

**STATEMENT**  
**of**  
**THE MILITARY COALITION**  
**on the**  
**FY 2005 Department of Veterans Affairs**  
**Budget Request**

**February 4, 2004**

Presented by

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MISTER CHAIRMAN AND DISTINGUISHED MEMBERS OF THE COMMITTEE, on behalf of The Military Coalition, a consortium of nationally prominent uniformed services and veterans' organizations, we are grateful for this opportunity to express the Coalition's views on the FY 2005 Department of Veterans Affairs Budget Request. This testimony provides the collective views of the following organizations, which represent 5.5 million current and former members of the seven uniformed services, plus their families and survivors.

- Air Force Association
- Air Force Sergeants Association
- Air Force Women Officers Associated
- American Logistics Association
- AMVETS (American Veterans)
- Army Aviation Association of America
- Association of Military Surgeons of the United States
- Association of the United States Army
- Chief Warrant Officer and Warrant Officer Association, U.S. Coast Guard
- Commissioned Officers Association of the U.S. Public Health Service, Inc.
- Enlisted Association of the National Guard of the United States
- Fleet Reserve Association
- Gold Star Wives of America, Inc.
- Jewish War Veterans of the United States of America
- Marine Corps League
- Marine Corps Reserve Association
- Military Chaplains Association of the United States of America
- Military Officers Association of America
- Military Order of the Purple Heart
- National Association for Uniformed Services
- National Guard Association of the United States
- National Military Family Association
- National Order of Battlefield Commissions
- Naval Enlisted Reserve Association
- Naval Reserve Association
- Navy League of the United States
- Non Commissioned Officers Association
- Reserve Officers Association
- The Retired Enlisted Association
- The Society of Medical Consultants to the Armed Forces
- United Armed Forces Association
- United States Army Warrant Officers Association
- United States Coast Guard Chief Petty Officers Association
- Veterans of Foreign Wars
- Veterans' Widows International Network

The Military Coalition, Inc., does not receive any grants or contracts from the federal government.

## VETERANS HEALTH CARE

Demand for VA health care continues to outstrip available capacity. Only by locking out Priority 8 veterans – a policy entering its second year – and by employing other workarounds, has management been able to reduce waiting times in high-demand areas. Presently, there are about seven million veterans enrolled in VA care and nearly five million veterans sought care in the system in 2003.

In examining the Administration's budget request for veterans' health care in FY 2005, the Coalition believes that the Committee should address the following concerns:

**Presidential Task Force (PTF) Recommendations.** TMC is disappointed that the Administration has not taken more aggressive action to implement the recommendations of the President's own task force to improve delivery of health care for our nation's veterans. The PTF recommended that Congress provide full funding for all veterans enrolled in Priority Groups 1-7 and to resolve the situation of Priority 8 veterans' care. Sadly, however, it appears that little attention has been paid to this fundamental recommendation in the PTF Report. No legislation has been sent up to establish full funding for enrolled veterans – either by a mandatory mechanism or some other means -- and the future care of locked out Priority 8 veterans is still unresolved.

***The Military Coalition recommends that the Committee and Congress take up the PTF Report recommendations and establish a sustainable full-funding mechanism in law and resolve Priority 8 veteran access and funding.***

Other health care funding issues that should be addressed include:

- ***VA access standards.*** TMC pointed out during the PTF commission's deliberations that true collaboration between the DoD and VA health systems could not occur unless the VA were able to meet TRICARE access standards. In the TRICARE system, routine appointments must be scheduled within seven days and specialty care within 30 days. The VA could meet the PTF's recommendation for full funding for veterans enrolled in PG 1-7 if Congress ratified VA's own access standards in law and required funding to those standards. Since the VA is a recognized national leader in quality-of-care, patient safety programs and other measures of excellence, it stands to reason that it should be required to meet its own access standards. Quality without access is not true quality-of-care. ***TMC strongly recommends that the Committee direct and fund adoption of VA health care access standards similar to those of the TRICARE program.***
- ***Returning Veterans.*** VA recently released information showing that as of last fall, nearly 84,000 veterans who had returned from Afghanistan and Iraq had sought care in VA facilities for one or more conditions. Almost 60,000 of these returning veterans were from the National Guard and Reserve forces. With the largest troop rotation since World War II now underway, the VA is likely to experience continuing strong demand for its services from this new generation of veterans. The question is whether the VA is fully resourced to meet the new demand as well as to care for its growing geriatric population with its own special needs. TMC commends the VA policy that permits Guard and Reserve veterans of designated military campaigns to have initial access to VA health care without regard to a priority group determination; that is, they are nominally assigned to Priority Group 6 during the first two years of their care in a VA facility. ***TMC strongly recommends that the Committee ensure the health care needs of returning veterans be fully funded, including any needed upgrades for specialty care services such as family counseling and clinical services for PTSD.***

- *“Seamless, transferable medical records”*. A new generation of veterans resulting from the Afghanistan – Iraq war highlights the importance of accelerating development of DoD – VA plans to seamlessly transfer medical information and records between the two federal departments. TMC appreciates the leadership of Representatives Steve Buyer (R-IN) and Darlene Hooley (D-OR) for holding an Oversight and Investigations Subcommittee hearing on this issue last November. Current plans call for implementing records transfers “seamlessly” by 2006 or 2007 at the earliest. Yet, as pointed out at the hearing, the technology already exists to accomplish the goal. In a time when the United States has two robots exploring the surface of Mars, it should not be too much to ask for the government and Congress to provide the funding and oversight to accelerate fielding this initiative. A lifetime service medical record could help veterans obtain early, accurate and fair VA disability ratings, and facilitate pre- and post-deployment research that will advance standards of care. ***TMC strongly recommends accelerated funding for the development of a “seamless, transferable, lifetime medical record” for service men and women and investment in supporting information management / technologies for the two departments.***
- *Preserving Access to Earned Health Benefits – no “forced choice”*. TMC appreciates the leadership shown by Congress in protecting dual-eligible veterans’ access to all earned health care benefits. Dual-eligible veterans are military retirees whose careers of service to the nation entitles them to lifetime health coverage under TRICARE and eligibility for enrollment in VA health care. However, some government officials believe that military retired veterans should be compelled to relinquish one health benefit or the other, a concept we call “forced choice.” A better solution is to develop effective reimbursement procedures between DoD and VA, and we note some progress in this area by the DoD – VA Health Executive Council. Agency-level coordination mechanisms must be designed in ways that foster budget coordination and reconciliation without placing the burden or the blame on the backs of those who have earned dual-access to VA and DoD health care services. ***TMC appreciates Congress’ continued support in opposing “forced choice” proposals that would compel dual-eligible veterans to relinquish access to either DoD or VA-sponsored health care services.***
- *VA ‘CARES’ and DoD Facilities Planning Processes*. DoD and VA together have identified 60 sharing initiatives at the facility level; DoD has earmarked 20 of these projects as “priority” initiatives. Moreover, as a consequence of a requirement in the FY 2003 National Defense Authorization Act, VA and DoD announced in October 2003 a series of eight demonstrations to test improving business collaboration in the participating health facilities. It is not clear whether any of these projects correlate with outcome measures in the VA’s Capital Asset Realignment for Enhanced Services (CARES) program or the DoD’s preparation for the next round of base realignment and closure (BRAC) process. In any case, TMC maintains that these projects must include as an outcome measure the enhancement of service to eligible veterans and servicemembers. ***TMC urges the Committee closely monitor VA-DoD facilities’ collaboration and to judge sharing projects on whether they improve access and quality of care for all eligible beneficiaries.***
- *Resolving Priority Group 8 Access and Funding*. More than a year ago, the VA announced a plan to establish a “Medicare + Choice” plan for certain Medicare-eligible veterans with no disabilities and incomes above a zipcode-based means-test – Priority Group 8 veterans. TMC endorsed the proposal before this Committee last February. But we pointed out the inconsistency in access standards between Medicare + Choice plans and the VA. If Medicare

access standards were to be met for the Medicare + Choice plan participants, then the VA should be resourced to meet the same standards for all other enrollees. TMC also noted that Medicare + Choice plans have not been well received in the private sector. Notwithstanding those caveats, TMC continues to endorse the concept of authorizing Medicare reimbursement – VA subvention – in VA facilities. In addition, TMC continues to support allowing all Medicare-eligible veterans to be able to choose the VA as their Medicare provider for non-service connected care. At the end of the day, TMC believes that VA Medicare Subvention will save the government money, enhance access to care for our nation’s older veterans, and enable the VA to improve the coordination of care for these veterans. ***TMC recommends the Committee support adequate funding for the VA Medicare + Choice plan. TMC continues to support Medicare reimbursement for non-service connected care for all enrolled Medicare-eligible veterans.***

## **VETERANS BENEFITS**

**Disability Claims Backlog and Process Improvement.** TMC commends the Veterans Benefits Administration for substantial progress in reducing the unacceptably high numbers of backlogged disability claims. VBA recently announced that it had reached a steady state of 250,000 claims in progress. There have also been some notable improvements in the average time to process an initial claim. That being said, TMC believes that more can and must be done to continue the progress made to date and to prevent against slippage. TMC believes the key to sustained improvements in claims processing rests on adequate funding to attract and retain a high-quality workforce of claims-workers supported by investment in information management and technology.

***TMC strongly recommends adequately funding the Veterans’ Benefits Administration to meet its manpower, training, and IM / IT requirements in order to sustain ongoing improvements in reducing the claims backlog.***

**Retention of Dependency and Indemnity Compensation (DIC) for Remarried Spouses.** TMC commends this Committee and Congress for legislation last year to allow retention of DIC for eligible surviving spouses who remarry after age 57. TMC strongly endorses the view that Congress intended for remarried spouses with military Survivor Benefit Plan (SBP) annuities to be allowed concurrently to receive their earned SBP benefits and the DIC payments related to their sponsor’s service-connected death.

***TMC thanks the Committee for the Age-57 DIC remarriage provision and strongly recommends that it be reduced to age-55, in line with ALL other Federal survivor benefit programs.***

**Restoring Selected Reserve GI Bill Benefits (Chapter 1606, Title 10 USC).** More than 350,000 National Guard and Reserve servicemembers have been mobilized since September 11, 2001, and many thousands are now preparing to deploy to Iraq. Many of these troops are part or full time students, but their benefits have not kept pace, proportionately, with recent increases in basic education benefits under the Montgomery GI Bill (MGIB) authorized in Chapter 39, Title 38 USC.

Only two benefit increases have been legislated in the Chapter 1606, Title 10 USC program since its inception in 1985 (other than cost-of-living increases). In 1985, Reserve MGIB rates were set at 47% of active duty MGIB rates. The 47% ratio held steady and even increased slightly over the next 14 years until the late Nineties. With the final installment of a three-step increase in Chapter 30 benefits last October, Reserve benefits fell to about 29% of the Chapter 30 rate, \$282 compared to \$985 per month for full-time study. To restore proportional parity, Reserve rates should increase to \$463 per month for full-time study under Chapter 1606.

*TMC recommends that the Committee support stairstep increases to the Reserve MGIB authorized under Chap. 1606, Title 10 USC, in three increments of \$77 over the next three years to restore proportional parity with basic MGIB benefits. For the longer term, TMC believes that the Reserve MGIB authority, other than the Reserve “kickers” authority, should be incorporated into Title 38.*

**MGIB Enrollment Window for VEAP-decliners.** Active duty career servicemembers who entered service during the Veterans Education Assistance Program (VEAP) era (1 January 1977 - 30 June 1985) but who declined to take it are the only group of currently serving members – other than service academy graduates and certain ROTC scholarship recipients -- who have not been offered an opportunity to enroll in the Montgomery GI Bill (MGIB). There are about 90,000 currently serving members in this situation. Many were told by service officials to turn down VEAP enrollment when they entered service because the “new GI Bill is coming”. These are the NCOs and officers who are leading our younger troops in battle in Afghanistan and Iraq, taking the fight to those who would threaten our nation’s homeland. Yet these career servicemembers soon will exit the service with no education benefits to help them achieve their post-service goals like all other veterans.

The last VEAP “conversion” program for those with a VEAP account yielded an extremely low “take” rate and the cost to the government was minuscule compared to budget estimates. Because VEAP “decliners” can expect to pay a sizable MGIB enrollment premium, TMC believes that few will take advantage of it. But at least these American heroes should have the option to take the MGIB or leave it on the table.

*TMC recommends the Committee authorize a MGIB sign-up window for career servicemembers who declined VEAP when they entered service.*

**Benchmarking MGIB Benefits.** Basic MGIB benefits authorized under Chapter 30, 38 USC will account for only about 63% of the average cost of a four-year public college or university for academic year 2003-2004. Next year, a veteran can expect to pay on average about \$1690 per month for full-time study at a four-year public college or university (according to Dept. of Education data) but receive just \$985 in MGIB benefits. Since the majority of veterans are married when they separate, it is increasingly difficult for them to achieve their educational and training goals absent an education and training benefits package that keeps pace with inflation.

*As members of The Partnership for Veterans Education, TMC members continue to support the goal of tying future MGIB benefit increases to a recognized government index of the average cost of a four-year public college or university education.*

**Concurrent Receipt (CR) and Combat Related Special Compensation (CRSC).** The Military Coalition applauds Congress for the landmark provisions in the FY 2004 National Defense Authorization Act that expand CRSC to all retirees with combat-related disabilities and authorizes -- for the first time ever -- the unconditional concurrent receipt of retired pay and veterans' disability compensation for retirees with disabilities of at least 50 percent. Severely disabled retirees everywhere are extremely grateful for this legislation that reverses an unfair practice that has disadvantaged them for over a century.

The Coalition has long held that retired pay is earned compensation for completing a career of arduous uniformed service while disability compensation from the Department of Veterans Affairs is paid for loss of function and future earning potential caused by a service-connected disability.

While last year's concurrent receipt provisions will benefit tens of thousands of severely disabled retirees, an equal number were left behind. The fiscal challenge notwithstanding, the principle behind eliminating the disability offset for those with disabilities of 50 percent is just as valid for those with disabilities of 40 percent and below and the Coalition urges the Committee to do what it can to extend this principle to the thousands of disabled retirees who were left out of last year's legislation.

We understand that a significant concern among some lawmakers that prevented broader concurrent receipt action was the need for a review of the VA disability system. The Coalition believes much of the concern is misplaced, and we are confident that the VA disability rating system will be judged fair and equitable.

TMC supports the Veterans Disability Benefits Commission established in last year's defense authorization. Congress established the Commission to carry out a study of the benefits under law that are provided to compensate and assist veterans and their survivors for disabilities and deaths attributable to military service. TMC stands ready to assist the Commission and participate in the debate with relevant information and data affecting the full spectrum of disabled veterans and their families and survivors.

***The Military Coalition urges the Committee to ensure that the Veterans' Disability Benefits Commission focus on the fundamental principles that have served as the foundation for both the DoD disability retirement system and VA disability compensation processes -- principles of fairness, due process, and the unique aspect that military service is "24/7." We look forward to completion of the review and revalidation of the process as important steps toward resolving the remaining concurrent receipt inequity.***

On a related front, legislation provided in the last two defense bills to authorize Combat Related Special Compensation (CRSC) has been slow in implementation because of the requirement to connect retiree disabilities directly to combat, a combat-related event, or combat-type training. This validation requires the Services to retrieve VA medical records - a process that is slow and cumbersome. It is unfortunate that many qualifying retirees are still waiting, some as long as eight months, for the compensation that was authorized by the FY 2003 defense bill. These combat-disabled retired veterans should have received far better treatment.

***The Military Coalition urges the Committee to ensure adequate funding for the administration of the Veterans' Disability Benefits Commission; additional resources as may be necessary for VA to support timely DoD review of CR / CRSC applications; and, we strongly recommend ultimate elimination of the retired pay offset for all disabled retirees.***

### **Conclusion**

The Military Coalition greatly appreciates the opportunity to present our views on funding priorities for the administration's FY 2005 budget submission for the Department of Veterans Affairs. TMC is very appreciative of the strong support provided to servicemembers and veterans last year and we look forward to working with the leadership of the Committee and its distinguished members to ensure full funding for veterans health care and benefits programs.

**Biography of Robert F. Norton, COL, USA (Ret.)**  
**Deputy Director, Government Relations, MOAA**  
**Co-Chair, Veterans' Committee, The Military Coalition**

A native New Yorker, Bob Norton was born in Brooklyn and raised on Long Island. Following graduation from college in 1966, he enlisted in the U.S. Army as a private, completed officer candidate school, and was commissioned a second lieutenant of infantry in August 1967. He served a tour in South Vietnam (1968-1969) as a civil affairs platoon leader supporting the 196th Infantry Brigade in I Corps. He transferred to the U.S. Army Reserve in 1969 and pursued a teaching career at the secondary school level. He joined the 356th Civil Affairs Brigade (USAR), Bronx, NY and served in various staff positions from 1972-1978.

Colonel Norton volunteered for active duty in 1978 and was among the first group of USAR officers to affiliate with the "active Guard and Reserve" (AGR) program on full-time active duty. He specialized in manpower, personnel, and quality-of-life programs for the Army's reserve forces. Assignments included the Office of the Deputy Chief of Staff for Personnel, Army Staff; advisor to the Asst. Secretary of the Army (Manpower & Reserve Affairs); and personnel policy and plans officer for the Chief, Army Reserve.

Colonel Norton served two tours in the Office of the Secretary of Defense (OSD). He was responsible for implementing the Reserve Montgomery GI Bill as a staff officer in Reserve Affairs, OSD. From 1989 –1994, he was the senior military assistant to the Assistant Secretary of Defense for Reserve Affairs, where he was responsible for advising the Asst. Secretary and coordinating a staff of over 90 military and civilian personnel. During this tour, Reserve Affairs oversaw the call-up of more than 250,000 National Guard and Reserve component troops for the Persian Gulf War. Colonel Norton completed his career as special assistant to the Principal Deputy Asst. Secretary of Defense, Special Operations / Low Intensity Conflict and retired in 1995.

In 1995, Colonel Norton joined Analytic Services, Inc. (ANSER), Arlington, VA as a senior operational planner supporting various clients including United Nations humanitarian organizations and the U.S. Air Force's counterproliferation office. He joined MOAA's national headquarters as Deputy Director of Government Relations in March 1997.

Colonel Norton holds a B.A. in philosophy from Niagara University (1966) and a Master of Science (Education) from Canisius College, Buffalo (1971). He is a graduate of the U.S. Army Command and General Staff College, the U.S. Army War College, and Harvard University's Senior Officials in National Security course at the Kennedy School of Government.

Colonel Norton's military awards include the Legion of Merit, Defense Superior Service Medal, Bronze Star, Vietnam Service Medal, Armed Forces Reserve Medal, Army Staff Identification Badge and Office of the Secretary of Defense Identification Badge.

Colonel Norton is married to the former Colleen Krebs. The Nortons have two grown children and reside in Derwood, Maryland.

**MSGT (RET.) MORGAN D. BROWN**  
**LEGISLATIVE ASSISTANT**  
**AIR FORCE SERGEANTS ASSOCIATION**

MSgt (Ret.) Morgan D. Brown is the Legislative Assistant for the Air Force Sergeants Association. Born and raised in Belmont, NY (Allegany County), he graduated from Belmont Central High School in June, 1981. After graduation he entered the United States Air Force and completed Basic Military Training, Law Enforcement Specialist training, and the Military Working Dog (MWD), Patrol Dog Course, all at Lackland AFB, Texas.

In 1982, he was assigned to Clark AB, Republic of the Philippines, where he served as an MWD handler and trainer. In January, 1985, he was reassigned to Cannon AFB, NM, and performed duties as a Law Enforcement Patrolman, Narcotic Detector Dog Handler, Explosive Detector Dog Handler, and Assistant NCOIC, Quality Control. In 1988 he was reassigned to Clark AB for a second time, serving in a variety of leadership positions, including Superintendent of the largest MWD kennel in the United States Armed Forces. During this tour, MSgt Brown played a key role in ensuring the safety of over 200 personnel and nearly 170 MWDs during the eruption of Mt. Pinatubo which destroyed the base in 1991.

In 1992, he was assigned to Griffiss AFB in upstate NY where he served as Kennelmaster until 1995 when he was selected for Presidential Support Duty at Andrews AFB, MD. From 1995 through 1998, he managed all MWD operations in support of Presidential and VIP operations on Andrews AFB. He was appointed Superintendent of the Airmen Orientation Center in 1999, and taught courses to nearly 500 first term-first duty station airman on general Air Force and Andrews AFB policy. During the same year, he volunteered to be retrained as a First Sergeant and graduated from the First Sergeants Academy at Maxwell AFB, AL, in August 1999. He was then assigned to the 789 Communications Squadron, Andrews AFB, MD, serving in this position until his retirement in 2002.

After retirement, MSgt Brown accepted his current position with the Air Force Sergeants Association and serves as one of AFSA's representatives on legislative matters to the White House, Congress, DoD, Air Force, other government agencies, and other associations. He has a Associates of Applied Science from the University of Health Sciences, Texas. His decorations include the Meritorious Service Medal with two oak leaf clusters, the Air Force Commendation Medal with three oak leaf clusters, and the Air Force Achievement Medal with three oak leaf clusters.

Morgan is the single parent of one son, Anthony, age 15.

