

DEPARTMENT OF VETERANS AFFAIRS MEDICAL FACILITY
AUTHORIZATION AND LEASE ACT OF 2008

MAY 15, 2008.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. FILNER, from the Committee on Veterans' Affairs,
submitted the following

R E P O R T

[To accompany H.R. 5856]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 5856) to authorize major medical facility projects and major medical facility leases for the Department of Veterans Affairs for fiscal year 2009, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

CONTENTS

| | Page |
|---|------|
| Purpose and Summary | 2 |
| Background and Discussion | 3 |
| Hearings | 9 |
| Committee Consideration | 9 |
| Committee Votes | 9 |
| Committee Oversight Findings | 9 |
| Statement of General Performance Goals and Objectives | 9 |
| New Budget Authority, Entitlement Authority, and Tax Expenditures | 10 |
| Earmarks and Tax and Tariff Benefits | 10 |
| Committee Cost Estimate | 10 |
| Congressional Budget Office Estimate | 10 |
| Federal Mandates Statement | 12 |
| Advisory Committee Statement | 12 |
| Constitutional Authority Statement | 12 |
| Applicability to Legislative Branch | 13 |
| Section-by-Section Analysis of the Legislation | 13 |
| Changes in Existing Law Made by the Bill as Reported | 15 |

PURPOSE AND SUMMARY

H.R. 5856 was introduced by Representative Michael H. Michaud of Maine, the Chairman of the Subcommittee on Health, on April 22, 2008. This legislation would authorize major construction projects and medical facility leases for the Department of Veterans Affairs for fiscal year 2009. This bill would expand and improve the health care delivery to veterans throughout the VA health care system. It would also provide for state-of-the-art facilities and address current gaps in services.

H.R. 5856 would:

1. Authorize appropriations for:
 - Seismic corrections to building 2 at the VAMC in Palo Alto, California in the amount of \$54 million.
 - Construction of a polytrauma health care and rehabilitation center at the VAMC in San Antonio, Texas, in the amount of \$66 million.
 - Seismic correction to building 1, at the VAMC in San Juan, Puerto Rico, in the amount of \$225,900 million.
2. Increase authorization amounts for previously authorized construction projects:
 - Increases the authorization level for the New Orleans VAMC replacement facility to \$625,000,000.
 - Increases the authorization level for the Denver VAMC, replacement medical facility to \$769,200,000.
 - Increases the authorization for the correction of patient privacy issues at the Gainesville, Florida VAMC to \$136,700,000.
 - Increases the authorization for the construction of a new medical facility in Las Vegas, Nevada to \$600,400,000.
 - Increases the authorization for the construction of a new outpatient clinic in Lee County, Florida to \$131,800,000 million.
 - Increases the authorization for the construction of a new medical facility in Orlando, Florida to \$656,800,000.
 - Increases the authorization for the consolidation of campuses at the University Drive and H. John Heinz III Divisions to \$295,600,000.
3. Authorize the Secretary of Veterans Affairs to carry out major medical facility leases in the following twelve locations:
 - Brandon, Florida outpatient clinic in the amount of \$4,326,000.
 - Colorado Springs, Colorado outpatient clinic in the amount of \$3,995,000.
 - Eugene, Oregon outpatient clinic in the amount of \$5,826,000.
 - Greenville, South Carolina outpatient clinic in the amount of \$3,731,000.
 - Mansfield, Ohio outpatient clinic in the amount of \$2,212,000.
 - Mayaguez, Puerto Rico outpatient clinic in the amount of \$6,276,000.
 - Mesa, Arizona outpatient clinic in the amount of \$5,106,000.
 - Sun City, Arizona outpatient clinic in the amount of \$2,295,000.
 - Expansion of an outpatient clinic in Green Bay, Wisconsin, in the amount of \$5,891,000.
 - Expansion of an outpatient clinic in Savannah, Georgia in the amount of \$3,168,000.

- Interim research space in Palo Alto, California in the amount of \$8,636,000.
 - Primary care annex in Tampa, Florida in the amount of \$8,652,000.
4. Authorize the Secretary of Veterans Affairs to construct a new medical facility in Okaloosa County, Florida, in an amount not to exceed \$54,475,000.
 5. Authorize \$345,900,000 to be appropriated for Major Medical Facility Projects for Fiscal Year 2009.
 6. Authorize \$1,694,295,000 to be appropriated for modifications of major medical facility authorizations for FY 2009 and modifications for certain major medical facility construction projects previously authorized in connection with the Capital Asset Realignment for Enhanced Services (CARES).
 7. Authorize \$54,475,000 to be appropriated for the construction of a major medical facility in section 5.
 8. Require the Secretary to submit a report on the progress in complying with Section 312A of 38 U.S.C. Section 312A governs the establishment and responsibilities of the Director of Construction and Facilities Management which was a position established in P.L. 109–461.
 9. Require Secretary to submit an annual report on outpatient clinics.

BACKGROUND AND DISCUSSION

VA's medical infrastructure is old and outdated. The average age of a VA facility is over 50 years old. With the enactment of eligibility reform in 1996, VA's health care delivery model has undergone a transformation from inpatient-centered care to one of outpatient-centered care. The Capital Asset Realignment for Enhanced Services (CARES) process initiated in 1998 by VA created a blueprint for the future construction needs of the Department. CARES is a comprehensive assessment for identifying the demand for VA care and projecting future appropriate models of delivery of health care to veterans throughout the VA's system of health care.

Section 8104(a)(2) of title 38, United States Code, requires statutory authorization for all major medical facility construction projects (defined as those which cost more than \$10 million) and all major medical facility leases exceeding \$600,000 (including parking facilities) prior to the appropriation or expenditure of funds.

MAJOR MEDICAL FACILITY AUTHORIZATIONS

H.R. 5856 provides authorization for 11 major medical facility projects and 12 major medical facility leases.

Palo Alto, California: The Palo Alto project received \$34 million in fiscal year 2005 and an additional \$20 million in fiscal year 2008 budget authority to complete construction, with a total estimated cost of \$54 million. This project would replace an obsolete, functionally deficient and seismically unsafe acute psychiatric inpatient building by constructing an 80-bed, 78,000 square-foot replacement facility at VA Palo Alto Health Care System's Palo Alto Division. After completion of the 80-bed acute psychiatric inpatient replace-

ment facility, Building 2 would be decommissioned and razed, with the land being converted to patient parking.

San Antonio, Texas: The San Antonio project received the total estimated cost of \$66 million in a reprogramming action in fiscal year 2008 to complete design and construction. This project would provide a new 84,000 state-of-the-art Polytrauma Healthcare and Rehabilitation Center. The Center would consist of a polytrauma ward, transitional housing, Physical Medicine and Rehabilitation Service, Prosthetics Service, and polytrauma research and support programs. Additionally, spaces vacated by programs moving to the new center would be renovated and parking deficiencies addressed.

San Juan, Puerto Rico: The San Juan project received \$14.88 million in fiscal year 2005, which was reduced by \$4 million in a reprogramming action in fiscal year 2006, and received \$59 million in fiscal year 2008. This project requires an additional \$64.4 million in fiscal year 2009 budget authority to construct the administrative building, with a total estimated cost of approximately \$225.9 million. This project would complete the seismic corrections in the main hospital building to comply with occupancy standards. The second phase of approximately 100,000 square feet of new construction would house administrative functions to meet VA's immediate occupancy standards.

Okaloosa County, Florida: Okaloosa County, Florida, is home to one of the largest veteran populations in the nation, yet veterans have to drive over three hours to receive VA inpatient care. The area is located in the Eastern Southern Market of Veterans Integrated Service Network 16, which the CARES decision identified as "the only market in the VISN without a medical center and it . . . is underserved for inpatient care. The CARES decision further stated that "[t]he VISN also will continue to pursue opportunities to expand its current sharing with Eglin Air Force Base (AFB) to enhance inpatient care services."

As of April 2008, veterans in this area were only able to receive outpatient care at a VA community-based outpatient clinic located at Eglin AFB in Okaloosa County. On November 1, 2007, Major General David W. Eidsaune, Commander, Air Armament Center, Eglin AFB, Florida, testified before the Subcommittee on Health of the Committee on Veterans' Affairs that the VA and the Department of Defense (DoD) have developed a successful partnership to provide accessible health care in northwest Florida.

Based on the CARES recommendations and the existing cooperative VA/DoD history, section 823 of Public Law 109-461 required that the Secretary of VA conduct a study in conjunction with the Secretary of DoD and the Secretary of the Air Force to develop options for the VA on the placement of a VA Medical Center in Okaloosa County, Florida. Completed in June 2007, the study identified three options for providing inpatient care in Okaloosa County, Florida. Implementing Option 2 was identified as the most feasible of the three options. Option 2 would expand the outpatient specialty care space at Eglin AFB Hospital through Federal construction, and would establish a VA/DoD sharing agreement with Eglin AFB Hospital to provide medical and surgical acute inpatient services to veterans, and expand specialty outpatient care.

INCREASES IN PRIOR YEAR AUTHORIZATIONS

Authorizations for appropriations were increased for projects authorized in Public Law 109-461, the "Veterans Benefits, Health Care, and Information Technology Act of 2006." VA has reported that these projects have increased in cost and new authorization levels must be obtained to move forward with the projects. There are six projects that have increased in cost and require increased authorizations: New Orleans VA Medical Center (VAMC); Denver VAMC; Gainesville, Florida, VAMC; new medical facility in Las Vegas; new outpatient clinic in Lee County, Florida; and new medical facility in Orlando, Florida.

Denver, Colorado: H.R. 5856 would provide VA an authorization in the amount not to exceed \$769,200,000 for the replacement of the Denver, Colorado, VAMC. This authorization was requested by the Administration in February in the fiscal year 2009 budget submission. However, on April 24, 2008, the Secretary of Veterans Affairs announced his decision to change the scope of the project. VA now intends to construct a new bed tower in partnership with the University of Colorado Denver and the University of Colorado Hospital (UCH) on University property at the former Fitzsimons Army Medical Center campus.

The Committee strongly supports the Secretary's decision to once again move forward with a joint use facility. We recognize that it may be necessary to amend the authorization as planning and design for a new shared facility is developed.

There has been a long and detailed history of planning for a shared facility to replace the existing Denver VAMC. Discussions between VA and UCH regarding the relocation of the Denver VAMC to the Fitzsimons campus started in 2000. In 2003, Congress enacted Public Law 108-170, the "Veterans Health Care, Capital Asset, and Business Improvement Act of 2003." The law authorized advance planning in an amount not to exceed \$30 million for the contemplated joint use facility. Additionally, Public Law 108-422, the "Veterans Health Programs Improvement Act of 2004," authorized VA to enter into a long-term lease of up to 75 years at UCH. This authority was necessary for VA to acquire a sufficient land interest for the construction of a shared facility on the Fitzsimons Campus. Following enactment of the law, to the disappointment of the Committee, VA gave notice of its intention not to enter into a lease and instead purchase land on a separate site at the Fitzsimons campus for a freestanding VA medical center. On March 29, 2007, VA acquired 17.8 acres of land that is now intended to be used for a state-of-the-art VA Ambulatory Health Care Center, parking garage and administrative offices.

However, the Committee remains concerned that the new plan for Denver does not reflect the authorization included in this bill. We expect VA to provide the Committee with a detailed prospectus and briefing on the announced changes for the major medical facility project in Denver.

LEASE AUTHORIZATIONS

Twelve leases require authorization for FY 2009: Brandon, Florida; Colorado Springs, Colorado; Eugene, Oregon; Greenville, South Carolina; Mansfield, Ohio; Mayaguez, Puerto Rico; Mesa, Arizona;

Sun City, Arizona; Expansion of an outpatient clinic in Green Bay, Wisconsin; Expansion of an outpatient clinic in Savannah, Georgia; Interim research space in Palo Alto, California; and primary care annex in Tampa, Florida.

Brandon, Florida: The bill would authorize a 50,000 square foot multi-specialty clinic lease in Brandon, Florida, that would affect 10,425 unique veterans. Because of the rapidly expanding population growth, lack of public transportation, and inadequate highway infrastructure, the Brandon Clinic would significantly improve access to veterans in Southeastern Hillsborough County. The lease is fully authorized in the measure for \$4,326,000.

Colorado Springs, Colorado: The existing Colorado Springs Community Based Outpatient Clinic (CBOC) lease expires on August 31, 2010. The project would relocate and expand the current clinic into approximately 47,000 square feet of outpatient clinic space. This project would allow the VA to continue to provide timely access to state-of-the-art primary care, specialty care, and mental health services for veterans in the area. The lease is fully authorized in the measure for \$3,995,000.

Eugene, Oregon: The existing Eugene CBOC lease expires in 2012. This lease would relocate and expand the current clinic into approximately 66,000 square feet of outpatient clinic space. The lease is fully authorized in this measure for \$5,826,000.

Greenville, South Carolina: The lease in Greenville, South Carolina would relocate and expand the current clinic to approximately 45,900 square feet of new outpatient clinic space due to the expiration of the current lease. This expansion would address the access and capacity issues for primary care and specialty care services that currently exist. The lease is fully authorized in this measure for \$3,731,000.

Mansfield, Ohio: The lease in Mansfield, Ohio would construct a new Mansfield CBOC to augment existing services provided and add new services to the more than 5,800 unique veterans served. The new clinic would be approximately 27,500 square feet and would eliminate the physical separation between primary care and mental health services that currently exists. The lease is fully authorized in this measure for \$2,212,000.

Mayaguez, Puerto Rico: The current leased clinic space has significant infrastructure deficiencies that would be very costly to repair. Under a new lease contract, the Mayaguez clinic would continue to provide the same services to its veteran service area in a structure that measures approximately 70,100 square feet. The lease is fully authorized in this measure for \$6,276,000.

Southeast Mesa, Arizona: The lease for the existing Southeast Mesa, Arizona CBOC expires on December 30, 2011. This lease would relocate and expand the current 42,500 square foot clinic into approximately 60,000 square feet of outpatient clinic space. The lease is fully authorized in this measure for \$5,106,000.

Sun City, Arizona: The existing Sun City, Arizona Northwest Extension Clinic lease expires on April 30, 2009. This project would relocate and expand the current 8,916 square feet clinic into approximately 25,000 square feet of outpatient clinic space. This project would allow the VA to continue to provide timely access to state-of-the-art primary care clinics, specialty care clinics, mental health and ancillary diagnostic services in a properly sized clinic to

meet increased workload. Dental care would be introduced as a new service offered after relocation into the larger space. The lease is fully authorized in this measure for \$2,295,000.

Green Bay, Wisconsin: The lease authorization in Green Bay, Wisconsin, would provide authority to construct an Ambulatory Surgery/Outpatient Diagnostic Center and CBOC for the North and Central submarket of VISN 12. The current clinic has reached its physical capacity and the expansion is needed to meet the needs of more than 1,500 patients currently on temporary fee authorization, and to provide closer access for nearly 4,000 patients from this catchment area currently being seen at the Appleton and Cleveland CBOC. Additional space would be necessary to support the ancillary services needed to provide appropriate services to these patients including laboratory, radiology, mental health, social work and home based primary care. The lease is fully authorized in the measure for \$5,891,000.

Savannah, Georgia: The Savannah, Georgia, CBOC is a long established facility serving southeastern Georgia and the southern tip of South Carolina. This lease would maintain the clinic presence in the Savannah area while increasing the net usable space from 34,760 square feet to 38,900 square feet. This facility would provide access to primary care, mental health services, specialty care, diagnostic services and home-based health care for area veterans and the Fort Stewart and Fort Hunter Army Airfield communities. The lease is fully authorized in this measure for \$3,168,000.

Palo Alto, California: The Palo Alto lease authorization would authorize the lease of up to 100,000 square feet of wet and dry bench research laboratory facilities in the San Francisco Bay area to house approximately 300 VA researchers and other miscellaneous programs displaced due to major and minor construction projects. The lease is fully authorized in this measure for \$8,636,000.

Tampa, Florida: The proposed lease in Tampa, Florida would move all Primary Care services to a 100,000 square foot off-site location within close proximity of the parent campus. This relocation would have the primary benefit of decompressing the parent facility so that Specialty Clinics can be expanded. The lease is fully authorized in this measure for \$8,652,000.

OTHER MATTERS

Far South Texas: Veterans in far South Texas face an excessive travel burden to obtain inpatient care at the San Antonio VA Medical Center. Round trip travel time from Harlingen is about ten hours and from Corpus Christi, about five hours. Public Law 108-170 required VA to develop a plan for meeting the future hospital care needs of veterans who reside in this region. On April 30, 2004, VA submitted a report to Congress with a plan consistent with the CARES Decision. The plan included an expansion of services in Harlingen, Corpus Christi, and the McAllen Clinic.

In August 2007, Booz Allen Hamilton released a report on veteran health care needs in South Texas that was requested by Senator Kay Bailey Hutchison of Texas. The Booz Allen Hamilton report included options for expanding VA health care services in the Harlingen and Corpus Christi areas.

As recommended, the Committee supports expanding services at the McAllen Clinic, Corpus Christi, and Harlingen.

VA is moving forward with an expansion of services in Harlingen that would be comprehensive in terms of providing medical care and reduce the rate of travel to San Antonio VAMC by about at least 90 percent. VA is implementing a plan in collaboration with the University of Texas Regional Academic Health Center, to provide a full spectrum of services in Harlingen with a lease-build out over the next three years. The Committee expects the new facility to be named the "Far South Texas VA Medical Care Center."

Additionally, the Committee expects that the current Deputy Director position that has been established for far South Texas will be transitioned to the title of Health Care System Director, Coastal Bend/Lower Rio Grande Valley/Laredo Health Care System starting in fiscal year 2010. This Director will report directly to the VA Heart of Texas Health Care Network Director.

We remain committed to ensuring that VA fully funds, and remains focused on, an aggressive plan to maximize local access to care for veterans in far South Texas.

Guam: The Committee is concerned about the future provision of health care services for veterans residing in Guam and the Pacific Islands that make up the Compact of Free Association.

VA and DoD currently have a memorandum of understanding (MOU) to provide inpatient and specialty care for veteran beneficiaries on a space available basis. The MOU is set to expire on December 31, 2010. Additionally, DoD is anticipating the relocation of 8,000 to 12,000 Marines from Okinawa to Guam by 2014 that would nearly double the total patient population served by the U.S. Naval Hospital Guam. To meet the increased demand, the Navy will replace the existing facility. Several sites are being considered. The Secretary of the Navy informed the Committee that a site location decision will be made by May 31, 2008. The Committee strongly recommends that the new Naval Hospital be built at the current location. Further, to ensure continued access to the Naval Hospital by veterans, we recommend that VA and DoD enter into a joint agreement whereby veterans are guaranteed access to inpatient and specialty services at U.S. Naval Hospital Guam.

Fort Ord, California: The Committee is aware there is a VA feasibility study underway to determine the need for a CBOC in the Ord Military Community. We strongly encourage the completion of this study as expeditiously as possible and look forward to the results and recommendations that will address future health care needs for veterans in the area.

Northeast Iowa: The Committee is concerned that the Veterans Integrated Service Network 23 has identified rural Northeast Iowa as an underserved area. Veterans in Northeastern Iowa do not meet the VA access standard of having VA primary care community based outpatient clinic located within 30 minutes of 70 percent of veterans living in the area. The VA is now conducting a more comprehensive analysis to determine what strategies might improve delivery of VA health care services in the area. The study is expected to be completed by June 30, 2008. We encourage VA to have a strategy in place that will meet the access to care needs of veterans residing in Northeast Iowa in fiscal year 2010. This may

include community-based outpatient or outreach clinics, telemedicine, or contract care with existing local medical facilities.

HEARINGS

On February 27, 2008, the Subcommittee on Health held a hearing entitled “U.S. Department of Veterans Affairs Construction Authorization.” The following witnesses testified: Mr. Dennis M. Cullinan, Director, National Legislative Service, Veterans of Foreign Wars of the United States, On Behalf of The Independent Budget; Mr. Joseph L. Wilson, Deputy Director, Veterans Affairs and Rehabilitation Commission, The American Legion; Mr. Richard F. Weidman, Executive Director for Policy and Government Affairs, Vietnam Veterans of America; and Mr. Donald H. Orndoff, Director, Office of Construction and Facilities Management, U.S. Department of Veterans Affairs, accompanied by Mr. Robert L. Neary, Director, Service Delivery Office, U.S. Department of Veterans Affairs; Mr. James M. Sullivan, Deputy Director, Office of Asset Enterprise Management, Office of Management, U.S. Department of Veterans Affairs; and, Mr. Joseph Williams, Assistant Deputy Under Secretary for Health for Operations and Management, Veterans Health Administration, U.S. Department of Veterans Affairs.

COMMITTEE CONSIDERATION

On April 23, 2008, the Subcommittee on Health met in open markup session and ordered favorably forwarded to the full Committee H.R. 5856, without amendment, by voice vote.

On April 30, 2008, the full Committee met in open markup session, a quorum being present, and ordered H.R. 5856 favorably reported to the House of Representatives, by voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report the legislation and amendments thereto. There were no record votes taken on amendments or in connection with ordering H.R. 5856 reported to the House. A motion by Mr. Buyer of Indiana to order H.R. 5856 reported favorably to the House of Representatives was agreed to by voice vote.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee’s oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee’s performance goals and objectives are reflected in the descriptive portions of this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX
EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 5856 contains the following congressional earmark, limited tax benefit, or limited tariff benefit as defined in clause 9(d), 9(e), or 9(f) of rule XXI of the Rules of the House of Representatives:

1. Authorization for the VA to construct a new medical facility in Okaloosa County, Florida, in an amount not to exceed \$54,455,000, offered by Representative Jeff Miller of Florida, Ranking Member of the Subcommittee on Health of the Committee on Veterans' Affairs.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate on H.R. 5856 prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate for H.R. 5856 provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 12, 2008.

Hon. BOB FILNER,
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. 5856, the Department of Veterans Affairs Medical Facility Authorization and Lease Act of 2008.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Sunita D'Monte.

Sincerely,

ROBERT A. SUNSHINE
(For Peter R. Orszag, Director).

Enclosure.

H.R. 5856—Department of Veterans Affairs Medical Facility Authorization and Lease Act of 2008

Summary: H.R. 5856 would authorize funding for the construction, renovation, improvement, or leasing of several medical facilities by the Department of Veterans Affairs (VA). The bill would specifically authorize the appropriation of \$2.1 billion in 2009 for

11 projects, and \$60 million for leasing 12 clinics or other facilities. CBO estimates that implementing H.R. 5856 would cost \$146 million in 2009 and about \$2.2 billion over the 2009–2013 period, assuming appropriation of the authorized and estimated amounts. CBO estimates that enacting the bill would have no effect on direct spending or revenues.

H.R. 5856 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 5856 is shown in the following table. The costs of this legislation fall within budget function 700 (veterans benefits and services).

| | By fiscal year, in millions of dollars— | | | | | |
|---|---|-------|-------|-------|------|------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| SPENDING SUBJECT TO APPROPRIATION | | | | | | |
| Spending Under Current Law for Major Construction of Veterans Medical Facilities: | | | | | | |
| Budget Authority ¹ | 1,135 | 0 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 525 | 680 | 572 | 343 | 119 | 33 |
| Proposed Changes: | | | | | | |
| Major Medical Facility Projects: | | | | | | |
| Authorization Level | 0 | 2,095 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 0 | 92 | 563 | 681 | 503 | 191 |
| Leases for Medical Facilities: | | | | | | |
| Estimated Authorization Level | 0 | 60 | 22 | 22 | 22 | 22 |
| Estimated Outlays | 0 | 54 | 25 | 22 | 22 | 22 |
| Total Changes: | | | | | | |
| Estimated Authorization Level | 0 | 2,155 | 22 | 22 | 22 | 22 |
| Estimated Outlays | 0 | 146 | 589 | 702 | 524 | 212 |
| Spending Under H.R. 5856: | | | | | | |
| Estimated Authorization Level ¹ | 1,135 | 2,155 | 22 | 22 | 22 | 22 |
| Estimated Outlays | 525 | 826 | 1,161 | 1,045 | 643 | 245 |

¹ The 2008 level is the amount appropriated for that year.

Basis of estimate: For this estimate, CBO assumes that the legislation will be enacted before the end of fiscal year 2008, that the authorized and estimated amounts will be appropriated near the start of each fiscal year, and that outlays will follow historical spending patterns for similar programs.

H.R. 5856 would authorize appropriations for major construction and leasing of medical facilities by VA. It also would require VA to prepare reports addressing specific construction issues. CBO estimates that implementing H.R. 5856 would cost about \$2.2 billion over the 2009–2013 period, assuming appropriation of the necessary amounts.

Major medical facility projects

Sections 2, 3, and 5 would authorize work on a number of medical facility projects. CBO estimates that implementing those three sections would cost \$2 billion over the 2009–2013 period, assuming appropriation of the authorized amounts.

Section 3 would authorize the appropriation of about \$1.7 billion in 2009 for additional funding for construction, renovation, repairs, and upgrades to seven major projects that were previously authorized under Public Law 109–461.

Section 2 would authorize the appropriation of \$346 million in 2009 for three new construction projects including a polytrauma center in San Antonio, Texas, and seismic corrections to facilities in Palo Alto, California, and San Juan, Puerto Rico.

Section 5 would authorize the appropriation of \$55 million in 2009 to construct a new medical facility in Okaloosa County, Florida.

Leases for medical facilities

Section 4 would authorize the Secretary of VA to lease facilities for 10 outpatient clinics, a primary care annex, and a research laboratory. The bill would authorize the appropriation of \$60 million in 2009 for lease payments for the first year. Based on information from VA's 2009 budget request, CBO estimates that VA would enter into 20-year lease agreements for those facilities, and that VA would have additional costs of about \$22 million a year starting in 2010. (Costs are higher in 2009 than other years because VA would pay the lessors additional amounts in the first year of the lease for necessary improvements and upgrades.) Thus, CBO estimates that implementing this section would cost \$145 million over the 2009–2013 period, assuming appropriation of the necessary amounts.

Other provisions

Section 7 would require VA to prepare a report on its progress in appointing a Director of Construction and Facilities Management. Section 8 would require VA to prepare an annual report on outpatient clinics. CBO estimates that implementing those provisions would have an insignificant impact on discretionary spending.

Intergovernmental and private-sector impact: H.R. 5856 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

Estimate prepared by: Federal costs: Sunita D'Monte; Impact on state, local, and tribal governments: Lisa Ramirez-Branum; Impact on the private sector: Daniel Frisk.

Estimate approved by: Theresa Gullo, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 5856 prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act would be created by H.R. 5856.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the Constitutional authority for H.R. 5856 is provided by Article I, section 8 of the Constitution of the United States.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This Act may be cited as the “Department of Veterans Affairs Medical Facility Authorization and Lease Act of 2008.”

Section 2. Authorization for fiscal year 2009 major medical facility projects. The authorization total for this section is \$345,900 million

This section authorizes appropriations for:

- Seismic corrections to building 2 at the VAMC in Palo Alto, California in the amount of \$54 million.
- Construction of a polytrauma healthcare and rehabilitation center at the VAMC in San Antonio, Texas in the amount of \$66 million.
- Seismic correction to building 1, at the VAMC in San Juan, Puerto Rico in the amount of \$225,900 million.

Section 3. Modification of authorization amounts for certain major medical facility construction projects previously authorized. The authorization total for this section is \$1,694,295,000

This section increases previously authorized construction projects that were included in Public Law 109–461 and since that time have increased in cost:

- Raises the authorization level for the New Orleans VAMC replacement facility to \$625 million. An increase of \$325 million.
- Raises the authorization level for the Denver VAMC replacement medical facility to \$769,200 million. An increase of \$671,200 million.
- Raises the authorization for the correction of patient privacy issues at the Gainesville, Florida VAMC to \$136,700 million. An increase of \$51,500 million.
- Raises the authorization for the construction of a new medical facility in Las Vegas, Nevada to \$600,400 million. An increase of \$194,400 million.
- Raises the authorization for the construction of a new outpatient clinic in Lee County, Florida to \$131,800 million. An increase of \$66,700 million.
- Raises the authorization for the construction of a new medical facility in Orlando, Florida to \$656,800. An increase of \$279,100 million.
- Raises the authorization for the consolidation of campuses at the University Drive and H. John Heinz III Divisions to \$295,600 million. An increase of \$106,395 million.

Section 4. Authorization of fiscal year 2009 major medical facility leases. The total for this section is \$60,114 million

This section authorizes the Secretary of Veterans Affairs to carry out major medical facility leases in twelve locations. The following eight leases are for outpatient clinics:

- Brandon, Florida, in the amount of \$4,326 million.
- Colorado Springs, Colorado, in the amount of \$3,995 million.
- Eugene, Oregon, in the amount of \$5,826 million.
- Greenville, South Carolina, in the amount of \$3,731 million.
- Mansfield, Ohio, \$2,212 million.
- Mayaguez, Puerto Rico, \$6,276 million.
- Mesa, Arizona, \$5,106 million.
- Sun City, Arizona, in the amount of \$2,295 million.

The other four leases are requested for:

- Expansion of an outpatient clinic in Green Bay, Wisconsin, in the amount of \$5,891 million.
- Expansion of an outpatient clinic in Savannah, Georgia, \$3,168 million.
- Interim research space in Palo Alto, California in the amount of \$8,636 million.
- Primary care annex in Tampa, Florida, \$8,652 million.

Section 5. Authorization of construction of major medical facility, Okaloosa County, Florida

This section authorizes the Secretary of Veterans Affairs to construct a new medical facility in Okaloosa County, Florida in an amount not to exceed \$54,475 million.

Section 6. Authorization of appropriation

For Major Medical Facility Projects for fiscal year 2009, this section authorizes to be appropriated an amount of \$345,900 million.

For modifications of major medical facility authorizations for fiscal year 2009 and modifications for certain major medical facility construction projects previously authorized in connection with the Capital Asset Realignment for Enhanced Services this section authorizes to be appropriated an amount of \$1,694,295,000.

For the construction of a major medical facility in section 5 in the amount of \$54,475 million.

Section 7. Facilities administration

This section requires the Secretary to submit a report on the progress in complying with section 312A of 38 U.S.C. 312A governs the establishment and responsibilities of the Director of Construction and Facilities Management which was a position established in P.L. 109–461.

Section 8. Annual report on outpatient clinics

This section requires VA to submit an annual report on outpatient clinics.

Section 9. Technical correction

This section makes a technical correction to P.L. 109–461.

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 italic, existing law in which no change is proposed is shown in roman):

**VETERANS BENEFITS, HEALTH CARE, AND
INFORMATION TECHNOLOGY ACT OF 2006**

* * * * *

TITLE VIII—CONSTRUCTION MATTERS

**Subtitle A—Construction and Lease
Authorities**

SEC. 801. AUTHORIZATION OF FISCAL YEAR 2006 MAJOR MEDICAL FACILITY PROJECTS.

(a) IN GENERAL.—The Secretary of Veterans Affairs may carry out the following major medical facility projects in fiscal year 2006, with each project to be carried out in the amount specified for that project:

(1) Restoration, new construction or replacement of the medical center facility for the Department of Veterans Affairs Medical Center, New Orleans, Louisiana, due to damage from Hurricane Katrina in an amount not to exceed **[\$300,000,000]** *\$625,000,000*. **[The Secretary is authorized to carry out the project in or near New Orleans as a collaborative effort consistent with the New Orleans Collaborative Opportunities Study Group Report dated June 12, 2006.]**

* * * * *

(3) Replacement of the Department of Veterans Affairs Medical Center, Denver, Colorado, in an amount not to exceed **[\$98,000,000]** *\$769,200,000*.

* * * * *

SEC. 802. EXTENSION OF AUTHORIZATION FOR CERTAIN MAJOR MEDICAL FACILITY CONSTRUCTION PROJECTS PREVIOUSLY AUTHORIZED IN CONNECTION WITH CAPITAL ASSET REALIGNMENT INITIATIVE.

The Secretary of Veterans Affairs may carry out the following major medical facility projects, with each such project to be carried out in the amount specified for that project:

(1) * * *

* * * * *

(5) Correction of patient privacy deficiencies at the Department of Veterans Affairs Medical Center, Gainesville, Florida, in an amount not to exceed **[\$85,200,000]** *\$136,700,000*.

* * * * *

(7) Construction of a new Medical Center Facility at the Department of Veterans Affairs Medical Center, Las Vegas, Ne-

vada, in an amount not to exceed **[\$406,000,000]** *\$600,400,000*.

(8) Construction of an **[ambulatory surgery/outpatient diagnostic support center in the Gulf South Submarket of Veterans Integrated Service Network (VISN) 8 and completion of Phase I land purchase,]** *outpatient clinic in Lee County, Florida*, in an amount not to exceed **[\$65,100,000]** *\$131,800,000*.

* * * * *

(11) Construction of a new medical center facility in the Orlando, Florida, area in an amount not to exceed **[\$377,700,000]** *\$656,800,000*.

(12) Consolidation of campuses at the University Drive and H. John Heinz III divisions, Pittsburgh, Pennsylvania, in an amount not to exceed **[\$189,205,000]** *\$295,600,000*.

* * * * *

SEC. 807. AUTHORIZATION OF APPROPRIATIONS.

(a) * * *

* * * * *

(e) AUTHORIZATION OF APPROPRIATIONS FOR MAJOR MEDICAL FACILITY LEASES.—

(1) FISCAL YEAR 2006 LEASES.—There is authorized to be appropriated for the Secretary of Veterans Affairs for fiscal year 2006 for the **[Medical Care]** *Medical Facilities* account, \$24,990,000 for the leases authorized in section 805.

(2) FISCAL YEAR 2007 LEASES.—There is authorized to be appropriated for the Secretary of Veterans Affairs for fiscal year 2007 for the **[Medical Care]** *Medical Facilities* account, \$26,642,000 for the leases authorized in section 806.

* * * * *

TITLE 38, UNITED STATES CODE

* * * * *

PART VI—ACQUISITION AND DISPOSITION OF PROPERTY

* * * * *

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

SUBCHAPTER I—ACQUISITION AND OPERATION OF MEDICAL FACILITIES

Sec.

8101. Definitions.

* * * * *

8119. *Annual report on outpatient clinics.*

* * * * *

SUBCHAPTER I—ACQUISITION AND OPERATION OF
MEDICAL FACILITIES

* * * * *

§ 8119. Annual report on outpatient clinics

(a) *ANNUAL REPORT REQUIRED.*—The Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives an annual report on community-based outpatient clinics and other outpatient clinics. The report shall be submitted each year not later than the date on which the budget for the next fiscal year is submitted to the Congress under section 1105 of title 31.

(b) *CONTENTS OF REPORT.*—Each report required under subsection (a) shall include the following:

(1) A list of each community-based outpatient clinic and other outpatient clinic of the Department, and for each such clinic, the type of clinic, location, size, number of health professionals employed by the clinic, workload, whether the clinic is leased or constructed and operated by the Secretary, and the annual cost of operating the clinic.

(2) A list of community-based outpatient clinics and other outpatient clinics that the Secretary opened during the fiscal year preceding the fiscal year during which the report is submitted and a list of clinics the Secretary proposes opening during the fiscal year during which the report is submitted and the subsequent fiscal year, together with the cost of activating each such clinic and the information required to be provided under paragraph (1) for each such clinic and proposed clinic.

(3) A list of proposed community-based outpatient clinics and other outpatient clinics that are, as of the date of the submission of the report, under review by the National Review Panel and a list of possible locations for future clinics identified in the Department's strategic planning process, including any identified locations in rural and underserved areas.

(4) A prioritized list of sites of care identified by the Secretary that the Secretary could establish without carrying out construction or entering into a lease, including—

(A) any such sites that could be expanded by hiring additional staff or allocating staff to Federal facilities or facilities operating in collaboration with the Federal Government; and

(B) any sites established, or able to be established, under sections 8111 and 8153 of this title.

* * * * *