

**STATEMENT OF  
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OF THE  
DISABLED AMERICAN VETERANS  
BEFORE THE  
COMMITTEE ON VETERANS' AFFAIRS  
SUBCOMMITTEE ON HEALTH  
UNITED STATES HOUSE OF REPRESENTATIVES  
June 26, 2002**

Mr. Chairman and Members of the Subcommittee:

I am pleased to present the views of the Disabled American Veterans (DAV) concerning H.R. 3645, the Veterans Health-Care Items Procurement Reform and Improvement Act of 2002, legislation to establish new policy in procurement practices for health care items purchased by the Department of Veterans Affairs (VA). On behalf of the more than 1.24 million members of the DAV and its Women's Auxiliary, we appreciate the opportunity to present our views on this measure introduced by Representative Lane Evans, Ranking Member of the House Veterans Affairs Committee, on January 29, 2002.

Representative Evans' bill, H.R. 3645, would reform VA's procurement practices for the purchasing of VA medical and surgical supplies and equipment by requiring such items to be purchased from the Federal Supply Schedule (FSS) or from national contracts negotiated by VA. This will allow VA to leverage its tremendous purchasing power and obtain the best prices for items purchased. The bill seeks to eliminate existing inefficiencies in VA's acquisition system that allow for multiple, locally negotiated contracts with vendors and distributors. This measure would provide for certain exceptions to the centralized procurement requirement in limited circumstances, such as a medical emergency or if there is a valid clinical need for an item not listed in the FSS or as part of a national contract.

DAV appreciates the introduction of this important measure and its overall objective to improve the Department's complex purchasing system and reform VA procurement practices to achieve the best possible terms and practices in the acquisition of health care items. We agree that the proposed changes may yield cost savings and result in a better-run and more efficient system. We applaud Representative Evans for his efforts and initiative on this issue. We too want to see taxpayer dollars used wisely and in the most efficient manner for VA health care. However, we feel certain provisions in the bill need to be more concise to ensure the complex needs of special patient populations are met. Specifically, we want to ensure that veterans in the core disability groups listed under section 1706(b)(1) of title 38, United States Code, veterans with amputations, spinal cord dysfunction, blindness, and others, have access to a full range of quality prosthetic appliances, and sensory and mobility aids and supplies available in the marketplace to meet their specialized needs.

Although this bill includes language that allows VA to purchase items not listed on the FSS or as part of a national contract if there is a "near-term medical emergency at the medical

center”, or “a valid clinical need” for such item, we fear that clinicians may still feel prohibited from doing so. We raised similar concerns after VA went to a standardized pharmaceutical formulary, and some clinicians complained it was very difficult to order medications that were not listed on the formulary. Although VA physicians have the ability to prescribe medications that are not on the formulary if clinically indicated, some physicians still say they feel prohibited from doing so. We do not want clinicians to experience similar problems when trying to acquire prosthetic appliances, sensory and mobility aids and supplies, or other items that are not listed on the FSS for seriously disabled veterans. We want to ensure the language in H.R. 3645 clearly protects authority to provide of the full range of specialized health care items to special disabled veteran populations.

DAV supports the intent of the bill to achieve cost savings and overall improvement of VA’s organizational procurement effectiveness. At the same time, we want to ensure that service-connected disabled veterans and other veterans within the core disability groups, especially veterans that need prosthetics and sensory aides, such as blinded veterans, amputees, and veterans with spinal cord injury or dysfunction, have access to the newest technology, and highest quality items available on the market. Providers should have the option to select items based on clinical need, and patients should have access to a variety of devices and supplies that meet their individual needs. Ultimately, the overall health and well being of the patient should be the primary factor for selecting specialized items as determined by both patient and physician. Appropriate management, cost savings, and efficient use of funds are all important issues to consider, but the we must be ever mindful that the system was developed to meet the specialized health care needs of service-connected disabled veterans and veterans with special disabilities.

Specialized items provided by VA have the ability to greatly improve the quality of life for some of our nation’s most profoundly disabled veterans. For this reason, we ask the Subcommittee to consider more concise language in the bill that would ensure clinicians have the ability to go outside the supply system to purchase products for veterans with specialized needs.

VA has indicated it is working diligently to improve its procurement practices through the work of the Procurement Reform Task Force (PRTF). This task force, made up of staff familiar with VA’s acquisition process, is charged with examining the current system and developing recommendations for improvement. The PRTF has developed a comprehensive set of recommendations to accomplish the Department’s goals and has noted that it is aggressively pursuing change to improve VA’s acquisition system. Irrespective of the outcome of this bill, we hope VA will continue to pursue its goals for improving its procurement system.

We thank the Subcommittee for holding this hearing and for providing DAV the opportunity to express its views on H.R. 3645. This concludes my testimony. I will be happy to respond to any questions the Subcommittee may have.