**June 2014 PUBLIC POLICY UPDATE**

**By: Brian Lindberg and Marly Flores**

**Big Picture**

The controversies over the VA’s health care system have taken the spotlight in Congress. At a Phoenix VA facility, dozens of veterans reportedly died waiting for care. A [report](http://www.va.gov/oig/pubs/VAOIG-14-02603-178.pdf) by the VA’s Inspector General confirmed that patients had to wait more than 100 days to book appointments with their primary care physicians. In response to the report, a number of Republican and Democrat Members of Congress called for VA Secretary Shinseki’s resignation. The scandal has become a potentially serious problem for Democrats in the upcoming elections. Democrats are trying to distance themselves from the VA secretary, while Republicans are trying to tie the Democratic candidates to the controversy and the President’s “mismanagement” of government programs.

During a National Coalition for Homeless Veterans 2014 conference, Veterans Affairs Secretary Eric Shinseki apologized for the scandal noting the long waits veterans endured as “irresponsible” and “indefensible.” On May 30th, Secretary Shinseki resigned from his post. President Obama named Sloan Gibson, the deputy secretary at the VA, to take over the department in an acting capacity. House and Senate leaders praised the exit of Shinseki, but demanded systemic changes. In response to the mismanagement at the VA, Senate Veterans’ Affairs Committee Chairman Bernie Sanders (I-VT) and Senate John McCain (R-AZ) introduced a comprehensive legislative package to address the “reprehensible” behavior by VA officials and to correct underlying problems to access in medical care. The bill contains provisions to support veterans and their families.

Subsequently, the Senate approved (93-3 vote) a bipartisan bill aimed to address recent allegations of delayed care of Veterans Affairs health centers across the country. The bipartisan bill would allow the VA to contract with private providers to help meet veterans' medical care needs and allow the VA to use $500 million of its current budget to hire more medical staff. In addition, the bill would allow the VA secretary broader authority to fire or demote senior employees for low job performance. According to the Congressional Budget Office, the Senate bill is estimated to cost $50 billion annually and the House bill would cost $54 billion annually. With the House unanimously passing a similar measure, lawmakers are in the process of consolidating the bills into a single unified measure.

**Older Americans Act**

In October, the Older Americans Act Reauthorization Act of 2013 (S. 1562) was passed by the Senate Committee on Health, Education, Labor and Pensions (HELP). Not much positive has happened since. Senate staff has been unsuccessful in negotiating an agreement on the OAA funding formula for the future. Aides affiliated with the negotiating group said the group developed a tentative proposal, but in late March announced they could not find a way forward based on Senator Burr’s (R-NC) objections and Senator Sanders’ (I-VT) push for a letter to be sent from the group to appropriators. Senator Harkin (D-IA) is still hopeful that an agreement can be reached and considers the reauthorization a high priority.

With the Title III funding formula unresolved and the Senate Working Group’s negotiations stalled, the aging network has expressed concerns regarding how the composition of the next Congress could impact OAA reauthorization. There is belief the political environment for the next Congress will likely not grow friendlier to the act. There is a sense of urgency shared by some aging organizations to move reauthorization forward this year. The Leadership Council on Aging will begin to meet again with key offices to build momentum for reauthorizing. The House has not acted on either the bill introduced by Representative Suzanne Bonamici (D, OR-1st) (*Older Americans Act Reauthorization of 2014* HR 4122) or the straight reauthorization introduced by Representatives Chris Gibson (R, NY-19th) (*Older Americans Act Reauthorization of 2014* H.R. 3850).

**FY 2015 Appropriations**

Senate appropriators have approved (16-14 vote) the discretionary allocations, known as 302(b) allocations. The Labor-HHS-Education Appropriations Subcommittee was allocated $156.8 billion. Republican appropriators voted en bloc against the allocations because the budget used too many budgetary “gimmicks.” The 302(b) allocations did adhere to the overall $1.014 trillion discretionary top line codified as part of the December bipartisan budget deal.

The Senate Labor HHS-Education Appropriations Subcommittee held a markup of its FY 2015 spending bill on June 10th. The subcommittee allocated included $10 million for a new Elder Justice Initiative to develop partnerships across disciplines for the prevention, investigation and prosecution of abuse, including financial abuse against the elderly. In regards to Older Americans Act (OAA) programs, most remain at their post-sequester level. Both the nutrition programs and the Senior Community Service Employment Program (SCSEP) maintained last year’s small funding boost. Senator Harkin, Chair of the Labor-HHS-Education Subcommittee, has said that its spending bill will not be marked up by the full Appropriations Committee on June 12th, as originally intended. He indicated he did not know the prospects for way forward beyond that.

According to the *Congressional Quarterly*, Senate Majority Leader Harry Reid has blocked off the last two weeks of June for the consideration of FY 2015 appropriations bills and two more weeks of floor time in July. So far, the Senate Appropriations Committee has reported two of the 12 spending bills (the Military Construction-VA and Agriculture). Appropriations Committee Chairwoman Barbara Mikulski (D-MD) has expressed her interest in bundling spending bills into “minibuses” in order to save time on the floor given the limited calendar. Chairwoman Mikulski plans to markup all 12 bills in committee by July 10 and House Appropriations Chairman, Harold Rogers (R-KY) plans to do the same by the July 4th recess.

**Workforce Investment Act**

The Chairs and Ranking Members of the Senate Health, Education, Labor and Pensions Committee (HELP) and House Education and Workforce Committee released a bipartisan, bicameral agreement for reauthorization of the Workforce Investment Act (now called Workforce Innovation and Opportunity Act, WIOA). The negotiated bill represents a compromise between the SKILLS Act (H.R. 803), which passed the House in March 2013 and the Workforce Investment Act of 2013, which passed through the Senate HELP Committee in July 2013. The workforce development legislation funds job training, adult education, vocational rehabilitation and employment services. Unfortunately, the workforce legislation has not been renewed since 1998.

The agreement contains the Rehabilitation Act and moves the Independent Living Programs, Rehabilitation Research (formerly NIDRR), and the programs authorized under the Assistive Technology Act of 2004 to the Administration for Community Living. WIOA is on track for final passage this month. Members of both parties agree that the law is in sore need of an update. Read the compromise bill [here](http://edworkforce.house.gov/uploadedfiles/wioa_sa_hr803.pdf) and a one-page summary of the legislation [here.](http://edworkforce.house.gov/uploadedfiles/workforce_innovation_and_opportunity_act_-_one_pager.pdf)

**SGR**

Efforts to find a permanent sustainable growth rate solution remained strong until Congress approved a 12-month temporary SGR fix in April. A permanent fix for Medicare’s physician payment formula is likely to be sidelined until a lame-duck session, at the earliest. Senator Wyden (D-OR), the new Senate Finance Chairman, has high hopes of the replacing the formula this year. The *Congressional Quarterly* reports that Senator Wyden believes more senators are warming up to his proposal to tap money saved from winding down the wars in Iraq and Afghanistan to pay for a permanent SGR repeal, also known as Overseas Contingency Operations (OCO) funds.

As of June 19, 2014