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APPROVED
SEP 28 1976

§ 9/28/76

ACTION

THE WHITE HOUSE
WASHINGTON

Last Day: September 29

MEMORANDUM FOR

THE PRESIDENT

FROM:

JIM CANNON *JAC*

SUBJECT:

H.R. 3348 - VA Exchange of
Medical Information Program

Posted
9/29/76

archives
9/29/76

Attached for your consideration is H.R. 3348, sponsored by Representative Satterfield.

The enrolled bill extends through fiscal year 1979, and increases, the authorization for the program of exchange of medical information between the Veterans Administration and the medical community. The appropriation authorization for this program expired on June 30, 1975.

A discussion of the provisions of the enrolled bill is provided in OMB's bill report at Tab A.

OMB, Max Friedersdorf, Counsel's Office (Kilberg) and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign H.R. 3348 at Tab B.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

SEP 23 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 3348 - VA Exchange of Medical
Information Program
Sponsor - Rep. Satterfield (D) Virginia

Last Day for Action

September 29, 1976 - Wednesday

Purpose

Extends through fiscal year 1979, and increases, the authorization for the program of exchange of medical information between the Veterans Administration (VA) and the medical community.

Agency Recommendations

Office of Management and Budget	Approval
Veterans Administration	Approval

Discussion

H.R. 3348 would extend through fiscal year 1979 VA's Exchange of Medical Information (EMI) program which authorizes VA to enter into agreements with medical schools, hospitals, medical centers and individual members of the medical profession for the mutual exchange of medical information. The appropriation authorization for this program expired on June 30, 1975.

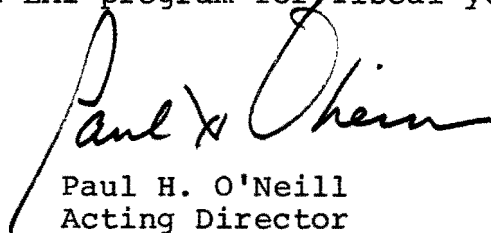
The EMI program, originally enacted in 1966, was intended to authorize grants and pilot projects for the sharing of modern medical facilities, equipment and information, particularly where VA hospitals had no regular affiliation with medical schools or were otherwise unable to take advantage of the latest medical technology

because of outlying location, small size or lack of resources. According to VA, all of its 171 hospitals have participated in the program, either as "core" institutions from which new medical information and technology has been transmitted to outlying hospitals and other medical institutions, or as recipients of this information.

In April 1975, the VA submitted draft legislation to the Congress to extend the EMI program for one fiscal year at a level of \$3.5 million. The purpose of the single-year extension was to allow VA to evaluate the program's accomplishments and to determine whether the program should be extended further, modified or terminated. Congress failed to act on the extension legislation, but has continued funding the program; the VA appropriation bill for fiscal year 1977 includes \$3.5 million for this purpose.

H.R. 3348 would authorize appropriations of \$4.0 million annually for fiscal years 1977 through 1979, and would also provide that fees collected by VA for furnishing medical information to the medical community be credited to the applicable VA appropriation instead of being deposited directly to the Treasury as miscellaneous receipts as under current law. While we believe generally that crediting receipts to the Treasury is the better fiscal practice, we have no serious objections to this provision.

VA is currently conducting an evaluation of the EMI program which is scheduled for completion later this fall. We intend to use the results of this evaluation and the fall budget process to determine an appropriate level of funding for the EMI program for fiscal year 1978 and future years.



Paul H. O'Neill
Acting Director

Enclosures

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

SEP 23 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 3348 - VA Exchange of Medical
Information Program
Sponsor - Rep. Satterfield (D) Virginia

Last Day for Action

September 29, 1976 - Wednesday

Purpose

Extends through fiscal year 1979, and increases, the authorization for the program of exchange of medical information between the Veterans Administration (VA) and the medical community.

Agency Recommendations

Office of Management and Budget	Approval
Veterans Administration	Approval

Discussion

H.R. 3348 would extend through fiscal year 1979 VA's Exchange of Medical Information (EMI) program which authorizes VA to enter into agreements with medical schools, hospitals, medical centers and individual members of the medical profession for the mutual exchange of medical information. The appropriation authorization for this program expired on June 30, 1975.

The EMI program, originally enacted in 1966, was intended to authorize grants and pilot projects for the sharing of modern medical facilities, equipment and information, particularly where VA hospitals had no regular affiliation with medical schools or were otherwise unable to take advantage of the latest medical technology



To: J. Johnston
9-23-76
5:30 p.m.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 23

Time: 600pm

FOR ACTION: David Lissy *DL*
Max Friedersdorf *MF*
Bobbie Kilberg *BK*

cc (for information): Jack Marsh
Jim Connor
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: September 24

Time: 500pm

SUBJECT:

H.R. 3348-VA Exchange of Medical Information Program

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President



VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420



September 21, 1976

The Honorable
James T. Lynn
Director, Office of
Management and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

This will respond to your request for the views and recommendations of the Veterans Administration on the enrolled enactment of H.R. 3348, 94th Congress, a bill "To amend title 38, United States Code, in order to extend and improve the program of exchange of medical information between the Veterans' Administration and the medical community, and for other purposes."

The subject bill would amend title 38, United States Code, section 5055(c), to provide for continuation of funding for the exchange of medical information program through fiscal year 1979. The program was authorized by Public Law 89-785, which authorized funding through fiscal year 1971, and extended by Public Law 92-69, which authorized its continuing support through fiscal year 1975. The following sums would be authorized: \$3.5 million for fiscal year 1976; \$1.7 million for the period beginning July 1, 1976, and ending September 30, 1976; \$4 million for each fiscal year 1977 through 1979.

Moreover, the subject bill would also amend section 5054(b) of title 38, to require that any proceeds to the Government received for providing medical information to the medical community under this program be credited to the applicable Veterans Administration medical appropriation. Under current law, the VA is authorized to charge a fair and equitable fee for providing medical information to the medical

community. In each instance, however, the monies received for such services go directly to the Treasury as miscellaneous receipts since in the enactment of the program, language was inadvertently omitted which would have provided that receipts go back into the appropriation from which the program was funded.

The bill also provides that any funds appropriated to the Veterans Administration remain available until expended to the extent provided in title 38 or an Appropriations act. Currently, there is no substantive law in title 38 authorizing the continued availability of appropriated funds. Enactment of this legislation would prevent a proposed VA appropriation bill from being subject to a point of order. No cost is involved in the enactment of this provision.

The exchange of medical information program has enabled the VA to harness technological advances in communications to the educational process and thus to engage in, and support, innovative pilot projects which have as their objective the strengthening of those Veterans Administration hospitals located remote from medical centers. The program has helped attract and retain highly trained and qualified members of the medical profession at such hospitals. It has aided in achieving the ultimate purpose of making available the best and most up-to-date medical care for the veteran patients at VA hospitals remote from medical teaching centers.

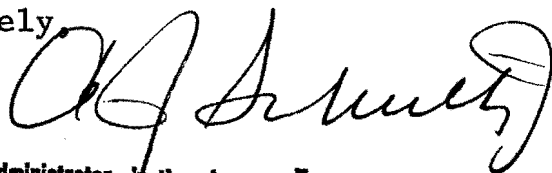
Exchange of medical information projects have been conducted involving all VA hospitals. These hospitals are either "core" institutions from which information flows to outlying hospitals or are recipients of this information. In every instance, the programs are designed as instruments for the improvement of the delivery and the quality of health care at peripheral locations.

Grants authorized under this program are provided to medical schools, hospitals, and research centers, while the pilot programs not funded by grants are conducted at VA

hospitals. These activities vary in concept, scope, and content although each has as its objectives the investigation, development, and implementation of innovative programs in exchange of medical information.

We favor the provisions of the enrolled enactment. Therefore, I recommend that the President approve H.R. 3348.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. L. Roudebush".

Associate Deputy Administrator - in the absence of

RICHARD L. ROUDEBUSH
Administrator

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 23

Time: 600pm

FOR ACTION: David Lissy
Max Friedersdorf
Bobbie Kilberg

cc (for information): Jack Marsh
Jim Connor
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: September 24

Time: 500pm

SUBJECT:

H.R. 3348-VA Exchange of Medical Information Program

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

9.24
Recommend approval
Maf

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 23

Time: 600pm

FOR ACTION: David Lissy
Max Friedersdorf
Bobbie Kilberg

cc (for information): Jack Marsh
Jim Connor
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: September 24

Time: 500pm

SUBJECT:

H.R. 3348-VA Exchange of Medical Information Program

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

approve Kilberg 9/24/76

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon

THE WHITE HOUSE

WASHINGTON

September 24, 1976

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MAX L. FRIEDERSDORF *M.L.F.*
SUBJECT: HR 3348 - VA Exchange of Medical
Information Program

The Office of Legislative Affairs concurs with the agencies
that the subject bill be signed.

Attachments

EXTEND THE AUTHORITY OF THE ADMINISTRATOR OF VETERANS' AFFAIRS TO ESTABLISH AND CARRY OUT A PROGRAM OF EXCHANGE OF MEDICAL INFORMATION

JUNE 12, 1975.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

REPORT

[To accompany H.R. 3348]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 3348) to amend title 38, United States Code, in order to extend and improve the program of exchange of medical information between the Veterans' Administration and the medical community, and for other purposes, having considered the same by unanimous voice vote, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 2, line 6, strike out "\$4,500,000" and insert "\$4,000,000".

Page 2, line 6, strike out "\$5,000,000" and insert "\$4,000,000".

INTRODUCTION

Recognizing that modern technology can contribute greatly in bringing the latest medical information to locations remote from medical teaching centers, Congress enacted Public Law 89-785 on November 7, 1966, Section 5055(c)(1) of the enabling legislation authorized funding of the Exchange of Medical Information Program through fiscal year 1971. On August 6, 1971, the President signed legislation (Public Law 92-69) which authorized its continued support through fiscal year 1975. The legislation provided authority for the Veterans' Administration to engage in and support pilot projects which have as their objectives the strengthening of those Veterans' Administration hospitals located remote from medical teaching centers, as well as fostering the widest cooperation and consultation among all members of the medical profession, whether within or outside of the Veterans' Administration.

Initial funding for the program was provided in fiscal year 1968 at a level of \$942,000 for the first year of operation. The support of

the program increased to \$974,000 in fiscal year 1969 and to \$2 million in fiscal years 1970, 1971, and 1972. In fiscal year 1973, support of the program was increased to \$2,500,000. In fiscal years 1974 and 1975, \$3 million was authorized for each year. The funds provided have been fully expended and well invested in pilot programs which, once established, rapidly make contributions in increased measure to patient care.

REVIEW OF THE PROGRAM

The Veterans' Administration's unparalleled health care delivery system of 171 hospitals and more than 200 outpatient clinics is an established nationwide resource as well as integral part of the community health care delivery system in each population center in which the Veterans' Administration has a medical facility. The operation of this vast system carries with it a mandate to provide the best possible care to every individual who comes to a Veterans' Administration facility regardless of its location. This means that the agency must constantly look to the latest scientific and technological developments to determine what impact each may have on the delivery of quality medical care.

The barriers of time and distance have largely disappeared so that now it is technologically possible for all physicians and other health care professionals throughout the United States to operate in one professional milieu.

For example, the day is approaching when physicians in the most remote parts of our country have immediately available to them the same consultants and other professional resources as do their colleagues in medical teaching centers. The technology to do this is available. All that remains is to harness it to our needs in ways that are cost effective and in the best interests of the patient. The Exchange of Medical Information Program (EMI) is the vehicle through which this and other advances in bio-medical communications are being accomplished.

Since its inception in fiscal year 1968, over 50 projects covering a variety of innovative activities have been supported under the EMI Program through grants to medical schools, hospitals, and research centers and via direct funding to VA hospitals.

MAJOR PROJECTS

- 1968-1975: VA/Nebraska CCTV network.
- 1968-1975: Single Concept Films in Dentistry.
- 1968-1975: Program of Educational Assistance and Enrichment at VAH Muskogee, Okla.
- 1968-1974: Videotape Guest Lecture Program (Medical Media Network).
- 1968-1971: Instructional Television Fixed Service, VAH Durham—Duke University.
- 1968-1969: National Distribution System for Dissemination of Medical Information.
- 1969-1975: Telemedicine/Teleconsultation (VAH Bedford—Massachusetts General Hospital).
- 1969-1970: Manpower Research and Curriculum Building in Social Work.
- 1969-1970: Physicians-in-Residence.
- 1969-1970: Self-administered, Comprehensive Examination in Gastroenterology.
- 1969: Special Training and Information Gathering Equipment (Audiology and Speech Pathology).
- 1969: Conversion of Videotaped Courses in Physical Medicine.
- 1969: State-wide Tumor Registry for Alabama.

- 1970-1975: Center for Continuing Health Education (Mountain States).
- 1970-1975: Collaborative Dental Program.
- 1970-1975: Instructional Resources Center (VAH Chicago WS).
- 1970-1972: Utilization of New Health Auxiliaries for Health Delivery Systems.
- 1970-1971: Demonstration Project for Educationally Focused Field Experience Units in Social Work.
- 1970-1971: Educational Film on Holography.
- 1970-1971: Radiology Assistant Training Project.
- 1970-1971: Physicians, Dentists, and Nurses Project in Advanced Clinical Education.
- 1970: Education Telephone/Radio Conference at Remote Hospitals.
- 1970: Open Broadcast of Videotapes (Sheridan, Wyoming).
- 1971-1975: Dial Access for Physicians and Nurses.
- 1971-1972: Medical Information System via Telephone in Alabama.
- 1972-1975: Nuclear Medicine Network in Missouri and Illinois.
- 1972-1975: Endoscopy in Television (VAH Lake City).
- 1972-1974: Self-Pacing Instructions for Nursing Assistants.
- 1973-1975: Applications Technology Satellite—6.
- 1973-1975: Regionalized Computerized Consultation: Fluid and Electrolytes.
- 1973-1975: Veterans Educational Training and Extramural Regional Audio-visual Network (in Missouri and Illinois).
- 1974-1975: Interactive Telecommunications System for Central Maine.
- 1974-1975: Tel-Communicology in Alabama (for Patients with Communicative Disorders).

The EMI Program will conclude its 8th year of operation in fiscal year 1975. During fiscal year 1974, 18 pilot projects were conducted involving all VA hospitals either as "core" hospitals from which information flowed to outlying institutions or as recipients of information. In every instance the projects were designed as instruments for the improvement of the delivery and quality of patient care at the involved VA hospitals. The activities vary in concept, scope, and content, although each has as its objective the investigation, development, and implementation of innovative programs in exchange of medical information. The following are typical of the pilot projects conducted under this program.

(1) Participation in a series of biomedical communication experiments via a satellite which was launched in April 1974 by the National Aeronautics and Space Administration. This satellite, known as Applications Technology Satellite-F (ATS-F), provides a unique opportunity for the VA to explore new modalities of information exchange involving ten VA hospitals located in the Appalachian region of the United States. ATS-F is an attempt to broaden, through experimentation, the scope of health services through long distance, simultaneous, low-cost, interactive transmission of consultations and pertinent clinical and educational materials. The Veterans Administration, with its nationwide hospital system, is the agency which stands to benefit most from development of effective delivery of medical information via satellite and concomitantly, it is the Veterans Administration which can most effectively demonstrate the efficacy of satellite-conducted experiments in medical communications.

(2) Establishment of a pilot Nuclear Medicine Network consisting of the four VA institutions in eastern Missouri and southern Illinois. The participating hospitals are Marion, Ill.; Poplar Bluff, Mo.; St. Louis (John Cochran Division), Mo.; and St. Louis (Jefferson Barracks Division), Mo. This is a patient care oriented project which will, when fully operational, investigate the feasibility of utilizing a geo-

graphic electronic network to provide diagnostic nuclear medicine services. The major impediment to the establishment of nuclear medicine services in outlying hospitals has been the lack of trained professional and technical nuclear medicine personnel in these institutions. The Nuclear Medicine Network is a plan to provide the highest level of nuclear medicine services through the use of computer communications technology and without the need for a professional specialist in residence at the remote hospitals. These services include dynamic and static imaging, *in vitro* procedures, and *in vivo* function and volume measurements. All the major items of nuclear medicine equipment have been installed. The procurement of the computer equipment is in process and various necessary instructional materials have been prepared so as to ensure effective utilization of the Nuclear Medicine Network.

(3) Development of a Center for Continuing Health Education (CCHE) in the Rocky Mountain Region through a grant with the University of Utah Medical Center. Initially the VA Hospitals at Boise, Idaho; Fort Harrison, Mont.; Grand Junction, Colo.; Reno, Nev.; Salt Lake City, Utah; and Sheridan, Wyo., were included in the project. During fiscal year 1973, the VA Hospitals at Cheyenne, Wyo.; Fort Lyon, Colo.; and Miles City, Mont., became active participants in the network. The major purpose of this project is to create an environment conducive to the delivery of the best possible patient care at the participating hospitals by fostering educational programs which meet the hospitals' needs. In keeping with the intent of the Exchange of Medical Information legislation, development of the CCHE is also directed toward improvement in the quality of patient care delivered to all residents of each community in which the participating VA hospitals are located. The impact of the CCHE activities on patient care in the isolate locales of the participating hospitals is demonstrable. During fiscal year 1973 high priority was given to programs that represent continuing needs, were hospital based, and were considered most likely to influence day-to-day patient care.

(4) In fiscal year 1973 a project was approved and initiated under the rubric, the Veterans Educational Training and Extramural Regional Audiovisual Network (VETERAN). This is a conceptual merger of the Exchange of Medical Information Program and the regionalization policy of the Agency. When fully developed it will provide for access and exchange of medical information via television between the VA Hospitals in St. Louis, Mo.; Poplar Bluff, Mo.; and Marion, Ill., as well as with the medical schools and other major health care delivery facilities in the St. Louis area. Thus, it will serve to bring those VA hospitals which are in the district, but remote from urban medical centers, within one orbit educationally and clinically by facilitating cost effective exchange of medical information. It will also provide the opportunity for close cooperation between the VA medical programs and other public and private health care delivery agencies in the region.

Other notable examples of EMI projects include:

Interactive Telecommunications System for Central Maine. The project is designed to train family practice physicians who live and

practice in underserved areas of low population density. Involved is a consortium of five hospitals, including the VA facility at Togus, Maine.

Center for Continuing Health Education. Development of coordinated educational program fulfilling a variety of needs at eight VA hospitals in Colorado, Wyoming, Montana, Idaho, and Nevada.

Regional Computerized Consultation: Fluid and Electrolytes. Extension of immediate clinical consultation to VA hospitals remote from urban medical centers.

Dial Access for Physicians and Nurses. Over 400 lectures for physicians and nurses available nationally by dialing a single number.

Endoscopy in Television. Utilization of closed circuit television for visualization and documentation of endoscopic findings developed at VAH Lake City, Florida.

VA/Nebraska Television Network. Two-way closed circuit television system between University of Nebraska Medical Center, University of Nebraska College of Dentistry, Creighton University School of Medicine, and VAH's Omaha, Lincoln, and Grand Island.

State-wide Tumor Registry. Establishment of automated, computerized state-wide tumor registry in Alabama encompassing University of Alabama Medical Center and the four VA hospitals in Alabama.

Telemedicine/Teleconsultation. Closed circuit television system between VAH Bedford, Massachusetts and Massachusetts General Hospital used for therapy and consultation.

The Exchange of Medical Information Program and the concept of regionalization, as it is being applied in the Department of Medicine and Surgery, seeks the common goal of enabling every VA hospital to offer the advantages of the latest developments in medical care to its patients. To further carry out the intent of the enabling legislation. Exchange of Medical Information activities are being made available to health professions in 97 communities surrounding VA hospitals.

EXPLANATION OF THE BILL

The Committee believes that the exchange of medical information program continues to be highly beneficial to the Agency's hospitals and to the surrounding medical and scientific communities. Although the Agency has recommended a 1-year extension of the program, the Committee is of the opinion that there is adequate justification for extending this authority for four additional years.

The bill also provides that any proceeds to the Government received under the program shall be credited to the applicable Veterans Administration medical appropriation. Under current law, the VA is authorized to charge a fair and equitable fee for providing medical information to the medical community under the program. In each instance, however, the monies received for such services go directly to the Treasury as miscellaneous receipts.

Cost

The bill would authorize an appropriation of \$3,500,000 for fiscal year 1976; \$1,700,000 for the period beginning July 1, 1976 and ending September 30, 1976; \$4 million for fiscal year 1977; \$4 million for fiscal year 1978, and \$4 million for fiscal year 1979. As introduced, H.R. 3348

would have authorized \$4,500,000 for fiscal year 1978 and \$5 million for fiscal year 1979. It was the feeling of the Committee that the authorization should not exceed \$4 million.

REQUIREMENTS OF CLAUSES 2(1) (3) AND 2(1) (4) OF RULE XI

In compliance with clauses 2(1) (3) and 2(1) (4) of Rule XI of the Rules of the House of Representatives, the following statements are made:

With regard to subdivision (A) of clause 3 (relating to oversight findings), the Committee, in its review of the Exchange of Medical Information Program believes the program continues to be highly beneficial to the Veterans Administration's hospitals and to the surrounding medical and scientific communities, especially those in remote areas.

With respect to subdivision (C) of clause 3, no cost estimate or comparison has been submitted by the Congressional Budget Office relative to the provisions of H.R. 3348.

In regard to subdivision (D) of clause 3, no oversight findings have been submitted to the Committee by the Committee on Government Operations.

With respect to clause 2(1) (4), relating to the inflationary impact of the reported bill, the Committee is of the opinion the funds authorized to be appropriated are not inflationary. The \$3,500,000 authorized for fiscal year 1976 is only \$500,000 more than the amount obligated for fiscal year 1975. It is felt the modest increases authorized for fiscal year 1977, 1978 and 1979 would have no appreciable impact on the economy.

AGENCY REPORT

The Veterans Administration transmitted a draft bill to the Congress on April 15, 1975. The Agency's comments and the draft bill follow:

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., April 15, 1975.

HON. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: There is transmitted herewith a draft bill "To amend title 38, United States Code, in order to extend and improve the program of exchange of medical information between the Veterans' Administration and the medical community, and for other purposes", with the request that it be introduced and considered for enactment.

The subject bill would amend title 38, United States Code, section 5055 (c), to provide for continuation of funding for the exchange of medical information program through September 30, 1976. The program was authorized by Public Law 89-785, which authorized funding through fiscal year 1971, and extended by Public Law 92-69, which authorized its continuing support through fiscal year 1975. The following sums would be authorized: \$3,500,000 for fiscal year 1976;

and \$1,700,000 for the period beginning July 1, 1976, and ending September 30, 1976. The reason for providing \$1,700,000 for the period beginning July 1, 1976, and ending September 30, 1976, is that Title V of Public Law 93-344 prescribes an October 1-September 30 fiscal year, effective with fiscal year 1977.

The exchange of medical information program has enabled the VA to harness technological advances in communications to the educational process and thus to engage in, and support, innovative pilot projects which have as their objective the strengthening of those Veterans' Administration hospitals not affiliated with medical schools or those located remote from medical centers. The program has helped attract and retain highly trained and qualified members of the medical profession at such hospitals. It has aided in achieving the ultimate purpose of making available the best and most up-to-date medical care for the veteran patients at VA hospitals not affiliated with medical schools.

Exchange of medical information projects have been conducted involving all VA hospitals. These hospitals are either "core" institutions from which information flows to outlying hospitals or are recipients of this information. In every instance, the programs are designed as instruments for the improvement of the delivery and the quality of health care at peripheral locations. Exchange of medical information activities is also being made available to health professionals in communities surrounding VA hospitals. This is of particular benefit to those members of medical communities located remote from medical teaching centers.

Grants authorized under this program are provided to medical schools, hospitals, and research centers, while the pilot programs not funded by grants are conducted at VA hospitals. These activities vary in concept, scope, and content although each has as its objectives the investigation, development, and implementation of innovative programs in exchange of medical information. They cover a wide spectrum of activity. Funds provided for the program have been fully expended and well invested in pilot programs which, once established, rapidly make contributions in increased measure to patient care.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this draft bill to the Congress from the standpoint of the Administration's program.

Sincerely,

RICHARD L. ROUDEBUSH,
Administrator.

Enclosure.

[94th Cong., 1st sess.]

A BILL To amend title 38, United States Code, in order to extend and improve the program of exchange of medical information between the Veterans' Administration and the medical community, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) (1) of section 5055 of title 38, United States Code, is amended by striking out "\$3 million for each fiscal year 1968 through 1971, and such sums as may be necessary for each fiscal year 1972 through 1975,"

and inserting in lieu thereof "\$3,500,000 for fiscal year 1976, and \$1,700,000 for the period beginning July 1, 1976, and ending September 30, 1976."

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, H.R. 3348, 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

* * * * *

PART VI—ACQUISITION AND DISPOSITION OF PROPERTY

* * * * *

CHAPTER 81—ACQUISITION AND OPERATION OF HOSPITAL AND DOMICILIARY FACILITIES; PROCUREMENT AND SUPPLY

* * * * *

Subchapter IV—Sharing of Medical Facilities, Equipment, and Information

* * * * *

§ 5054. Exchange of medical information

(a) The Administrator is authorized to enter into agreements with medical schools, hospitals, research centers, and individual members of the medical profession under which medical information and techniques will be freely exchanged and the medical information services of all parties to the agreement will be available for use by any party to the agreement under conditions specified in the agreement. In carrying out the purposes of this section, the Administrator shall utilize recent developments in electronic equipment to provide a close educational, scientific, and professional link between Veterans' Administration hospitals and major medical centers. Such agreements shall be utilized by the Administrator to the maximum extent practicable to create, at each Veterans' Administration hospital which is a part of any such agreement, an environment of academic medicine which will help such hospital attract and retain highly trained and qualified members of the medical profession.

(b) In order to bring about utilization of all medical information in the surrounding medical community, particularly in remote areas, and to foster and encourage the widest possible cooperation and con-

sultation among all members of the medical profession in such community, the educational facilities and programs established at Veterans' Administration hospitals and the electronic link to medical centers shall be made available for use by surrounding medical community. The Administrator may charge a fee for such services (on annual or like basis) at rates which he determines, after appropriate study, to be fair and equitable. The financial status of any user of such services shall be taken into consideration by the Administrator in establishing the amount of the fee to be paid. *Any proceeds to the Government received therefrom shall be credited to the applicable Veterans' Administration medical appropriation.*

§ 5055. Pilot programs; grants to medical schools

(a) The Administrator may establish an Advisory Subcommittee on Programs for Exchange of Medical Information, of the Special Medical Advisory Group, established under section 4112 of this title, to advise him on matters regarding the administration of this section and to coordinate these functions with other research and education programs in the Department of Medicine and Surgery. The Assistant Chief Medical Director for Research and Education in Medicine shall be an ex officio member of this Subcommittee.

(b) The Administrator, upon the recommendation of the subcommittee, is authorized to make grants to medical schools, hospitals, and research centers to assist such medical schools, hospitals, and research centers in planning and carrying out agreements authorized by section 5054 of this title. Such grants may be used for the employment of personnel, the construction of facilities, the purchasing of equipment when necessary to implement such programs, and for such other purposes as will facilitate the administration of this section.

(c) (1) There is hereby authorized to be appropriated an amount not to exceed **[\$3,000,000 for each fiscal year 1968 through 1971, and such sums as may be necessary for each fiscal year 1972 through 1975.]** *\$3,500,000 for fiscal year 1976; \$1,700,000 for the period beginning July 1, 1976, and ending September 30, 1976; \$4,000,000 for fiscal year 1977; \$4,000,000 for fiscal year 1978; and \$4,000,000 for fiscal year 1979,* for the purpose of developing and carrying out medical information programs under this section on a pilot program basis and for the grants authority in subsection (b) of this section. Pilot programs authorized by this subsection shall be carried out at Veterans' Administration hospitals in geographically dispersed areas of the United States.

(2) Funds authorized under this section shall not be available to pay the cost of hospital, medical, or other care of patients except to the extent that such cost is determined by the Administrator to be incident to research, training, or demonstration activities carried out under this section.

(d) The Administrator, after consultation with the subcommittee shall prescribe regulations covering the terms and conditions for making grants under this section.

(e) Each recipient of a grant under this section shall keep such records as the Administrator may prescribe, including records which fully disclose the amount and disposition by such recipient of the

proceeds of such grant, the total cost of the project or undertaking in connection with which such grant is made or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such records as will facilitate an effective audit.

(f) The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of the recipient of any grant under this section which are pertinent to any such grant.

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EXTENDING AND IMPROVING THE
PROGRAM OF EXCHANGE OF
MEDICAL INFORMATION
BETWEEN THE
VETERANS' ADMINISTRATION
AND THE
MEDICAL COMMUNITY

REPORT
OF THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE
TO ACCOMPANY
H.R. 3348



MAY 14, 1976.—Ordered to be printed

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94TH CONGRESS }
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SENATE

{ REPORT
No. 94-891

COMMITTEE ON VETERANS' AFFAIRS

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(II)

EXTENDING AND IMPROVING THE PROGRAM OF EXCHANGE OF MEDICAL INFORMATION BETWEEN THE VETERANS' ADMINISTRA- TION AND THE MEDICAL COMMUNITY

MAY 14, 1976.—Ordered to be printed

Mr. CRANSTON (for Mr. HARTKE), from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany H.R. 3348]

The Committee on Veterans' Affairs, to which was referred the bill (H.R. 3348) to amend title 38, United States Code, in order to extend and improve the program of exchange of medical information between the Veterans' Administration and the medical community, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill, as amended, do pass.

COMMITTEE AMENDMENT

The amendment is as follows:

On page 2, after line 7, add the following new section:

Sec. 2. (a) Subchapter I of chapter 3 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 203. Availability of appropriations

"Any funds appropriated to the Veterans' Administration may, to the extent provided in this title or an Appropriations act, remain available until expended."

(1)

(b) The table of sections for subchapter I of chapter 3 of title 38, United States Code, is amended by adding at the end thereof the following new item:

"203. Availability of appropriations."

Thus, the text of the bill as reported is as follows (insert the material printed in *italics*):

That subchapter IV of chapter 81 of title 38, United States Code, is amended as follows:

(1) By inserting at the end of section 5054(b) the following new sentence: "Any proceeds to the Government received therefrom shall be credited to the applicable Veterans' Administration medical appropriation."; and

(2) By striking out in section 5055(c) (1) "\$3,000,000 for each fiscal year 1968 through 1971, and such sums as may be necessary for each fiscal year 1972 through 1975," and inserting in lieu thereof "\$3,500,000 for fiscal year 1976; \$1,700,000 for the period beginning July 1, 1976, and ending September 30, 1976; \$4,000,000 for fiscal year 1977; \$4,000,000 for fiscal year 1978; and \$4,000,000 for fiscal year 1979."

Sec. 2. (a) Subchapter I of chapter 3 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 203. Availability of appropriations

"Any funds appropriated to the Veterans' Administration may, to the extent provided in this title or an Appropriations act, remain available until expended."

(b) The table of sections for subchapter I of chapter 3 of title 38, United States Code, is amended by adding at the end thereof the following new item:

"203 Availability of appropriations."

INTRODUCTION AND SUMMARY OF H.R. 3348, AS REPORTED

H.R. 3348 was passed unanimously by the House of Representatives on June 16, 1975, and was referred to the Senate Committee on Veterans' Affairs on June 17, 1975. On February 2, 1976, S. 2908, the proposed Veterans Omnibus Health Care Act of 1976, was introduced in the Senate. Section 121 of S. 2908 contained provisions which were similar in scope and purpose to those of the House-passed H.R. 3348.

On February 18 and 19, the Subcommittee on Health and Hospitals held hearings on S. 2908 and other pending veterans health care legislation. In order to satisfy the reporting requirements of the Congressional Budget Act of 1974 (Pub. L. 93-344), with respect to authorizing legislation, section 121 has been separated from S. 2908 and this bill, in lieu of that section, is being reported to the Senate. (The Committee has also determined, as a result of its consultation with the Senate Committee on the Budget, that the May 15 reporting deadline is generally inapplicable to the other provisions of S. 2908, which constitute entitlement legislation to which the May 15 required reporting date in section 402(a) of that Act does not apply.)

During the 2-week period from April 12 to April 23, the members of the Committee by poll voted unanimously to report favorably H.R. 3348 and the amendment to it.

The basic purpose of H.R. 3348 is to permit the continued growth and development of the Department of Medicine and Surgery's Exchange of Medical Information (EMI) program by authorizing, through fiscal year 1979, expenditures to support grants and pilot programs in this field. The bill also provides that proceeds to the Government received under the EMI program shall be credited to the applicable VA medical appropriation, instead of being returned to the Treasury as miscellaneous receipts (as under current law).

Specifically, H.R. 3348 as reported would:

(1) Amend section 5054(b) of title 38 to require that any proceeds to the Government received for providing medical information to the medical community under the EMI program be credited to the applicable VA medical appropriation;

(2) Amend section 5055(c) of title 38 (authorizing appropriations to carry out EMI programs) to authorize expenditures for the EMI program of \$3,500,000 for fiscal year 1976, \$1,700,000 for the transition quarter beginning July 1 and ending September 30, 1976, and \$4,000,000 annually for fiscal years 1977, 1978, and 1979; and

(3) Add a clarifying technical amendment which explicitly authorizes that funds appropriated to the Veterans' Administration, may to the extent provided in title 38 or an Appropriations act, remain available until expended.

BACKGROUND AND DISCUSSION

The Exchange of Medical Information Program

To strengthen medical programs at Veterans' Administration hospitals not affiliated with medical schools or in locations remote from medical teaching centers, and to foster the widest possible cooperation and consultation among members of the medical profession, Congress, 10 years ago enacted legislation (Public Law 89-785, the Veterans Hospitalization and Medical Services Modernization Amendments of 1966) to authorize the Administrator of Veterans' Affairs to enter into agreements with medical schools, hospitals, medical centers, and individual members of the medical profession for the free exchange of medical information. The EMI program was part of a comprehensive program for the sharing of medical facilities, equipment, and information, now codified as subchapter IV of chapter 81 of title 38, United States Code.

The purpose of the EMI program was to bring modern medical and communications technology to bear on the quality of services available to veterans at VA hospitals which, for reasons of size, location, or lack of resources, were unable to take full advantage of the latest medical information. The 1966 legislation charged the VA with the responsibility to engage in pilot projects having as their objective the strengthening of VA hospitals through the exchange of medical information, and authorized annual appropriations of \$3,000,000 for the 4 fiscal years ending June 30, 1971 to support projects in that area.

Initial funding commenced in fiscal year 1968, with the appropriation of \$942,000. This amount was increased to \$974,000 in fiscal year 1969, and to \$2,000,000 for each of the next 2 fiscal years.

By 1971, Congress had come to recognize the EMI program as an integral part of the VA's ongoing programs for patient care, research, and medical education. In that year, legislation was enacted (Pub. L. 92-69) extending the authorization of appropriations for the program for an additional 4 years, or through fiscal year 1975. Appropriations for the program increased from \$2,000,000 in fiscal year 1972 to \$2,500,000 in fiscal year 1973, and to \$3,000,000 annually for fiscal years 1974 and 1975.

The EMI program is now concluding its eighth year of operation. Since its beginning in 1968, over 50 projects have been supported under the EMI program. Every one of the VA's 171 hospitals has contributed to the program, either as "core" institutions from which information flows to outlying hospitals or as recipients of this information. Health professionals in 100 communities in the United States have participated in and benefited from the program. The funds provided have been fully expended and wisely invested in pilot programs which, once established, have contributed directly and significantly to patient care.

Program Accomplishments

The Veterans' Administration's health care system of 171 hospitals and more than 200 outpatient clinics is an established nationwide resource as well as integral part of the community health care system in each population center in which the VA has a medical facility. The operation of this vast system carries with it a mandate to provide the best possible care to every individual who comes to a VA facility regardless of its location. This means that the agency must constantly look to the latest scientific and technological developments to determine what impact each may have on the delivery of quality medical care.

Through the development of modern electronics and communications systems, the barriers of time and distance have largely disappeared. It is now technologically possible for all physicians and other health care professionals throughout the United States to operate in one professional milieu. For example, the day is approaching when physicians in the most remote parts of our country will have immediately available to them the same consultants and other professional resources as do their colleagues in medical teaching centers. The technology to do this is available. All that remains is to harness it to our needs in ways that are cost effective and in the best interests of the patient.

The EMI program is the vehicle through which this and other advances in biomedical communications are being accomplished.

Since its inception in fiscal year 1968, a wide variety of innovative activities has been supported under the EMI program through grants to medical schools, hospitals, and research centers and via direct funding to VA hospitals. The activities supported under this program vary in concept, scope, and content, although each has as its objective the investigation, development, and implementation of innovative programs in the exchange of medical information. The following are typical of the pilot projects conducted under this program.

(1) *Participation in a series of biomedical communication experiments via a satellite which was launched in April 1974 by the Na-*

tional Aeronautics and Space Administration.—This satellite, known as Applications Technology Satellite-F (ATS-F), provides a unique opportunity for the VA to explore new modalities of information exchange involving 10 VA hospitals located in the Appalachian region of the United States. ATS-F is an attempt to broaden, through experimentation, the scope of health services through long-distance, simultaneous, low-cost, interactive transmission of consultations and pertinent clinical and educational materials.

(2) *Establishment of a pilot Nuclear Medicine Network consisting of the 4 VA institutions in eastern Missouri and southern Illinois.*—The participating hospitals are Marion, Ill.; Poplar Bluff, Mo.; St. Louis (John Cochran Division), Mo.; and St. Louis (Jefferson Barracks Division), Mo. This is a patient-care-oriented project which will, when fully operational, investigate the feasibility of utilizing a geographic electronic network to provide diagnostic nuclear medicine services. The major impediment to the establishment of nuclear medicine services in outlying hospitals has been the lack of trained professional and technical nuclear medicine personnel in these institutions. The Nuclear Medicine Network is a plan to provide the highest level of nuclear medicine services through the use of computer communications technology and without the need for a professional specialist in residence at the remote hospitals. These services include dynamic and static imaging, *in vitro* procedures, and *in vivo* function and volume measurements. All the major items of nuclear medicine equipment have been installed. The procurement of the computer equipment is in process and various necessary instructional materials have been prepared so as to ensure effective utilization of the Nuclear Medicine Network.

(3) *Development of a Center for Continuing Health Education (CCHE) in the Rocky Mountain Region through a grant with the University of Utah Medical Center.*—Initially the VA hospitals at Boise, Idaho; Fort Harrison, Mont.; Grand Junction, Colo.; Reno, Nev.; Salt Lake City, Utah; and Sheridan, Wyo., were included in the project. During fiscal year 1973, the VA hospitals at Cheyenne, Wyo.; Fort Lyon, Colo.; and Miles City, Mont., became active participants in the network. The major purpose of this project is to create an environment conducive to the provision of the best possible patient care at the participating hospitals by fostering educational programs which meet the hospitals' needs. In keeping with the intent of the EMI legislation, development of the CCHE is also directed toward improvement in the quality of patient care rendered to all residents of each community in which the participating VA hospitals are located. The impact of the CCHE activities on patient care in the isolated locales of the participating hospitals is demonstrable.

(4) *The Veterans Educational Training and Extramural Regional Audiovisual Network (VETERAN).*—This program, initiated in 1973, is a conceptual merger of the EMI and the VA's regionalization policy. When fully developed it will provide for access and exchange of medical information via television between the VA hospitals in St. Louis, Mo.; Poplar Bluff, Mo.; and Marion, Ill.; as well as with the medical schools and other major health care facilities in the St. Louis area. Thus, it will serve to bring those VA hospitals which are in the district, but remote from urban medical centers,

within one orbit educationally and clinically, by facilitating cost-effective exchange of medical information. It will also provide the opportunity for close cooperation between the VA medical programs and other public and private health care agencies in the region.

(5) *Interactive Telecommunications System for Central Maine.*—The project is designed to train family practice physicians who live and practice in underserved areas of low populations density. Involved is a consortium of 5 hospitals, including the VA facility at Togus, Maine.

(6) *Center for Continuing Health Education.*—Development of coordinated educational program fulfilling a variety of needs at eight VA hospitals in Colorado, Wyoming, Montana, Idaho, and Nevada.

(7) *Regional Computerized Consultation: Fluid and Electrolytes.*—Extension of immediate clinical consultation to VA hospitals remote from urban medical centers.

(8) *Dial Access for Physicians and Nurses.*—Over 400 lectures for physicians and nurses available nationally by dialing a single number.

(9) *Endoscopy in Television.*—Utilization of closed circuit television for visualization and documentation of endoscopic findings developed at the VA hospital, Lake City, Florida.

(10) *VA/Nebraska Television Network.*—Two-way closed circuit television system between the University of Nebraska Medical Center, University of Nebraska College of Dentistry, Creighton University School of Medicine, and VA hospitals, Omaha, Lincoln, and Grand Island.

(11) *Statewide Tumor Registry.*—Establishment of an automatic, computerized statewide tumor registry in Alabama encompassing the University of Alabama Medical Center and the four VA hospitals in Alabama.

(12) *Telemedicine/Teleconsultation.*—Closed circuit television system between the VA hospital, Bedford, Mass., and Massachusetts General Hospital used for therapy and consultation.

The EMI program complements the concept of regionalization, as it is being applied in the Department of Medicine and Surgery, in seeking the common goal of enabling every VA hospital to offer the advantages of the latest developments in medical care to its patients.

Technical Amendment

H.R. 3348 as reported would also add a clarifying technical amendment which explicitly authorizes that funds appropriated to the Veterans' Administration may, to the extent provided in title 38 or an Appropriations act, remain available until expended. This clarification is apparently required because of a recent interpretation by the Parliamentarian of the House of Representatives. For years Appropriation acts have specified, for most VA appropriation accounts, that the funds appropriated may remain available until expended. The Committee understands that with respect to the fiscal year 1976 appropriations for the Veterans' Administration a parliamentary inquiry was initiated which questioned the authority for the Appropriations Act to specify the continued availability of VA funds. The Committee further understands that it is the position of the House Parliamentarian that unless the substantive law authorizing the various VA programs

"basic authority of the agency"

permits funds to be continued available until expended, such an Appropriations act specifying the same would be subject to point of order on the floor of the House.

Some Veterans' Administration programs authorized under title 38 already have such specific authorization with respect to multi-year availability of appropriations. They include Medical and Prosthetic Research (section 216(b)); Grants to the Republic of the Philippines (section 631(d)); Grants for Construction of State Extended Care Facilities (section 644(d)); Loan Guaranty Revolving Fund (section 1824); and Assistance for Health Manpower Training Institutions (section 5082(b)). As to certain other VA programs, there is not such a specific authorization. Accordingly, the clarifying technical amendment adopted by the Committee would provide explicit authority in order to authorize the House Appropriations Committee to continue existing practice. New section 203, thus provides that funds may be available until expended either if authorized under title 38 or so specified in an Appropriations act.

COST ESTIMATES

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Pub. L. 91-510, 91st Congress), the Committee estimates that, if all funds authorized to be appropriated are appropriated, the costs entailed by enactment of H.R. 3348 as reported would be: Authorize an appropriation of \$3,500,000 for fiscal year 1976; \$1,700,000 for the period beginning July 1, 1976 and ending September 30, 1976; \$4 million for fiscal year 1977; \$4 million for fiscal year 1978, and \$4 million for fiscal year 1979.

TABULATION OF VOTES CAST IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of votes cast in person or by proxy of the Members of the Committee on Veterans' Affairs on a motion to report H.R. 3348, with an amendment, favorably to the Senate:

Yeas—9	
Vance Hartke	Clifford P. Hansen
Herman E. Talmadge	Strom Thurmond
Jennings Randolph	Robert T. Stafford
Alan Cranston	
Richard (Dick) Stone	
John A. Durkin	
Nays—0	

SECTION-BY-SECTION ANALYSIS OF H.R. 3348 AS REPORTED

Section 1

Clause 1 amends section 5054(b) of title 38, United States Code, by inserting at the end thereof a new sentence requiring that any proceeds to the Government received from providing medical information to the medical community under the EMI program be credited to the applicable VA medical appropriation.

Clause 2 amends section 5055 (c) of title 38 to authorize expenditures of \$3,500,000 for fiscal year 1976, \$1,700,000 for the transition quarter beginning July 1 and ending September 30, 1976, and \$4,000,000 annually for fiscal years 1977, 1978, and 1979 for the EMI program.

Section 2

Subsection a amends subchapter I of chapter 3 of title 38, United States Code, by adding a new section 203 which provides that any funds appropriated to the Veterans' Administration may remain available until expended to the extent provided in title 38 or an Appropriations act.

Subsection b would amend the table of sections for subchapter I of chapter 3 of title 38, United States Code, to reflect the creation of new section 203.

AGENCY REPORTS

The Committee requested and received a number of reports from the Veterans' Administration and the Office of Management and Budget on several bills pending before the Committee which would extend and improve the program of exchange of medical information between the VA and medical communities. These reports follow:

[No. 94]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., March 2, 1976.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans' Administration on S. 2908, 94th Congress, a bill "To amend title 38, United States Code, to improve the quality of hospital care, medical services, and nursing home care in Veterans' Administration health care facilities; to require the availability of comprehensive treatment and rehabilitative services and programs for certain disabled veterans suffering from alcoholism, drug dependence, or alcohol or drug abuse disabilities; to make certain technical and conforming amendments; and for other purposes."

S. 2908 contains a number of provisions directed toward extending or clarifying the authority of the Department of Medicine and Surgery to provide care to veterans. There are other provisions which would facilitate the administration of this program. There are still other provisions which would redirect the emphasis of veterans medical care to the service connected veteran. A complete analysis of each of these provisions is enclosed herewith, as well as our position thereon and a cost analysis thereof.

As can be ascertained by reading the enclosed analysis, there are a number of provisions of this bill which we favor. Furthermore, there are other provisions which may have some desirable features, but which provide the type of benefit extensions with associated cost factors which we cannot support, particularly at this time when the need for reasonable restraint in the growth of Government spending is being stressed. In this regard, we share the concern expressed by Senator Cranston at the time this measure was introduced. As the Senator suggested, we must question whether it is reasonable for the VA health care budget to continue to expand at the rapid rate achieved over the last 5 years, and whether the VA can continue to provide more and more care and services to more and more veterans and still be able to make the treatment of veterans service connected disabilities our primary focus. Accordingly, for the reasons specified in the analysis, we cannot support the bill as introduced.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

ODELL W. VAUGHN,
Deputy Administrator,
(In the absence of
Richard L. Roubesh, Administrator).

Enclosure.

SECTION-BY-SECTION ANALYSIS OF S. 2908, 94TH CONGRESS

The first section of the bill provides that the Act may be cited as the "Veterans Omnibus Health Care Act of 1976".

TITLE I—GENERAL VETERANS HEALTH CARE AND DEPARTMENT OF MEDICINE AND SURGERY AMENDMENTS

* * * * *

Section 121 of the bill would amend subchapter IV of chapter 81 of title 38.

* * * * *

Subsection (b) of section 121 of the bill would amend section 5054 of title 38 to provide that any proceeds to the Government received from utilization of the medical information furnished to the surrounding medical community, for which the Administrator is authorized to charge a fee, shall be credited to the applicable VA appropriation. Under current law the fees received for such services are deposited with the Treasury to miscellaneous receipts. The changes made in this subsection would not be consistent with sound fiscal practice and we do not favor its enactment.

Subsection (c) of section 121 of the bill would amend section 5055 of title 38 in order to provide for continuation of funding for the exchange of medical information program through September 30, 1980. The program was authorized by Public Law 89-785, which authorized funding through fiscal year 1971, and extended by Public Law 92-69, which authorized its continuing support through fiscal year 1975. The amendment proposed here would extend the authorization of appropriation of such sums as may be necessary for each fiscal year through 1980.

Exchange of medical information projects have been conducted involving all VA hospitals. These hospitals are either "core" institutions from which information flows to outlying hospitals or are recipients of this information. In every instance, the programs are designed as instruments for the improvement of the delivery and the quality of health care at peripheral locations. Exchange of medical information activities is also being made available to health professionals in communities surrounding VA hospitals.

Grants authorized under this program are provided to medical schools, hospitals, and research centers, while the pilot programs not funded by grants are conducted at VA hospitals. These activities vary in concept, scope, and content although each has as its objectives the investigation, development, and implementation of innovative programs in exchange of medical information. They cover a wide spectrum of activity.

During fiscal year 1975 the program was funded at \$3 million. It is anticipated that the program would require funding of \$3.5 million for each succeeding fiscal year. The transition quarter (the period beginning July 1, 1976, and ending September 30, 1976) should be funded at approximately \$1,700,000.

We favor this provision of the bill provided it is limited to a 1-year period to allow us to evaluate the program's accomplishments, to determine whether the program should be extended further, modified, or terminated. In accord with this recommendation, the President has requested in his budget, the suggested funding amounts through fiscal year 1977.

* * * * *

[No. 61]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., April 16, 1975.

HON. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill to amend title 38, United States Code, in order to extend and improve the program of exchange of medical information between the Veterans' Administration and the medical community, and for other purposes, with the request that it be introduced and considered for enactment.

The subject bill would amend title 38, United States Code, section 5055(c), to provide for continuation of funding for the exchange of medical information program through September 30, 1976. The program was authorized by Public Law 89-785, which authorized funding through fiscal year 1971, and extended by Public Law 92-69, which authorized its continuing support through fiscal year 1975. The following sums would be authorized: \$3.5 million for fiscal year 1976; and \$1.7 million for the period beginning July 1, 1976, and ending September 30, 1976. The reason for providing \$1.7 million for the period beginning July 1, 1976, and ending September 30, 1976, is that title V of Public Law 93-344 prescribes an October 1-September 30 fiscal year, effective with fiscal year 1977.

The exchange of medical information program has enabled the VA to harness technological advances in communications to the educational process and thus to engage in, and support, innovative pilot projects which have as their objective the strengthening of those Veterans' Administration hospitals not affiliated with medical schools or those located remote from medical centers. The program has helped attract and retain highly trained and qualified members of the medical profession at such hospitals. It has aided in achieving the ultimate purpose of making available the best and most up-to-date medical care for the veteran patients at VA hospitals not affiliated with medical schools.

Exchange of medical information projects have been conducted involving all VA hospitals. These hospitals are either "core" institutions from which information flows to outlying hospitals or are recipients of this information. In every instance, the programs are designed as instruments for the improvement of the delivery and the quality of health care at peripheral locations. Exchange of medical information activities is also being made available to health professionals in communities surrounding VA hospitals. This is of particular benefit to those members of medical communities located remote from medical teaching centers.

Grants authorized under this program are provided to medical schools, hospitals, and research centers, while the pilot programs not funded by grants are conducted at VA hospitals. These activities vary in concept, scope, and content although each has as its objectives the

investigation, development, and implementation of innovative programs in exchange of medical information. They cover a wide spectrum of activity. Funds provided for the program have been fully expended and well invested in pilot programs which, once established, rapidly make contributions in increased measure to patient care.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this draft bill to the Congress from the standpoint of the administration's program.

Sincerely,

RICHARD L. ROUDERUSH,
Administrator.

Enclosure.

A BILL, To amend title 38, United States Code, in order to extend and improve the program of exchange of medical information between the Veterans' Administration and the medical community, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) (1) of section 5055 of title 38, United States Code, is amended by striking out "\$3 million for each fiscal year 1968 through 1971, and such sums as may be necessary for each fiscal year 1972 through 1975," and inserting in lieu thereof "\$3,500,000 for fiscal year 1976, and \$1,700,000 for the period beginning July 1, 1976, and ending September 30, 1976."

ANALYSIS OF DRAFT BILL

This bill would amend title 38, United States Code, to provide for continuation of funding for the exchange of medical information program through September 30, 1976. The following sums would be authorized: \$3.5 million for fiscal year 1976; \$1 million for the period beginning July 1, 1976, and ending September 30, 1976. The reason for providing \$1 million for the period beginning July 1, 1976, and ending September 30, 1976, is that title V of Public Law 93-344 prescribes an October 1-September 30 fiscal year, effective with fiscal year 1977.

CHANGES IN EXISTING LAW MADE BY THE DRAFT BILL

Changes in existing law made by the draft bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter printed in italic, existing law in which no change is proposed is shown in roman):

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

Subchapter IV—Sharing of Medical Facilities, Equipment, and Information

§ 5054. Exchange of medical information.

(a) The Administrator is authorized to enter into agreements with medical schools, hospitals, research centers, and individual members of the medical profession under which medical information and techniques will be freely exchanged and the medical information services of all parties to the agreement will be available for use by any party to the agreement under conditions specified in the agreement. In carrying out the purposes of this section, the Administrator shall utilize recent developments in electronic equipment to provide a close educational, scientific, and professional link between Veterans' Administration hospitals and major medical centers. Such agreements shall be utilized by the Administrator to the maximum extent practicable to create, at each Veterans' Administration hospital which is a part of any such agreement, an environment of academic medicine which will help such hospital attract and retain highly trained and qualified members of the medical profession.

(b) In order to bring about utilization of all medical information in the surrounding medical community, particularly in remote areas, and to foster and encourage the widest possible cooperation and consultation among all members of the medical profession in such community, the educational facilities and programs established at Veterans' Administration hospitals and the electronic link to medical centers shall be made available for use by the surrounding medical community. The Administrator may charge a fee for such services (on annual or like basis) at rates which he determines, after appropriate study, to be fair and equitable. The financial status of any user of such services shall be taken into consideration by the Administrator in establishing the amount of the fee to be paid.

§ 5055. Pilot programs; grants to medical schools

(a) The Administrator may establish an Advisory Subcommittee on Programs for Exchange of Medical Information, of the Special Medical Advisory Group, established under section 4112 of this title, to advise him on matters regarding the administration of this section and to coordinate these functions with other research and education programs in the Department of Medicine and Surgery. The Assistant Chief Medical Director for Research and Education in Medicine shall be an ex officio member of this Subcommittee.

(b) The Administrator, upon the recommendation of the subcommittee, is authorized to make grants to medical schools, hospitals, and research centers to assist such medical schools, hospitals, and research centers in planning and carrying out agreements authorized by section 5054 of this title. Such grants may be used for the employment of personnel, the construction of facilities, the purchasing of equipment when necessary to implement such programs, and for such other purposes as will facilitate the administration of this section.

(c) (1) There is hereby authorized to be appropriated an amount not to exceed **[\$3. million for each fiscal year 1968 through 1971, and such sums as may be necessary for each fiscal year 1972 through 1975,] \$3,500,000 for fiscal year 1976, and \$1,700,000 for the period beginning July 1, 1976, and ending September 30, 1976,** for the purpose of developing and carrying out medical information programs under this section on a pilot program basis and for the grants authority in sub-

section (b) of this section. Pilot programs authorized by this subsection shall be carried out at Veterans' Administration hospitals in geographically dispersed areas of the United States.

(2) Funds authorized under this section shall not be available to pay the cost of hospital, medical, or other care of patients except to the extent that such cost is determined by the Administrator to be incident to research, training, or demonstration activities carried out under this section.

(d) The Administrator, after consultation with the subcommittee shall prescribe regulations covering the terms and conditions for making grants under this section.

* * * * *

CHANGES IN EXISTING LAW MADE BY H.R. 3348, AS REPORTED

In accordance with subsection 4 of Rule XXIX of the Standing Rules of the Senate, 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):

TITLE 38—UNITED STATES CODE

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PART 1—GENERAL PROVISIONS

* * * * *

CHAPTER 3—VETERANS' ADMINISTRATION; OFFICERS AND EMPLOYEES

SUBCHAPTER I—VETERANS' ADMINISTRATION

Sec.

201. Veterans' Administration an independent agency.

202. Seal of the Veterans' Administration.

203. Availability of appropriations.

* * * * *

Subchapter I—Veterans' Administration

§ 201. Veterans' Administration an independent agency

The Veterans' Administration is an independent establishment in the executive branch of the Government, especially created for or concerned in the administration of laws relating to the relief and other benefits provided by law for veterans, their dependents, and their beneficiaries.

§ 202. Seal of the Veterans' Administration

The seal of the Veterans' Administration shall be judicially noticed. Copies of any public documents, records, or papers belonging to or in the files of the Veterans' Administration, when authenticated by the seal and certified by the Administrator or by any employee of the Veterans' Administration to whom proper authority shall have

been delegated in writing by the Administrator, shall be evidence equal with the originals thereof.

§ 203. Availability of appropriations

Any funds appropriated to the Veterans' Administration may, to the extent provided in this title or an Appropriations act, remain available until expended.

PART VI—ACQUISITION AND DISPOSITION OF PROPERTY

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CHAPTER 81—ACQUISITION AND OPERATION OF HOSPITAL AND DOMICILIARY FACILITIES; PROCUREMENT AND SUPPLY

* * * * *

Subchapter IV—Sharing of Medical Facilities, Equipment, and Information

* * * * *

§ 5054. Exchange of medical information

(a) The Administrator is authorized to enter into agreements with medical schools, hospitals, research centers, and individual members of the medical profession under which medical information and techniques will be freely exchanged and the medical information services of all parties to the agreement will be available for use by any party to the agreement under conditions specified in the agreement. In carrying out the purposes of this section, the Administrator shall utilize recent developments in electronic equipment to provide a close educational, scientific, and professional link between Veterans' Administration hospitals and major medical centers. Such agreements shall be utilized by the Administrator to the maximum extent practicable to create, at each Veterans' Administration hospital which is a part of any such agreement, an environment of academic medicine which will help such hospital attract and retain highly trained and qualified members of the medical profession.

(b) In order to bring about utilization of all medical information in the surrounding medical community, particularly in remote areas, and to foster and encourage the widest possible cooperation and consultation among all members of the medical profession in such community, the educational facilities and programs established at Veterans' Administration hospitals and the electronic link to medical centers shall be made available for use by surrounding medical community. The Administrator may charge a fee for such services (on annual or like basis) at rates which he determines, after appropriate study, to be fair and equitable. The financial status of any user of such services shall be taken into consideration by the Administrator in establishing the amount of the fee to be paid. *Any proceeds to the Government received therefrom shall be credited to the applicable Veterans' Administration medical appropriation.*

§ 5055. Pilot programs; grants to medical schools

(a) The Administrator may establish an Advisory Subcommittee on Programs for Exchange of Medical Information, of the Special Medical Advisory Group, established under section 4112 of this title, to advise him on matters regarding the administration of this section and to coordinate these functions with other research and education programs in the Department of Medicine and Surgery. The Assistant Chief Medical Director for Research and Education in Medicine shall be an ex officio member of this Subcommittee.

(b) The Administrator, upon the recommendation of the Subcommittee, is authorized to make grants to medical schools, hospitals, and research centers to assist such medical schools, hospitals, and research centers in planning and carry out agreements authorized by section 5054 of this title. Such grants may be used for the employment of personnel, the construction of facilities, the purchasing of equipment when necessary to implement such programs, and for such other purposes as will facilitate the administration of this section.

(c) (1) There is hereby authorized to be appropriated an amount not to exceed **[\$3,000,000 for each fiscal year 1968 through 1971, and such sums as may be necessary for each fiscal year 1972 through 1975.]** *\$3,500,000 for fiscal year 1976; \$1,700,000 for the period beginning July 1, 1976, and ending September 30, 1976; \$4,000,000 for fiscal year 1977; \$4,000,000 for fiscal year 1978; and \$4,000,000 for fiscal year 1979,* for the purpose of developing and carrying out medical information programs under this section on a pilot program basis and for the grants authority in subsection (b) of this section. Pilot programs authorized by this subsection shall be carried out at Veterans' Administration hospitals in geographically dispersed areas of the United States.

(2) Funds authorized under this section shall not be available to pay the cost of hospital, medical, or other care of patients except to the extent that such cost is determined by the Administrator to be incident to research, training, or demonstration activities carried out under this section.

(d) The Administrator, after consultation with the Subcommittee shall prescribe regulations covering the terms and conditions for making grants under this section.

(e) Each recipient of a grant under this section shall keep such records as the Administrator may prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant, the total cost of the project or undertaking in connection with which such grant is made or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such records as will facilitate an effective audit.

(f) The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of the recipient of any grant under this section which are pertinent to any such grant.

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H. R. 3348

Ninety-fourth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the nineteenth day of January,
one thousand nine hundred and seventy-six*

An Act

To amend title 38, United States Code, in order to extend and improve the program of exchange of medical information between the Veterans' Administration and the medical community, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subchapter IV of chapter 81 of title 38, United States Code, is amended as follows:

(1) By inserting at the end of section 5054(b) the following new sentence: "Any proceeds to the Government received therefrom shall be credited to the applicable Veterans' Administration medical appropriation."; and

(2) By striking out in section 5055(c)(1) "\$3,000,000 for each fiscal year 1968 through 1971, and such sums as may be necessary for each fiscal year 1972 through 1975," and inserting in lieu thereof "\$3,500,000 for fiscal year 1976; \$1,700,000 for the period beginning July 1, 1976, and ending September 30, 1976; \$4,000,000 for fiscal year 1977; \$4,000,000 for fiscal year 1978; and \$4,000,000 for fiscal year 1979."

Sec. 2. (a) Subchapter I of chapter 2 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 203. Availability of appropriations

"Any funds appropriated to the Veterans' Administration may, to the extent provided in this title or an appropriations Act, remain available until expended."

(b) The table of sections for subchapter I of chapter 3 of title 38, United States Code, is amended by adding at the end thereof the following new item:

"203. Availability of appropriations."

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*