

**STATEMENT OF  
THE HONORABLE JACKIE WALORSKI  
INDIANA'S SECOND DISTRICT  
BEFORE THE  
SUBCOMMITTEE ON HEALTH  
COMMITTEE ON VETERANS' AFFAIRS  
U.S. HOUSE OF REPRESENTATIVES**

**April 23, 2015**

Good morning Chairman Benishek, Ranking Member Brownley, and members of the Committee. Thank you for the opportunity to discuss H.R. 1369, the Veterans Access to Extended Care Act. This important bill will allow the Department of Veterans Affairs (VA) to enter into provider agreements for extended care services.

VA offers a variety of long-term services and supports to veterans in the form of nursing home care, adult day care, respite care, domiciliary services, hospice and palliative care. Care is provided through VA medical centers, State Veterans Homes, or other community organizations. Currently, non-VA providers at community organizations must contract with the VA to provide these kinds of services. Under the Service Contract Act (SCA), these community providers are considered federal contractors, a designation that imposes burdensome reporting requirements relating to the demographics of contractor employees and applicants, ultimately discouraging numerous providers from entering into contracts with the VA. For these organizations, reimbursement from the VA for caring for veterans is simply not worth the cost of compiling and reporting the data required by general federal contract law. This situation has left many veterans and their families without the ability to find providers close to their homes.

On February 13, 2013, the VA released proposed rule, RIN 2900-A015, which would have increased access to these non-VA extended care services from local providers<sup>[1]</sup>, by permitting these providers to enter into agreements with the VA under the same guidelines that providers for Medicare enter into agreements with the Centers for Medicare & Medicaid Services (CMS). This means that non-VA providers would no longer be considered federal contractors. Non-VA providers would still have to comply with all federal hiring laws, but they would be relieved from the burdensome reporting requirements.

In conjunction with a Senate letter that was sent in June of 2014, Congresswoman Tulsi Gabbard and I, along with 107 of our colleagues in the House sent a letter in August of 2014 to Secretary McDonald encouraging the release of the final VA provider agreement rule. Unfortunately, despite the willingness of the Department, the VA never had the legislative authority to begin with to enact this rule.

In response, Representative Gabbard and I introduced H.R. 1369, Veterans Access to Extended Care Act. This commonsense bill gives the VA the legislative authority it needs to follow through with the original proposed rule. Specifically, this bill amends subparagraph (B) of section 1720(c) (1) of title 38 of the U.S. Code by adding an exemption for extended care service providers from being treated as federal contractors for the acquisition of goods or services. The bill also modifies section 6702(b) of title 41 of the U.S. Code, which relieves providers from certain reporting requirements to the Department of Labor. Lastly, it includes quality assurance provisions to ensure the safety and a high standard of care our veterans

---

<sup>[1]</sup> Use of Medicare Procedures To Enter Into Provider Agreements for Extended Care Services, Proposed Rule: RIN 2900-AO15. Federal Register Vol. 78, No. 30 (February 13, 2013).

deserve. Should a provider fail to comply with a provision of the agreement, VA has the authority to terminate the agreement.

Eliminating this contractor designation will encourage more extended care service providers to enter into agreements, which will provide veterans with more options in the community. Incentivizing more local providers to work with the VA will increase access to care that is closer to home allowing nearby family and friends to provide an additional support structures to our veterans. The family structure during these times is a vital part of ensuring a veteran's quality of life. These individuals have sacrificed so much in the name of liberty; they should not have to worry about being unable to find care close to home because their hometown providers do not have the resources necessary to qualify as a government contractor.

Eliminating this designation will encourage more extended care service providers to enter into agreements, which will provide veterans with more options in the community that will allow their family, friends to provide an additional support structure for them. Providing veterans with the care they need and deserve continues to be a top priority of mine and every member of this committee. I am grateful to work with Representative Gabbard, Senator Hoeven, Senator Manchin, and the Committee in addressing this critical issue for veterans. I thank you again for this opportunity to speak today.