

Title VI
DEPARTMENT OF VETERANS AFFAIRS

VETERANS HEALTH ADMINISTRATION

MEDICAL SERVICES

For an additional amount for “Medical Services”, \$1,050,000,000, to remain available until September 30, 2018.

DEPARTMENTAL ADMINISTRATION

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For an additional amount for “Grants for Construction of State Extended Care Facilities”, \$550,000,000, to remain available until expended.

ADMINISTRATIVE PROVISION

Sec. 601. No part of any appropriation contained in this title shall be made available for obligation or expenditure, nor any authority granted herein be effective, until the enactment into law of a subsequent Act entitled “Bipartisan Budget Act of 2017”.

Report Language

DEPARTMENT OF VETERANS AFFAIRS
VETERANS HEALTH ADMINISTRATION
MEDICAL SERVICES

The recommendation includes an additional \$1,050,000,000 for Medical Services to address emerging requirements not included in the fiscal year 2018 budget request for Medical Services and not adequately funded elsewhere in this act. In fiscal year 2018, the Department will be annualizing more than \$1,000,000,000 in payroll costs that previously have been funded through the mandatory spending contained the Choice Act, yet the increase requested by the Administration above the fiscal year 2017 enacted level was only \$496,550,000. While the appropriation recommendation included in Title II of this bill increases funding for Medical Services by another \$891,192,000 over the request, this increase would be insufficient to cover both annualizing the payroll costs and the 1 percent annual growth in veteran reliance on the VA healthcare system seen over the past several years. Additionally, after release of the fiscal year 2018 budget request, the Secretary of Veterans Affairs announced that the Department would not

appeal the April 8, 2016, decision by the U.S. Court of Appeals for Veterans Claims in *Staab V. McDonald*.

In 2010, Congress amended VA's statutory authority to reimburse veterans for emergency treatment in a non-Departmental facility. In the April 8, 2016, decision, the Court held that the VA had wrongfully denied reimbursement to veterans who have secondary or partial insurance for emergency medical care received in non-VA medical facilities. While the VA has not provided any exact costs, the implementation estimates range between \$270,000,000 and \$1,300,000,000. The funding provided in this Title will also afford the Department additional resources to absorb costs associated with this ruling in the first year of implementation. The Committee directs the Department to budget accordingly for this new requirement and to provide detailed cost estimates in the justifications accompanying the fiscal year 2019 budget submission.

DEPARTMENTAL ADMINISTRATION
GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

The recommendation includes an additional \$550,000,000 for Grants for Construction of State Extended Care Facilities. As described in Title II of this bill, this program provides grants to States to acquire or construct State home facilities for furnishing domiciliary or nursing home care to veterans, and to expand, remodel, or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans in State homes. Under current law, States are required to provide 35 percent of the total cost of the project with the Federal share not to exceed 65 percent. The VA prioritizes grant applications into several priority groups with Priority One being eligible for immediate funding. Projects on the Priority One list are life-safety renovations, non-life-safety renovations, or construction of new facilities which have State matching funds. In fiscal year 2017, the VA's Priority One list consisted of 57 projects with a total value of over \$630,000,000. Due to insufficient budget requests this list has grown over the last several years. With the \$90,000,000 appropriated to the program in fiscal year 2017, the \$110,000,000 provided in title II of this bill, and the additional funding provided in this title, the VA will be able to fully fund all of the projects on the fiscal year 2017 list and clear out the backlog for additional projects to be funded in fiscal year 2018. In order to ensure that the VA distributes this funding equitably, the Committee directs the Department to utilize the funding provided in this title to fully fund all of the fiscal year 2017 Priority One list projects and use the funding provided in Title II of this bill to fund the fiscal year 2018 Priority One list.