

38 USC 1720A: Treatment and rehabilitative services for persons with drug or alcohol dependency

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From Title 38-VETERANS' BENEFITS

PART II-GENERAL BENEFITS

CHAPTER 17-HOSPITAL, NURSING HOME, DOMICILIARY, AND MEDICAL CARE

SUBCHAPTER II-HOSPITAL, NURSING HOME, OR DOMICILIARY CARE AND MEDICAL TREATMENT

Jump To:[Source Credit](#)[Amendments](#)[Effective Date](#)[Miscellaneous](#)**§1720A. Treatment and rehabilitative services for persons with drug or alcohol dependency**

(a) The Secretary, in consultation with the Secretary of Labor and the Director of the Office of Personnel Management, may take appropriate steps to (1) urge all Federal agencies and appropriate private and public firms, organizations, agencies, and persons to provide appropriate employment and training opportunities for veterans who have been provided treatment and rehabilitative services under this title for alcohol or drug dependence or abuse disabilities and have been determined by competent medical authority to be sufficiently rehabilitated to be employable, and (2) provide all possible assistance to the Secretary of Labor in placing such veterans in such opportunities.

(b) Upon receipt of an application for treatment and rehabilitative services under this title for an alcohol or drug dependence or abuse disability from any individual who has been discharged or released from active military, naval, or air service but who is not eligible for such treatment and services, the Secretary shall-

(1) provide referral services to assist such individual, to the maximum extent practicable, in obtaining treatment and rehabilitative services from sources outside the Department; and

(2) if pertinent, advise such individual of such individual's rights to apply to the appropriate military, naval, or air service and the Department for review of such individual's discharge or release from such service.

(c)(1) Any person serving in the active military, naval, or air service who is determined by the Secretary concerned to have an alcohol or drug dependence or abuse disability may be transferred to any facility in order for the Secretary to furnish care or treatment and rehabilitative services for such disability. Care and services provided to a member so transferred shall be provided as if such member were a veteran. Any transfer of any such member for such care and services shall be made pursuant to such terms as may be agreed upon by the Secretary concerned and the Secretary, subject to the provisions of sections 1535 and 1536 of title 31.

(2) No person serving in the active military, naval, or air service may be transferred pursuant to an agreement made under paragraph (1) of this subsection unless such person requests such transfer in writing for a specified period of time. No such person transferred pursuant to such a request may be furnished such care and services by the Secretary beyond the period of time specified in such request unless such person requests in writing an extension for a further specified period of time and such request is approved by the Secretary.

(d)(1) The Secretary shall ensure that each medical center of the Department develops and carries out a plan to provide treatment for substance use disorders, either through referral or direct provision of services, to veterans who require such treatment.

(2) Each plan under paragraph (1) shall make available clinically proven substance abuse treatment methods, including **opioid** substitution therapy, to veterans with respect to whom a qualified medical professional has determined such treatment methods to be appropriate.

(Added Pub. L. 96-22, title I, §104(a), June 13, 1979, 93 Stat. 50, §620A; amended Pub. L. 96-128, title V, §501(c), Nov. 28, 1979, 93 Stat. 987; Pub. L. 97-251, §6, Sept. 8, 1982, 96 Stat. 716; Pub. L. 97-258, §3(k)(1), Sept. 13, 1982, 96 Stat. 1065; Pub. L. 99-108, §3, Sept. 30, 1985, 99 Stat. 481; Pub. L. 99-166, title I, §101(a), (b)(1), Dec. 3, 1985, 99 Stat. 942, 943; Pub. L. 100-687, div. B, title XV, §1509, Nov. 18, 1988, 102 Stat. 4137; Pub. L. 100-689, title V, §502(a)(1), (b), Nov. 18, 1988, 102 Stat. 4179; Pub. L. 102-54, §14(b)(13), June 13, 1991, 105 Stat. 284; renumbered §1720A and amended Pub. L. 102-83, §§4(a)(3), (4), (b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406; Pub. L. 102-86, title III, §303, Aug. 14, 1991, 105 Stat. 416; Pub. L. 103-452, title I, §103(b), Nov. 2, 1994, 108 Stat. 4786; Pub. L. 104-110, title I, §101(b), Feb. 13, 1996, 110 Stat. 768; Pub. L. 105-114, title II, §202(b), Nov. 21, 1997, 111 Stat. 2287; Pub. L. 106-117, title I, §114, Nov. 30, 1999, 113 Stat. 1558; Pub. L. 106-419, title IV, §404(a)(4), Nov. 1, 2000, 114 Stat. 1864; Pub. L. 107-95, §8(c), Dec. 21, 2001, 115 Stat. 920.)

AMENDMENTS

2001-Subsec. (d). Pub. L. 107-95 added subsec. (d).

2000-Subsec. (c)(1). Pub. L. 106-419 substituted "for such disability. Care and services provided to a member so transferred" for "for such disability unless such transfer is during the last thirty days of such member's enlistment period or tour of duty, in which case such care and services provided to such member".

1999-Subsec. (c)(1). Pub. L. 106-117, §114(a), substituted "may be transferred" for "may not be transferred" in first sentence.

Pub. L. 106-117, §114(a)(2), which directed the amendment of first sentence of par. (1) by striking out "unless such transfer is during the last thirty days of such member's enlistment or tour of duty", could not be executed because that phrase did not appear.

Subsec. (c)(2). Pub. L. 106-117, §114(b), struck out "during the last thirty days of such person's enlistment period or tour of duty" before period at end of first sentence.

1997-Pub. L. 105-114, §202(b)(2), substituted "Treatment and rehabilitative services for persons with drug and alcohol dependency" for "Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities" in section catchline.

Subsecs. (a) to (d). Pub. L. 105-114, §202(b)(1), redesignated subsecs. (b) to (d) as (a) to (c), respectively, and struck out former subsec. (a) which read as follows:

"(a)(1) The Secretary, in furnishing hospital, nursing home, and domiciliary care and medical and rehabilitative services under this chapter, may contract for care and treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities for eligible veterans suffering from alcohol or drug dependence or abuse disabilities.

"(2) Before furnishing such care and services to any veteran through a contract facility as authorized by paragraph (1) of this subsection, the Secretary shall approve (in accordance with criteria which the Secretary shall prescribe by regulation) the quality and effectiveness of the program operated by such facility for the purpose for which such veteran is to be furnished such care and services."

Subsecs. (e) to (g). Pub. L. 105-114, §202(b)(1)(B), struck out subsecs. (e) to (g) which read as follows:

"(e) The Secretary may not furnish care and treatment and rehabilitative services under subsection (a) of this section after December 31, 1997.

"(f)(1) During the period beginning on December 1, 1988, and ending on October 1, 1997, the Secretary shall conduct an ongoing clinical evaluation in order to determine the long-term results of drug and alcohol abuse treatment furnished to veterans in contract residential treatment facilities under this section.

"(2) The evaluation shall include an assessment of the following:

"(A) The long-term results of treatment referred to in paragraph (1) of this subsection on drug and alcohol use by veterans who may have received such treatment.

"(B) The need for hospitalization of such veterans for drug and alcohol abuse after completion of the residential treatment.

"(C) The employment status and income of such veterans.

"(D) The extent of any criminal activity of such veterans.

"(E) Whether certain models and methods of residential treatment for drug and alcohol abuse are more successful for veterans with specific abuses, specific levels of resources available to them, and specific needs than are other models and methods.

"(3) To the extent feasible, the Secretary shall select for consideration in the evaluation veterans whose treatment for drug and alcohol abuse in contract residential treatment facilities under such section represents a variety of models and methods of residential drug and alcohol abuse treatment.

"(4) The Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives the following reports on the evaluation under this subsection:

"(A) Not later than February 1, 1993, an interim report containing information obtained during the first four years of the evaluation and any conclusions that the Secretary has drawn on the basis of that information.

"(B) Not later than March 31, 1998, a final report containing information obtained during the evaluation and the determinations and conclusions of the Secretary based on that information.

"(g) The authority of the Secretary to enter into contracts under this section shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts."

1996-Subsec. (e). Pub. L. 104-110 substituted "December 31, 1997" for "December 31, 1995".

1994-Subsec. (e). Pub. L. 103-452 substituted "December 31, 1995" for "December 31, 1994".

1991-Pub. L. 102-83, §5(a), renumbered section 620A of this title as this section.

Subsecs. (a), (b). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" wherever appearing.

Subsec. (c). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" in introductory provisions.

Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration" in pars. (1) and (2).

Subsec. (d). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" wherever appearing.

Subsec. (e). Pub. L. 102-86 amended subsec. (e) of this section as in effect before the redesignations made by Pub. L. 102-83, §5, by substituting "December 31, 1994" for "September 30, 1991".

Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

Subsec. (f). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" wherever appearing.

Pub. L. 102-54 struck out "during the period" before "beginning" in par. (1).

Subsec. (g). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

1988-Subsec. (e). Pub. L. 100-689, §502(a)(1), substituted "1991" for "1988".

Subsec. (f). Pub. L. 100-689, §502(b), amended subsec. (f) generally. Prior to amendment, subsec. (f) read as follows:

"(1) The Administrator shall monitor the performance of each contract facility furnishing care and services under the program carried out under subsection (a) of this section.

"(2) The Administrator shall use the results of such monitoring to determine-

"(A) with respect to the program, the medical advantages and cost-effectiveness that result from furnishing such care and services; and

"(B) with respect to such contract facilities generally, the level of success under the program, considering-

"(i) the rate of successful rehabilitation for veterans furnished care and services under the program;

"(ii) the rate of readmission to contract facilities under the program or to Veterans' Administration health-care facilities by such veterans for care or services for disabilities referred to in subsection (a) of this section;

"(iii) whether the care and services furnished under the program obviated the need of such veterans for hospitalization for such disabilities;

"(iv) the average duration of the care and services furnished such veterans under the program;

"(v) the ability of the program to aid in the transition of such veterans back into their communities; and

"(vi) any other factor that the Administrator considers appropriate.

"(3) The Administrator shall maintain records of-

"(A) the total cost for the care and services furnished by each contract facility under the program;

"(B) the average cost per veteran for the care and services furnished under the program; and

"(C) the appropriateness of such costs, by comparison to-

"(i) the average charges for the same types of care and services furnished generally by other comparable halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities; and

"(ii) the historical costs for such care and services for the period of time that the program carried out under subsection (a) of this section was a pilot program, taking into account economic inflation.

"(4) Not later than February 1, 1988, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the experience under the program carried out under this section during fiscal years 1984 through 1987. The report shall include-

"(A) a description of the care and services furnished;

"(B) the matters referred to in paragraphs (1), (2), and (3) of this subsection; and

"(C) the Administrator's findings, assessment, and recommendations regarding the program under this section."

Subsec. (f)(1). Pub. L. 100-687 substituted "during the period beginning on December 1, 1988, and ending on October 1, 1997" for "before October 1, 1997" in par. (1) as amended by Pub. L. 100-689 above.

1985-Pub. L. 99-166, §101(b)(1), struck out "; pilot program" after "disabilities" in section catchline.

Subsec. (a)(1). Pub. L. 99-166, §101(a)(1), struck out "may conduct a pilot program under which the Administrator" before "may contract" in first sentence, and struck out second sentence relating to the planning, designing, and conducting of a pilot program by the Chief Medical Director so as to demonstrate any medical advantages and cost effectiveness that might result from furnishing care and services to disabled veterans in contract facilities as authorized by this section, rather than in facilities over which the Administrator had jurisdiction.

Subsec. (e). Pub. L. 99-166, §101(a)(2), substituted "September 30, 1988" for "October 31, 1985".

Pub. L. 99-108 substituted "October 31, 1985" for "the last day of the fifth fiscal year following the fiscal year in which the pilot program authorized by such subsection is initiated".

Subsec. (f). Pub. L. 99-166, §101(a)(3), amended subsec. (f) generally. Prior to amendment, subsec. (f) read as follows: "Not later than March 31, 1984, the Administrator shall report to the Committee on Veterans' Affairs of the Senate and House of Representatives on the findings and recommendations of the

Administrator pertaining to the operation through September 30, 1983, of the pilot program authorized by this section."

1982-Subsec. (d)(1). Pub. L. 97-258 substituted "sections 1535 and 1536 of title 31" for "the Act of March 4, 1915 (31 U.S.C 686)" after "provisions of".

Subsec. (f). Pub. L. 97-251 substituted "March 31, 1984" and "September 30, 1983" for "March 31, 1983" and "September 30, 1982", respectively.

1979-Subsec. (a)(1). Pub. L. 96-128, §501(c)(1), substituted "treatment facilities for" for "treatment facilities of".

Subsec. (d)(2). Pub. L. 96-128, §501(c)(2), substituted "such request unless" for "such request, unless".

EFFECTIVE DATE OF 1979 AMENDMENT

Amendment by Pub. L. 96-128 effective Nov. 28, 1979, see section 601(b) of Pub. L. 96-128, set out as a note under section 1114 of this title.

EFFECTIVE DATE

Section effective Oct. 1, 1979, see section 107 of Pub. L. 96-22, set out as an Effective Date of 1979 Amendment note under section 1701 of this title.

SUBSTANCE USE DISORDERS AND MENTAL HEALTH CARE

Pub. L. 110-387, title I, §§102-105, Oct. 10, 2008, 122 Stat. 4112-4114, provided that:

"SEC. 102. FINDINGS ON SUBSTANCE USE DISORDERS AND MENTAL HEALTH.

"Congress makes the following findings:

"(1) More than 1,500,000 members of the Armed Forces have been deployed in Operation Iraqi Freedom and Operation Enduring Freedom. The 2005 Department of Defense Survey of Health Related Behaviors Among Active Duty Personnel reports that 23 percent of members of the Armed Forces on active duty acknowledge a significant problem with alcohol use disorder, with similar rates of acknowledged problems with alcohol use disorder among members of the National Guard.

"(2) The effects of substance use disorder are wide ranging, including significantly increased risk of suicide, exacerbation of mental and physical health disorders, breakdown of family support, and increased risk of unemployment and homelessness.

"(3) While veterans suffering from mental health conditions, chronic physical illness, and polytrauma may be at increased risk for development of a substance use disorder, treatment for these veterans is complicated by the need to address adequately the physical and mental symptoms associated with these conditions through appropriate medical intervention.

"(4) While the Veterans Health Administration has dramatically increased health services for veterans from 1996 through 2006, the number of veterans receiving specialized substance use disorder treatment services decreased 18 percent during that time. No comparable decrease in the national rate of substance use disorder has been observed during that time.

"(5) While some facilities of the Veterans Health Administration provide exemplary substance use disorder treatment services, the availability of such treatment services throughout the health care system of the Veterans Health Administration is inconsistent.

"(6) According to a 2006 report by the Government Accountability Office, the Department of Veterans Affairs significantly reduced its substance use disorder treatment and rehabilitation services between 1996 and 2006, and the Fiscal Year 2007 National Mental Health Program Monitoring System report shows that little progress has been made in restoring these services to their pre-1996 levels.

"SEC. 103. EXPANSION OF SUBSTANCE USE DISORDER TREATMENT SERVICES PROVIDED BY DEPARTMENT OF VETERANS AFFAIRS.

"(a) IN GENERAL.-The Secretary of Veterans Affairs shall ensure the provision of such services and treatment to each veteran enrolled in the health care system of the Department of Veterans Affairs who is in need of services and treatments for a substance use disorder as follows:

"(1) Screening for substance use disorder in all settings, including primary care settings.

"(2) Short term motivational counseling services.

"(3) Marital and family counseling.

"(4) Intensive outpatient or residential care services.

"(5) Relapse prevention services.

"(6) Ongoing aftercare and outpatient counseling services.

"(7) Opiate substitution therapy services.

"(8) Pharmacological treatments aimed at reducing craving for drugs and alcohol.

"(9) Detoxification and stabilization services.

"(10) Coordination with groups providing peer to peer counseling.

"(11) Such other services as the Secretary considers appropriate.

"(b) PROVISION OF SERVICES.-

"(1) ALLOCATION OF RESOURCES FOR PROVISION OF SERVICES.-The Secretary shall ensure that amounts made available for care, treatment, and services provided under this section are allocated in such a manner that a full continuum of care, treatment, and services described in subsection (a) is available to veterans seeking such care, treatment, or services, without regard to the location of the residence of any such veterans.

"(2) MANNER OF PROVISION.-The services and treatment described in subsection (a) may be provided to a veteran described in such subsection-

"(A) at Department of Veterans Affairs medical centers or clinics;

"(B) by referral to other facilities of the Department that are accessible to such veteran; or

"(C) by contract or fee-for-service payments with community-based organizations for the provision of such services and treatments.

"(c) ALTERNATIVES IN CASE OF SERVICES DENIED DUE TO CLINICAL NECESSITY.-If the Secretary denies the provision to a veteran of services or treatment for a substance use disorder due to clinical necessity, the Secretary shall provide the veteran such other services or treatment as are medically appropriate.

"SEC. 104. CARE FOR VETERANS WITH MENTAL HEALTH AND SUBSTANCE USE DISORDERS.

"(a) IN GENERAL.-If the Secretary of Veterans Affairs provides a veteran inpatient or outpatient care for a substance use disorder and a comorbid mental health disorder, the Secretary shall ensure that treatment for such disorders is provided concurrently-

"(1) through a service provided by a clinician or health professional who has training and expertise in treatment of substance use disorders and mental health disorders;

"(2) by separate substance use disorder and mental health disorder treatment services when there is appropriate coordination, collaboration, and care management between such treatment services; or

"(3) by a team of clinicians with appropriate expertise.

"(b) TEAM OF CLINICIANS WITH APPROPRIATE EXPERTISE DEFINED.-In this section, the term 'team of clinicians with appropriate expertise' means a team consisting of the following:

"(1) Clinicians and health professionals with expertise in treatment of substance use disorders and mental health disorders who act in coordination and collaboration with each other.

"(2) Such other professionals as the Secretary considers appropriate for the provision of treatment to veterans for substance use and mental health disorders.

"SEC. 105. PILOT PROGRAM FOR INTERNET-BASED SUBSTANCE USE DISORDER TREATMENT FOR VETERANS OF OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.

"(a) FINDINGS.-Congress makes the following findings:

"(1) Stigma associated with seeking treatment for mental health disorders has been demonstrated to prevent some veterans from seeking such treatment at a medical facility operated by the Department of Defense or the Department of Veterans Affairs.

"(2) There is a significant incidence among veterans of post-deployment mental health problems, especially among members of a reserve component who return as veterans to civilian life.

"(3) Computer-based self-guided training has been demonstrated to be an effective strategy for supplementing the care of psychological conditions.

"(4) Younger veterans, especially those who served in Operation Enduring Freedom or Operation Iraqi Freedom, are comfortable with and proficient at computer-based technology.

"(5) Veterans living in rural areas may find access to treatment for substance use disorder limited.

"(6) Self-assessment and treatment options for substance use disorders through an Internet website may reduce stigma and provides additional access for individuals seeking care and treatment for such disorders.

"(b) IN GENERAL.-Not later than October 1, 2009, the Secretary of Veterans Affairs shall carry out a pilot program to assess the feasibility and advisability of providing veterans who seek treatment for substance use disorders access to a computer-based self-assessment, education, and specified treatment program through a secure Internet website operated by the Secretary. Participation in the pilot program shall be available on a voluntary basis for those veterans who have served in Operation Enduring Freedom or Operation Iraqi Freedom.

"(c) ELEMENTS OF PILOT PROGRAM.-

"(1) IN GENERAL.-In carrying out the pilot program under this section, the Secretary shall ensure that-

"(A) access to the Internet website and the programs available on the website by a veteran (or family member) does not involuntarily generate an identifiable medical record of that access by that veteran in any medical database maintained by the Department of Veterans Affairs;

"(B) the Internet website is accessible from remote locations, especially rural areas; and

"(C) the Internet website includes a self-assessment tool for substance use disorders, self-guided treatment and educational materials for such disorders, and appropriate information and materials for family members of veterans.

"(2) CONSIDERATION OF SIMILAR PROJECTS.-In designing the pilot program under this section, the Secretary shall consider similar pilot projects of the Department of Defense for the early diagnosis and treatment of post-traumatic stress disorder and other mental health conditions established under section 741 of the John Warner National Defense Authorization Act of [for] Fiscal Year 2007 (Public Law 109-364; 120 Stat. 2304) [10 U.S.C. 1074 note].

"(3) LOCATION OF PILOT PROGRAM.-The Secretary shall carry out the pilot program through those medical centers of the Department of Veterans Affairs that have established Centers for Excellence for Substance Abuse Treatment and Education or that have established a Substance Abuse Program Evaluation and Research Center.

"(4) CONTRACT AUTHORITY.-The Secretary may enter into contracts with qualified entities or organizations to carry out the pilot program required under this section.

"(d) DURATION OF PILOT PROGRAM.-The pilot program required by subsection (a) shall be carried out during the two-year period beginning on the date of the commencement of the pilot program.

"(e) REPORT.-Not later than six months after the completion of the pilot program, the Secretary shall submit to Congress a report on the pilot program, and shall include in that report-an assessment of the feasibility and advisability of continuing or expanding the pilot program, of any cost savings or other benefits associated with the pilot program, and any other recommendations.

"(f) AUTHORIZATION OF APPROPRIATIONS.-There are authorized to be appropriated to the Secretary of Veterans Affairs \$1,500,000 for each of fiscal years 2010 and 2011 to carry out the pilot program under this section."

RATIFICATION OF ACTIONS DURING PERIOD OF EXPIRED AUTHORITY

Any action taken by Secretary of Veterans Affairs before Feb. 13, 1996, under provision of law amended by title I of Pub. L. 104-110 that was taken during period beginning on date on which authority of Secretary under such provision of law expired and ending on Feb. 13, 1996, considered to have same force and effect as if such amendment had been in effect at time of that action, see section 103 of Pub. L. 104-110, set out as a note under section 1710 of this title.

REPORT ON CONSOLIDATION OF CERTAIN PROGRAMS

Pub. L. 104-110, title II, §202(a), Feb. 13, 1996, 110 Stat. 770 , provided that: "The Secretary of Veterans Affairs shall submit to Congress, not later than March 1, 1997, a report on the advantages and disadvantages of consolidating into one program the following three programs:

"(1) The alcohol and drug abuse contract care program under section 1720A of title 38, United States Code.

"(2) The program to provide community-based residential care to homeless chronically mentally ill veterans under section 115 of the Veterans' Benefits and Services Act of 1988 [Pub. L. 100-322] (38 U.S.C. 1712 note).

"(3) The demonstration program under section 7 of Public Law 102-54 (38 U.S.C. 1718 note)."

LOANS TO ORGANIZATIONS PROVIDING TRANSITIONAL HOUSING FOR SUBSTANCE ABUSERS

Pub. L. 102-54, §8, June 13, 1991, 105 Stat. 271 , provided that:

"(a) LOAN PROGRAM.-The Secretary of Veterans Affairs may make loans in accordance with this section to assist in the provision of transitional housing exclusively to veterans who are in (or who recently have been in) a program for the treatment of substance abuse.

"(b) LOAN RECIPIENTS.-A loan under this section may only be made to a nonprofit organization under selection criteria promulgated by the Secretary and only to assist that organization in leasing housing units for use as a group residence for the purposes described in subsection (a). The amount of such a loan that is used with respect to any single residential unit may not exceed \$4,500. In making loans under this subsection, the Secretary shall, except to the extent that the Secretary determines that it is infeasible to do so, ensure that-

"(1) each loan is repaid within two years after the date on which the loan is made;

"(2) each loan is repaid through monthly installments and that a reasonable penalty is assessed for each failure to pay an installment by the date specified in the loan agreement involved; and

"(3) each loan is made only to a nonprofit private entity which agrees that, in the operation of each residence established with the assistance of the loan-

- "(A) the use of alcohol or any illegal drug in the residence will be prohibited;
- "(B) any resident who violates the prohibition in subclause (A) of this clause will be expelled from the residence;
- "(C) the costs of maintaining the residence, including fees for rent and utilities, will be paid by the residents;
- "(D) the residents will, through a majority vote of the residents, otherwise establish policies governing the conditions of residence, including the manner in which applications for residence are approved; and
- "(E) the residence will be operated solely as a residence for not less than six veterans.

"(c) **FUNDING.**-Loans under this section shall be made from the special account of the General Post Fund of the Department of Veterans Affairs established for purposes of this section. The amount of such loans outstanding at any time may not exceed \$100,000. Amounts received as payment of principal and interest on such loans shall be deposited in that account. The operation of the loan program under this section shall be separately accounted for, and shall be separately stated in the documents accompanying the President's budget for each fiscal year.

"(d) **TERMS AND CONDITIONS.**-Loans under this section shall be made on such terms and conditions, including interest, as the Secretary prescribes.

"(e) **REPORT.**-After the end of the 15-month period beginning on the date the first loan is extended under this section, the Secretary shall issue a report on the Department's experience under the section. The report shall include the following information:

- "(1) The default rate on loans extended under this section.
- "(2) The manner in which loan payments are collected.
- "(3) The number of facilities at which loans have been extended.
- "(4) The adequacy of the amount of funds in the special account referred to in subsection (c)."

EVALUATION OF VETERANS' ADMINISTRATION INPATIENT AND OUTPATIENT DRUG AND ALCOHOL TREATMENT PROGRAMS

Pub. L. 100-690, [title II, §2501](#), [Nov. 18, 1988](#), 102 Stat. 4232 , directed Administrator of Veterans' Affairs to conduct an evaluation of inpatient and outpatient drug and alcohol treatment programs operated by the Veterans' Administration, such evaluation to include a determination of medical advantages and cost-effectiveness of such programs, taking into consideration rates of readmission and the rate of successful rehabilitation, and authorized appropriations for this purpose for fiscal years 1989, 1990, and 1991.

RATIFICATION FOR LAPSED PERIOD

Pub. L. 100-689, [title V, §502\(a\)\(2\)](#), [Nov. 18, 1988](#), 102 Stat. 4179 , ratified actions by the Administrator of Veterans' Affairs in providing, during the period beginning Oct. 1, 1988, and ending Nov. 18, 1988, for care and treatment and rehabilitative services under this section.