

Congress of the United States
House of Representatives
Washington, DC 20515

August 31, 2004

**The President's Address to the Veterans of Foreign Wars:
Overstatements and Omissions**

Dear Democratic Colleague:

When the President spoke to the Veterans of Foreign Wars, he boasted of his "solid record of accomplishment for our veterans." He referenced a nearly \$20 billion increase in veterans' program funding during his four years in office as evidence of his strong record. Among other "successes," he cited his Administration's commitment to reducing the backlog of disability claims, and its enactment of concurrent receipt. In reality, after taking into account medical inflation and increases in enrollment, the Administration's proposed funding has been insufficient to run the Veterans Health Administration (VHA) at the level of needed services. For disability claims, the current pending caseload is 18 percent higher today than when the President took office, and the Administration has proposed personnel cuts in the Veterans Benefits Administration (VBA) that can only make it more difficult to fix disability claims processing problems.

Veterans' Health Care

If the President's 2005 budget request is approved, cumulative funding for veterans' health care from fiscal year 2002 through fiscal year 2005 will have increased only \$9 billion compared with the 2001 baseline, adjusted for inflation. \$1.7 billion of this increase is due to funds the Congress has added to the President's budget requests over this same period. Considering the 2.5 million veterans who enrolled for the first time in the health care system between 2001 and 2004, this funding level is clearly inadequate to meet the demands on the VHA. The funding increase equates to \$1,300 per new enrollee per year on the Bush Administration's watch. By comparison, the Department of Veterans Affairs (VA) spent \$4,100 per enrollee in 2001.

Disability Claims

The pending disability claims caseload is now 330,380, or about 18 percent higher than the 278,334 cases that were pending when President Bush took office. The number of pending appeals has nearly doubled over the last four years, indicating that a greater number of claims are processed inaccurately. Unfortunately, the problem is only likely to get worse, given the Administration's proposals to cut more staff from the Veterans Benefits Administration (VBA), many of whom process disability claims. The President's 2005 budget request reflects elimination of 540 VBA staff. This would come on top of the 289 who were eliminated last year.

Concurrent Receipt

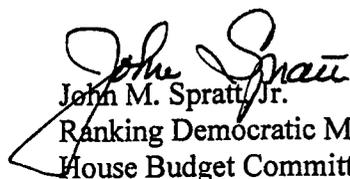
For the last four years, the Administration opposed granting military retirees concurrent receipt. Last year, the Administration threatened to veto the FY 2004 defense authorization bill if it contained a fix to the concurrent receipt problem. It wasn't until Democrats filed a discharge petition to force a vote on separate legislation that some disability tax relief became a reality.

Other details in the Administration's record reveal a similar lack of commitment to veterans:

- ***Spends Less Per Patient*** – According to the President's 2005 budget request, the VHA would spend nearly six percent less per patient in 2005 than in 2001 after taking into account inflation.
- ***Rejected Funding Requested by VA Secretary*** – The Administration has rejected funding level recommendations made by its own Secretary of Veterans Affairs. For example, President Bush's Office of Management and Budget reduced the VA's 2005 budget request by \$1.2 billion, even though Secretary Principi testified that \$1.2 billion was needed for the VA to maintain services. The House Veterans' Affairs Committee determined that the President's budget request for 2005 fell short of needed services by \$2.5 billion.
- ***Raised Fees for Health Care*** – This year, for the third straight year, the President proposed to augment health care funding by increasing veterans fees. The President called for higher enrollment fees and prescription drug co-payments to help make up for inadequate funding in 2005.
- ***Eliminated New Enrollment of Priority 8 Veterans*** – This year, for the second year in a row, the Administration has barred Priority 8 veterans who have not previously enrolled from signing up for the VA health care system.
- ***Plans \$910 Million Cut Next Year*** – For 2006, the Administration has directed the VA to cut \$910 million from its 2005 discretionary funding request, the lion's share of which goes to medical care. When adjusted for inflation, this reduction would cut even deeper, and would come at a time when we must address the demands of those returning from deployments on behalf of our nation today. Already thousands of servicemen and servicewomen returning from Iraq and Afghanistan have enrolled in the VA health care system. Without substantial increases in the health care budget, thousands of current VA patients may continue to wait longer than six months for health care, and new patients may not get access to the services they need.

President Bush's record differs sharply from the picture he painted for the VFW. He has been able to find room in his budget for trillions of dollars in tax cuts, but when it has come to taking care of our veterans, his support has been lacking at best, and in many cases, negative or non-existent.

Respectfully,


John M. Spratt, Jr.
Ranking Democratic Member
House Budget Committee


Lane Evans
Ranking Democratic Member
House Veterans' Affairs Committee