

VETERANS' MAJOR MEDICAL FACILITIES CONSTRUCTION
ACT OF 2002

MAY 16, 2002.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. SMITH of New Jersey, from the Committee on Veterans' Affairs,
submitted the following

R E P O R T

[To accompany H.R. 4514]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 4514) to authorize the Secretary of Veterans Affairs to carry out construction projects for the purpose of improving, renovating, and updating patient care facilities at Department of Veterans Affairs medical centers, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

The amendments (stated in terms of the page and line numbers of the introduced bill) are as follows:

Page 3, after line 9, insert the following new section (and redesignate the succeeding sections accordingly):

**SEC. 3. AUTHORIZATION OF A MAJOR MEDICAL FACILITY
LEASE.**

The Secretary of Veterans Affairs may enter into a lease for a Satellite Outpatient Clinic, Charlotte, North Carolina, in an amount not to exceed \$2,626,000.

Page 3, strike lines 10 through 14 and insert the following:

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to the Secretary of Veterans Affairs for fiscal year 2003—

(1) for the Construction, Major Projects, account \$285,000,000 for the projects authorized in section 2; and

(2) for the Medical Care account, \$2,626,000 for the lease authorized in section 3.

Page 4, strike lines 6 through 14 and insert the following:

(b) APPLICABILITY TO PROJECTS ALREADY FUNDED.—The amendment made by subsection (a) shall apply with respect to any facility project of the Department of Veterans Affairs, except for a project for which the Secretary obligated funds before October 1, 2002.

Page 4, line 23, strike “shall” and insert “shall, to the extent practicable,”.

INTRODUCTION

The Committee in hearings, meetings, and through other oversight mechanisms reviewed over the course of this session of the 107th Congress the need to construct, renovate, and improve major medical facilities of the Department of Veterans Affairs.

On April 24, 2002, the Subcommittee on Health received testimony on H.R. 4514, Veterans’ Major Medical Facilities Construction Act of 2002, and issues related to the Department’s major medical facilities construction policies and planning. Those testifying at that hearing were: Mr. D. Mark Catlett, Principal Deputy Assistant Secretary for Management, Department of Veterans Affairs (VA); accompanied by Mr. Robert L. Neary, Associate Chief Facilities Management Officer, Mr. Gary Rossio, Chief Executive Officer VA San Diego Health Care System, and Mr. Alex Specter, Director Alaska VA Health Care System and Regional Office; Colonel David D. Gilbreath, Commander, Elmendorf Air Force Base Hospital; Mr. Antonio Laracuente, Chairman, National Association of Veterans’ Research and Education Foundations, on behalf of Friends of VA Medical Care and Health Research (FOVA); and Dr. Donald E. Wilson, Vice President for Medical Affairs and Dean, University of Maryland School of Medicine. The Subcommittee also received testimony from: Mr. Brian E. Lawrence, Associate National Legislative Director, Disabled American Veterans; Mr. Robert L. Jones, Executive Director, AMVETS; Mr. Thomas H. Corey, National President, Vietnam Veterans of America; Mr. Paul A. Hayden, Associate Director, National Legislative Service, Veterans of Foreign Wars of the United States; Mr. Delatorro L. McNeal, Executive Director, Paralyzed Veterans of America; and Mr. James R. Fischl, Director, National Veterans Affairs and Rehabilitation Commission, The American Legion.

The Subcommittee on Health met on May 1, 2002 to mark up H.R. 4514, Veterans’ Major Medical Facilities Construction Act Of 2002. The bill was endorsed unanimously by the Subcommittee, as amended, and ordered reported favorably to the full Committee.

On May 9, 2002, the full Committee met and ordered H.R. 4514, as amended, reported favorably to the House by unanimous voice vote.

SUMMARY OF THE REPORTED BILL

H.R. 4514, as amended, would:

- Authorize the Secretary of Veterans Affairs to carry out ten major medical facility construction projects, the cost of which may not exceed the amount specified for each project, as follows:
 - Seismic corrections on Building No. 2 at the VA Medical Center in Palo Alto, California, in the amount of \$14,020,000;
 - Seismic corrections on Building No. 4 at the VA Medical Center in Palo Alto, California, in the amount of \$21,750,000;
 - Seismic corrections at the VA Medical Center in San Francisco, California, in the amount of \$31,000,000;
 - Seismic corrections at the VA Medical Center in West Los Angeles, California, in the amount of \$27,200,000;
 - Seismic corrections and clinical improvements at the VA Medical Center in Long Beach, California, in the amount of \$24,600,000;
 - Seismic corrections on Building No. 1 at the VA Medical Center in San Diego, California, in the amount of \$47,100,000;
 - Construction involving the consolidation of the Ambulatory Surgery and Clinical Care facilities at the VA Medical Center in Cleveland, Ohio, in the amount of \$32,500,000;
 - Construction involving the consolidation of VA and DoD health and benefits offices in Anchorage, Alaska, in the amount of \$59,000,000;
 - Construction involving the renovation of certain wards at the VA Medical Center in West Haven, Connecticut, in the amount of \$15,300,000; and,
 - Construction involving the expansion of the Ambulatory Care facility at the VA Medical Center in Tampa, Florida, in the amount of \$18,230,000.
- Authorize \$285 million in appropriations to carry out the ten projects.
- Increase the threshold for major medical facility construction projects from \$4 million to \$6 million.
- Establish criteria for minor construction projects.
- Authorize a lease for a satellite outpatient clinic in Charlotte, North Carolina, in the amount of \$2,626,000, to be paid from the medical care account.

BACKGROUND AND DISCUSSION

The reported bill would authorize the Secretary of Veterans Affairs to initiate ten major medical facility construction projects in fiscal year 2003. These projects would improve, renovate, and update patient care facilities at VA Medical Centers (VAMC). These particular projects were chosen from the Secretary's top twenty major medical facility construction projects submitted to Congress on February 13, 2002, in accordance with requirements for such reporting under section 8107(d)(1) of title 38, United States Code.

In the First Session of the 107th Congress, the Honorable Christopher H. Smith, introduced H.R. 811, the Veterans Hospital Emergency Repair Act, with other Members. Unfortunately, the Senate

did not address this measure. As a consequence, capital facilities maintenance and repair have not kept pace with known needs in the Department, and many facilities are deteriorating.

Veterans enrolled in VA health care—who are dependent on the capital assets of the system to provide their care—deserve medical facilities that provide quality services and improve access to their health care. In addition, VA medical centers should be safe. The reported bill would help improve the safety of veterans who are provided medical care in VA health care as well as for the VA staff who provide that care.

The total amount authorized for ten projects is \$285 million.

The bill particularly would address seismic risks at a number of VA facilities. Those facilities receiving seismic upgrades and corrections or seismic bracing and anchorage of non-structural items throughout the centers would include VA medical facilities in Palo Alto, San Francisco, West Los Angeles, Long Beach, and San Diego, California. Completion of these engineered upgrades would bring each facility into conformance with current VA seismic standards, and would eliminate significant risks to safety.

Another important project would authorize VA to replace the mechanical and electrical systems at the VA Medical Center in Cleveland, Ohio. They were installed in 1961 and are in dire need of attention.

The Anchorage, Alaska project would construct a consolidated Veterans Affairs-Department of Defense health care and benefits facility, to help address growing workload and demands, provide space for additional personnel, and confirm the Committee's strong interest in encouraging the two departments to better share health care resources under the Department of Veterans Affairs and Department of Defense Health Resources Sharing and Emergency Operations Act of 1982. The Anchorage VA-Air Force project is an important step in promoting such coordination between these departments.

A number of important improvements would be made at the VA Medical Center in West Haven, Connecticut, if this bill is enacted. These essential renovations to inpatient wards would correct patient privacy inadequacies; consolidate support services; correct deficiencies in air quality, comply with Americans with Disabilities Act (ADA) accessibility, and improve the general safety of patients and staff.

The construction project for the VA medical facility in Tampa, Florida would relocate three Spinal Cord Injury (SCI) inpatient wards and ancillary support functions to the new SCI building dedicated in February 2002. The completion of this project would allow more space for further expansion of the VAMC.

The reported bill would provide the Secretary authority to move forward on VA's highest construction priorities without further, unacceptable delays. The Department has indicated its intention to rely on the "Capital Assets Realignment for Enhanced Services," or "CARES" system to determine whether its capital projects in medical facilities are funded. By doing so, the Department continues to delay funding projects that meet crucial and in some cases, emergent, needs. In its report to Congress under title 38, section 8107, the Department of Veterans Affairs states that the following projects represent its highest major medical facility priorities, yet

only four of them were included in the President's fiscal year 2003 budget request. The Committee agrees that these four are high priorities, but the reported bill would authorize an additional six projects that the Committee concludes also warrant funding on a high priority basis, without further delay. The synopsis of VA's top twenty projects is as follows, in order of priority presented by the Secretary in his report to Congress:

1. *Palo Alto, CA*: This project would renovate Building 2, a two-story inpatient building constructed in 1960, at the Palo Alto Division. Renovations would include seismic corrections to the entire building, correction of patient privacy deficiencies on one nursing unit in C Wing, correction of fire safety deficiencies in C Wing, and functional improvements on one floor for the Sierra Pacific Network's Mental Illness Research, Education and Clinical Center (MIRECC). Building 2 would provide consolidated acute inpatient psychiatry services at the Palo Alto Division. These services are currently located in several buildings on campus. Completion of this project would allow occupancy of the building by three 26-bed psychiatric nursing units as well as the MIRECC offices and dry labs.

2. *Cleveland, OH*: This project would renovate vacated space on the second floor and basement for the relocation of the medical laboratory of the Wade Park Division, Veterans Integrated Service Network (VISN) 10. The second floor space planned for renovation is adjacent to the existing operating suites and recovery areas. This project would include the replacement of all mechanical, electrical, and architectural systems installed in this 1961 facility.

3. *San Francisco, CA*: This project would seismically upgrade the main inpatient Building 203 at the San Francisco VA Medical Center, and bring the facility into conformance with current VA seismic standards. In order to meet current VA seismic design standards for life safety, this project would seismically retrofit Building 203, a five-story concrete structure, by strengthening existing lateral force resisting elements, adding supplemental members and non-structural systems, and bracing equipment. Minor functional improvements for patient privacy, disability access, and building efficiency would be included.

4. *Anchorage, AK*: The project would construct a new facility next to the Joint Venture Medical Treatment Facility on Elmendorf Air Force Base (AFB), Alaska. The new facility would address the Alaska Veterans Affairs Healthcare System and Regional Office increasing workload demands and provide space for the projected Veterans Health Administration (VHA)/Veterans Benefits Administration (VBA) 500+ peak housed personnel required to meet the station's workload demands of the future.

5. *West Los Angeles, CA*: The seismic upgrade of Building 500 would strengthen 16 of the 64 braced frames below the second floor, strengthen collector plate connections to the braced frames, and add new collector plates to transfer loads in the central core area to the braced frames located at the

wings. Seismic bracing and anchorage of non-structural items throughout the hospital would also be included.

6. *West Haven, CT*: This project would substantially renovate three inpatient wards to correct for patient privacy inadequacies as well as consolidate associated support services. It would correct deficiencies such as ADA accessibility, general safety, air quality, and patient privacy. Correcting the deficiencies on these units would result in improved patient privacy, staff morale, and health care delivery efficiencies. This project would involve renovating 3 wards in Building 1: two inpatient Medical, Surgical and Neurological as [KHC1]well as one psychiatric unit.

7. *Long Beach, CA*: Building 7 of the VA Long Beach Medical Center would be seismically upgraded and retrofitted. The project would provide an addition of 24,000 gross square feet. The project would allow for the consolidation of specialty clinics, improve work processes, and maximize efficiency.

8. *Palo Alto, CA*: This project would renovate Building 4, a three-story research building constructed in 1960, at the Palo Alto Division. Renovations would include seismic corrections to the entire building, correction of fire safety deficiencies throughout the building, and functional laboratory improvements in areas formerly occupied by inpatient psychiatric wards. Building 205, Menlo Park campus, would be demolished. Most research personnel, housed in Building 205, would be relocated to Building 4. This includes members of the Geriatric Research and Education and Clinical Center (GRECC), Health Services Research and Development (HSR&D), and the Cooperative Studies program. Completion of this project would allow consolidation of a large segment of wet and dry lab research programs. Building 4 would provide for consolidated research services at the Palo Alto Division. It would allow the consolidation of the Menlo Park Division research programs from Building 205 into a two or three major building complex at the Palo Alto campus.

9. *Tampa, FL*: The project is an offshoot of the "Spinal Cord Injury/Rehab Center, Phase 2" which would relocate three Spinal Cord Injury (SCI) inpatient wards and ancillary support functions to a new SCI building. As a result of the relocation, space would be vacated in the main hospital. This space needs renovation for expansion and improvement of the outpatient care facility. The Capital Investment Panel [KHC2]relates to the renovation in the three vacated inpatient wards in the main hospital and would involve asbestos abatement of the space involved. The renovated space would house the hospital functions now temporarily located in several modular buildings adversely affecting smooth workflow and also taking up needed space for parking.

10. *VISN 4*: This multi-facility project would renovate and expand outpatient clinics at seven different medical centers located in VISN 4. The needed renovations and expansions would address the insufficient space and accommodations that negatively impact outpatient care delivery at seven VAMCs. Six of the eight projects would renovate and expand primary

and specialty care clinic areas. The other two projects would expand outpatient ambulatory surgery and outpatient day programs. Together, the projects would renovate and expand exam, treatment and operating rooms; staff support areas; waiting, staff and patient education areas; and office space, including travel coordinator, information center and volunteer offices. Hazardous materials, such as asbestos, that are not already abated or whose containment would be disrupted as a result of construction would be removed according to regulations. Windows would be replaced, and outdated, inadequate and unacceptable heating, ventilating, and air-conditioning (HVAC) units and utilities, such as mechanical, plumbing and communications, would be upgraded and constructed to be compatible with existing VAMC systems.

11. *Beckley, WV*: This project would consist of design and construction of a 120-bed nursing home care unit at the VAMC Beckley, West Virginia.

12. *Lebanon, PA*: The Lebanon VAMC is a 31-building campus on 215 acres that serves south central Pennsylvania. This project would reconfigure two floors located in Building 2 at the VAMC. Building 2 is currently unfit to house inpatients. The project would be limited to renovations within the confines of two floors of the building. The renovated space would include the following units: the Dementia Unit (floor 2), the Hospice Unit (floor 1), and the Adult Day Health Care Unit (floor 1). In addition, utilities would be upgraded or added as required to support the new areas. Further, a new elevator shaft and entrance would be built to meet the needs of the patients.

13. *San Diego, CA*: This project would seismically strengthen the 854,000 square foot Medical Center (Building 1) by adding two new exterior unbonded braced frames at the end of each building wing, replacing the braces in all of the existing braced frames with new unbonded braces, and adding new collector elements. This seismic upgrade would correct significant risks to life safety.

14. *Hines, IL*: Blind rehabilitation center (authorized and appropriated in fiscal year 2002).

15. *San Juan, PR*: This project is needed so that the medical center can sustain its daily operations after a seismic event. It would also complete essential items that were not completed in the Seismic Corrections Project due to dollar limitations. Additionally, three areas on the existing basement, first and second floors would have the air conditioning repaired and overhauled in conjunction with asbestos abatement.

16. *VISN 6*: This multi-facility, VISN-wide project would renovate five VAMCs' Mental Health (MH) and Spinal Cord Injury/Dysfunction (SCI/D) Units. The needed renovations would occur only in special emphasis bed units. The project (with the exception of VAMC Richmond) would completely replace each special emphasis ward. Hazardous materials not already abated or whose containment would be disrupted would be removed. Windows would be replaced. Inadequate HVAC and utilities would be upgraded. Floor/room layouts would be changed to provide private and semi-private bedrooms with ad-

jacent private or semi-private toileting/bathing facilities. VAMC Richmond's Special Emphasis wards require handrails and handicap-designed door handles; some floor layout problems would also be addressed.

17. *VISN 4*: This multi-facility, VISN-wide project would renovate and upgrade seven major VA medical centers. These renovations would be made for patient safety and patient/employee welfare. This project would focus on critical major infrastructure needs in VISN 4, which encompasses Delaware, Pennsylvania, and parts of Ohio, West Virginia, New York, and New Jersey. The VISN 4 medical facilities that would benefit from these proposed projects are: Butler, PA VAMC, Louis A. Johnson VAMC (Clarksburg, WV), Coatesville, PA VAMC, Philadelphia, PA VAMC, Pittsburgh, PA VAMC, Wilkes-Barre, PA VAMC, and Wilmington, DE VAMC.

18. *Atlanta, GA*: This project would renovate three inpatient floors of the VAMC Atlanta. The renovations would correct patient privacy issues, improve staff efficiencies, improve the functional layout, and meet ADA requirements and female patient issues.

19. *Tampa, FL*: The project would provide for an addition of approximately 1,170 parking spaces for the Tampa VA Medical Center. This would be accomplished through construction of a parking garage. There would be some ancillary work to be performed, such as road and access, pedestrian connections, utility re-routing, and a possible pedestrian overpass.

20. *Washington DC*: This project would add a one-story addition onto the current Medical Center. The addition would be adjacent to the existing ambulance entrance. The ambulance entrance would be moved. The new addition would house the primary care clinics and the specialty care clinics would expand and backfill the existing primary care clinics. The project would allow for three new clinics to be added to the Medical Center, and would improve patient flow between primary care and specialty care clinics.

Since fiscal year 1998, the Department has requested an average of two projects per year through fiscal year 2003. The average funding requested by the Department to fund such projects was \$52.2 million for the major construction account. Congress, realizing the importance of safety, quality, and improved health care, has authorized an average five projects and appropriated an average of \$104.7 million for major construction projects during the same time period.

From all available indications and based on past practices, the Committee concludes that, absent Congressional authorization of the projects identified in the Committee bill, VA's CARES review process in all likelihood would delay the initiation of these projects by several additional years. Congress should not permit such delays in meeting these important capital needs.

The Committee believes that facilities, which house VA medical and prosthetic research, should be part of the VA's capital improvement program. The Committee notes, and has reported previously (House Report 107-28, March 26, 2001) that the Department does not give sufficient priority to maintaining, upgrading, and replac-

ing VA research facilities. Yet, the Department prominently and regularly cites accomplishments and new discoveries generated by VA research in its public documents and media releases. The Committee urges the Secretary to review the testimony presented to the Subcommittee on Health at its hearing on April 24, 2002, and to take appropriate action to ensure that VA research laboratories and other facilities affiliated with its research programs receive more infrastructure funding than VA has provided in the past.

SECTION-BY-SECTION ANALYSIS

Section 1 is the short title of the bill.

Section 2 would authorize ten major medical facility projects: seismic corrections at the Department of Veterans Affairs Medical Center, Palo Alto, California, building number 2, \$14,020,000 and building number 4, \$21,750,000; seismic correction at the Department of Veterans Affairs Medical Center, San Francisco, California, \$31,000,000; seismic correction at the Department of Veterans Affairs Medical Center, West Los Angeles, California, \$27,000,000; seismic correction and clinical improvement at the Department of Veterans Affairs Medical Center, Long Beach, California, \$24,600,000; seismic correction for building number 1 at the Department of Veterans Affairs Medical Center, San Diego, California, \$47,100,000; ambulatory surgery and clinical consolidation at the Department of Veterans Affairs Medical Center, Cleveland, Ohio, \$32,500,000; consolidation of Department of Veterans Affairs and Department of Defense health and benefits offices, Anchorage, Alaska, \$59,000,000; ward renovation at the Department of Veterans Affairs Medical Center, West Haven, Connecticut, \$15,300,000; and ambulatory care expansion at the Department of Veterans Affairs Medical Center, Tampa, Florida, \$18,230,000.

Section 3 would authorize a lease for a Satellite Clinic in Charlotte, North Carolina, in the amount of \$2,626,000.

Section 4(a) would authorize \$2,626,000 in appropriations for the lease in section 3 and \$285 million for major project construction authorized in section 2 for fiscal year 2003.

Section 4(b) would limit the projects to: funds appropriated for fiscal year 2003 pursuant to the authorization of appropriations in subsection (a), funds appropriated for Construction, Major Projects for a fiscal year before fiscal year 2003 that remain available for obligation, and funds appropriated for Construction, Major Projects, for fiscal year 2003 for a category of activity not specific to a project.

Section 5(a) would amend title 38, United States Code, Section 8104, by increasing the threshold for major medical facility construction projects from \$4,000,000 to \$6,000,000.

Section 5(b) would state the amendment would not apply to any project for which obligated funds have been made prior to October 1, 2002.

Section 6 would amend title 38, United States Code, Section 8103, by adding subsection (e). This subsection would define criteria the Secretary should, when practicable, observe in selecting minor construction projects. These criteria were adapted from similar guidance that would have been provided to the Secretary had

Congress enacted H.R. 811 as indicated above. Under the bill, the projects selected would be prioritized for seismic protection; fire safety; research facility improvements; utility systems; ancillary patient care facilities; accommodation for persons with disabilities; various improvements to blind rehabilitation centers; inpatient and residential programs for seriously mentally ill veterans; residential and rehabilitation programs for veterans with substance-use disorders; physical medicine and rehabilitation; long-term care; amputation care; spinal cord injury centers; traumatic brain injury programs; women's health programs; and, facilities for hospice and palliative care programs.

PERFORMANCE GOALS AND OBJECTIVES

The performance goals and objectives of VA programs dealing with the major medical facility construction, the management of the Department's capital construction programs, maintenance of the portfolio of minor construction projects, and the prioritization of construction projects, are established in the Department's annual performance plans and budget formulation processes, and are subject to the Committee's regular oversight.

STATEMENT OF THE VIEWS OF THE ADMINISTRATION

Views from the Statement of Mark Catlett, Principal Deputy Assistant Secretary for Management, Department of Veterans Affairs, Before the Subcommittee on Health, House Veterans' Affairs Committee, April 24, 2002

The first four projects in the bill were included in the President's FY 2003 budget submission to Congress. The selection of these projects was the result of a thorough capital investment selection process in which specific needs of VA were balanced against the Department's strategic goals, within the parameters of annual budget constraints. The ultimate result of this process was the selection of four major construction projects that VA believes best achieve this balance and that reflect a sound financial investment. Moreover, the projects selected by the Department are the least likely to be affected by the ongoing CARES process. As you know, the CARES process has been implemented to improve access and quality of veterans' health care through realigning VA's capital assets. CARES is an objective evidence-based evaluation of clinical services required in the year 2020, by market area. We believe it is premature at this time to recommend additional projects.

While I am addressing the projects included in H.R. 4514, I would like to mention that our FY 2003 budget requested authorization for the lease of a satellite outpatient clinic in Charlotte, North Carolina, in the amount of \$2,626,000. We would ask that this authorization be included in the bill when it is marked up.

The physical infrastructure of the VA health care system is one of the largest in the Federal government. While some VA facilities are relatively new, the average age of

VA buildings is 50 years. During the past few years, there has been a reluctance to commit to capital investment out of concern that VA was unsure of facilities that would clearly be needed in the future. As we complete our CARES initiatives that identify options to improve our health care system and provide better access, infrastructure modifications will create a large number of projects for future funding and authorization.

Section 4 of H.R. 4514 is entitled *Increase in Threshold for Major Medical Facility Construction Projects*. Subsection (a) of Section 4 increases the dollar threshold that defines a major construction project from its current dollar amount of more than \$4,000,000 to more than \$6,000,000. Subsection (b) of Section 4 seeks to identify those projects to which the increased threshold applies. VA is currently reviewing Section 4 of the bill and we will provide the Committee with our views on this provision at a later time.

Section 5 of H.R. 4514 is entitled *Criteria For Minor Construction Projects*. The language of this section directs the Secretary to select minor construction projects to improve, replace, renovate, or update facilities to achieve improvements in one or more of five specific areas. While this language may have been included to provide guidance to VA in prioritizing the Department's minor construction projects, it eliminates the discretion that the Secretary now has in identifying those minor construction projects that will best meet the overall needs of the Department. VA's comprehensive process for selecting the minor construction projects that will best fulfill VA's mission makes Section 5 of the bill unnecessary. Accordingly, I strongly recommend that it be removed from H.R. 4514.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

The following letter was received from the Congressional Budget Office concerning the cost of the reported bill:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 10, 2002.

Hon. CHRISTOPHER H. SMITH
*Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4514, the Veterans' Major Medical Facilities Construction Act of 2002.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Sam Papenfuss, who can be reached at 226-2840.

Sincerely,

DAN L. CRIPPEN,
Director.

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE
May 10, 2002

H.R. 4514, VETERANS' MAJOR MEDICAL FACILITIES CONSTRUCTION ACT OF 2002, AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON VETERANS' AFFAIRS ON MAY 9, 2002

H.R. 4514 would authorize the appropriation of \$285 million in 2003 to be used for improving, renovating, and updating medical centers in the Department of Veterans Affairs (VA). It also would authorize about \$3 million to lease an outpatient clinic in Charlotte, North Carolina. The bill would authorize specific projects for improved earthquake protection, and other changes to existing facilities and set spending limits for each project. H.R. 4514 also would raise the threshold for projects to be financed out of the appropriation for major medical facility construction from \$4 million to \$6 million. (Thus, under the bill projects costing up to \$6 million would be considered minor construction.) Finally, H.R. 4514 would define in greater detail the criteria for VA to use in selecting minor construction projects.

CBO estimates that implementing H.R. 4514 would cost \$13 million in 2003 and \$279 million over the 2003–2007 period, assuming appropriation of the authorized amounts. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

H.R. 4514 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact is Sam Papenfuss. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

STATEMENT OF FEDERAL MANDATES

The preceding Congressional Budget Office cost estimate states that the bill contains no intergovernmental or private sector mandates as defined in the Unfunded Mandates Reform Act.

APPLICABILITY TO LEGISLATIVE BRANCH

The reported bill would not be applicable to the legislative branch under the Congressional Accountability Act, Public Law 104–1, because the bill would only affect certain Department of Veterans Affairs programs.

STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to Article I, section 8 of the United States Constitution, the reported bill is authorized by Congress' power to "provide for the common Defense and general Welfare of the United States."

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

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PART VI—ACQUISITION AND DISPOSITION OF PROPERTY

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CHAPTER 81—ACQUISITION AND OPERATION OF HOSPITAL AND DOMICILIARY FACILITIES; PROCUREMENT AND SUPPLY; ENHANCED-USE LEASES OF REAL PROPERTY

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SUBCHAPTER I—ACQUISITION AND OPERATION OF MEDICAL FACILITIES

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§ 8103. Authority to construct and alter, and to acquire sites for, medical facilities

(a) * * *

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(e) PURPOSE OF MINOR CONSTRUCTION PROJECTS.—In selecting medical facilities (including research facilities) for projects under subsection (a) other than major medical facility projects subject to section 8104 of this title, the Secretary shall, to the extent practicable, select projects to improve, replace, renovate, or update facilities to achieve one or more of the following:

- (1) Seismic protection improvements related to patient safety (or, in the case of a research facility, patient or employee safety).
- (2) Fire safety improvements.
- (3) Improvements to utility systems and ancillary patient care facilities (including such systems and facilities that may be exclusively associated with research facilities).
- (4) Improved accommodation for persons with disabilities, including barrier-free access.
- (5) Improvements at patient care facilities to specialized programs of the Department, including the following:
 - (A) Blind rehabilitation centers.
 - (B) Inpatient and residential programs for seriously mentally ill veterans, including mental illness research, education, and clinical centers.
 - (C) Residential and rehabilitation programs for veterans with substance-use disorders.
 - (D) Physical medicine and rehabilitation activities.
 - (E) Long-term care, including geriatric research, education, and clinical centers, adult day care centers, and nursing home care facilities.
 - (F) Amputation care, including facilities for prosthetics, orthotics programs, and sensory aids.
 - (G) Spinal cord injury centers.
 - (H) Traumatic brain injury programs.

(I) Women veterans' health programs (including particularly programs involving privacy and accommodation for female patients).

(J) Facilities for hospice and palliative care programs.

§ 8104. Congressional approval of certain medical facility acquisitions

(a)(1) * * *

* * * * *

(3) For the purpose of this subsection:

(A) The term "major medical facility project" means a project for the construction, alteration, or acquisition of a medical facility involving a total expenditure of more than **[\$4,000,000]** *\$6,000,000*, but such term does not include an acquisition by exchange.

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