

**STATEMENT OF  
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OF THE  
DISABLED AMERICAN VETERANS  
BEFORE THE  
COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
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Mr. Chairman and Members of the Committee:

We appreciate the opportunity to testify today about the Department of Veterans Affairs (VA) health care system's capacity to meet the current demand for health care. Timely access to VA health care is, of course, a matter of paramount importance to the nearly 1.3 million members of the Disabled American Veterans (DAV) and its Auxiliary. As an organization made up of wartime service-connected disabled veterans, the DAV is especially concerned about maintaining a stable and viable health care system to meet the unique medical needs of our nation's veterans now and in the future. The effectiveness of all veterans' programs, including VA health care, is dependent upon sufficient funding for the available benefits and services, and resources adequate to allow for their timely delivery.

Many of our nation's 2.3 million disabled veterans need and rely on the VA health care system for treatment of their service-connected conditions. However, today we are not meeting our promises to our veterans. As a result of perennially inadequate health care budgets, VA is no longer able to provide timely access to quality health care. Pressures on the VA health care system have escalated to a critical point that can no longer be ignored.

We have often stated that through their extraordinary sacrifices and contributions, veterans have *earned* the right to free health care as a continuing cost of national defense. However, veterans' health care remains a discretionary program, and each year funding levels must be determined through an annual appropriations bill. Year after year, DAV, along with the other *Independent Budget* organizations and veterans service organizations, has fought for sufficient funding for VA health care and a budget that is reflective of the rising cost of health care and increasing need for medical services. Unfortunately, despite our continued efforts, the cumulative effects of insufficient health care funding have now resulted in the severe rationing of medical care. We adamantly believe America's citizens, as beneficiaries of veterans' service and sacrifice, want the government to fully honor its moral obligation to provide quality and timely health care services to wartime service-connected disabled veterans.

The Veterans Health Administration (VHA) is the largest health care delivery system in the United States, providing care to more than 4 million veterans at more than 1,300 sites. Following enactment of Public Law 104-262, the Veterans' Health Care Eligibility Reform Act of 1996, a standardized Medical Benefits Package became available to all enrolled veterans. Since that time, VA has transformed itself into a world-class health care system and proven it is a treasure worth preserving. VHA serves as the primary back-up to the Department of Defense

and National Medical Systems in times of national emergency and is a leader in research and health professions education. Nearly one-half of the physicians in the United States have received all or part of their training through VA.

Most importantly, the veterans' health care system acts as a safety net for service-connected disabled and low income veterans and is a provider of a wide range of specialized services not readily available in the private sector, tailored to meet the unique needs of veterans, including: spinal cord injury medicine; blind rehabilitation; prosthetics; treatment for post traumatic stress disorder and traumatic brain injury; and extended mental health and long-term care programs. VA also provides comprehensive programs for the chronically mentally ill, the homeless, and veterans with AIDS-related disorders and hepatitis C. VA has set standards for safety, quality, and efficiency and is also the nation's leader in geriatric research, education and training. Major medical breakthroughs pioneered by VA have benefited millions of Americans.

Studies have shown that VA provides more cost-effective care than in comparable private sector health care. Without VA millions of veterans would be forced to rely on Medicare and Medicaid at substantially greater federal and state expense. Additionally, private sector health care organizations would not likely want to enroll veteran patients who are typically older, poorer, more severely disabled, or chronically sicker than the average U.S. citizen. VA health care for veterans is a win-win situation. Veterans get excellent comprehensive health care services tailored to their needs, while society gets highly trained doctors and nurses, and the taxpayer pays a fraction of the market value for the expertise the academic affiliates bring to VA.

VA's success has led to unprecedented growth in the system. According to VA, the number of veterans using VA's health care system has risen dramatically in recent years, increasing from 2.9 million in 1995 to 4.5 million in 2002. An additional 600,000 veterans are projected to enroll in VA health care in 2003. However, VA reports resources do not meet the increased demand for services and that the system is unable to absorb this significant increase. With nearly 236,000 veterans currently on a waiting list, waiting at least six months or more for care, VA has now reached capacity at many health care facilities and closed enrollment to new patients at many hospitals and clinics. Additionally, VA has placed a moratorium on all marketing and outreach activities to veterans and determined there is a need to give the most severely service-connected disabled veterans a priority for care. Most recently, the Secretary announced his decision to cut off enrollment to veterans whose income exceeds geographically determined thresholds and are not already enrolled in the veterans' health care system. This plan will deny health care access to 164,000 veterans this year alone and is just one more example of the effects of chronic underfunding of the veterans' health care system.

Unfortunately, discretionary funding for VA health care has failed to keep pace with medical inflation and increased demand for medical care. As a result, VA has been forced to ration care, deny services to eligible veterans, and delay necessary modernization of facilities and purchasing of state-of-the-art medical equipment. According to the *Independent Budget*, in 1995, VA treated 2.9 million veterans with a workforce of 205,000. In 2002, 183,700 employees provided care for 4.5 million patients. Additionally, although significant increases in annual appropriations have been realized over the past several years, the VA buying power of those appropriated dollars is 9 percent less in 2002 than in 1984. The number of veterans served

continues to increase while the appropriated dollars per veteran are steadily decreasing and the buying power of each of those dollars plummets. To stop this trend and the rationing of care, Congress must make VA health care non-discretionary. Currently eligible veterans must be guaranteed provision of promised services.

This situation has also affected some of our nation's most severely disabled veterans. Over the last year, we have received a record number of calls from DAV members reporting they are unable to get the health care they need from VA in a timely manner. One member, a 100 percent service-connected disabled veteran, reported he was told by VA that he would remain on a waiting list for ten months before he would receive needed surgery for his service-connected back condition. In the meantime, the veteran indicated he was experiencing severe balance problems and incontinence. Unfortunately, these are the truths that face many of our nation's 2.3 million disabled veterans today.

Since the current crisis in the VA health care system has significantly hampered access to care for many totally disabled DAV members, we greatly appreciate the action taken by VA Secretary Principi to give our most severely disabled service-connected veterans priority for care. Although DAV fully supports priority access to care for service-connected disabled veterans, we see this as a short-term solution to a more complex funding problem. DAV strongly believes that VA must receive an adequate appropriation for health care so that all veterans eligible for care, including service-connected disabled veterans, will receive health care in a timely manner. Guaranteed VA health care funding is a more comprehensive solution to address the overall funding problem the VA health care system is facing and will end the long waiting times and backlog for care.

Mr. Chairman, on behalf of all DAV members, I want to thank you and Ranking Democrat Lane Evans, for your bold step in introducing the Veterans Health Care Funding Guarantee Act of 2002 last year, and for your exceptional leadership and advocacy on this issue. This legislation was strongly supported by all the major veterans service organizations, and also by the State Directors of Veterans Affairs. Additionally, many of the Commissioners on the President's Task Force to Improve Health Care Delivery for Our Nation's Veterans have expressed strong support for guaranteed funding for VA health care, and the issue has been openly discussed as a possible Task Force recommendation.

We also thank all Committee members who cosponsored this important measure and fully support guaranteed funding for VA health care. We are pleased that the Veterans Health Care Funding Guarantee Act of 2003 (S. 50) was reintroduced in the Senate and are hopeful that similar legislation will be reintroduced in the House this session by the bipartisan leadership of this Committee.

Providing quality, timely health care services for veterans disabled as a result of military service should be a top priority for this Congress, this Administration, and the American people. In a time when more veterans are turning to VA for care, it is unconscionable that VA must reduce services, close enrollment and ration care due to insufficient funding. But the discretionary appropriations process continues to unfairly subject disabled and sick veterans to

the annual funding competition for limited discretionary resources. We urge Congress to do the right thing and change the current funding mechanism for VA health care.

Guaranteed veterans' health care funding would eliminate the year-to-year uncertainty about funding levels that have prevented the VA from being able to adequately plan for and meet the constantly growing number of veterans seeking treatment. We believe it is disingenuous for our government to promise health care to veterans, especially service-connected disabled veterans, and then to make it unattainable because of inadequate funding. Rationed health care is no way to honor America's obligation to the brave men and women who have so honorably served our nation and continue to carry the physical and mental scars of that service.

The Health Care Eligibility Reform Act of 1996 authorized eligible veterans access to VA health care and brought us closer to meeting our moral obligation as a nation to care for veterans and generously provide them the benefits and health care they rightfully deserve. With current pressures on the veterans' health care system, exacerbated by the failure to pass a fiscal year 2003 appropriations bill, some members of Congress and some veterans have begun to question the VA's ability to treat certain nonservice-connected veterans and the full impact of eligibility reform on the system. Before eligibility reform legislation, nonservice-connected veterans were treated in VA facilities. However, the prior eligibility criteria were poorly suited to sound medicine. A service-connected veteran could be denied less costly outpatient treatment for nonservice-connected high blood pressure, for example, but could be given more costly inpatient care for a stroke ensuing because the hypertension went untreated. This situation made no sense from either a medical or economic standpoint. In addition, if VA medical care was limited to treatment of service-connected veterans, the patient load would not justify a nationwide system of VA medical facilities dedicated solely to the care of veterans. Expanding the eligibility was designed to correct the inefficiencies of the system, treat more veterans, and preserve the system, primarily for service-connected veterans, low income veterans and veterans with special needs. That goal was, and still is, a sound one. The problem is not with eligibility reform, but with inadequate funding through the discretionary appropriations process. That is why DAV is seeking guaranteed funding for veterans' medical care, and why we were part of a Partnership of ten veterans organizations who called for guaranteed funding in the mid-90s, when we asked Congress to reform eligibility requirements and "reinvent" VA health care.

The law requires that the VA Secretary "shall" furnish hospital care and medical services, but only to the extent Congress has provided money to cover the costs of the care. Thus, the funding under the Federal budget for this program is "discretionary" meaning that it is within the discretion of Congress to determine how much money it will allocate each year for veterans' medical care. Because the level of funding to cover the costs of treating veterans is not guaranteed, VA is forced to ration medical care based on inadequate resources.

The shift to guaranteed funding would not create an individual entitlement to health care, nor would it change the VA's current mission. Only the way the funds are provided for VA health care would change under a guaranteed funding source as introduced by you, Mr. Chairman, in the last Congress, and currently reintroduced in the Senate this Congress, as S. 50. This measure is designed to ensure that the veterans' health care system has adequate resources to meet existing statutory obligations. Having a sufficient number of veterans in the health care

system is also critical to maintaining the viability of the veterans' health care system and sustaining it into the future. By including all veterans currently eligible and enrolled for care in the mandatory health care funding measure, we ensure a sufficient capacity level to sustain tertiary care expertise and an appropriate patient mix to support specialized programs. Ultimately, we protect the system formally dedicated to improving the health and well-being of our nation's service-connected disabled veterans, and ensure that it is there in the future for veterans currently fighting terrorism around the world.

A guaranteed funding program for veterans' health care would require a provision of benefits to all who meet the eligibility requirements of the law. The authorizing law for such a program mandates funding sufficient to cover the expenses of the program, and funding is not subject to varying discretionary levels in the budget each year. If veterans' health care were guaranteed, sufficient funding to treat all veterans who fell under its provisions would be required for so long as the authorizing law remained in effect. Veterans would not have to fight for sufficient funding in the budget process every year as they now do. It would also ensure that VA receives its new funding level on October 1, the first day of the new fiscal year, instead of being forced to operate under last year's spending level until Congress can pass an appropriations bill. Currently, VA is funded at last year's level until this Congress passes an appropriations bill in January or February of 2003. There is also a strong possibility that a 2.9 percent across-the-board cut will be enacted, creating a devastating reduction—about \$700 million—in fiscal year 2003 funding levels for veterans' health care. Therefore, to avoid the uncertainties of the annual appropriations process, we are pressing for funding for veterans' health care to be guaranteed in permanent law.

We have only a few concerns regarding last year's legislation and the current Senate guaranteed VA health care funding measure. Initially, we want to ensure that the baseline formula in the measure, an amount equal to 120 percent of the amount obligated by the Department during fiscal year 2002, is not too low. It is imperative this baseline calculation is adequate since all subsequent calculations will be based on this initial figure. Therefore, it may be necessary to increase it to 130 percent or 135 percent to fully fund unmet demand for services. We also want to ensure that the provision in the bill authorizing an annual adjustment for medical inflation, based on the medical Consumer Price Index (CPI), is the best method for predicting annual inflationary health care costs to VA. Whatever method is used to determine projected inflationary medical care costs should cover increased cost of medical supplies, equipment, pharmaceuticals, mandated wage increases, and any other medical inflationary costs VA deems appropriate. Finally, we want to ensure that veterans seeking VA health care have reasonable waiting times for primary and specialty care appointments. Therefore, we suggest an added provision that requires that if funding under this Act proves insufficient to provide timely medical services to all eligible veterans during any fiscal year, the Department shall report to Congress any shortfall in funding and the reasons therefore. For the purposes of the added subsection, "timely care" means: 1) access to urgent care 24 hours a day; 2) scheduled appointment with primary care provider within 7 days for established patients; 3) scheduled appointment with primary care provider for new patients within 30 days; 4) appointment with a specialist within 30 days of referral; and 5) being seen within 30 minutes of a scheduled appointment.

It is hard to believe that our government “cannot afford” the funds required to rectify the problems we see today in the VA health care system. What could be more important than ensuring that those who have been disabled in service to this nation have timely access to medical treatment for their life-long disabilities?

It is only fair that Congress support America’s veterans, especially at a time when we are asking new generations of men and women serving in our Armed Forces to protect the United States interests at home and abroad, maintain our security and freedoms, and fight the global war on terrorism. These men and women risk their lives daily and are clearly dedicated to fulfilling their commitment to this nation; likewise, Congress must demonstrate its full support and commitment to them. Think of this: A young American wounded in Central Asia today will still need the VA health care system in the year 2060. He or she will still need VA disability compensation and medical benefits. Although disability compensation payments are guaranteed under a mandatory program, access to needed VA health care services are not guaranteed. We have an obligation to ensure that these veterans have access to a stable, thriving health care system, dedicated to their needs, now and in the future.

Equally important is Congress’ support for those who have previously served this nation. So many veterans sacrificed their health, their limbs, and mental well-being on our nation’s behalf. We believe most Americans would agree they deserve a health care system dedicated to their needs. A comprehensive, world-class health care system that delivers quality, timely medical care services free of charge. None of us should forget the sacrifices made by these generations of veterans. That is why something must be done now to ensure VA is guaranteed sufficient resources so that it can deliver the specialized high quality health care to those who need it most.

But these days it is increasingly difficult to focus the attention of elected officials on the needs of our nation’s veterans. And as the years go by, there will be far fewer veterans in our population to keep the memory of wartime sacrifice alive. Year after year, the DAV and our other veterans’ service organizations have gone before Congress, asking the same question: “When will our nation remember its heroes with respect, dignity, and gratitude?”

Today, we are not meeting our promises to our veterans. VA has consistently received inadequate resources to meet the rising costs for health care and increased demand for health care services. As leaders on veterans’ issues, we hope this Committee will remember the needs of America’s veterans and take swift action to remedy this serious problem. This Committee knows best the enormous fiscal distress that VA is under. We hope that Congress is willing to make VA health care funding guaranteed and break the budget cycle that has decimated the veterans’ health care system. Your action on this issue will determine what level of health care is available for veterans tomorrow. Our nation’s sick and disabled veterans cannot wait any longer to receive the health care services they need and deserve.

Veterans feel they have been let down by their government and see the rationing of medical care as a broken promise at a time when they need VA health care more than ever before. Instead of a request for an adequate appropriation, there are continued recommendations to put more of the burden on veterans with increased copayments for medicine and medical care

and proposals to reduce veterans demand for services. Congressman Evans was right on point when in response to the Secretary's decision to limit enrollment for certain veterans he stated, "The problem isn't that veterans are seeking health care from their health care system—it's that the federal government is not making the resources available to address their needs." Sadly, these are symptoms of a society that, in some respects, has lost its way and many of its values. Are Congress and the Administration going to continue to ignore the health care needs of the millions of men and women who have so selflessly fought for this country and our democratic ideals—or are we going to keep our promises to veterans and make the necessary changes to remedy the intolerable situation veterans face?

Although veterans have felt let down by their government, the hopes of the entire veterans' community for a brighter future were rekindled when you, Mr. Chairman, and Mr. Evans took the bold step of introducing legislation to ensure better access to VA health care through a guaranteed funding source. We will forever be thankful to both of you for your advocacy on behalf of sick and disabled veterans.

In closing, we encourage you, Mr. Chairman, and Ranking Member Evans to reintroduce the Veterans Health Care Funding Guarantee Act. We ask for your continued leadership and unwavering support of this important issue. Once again we need strong leadership from the Committee to address the current workload and resource imbalance that exists in the veterans' health care system and to guide the department out of its existing crisis. There must be a bipartisan effort to fix veterans' health care funding this Congress. Guaranteed funding provides the most comprehensive solution to the current VA medical care funding problem. It would ensure the viability of the veterans' health care system and meet the needs of current and future service-connected disabled veterans. Therefore, it is imperative that funding for the veterans' health care system is guaranteed so that all service-connected disabled veterans, and all other enrolled veterans, have access to high quality health services in a timely manner.

This concludes my testimony on the state of VA health care. I appreciate the opportunity to present DAV's views, and I thank this Committee for its continuing support for this nation's service-connected disabled veterans.