

House-Senate Conference VA Reform

Overwhelming passage of H.R. 4810 in the House, and passage 93-3 of H.R. 3230 in the Senate

Congressional chambers have approved the establishment of a committee of conference between the houses to work out differences in the two bills

Compromise bills would be subjected to final Senate and House votes and then would be presented to the President for approval as public law

Bills affect access to care, management of VA, and accountability

- *Conference has been meeting for more than a month without resolution until a compromise was reached on July 28.*
- *Major concern is cost: both bills are expensive, costing tens of billions of new VA spending. Would vastly expand contracting-out of VA health care to private sector*



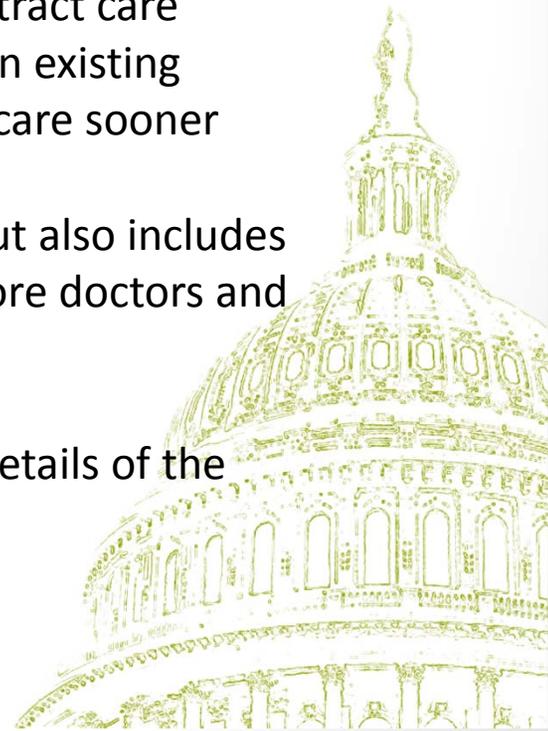
VA Reform Legislation

Senate bill: mandate VA to issue every enrolled and interested veteran residing beyond 40 miles of a VA facility a “Choice Card,” enabling the holder, under specified circumstances when VA could not respond to a health care need, to use it as a pre-authorization of VA payment to any provider

House bill: would authorize significant expansion of contract care similar to Senate bill, when VA facility cannot treat within existing waiting time standards, and veteran chooses to receive care sooner

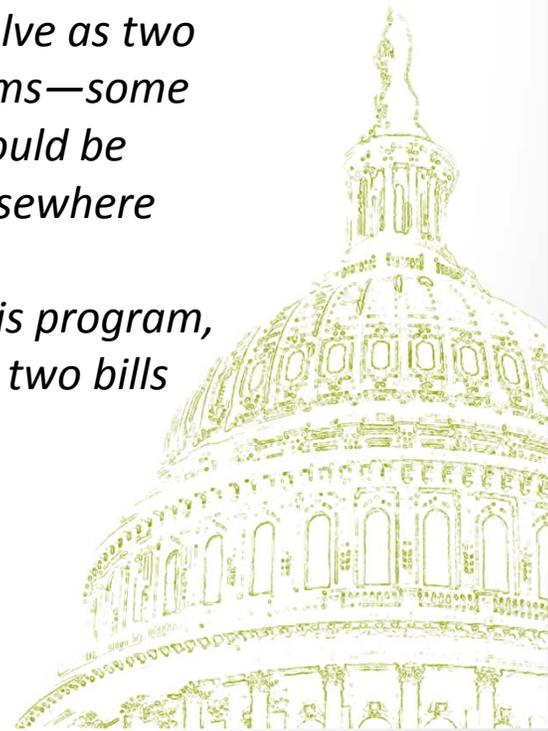
Conference bill: closely mirrors Senate bill H.R. 3230, but also includes about \$5 billion to expand VA infrastructure and hire more doctors and nurses.

As we went to printing, the conference report and the details of the legislation were not available.



DAV Concerns

- *Deeply concerned about contracting-out provisions; would create a two-tiered VA health care system: a direct provider system; and an insurer system. Should Congress enact without significant new funding, VA would become impoverished in meeting the contracting mandate at the expense of its provider mandate, reverting to pre-1996 conditions*
- *Should Congress provide new funds, VA would still evolve as two systems. DAV believes the specialized medical programs—some unique—and VA's academic and research missions, would be diminished as more veterans choose to receive care elsewhere*
- *VA's first-ever and ongoing effort to reform its fee-basis program, Patient Centered Community Care, is ignored by these two bills*



New Challenges

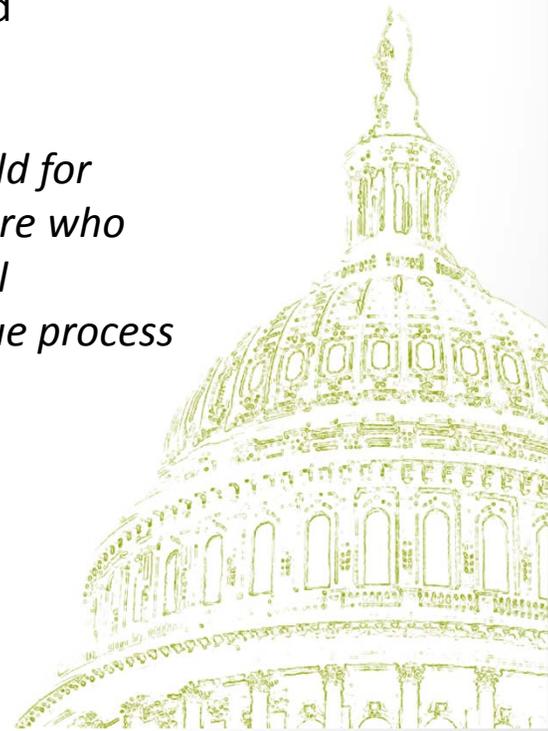
VA Reform Legislation

Both bills commission a series of studies and reports on management, infrastructure, access and quality related to VA health care

- *DAV has no objection to these activities, but their results may become a larger challenge for VA in the next few years*

Both bills give VA new summary powers to terminate members of the VA Senior Executive Service, but the Senate bill provides mild protection and due process

- *DAV is deeply concerned at the impact this policy may hold for current VA executives and talented candidates in the future who may not join VA because their positions would be political appointments, subjecting them to termination with no due process protections afforded to every other federal SES member*



Related Development

VA Acting Secretary proposed a new appropriation of \$17.6 billion to be used over the next four years to hire 10,000 additional health care providers, establish new VA facilities and improve current ones, and make other reforms to address VA's access-to-care crisis.

- *If enacted, these funds would negate further need of action on conference bills, and provide VA with resources to both expand capacity and provide purchased care when needed*
- *Status of this request, supported by DAV, is uncertain as of July 28*
- *The first year of the proposal was reportedly included in the conference report.*

