

**Public Law 109-461**  
**109th Congress**

**Veterans Benefits, Health Care, and Information Technology Act of 2006**  
**December 22, 2006**

**SEC. 211. MODIFICATIONS TO STATE HOME AUTHORITIES.**

(a) Nursing Home Care and Prescription Medications in State Homes for Veterans With Service-Connected Disabilities.-

(1) Nursing home care.--Subchapter V of chapter 17 is amended by adding at the end the following new section:

Sec. 1745. Nursing home care and medications for veterans with service-connected disabilities

(a) (1) The Secretary shall pay each State home for nursing home care at the rate determined under paragraph (2), in any case in which such care is provided to any veteran as follows:

(A) Any veteran in need of such care for a service-connected disability.

(B) Any veteran who--

(i) has a service-connected disability rated at 70 percent or more; and

(ii) is in need of such care.

(2) The rate determined under this paragraph with respect to a State home is the lesser of--

(A) the applicable or prevailing rate payable in the geographic area in which the State home is located, as determined by the Secretary, for nursing home care furnished in a non-Department nursing home (as that term is defined in section 1720(e)(2) of this title); or

(B) a rate not to exceed the daily cost of care, as determined by the Secretary, following a report to the Secretary by the director of the State home.

(3) Payment by the Secretary under paragraph (1) to a State home for nursing home care provided to a veteran described in that paragraph constitutes payment in full to the State home for such care furnished to that veteran.

(2) Provision of prescription medicines.--Such section, as so added, is further amended by adding at the end the following new subsection:

(b) The Secretary shall furnish such drugs and medicines as may be ordered on prescription of a duly licensed physician as specific therapy in the treatment of illness or injury to any veteran as follows:

(1) Any veteran who--

(A) is not being provided nursing home care for which payment is payable under subsection (a:); and

(B) is in need of such drugs and medicines for a service-connected disability.

(2) Any veteran who--

(A) has a service-connected disability rated at 50 percent or more;

(B) is not being provided nursing home care for which payment is payable under subsection (a.); and  
(C) is in need of such drugs and medicines.

(3) Conforming amendments--

(A) Criteria for payment--Section.

1741 (a)(1) is amended by striking “The” and inserting “Except as provided in section 1745 of this title, the”.

(B) Eligibility for nursing home care--Section 1710(a)(4) is amended-

(i) by striking “and” before “the requirement in section 1710B of this title”; and

(ii) by inserting “, and the requirement in section 1745 of this title to provide nursing home care and prescription medicines to veterans with service-connected disabilities in State homes” after “a program of extended care services”

(4) Clerical amendment.--The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 1744 the following new item:

“1745 Nursing home care and medications for veterans with service-connected disabilities.”

(5) Effective date--The amendments made by this subsection shall take effect 90 days after the date of the enactment of this Act.

(b) Identification of Veterans in State Homes--Such chapter is further amended--

(1) in section 1745, as added by subsection (a)(1) of this section, by adding at the end the following new subsection:

“(c) Any State home that requests payment or reimbursement for services provided to a veteran under this section shall provide to the Secretary such information as the Secretary considers necessary to identify each individual veteran eligible for payment under such section.”; and

(2) in section 1741, by adding at the end the following new subsection:

“(f) Any State home that requests payment or reimbursement for services provided to a veteran under this section shall provide to the Secretary such information as the Secretary considers necessary to identify each individual veteran eligible for payment under such section.”

(c) Authority To Treat Certain Health Facilities as State Homes.--

(1) Authority--Subchapter III of chapter 81 is amended by adding at the end the following new section:

Sec 8138. Treatment of certain health facilities as State homes

“(a) The Secretary may treat a health facility (or certain beds in a health facility) as a State home for purposes of subchapter V of chapter 17 of this title if the following requirements are met:

“(1) The facility (or certain beds in such facility) meets the standards for the provision of nursing home care that are applicable to State homes, as prescribed by the Secretary under section 8134(b) of this title, and such other standards relating to the facility (or certain beds in such facility) as the Secretary may require.

“(2) The facility (or certain beds in such facility) is licensed or certified by the appropriate State and local agencies charged with the responsibility of licensing or otherwise regulating or inspecting State home facilities.

“(3) The State demonstrates in an application to the Secretary that, but for the treatment of a facility (or certain beds in such facility), as a State home under this subsection, a substantial number of veterans residing in the geographic area in which the facility is located who require nursing home care will not have access to such care

“(4) The Secretary determines that the treatment of the facility (or certain beds in such facility) as a State home best meets the needs of veterans for nursing home care in the geographic area in which the facility is located.

“(5) The Secretary approves the application submitted by the State with respect to the facility (or certain beds in such facility).

“(b) The Secretary may not treat a health facility (or certain beds in a health facility) as a State home under subsection (a) if the Secretary determines that such treatment would increase the number of beds allocated to the State in excess of the limit on the number of beds provided for by regulations prescribed under section 8134(a) of this title.

“(c) The number of beds occupied by veterans in a health facility for which payment may be made under subchapter V of chapter 17 of this title by reason of subsection (a) shall not exceed—

“(1) 100 beds in the aggregate for all States; and

“(2) in the case of any State, the difference between--

“(A) the number of veterans authorized to be in beds in State homes in such State under regulations prescribed under section 8134(a) of this title; and

“(B) the number of veterans actually in beds in State homes (other than facilities or certain beds treated as State homes under subsection (a.) in such State under regulations prescribed under such section.

“(d) The number of beds in a health facility in a State that has been treated as a State home under subsection (a) shall be taken into account in determining the unmet need for beds for State homes for the State under section 8134(d)(1) of this title.

“(e) The Secretary may not treat any new health facilities (or any new certain beds in a health facility) as a State home under subsection (a) after September 30, 2009”.

(2) Clerical amendment.--The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 8137 the following new item:

“8138. Treatment of certain health facilities as State homes.”