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(Original Signature of Member)

115TH CONGRESS
1ST SESSION

H. R. _____

To amend title 38, United States Code, to establish the Veterans Accountable Care Organization and to provide veterans access to private health insurance plans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. LAMBORN introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title 38, United States Code, to establish the Veterans Accountable Care Organization and to provide veterans access to private health insurance plans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 This Act may be cited as the “Veterans Empower-
5 ment Act”.

1 **SEC. 2. ESTABLISHMENT OF VETERANS ACCOUNTABLE**
2 **CARE ORGANIZATION.**

3 (a) ESTABLISHMENT.—

4 (1) IN GENERAL.—Chapter 3 of title 38, United
5 States Code, is amended by adding at the end the
6 following new section:

7 **“§ 323. Veterans Accountable Care Organization**

8 “(a) ESTABLISHMENT.—(1) There is established the
9 Veterans Accountable Care Organization (in this section
10 referred to as the ‘Corporation’).

11 “(2) The Corporation is a federally chartered cor-
12 poration.

13 “(3) The Corporation shall be incorporated and domi-
14 ciled in the District of Columbia, or another nearby State,
15 as determined by the board of directors of the Corpora-
16 tion.

17 “(4) The Corporation shall be a charitable and non-
18 profit corporation.

19 “(5) Except as otherwise provided, the Corporation
20 shall have perpetual existence.

21 “(b) PURPOSE.—The purpose of the Corporation is
22 to furnish high quality hospital care, medical services, and
23 other health care (excluding nursing home care and domi-
24 ciliary care) to individuals eligible for such care and serv-
25 ices under laws administered by the Secretary.

1 “(c) BOARD OF DIRECTORS.—(1) The powers of the
2 Corporation shall be vested in a Board of Directors that
3 governs the Corporation.

4 “(2) The Board of Directors shall be composed of the
5 following members:

6 “(A) The Secretary of Veterans Affairs.

7 “(B) Two members appointed by the Speaker of
8 the House of Representatives, at least one of whom
9 shall be a veteran.

10 “(C) Two members appointed by the Minority
11 Leader of the House of Representatives, at least one
12 of whom shall be a veteran.

13 “(D) Two members appointed by the Majority
14 Leader of the Senate, at least one of whom shall be
15 a veteran.

16 “(E) Two members appointed by the Minority
17 Leader of the Senate, at least one of whom shall be
18 a veteran.

19 “(F) Two members appointed by the President,
20 at least one of whom shall be veterans.

21 “(3) The President shall designate a member of the
22 Board of Directors to serve as Chairperson of the Board.
23 The Board shall select a Vice Chairperson from among
24 its members.

1 “(4)(A) A member of the Board of Directors shall
2 serve for a term of five years, except that the members
3 first appointed shall be appointed for staggered terms as
4 the President considers appropriate to ensure that the
5 terms of no more than three members expire in the same
6 year.

7 “(B) Any member appointed to fill a vacancy occur-
8 ring before the expiration of the term for which the mem-
9 ber’s predecessor was appointed shall be appointed only
10 for the remainder of that term. A member may serve after
11 the expiration of that member’s term until a successor has
12 taken office. A vacancy on the Board shall not affect its
13 powers, but shall be filled in the same manner in which
14 the original appointment was made.

15 “(C) The term of each member may be renewed for
16 an additional term, except that in no case shall any mem-
17 ber serve more than two consecutive terms exceeding ten
18 years.

19 “(D) During the absence or disability of the Sec-
20 retary of Veterans Affairs or in the event of a vacancy
21 in the office of Secretary, the Acting Secretary of Veterans
22 Affairs shall serve as the member of the Board of Direc-
23 tors specified in paragraph (2)(A).

24 “(d) DUTIES.—In carrying out subsection (b), the
25 Corporation shall—

1 “(1) transfer personnel and assets of the De-
2 partment of Veterans Affairs to the Corporation
3 pursuant to subsection (b) of section 2 of the Vet-
4 erans Empowerment Act;

5 “(2) establish priorities, milestones, and
6 timelines, in consultation with the Secretary of Vet-
7 erans Affairs, for the termination of functions of the
8 Veterans Health Administration directly related to
9 the furnishing of hospital care, medical services, and
10 other health care (excluding nursing home care and
11 domiciliary care) pursuant to subsection (c) of such
12 section 2;

13 “(3) with respect to centers of excellence relat-
14 ing to service-connected injuries and other medical
15 issues—

16 “(A) continue to administer such centers
17 previously established by the Secretary; and

18 “(B) establish and administer additional
19 such centers as the Board of Directors deter-
20 mines appropriate.

21 “(4) in consultation with the Secretary, carry
22 out such other actions necessary to carry out this
23 section.

24 “(e) POWERS.—The Corporation shall—

25 “(1) appoint employees; and

1 “(2) adopt a Constitution and bylaws consistent
2 with the purpose set forth under subsection (b).

3 “(f) DUTY TO MAINTAIN CORPORATE AND TAX-EX-
4 EMPT STATUS.—(1) The Corporation shall maintain its
5 status as a corporation incorporated under the laws of the
6 District of Columbia or another nearby State, as deter-
7 mined by the Board of Directors.

8 “(2) The Corporation shall maintain its status as an
9 organization exempt from the Internal Revenue Code of
10 1986.

11 “(g) VETERANS ACCOUNTABLE CARE ORGANIZATION
12 FUND.—(1) There is in the Treasury a fund to be known
13 as the Veterans Accountable Care Organization Fund (in
14 this subsection referred to as the ‘Fund’).

15 “(2) Amounts recovered or collected under chapter 26
16 of this title shall be deposited in the Fund.

17 “(3) Amounts in the Fund shall be available, without
18 further appropriation and without fiscal year limitation,
19 to establish and administer centers of excellence described
20 in subsection (d)(3) and for health care or medical services
21 furnished to a veteran at a facility operated by the Cor-
22 poration.”.

23 (2) CLERICAL AMENDMENT.—The table of sec-
24 tions at the beginning of chapter 3 of such title is

1 amended by inserting after the item relating to sec-
2 tion 322 the following new item:

“323. Veterans Accountable Care Organization.”.

3 (b) TRANSFER OF PERSONNEL AND ASSETS.—

4 (1) TRANSFER.—All of the personnel, property,
5 records, and unexpended balances of appropriations,
6 allocations, and other funds employed, used, held,
7 available, or to be made available in connection with
8 the direct furnishing of hospital care, medical serv-
9 ices, and other health care (excluding nursing home
10 care and domiciliary care) to individuals eligible for
11 such care and services under laws administered by
12 the Secretary of Veterans Affairs are transferred to
13 the Veterans Accountable Care Organization estab-
14 lished under section 323 of title 38, United States
15 Code, as added by subsection (a).

16 (2) REDUCTION IN FORCE.—The Secretary may
17 implement a reduction in force in carrying out para-
18 graph (1).

19 (c) TERMINATION OF FUNCTIONS.—

20 (1) IN GENERAL.—Except as provided by para-
21 graph (2), all of the functions of the Veterans
22 Health Administration directly relating to the fur-
23 nishing of hospital care, medical services, and other
24 health care (excluding nursing home care and domi-
25 ciliary care) to individuals eligible for such care and

1 services under laws administered by the Secretary
2 shall terminate one year after the date of the enact-
3 ment of this Act.

4 (2) EXTENSIONS.—The Secretary of Veterans
5 Affairs may make not more than two 90-day exten-
6 sions to the termination date specified in paragraph
7 (1) if the Secretary notifies Congress of such exten-
8 sions.

9 (3) CERTIFICATION OF TERMINATION DATE.—
10 The Secretary shall certify to Congress the date on
11 which paragraph (1) is carried out.

12 (d) RECOMMENDATIONS FOR STATUTORY AMEND-
13 MENTS.—Not later than 180 days after the date of the
14 enactment of this Act, the Secretary shall submit to Con-
15 gress a report that contains recommendations for tech-
16 nical and conforming amendments to Federal statutes to
17 carry out this Act.

18 **SEC. 3. ESTABLISHMENT OF VETERANS HEALTH INSUR-**
19 **ANCE PROGRAM.**

20 (a) ESTABLISHMENT.—Chapter 73 of title 38,
21 United States Code, is amended by adding at the end the
22 following new section:

23 **“§ 7309A. Veterans Health Insurance Program**

24 “(a) ESTABLISHMENT.—There is established in the
25 Veterans Health Administration the Veterans Health In-

1 surance Program (in this section referred to as the ‘Pro-
2 gram’).

3 “(b) DUTIES.—Under the Program, the Secretary
4 shall administer the provision of health insurance support
5 to veterans under chapter 26 of this title.”.

6 (b) CLERICAL AMENDMENT.—The table of sections
7 at the beginning of chapter 73 of such title is amended
8 by inserting after the item relating to section 7309 the
9 following new item:

“7309A. Veterans Health Insurance Program.”.

10 **SEC. 4. DESIGNATION OF EXISTING AUTHORITIES FOR HOS-**
11 **PITAL CARE, MEDICAL SERVICES, AND**
12 **OTHER HEALTH CARE.**

13 (a) DESIGNATION.—Subchapter I of chapter 17 of
14 title 38, United States Code, is amended by inserting after
15 section 1701 the following new section:

16 **“§ 1701A. VetsCare Federal program: designation of**
17 **authorities for hospital care, medical**
18 **services, and other health care as pro-**
19 **gram**

20 “(a) IN GENERAL.—Effective as of the date de-
21 scribed in section 2(c)(3) of the Veterans Empowerment
22 Act, the authorities for the provision of hospital care, med-
23 ical services, and other health care (other than nursing
24 home care and domiciliary care) in subchapter II of this
25 chapter and under any other law administered by the Sec-

1 retary may be referred to as the ‘VetsCare Federal pro-
2 gram’.

3 “(b) DESIGNATION OF RECIPIENTS.—Effective as of
4 the date described in section 2(c)(3) of the Veterans Em-
5 powerment Act, any eligible individual who receives hos-
6 pital care, medical services, and other health care (exclud-
7 ing nursing home care and domiciliary care) in accordance
8 with the authorities referred to in subsection (a) after such
9 date may be referred to in the receipt of such care or serv-
10 ices as participating in the ‘VetsCare Federal program’.

11 “(c) SECONDARY PAYER.—

12 “(1) IN GENERAL.—Notwithstanding any other
13 provision of law, any health plan (including the
14 Medicare program under title XVIII of the Social
15 Security Act (42 U.S.C. 1395 et seq.) or a State
16 plan under title XIX of such Act (42 U.S.C. 1396
17 et seq.) and the TRICARE program under chapter
18 55 of title 10) under which an eligible individual is
19 covered shall be responsible for the payment of costs
20 for any health care received by an eligible individual
21 for a non-service connected disability up to the max-
22 imum amount allowable under such plan before the
23 VetsCare Federal program is responsible for any
24 such costs, if applicable.

1 “(2) NOTIFICATION.—The Secretary of Health
2 and Human Services, the Secretary of Defense, or
3 any other head of a relevant department or agency
4 of the Federal Government shall notify the Secretary
5 of Veterans Affairs of an eligible individual being
6 covered under a health plan described in paragraph
7 (1).

8 “(d) TREATMENT OF EMPLOYER SPONSORED
9 HEALTH PLANS.—

10 “(1) IN GENERAL.—The provisions of section
11 1862(b)(3)(C) of the Social Security Act (42 U.S.C.
12 1395y(b)(3)(C)) shall apply with respect to financial
13 or other incentives for an employee who is an eligible
14 individual not to enroll (or to terminate enrollment)
15 under a health plan that would (in the case of such
16 enrollment) be responsible under subsection (e) for
17 the payment of costs for hospital care, medical serv-
18 ices, or other health care received by the eligible in-
19 dividual for a non-service connected disability in the
20 same manner as such section 1862(b)(3)(C) applies
21 to financial or other incentives for an individual enti-
22 tled to benefits under title XVIII of the Social Secu-
23 rity Act (42 U.S.C. 1395 et seq.) not to enroll (or
24 to terminate enrollment) under a group health plan
25 or a large group health plan which would (in the

1 case of enrollment) be a primary plan (as defined in
2 section 1862(b)(2)(A) of such Act).

3 “(2) REGULATIONS.—The Secretary may by
4 regulation adopt such additional exceptions to the
5 prohibition described in paragraph (1) as the Sec-
6 retary considers appropriate and such paragraph
7 shall be implemented taking into account the adop-
8 tion of such exceptions.

9 “(3) AGREEMENTS.—The Veterans Accountable
10 Care Organization and the Secretary of Health and
11 Human Services may enter into agreements to carry
12 out this subsection. Any such agreement shall pro-
13 vide that any expenses incurred by the Secretary of
14 Health and Human Services pertaining to carrying
15 out this subsection shall be reimbursed by the Vet-
16 erans Accountable Care Organization.

17 “(4) GROUP HEALTH PLAN DEFINED.—In this
18 subsection, the term ‘group health plan’ means a
19 group health plan (as that term is defined in section
20 5000(b)(1) of the Internal Revenue Code of 1986
21 without regard to section 5000(d) of the Internal
22 Revenue Code of 1986).

23 “(e) ELIGIBLE INDIVIDUALS.—An individual is eligi-
24 ble to participate in the VetsCare Federal program if such
25 individual was enrolled in the system of annual patient

1 enrollment established and operated by the Secretary
2 under section 1705(a) of this title as of the date described
3 in section 2(c)(3) of the Veterans Empowerment Act.”.

4 (b) CLERICAL AMENDMENT.—The table of sections
5 at the beginning of such chapter is amended by inserting
6 after the item relating to section 1701 the following new
7 item:

“1701A. VetsCare Federal program: designation of authorities for hospital care,
medical services, and other health care as program.”.

8 **SEC. 5. HEALTH INSURANCE SUPPORT FOR NEW VETERANS**
9 **AND VETERANS ELECTING HEALTH INSUR-**
10 **ANCE SUPPORT IN LIEU OF ELIGIBILITY FOR**
11 **HOSPITAL CARE, MEDICAL SERVICES, AND**
12 **OTHER HEALTH CARE UNDER EXISTING AU-**
13 **THORITIES.**

14 (a) IN GENERAL.—Part II of title 38, United States
15 Code, is amended by inserting after chapter 24 the fol-
16 lowing new chapter:

17 **“CHAPTER 26—VETERANS**
18 **INDEPENDENCE IN HEALTH CARE**

“SUBCHAPTER I—VETERANS GENERALLY

- “2601. VetsCare Choice program: designation of recipients.
- “2602. Eligibility.
- “2603. Qualifying health insurance.
- “2604. Health insurance support.
- “2605. Treatment of other health plans.
- “2606. Receipt of health care through the Department.
- “2607. Pharmacy benefits.

“SUBCHAPTER II—MEDICARE-ELIGIBLE VETERANS

- “2611. VetsCare Senior program: designation of recipients.
- “2612. Medicare support.

1 **“Subchapter I—Veterans Generally**

2 **“§ 2601. VetsCare Choice program: designation of re-**
3 **ciipients**

4 “(a) IN GENERAL.—The authorities for the provision
5 of health insurance support under this subchapter may be
6 referred to as the ‘VetsCare Choice program’.

7 “(b) DESIGNATION OF RECIPIENTS.—Any veteran
8 who receives health insurance support under this sub-
9 chapter may be referred to in the receipt of support as
10 participating in the ‘VetsCare Choice program’.

11 “(c) RELATIONSHIP TO CARE BY VETERANS AC-
12 COUNTABLE CARE ORGANIZATION.—Health insurance
13 support under this subchapter is in addition to any health
14 care or medical services furnished to a veteran at a facility
15 operated by the Veterans Accountable Care Organization.

16 **“§ 2602. Eligibility**

17 “(a) IN GENERAL.—Except as provided in sub-
18 sections (c) and (d), the following veterans shall be pro-
19 vided health insurance support under this subchapter:

20 “(1) Veterans who first enroll in the system of
21 annual patient enrollment established and operated
22 by the Secretary under section 1705(a) of this title
23 on or after the date described in section 2(c)(3) of
24 the Veterans Empowerment Act.

1 “(2) Veterans enrolled in such system as of the
2 date described in section 2(c)(3) of the Veterans
3 Empowerment Act who elect health insurance sup-
4 port under this subchapter in lieu of eligibility for
5 hospital care, medical services, and other health care
6 (excluding nursing home care and domiciliary care)
7 under the VetsCare Federal program under chapter
8 17 of this title or any other law administered by the
9 Secretary.

10 “(b) ENROLLMENT.—The Secretary shall admin-
11 ister—

12 “(1) an open enrollment period for the
13 VetsCare Choice program that corresponds to the
14 open enrollment period for the Federal Employees
15 Health Benefits program described in section
16 8905(g); and

17 “(2) special enrollment periods based on quali-
18 fying life events of veterans similar to such events
19 under the Federal Employees Health Benefits Pro-
20 gram, except that the change of priority group shall
21 also be treated as a qualifying life event.

22 “(c) EFFECT OF ELECTION.—While an election
23 under subsection (a)(2) of a veteran described in that sub-
24 section is in effect, the veteran is not eligible for hospital
25 care, medical services, and other health care (excluding

1 nursing home care and domiciliary care) under chapter 17
2 of this title or any other law administered by the Sec-
3 retary.

4 “(d) EXCEPTIONS.—The following veterans are not
5 eligible for health insurance support under this sub-
6 chapter:

7 “(1) Any veteran eligible for care under the
8 Medicare program under title XVIII of the Social
9 Security Act (42 U.S.C. 1395 et seq.).

10 “(2) Any veteran who—

11 “(A) first enrolls in the system of annual
12 patient enrollment established and operated by
13 the Secretary under section 1705(a) of this title
14 on or after the date described in section 2(e)(3)
15 of the Veterans Act; and

16 “(B) is in priority group 7 or priority
17 group 8.

18 “(e) COMMENCEMENT OF AVAILABILITY OF SUP-
19 PORT.—Health insurance support under this subchapter
20 shall commence being available as follows:

21 “(1) With respect to veterans in priority group
22 1, 2, or 3, on the first day of the first month that
23 begins on or after the date described in section
24 2(e)(3) of the Veterans Empowerment Act.

1 “(2) With respect to veterans in a priority
2 group other than 1, 2, or 3, on the first day of the
3 first month that begins on or after the date that is
4 180 days after the commencement date under para-
5 graph (1).

6 “(f) PRIORITY GROUP DEFINED.—In this section,
7 the term ‘priority group’ means the priority groups estab-
8 lished by the Secretary for purposes of the enrollment of
9 veterans in the patient enrollment system under section
10 1705(a) of this title.

11 **“§ 2603. Qualifying health insurance**

12 “Health insurance support may be provided under
13 this subchapter only for health plans that—

14 “(1) include the types of health care authorized
15 under section 1079 of title 10, United States Code;
16 and

17 “(2) provide such additional elements of cov-
18 erage as the Secretary shall prescribe for purposes
19 of this subchapter.

20 **“§ 2604. Health insurance support**

21 “(a) IN GENERAL.—The Secretary shall provide
22 health insurance support to veterans eligible for such sup-
23 port under this subchapter through premium support
24 under subsections (b) and (c), cost-sharing support under
25 subsection (d), and alternative support under subsection

1 (e) by paying or reimbursing such veterans for the costs
2 associated with such health insurance support. The Sec-
3 retary shall make such payments or reimbursements in a
4 manner similar to the manner in which the Centers for
5 Medicare & Medicaid Services make similar payments and
6 reimbursements.

7 “(b) PREMIUM SUPPORT GENERALLY.—The pre-
8 mium support provided by the Secretary under this sub-
9 section is as follows:

10 “(1) TIER 1.—To any veteran with a service-
11 connected disability rated as 100 percent disabling,
12 health insurance support sufficient to provide bene-
13 fits to the veteran under a health plan that are actu-
14 arially equivalent to 100 percent of the full actuarial
15 value of the benefits provided under the health plan.
16 A health plan under this paragraph may be referred
17 to as a ‘Tier 1 Plan’.

18 “(2) TIER 2.—To any veteran in priority group
19 1 not covered by paragraph (1) and any veteran in
20 priority group 2, health insurance support sufficient
21 to provide benefits to the veteran under a health
22 plan that are actuarially equivalent to 90 percent of
23 the full actuarial value of the benefits provided
24 under the health plan. A health plan under this
25 paragraph may be referred to as a ‘Tier 2 Plan’.

1 “(3) TIER 3.—To any veteran in priority group
2 3 or priority group 4, health insurance support suffi-
3 cient to provide benefits to the veteran under a
4 health plan that are actuarially equivalent to 80 per-
5 cent of the full actuarial value of the benefits pro-
6 vided under the health plan. A health plan under
7 this paragraph may be referred to as a ‘Tier 3
8 Plan’.

9 “(4) TIER 4.—To any veteran in priority group
10 5 or priority group 6, health insurance support suffi-
11 cient to provide benefits to the veteran under a
12 health plan that are actuarially equivalent to 70 per-
13 cent of the full actuarial value of the benefits pro-
14 vided under the health plan. A health plan under
15 this paragraph may be referred to as a ‘Tier 4
16 Plan’.

17 “(5) TIER 5.—To any veteran not in a priority
18 group covered by paragraphs (1) through (4) and
19 not ineligible for such support under section
20 2602(d)(2) of this title, health insurance support
21 sufficient to provide benefits to the veteran under a
22 health plan that are actuarially equivalent to 60 per-
23 cent of the full actuarial value of the benefits pro-
24 vided under the health plan. A health plan under

1 this paragraph may be referred to as a ‘Tier 5
2 Plan’.

3 “(c) ADDITIONAL PREMIUM SUPPORT BASED ON
4 NEED.—The premium support provided by the Secretary
5 under this subsection is as follows:

6 “(1) To any veteran with an annual gross
7 household income that is less than 133 percent of
8 the poverty line, health insurance support sufficient
9 to cover any costs of such monthly premium that are
10 more than 2 percent of the monthly gross household
11 income of the veteran.

12 “(2) To any veteran with an annual gross
13 household income that is between 133 percent and
14 150 percent of the poverty line, health insurance
15 support sufficient to cover any costs of such monthly
16 premium that are more than 3 percent of the
17 monthly gross household income of the veteran.

18 “(3) To any veteran with an annual gross
19 household income that is between 150 percent and
20 200 percent of the poverty line, health insurance
21 support sufficient to cover any costs of such monthly
22 premium that are more than 4 percent of the
23 monthly gross household income of the veteran.

24 “(4) To any veteran with an annual gross
25 household income that is between 200 percent and

1 250 percent of the poverty line, health insurance
2 support sufficient to cover any costs of such monthly
3 premium that are more than 6.3 percent of the
4 monthly gross household income of the veteran.

5 “(5) To any veteran with an annual gross
6 household income that is between 250 percent and
7 300 percent of the poverty line, health insurance
8 support sufficient to cover any costs of such monthly
9 premium that are more than 8.05 percent of the
10 monthly gross household income of the veteran.

11 “(6) To any veteran with an annual gross
12 household income that is between 300 percent and
13 400 percent of the poverty line, health insurance
14 support sufficient to cover any costs of such monthly
15 premium that are more than 9.5 percent of the
16 monthly gross household income of the veteran.

17 “(d) COST-SHARING SUPPORT.—The cost-sharing
18 support provided by the Secretary under this subsection
19 is as follows:

20 “(1) To any veteran with an annual gross
21 household income that is less than 150 percent of
22 the poverty line, health insurance support sufficient
23 to cover cost-sharing in order to ensure that the ef-
24 fective minimum actuarial value of the benefits pro-

1 vided under the health plan of the veteran is not less
2 than 94 percent.

3 “(2) To any veteran with an annual gross
4 household income that is between 150 percent and
5 200 percent of the poverty line, health insurance
6 support sufficient to cover cost-sharing in order to
7 ensure that the effective minimum actuarial value of
8 the benefits provided under the health plan of the
9 veteran is not less than 87 percent.

10 “(3) To any veteran with an annual gross
11 household income that is between 200 percent and
12 250 percent of the poverty line, health insurance
13 support sufficient to cover cost-sharing in order to
14 ensure that the effective minimum actuarial value of
15 the benefits provided under the health plan of the
16 veteran is not less than 73 percent.

17 “(e) ALTERNATIVE SUPPORT FOR VETERANS WITH
18 CERTAIN HEALTH INSURANCE.—

19 “(1) IN GENERAL.—Notwithstanding any other
20 provision of this section, upon the election of a vet-
21 eran eligible for health insurance support under this
22 subchapter who obtains a high deductible health
23 plan that includes a health savings account under
24 section 223 of the Internal Revenue Code of 1986,
25 the Secretary shall contribute an amount calculated

1 under paragraph (2) into such health savings ac-
2 count on behalf of the veteran.

3 “(2) AMOUNT CALCULATED.—The amount cal-
4 culated under this paragraph is an amount equal to
5 the difference between—

6 “(A) the amount of health insurance sup-
7 port the veteran would otherwise have received
8 under the subsection of this section applicable
9 to the veteran; and

10 “(B) the amount payable by the veteran in
11 connection with the high deductible health plan
12 described in paragraph (1).

13 “(f) DETERMINATIONS BASED ON COST OF
14 PLANS.—In making determinations under this section
15 with respect to the amount of health insurance support
16 to provide to a veteran, the Secretary shall make such de-
17 terminations based on the costs associated with the sec-
18 ond-least-costly health plan available to the veteran in the
19 area in which the veteran resides.

20 “(g) DEFINITIONS.—In this section:

21 “(1) The term ‘cost-sharing’, in connection with
22 the receipt of health care and treatment under a
23 health plan, means any copayments, deductibles, or
24 other charges imposed, collected, or otherwise re-
25 quired by a health insurance provider or health care

1 provider in connection with the receipt of health care
2 and treatment under such health plan.

3 “(2) The term ‘poverty line’ means the poverty
4 line (as defined in section 673(2) of the Community
5 Services Block Grant Act (42 U.S.C. 9902(2)) appli-
6 cable to a family of the size involved.

7 “(3) The term ‘high deductible health plan’ has
8 the meaning given that term in section 223(c)(2) of
9 the Internal Revenue Code of 1986.

10 “(4) The term ‘priority group’ means the pri-
11 ority groups established by the Secretary for pur-
12 poses of the enrollment of veterans in the patient en-
13 rollment system under section 1705(a) of this title.

14 **“§ 2605. Treatment of other health plans**

15 “(a) SECONDARY PAYER.—

16 “(1) IN GENERAL.—Notwithstanding any other
17 provision of law, any health plan (including a State
18 plan under title XIX of the Social Security Act (42
19 U.S.C. 1396 et seq.) and the TRICARE program
20 under chapter 55 of title 10) under which a veteran
21 is covered that is not a health plan for which health
22 insurance support is provided under this subchapter
23 shall be responsible for the payment of costs for any
24 health care received by an eligible individual for a
25 non-service connected disability up to the maximum

1 amount allowable under such plan before any health
2 plan for which health insurance support is provided
3 under this subchapter is responsible for any such
4 costs, if applicable.

5 “(2) NOTIFICATION.—The Secretary of Health
6 and Human Services, the Secretary of Defense, or
7 any other head of a relevant department or agency
8 of the Federal Government shall notify the Secretary
9 of Veterans Affairs of an eligible individual being
10 covered under a health plan described in paragraph
11 (1).

12 “(b) TREATMENT OF EMPLOYER SPONSORED
13 HEALTH PLANS.—

14 “(1) IN GENERAL.—The provisions of section
15 1862(b)(3)(C) of the Social Security Act (42 U.S.C.
16 1395y(b)(3)(C)) shall apply with respect to financial
17 or other incentives for an employee who is a veteran
18 not to enroll (or to terminate enrollment) under a
19 health plan that is not a health plan for which
20 health insurance support is provided under this sub-
21 chapter and that would (in the case of such enroll-
22 ment) be responsible under subsection (a) for the
23 payment of costs for health care received by the vet-
24 eran in the same manner as such section
25 1862(b)(3)(C) applies to financial or other incentives

1 for an individual entitled to benefits under title
2 XVIII of the Social Security Act (42 U.S.C. 1395 et
3 seq.) not to enroll (or to terminate enrollment)
4 under a group health plan or a large group health
5 plan which would (in the case of enrollment) be a
6 primary plan (as defined in section 1862(b)(2)(A) of
7 such Act).

8 “(2) REGULATIONS.—The Secretary may by
9 regulation adopt such additional exceptions to the
10 prohibition described in paragraph (1) as the Sec-
11 retary considers appropriate and such paragraph
12 shall be implemented taking into account the adop-
13 tion of such exceptions.

14 “(3) AGREEMENTS.—The Secretary of Veterans
15 Affairs and the Secretary of Health and Human
16 Services may enter into agreements to carry out this
17 subsection. Any such agreement shall provide that
18 any expenses incurred by the Secretary of Health
19 and Human Services pertaining to carrying out this
20 subsection shall be reimbursed by the Secretary of
21 Veterans Affairs.

22 “(4) GROUP HEALTH PLAN DEFINED.—In this
23 subsection, the term ‘group health plan’ means a
24 group health plan (as that term is defined in section
25 5000(b)(1) of the Internal Revenue Code of 1986

1 without regard to section 5000(d) of the Internal
2 Revenue Code of 1986).

3 **“§ 2606. Receipt of health care through the Depart-**
4 **ment**

5 “(a) CONTRACTS.—Any health insurance provider
6 that provides a health plan for which health insurance
7 support may be provided under this subchapter or sub-
8 chapter II may enter into a contract with the Veterans
9 Accountable Care Organization under which the medical
10 personnel and facilities of the Veterans Accountable Care
11 Organization may be treated as a designated provider for
12 purposes of such health plan.

13 “(b) COST OF CARE.—The cost, including any copay-
14 ments, of any health care or treatment provided to a vet-
15 eran by the Veterans Accountable Care Organization
16 under a contract under subsection (a) shall be determined
17 by the Veterans Accountable Care Organization.

18 “(c) MECHANISM.—The Board of Directors of the
19 Veterans Accountable Care Organization shall establish a
20 mechanism through which the Veterans Accountable Care
21 Organization enters into contracts with health insurance
22 providers under subsection (a).

1 **“§ 2607. Pharmacy benefits**

2 “A veteran who is enrolled in the VetsCare Choice
3 program or the VetsCare Senior program may fill pre-
4 scriptions at pharmacies of the Department.

5 “SUBCHAPTER II—MEDICARE-ELIGIBLE

6 VETERANS

7 **“§ 2611. VetsCare Senior program: designation of re-
8 cipients**

9 “(a) IN GENERAL.—The authorities for the provision
10 of health insurance support under this subchapter may be
11 referred to as the ‘VetsCare Senior program’.

12 “(b) DESIGNATION OF RECIPIENTS.—Any veteran
13 who receives health insurance support under this sub-
14 chapter may be referred to in the receipt of support as
15 participating in the ‘VetsCare Senior program’.

16 “(c) RELATIONSHIP TO CARE BY VETERANS AC-
17 COUNTABLE CARE ORGANIZATION.—Health insurance
18 support under this subchapter is in addition to any health
19 care or medical services furnished to a veteran at a facility
20 operated by the Veterans Accountable Care Organization.

21 **“§ 2612. Medicare support**

22 “(a) IN GENERAL.—The Secretary shall provide
23 health insurance support to each covered veteran equal to
24 the costs incurred by such veteran for Medicare premiums
25 and cost-sharing under parts A, B, C, and D of title XVIII
26 of the Social Security Act (42 U.S.C. 1395 et seq.) and

1 for premiums and cost-sharing for medicare supplemental
2 policies under section 1882 of such Act (42 U.S.C.
3 1395ss).

4 “(b) RELATIONSHIP WITH VETSCARE FEDERAL.—
5 Notwithstanding any other provision of law, if a covered
6 veteran is enrolled in the VetsCare Federal program under
7 section 1701A of this title, the Medicare program under
8 title XVIII of the Social Security Act (42 U.S.C. 1395
9 et seq.) (or a medicare supplemental policy under section
10 1882 of such Act (42 U.S.C. 1395ss)) shall be responsible
11 for the payment of costs for any health care received by
12 an eligible individual for a non-service connected disability
13 up to the maximum amount allowable under such program
14 (or supplemental policy) for such health care before the
15 VetsCare Federal program is responsible for any such
16 costs, if applicable.

17 “(c) AVAILABILITY OF PAYMENT OR REIMBURSE-
18 MENT.—

19 “(1) COMMENCEMENT.—Health insurance sup-
20 port under this subchapter shall commence being
21 available as follows:

22 “(A) With respect to covered veterans in
23 priority group 1, 2, or 3, on the first day of the
24 first month that begins on or after the date de-

1 scribed in section 2(c)(3) of the Veterans Em-
2 powerment Act.

3 “(B) With respect to covered veterans in a
4 priority group other than 1, 2, or 3, on the first
5 day of the first month that begins on or after
6 the date that is 180 days after the commence-
7 ment date under paragraph (1).

8 “(2) EXCLUSION OF CERTAIN VETERANS.—A
9 covered veteran is not eligible for health insurance
10 support under this section if such veteran—

11 “(A) first enrolls in the system of annual
12 patient enrollment established and operated by
13 the Secretary under section 1705(a) of this title
14 on or after the date of the enactment of this
15 Act; and

16 “(B) is in priority group 7 or 8.

17 “(d) DEFINITIONS.—In this section:

18 “(1) The term ‘cost-sharing’, in connection with
19 the receipt of health care and treatment under the
20 Medicare program under title XVIII of the Social
21 Security Act (42 U.S.C. 1395 et seq.) or medicare
22 supplemental policies under section 1882 of such Act
23 (42 U.S.C. 1395ss), means any copayments,
24 deductibles, or other charges imposed, collected, or
25 otherwise required by a health insurance provider or

1 health care provider in connection with receipt of
2 health care and treatment under such program or
3 supplemental policies.

4 “(2) The term ‘covered veteran’ means a vet-
5 eran receiving benefits under the Medicare program
6 under title XVIII of the Social Security Act.

7 “(3) The term ‘priority group’ means the pri-
8 ority groups established by the Secretary for pur-
9 poses of the enrollment of veterans in the patient en-
10 rollment system under section 1705(a) of this title.”.

11 (b) CLERICAL AMENDMENT.—The table of chapters
12 at the beginning title 38, United States Code, is amended
13 by inserting after the item relating to chapter 24 the fol-
14 lowing new item:

“Chapter 26 .Veterans Independence in Health Care 2601”.

15 (c) CONFORMING AMENDMENTS.—

16 (1) MINIMUM ESSENTIAL COVERAGE.—Section
17 5000A(f)(1)(A)(v) of the Internal Revenue Code of
18 1986 is amended by striking “or 18” and inserting
19 “, 18, or 26”.

20 (2) MEDICARE PART B.—

21 (A) NON-APPLICATION OF LATE ENROLL-
22 MENT PENALTY.—Section 1839(b) of the Social
23 Security Act (42 U.S.C. 1395r(b)) is amended,
24 in the second sentence, by inserting “or months
25 for which the individual can demonstrate that

1 the individual was enrolled in the VetsCare Sen-
2 ior program under subchapter II of chapter 26
3 of title 38, United States Code” after “an indi-
4 vidual described in section 1837(k)(3)”.

5 (B) SPECIAL ENROLLMENT PERIOD.—Sec-
6 tion 1837 of the Social Security Act (42 U.S.C.
7 1395p) is amended by adding at the end the
8 following new subsection:

9 “(m)(1) In the case of any individual who is enrolled
10 in the VetsCare Senior program under subchapter II of
11 chapter 26 of title 38, United States Code at the time
12 the individual is entitled to part A under section 226 or
13 section 226A and who is eligible to enroll but who has
14 elected not to enroll (or to be deemed enrolled) during the
15 individual’s initial enrollment period, there shall be a spe-
16 cial enrollment period as specified by the Secretary.

17 “(2) In the case of an individual who enrolls during
18 the special enrollment period provided under paragraph
19 (1), the coverage period under this part shall begin on
20 such date specified by the Secretary.

21 “(3) An individual may only enroll during the special
22 enrollment period provided under paragraph (1) one time
23 during the individual’s lifetime.

24 “(4) The Secretary of Veterans Affairs shall collabo-
25 rate with the Secretary of Health and Human Services

1 and the Commissioner of Social Security to provide for
2 the accurate identification of individuals described in para-
3 graph (1). The Secretary of Veterans Affairs shall provide
4 such individuals with notification with respect to this sub-
5 section. The Secretary of Veterans Affairs shall collabo-
6 rate with the Secretary of Health and Human Services
7 and the Commissioner of Social Security to ensure appro-
8 priate follow up pursuant to any notification provided
9 under the preceding sentence.”.

10 **SEC. 6. COORDINATION BETWEEN VETSCARE CHOICE PRO-**
11 **GRAM AND ELIGIBILITY TO MAKE CONTRIBU-**
12 **TIONS TO HEALTH SAVINGS ACCOUNTS.**

13 (a) IN GENERAL.—Section 223(c)(1)(B) of the Inter-
14 nal Revenue Code of 1986 is amended by striking “and”
15 at the end of clause (ii), by striking the period at the end
16 of clause (iii) and inserting “, and”, and by adding at the
17 end the following new clause:

18 “(iv) coverage for health insurance
19 support under the VetsCare Choice pro-
20 gram under subchapter I of chapter 26 of
21 title 38, United States Code.”.

22 (b) DENIAL OF DEDUCTION FOR AMOUNTS NOT IN-
23 CLUDIBLE IN GROSS INCOME.—Subsection (b) of section
24 223 of the Internal Revenue Code of 1986 is amended by
25 adding at the end the following new paragraph:

1 “(9) AMOUNTS NOT INCLUDIBLE IN GROSS IN-
2 COME.—No amount paid to a health savings account
3 of an individual shall be taken into account under
4 subsection (a) if (without regard to this section)
5 such amount, when paid to or on behalf of such indi-
6 vidual, is excluded from gross income of the indi-
7 vidual or exempt from taxation under any provision
8 of Federal law.”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to amounts paid to a health sav-
11 ings account (as defined in section 223(d) of the Internal
12 Revenue Code of 1986) after the date of the enactment
13 of this Act.

14 **SEC. 7. PUBLICATION OF HEALTH CARE INFORMATION.**

15 (a) IN GENERAL.—The Secretary of Veterans Affairs
16 shall make available to the public on an ongoing basis in-
17 formation about the operations of the Veterans Health Ad-
18 ministration in a manner similar to publication of infor-
19 mation under the Medicare Accountable Care Organiza-
20 tion program to better monitor and support continuous
21 improvement in the Veterans Health Administration.

22 (b) ELEMENTS.—The information published under
23 subsection (a) shall include information about the oper-
24 ations of the Veterans Health Administration, including

1 metrics regarding quality, safety, patient experience, time-
2 liness, and cost-effectiveness.

3 **SEC. 8. VETERANS' ELIGIBILITY FOR LONG-TERM CARE IN-**
4 **SURANCE.**

5 (a) IN GENERAL.—Section 9001 of title 5, United
6 States Code, is amended—

7 (1) by redesignating paragraphs (5) through
8 (10) as (6) through (11), respectively;

9 (2) by inserting after paragraph (4) the fol-
10 lowing:

11 “(5) VETERAN.—The term ‘veteran’ has the
12 same meaning given the term in section 101(2) of
13 title 38, United States Code.”;

14 (3) in paragraph (6), as so redesignated—

15 (A) in subparagraph (A), by striking “or
16 (4).” and inserting “(4), or (5).”;

17 (B) in subparagraph (B), by striking “(1)
18 or (3).” and inserting “(1), (3), or (5).”;

19 (C) in subparagraph (C), by striking “or
20 (4)” and inserting “(4), or (5)”; and

21 (D) in subparagraph (D), by striking “or
22 (4)” and inserting “(4), or (5)”; and

23 (4) in paragraph (7), as so redesignated, by
24 striking “or (5).” and inserting “(5), or (6).”; and

25 (5) in paragraph (11), as so redesignated—

1 (A) in subparagraph (C), by striking
2 “Commerce; and” and inserting “Commerce;”;

3 (B) in subparagraph (D), by striking
4 “Services.” and inserting “Services; and”; and

5 (C) by inserting after subparagraph (D):

6 “(E) with respect to a veteran, the Sec-
7 retary of Veterans Affairs.”.

8 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
9 Title 5, United States Code, is amended as follows:

10 (1) Section 9002 is amended—

11 (A) in subsection (a), by striking “or (5)”
12 and inserting “(5), or (6)”; and

13 (B) in subsection (e)—

14 (i) in paragraph (2), by striking “or
15 (4)” and inserting “(4), or (5)”; and

16 (ii) in paragraph (4), by striking “sec-
17 tion 9001(9)” and inserting “section
18 9001(10)”.

19 (2) Section 9004(d) is amended by inserting
20 after “withheld under subsection (b)” the following:
21 “, who is an enrollee by virtue of being a veteran de-
22 scribed in section 9001(5) of this title,”.

23 (3) Section 9008(c) is amended by striking “(3)
24 or (4)” and inserting “(3), (4), or (5)”.