagraph (H) of such section)” before the period  
19 at the end.

20           (b) INTERAGENCY AGREEMENT.—(1) The Secretary of  
21 Defense shall enter into an agreement (characterized as a  
22 memorandum of understanding or otherwise) with the Sec-  
23 retary of Veterans Affairs with respect to the provision of  
24 medical care by the Secretary of Veterans Affairs to eligible  
25 military retirees in accordance with the amendments made

1 *by subsection (a). That agreement shall include provisions*  
2 *for reimbursement of the Secretary of Veterans Affairs by*  
3 *the Secretary of Defense for medical care provided by the*  
4 *Secretary of Veterans Affairs to an eligible military retiree*  
5 *and may include such other provisions with respect to the*  
6 *terms and conditions of such care as may be agreed upon*  
7 *by the two Secretaries.*

8       (2) *Reimbursement under that agreement shall be in*  
9 *accordance with rates agreed upon by the Secretary of De-*  
10 *fense and the Secretary of Veterans Affairs. Such reimburse-*  
11 *ment may be made by the Secretary of Defense or by the*  
12 *appropriate TRICARE Managed Care Support contractor,*  
13 *as determined in accordance with that agreement.*

14       (3) *In entering into the agreement under paragraph*  
15 *(1), particularly with respect to determination of the rates*  
16 *of reimbursement under paragraph (2), the Secretary of De-*  
17 *fense shall consult with TRICARE Managed Care Support*  
18 *contractors.*

19       (4) *The Secretary of Veterans Affairs may not enter*  
20 *into an agreement under paragraph (1) for the provision*  
21 *of care in accordance with the amendments made by sub-*  
22 *section (a) with respect to any geographic service area, or*  
23 *a part of any such area, of the Veterans Health Administra-*  
24 *tion unless—*

1           (A) *in the judgment of that Secretary, the De-*  
2           *partment of Veterans Affairs will recover the costs of*  
3           *providing such care to eligible military retirees; and*

4           (B) *that Secretary has certified and documented,*  
5           *with respect to any geographic service area in which*  
6           *the Secretary proposes to provide care in accordance*  
7           *with the amendments made by subsection (a), that*  
8           *such geographic service area, or designated part of*  
9           *any such area, has adequate capacity (consistent with*  
10           *the requirements in section 1705(b)(1) of title 38,*  
11           *United States Code, that care to enrollees shall be*  
12           *timely and acceptable in quality) to provide such*  
13           *care.*

14           (5) *The agreement under paragraph (1) shall be en-*  
15           *tered into by the Secretaries not later than nine months*  
16           *after the date of the enactment of this Act. If the Secretaries*  
17           *are unable to reach agreement, they shall jointly report, by*  
18           *that date or within 30 days thereafter, to the Committees*  
19           *on Armed Services and the Committees on Veterans' Affairs*  
20           *of the Senate and House of Representatives on the reasons*  
21           *for their inability to reach an agreement and their mutu-*  
22           *ally agreed plan for removing any impediments to final*  
23           *agreement.*

24           (c) *DEPOSITING OF REIMBURSEMENTS.*—*Amounts re-*  
25           *ceived by the Secretary of Veterans Affairs under the agree-*

1 *ment under subsection (b) shall be deposited in the Depart-*  
2 *ment of Veterans Affairs Health Services Improvement*  
3 *Fund established under section 1729B of title 38, United*  
4 *States Code, as added by section 202.*

5 *(d) PHASED IMPLEMENTATION.—(1) The Secretary of*  
6 *Defense shall include in each TRICARE contract entered*  
7 *into after the date of the enactment of this Act provisions*  
8 *to implement the agreement under subsection (b).*

9 *(2) The amendments made by subsection (a) and the*  
10 *provisions of the agreement under subsection (b)(2) shall*  
11 *apply to the furnishing of medical care by the Secretary*  
12 *of Veterans Affairs in any area of the United States only*  
13 *if that area is covered by a TRICARE contract that was*  
14 *entered into after the date of the enactment of this Act.*

15 *(e) ELIGIBLE MILITARY RETIREES.—For purposes of*  
16 *subsection (b), an eligible military retiree is a member of*  
17 *the Army, Navy, Air Force, or Marine Corps who—*

18 *(1) has retired from active military, naval, or*  
19 *air service;*

20 *(2) is eligible for care under the TRICARE pro-*  
21 *gram established by the Secretary of Defense;*

22 *(3) has enrolled for care under section 1705 of*  
23 *title 38, United States Code; and*

24 *(4) is not described in paragraph (1) or (2) of*  
25 *section 1710(a) of such title (other than subparagraph*

1       (H) of such paragraph (2)), as amended by subsection  
2       (a).

3   **SEC. 105. BENEFITS FOR PERSONS DISABLED BY PARTICI-**  
4                   **PATION IN COMPENSATED WORK THERAPY**  
5                   **PROGRAM.**

6       Section 1151(a)(2) is amended—

7           (1) by inserting “(A)” after “proximately  
8       caused”; and

9           (2) by inserting before the period at the end the  
10       following: “, or (B) by participation in a program  
11       (known as a ‘compensated work therapy program’)  
12       under section 1718 of this title”.

13   **SEC. 106. PILOT PROGRAM OF MEDICAL CARE FOR CERTAIN**  
14                   **DEPENDENTS OF ENROLLED VETERANS.**

15       (a) *IN GENERAL.*—(1) Chapter 17 is amended by in-  
16       serting after section 1713 the following new section:

17   **“§ 1713A. Medical care for certain dependents of en-**  
18                   **rolled veterans: pilot program**

19       “(a) The Secretary may, during the program period,  
20       carry out a pilot program to provide primary health care  
21       services for eligible dependents of veterans in accordance  
22       with this section.

23       “(b) For purposes of this section:

24           “(1) The term ‘program period’ means the period  
25       beginning on the first day of the first month begin-

1        *ning more than 180 days after the date of the enact-*  
2        *ment of this section and ending three years after that*  
3        *day.*

4                *“(2) The term ‘eligible dependent’ means an in-*  
5        *dividual who—*

6                        *“(A) is the spouse or child of a veteran who*  
7        *is enrolled in the system of patient enrollment es-*  
8        *tablished by the Secretary under section 1705 of*  
9        *this title; and*

10                      *“(B) is determined by the Secretary to have*  
11        *the ability to pay for such care or services either*  
12        *directly or through reimbursement or indem-*  
13        *nification from a third party.*

14                *“(c) The Secretary may furnish health care services to*  
15        *an eligible dependent under this section only if the depend-*  
16        *ent (or, in the case of a minor, the parent or guardian of*  
17        *the dependent) agrees—*

18                      *“(1) to pay to the United States an amount rep-*  
19        *resenting the reasonable charges for the care or serv-*  
20        *ices furnished (as determined by the Secretary); and*

21                      *“(2) to cooperate with and provide the Secretary*  
22        *an appropriate assignment of benefits, authorization*  
23        *to release medical records, and any other executed*  
24        *documents, information, or evidence reasonably need-*  
25        *ed by the Secretary to recover the Department’s*

1        *charges for the care or services furnished by the Sec-*  
2        *retary.*

3        *“(d)(1) The health care services provided under the*  
4        *pilot program under this section may consist of such pri-*  
5        *mary hospital care services and such primary medical serv-*  
6        *ices as may be authorized by the Secretary. The Secretary*  
7        *may furnish those services directly through a Department*  
8        *medical facility or, subject to paragraphs (2) and (3), pur-*  
9        *suant to a contract or other agreement with a non-Depart-*  
10       *ment facility (including a health-care provider, as defined*  
11       *in section 8152(2) of this title).*

12       *“(2) The Secretary may enter into a contract or agree-*  
13       *ment to furnish primary health care services under this sec-*  
14       *tion in a non-Department facility on the same basis as pro-*  
15       *vided under subsections (a) and (b) of section 1703 of this*  
16       *title or may include such care in an existing or new agree-*  
17       *ment under section 8153 of this title when the Secretary*  
18       *determines it to be in the best interest of the prevailing*  
19       *standards of the Department medical care program.*

20       *“(3) Primary health care services may not be author-*  
21       *ized to be furnished under this section at any medical facil-*  
22       *ity if the furnishing of those services would result in the*  
23       *denial of, or a delay in providing, access to care for any*  
24       *enrolled veteran at that facility.*

1       “(e)(1) *In the case of an eligible dependent who is fur-*  
2 *nished primary health care services under this section and*  
3 *who has coverage under a health-plan contract, as defined*  
4 *in section 1729(i)(1) of this title, the United States shall*  
5 *have the right to recover or collect the reasonable charges*  
6 *for such care or services from such health-plan contract to*  
7 *the extent that the individual or the provider of the care*  
8 *or services would be eligible to receive payment for such care*  
9 *or services from such health-plan contract if the care or*  
10 *services had not been furnished by a department or agency*  
11 *of the United States.*

12       “(2) *The right of the United States to recover under*  
13 *paragraph (1) shall be enforceable with respect to an eligible*  
14 *dependent in the same manner as applies under subsections*  
15 *(a)(3), (b), (c)(1), (c)(2), (d), (f), (h), and (i) of section 1729*  
16 *of this title with respect to a veteran.*

17       “(f)(1) *Subject to paragraphs (2) and (3), the pilot*  
18 *program under this section shall be carried out during the*  
19 *program period in not more than four veterans integrated*  
20 *service networks, as designated by the Secretary. In desig-*  
21 *nating networks under the preceding sentence, the Secretary*  
22 *shall favor designation of networks that are suited to serve*  
23 *dependents of veterans because of—*

24               “(A) *the capability of one or more medical facili-*  
25 *ties within the network to furnish primary health*

1       *care services to eligible dependents while assuring that*  
2       *veterans continue to receive priority for care and*  
3       *services;*

4               “(B) *the demonstrated success of such medical fa-*  
5       *cilities in billings and collections;*

6               “(C) *support for initiating such a pilot program*  
7       *among veterans in the network; and*

8               “(D) *such other criteria as the Secretary con-*  
9       *siders appropriate.*

10       “(2) *In implementing the pilot program, the Secretary*  
11       *may not provide health care services for dependents who*  
12       *are children—*

13               “(A) *in more than one of the participating net-*  
14       *works during the first year of the program period;*  
15       *and*

16               “(B) *in more than two of the participating net-*  
17       *works during the second year of the program period.*

18       “(3) *In implementing the pilot program, the Secretary*  
19       *shall give priority to facilities which operate women vet-*  
20       *erans’ clinics.”.*

21       “(2) *The table of sections at the beginning of such chap-*  
22       *ter is amended by inserting after the item relating to section*  
23       *1713 the following new item:*

      “1713A. *Medical care for certain dependents and enrolled veterans: pilot pro-*  
          *gram.”.*

1           **(b) GAO REVIEW AND RECOMMENDATIONS.**—(1) *Be-*  
2 *ginning six months after the commencement of the pilot*  
3 *program, the Comptroller General, in consultation with the*  
4 *Under Secretary for Health of the Department of Veterans*  
5 *Affairs, shall monitor the conduct of the pilot program.*

6           (2) *Not later than 14 months after the commencement*  
7 *of the pilot program, the Comptroller General shall submit*  
8 *to the Secretary of Veterans Affairs a report setting forth*  
9 *the Comptroller General's findings and recommendations*  
10 *with respect to the first 12 months of operation of the pilot*  
11 *program.*

12           (3)(A) *The report under paragraph (2) shall include*  
13 *the findings of the Comptroller General regarding—*

14                   (i) *whether the collection of reasonable charges*  
15 *for the care or services provided reasonably covers the*  
16 *costs of providing such care and services; and*

17                   (ii) *whether the Secretary, in carrying out the*  
18 *program, is in compliance with the limitation in sub-*  
19 *section (d)(3) of section 1713A of title 38, United*  
20 *States Code, as added by subsection (a).*

21           (B) *The report shall include the recommendations of*  
22 *the Comptroller General regarding any remedial steps that*  
23 *the Secretary should take in the conduct of the program*  
24 *or in the billing and collection of charges under the pro-*  
25 *gram.*

1       (4) *The Secretary, in consultation with, and following*  
2 *receipt of the report of, the Comptroller General, shall take*  
3 *such steps as may be needed to ensure that any rec-*  
4 *ommendations of the Comptroller General in the report*  
5 *under paragraph (2) with respect to billings and collections,*  
6 *and with respect to compliance with the limitation in sub-*  
7 *section (d)(3) of such section, are carried out.*

8       (5) *For purposes of this subsection, the term “com-*  
9 *mencement of the pilot program” means the date on which*  
10 *the Secretary of Veterans Affairs begins to furnish services*  
11 *to eligible dependents under the pilot program under section*  
12 *1713A of title 38, United States Code, as added by sub-*  
13 *section (a).*

14 **SEC. 107. ENHANCED SERVICES PROGRAM AT DESIGNATED**  
15 **MEDICAL CENTERS.**

16       (a) *FINDINGS.—Congress makes the following findings:*

17           (1) *Historically, health care facilities under the*  
18 *jurisdiction of the Department of Veterans Affairs*  
19 *have not consistently been located in proximity to vet-*  
20 *eran population concentrations.*

21           (2) *Hospital occupancy rates at numbers of De-*  
22 *partment medical centers are at levels substantially*  
23 *below a level needed for efficient operation and opti-*  
24 *mal quality of care.*

1           (3) *The costs of maintaining highly inefficient*  
2           *medical centers, which were designed and constructed*  
3           *decades ago to standards no longer considered accept-*  
4           *able, substantially diminish the availability of re-*  
5           *sources which could be devoted to the provision of*  
6           *needed direct care services.*

7           (4) *Freeing resources currently devoted to highly*  
8           *inefficient provision of hospital care could, through*  
9           *contracting for acute hospital care and establishing*  
10          *new facilities for provision of outpatient care, yield*  
11          *improved access and service to veterans.*

12          (b) *ENHANCED SERVICES PROGRAM AT DESIGNATED*  
13          *MEDICAL CENTERS.—The Secretary of Veterans Affairs, in*  
14          *carrying out the responsibilities of the Secretary to furnish*  
15          *hospital care and medical services through network-based*  
16          *planning, shall establish an enhanced service program at*  
17          *Department medical centers (hereinafter in this section re-*  
18          *ferred to as “designated centers”) that are designated by*  
19          *the Secretary for the purposes of this section. Medical cen-*  
20          *ters shall be designated to improve access, and quality of*  
21          *service provided, to veterans served by those medical centers.*  
22          *The Secretary may designate a medical center for the pro-*  
23          *gram only if the Secretary determines, on the basis of a*  
24          *market and data analysis (which shall include a study of*

1 *the cost-effectiveness of the care provided at such center),*  
2 *that the medical center—*

3 *(1) can, in whole or in part, no longer be oper-*  
4 *ated in a manner that provides hospital or other care*  
5 *efficiently and at optimal quality because of such fac-*  
6 *tors as—*

7 *(A) the current and projected need for hos-*  
8 *pital or other care capacity at such center;*

9 *(B) the extent to which the facility is func-*  
10 *tionally obsolete; and*

11 *(C) the cost of operation and maintenance*  
12 *of the physical plant; and*

13 *(2) is located in proximity (A) to one or more*  
14 *community hospitals which have the capacity to pro-*  
15 *vide primary and secondary hospital care of appro-*  
16 *priate quality to veterans under contract arrange-*  
17 *ments with the Secretary which the Secretary deter-*  
18 *mines are advantageous to the Department, or (B) to*  
19 *another Department medical center which is capable*  
20 *of absorbing some or all of the patient workload of*  
21 *such medical center.*

22 *(c) MEDICAL CENTER PLAN.—The Secretary shall,*  
23 *with respect to each designated center, develop a plan aimed*  
24 *at improving the accessibility and quality of service pro-*  
25 *vided to veterans. Each plan shall be developed in accord-*

1 *ance with the requirements for strategic network-based*  
2 *planning described in section 8107 of title 38, United States*  
3 *Code. In the plan for a designated center, the Secretary*  
4 *shall describe a program which, if implemented, would*  
5 *allow the Secretary to do any of the following:*

6           (1) *Provide for a Department facility described*  
7 *in subsection (b)(2)(B) to absorb some or all of the*  
8 *patient workload of the designated center.*

9           (2) *Contract, under such arrangements as the*  
10 *Secretary determines appropriate, for needed primary*  
11 *and secondary hospital care for veterans—*

12                 (A) *who reside in the catchment area of*  
13 *each designated center;*

14                 (B) *who are described in paragraphs (1)*  
15 *through (6) of section 1705(a) of title 38, United*  
16 *States Code; and*

17                 (C) *whom the Secretary has enrolled for*  
18 *care pursuant to section 1705 of title 38, United*  
19 *States Code.*

20           (3) *Cease to provide hospital care, or hospital*  
21 *care and other medical services, at such center.*

22           (4) *If practicable, lease, under subchapter V of*  
23 *chapter 81 of title 38, United States Code, land and*  
24 *improvements which had been dedicated to providing*  
25 *care described in paragraph (3).*

1           (5) *Establish, through reallocation of operational*  
2           *funds and through appropriate lease arrangements or*  
3           *renovations, facilities for—*

4                   (A) *delivery of outpatient care; and*

5                   (B) *services which would obviate a need for*  
6           *nursing home care or other long-term institu-*  
7           *tional care.*

8           (d) *EMPLOYEE PROTECTIONS.—(1) In entering into*  
9           *any contract or lease under subsection (c), the Secretary*  
10          *shall attempt to ensure that employees of the Secretary who*  
11          *would be displaced under this section be given priority in*  
12          *hiring by such contractor, lessee, or other entity.*

13          (2) *In carrying out subsection (c)(5), the Secretary*  
14          *shall give preference to providing services through employee-*  
15          *based delivery models.*

16          (e) *REQUIRED CONSULTATION.—In developing a plan*  
17          *under subsection (c), the Secretary shall obtain the views*  
18          *of veterans organizations, exclusive employee representa-*  
19          *tives, and other interested parties and provide for such or-*  
20          *ganizations and parties to participate in the development*  
21          *of the plan.*

22          (f) *SUBMISSION OF PLAN TO CONGRESS.—The Sec-*  
23          *retary may not implement a plan described in subsection*  
24          *(c) with respect to a medical center unless the Secretary*  
25          *has first submitted a report containing a detailed plan and*

1 *justification to the appropriate committees of Congress. No*  
2 *action to carry out such plan may be taken after the sub-*  
3 *mission of such report until the end of a 45-day period fol-*  
4 *lowing the date of the submission of the report, not less than*  
5 *30 days of which shall be days during which Congress shall*  
6 *have been in continuous session. For purposes of the pre-*  
7 *ceding sentence, continuity of a session of Congress is bro-*  
8 *ken only by adjournment sine die, and there shall be ex-*  
9 *cluded from the computation of any period of continuity*  
10 *of session any day during which either House of Congress*  
11 *is not in session during an adjournment of more than three*  
12 *days to a day certain.*

13 *(g) IMPLEMENTATION OF PLAN.—In carrying out the*  
14 *plan described in subsection (c), or a modification to that*  
15 *plan following the submission of such plan to the appro-*  
16 *priate committees of Congress, the Secretary—*

17 *(1) may, without regard to any limitation under*  
18 *section 1703 of title 38, United States Code, contract*  
19 *for hospital care for veterans who are—*

20 *(A) described in paragraphs (1) through (6)*  
21 *of section 1705(a) of title 38, United States Code;*  
22 *and*

23 *(B) enrolled under subsection (a) of such*  
24 *section 1705;*

1           (2) *may enter into any contract under section*  
2           *8153 of title 38, United States Code;*

3           (3) *shall, in exercising the authority of the Sec-*  
4           *retary under this section to contract for hospital care,*  
5           *provide for ongoing oversight and management, by*  
6           *employees of the Department, of the hospital care fur-*  
7           *nished such veterans; and*

8           (4) *shall, in the case of a designated center which*  
9           *ceases to provide services under the program—*

10           (A) *ensure a reallocation of funds as pro-*  
11           *vided in subsection (h); and*

12           (B) *provide reemployment assistance to em-*  
13           *ployees.*

14           (h) *FUNDS ALLOCATION.—In carrying out subsection*  
15           *(g)(4), the Secretary shall ensure that not less than 90 per-*  
16           *cent of the funds that would have been made available to*  
17           *a designated center to support the provision of services, but*  
18           *for such mission change, shall be made available to the ap-*  
19           *propriate health care region of the Veterans Health Admin-*  
20           *istration to ensure that the implementation of the plan*  
21           *under subsection (g) will result in demonstrable improve-*  
22           *ment in the accessibility, and quality of service provided,*  
23           *to veterans in the catchment area of such center.*

1       (i) *SPECIALIZED SERVICES.*—*The provisions of this*  
2 *section do not diminish the obligations of the Secretary*  
3 *under section 1706(b) of title 38, United States Code.*

4       (j) *REPORT.*—*Not later than 12 months after imple-*  
5 *mentation of any plan under subsection (b), the Secretary*  
6 *shall submit to Congress a report on the implementation*  
7 *of the enhanced service program.*

8       (k) *RESIDUAL AUTHORITY.*—*Nothing in this section*  
9 *may be construed to diminish the authority of the Secretary*  
10 *to—*

11               (1) *consolidate, eliminate, abolish, or redistribute*  
12 *the functions or missions of facilities in the Depart-*  
13 *ment;*

14               (2) *revise the functions or missions of any such*  
15 *facility or activity; or*

16               (3) *create new facilities or activities in the De-*  
17 *partment.*

18 **SEC. 108. COUNSELING AND TREATMENT FOR VETERANS**

19 **WHO HAVE EXPERIENCED SEXUAL TRAUMA.**

20       (a) *EXTENSION OF PERIOD OF PROGRAM.*—*Subsection*  
21 *(a) of section 1720D is amended—*

22               (1) *in paragraph (1), by striking “December 31,*  
23 *2001” and inserting “December 31, 2002”; and*

24               (2) *in paragraph (3), by striking “December 31,*  
25 *2001” and inserting “December 31, 2002”.*

1           (b) *MANDATORY NATURE OF PROGRAM.*—(1) *Sub-*  
2 *section (a)(1) of such section is further amended by striking*  
3 *“may provide counseling to a veteran who the Secretary*  
4 *determines requires such counseling” and inserting “shall*  
5 *operate a program under which the Secretary provides*  
6 *counseling and appropriate care and services to veterans*  
7 *who the Secretary determines require such counseling and*  
8 *care and services”.*

9           (2) *Subsection (a) of such section is further amended—*  
10                 (A) *by striking paragraph (2); and*  
11                 (B) *by redesignating paragraph (3) (as amended*  
12 *by subsection (a)(2)) as paragraph (2).*

13           (c) *OUTREACH EFFORTS.*—*Subsection (c) of such sec-*  
14 *tion is amended—*

15                 (1) *by inserting “and treatment” in the first sen-*  
16 *tence and in paragraph (2) after “counseling”;*

17                 (2) *by striking “and” at the end of paragraph*  
18 *(1);*

19                 (3) *by redesignating paragraph (2) as para-*  
20 *graph (3); and*

21                 (4) *by inserting after paragraph (1) the fol-*  
22 *lowing new paragraph (2):*

23                         *“(2) shall ensure that information about the*  
24 *counseling and treatment available to veterans under*  
25 *this section—*

1           “(A) is revised and updated as appropriate;

2           “(B) is made available and visibly posted  
3           at appropriate facilities of the Department; and

4           “(C) is made available through appropriate  
5           public information services; and”.

6           (d) *REPORT ON IMPLEMENTATION OF OUTREACH AC-*  
7 *TIVITIES.*—Not later than six months after the date of the  
8 enactment of this Act, the Secretary of Veterans Affairs  
9 shall submit to the Committees on Veterans’ Affairs of the  
10 Senate and House of Representatives a report on the Sec-  
11 retary’s implementation of paragraph (2) of section  
12 1720D(c) of title 38, United States Code, as added by sub-  
13 section (c). Such report shall include examples of the docu-  
14 ments and other means of communication developed for  
15 compliance with that paragraph.

16           (e) *STUDY OF EXPANDING ELIGIBILITY FOR COUN-*  
17 *SELING AND TREATMENT.*—(1) The Secretary of Veterans  
18 Affairs, in consultation with the Secretary of Defense, shall  
19 conduct a study to determine—

20           (A) the extent to which former members of the re-  
21 serve components of the Armed Forces experienced  
22 physical assault of a sexual nature or battery of a  
23 sexual nature while serving on active duty for train-  
24 ing;

1           (B) *the extent to which such former members*  
2           *have sought counseling from the Department of Vet-*  
3           *erans Affairs relating to those incidents; and*

4           (C) *the additional resources that, in the judg-*  
5           *ment of the Secretary, would be required to meet the*  
6           *projected need of those former members for such coun-*  
7           *seling.*

8           (2) *Not later than 16 months after the date of the en-*  
9           *actment of this Act, the Secretary of Veterans Affairs shall*  
10          *submit to the Committees on Veterans' Affairs of the Senate*  
11          *and House of Representatives a report on the results of the*  
12          *study conducted under paragraph (1).*

13          (f) *OVERSIGHT OF OUTREACH ACTIVITIES.—Not later*  
14          *than 14 months after the date of the enactment of this Act,*  
15          *the Secretary of Veterans Affairs and the Secretary of De-*  
16          *fense shall submit to the appropriate congressional commit-*  
17          *tees a joint report describing in detail the collaborative ef-*  
18          *forts of the Department of Veterans Affairs and the Depart-*  
19          *ment of Defense to ensure that members of the Armed*  
20          *Forces, upon separation from active military, naval, or air*  
21          *service, are provided appropriate and current information*  
22          *about programs of the Department of Veterans Affairs to*  
23          *provide counseling and treatment for sexual trauma that*  
24          *may have been experienced by those members while in the*  
25          *active military, naval, or air service, including information*

1 *about eligibility requirements for, and procedures for ap-*  
2 *plying for, such counseling and treatment. The report shall*  
3 *include proposed recommendations from both the Secretary*  
4 *of Veterans Affairs and the Secretary of Defense for the im-*  
5 *provement of their collaborative efforts to provide such in-*  
6 *formation.*

7       *(g) REPORT ON IMPLEMENTATION OF SEXUAL TRAUMA*  
8 *TREATMENT PROGRAM.—Not later than 14 months after the*  
9 *date of the enactment of this Act, the Secretary of Veterans*  
10 *Affairs shall submit to the Committees on Veterans' Affairs*  
11 *of the Senate and House of Representatives a report on the*  
12 *use made of the authority provided under section 1720D*  
13 *of title 38, United States Code, as amended by this section.*  
14 *The report shall include the following with respect to activi-*  
15 *ties under that section since the enactment of this Act:*

16           *(1) The number of veterans who have received*  
17 *counseling under that section.*

18           *(2) The number of veterans who have been re-*  
19 *ferred to non-Department mental health facilities and*  
20 *providers in connection with sexual trauma coun-*  
21 *seling and treatment.*

1                   **TITLE II—PROGRAM**  
2                   **ADMINISTRATION**

3 **SEC. 201. MEDICAL CARE COLLECTIONS.**

4           (a) *LIMITED AUTHORITY TO SET COPAYMENTS.—(1)*

5 *Section 1722A is amended—*

6                   (A) *by redesignating subsections (b) and (c) as*  
7 *subsections (c) and (d), respectively;*

8                   (B) *by inserting after subsection (a) the fol-*  
9 *lowing new subsection (b):*

10           “(b) *The Secretary, pursuant to regulations which the*  
11 *Secretary shall prescribe, may—*

12                   “(1) *increase the copayment amount in effect*  
13 *under subsection (a);*

14                   “(2) *establish a maximum annual pharma-*  
15 *ceutical copayment amount under subsection (a) for*  
16 *veterans who have multiple outpatient prescriptions;*  
17 *and*

18                   “(3) *require a veteran, other than a veteran de-*  
19 *scribed in subsection (a)(3), to pay to the United*  
20 *States a reasonable copayment for sensori-neural*  
21 *aids, electronic equipment, and any other costly item*  
22 *or equipment furnished the veteran for a nonservice-*  
23 *connected condition, other than a wheelchair or artifi-*  
24 *cial limb.”; and*

1           (C) in subsection (c), as redesignated by sub-  
2           paragraph (A)—

3                   (i) by striking “this section” and inserting  
4                   “subsection (a)”; and

5                   (ii) by adding at the end the following new  
6                   sentence: “Amounts collected through use of the  
7                   authority under subsection (b) shall be deposited  
8                   in Department of Veterans Affairs Health Serv-  
9                   ices Improvement Fund.”.

10          (2)(A) The heading of such section is amended to read  
11 as follows:

12          “**§1722A. Copayments for medications and certain**  
13                   **costly items and equipment**”.

14          (B) The item relating to such section in the table of  
15 sections at the beginning of chapter 17 is amended to read  
16 as follows:

          “1722A. Copayments for medications and certain costly items and equipment.”.

17          (b) *OUTPATIENT TREATMENT OF CATEGORY C VET-*  
18 *ERANS.*—(1) Section 1710(g) is amended—

19                   (A) in paragraph (1), by striking “the amount  
20                   under paragraph (2) of this subsection” and inserting  
21                   “in the case of each outpatient visit the applicable  
22                   amount or amounts established by the Secretary by  
23                   regulation”; and

1           (B) in paragraph (2), by striking all after “for  
2           an amount” and inserting “which the Secretary shall  
3           establish by regulation.”.

4 **SEC. 202. HEALTH SERVICES IMPROVEMENT FUND.**

5           (a) *ESTABLISHMENT OF FUND.*—Chapter 17 is  
6 amended by inserting after section 1729A the following new  
7 section:

8 **“§ 1729B. Health Services Improvement Fund**

9           “(a) There is established in the Treasury of the United  
10 States a fund to be known as the ‘Department of Veterans  
11 Affairs Health Services Improvement Fund’.

12           “(b) Amounts received or collected after the date of the  
13 enactment of this section under any of the following provi-  
14 sions of law shall be deposited in the fund:

15                   “(1) Section 1713A of this title.

16                   “(2) Section 1722A(b) of this title.

17                   “(3) Section 8165(a) of this title.

18                   “(4) Section 104(c) of the Veterans’ Millennium  
19 Health Care Act.

20           “(c) Amounts in the fund are hereby available, without  
21 fiscal year limitation, to the Secretary for the purposes stat-  
22 ed in subparagraphs (A) and (B) of section 1729A(c)(1)  
23 of this title.”.

1       (b) *CLERICAL AMENDMENT.*—*The table of sections at*  
2 *the beginning of such chapter is amended by inserting after*  
3 *the item relating to section 1729A the following new item:*  
   *“1729B. Health Services Improvement Fund.”.*

4 **SEC. 203. VETERANS TOBACCO TRUST FUND.**

5       (a) *FINDINGS.*—*Congress finds the following:*

6           (1) *Smoking related illnesses, including cancer,*  
7 *heart disease, and emphysema, are highly prevalent*  
8 *among the more than 3,000,000 veterans who use the*  
9 *Department of Veterans Affairs health care system*  
10 *annually.*

11           (2) *The Department of Veterans Affairs estimates*  
12 *that it spent \$3,600,000,000 in 1997 to treat smok-*  
13 *ing-related illnesses and that over the next five years*  
14 *it will spend \$20,000,000,000 on such care.*

15           (3) *Congress established the Department of Vet-*  
16 *erans Affairs in furtherance of its constitutional*  
17 *power to provide for the national defense in order to*  
18 *provide benefits and services to veterans of the uni-*  
19 *formed services.*

20           (4) *There is in the Department of Veterans Af-*  
21 *fairs a health care system which has as its primary*  
22 *function to provide a complete medical and hospital*  
23 *service for the medical care and treatment of such vet-*  
24 *erans as can be served through available appropria-*  
25 *tions.*

1           (5) *The Federal Government, including the De-*  
2           *partment of Veterans Affairs, has lacked the means to*  
3           *prevent the onset of smoking-related illnesses among*  
4           *veterans and has had no authority to deny needed*  
5           *treatment to any veteran on the basis that an illness*  
6           *is or might be smoking-related.*

7           (6) *With some 20 percent of its health care budg-*  
8           *et absorbed in treating smoking-related illnesses, the*  
9           *Department of Veterans Affairs health care system*  
10          *has lacked resources to provide needed nursing home*  
11          *care, home care, community-based ambulatory care,*  
12          *and other services to tens of thousands of other vet-*  
13          *erans.*

14          (7) *The network of academically affiliated med-*  
15          *ical centers of the Department of Veterans Affairs*  
16          *provides a unique system within which outstanding*  
17          *medical research is conducted and which has the po-*  
18          *tential to expand significantly ongoing research on*  
19          *tobacco-related illnesses.*

20          (8) *It is in the public interest for Congress to*  
21          *enact legislation requiring that a portion of any*  
22          *amounts received from manufacturers of tobacco prod-*  
23          *ucts be used to meet the costs of (A) treatment for dis-*  
24          *eases and adverse health effects associated with the use*  
25          *of tobacco products by those who served their country*

1        *in uniform, and (B) medical and health services re-*  
2        *search relating to prevention and treatment of, and*  
3        *rehabilitation from, tobacco addiction and diseases*  
4        *associated with tobacco use.*

5        *(b) ESTABLISHMENT OF TRUST FUND.—(1) Chapter*  
6        *17 is amended by inserting after section 1729B, as added*  
7        *by section 202(a), the following new section:*

8        **“§ 1729C. Veterans Tobacco Trust Fund**

9            *“(a) There is established in the Treasury of the United*  
10        *States a trust fund to be known as the ‘Veterans Tobacco*  
11        *Trust Fund’, consisting of such amounts as may be appro-*  
12        *priated, credited, or donated to the trust fund.*

13            *“(b) If a lawsuit is brought by the United States*  
14        *against the tobacco manufacturers seeking recovery of costs*  
15        *incurred or to be incurred by the United States that are*  
16        *attributable to tobacco-related illnesses, there shall be cred-*  
17        *ited to the trust fund from any amount recovered by the*  
18        *United States pursuant to that lawsuit, without further ap-*  
19        *propriation, the amount that bears the same ratio to the*  
20        *amount recovered as the amount of the Department’s costs*  
21        *for health care attributable to tobacco-related illnesses for*  
22        *which recovery is sought in the suit bears to the total*  
23        *amount sought by the United States in the suit.*

1       “(c) After September 30, 2004, amounts in the trust  
2 fund shall be available, without fiscal year limitation, to  
3 the Secretary of Veterans Affairs for the following purposes:

4               “(1) Furnishing medical care and services under  
5 this chapter, to be available during any fiscal year for  
6 the same purposes and subject to the same limitations  
7 (other than with respect to the period of availability  
8 for obligation) as apply to amounts appropriated  
9 from the general fund of the Treasury for that fiscal  
10 year for medical care.

11              “(2) Conducting medical research, rehabilitation  
12 research, and health systems research, with particular  
13 emphasis on research relating to prevention and  
14 treatment of, and rehabilitation from, tobacco addic-  
15 tion and diseases associated with tobacco use.”.

16       (2) The table of sections at the beginning of such chap-  
17 ter is amended by inserting after the item relating to section  
18 1729B, as added by section 202(b), the following new item:  
“1729C. Veterans Tobacco Trust Fund.”.

19 **SEC. 204. AUTHORITY TO ACCEPT FUNDS FOR EDUCATION**  
20 **AND TRAINING.**

21       (a) **ESTABLISHMENT OF NONPROFIT CORPORATIONS**  
22 **AT MEDICAL CENTERS.**—Section 7361(a) is amended—

23              (1) by inserting “and education” after “re-  
24 search”;

1           (2) *by adding at the end the following: “Such a*  
2           *corporation may be established to facilitate either re-*  
3           *search or education or both research and education.”.*

4           (b) *PURPOSE OF CORPORATIONS.—Section 7362 is*  
5           *amended—*

6           (1) *in the first sentence, by inserting “and edu-*  
7           *cation and training as described in sections 7302,*  
8           *7471, 8154, and 1701(6)(B) of this title” after “of*  
9           *this title”; and*

10          (2) *in the second sentence—*

11           (A) *by inserting “or education” after “re-*  
12           *search”; and*

13           (B) *by striking “that purpose” and insert-*  
14           *ing “these purposes”.*

15          (c) *BOARD OF DIRECTORS.—Section 7363(a) is*  
16          *amended—*

17           (1) *in subsection (a)(1), by striking all after*  
18           *“medical center, and” and inserting “as appropriate,*  
19           *the assistant chief of staff for research for the medical*  
20           *center and the associate chief of staff for education for*  
21           *the medical center, or, in the case of a facility at*  
22           *which such positions do not exist, those officials who*  
23           *are responsible for carrying out the responsibilities of*  
24           *the medical center director, chief of staff, and, as ap-*

1       *appropriate, the assistant chief of staff for research and*  
2       *the assistant chief for education; and”;*

3               *(2) in subsection (a)(2), by inserting “or edu-*  
4       *cation, as appropriate” after “research”; and*

5               *(3) in subsection (c), by inserting “or education”*  
6       *after “research”.*

7       *(d) APPROVAL OF EXPENDITURES.—Section 7364 is*  
8       *amended by adding at the end the following new subsection:*

9               *“(c)(1) A corporation established under this subchapter*  
10       *may not spend funds for an education activity unless the*  
11       *activity is approved in accordance with procedures pre-*  
12       *scribed by the Under Secretary for Health.*

13               *“(2) The Under Secretary for Health shall prescribe*  
14       *policies and procedures to guide the expenditure of funds*  
15       *by corporations under paragraph (1) consistent with the*  
16       *purpose of such corporations as flexible funding mecha-*  
17       *nisms.”.*

18       **SEC. 205. EXTENSION AND REVISION OF CERTAIN AUTHORI-**

19                               **TIES.**

20               *(a) READJUSTMENT COUNSELING PROGRAM.—Section*  
21       *1712A(a)(1)(B)(ii) is amended by striking “2000” and in-*  
22       *serting “2003”.*

23               *(b) COMMITTEE ON MENTALLY ILL VETERANS.—Sec-*  
24       *tion 7321(d)(2) is amended by striking “three” and insert-*  
25       *ing “five”.*

1           (c) *COMMITTEE ON POST-TRAUMATIC STRESS DIS-*  
2 *ORDER.—Section 110 of Public Law 98–528 (38 U.S.C.*  
3 *1712A note) is amended—*

4                   (1) *in subsection (e)(1), by striking “March 1,*  
5 *1985” and inserting “March 1, 2000”; and*

6                   (2) *in subsection (e)(2), by striking “February 1,*  
7 *1986” and inserting “February 1, 2001”.*

8           (d) *EXTENSION OF AUTHORITY TO MAKE GRANTS.—*  
9 *Section 3(a)(2) of the Homeless Veterans Comprehensive*  
10 *Service Programs Act of 1992 (38 U.S.C. 7721 note) is*  
11 *amended by striking “September 30, 1999” and inserting*  
12 *“September 30, 2002”.*

13           (e) *AUTHORITY TO MAKE GRANTS FOR HOMELESS*  
14 *VETERANS.—Section 3(b)(2) of the Homeless Veterans Com-*  
15 *prehensive Service Programs Act of 1992 (38 U.S.C. 7721*  
16 *note) is amended by striking “and no more than 20 pro-*  
17 *grams which incorporate the procurement of vans as de-*  
18 *scribed in paragraph (1)”.*

19 **SEC. 206. STATE HOME GRANT PROGRAM.**

20           (a) *GENERAL REGULATIONS.—Section 8134 is*  
21 *amended—*

22                   (1) *by redesignating subsection (b) as subsection*  
23 *(c);*

24                   (2) *by striking the matter in subsection (a) pre-*  
25 *ceding paragraph (2) and inserting the following:*

1       “(a)(1) *The Secretary shall prescribe regulations for*  
2 *the purposes of this subchapter.*

3       “(2) *In those regulations, the Secretary shall prescribe*  
4 *for each State the number of nursing home and domiciliary*  
5 *beds for which assistance under this subchapter may be fur-*  
6 *nished. Such regulations shall be based on projected demand*  
7 *for such care 10 years after the date of the enactment of*  
8 *the Veterans Millennium Health Care Act by veterans who*  
9 *at such time are 65 years of age or older and who reside*  
10 *in that State. In determining such projected demand, the*  
11 *Secretary shall take into account travel distances for vet-*  
12 *erans and their families.*

13       “(3)(A) *In those regulations, the Secretary shall estab-*  
14 *lish criteria under which the Secretary shall determine,*  
15 *with respect to an application for assistance under this sub-*  
16 *chapter for a project described in subparagraph (B) which*  
17 *is from a State that has a need for additional beds as deter-*  
18 *mined under subsections (a)(2) and (d)(1), whether the need*  
19 *for such beds is most aptly characterized as great, signifi-*  
20 *cant, or limited. Such criteria shall take into account the*  
21 *availability of beds already operated by the Secretary and*  
22 *other providers which appropriately serve the needs which*  
23 *the State proposes to meet with its application.*

24       “(B) *This paragraph applies to a project for the con-*  
25 *struction or acquisition of a new State home facility, to*

1 a project to increase the number of beds available at a State  
2 home facility, and a project to replace beds at a State home  
3 facility.

4 “(4) The Secretary shall review and, as necessary, re-  
5 vise regulations prescribed under paragraphs (2) and (3)  
6 not less often than every four years.

7 “(b) The Secretary shall prescribe the following by reg-  
8 ulation.”;

9 (3) by redesignating paragraphs (2) and (3) of  
10 subsection (b), as designated by paragraph (2), as  
11 paragraphs (1) and (2);

12 (4) in subsection (c), as redesignated by para-  
13 graph (1), by striking “subsection (a)(3)” and insert-  
14 ing “subsection (b)(2)”; and

15 (5) by adding at the end the following new sub-  
16 section:

17 “(d)(1) In prescribing regulations to carry out this  
18 subchapter, the Secretary shall provide that in the case of  
19 a State that seeks assistance under this subchapter for a  
20 project described in subsection (a)(3)(B), the determination  
21 of the unmet need for beds for State homes in that State  
22 shall be reduced by the number of beds in all previous appli-  
23 cations submitted by that State under this subchapter, in-  
24 cluding beds which have not been recognized by the Sec-  
25 retary under section 1741 of this title.

1       “(2)(A) *Financial assistance under this subchapter for*  
2 *a renovation project may only be provided for a project for*  
3 *which the total cost of construction is in excess of \$400,000*  
4 *(as adjusted from time to time in such regulations to reflect*  
5 *changes in costs of construction).*”

6       “(B) *For purposes of this paragraph, a renovation*  
7 *project is a project to remodel or alter existing buildings*  
8 *for which financial assistance under this subchapter may*  
9 *be provided and does not include maintenance and repair*  
10 *work which is the responsibility of the State.*”

11       (b) *APPLICATIONS WITH RESPECT TO PROJECTS.—*  
12 *Section 8135 is amended—*

13             (1) *in subsection (a)—*

14                     (A) *by striking “set forth—” in the matter*  
15 *preceding paragraph (1) and inserting “set forth*  
16 *the following:”;*

17                     (B) *by capitalizing the first letter of the*  
18 *first word in each of paragraphs (1) through (9);*

19                     (C) *by striking the comma at the end of*  
20 *each of paragraphs (1) through (7) and inserting*  
21 *a period; and*

22                     (D) *by striking “, and” at the end of para-*  
23 *graph (8) and inserting a period;*

24             (2) *by redesignating subsections (b), (c), (d), and*  
25 *(e) as subsections (c), (d), (e), and (f), respectively;*

1           (3) by inserting after subsection (a) the following  
2           new subsection (b):

3           “(b)(1) Any State seeking to receive assistance under  
4           this subchapter for a project that would involve construction  
5           or acquisition of either nursing home or domiciliary facili-  
6           ties shall include with its application under subsection (a)  
7           the following:

8                   “(A) Documentation (i) that the site for the  
9                   project is in reasonable proximity to a sufficient con-  
10                  centration and population of veterans who are 65  
11                  years of age and older, and (ii) that there is a reason-  
12                  able basis to conclude that the facilities when complete  
13                  will be fully occupied.

14                   “(B) A financial plan for the first three years of  
15                  operation of such facilities.

16                   “(C) A five-year capital plan for the State home  
17                  program for that State.

18           “(2) Failure to provide adequate documentation under  
19           paragraph (1)(A) or to provide an adequate financial plan  
20           under paragraph (1)(B) shall be a basis for disapproving  
21           the application.”;

22           (4) in subsection (c), as redesignated by para-  
23           graph (2)—

24                   (A) in paragraph (1), by striking “for a  
25                  grant under subsection (a) of this section” in the

1           matter preceding subparagraph (A) and insert-  
2           ing “under subsection (a) for financial assistance  
3           under this subchapter”;

4                   (B) in paragraph (2)—

5                           (i) by striking “the construction or ac-  
6                           quisition of” in subparagraph (A); and

7                           (ii) by striking subparagraphs (B),  
8                           (C), and (D) and inserting the following:

9                   “(B) An application from a State for a project  
10                  at an existing facility to remedy a condition or con-  
11                  ditions that have been cited by an accrediting institu-  
12                  tion, by the Secretary, or by a local licensing or ap-  
13                  proving body of the State as being threatening to the  
14                  lives or safety of the patients in the facility.

15                  “(C) An application from a State that has not  
16                  previously applied for award of a grant under this  
17                  subchapter for construction or acquisition of a State  
18                  nursing home.

19                  “(D) An application for construction or acquisi-  
20                  tion of a nursing home or domiciliary from a State  
21                  that the Secretary determines, in accordance with reg-  
22                  ulations under this subchapter, has a great need for  
23                  the beds to be established at such home or facility.

1           “(E) *An application from a State for renova-*  
2           *tions to a State home facility other than renovations*  
3           *described in subparagraph (B).*

4           “(F) *An application for construction or acquisi-*  
5           *tion of a nursing home or domiciliary from a State*  
6           *that the Secretary determines, in accordance with reg-*  
7           *ulations under this subchapter, has a significant need*  
8           *for the beds to be established at such home or facility.*

9           “(G) *An application that meets other criteria as*  
10          *the Secretary determines appropriate and has estab-*  
11          *lished in regulations.*

12          “(H) *An application for construction or acquisi-*  
13          *tion of a nursing home or domiciliary from a State*  
14          *that the Secretary determines, in accordance with reg-*  
15          *ulations under this subchapter, has a limited need for*  
16          *the beds to be established at such home or facility.”;*  
17          *and*

18                        (C) *in paragraph (3), by striking subpara-*  
19                        *graph (A) and inserting the following:*

20                        “(A) *may not accord any priority to a project*  
21                        *for the construction or acquisition of a hospital; and”.*

22          (c) *TRANSITION.—The provisions of sections 8134 and*  
23          *8135 of title 38, United States Code, as in effect on June*  
24          *1, 1999, shall continue in effect after such date with respect*  
25          *to applications described in section 8135(b)(2)(A) of such*

1 *title, as in effect on that date, that are identified on the*  
 2 *list that (1) is described in section 8135(b)(4) of such title,*  
 3 *as in effect on that date, and (2) was established by the*  
 4 *Secretary of Veterans Affairs on October 29, 1998.*

5 *(d) EFFECTIVE DATE FOR INITIAL REGULATIONS.—*  
 6 *The Secretary of Veterans Affairs shall prescribe the initial*  
 7 *regulations under subsection (a) of section 8134 of title 38,*  
 8 *United States Code, as added by subsection (a), not later*  
 9 *than April 30, 2000.*

10 **SEC. 207. EXPANSION OF ENHANCED-USE LEASE AUTHOR-**  
 11 **ITY.**

12 *(a) AUTHORITY.—Section 8162(a)(2) is amended—*  
 13 *(1) by striking “only if the Secretary” and in-*  
 14 *serting “only if—*  
 15 *“(A) the Secretary”;*  
 16 *(2) by redesignating subparagraphs (A), (B),*  
 17 *and (C) as clauses (i), (ii), and (iii), respectively,*  
 18 *and realigning those clauses so as to be four ems from*  
 19 *the left margin;*  
 20 *(3) by striking the period at the end of clause*  
 21 *(iii), as so redesignated, and inserting “; or”; and*  
 22 *(4) by adding at the end the following:*  
 23 *“(B) the Secretary determines that the imple-*  
 24 *mentation of a business plan proposed by the Under*  
 25 *Secretary for Health for applying the consideration*

1        *under such a lease to the provision of medical care*  
2        *and services would result in a demonstrable improve-*  
3        *ment of services to eligible veterans in the geographic*  
4        *service-delivery area within which the property is lo-*  
5        *cated.”.*

6        *(b) TERM OF ENHANCED-USE LEASE.—Section*  
7        *8162(b) is amended—*

8                *(1) in paragraph (2), by striking “may not ex-*  
9                *ceed—” and all that follows and inserting “may not*  
10              *exceed 75 years.”; and*

11              *(2) by striking paragraph (4) and inserting the*  
12              *following:*

13              *“(4) The terms of an enhanced-use lease may provide*  
14              *for the Secretary to—*

15                    *“(A) obtain facilities, space, or services on the*  
16                    *leased property; and*

17                    *“(B) use minor construction funds for capital*  
18                    *contribution payments.”.*

19        *(c) DESIGNATION OF PROPERTY PROPOSED TO BE*  
20        *LEASED.—(1) Subsection (b) of section 8163 is amended—*

21                    *(A) by striking “include—” and inserting “in-*  
22                    *clude the following.”;*

23                    *(B) by capitalizing the first letter of the first*  
24                    *word of each of paragraphs (1), (2), (3), (4), and (5);*

1           (C) by striking the semicolon at the end of para-  
2           graphs (1), (2), and (3) and inserting a period; and

3           (D) by striking subparagraphs (A), (B), and (C)  
4           of paragraph (4) and inserting the following:

5                   “(A) would—

6                           “(i) contribute in a cost-effective man-  
7                           ner to the mission of the Department;

8                           “(ii) not be inconsistent with the mis-  
9                           sion of the Department;

10                          “(iii) not adversely affect the mission  
11                          of the Department; and

12                          “(iv) affect services to veterans; or

13                          “(B) would result in a demonstrable im-  
14                          provement of services to eligible veterans in the  
15                          geographic service-delivery area within which the  
16                          property is located.”.

17           (2) Subparagraph (E) of subsection (c)(1) of that sec-  
18           tion is amended by striking clauses (i), (ii), and (iii) and  
19           inserting the following:

20                          “(i) would—

21                           “(I) contribute in a cost-effective man-  
22                           ner to the mission of the Department;

23                           “(II) not be inconsistent with the mis-  
24                           sion of the Department;

1                   “(III) not adversely affect the mission  
2                   of the Department; and

3                   “(IV) affect services to veterans; or  
4                   “(ii) would result in a demonstrable im-  
5                   provement of services to eligible veterans in the  
6                   geographic service-delivery area within which the  
7                   property is located.”.

8           (d) *USE OF PROCEEDS.*—Section 8165(a) is  
9 amended—

10                   (1) by striking paragraph (1) and inserting the  
11                   following:

12                   “(a)(1) Funds received by the Department under an  
13 enhanced-use lease and remaining after any deduction from  
14 those funds under subsection (b) shall be deposited in the  
15 Department of Veterans Affairs Health Services Improve-  
16 ment Fund established under section 1729B of this title.  
17 The Secretary shall make available to the designated health  
18 care region of the Veterans Health Administration within  
19 which the leased property is located not less than 75 percent  
20 of the amount deposited in the fund attributable to that  
21 lease.”; and

22                   (2) by adding at the end the following new para-  
23                   graph:

24                   “(3) For the purposes of paragraph (1), the term ‘des-  
25 igned health care region of the Veterans Health Adminis-

1 *tration’ means a geographic area designated by the Sec-*  
 2 *retary for the purposes of the management of, and alloca-*  
 3 *tion of resources for, health care services provided by the*  
 4 *Veterans Health Administration.”.*

5 *(e) REPEAL OF TERMINATION PROVISION.—(1) Sec-*  
 6 *tion 8169 is repealed.*

7 *(2) The table of sections at the beginning of chapter*  
 8 *81 is amended by striking the item relating to section 8169.*

9 *(f) REPEAL OF OBSOLETE PROVISIONS.—Section 8162*  
 10 *is amended—*

11 *(1) by striking the last sentence of subsection*

12 *(a)(1); and*

13 *(2) by striking subsection (c).*

14 **SEC. 208. INELIGIBILITY FOR EMPLOYMENT BY VETERANS**

15 **HEALTH ADMINISTRATION OF HEALTH CARE**

16 **PROFESSIONALS WHO HAVE LOST LICENSE**

17 **TO PRACTICE IN ONE JURISDICTION WHILE**

18 **STILL LICENSED IN ANOTHER JURISDICTION.**

19 *Section 7402 is amended by adding at the end the fol-*  
 20 *lowing new subsection:*

21 *“(f) A person may not be employed in a position under*  
 22 *subsection (b) (other than under paragraph (4) of that sub-*  
 23 *section) if—*

1           “(1) the person is or has been licensed, registered,  
2           or certified (as applicable to such position) in more  
3           than one State; and

4           “(2) either—

5                   “(A) any of those States has terminated  
6                   such license, registration, or certification for  
7                   cause; or

8                   “(B) the person has voluntarily relinquished  
9                   such license, registration, or certification in any  
10                  of those States after being notified in writing by  
11                  that State of potential termination for cause.”.

## 12           **TITLE III—MISCELLANEOUS**

### 13   **SEC. 301. REVIEW OF PROPOSED CHANGES TO OPERATION** 14           **OF MEDICAL FACILITIES.**

15           Section 8110 of title 38, United States Code, is amend-  
16   ed by adding at the end the following new subsections:

17           “(d) The Secretary may not in any fiscal year close  
18   more than 50 percent of the beds within a bed section (of  
19   20 or more beds) of a Department medical center unless  
20   the Secretary first submits to the Committees on Veterans’  
21   Affairs of the Senate and the House of Representatives a  
22   report providing a justification for the closure. No action  
23   to carry out such closure may be taken after the submission  
24   of such report until the end of the 21-day period beginning  
25   on the date of the submission of the report.

1       “(e) *The Secretary shall submit to the Committees on*  
2 *Veterans’ Affairs of the Senate and the House of Representa-*  
3 *tives, not later than January 20 of each year, a report docu-*  
4 *menting by network for the preceding fiscal year the fol-*  
5 *lowing:*

6               “(1) *The number of medical service and surgical*  
7 *service beds, respectively, that were closed during that*  
8 *fiscal year and, for each such closure, a description*  
9 *of the changes in delivery of services that allowed such*  
10 *closure to occur.*

11              “(2) *The number of nursing home beds that were*  
12 *the subject of a mission change during that fiscal year*  
13 *and the nature of each such mission change.*

14              “(f) *For purposes of this section:*

15               “(1) *The term ‘closure’, with respect to beds in*  
16 *a medical center, means ceasing to provide staffing*  
17 *for, and to operate, those beds. Such term includes*  
18 *converting the provision of such bed care from care in*  
19 *a Department facility to care under contract arrange-*  
20 *ments.*

21               “(2) *The term ‘bed section’, with respect to a*  
22 *medical center, means psychiatric beds (including*  
23 *beds for treatment of substance abuse and post-trau-*  
24 *matic stress disorder), intermediate, neurology, and*

1       *rehabilitation medicine beds, extended care (other*  
2       *than nursing home) beds, and domiciliary beds.*

3               “(3) *The term ‘justification’, with respect to clo-*  
4       *sure of beds, means a written report that includes the*  
5       *following:*

6                       “(A) *An explanation of the reasons for the*  
7       *determination that the closure is appropriate*  
8       *and advisable.*

9                       “(B) *A description of the changes in the*  
10       *functions to be carried out and the means by*  
11       *which such care and services would continue to*  
12       *be provided to eligible veterans.*

13                      “(C) *A description of the anticipated effects*  
14       *of the closure on veterans and on their access to*  
15       *care.”.*

16   **SEC. 302. PATIENT SERVICES AT DEPARTMENT FACILITIES.**

17       (a) *SCOPE OF SERVICES.*—*Section 7803 is amended—*

18               (1) *in subsection (a)—*

19                       (A) *by striking “(a)” before “The canteens”;*  
20       *and*

21                       (B) *by striking “in this subsection;” and all*  
22       *that follows through “the premises” and insert-*  
23       *ing “in this section”; and*

24               (2) *by striking subsection (b).*

1       (b) *TECHNICAL AMENDMENTS.*—(1) *Paragraphs (1)*  
2 *and (11) of section 7802 are each amended by striking “hos-*  
3 *pitals and homes” and inserting “medical facilities”.*

4       (2) *Section 7803, as amended by subsection (a), is*  
5 *amended—*

6           (A) *by striking “hospitals and homes” each place*  
7 *it appears and inserting “medical facilities”; and*

8           (B) *by striking “hospital or home” and inserting*  
9 *“medical facility”.*

10 **SEC. 303. REPORT ON ASSISTED LIVING SERVICES.**

11       *Not later than April 1, 2000, the Secretary of Veterans*  
12 *Affairs shall submit to the Committees on Veterans Affairs*  
13 *of the Senate and House of Representatives a report on the*  
14 *feasibility of establishing a pilot program to assist veterans*  
15 *in receiving needed assisted living services. The Secretary*  
16 *shall include in such report recommendations on—*

17           (1) *the services and staffing that should be pro-*  
18 *vided to a veteran receiving assisted living services*  
19 *under such a pilot program;*

20           (2) *the appropriate design of such a pilot pro-*  
21 *gram; and*

22           (3) *the issues that such a pilot program should*  
23 *be designed to address.*

1 **SEC. 304. CHIROPRACTIC TREATMENT.**

2       (a) *ESTABLISHMENT OF PROGRAM.*—(1) *Within 120*  
3 *days after the date of the enactment of this Act, the Under*  
4 *Secretary for Health of the Department of Veterans Affairs,*  
5 *after consultation with chiropractors, shall establish a pol-*  
6 *icy for the Veterans Health Administration regarding the*  
7 *role of chiropractic treatment in the care of veterans under*  
8 *chapter 17 of title 38, United States Code.*

9       (b) *DEFINITIONS.*—*For purposes of this section:*

10           (1) *The term “chiropractic treatment” means the*  
11 *manual manipulation of the spine performed by a*  
12 *chiropractor for the treatment of such musculo-skeletal*  
13 *conditions as the Secretary considers appropriate.*

14           (2) *The term “chiropractor” means an indi-*  
15 *vidual who—*

16               (A) *is licensed to practice chiropractic in*  
17 *the State in which the individual performs chiro-*  
18 *practic services; and*

19               (B) *holds the degree of doctor of chiropractic*  
20 *from a chiropractic college accredited by the*  
21 *Council on Chiropractic Education.*

1 **SEC. 305. DESIGNATION OF HOSPITAL BED REPLACEMENT**  
2 **BUILDING AT IOANNIS A. LOUGARIS DEPART-**  
3 **MENT OF VETERANS AFFAIRS MEDICAL CEN-**  
4 **TER, RENO, NEVADA.**

5 *The hospital bed replacement building under construc-*  
6 *tion at the Ioannis A. Lougaris Department of Veterans Af-*  
7 *fairs Medical Center in Reno, Nevada, is hereby designated*  
8 *as the “Jack Streeter Building”. Any reference to that*  
9 *building in any law, regulation, map, document, record,*  
10 *or other paper of the United States shall be considered to*  
11 *be a reference to the Jack Streeter Building.*

12 **TITLE IV—CONSTRUCTION AND**  
13 **FACILITIES MATTERS**

14 **SEC. 401. AUTHORIZATION OF MAJOR MEDICAL FACILITY**  
15 **PROJECTS.**

16 *The Secretary of Veterans Affairs may carry out the*  
17 *following major medical facility projects, with each project*  
18 *to be carried out in the amount specified for that project:*

19 (1) *Renovation to provide a domiciliary at Or-*  
20 *lando, Florida in a total amount not to exceed*  
21 *\$2,400,000, to be derived only from funds appro-*  
22 *priated for Construction, Major Projects, for a fiscal*  
23 *year before fiscal year 2000 that remain available for*  
24 *obligation.*

1           (2) *Surgical addition at the Kansas City, Mis-*  
2           *souri, Department of Veterans Affairs medical center,*  
3           *in an amount not to exceed \$13,000,000.*

4 **SEC. 402. AUTHORIZATION OF MAJOR MEDICAL FACILITY**  
5           **LEASES.**

6           *The Secretary of Veterans Affairs may enter into leases*  
7           *for medical facilities as follows:*

8           (1) *Lease of an outpatient clinic, Lubbock,*  
9           *Texas, in an amount not to exceed \$1,112,000.*

10          (2) *Lease of a research building, San Diego,*  
11          *California, in an amount not to exceed \$1,066,500.*

12 **SEC. 403. AUTHORIZATION OF APPROPRIATIONS.**

13          (a) *IN GENERAL.*—*There are authorized to be appro-*  
14          *priated to the Secretary of Veterans Affairs for fiscal year*  
15          *2000 and for fiscal year 2001—*

16               (1) *for the Construction, Major Projects, account*  
17               *\$13,000,000 for the project authorized in section*  
18               *401(2); and*

19               (2) *for the Medical Care account, \$2,178,500 for*  
20               *the leases authorized in section 402.*

21          (b) *LIMITATION.*—*The project authorized in section*  
22          *401(2) may only be carried out using—*

23               (1) *funds appropriated for fiscal year 2000 or*  
24               *fiscal year 2001 pursuant to the authorization of ap-*  
25               *propriations in subsection (a);*

1           (2) *funds appropriated for Construction, Major*  
2           *Projects, for a fiscal year before fiscal year 2000 that*  
3           *remain available for obligation; and*

4           (3) *funds appropriated for Construction, Major*  
5           *Projects, for fiscal year 2000 for a category of activity*  
6           *not specific to a project.*