

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2988

To direct the Secretary of Veterans Affairs to conduct a demonstration project for the improvement of business practices of the Veterans Health Administration.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 2005

Mr. BILIRAKIS (for himself, Mr. BUYER, and Mr. EVERETT) introduced the following bill; which was referred to the Committee on Veterans' Affairs

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## A BILL

To direct the Secretary of Veterans Affairs to conduct a demonstration project for the improvement of business practices of the Veterans Health Administration.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Veterans Medical Care  
5 Revenue Enhancement Act of 2005”.

6 **SEC. 2. DEMONSTRATION PROJECT TO IMPROVE BUSINESS**

7 **PRACTICES OF VETERANS HEALTH ADMINIS-**  
8 **TRATION.**

9 (a) DEMONSTRATION PROJECT REQUIRED.—

1           (1) IN GENERAL.—The Secretary of Veterans  
2       Affairs shall conduct a demonstration project under  
3       this section for the improvement of business prac-  
4       tices of the Veterans Health Administration.

5           (2) PERFORMANCE-BASED CONTRACT.— To  
6       carry out the demonstration project, the Secretary  
7       shall enter into a performance-based contract for a  
8       contractor to carry out the functions specified in  
9       subsection (e).

10          (3) COST LIMITATION.—The total amount paid  
11       to the contractor under the contract may not exceed  
12       \$10,000,000.

13          (b) COMMENCEMENT AND DURATION OF PROJECT.—  
14       The demonstration project shall be conducted during the  
15       two-year period beginning on the first day of the first  
16       month beginning more than 120 days after the date of  
17       the enactment of this Act.

18          (c) SITES FOR CONDUCT OF PROJECT.—The Sec-  
19       retary shall conduct the demonstration project at two  
20       medical centers of the Veterans Health Administration  
21       within the same service area (referred to as a Veterans  
22       Integrated Service Network) of the Veterans Health Ad-  
23       ministration. The two medical centers at which the project  
24       is conducted shall be selected by the Secretary from among  
25       medical centers that are located in those services areas

1 of the Veterans Health Administration that the Secretary  
2 determines have relatively low rates of recovery or collec-  
3 tion of indebtedness from third-party payors under section  
4 1729 of title 38, United States Code.

5 (d) SELECTION OF CONTRACTOR.—The Secretary  
6 shall carry out the process for selection of the contractor  
7 for the demonstration project so that the contractor to  
8 perform the contract is selected, and the contract is  
9 awarded, not later than three months after the date of  
10 the enactment of this Act. The contractor shall be an enti-  
11 ty or organization that has significant experience in the  
12 administrative processing of health care charges and  
13 claims.

14 (e) FUNCTIONS OF CONTRACTOR.—The Secretary  
15 shall provide in the contract for the following functions  
16 of the contractor with respect to each facility at which the  
17 demonstration project is conducted:

18 (1) Establishment of a plan to standardize and  
19 coordinate all activities related to billing for health-  
20 care items and services furnished to veterans for  
21 non-service-connected disabilities.

22 (2) Reengineering of the business processes for  
23 billing and accounts receivable activities.

1           (3) Application of commercial-industry stand-  
2           ards for measures of access, timeliness, and per-  
3           formance.

4           (4) Establishment of a database containing  
5           third-party payor information for veterans receiving  
6           health care and services.

7           (5) Such other requirements with respect to  
8           business practices as the Secretary may specify.

9           (f) VHA PROJECT MANAGER.—As part of the dem-  
10          onstration project, the Secretary shall ensure that a Vet-  
11          erans Health Administration employee is designated to be  
12          the full-time project manager for the project and that such  
13          employee's duty station is at one of the medical centers  
14          at which the project is conducted, with provision for visits  
15          as needed to the other medical center at which the project  
16          is conducted.

17          (g) EMPLOYEE PROTECTION.—The Secretary shall  
18          administer the demonstration project so that during the  
19          period of the conduct of the demonstration project there  
20          is no reduction in full-time equivalent employees of the  
21          Department of Veterans Affairs at the medical centers at  
22          which the project is conducted that is attributable to the  
23          conduct of the demonstration project.

24          (h) REPORTS TO CONGRESS.—

1           (1) PERIODIC PROGRESS REPORTS ON PROJECT  
2 IMPLEMENTATION.—

3           (A) REPORTS REQUIRED.—The Secretary  
4 shall submit to Congress progress reports on  
5 the implementation of the demonstration  
6 project.

7           (B) TIME FOR PROGRESS REPORTS.—  
8 Such reports shall be submitted as expeditiously  
9 as feasible after the end of—

10           (i) the 60-day period, the 90-day pe-  
11 riod, and the 180-day period beginning on  
12 the date of the enactment of this Act; and

13           (ii) the 60-day period, the 90-day pe-  
14 riod, and the 180-day period beginning on  
15 the date of the award of the contract  
16 under subsection (d).

17           (C) MATTER TO BE INCLUDED.—Each re-  
18 port under this paragraph shall set out the  
19 progress to date on the implementation of the  
20 demonstration project, including—

21           (i) before the contractor has been se-  
22 lected, progress toward selection of the  
23 contractor (identified by the steps in the  
24 acquisition process that have been accom-

1           plished and that remain to be accom-  
2           plished); and

3           (ii) after the contractor has been se-  
4           lected, the contractor's progress in initi-  
5           ating and carrying out the demonstration  
6           project in accordance with the require-  
7           ments of this section.

8           (2) INTERIM REPORTS ON PROJECT OPER-  
9           ATION.—After the completion of the first 12 months,  
10          and after the completion of the first 18 months, of  
11          the demonstration project, the Secretary shall sub-  
12          mit to Congress an interim report on the operation  
13          of the demonstration project to that date. Each such  
14          report shall include the following:

15               (A) The assessment of the Secretary as to  
16               whether the rate of recovery or collection of in-  
17               debtedness owed the United States from third-  
18               party payors has improved by reason of the  
19               project.

20               (B) The assessment of the Secretary as to  
21               the performance of the contractor.

22               (C) Estimated cost savings to the Depart-  
23               ment as a result of the project.

24           (3) FINAL REPORT.—After the conclusion of  
25          the demonstration project, the Secretary shall sub-

1 mit to Congress a final report on the project. The  
2 Secretary shall include in that report the matters  
3 specified in paragraph (2) and the Secretary's rec-  
4 ommendation for implementing on a permanent  
5 basis the recovery or collection system tested in the  
6 demonstration project and expanding the demonstra-  
7 tion project to other facilities of the Veterans Health  
8 Administration. The final report shall be submitted  
9 not later than 90 days after the conclusion of the  
10 demonstration project.

11 (i) COMPTROLLER GENERAL REVIEW AND RE-  
12 PORTS.—

13 (1) REVIEW.—The Comptroller General shall  
14 review the demonstration project on an ongoing  
15 basis.

16 (2) REPORTS.—The Comptroller General shall  
17 submit to Congress a report on the Comptroller  
18 General's findings and recommendations concerning  
19 the demonstration project—

20 (A) after the operation of the demonstra-  
21 tion project for a period of one year; and

22 (B) after the operation of the demonstra-  
23 tion project for a period of two years.

24 (j) AUTHORIZATION OF APPROPRIATIONS.—There is  
25 authorized to be appropriated to the Secretary of Veterans

- 1 Affairs for the conduct of the demonstration project under
- 2 this section the sum of \$10,000,000.

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