

**Suspend the Rules and Pass the Bill, HR. 5936**

**(The amendment strikes all after the enacting clause and inserts a new text)**

114<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5936

To amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to enter into agreements with certain health care providers to furnish health care to veterans, to authorize the Secretary to enter into certain leases at the Department of Veterans Affairs West Los Angeles Campus in Los Angeles, California, to make certain improvements to the enhanced-use lease authority of the Department, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 6, 2016

Mr. MILLER of Florida (for himself and Mr. TED LIEU of California) introduced the following bill; which was referred to the Committee on Veterans' Affairs

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## A BILL

To amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to enter into agreements with certain health care providers to furnish health care to veterans, to authorize the Secretary to enter into certain leases at the Department of Veterans Affairs West Los Angeles Campus in Los Angeles, California, to make certain improvements to the enhanced-use lease authority of the Department, 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.**

4 This Act may be cited as the “Veterans Care Agree-  
5 ment and West Los Angeles Leasing Act of 2016”.

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7 This Act may be cited as the “Veterans Care Agree-  
8 ment and West Lost Angeles Leasing Act of 2016”.

9 **SEC. 2. VETERANS CARE AGREEMENTS.**

10 (a) IN GENERAL.—Subchapter I of chapter 17 of title  
11 38, United States Code, is amended by inserting after sec-  
12 tion 1703 the following new section:

13 **“§ 1703A. Veterans Care Agreements with certain**  
14 **health care providers**

15 “(a) VETERANS CARE AGREEMENTS.—(1) In addi-  
16 tion to furnishing hospital care, medical services, or ex-  
17 tended care under this chapter at facilities of the Depart-  
18 ment or under contracts or sharing agreements entered  
19 into pursuant to provisions of law other than this section,  
20 the Secretary may furnish such care and services to eligi-  
21 ble veterans through the use of agreements entered into  
22 under this section by the Secretary with eligible providers.

23 “(2) The Secretary may enter into Veterans Care  
24 Agreements under this section with eligible providers to  
25 furnish hospital care, medical services, and extended care

1 to veterans whom the Secretary determines that fur-  
2 nishing such care and services at facilities of the Depart-  
3 ment or under contracts or sharing agreements under pro-  
4 visions of law other than this section is impracticable or  
5 inadvisable because of the medical condition of the vet-  
6 eran, the travel involved, or the nature of the care or serv-  
7 ices required, or a combination of such factors.

8       “(3) The Secretary may enter into Veterans Care  
9 Agreements under this section with eligible providers if the  
10 Secretary determines that the hospital care or medical  
11 services to be furnished under the agreement is not avail-  
12 able to be furnished by a non-Department health care pro-  
13 vider under a contract or sharing agreement entered into  
14 pursuant to provisions of law other than this section.

15       “(b) VETERAN ELIGIBILITY.—Eligibility of a veteran  
16 for care and services under this section shall be deter-  
17 mined as if such care or services were furnished in a facil-  
18 ity of the Department, and provisions of this title applica-  
19 ble to veterans receiving such care and services in a facility  
20 of the Department shall apply to veterans receiving care  
21 and services under this section.

22       “(c) PROVIDER ELIGIBILITY.—Subject to the certifi-  
23 cation process pursuant to subsection (d)(1), a provider  
24 of hospital care, medical services, or extended care is eligi-  
25 ble to enter into a Veterans Care Agreement under this

1 section if the Secretary determines that the provider meets  
2 each of the following criteria:

3           “(1) The gross annual revenue of the provider  
4 in the year preceding the year in which the provider  
5 enters into the Veterans Care Agreement does not  
6 exceed \$11,000,000 (as adjusted in a manner simi-  
7 lar to amounts adjusted pursuant to section 5312 of  
8 this title) or, with respect to a provider that is a  
9 nursing care facility (skilled nursing facility),  
10 \$27,500,000 (as so adjusted).

11           “(2) The provider does not otherwise provide  
12 such care or services to patients pursuant to a con-  
13 tract entered into with a department or agency of  
14 the Federal Government.

15           “(3) The provider is—

16                   “(A) a provider of services that has en-  
17 rolled and entered into a provider agreement  
18 under section 1866(a) of the Social Security  
19 Act (42 U.S.C. 1395cc(a));

20                   “(B) a physician or supplier that has en-  
21 rolled and entered into a participation agree-  
22 ment under section 1842(h) of such Act (42  
23 U.S.C. 1395u(h));

24                   “(C) a provider of items and services re-  
25 ceiving payment under a State plan under title

1 XIX of such Act (42 U.S.C. 1396 et seq.) or  
2 a waiver of such a plan;

3 “(D) an Aging and Disability Resource  
4 Center, an area agency on aging, or a State  
5 agency (as defined in section 102 of the Older  
6 Americans Act of 1965 (42 U.S.C. 3002)); or

7 “(E) a center for independent living (as  
8 defined in section 702 of the Rehabilitation Act  
9 of 1973 (29 U.S.C. 796a)).

10 “(4) Any additional criteria determined appro-  
11 priate by the Secretary.

12 “(d) PROVIDER CERTIFICATION.—(1) The Secretary  
13 shall establish a process for the certification of eligible  
14 providers to enter into Veterans Care Agreements under  
15 this section that shall, at a minimum, set forth the fol-  
16 lowing:

17 “(A) Procedures for the submission of applica-  
18 tions for certification and deadlines for actions taken  
19 by the Secretary with respect to such applications.

20 “(B) Standards and procedures for the ap-  
21 proval and denial of certifications and the revocation  
22 of certifications.

23 “(C) Procedures for assessing eligible providers  
24 based on the risk of fraud, waste, and abuse of such  
25 providers similar to the level of screening under sec-

1 tion 1866(j)(2)(B) of the Social Security Act (42  
2 U.S.C. 1395(j)(2)(B)) and the standards set forth  
3 under section 9.104 of title 48, Code of Federal  
4 Regulations, or any successor regulation.

5 “(D) Requirement for denial or revocation of  
6 certification if the Secretary determines that the  
7 otherwise eligible provider is—

8 “(i) excluded from participation in a Fed-  
9 eral health care program (as defined in section  
10 1128B(f) of the Social Security Act (42 U.S.C.  
11 1320a–7b(f))) under section 1128 or 1128A of  
12 the Social Security Act (42 U.S.C. 1320a–7  
13 and 1320a–7a); or

14 “(ii) identified as an excluded source on  
15 the list maintained in the System for Award  
16 Management, or any successor system.

17 “(E) Procedures by which a provider whose cer-  
18 tification is denied or revoked under the procedures  
19 established under this subsection will be identified as  
20 an excluded source on the list maintained in the Sys-  
21 tem for Award Management, or successor system, if  
22 the Secretary determines that such exclusion is ap-  
23 propriate.

24 “(2) To the extent practicable, the Secretary shall es-  
25 tablish the procedures under paragraph (1) in a manner

1 that takes into account any certification process adminis-  
2 tered by another department or agency of the Federal  
3 Government that an eligible provider has completed by  
4 reason of being a provider described in any of subpara-  
5 graphs (A) through (E) of subsection (c)(3).

6 “(e) TERMS OF AGREEMENTS.—(1) The Secretary  
7 shall ensure that each Veterans Care Agreement include  
8 provisions requiring the eligible provider to do the fol-  
9 lowing:

10 “(A) To accept payment for care and services  
11 furnished under this section in accordance with  
12 paragraph (2).

13 “(B) To accept payment under subparagraph  
14 (A) as payment in full for care and services fur-  
15 nished under this section and to not seek any pay-  
16 ment for such care and services from the recipient  
17 of such care.

18 “(C) To furnish under this section only the care  
19 and services authorized by the Department under  
20 this section unless the eligible provider receives prior  
21 written consent from the Department to furnish care  
22 and services outside the scope of such authorization.

23 “(D) To bill the Department for care and serv-  
24 ices furnished under this section in accordance with

1 a methodology established by the Secretary for pur-  
2 poses of this section.

3 “(E) Not to seek to recover or collect from a  
4 health-plan contract or third party (as those terms  
5 are defined in section 1729 of this title) for any care  
6 or services for which payment is made by the De-  
7 partment under this section.

8 “(F) To provide medical records for veterans  
9 furnished care and services under this section to the  
10 Department in a timeframe and format specified by  
11 the Secretary for purposes of this section, except the  
12 Secretary may not require that any payment by the  
13 Secretary to the eligible provider be contingent on  
14 such provision of medical records.

15 “(G) To meet other such terms and conditions,  
16 including quality of care assurance standards, as the  
17 Secretary may specify for purposes of this section.

18 “(2)(A) Except as provided in subparagraphs (B)  
19 through (G), rates negotiated for care and services fur-  
20 nished under a Veterans Care Agreement shall not be  
21 more than the rates paid by the United States to a pro-  
22 vider of services (as defined in section 1861(u) of the So-  
23 cial Security Act (42 U.S.C. 1395x(u))) or a supplier (as  
24 defined in section 1861(d) of such Act (42 U.S.C.  
25 1395x(d))) under the Medicare program under title XVIII

1 of the Social Security Act (42 U.S.C. 1395 et seq.) for  
2 the same care or services.

3 “(B) With respect to the furnishing of care or serv-  
4 ices under this section to an eligible veteran who resides  
5 in a highly rural area (as defined under the rural-urban  
6 commuting area codes developed by the Secretary of Agri-  
7 culture and the Secretary of Health and Human Services),  
8 the Secretary of Veterans Affairs may negotiate a rate  
9 that is more than the rate paid by the United States as  
10 described in subparagraph (B).

11 “(C) With respect to furnishing care or services  
12 under a Veterans Care Agreement in Alaska, the Alaska  
13 Fee Schedule of the Department of Veterans Affairs will  
14 be followed, except for when another payment agreement,  
15 including a contract or provider agreement, is in place.

16 “(D) With respect to furnishing care or services  
17 under a Veterans Care Agreement in a State with an All-  
18 Payer Model Agreement under the Social Security Act  
19 that became effective on or after January 1, 2014, the  
20 Medicare payment rates under clause (i) shall be cal-  
21 culated based on the payment rates under such agreement,  
22 or any such successor agreement.

23 “(E) With respect to furnishing care or services  
24 under a Veterans Care Agreement in a region in which  
25 the Secretary determines that adjusting the rate paid by

1 the United States as described in subparagraph (A) is ap-  
2 propriate, the Secretary may negotiate such an adjusted  
3 rate.

4 “(F) With respect to furnishing care or services  
5 under a Veterans Care Agreement in a location or in a  
6 situation in which an exception to the rates paid by the  
7 United States under the Medicare program under title  
8 XVIII of the Social Security Act (42 U.S.C. 1395 et seq.)  
9 for the same care or services applies, the Secretary shall  
10 follow such exception.

11 “(G) With respect to furnishing care or services  
12 under a Veterans Care Agreement for care or services not  
13 covered under the Medicare program under title XVIII of  
14 the Social Security Act (42 U.S.C. 1395 et seq.), the Sec-  
15 retary shall establish a schedule of fees for such care or  
16 services.

17 “(f) EXCLUSION OF CERTAIN FEDERAL CON-  
18 TRACTING PROVISIONS.—(1) Notwithstanding any other  
19 provision of law, the Secretary may enter into a Veterans  
20 Care Agreement using procedures other than competitive  
21 procedures.

22 “(2)(A) Except as provided in subparagraph (B) and  
23 unless otherwise provided in this section, an eligible pro-  
24 vider that enters into a Veterans Care Agreement under  
25 this section is not subject to, in the carrying out of the

1 agreement, any provision of law that providers of services  
2 and suppliers under the original Medicare fee-for-service  
3 program under parts A and B of title XVIII of the Social  
4 Security Act (42 U.S.C. 1395 et seq.) or the Medicaid pro-  
5 gram under title XIX of such Act (42 U.S.C. 1396 et seq.)  
6 are not subject to.

7 “(B) In addition to the provisions of laws covered by  
8 subparagraph (A), an eligible provider shall be subject to  
9 the following provisions of law:

10 “(i) Any applicable law regarding integrity, eth-  
11 ics, or fraud, or that subject a person to civil or  
12 criminal penalties.

13 “(ii) Section 431 of title 18.

14 “(iii) Section 1352 of title 31, except for the fil-  
15 ing requirements under subsection (b) of such sec-  
16 tion.

17 “(iv) Section 4705 or 4712 of title 41, and any  
18 other applicable law regarding the protection of  
19 whistleblowers.

20 “(v) Section 4706(d) of title 41.

21 “(vi) Title VII of the Civil Rights Act of 1964  
22 (42 U.S.C. 2000e et seq.) to the same extent as  
23 such title applies with respect to the eligible provider  
24 in providing care or services through an agreement

1 or arrangement other than under a Veterans Care  
2 Agreement.

3 “(g) TERMINATION OF A VETERANS CARE AGREE-  
4 MENT.—(1) An eligible provider may terminate a Veterans  
5 Care Agreement with the Secretary under this section at  
6 such time and upon such notice to the Secretary as the  
7 Secretary may specify for purposes of this section.

8 “(2) The Secretary may terminate a Veterans Care  
9 Agreement with an eligible provider under this section at  
10 such time and upon such notice to the eligible provider  
11 as the Secretary may specify for the purposes of this sec-  
12 tion, if the Secretary—

13 “(A) determines that the eligible provider failed  
14 to comply with the provisions of the agreement or  
15 this section or other applicable provision of law;

16 “(B) makes a revocation pursuant to subsection  
17 (d)(1)(4);

18 “(C) ascertains that the eligible provider has  
19 been convicted of a felony or other serious offense  
20 under Federal or State law and determines that the  
21 continued participation of the eligible provider would  
22 be detrimental to the best interests of veterans of  
23 the Department; or

1           “(D) determines that it is reasonable to termi-  
2           nate the agreement based on the health care needs  
3           of veterans.

4           “(h) DISPUTES.—(1) The Secretary shall establish  
5           administrative procedures for eligible providers with which  
6           the Secretary has entered into a Veterans Care Agreement  
7           to present any dispute arising under or related to the  
8           agreement.

9           “(2) Before using any dispute resolution mechanism  
10          under chapter 71 of title 41 with respect to a dispute aris-  
11          ing under a Veterans Care Agreement under this section,  
12          an eligible provider must first exhaust the administrative  
13          procedures established by the Secretary under paragraph  
14          (1).

15          “(i) ANNUAL REPORTS.—Not later than October 1  
16          of the year following the fiscal year in which the Secretary  
17          first enters into a Veterans Care Agreement, and each  
18          year thereafter, the Secretary shall submit to the appro-  
19          priate congressional committees an annual report that in-  
20          cludes—

21                 “(1) a list of all Veterans Care Agreements en-  
22                 tered into as of the date of the report; and

23                 “(2) summaries of each determination made by  
24                 the Secretary under subsection (h)(2) during the fis-  
25                 cal year covered by the report.

1       “(j) QUALITY OF CARE.—In carrying out this sec-  
2 tion, the Secretary shall use the quality of care standards  
3 set forth or used by the Centers for Medicare & Medicaid  
4 Services.

5       “(k) DELEGATION.—The Secretary may delegate the  
6 authority to enter into or terminate a Veterans Care  
7 Agreement, or to make a determination described in sub-  
8 section (h)(2), at a level not below the Assistant Deputy  
9 Under Secretary for Health for Community Care.

10       “(l) SUNSET.—The Secretary may not enter into or  
11 renew a Veterans Care Agreement under this section after  
12 September 30, 2017.

13       “(m) DEFINITIONS.—In this section:

14               “(1) The term ‘appropriate congressional com-  
15 mittees’ means—

16                       “(A) the Committees on Veterans’ Affairs  
17 of the House of Representatives and the Sen-  
18 ate; and

19                       “(B) the Committees on Appropriations of  
20 the House of Representatives and the Senate.

21               “(2) The term ‘eligible provider’ means a pro-  
22 vider of hospital care, medical services, or extended  
23 care that the Secretary determines is eligible to  
24 enter into Veterans Care Agreements under sub-  
25 section (c).

1           “(3) The term ‘Veterans Care Agreement’  
2           means an agreement entered into by the Secretary  
3           with an eligible provider under subsection (a)(1).”.

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 1703 the following new  
7           item:

          “1703A. Veterans Care Agreements with certain health care providers.”.

8   **SEC. 3. AUTHORITY TO ENTER INTO CERTAIN LEASES AT**  
9                           **THE DEPARTMENT OF VETERANS AFFAIRS**  
10                          **WEST LOS ANGELES CAMPUS.**

11           (a) IN GENERAL.—The Secretary of Veterans Affairs  
12           may carry out leases described in subsection (b) at the  
13           Department of Veterans Affairs West Los Angeles Cam-  
14           pus in Los Angeles, California (hereinafter in this section  
15           referred to as the “Campus”).

16           (b) LEASES DESCRIBED.—Leases described in this  
17           subsection are the following:

18                   (1) Any enhanced-use lease of real property  
19                   under subchapter V of chapter 81 of title 38, United  
20                   States Code, for purposes of providing supportive  
21                   housing, as that term is defined in section 8161(3)  
22                   of such title, that principally benefit veterans and  
23                   their families.

24                   (2) Any lease of real property for a term not to  
25                   exceed 50 years to a third party to provide services

1 that principally benefit veterans and their families  
2 and that are limited to one or more of the following  
3 purposes:

4 (A) The promotion of health and wellness,  
5 including nutrition and spiritual wellness.

6 (B) Education.

7 (C) Vocational training, skills building, or  
8 other training related to employment.

9 (D) Peer activities, socialization, or phys-  
10 ical recreation.

11 (E) Assistance with legal issues and Fed-  
12 eral benefits.

13 (F) Volunteerism.

14 (G) Family support services, including  
15 child care.

16 (H) Transportation.

17 (I) Services in support of one or more of  
18 the purposes specified in subparagraphs (A)  
19 through (H).

20 (3) A lease of real property for a term not to  
21 exceed 10 years to The Regents of the University of  
22 California, a corporation organized under the laws of  
23 the State of California, on behalf of its University of  
24 California, Los Angeles (UCLA) campus (herein-

1 after in this section referred to as “The Regents”),  
2 if—

3 (A) the lease is consistent with the master  
4 plan described in subsection (g);

5 (B) the provision of services to veterans is  
6 the predominant focus of the activities of The  
7 Regents at the Campus during the term of the  
8 lease;

9 (C) The Regents expressly agrees to pro-  
10 vide, during the term of the lease and to an ex-  
11 tent and in a manner that the Secretary con-  
12 siders appropriate, additional services and sup-  
13 port (for which The Regents is not compensated  
14 by the Secretary or through an existing medical  
15 affiliation agreement) that—

16 (i) principally benefit veterans and  
17 their families, including veterans that are  
18 severely disabled, women, aging, or home-  
19 less; and

20 (ii) may consist of activities relating  
21 to the medical, clinical, therapeutic, die-  
22 tary, rehabilitative, legal, mental, spiritual,  
23 physical, recreational, research, and coun-  
24 seling needs of veterans and their families  
25 or any of the purposes specified in any of

1           subparagraphs (A) through (I) of para-  
2           graph (2); and

3           (D) The Regents maintains records docu-  
4           menting the value of the additional services and  
5           support that The Regents provides pursuant to  
6           subparagraph (C) for the duration of the lease  
7           and makes such records available to the Sec-  
8           retary.

9           (c) LIMITATION ON LAND-SHARING AGREEMENTS.—  
10          The Secretary may not carry out any land-sharing agree-  
11          ment pursuant to section 8153 of title 38, United States  
12          Code, at the Campus unless such agreement—

13                 (1) provides additional health-care resources to  
14                 the Campus; and

15                 (2) benefits veterans and their families other  
16                 than from the generation of revenue for the Depart-  
17                 ment of Veterans Affairs.

18           (d) REVENUES FROM LEASES AT THE CAMPUS.—  
19          Any funds received by the Secretary under a lease de-  
20          scribed in subsection (b) shall be credited to the applicable  
21          Department medical facilities account and shall be avail-  
22          able, without fiscal year limitation and without further ap-  
23          propriation, exclusively for the renovation and mainte-  
24          nance of the land and facilities at the Campus.

25           (e) EASEMENTS.—

1           (1) IN GENERAL.—Notwithstanding any other  
2           provision of law (other than Federal laws relating to  
3           environmental and historic preservation), pursuant  
4           to section 8124 of title 38, United States Code, the  
5           Secretary may grant easements or rights-of-way on,  
6           above, or under lands at the Campus to—

7                   (A) any local or regional public transpor-  
8                   tation authority to access, construct, use, oper-  
9                   ate, maintain, repair, or reconstruct public  
10                  mass transit facilities, including, fixed guideway  
11                  facilities and transportation centers; and

12                  (B) the State of California, County of Los  
13                  Angeles, City of Los Angeles, or any agency or  
14                  political subdivision thereof, or any public util-  
15                  ity company (including any company providing  
16                  electricity, gas, water, sewage, or telecommuni-  
17                  cation services to the public) for the purpose of  
18                  providing such public utilities.

19           (2) IMPROVEMENTS.—Any improvements pro-  
20           posed pursuant to an easement or right-of-way au-  
21           thorized under paragraph (1) shall be subject to  
22           such terms and conditions as the Secretary considers  
23           appropriate.

24           (3) TERMINATION.—Any easement or right-of-  
25           way authorized under paragraph (1) shall be termi-

1 nated upon the abandonment or nonuse of the ease-  
2 ment or right-of-way and all right, title, and interest  
3 in the land covered by the easement or right-of-way  
4 shall revert to the United States.

5 (f) PROHIBITION ON SALE OF PROPERTY.—Notwith-  
6 standing section 8164 of title 38, United States Code, the  
7 Secretary may not sell or otherwise convey to a third party  
8 fee simple title to any real property or improvements to  
9 real property made at the Campus.

10 (g) CONSISTENCY WITH MASTER PLAN.—The Sec-  
11 retary shall ensure that each lease carried out under this  
12 section is consistent with the draft master plan approved  
13 by the Secretary on January 28, 2016, or successor mas-  
14 ter plans.

15 (h) COMPLIANCE WITH CERTAIN LAWS.—

16 (1) LAWS RELATING TO LEASES AND LAND  
17 USE.—If the Inspector General of the Department of  
18 Veterans Affairs determines, as part of an audit re-  
19 port or evaluation conducted by the Inspector Gen-  
20 eral, that the Department is not in compliance with  
21 all Federal laws relating to leases and land use at  
22 the Campus, or that significant mismanagement has  
23 occurred with respect to leases or land use at the  
24 Campus, the Secretary may not enter into any lease  
25 or land-sharing agreement at the Campus, or renew

1 any such lease or land-sharing agreement that is not  
2 in compliance with such laws, until the Secretary  
3 certifies to the Committees on Veterans' Affairs of  
4 the Senate and House of Representatives, the Com-  
5 mittees on Appropriations of the Senate and House  
6 of Representatives, and each Member of the Senate  
7 and the House of Representatives who represents  
8 the area in which the Campus is located that all rec-  
9 ommendations included in the audit report or eval-  
10 uation have been implemented.

11 (2) COMPLIANCE OF PARTICULAR LEASES.—

12 Except as otherwise expressly provided by this sec-  
13 tion, no lease may be entered into or renewed under  
14 this section unless the lease complies with chapter  
15 33 of title 41, United States Code, and all Federal  
16 laws relating to environmental and historic preserva-  
17 tion.

18 (i) VETERANS AND COMMUNITY OVERSIGHT AND EN-  
19 GAGEMENT BOARD.—

20 (1) IN GENERAL.—Not later than 180 days  
21 after the date of the enactment of this Act, the Sec-  
22 retary shall establish a Veterans and Community  
23 Oversight and Engagement Board (in this sub-  
24 section referred to as the “Board”) for the Campus

1 to coordinate locally with the Department of Vet-  
2 erans Affairs to—

3 (A) identify the goals of the community  
4 and veteran partnership;

5 (B) provide advice and recommendations  
6 to the Secretary to improve services and out-  
7 comes for veterans, members of the Armed  
8 Forces, and the families of such veterans and  
9 members; and

10 (C) provide advice and recommendations  
11 on the implementation of the draft master plan  
12 approved by the Secretary on January 28,  
13 2016, and on the creation and implementation  
14 of any successor master plans.

15 (2) MEMBERS.—The Board shall be comprised  
16 of a number of members that the Secretary deter-  
17 mines appropriate, of which not less than 50 percent  
18 shall be veterans. The nonveteran members shall be  
19 family members of veterans, veteran advocates, serv-  
20 ice providers, real estate professionals familiar with  
21 housing development projects, or stakeholders.

22 (3) COMMUNITY INPUT.— In carrying out para-  
23 graph (1), the Board shall—

24 (A) provide the community opportunities to  
25 collaborate and communicate with the Board,

1 including by conducting public forums on the  
2 Campus; and

3 (B) focus on local issues regarding the De-  
4 partment that are identified by the community,  
5 including with respect to health care, implemen-  
6 tation of the draft master plan and any subse-  
7 quent plans, benefits, and memorial services at  
8 the Campus.

9 (j) NOTIFICATION AND REPORTS.—

10 (1) CONGRESSIONAL NOTIFICATION.—With re-  
11 spect to each lease or land-sharing agreement in-  
12 tended to be entered into or renewed at the Campus,  
13 the Secretary shall notify the Committees on Vet-  
14 erans' Affairs of the Senate and House of Rep-  
15 resentatives, the Committees on Appropriations of  
16 the Senate and House of Representatives, and each  
17 Member of the Senate and the House of Representa-  
18 tives who represents the area in which the Campus  
19 is located of the intent of the Secretary to enter into  
20 or renew the lease or land-sharing agreement not  
21 later than 45 days before entering into or renewing  
22 the lease or land-sharing agreement.

23 (2) ANNUAL REPORT.—Not later than one year  
24 after the date of the enactment of this Act, and not  
25 less frequently than annually thereafter, the Sec-

1       retary shall submit to the Committees on Veterans'  
2       Affairs of the Senate and House of Representatives,  
3       the Committees on Appropriations of the Senate and  
4       House of Representatives, and each Member of the  
5       Senate and the House of Representatives who rep-  
6       resents the area in which the Campus is located an  
7       annual report evaluating all leases and land-sharing  
8       agreements carried out at the Campus, including—

9               (A) an evaluation of the management of  
10              the revenue generated by the leases; and

11             (B) the records described in subsection  
12             (b)(3)(D).

13       (3) INSPECTOR GENERAL REPORT.—

14             (A) IN GENERAL.—Not later than each of  
15             two years and five years after the date of the  
16             enactment of this Act, and as determined nec-  
17             essary by the Inspector General of the Depart-  
18             ment of Veterans Affairs thereafter, the Inspec-  
19             tor General shall submit to the Committees on  
20             Veterans' Affairs of the Senate and House of  
21             Representatives and the Committees on Appro-  
22             priations of the Senate and House of Rep-  
23             resentatives, and each Member of the Senate  
24             and the House of Representatives who rep-  
25             resents the area in which the Campus is located

1 a report on all leases carried out at the Campus  
2 and the management by the Department of the  
3 use of land at the Campus, including an assess-  
4 ment of the efforts of the Department to imple-  
5 ment the master plan described in subsection  
6 (g) with respect to the Campus.

7 (B) CONSIDERATION OF ANNUAL RE-  
8 PORT.—In preparing each report required by  
9 subparagraph (A), the Inspector General shall  
10 take into account the most recent report sub-  
11 mitted to Congress by the Secretary under  
12 paragraph (2).

13 (k) RULE OF CONSTRUCTION.—Nothing in this sec-  
14 tion shall be construed as a limitation on the authority  
15 of the Secretary to enter into other agreements regarding  
16 the Campus that are authorized by law and not incon-  
17 sistent with this section.

18 (l) PRINCIPALLY BENEFIT VETERANS AND THEIR  
19 FAMILIES DEFINED.—In this section the term “prin-  
20 cipally benefit veterans and their families”, with respect  
21 to services provided by a person or entity under a lease  
22 of property or land-sharing agreement—

23 (1) means services—

24 (A) provided exclusively to veterans and  
25 their families; or

1 (B) that are designed for the particular  
2 needs of veterans and their families, as opposed  
3 to the general public, and any benefit of those  
4 services to the general public is distinct from  
5 the intended benefit to veterans and their fami-  
6 lies; and

7 (2) excludes services in which the only benefit  
8 to veterans and their families is the generation of  
9 revenue for the Department of Veterans Affairs.

10 (m) CONFORMING AMENDMENTS.—

11 (1) PROHIBITION ON DISPOSAL OF PROP-  
12 erty.—Section 224(a) of the Military Construction  
13 and Veterans Affairs and Related Agencies Appro-  
14 priations Act, 2008 (Public Law 110–161; 121 Stat.  
15 2272) is amended by striking “The Secretary of  
16 Veterans Affairs” and inserting “Except as author-  
17 ized under the Los Angeles Homeless Veterans  
18 Leasing Act of 2016, the Secretary of Veterans Af-  
19 fairs”.

20 (2) ENHANCED-USE LEASES.—Section 8162(c)  
21 of title 38, United States Code, is amended by in-  
22 serting “, other than an enhanced-use lease under  
23 the Los Angeles Homeless Veterans Leasing Act of  
24 2016,” before “shall be considered”.

1 **SEC. 4. IMPROVEMENTS TO ENHANCED-USE LEASE AU-**  
2 **THORITY OF DEPARTMENT OF VETERANS AF-**  
3 **FAIRS.**

4 (a) PROHIBITION ON WAIVER OF OBLIGATION OF  
5 LESSEE.—Paragraph (3) of section 8162(b) of title 38,  
6 United States Code, is amended by adding at the following  
7 new subparagraph:

8 “(D) The Secretary may not waive or postpone the  
9 obligation of a lessee to pay any consideration under an  
10 enhanced-use lease, including monthly rent.”.

11 (b) CLARIFICATION OF LIABILITY OF FEDERAL GOV-  
12 ERNMENT TO THIRD PARTIES.—Section 8162 of such title  
13 is amended by adding at the end the following new sub-  
14 section:

15 “(d)(1) Nothing in this subchapter authorizes the  
16 Secretary to enter into an enhanced-use lease that pro-  
17 vides for, is contingent upon, or otherwise authorizes the  
18 Federal Government to guarantee a loan made by a third  
19 party to a lessee for purposes of the enhanced-use lease.

20 “(2) Nothing in this subchapter shall be construed  
21 to abrogate or constitute a waiver of the sovereign immu-  
22 nity of the United States with respect to any loan, financ-  
23 ing, or other financial agreement entered into by the lessee  
24 and a third party relating to an enhanced-use lease.”.

25 (c) TRANSPARENCY.—

1           (1) NOTICE.—Section 8163(c)(1) of such title  
2           is amended—

3                   (A) by inserting “, the Committees on Ap-  
4                   propriations of the House of Representatives  
5                   and the Senate, and the Committees on the  
6                   Budget of the House of Representatives and the  
7                   Senate” after “congressional veterans’ affairs  
8                   committees”;

9                   (B) by striking “and shall publish” and in-  
10                  serting “, shall publish”;

11                  (C) by inserting before the period at the  
12                  end the following: “, and shall submit to the  
13                  congressional veterans’ affairs committees a  
14                  copy of the proposed lease”; and

15                  (D) by adding at the end the following new  
16                  sentence: “With respect to a major enhanced-  
17                  use lease, upon the request of the congressional  
18                  veterans’ affairs committees, not later than 30  
19                  days after the date of such notice, the Secretary  
20                  shall testify before the committees on the major  
21                  enhanced-use lease, including with respect to  
22                  the status of the lease, the cost, and the plans  
23                  to carry out the activities under the lease. The  
24                  Secretary may not delegate such testifying  
25                  below the level of the head of the Office of

1           Asset Enterprise Management of the Depart-  
2           ment or any successor to such office.”.

3           (2) ANNUAL REPORTS.—Section 8168 of such  
4           title is amended—

5                   (A) by striking “to Congress” each place it  
6                   appears and inserting “to the congressional vet-  
7                   erans’ affairs committees, the Committees on  
8                   Appropriations of the House of Representatives  
9                   and the Senate, and the Committees on the  
10                  Budget of the House of Representatives and the  
11                  Senate”;

12                  (B) in subsection (a)—

13                          (i) by striking “Not later” and insert-  
14                          ing “(1) Not later”;

15                          (ii) by striking “a report” and all that  
16                          follows through the period at the end and  
17                          inserting “a report on enhanced-use  
18                          leases.”; and

19                          (iii) by adding at the end the fol-  
20                          lowing new paragraph:

21           “(2) Each report under paragraph (1) shall include  
22           the following:

23                          “(A) Identification of the actions taken by the  
24                          Secretary to implement and administer enhanced-use  
25                          leases.

1           “(B) For the most recent fiscal year covered by  
2           the report, the amounts deposited into the Medical  
3           Care Collection Fund account that were derived  
4           from enhanced-use leases.

5           “(C) Identification of the actions taken by the  
6           Secretary using the amounts described in subpara-  
7           graph (B).

8           “(D) Documents of the Department supporting  
9           the contents of the report described in subpara-  
10          graphs (A) through (C).”; and

11                   (C) in subsection (b)—

12                           (i) by striking “Each year” and in-  
13                           serting “(1) Each year”;

14                           (ii) by striking “this subchapter,” and  
15                           all that follows through the period at the  
16                           end and inserting “this subchapter.”; and

17                           (iii) by adding at the end the fol-  
18                           lowing new paragraph:

19          “(2) Each report under paragraph (1) shall include  
20          the following with respect to each enhanced-use lease cov-  
21          ered by the report:

22                   “(A) An overview of how the Secretary is using  
23                   consideration received by the Secretary under the  
24                   lease to support veterans.

1           “(B) The amount of consideration received by  
2           the Secretary under the lease.

3           “(C) The amount of any revenues collected by  
4           the Secretary relating to the lease not covered by  
5           subparagraph (B), including a description of any in-  
6           kind assistance or services provided by the lessee to  
7           the Secretary or to veterans under an agreement en-  
8           tered into by the Secretary pursuant to any provi-  
9           sion of law.

10          “(D) The costs to the Secretary of carrying out  
11          the lease.

12          “(E) Documents of the Department supporting  
13          the contents of the report described in subpara-  
14          graphs (A) through (D).”.

15          (d) **ADDITIONAL DEFINITIONS.**—Section 8161 of  
16          such title is amended by adding at the end the following  
17          new paragraphs:

18                 “(4) The term ‘lessee’ means the party with  
19                 whom the Secretary has entered into an enhanced-  
20                 use lease under this subchapter.

21                 “(5) The term ‘major enhanced-use lease’  
22                 means an enhanced-use lease that includes consider-  
23                 ation consisting of an average annual rent of more  
24                 than \$10,000,000.”.

25          (e) **COMPTROLLER GENERAL AUDIT.**—

1           (1) REPORT.—Not later than 270 days after  
2           the date of the enactment of this Act, the Comp-  
3           troller General of the United States shall submit to  
4           the appropriate congressional committees a report  
5           containing an audit of the enhanced-use lease pro-  
6           gram of the Department of Veterans Affairs under  
7           subchapter V of chapter 81 of title 38, United  
8           States Code.

9           (2) MATTERS INCLUDED.—The report under  
10          paragraph (1) shall include the following:

11                 (A) The financial impact of the enhanced-  
12                 use lease authority on the Department of Vet-  
13                 erans Affairs and whether the revenue realized  
14                 from such authority and other financial benefits  
15                 would have been realized without such author-  
16                 ity.

17                 (B) The use by the Secretary of such au-  
18                 thority and whether the arrangements made  
19                 under such authority would have been made  
20                 without such authority.

21                 (C) An identification of the controls that  
22                 are in place to ensure accountability and trans-  
23                 parency and to protect the Federal Govern-  
24                 ment.

1           (D) An overall assessment of the activities  
2           of the Secretary under such authority to ensure  
3           procurement cost avoidance, negotiated cost  
4           avoidance, in-contract cost avoidance, and rate  
5           reductions.

6           (3) APPROPRIATE CONGRESSIONAL COMMIT-  
7           TEES DEFINED.—In this subsection, the term “ap-  
8           propriate congressional committees” means—

9           (A) the Committees on Veterans’ Affairs of  
10          the House of Representatives and the Senate;

11          (B) the Committees on Appropriations of  
12          the House of Representatives and the Senate;  
13          and

14          (C) the Committees on the Budget of the  
15          House of Representatives and the Senate.