

H.R.5418 (BERGMAN) THE VETERANS AFFAIRS MEDICAL-SURGICAL PURCHASING STABILIZATION ACT

POSITION: The Chamber's Defense, Veterans & Military Affairs Committee voted to SUPPORT H.R.5418 on June 6, 2018. The Chamber's Public Policy Committee voted to SUPPORT the bill on June 12, 2018.

RATIONALE: The Defense, Veterans & Military Affairs Committee voted to SUPPORT H.R.5418 because it demonstrates the Chamber's ongoing commitment to ensuring veterans have access to quality healthcare.

STATUS: H.R.5418 was introduced by Rep. Jack Bergman [R-MI-1] on March 29, 2018. The bill passed the House on May 21, 2018. As of May 22, 2018, the bill was received in the Senate and read twice and referred to the Committee on Veterans' Affairs.

SUMMARY

H.R.5418 requires the Department of Veterans Affairs (VA) to use multiple vendors to purchase medical equipment and ensure that the VA staff purchasing these supplies have the necessary medical expertise to do so.

INDUSTRY/IES IMPACTED

The industries that could be directly impacted are: healthcare, government, manufacturing, and more.

SUPPORTERS

- Rep. Scott Peters, [D-CA-52] (Original Cosponsor)
- Rep. Jim Banks [R-IN-3] (Original Cosponsor)
- Rep. Neal Dunn [R-FL-2] (Original Cosponsor)
- Rep. Ann Kuster [D-NH-2]

OPPONENTS

None known

ARGUMENTS IN FAVOR

According to the bill author, the VA attempted to create a centralized system of purchasing medical and surgical supplies in an effort to cut costs, however, this system was developed with "inadequate input from experienced clinicians." According to Rep. Peters, H.R.5418 will drive down healthcare costs by creating competition and increasing transparency. This bill is a legislative fix to a problem identified in a December 2017 Government Accountability Office report which underscored high costs and lack of efficiency and lack of competition in how medical supplies are purchased.

ARGUMENTS IN OPPOSITION

Increased regulation in the VA could result in slower purchasing or delayed acquisition of necessary medical and surgical supplies.

MORE INFORMATION

The Medical-Surgical Prime Vendor Program is the VA's system of contracts it uses to purchase and dispense medical and surgical supplies.

H.R.5418 also requires that the VA report to Congress on a quarterly basis the individual VA employees who purchase medical supplies and describe their medical expertise. The Congressional Budget Office estimates that implementation of the bill would cost less than \$500,000 between 2019 and 2023 to prepare the necessary reports to Congress.