

VA MANAGEMENT ALIGNMENT ACT OF 2017

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NOVEMBER 6, 2017.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. ROE of Tennessee, from the Committee on Veterans' Affairs, submitted the following

R E P O R T

[To accompany H.R. 1066]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 1066) to direct the Secretary of Veterans Affairs to submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report regarding the organizational structure of the Department of Veterans Affairs, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

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## PURPOSE AND SUMMARY

H.R. 1066, the “VA Management Alignment Act of 2017,” would require the Department of Veterans Affairs (VA) to submit a report to Congress on VA’s organizational structure.

## BACKGROUND AND NEED FOR LEGISLATION

*Section 2. Report on the organizational structure of the Department of Veterans Affairs*

In response to concerns about the quality of the care provided to veterans through the VA healthcare system, section 201 of the Veterans Access, Choice and Accountability Act of 2014 (VACAA) (Public Law 113–146; 128 Stat. 1755) required VA to contract with a private sector entity to conduct an independent assessment of the health care furnished in VA medical facilities. The resultant Independent Assessment of the Health Care Delivery Systems and Management Processes of VA (Independent Assessment) of the Veterans Health Administration (VHA), which manages the VA healthcare system, found the agency’s organizational structure to be, “intensely, unnecessarily complex” and rampant with mistrust and risk aversion “resulting in an inability to improve performance consistently and fully across the system.”<sup>1</sup> The Independent Assessment also found VHA suffers from an expanding scope of activities, confusion around leadership priorities and strategic direction, limited role clarity, and fragmentation of authority.<sup>2</sup> The Independent Assessment further noted VHA’s workforce “appears to be steadily losing its motivation” while the attention of VHA’s leadership is consumed by addressing past crises rather than preparing for future opportunities.<sup>3</sup>

Section 202 of VACAA also required VA to establish the Commission on Care to examine veterans’ access to VA care and to strategically examine how best to organize the VA healthcare system, locate VA health care resources, and deliver health care to veterans through VA over the next 20 years. Like the Independent Assessment, the Commission on Care also found serious fault with the organization and management of VHA. For example, the final report of the Commission on Care found, “VHA currently lacks effective national policies, a rational organizational structure, and clear role definitions that would support effective leadership. . . .”<sup>4</sup> The Commission on Care also noted VHA has one the lowest organizational health scores in all of government.<sup>5</sup>

Findings similar to those made by the Independent Assessment and the Commission on Care regarding the organization and management of VHA and of other VA entities have been found in Government Accountability Office and VA Inspector General reports; have been voiced by veterans, veteran service organizations, and VA employees; and, have been common themes in the Committee’s recent oversight hearings and site visits. Accordingly, the Com-

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<sup>1</sup> Independent Assessment of the Health Care Delivery Systems and Management Processes of the Department of Veterans Affairs. September 1, 2015. [https://www.va.gov/opa/choiceact/documents/assessments/integrated\\_report.pdf](https://www.va.gov/opa/choiceact/documents/assessments/integrated_report.pdf).

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> Commission on Care Final Report. June 30, 2016. [https://s3.amazonaws.com/sitesusa/wp-content/uploads/sites/912/2016/07/Commission-on-Care\\_Final-Report\\_063016\\_FOR-WEB.pdf](https://s3.amazonaws.com/sitesusa/wp-content/uploads/sites/912/2016/07/Commission-on-Care_Final-Report_063016_FOR-WEB.pdf).

<sup>5</sup> Ibid.

mittee believes it is imperative to improving performance and increasing accountability for VA to clarify the Department's organizational structure and the roles, responsibilities, and lines of authority for key leaders. Section 2 of the bill would require VA to create a report on the Department's organizational structure and submit it to the Committees on Veterans' Affairs of the U.S. House of Representatives and U.S. Senate. In preparing the report, VA would be required to use the findings and recommendations of the Independent Assessment, the Commission on Care, and other relevant studies or reports including an internal report dated February 28, 2015, entitled, "Task Force on Improving Effectiveness of VHA Governance: Report to the VHA Under Secretary for Health." VA would also be required to include in the report clearly delineated roles and responsibilities of each key leader of the Department and for each administration, staff office, staff organization or subordinate entity thereof as well as recommendations for legislation the Secretary considers appropriate. Section 2 of the bill defines a "key leader" as the Secretary, Deputy Secretary, Under Secretary, Assistant Secretary, Deputy Assistant Secretary, Chief Financial Officer, Chief Information Officer, General Counsel, Inspector General, Director of Construction and Facilities Management, Chief of Staff, Chairman of the Board of Veterans' Appeals, Vice Chairman of the Board of Veterans' Appeals, VISN Director, and medical facility Director.

#### HEARINGS

There were no full Committee hearings held on H.R. 1066.

On September 26, 2017, the Subcommittee on Health conducted a legislative hearing on a number of bills including H.R. 1066.

The following witnesses testified:

The Honorable Debbie Dingell, U.S. House of Representatives, 12th District, Michigan; The Honorable Beto O'Rourke, U.S. House of Representatives, 16th Congressional District, Texas; The Honorable Derek Kilmer, U.S. House of Representatives, 6th Congressional District, Washington; The Honorable Steve King, U.S. House of Representatives, 4th Congressional District, Iowa; The Honorable Lloyd Smucker, U.S. House of Representatives, 16th Congressional District, Pennsylvania; The Honorable Mike Coffman, U.S. House of Representatives, 6th Congressional District, Colorado; The Honorable Steve Stivers, U.S. House of Representatives, 15th Congressional District, Ohio; The Honorable Ron DeSantis, U.S. House of Representatives, 6th Congressional District, Florida; The Honorable John Rutherford, U.S. House of Representatives, 4th Congressional District, Florida; Keronica Richardson, Assistant Director of Women and Minority Veterans Outreach for the National Security Division of The American Legion; Amy Webb, National Legislative Policy Advisor for AMVETS; and, Harold Kudler M.D., Acting Assistant Deputy Under Secretary for Health for Patient Care Services for the Veterans Health Administration of the U.S. Department of Veterans Affairs, accompanied by Catherine Biggs-Silvers, Executive Director for Mission, Planning, and Analysis for the Human Resources and Administration of the U.S. Department of Veterans Affairs.

Statements for the record were submitted by:

Blinded Veterans Association, Veterans of Foreign Wars of the United States, Disabled American Veterans, Paralyzed Veterans of America, Justice for Vets, and, Make a Difference America.

#### SUBCOMMITTEE CONSIDERATION

There was no Subcommittee consideration of H.R. 1066.

#### COMMITTEE CONSIDERATION

On October 12, 2017, the full Committee met in open markup session, a quorum being present, and ordered H.R. 1066 to be reported favorably to the House of Representatives by voice vote.

#### COMMITTEE VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, there were no recorded votes taken on amendments or in connection with ordering H.R. 1066 reported to the House. A motion by Representative Tim Walz of Minnesota, Ranking Member of the Committee on Veterans' Affairs, to report H.R. 1066 favorably to the House of Representatives was agreed to by voice vote.

#### COMMITTEE OVERSIGHT FINDINGS

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

#### STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives are to require VA to report on the different organizational elements of the Department and the roles and responsibilities of key VA leaders.

#### NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

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

#### EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 1066 does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

#### COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate on H.R. 1066 prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate for H.R. 1066 provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, October 19, 2017.*

Hon. PHIL ROE, M.D.,  
*Chairman, Committee on Veterans' Affairs,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1066, the VA Management Alignment Act of 2017.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Ann E. Futrell.

Sincerely,

KEITH HALL.

Enclosure.

*H.R. 1066—VA Management Alignment Act of 2017*

H.R. 1066 would require the Department of Veterans Affairs (VA), within 180 days of enactment, to submit a report to the Congress on the organizational structure of the department. The bill would direct the report to include the results from existing studies to assess the roles, responsibilities, and accountability of employees and offices within the department and to include recommendations for legislation. Based on an analysis of information from VA about the necessary resources to produce such a report, CBO estimates that implementing the bill would cost less than \$500,000 over the 2018–2022 period; any such spending would be subject to the availability of appropriated funds.

Enacting H.R. 1066 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 1066 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 1066 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Ann E. Futrell. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

## FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 1066 prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

## ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act would be created by H.R. 1066.

## STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to Article I, section 8 of the United States Constitution, H.R. 1066 is authorized by Congress' power to "provide for the common Defense and general Welfare of the United States."

## APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that H.R. 1066 does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

## STATEMENT ON DUPLICATION OF FEDERAL PROGRAMS

Pursuant to section 3(g) of H. Res. 5, 115th Cong. (2017), the Committee finds that no provision of H.R. 1066 establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

## DISCLOSURE OF DIRECTED RULEMAKING

Pursuant to section 3(i) of H. Res. 5, 114th Cong. (2015), the Committee estimates that H.R. 1066 contains no directed rulemaking that would require the Secretary to prescribe regulations.

## SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

*Section 1. Short title*

Section 1 of the bill would provide the short title for H.R. 1066, as the "VA Management Alignment Act of 2017."

*Section 2. Report on the organizational structure of the Department of Veterans Affairs*

Section 2(a) of the bill would require the Secretary of Veterans Affairs to submit a report not later than 180 days after the date of enactment to the Committees on Veterans' Affairs of the Senate and House of Representatives regarding the roles, responsibility, and accountability of elements and individuals of the Department of Veterans Affairs and include recommendations for legislation the Secretary considers appropriate.

Section 2(b) of the bill would require the Secretary, in creating the report that would be required under section 2(a) of the bill, to utilize the following: the results of the Independent Assessment of the Health Care Delivery Systems and Management Process of the Department of Veterans Affairs established by section 201 of the Veterans Access, Choice, and Accountability Act of 2014 (Public Law 113-146); any study or report by the Commission on Care established by section 202 of the Veterans Access, Choice and Accountability Act of 2014 (Public Law 113-146); and, other studies or reports including a report entitled "Task Force on Improving Effectiveness of VHA Governance: Report to the VHA Under Secretary for Health" dated February 28, 2015. Section 2(b) of the bill would also require the Secretary, in creating the report that would

be required under section 2(a) of the bill, to specify clearly delineated roles and responsibilities to optimize the organizational effectiveness and accountability of each: Administration, staff office, or staff organization; subordinate organization of each Administration, staff office, or staff organization; and, key leader of the Department in relation to any Administration, staff office, staff organization, Veterans Integrated Service Network, or medical facility.

Section 2(c) of the bill would define the term “key leader of the Department” to include: the Secretary, the Deputy Secretary, each Under Secretary, each Assistant Secretary, each Deputy Assistant Secretary, the Chief Financial Officer, the Chief Information Officer, the General Counsel, the Inspector General, the Director of Construction and Facilities Management, the Chief of Staff, the Chairman of the Board of Veterans’ Appeals, the Vice Chairman of the Board of Veterans’ Appeals, the Director of each Veterans Integrated Service Network, and the Director of each medical facility.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

If enacted, this bill would make no changes in existing law.

