

STATEMENT OF
PAUL A. HAYDEN, DEPUTY DIRECTOR
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

THE DEPARTMENT OF VETERANS AFFAIRS' LONG-TERM CARE POLICIES

WASHINGTON, DC

JANUARY 28, 2004

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the 2.6 million members of the Veterans of Foreign Wars of the United States and our Ladies Auxiliary, I would like to thank you for the opportunity to take part in today's hearing on Department of Veterans Affairs' (VA) long-term health care policies.

The Veterans' Health Care Eligibility Reform Act of 1996 provides all veterans enrolled in Categories 1-8 full access to all of the health services described in VA's Medical Benefits Package. Further, the Veterans Millennium Health Care and Benefits Act required VA to provide extended (long-term) care services to veterans with service-connected disabilities of 70 percent or more and those who need such care because of a service-connected disability. Specifically "the Secretary shall operate and maintain a program to provide extended care services to eligible veterans... such services shall include the following: (1) geriatric evaluations (2) nursing home care (3) domiciliary services (4) adult day health care (5) other non-institutional alternatives, and (5) respite care." According to 38 U.S.C. § 1710B, "The Secretary

shall ensure that the staffing and level of extended care services provided by the Secretary nationally in facilities of the Department during any fiscal year is not less than the staffing and level of such services provided nationally in facilities of the Department during fiscal year 1998.”

Unfortunately, VA has failed to meet its statutory obligation to provide extended care services at the 1998 levels. The nursing home average daily census (ADC) provided by VA in FY 1998 was 13,391. By 2003, VA’s ADC was 9,900 and it is projected to be 8,500 in 2004. Further, just last year, in the FY04 budget proposal the VA proposed closing 5,000 VA nursing home care beds and the Capital Assets Realignment for Enhanced Services (CARES) process initially failed to even mention long-term care. This decreased emphasis on providing long-term care services is striking when compared to VA’s veteran population (VetPop) data.

After analyzing the VetPop data, the Government Accounting Office (GAO) concluded that the “veterans’ population most in need of nursing home care - veterans 85 years old and older – is expected to increase from almost 640,000 to over 1 million by 2012 and remain at that level through 2023.” Further, veterans 90-94 years old will triple by 2010. These projections illustrate that long-term care demand is about to be at an all time high.

Decreasing long-term care services utilization in direct violation of a Congressional mandate when faced with what appears to be an increasing demand for long-term care services is not a sound policy for the VA or for this nation’s veterans.

In the past five years, the VFW has been witness to a VA system that has gone from a long-term care mission open to all veterans when beds were available, to a post acute, short-term, rehabilitative mission that refers non-service connected (NSC) veterans to community care on Medicaid or self-pay. Now, due to the Millennium Act, VA Medical Centers are trying to fill

nursing home care beds with veterans who are service-connected 70% or higher but still restricting access to NSC veterans even though there is a \$97 a day co-payment reimbursement program available to recover a portion of VA's expense.

This Committee rightly denied VA's request last year to circumvent their statutory responsibility by "substituting non-institutional alternatives, as well as state and community nursing home beds for these VA nursing home beds, [while] not requesting sufficient resources to match the level of capability eliminated by removing these beds from service." The VFW supports the policy of expanding, not substituting, state and community nursing home beds just as we support the policy of expanding, not substituting, more non-institutional solutions to long-term health care. I have attached a copy of VFW National Resolution 619 that calls for adequate funding for state veterans homes programs.

The Millennium Act required VA to carry out three pilot programs relating to long-term care (VISN 8, 10, and 19) and one program relating to assisted living (VISN 20). While it took some time to get the programs up and running, it is our understanding that each one of these programs is proving successful. In speaking with veteran participants, we have heard only positive comments and VA staff report increased cost savings and patient satisfaction. One of the pilot programs, however, consists strictly of contracted care and we would caution that VA should ensure that any contracted care is at the same level and quality as VA care. The VFW believes that these non-institutional programs must be expanded and made available nationwide in order to ensure equitable access for eligible veterans.

Regarding equitable access, we find ourselves concerned with information contained in the May 8, 2003, GAO testimony on key management challenges in VA health and disability programs that state, "VA policy provides networks broad discretion in deciding what nursing

home care to offer those patients that VA is not required to provide nursing home care to under the provisions of the [Millennium Act].” As a result, “... veterans who need long-term nursing home care may have access to that care in some networks but not in others. This is significant because about two-thirds of VA’s current nursing home users are recipients of discretionary nursing home care.” The VFW would be adamantly opposed to turning away these users or denying access to them by downsizing capacity. The VA provides quality care and they should adopt policies that promote and expand access to that care, not restrict it. We believe this inequity can only be corrected when every enrolled veteran, regardless of his disability rating, is guaranteed timely access to the full continuum of health-care services, to include long-term care. This is the soundest policy that VA can adopt. I have attached a copy of VFW National Resolution 605 that urges Congress to mandate and provide funding for the provision of nursing home care for *all* veterans.

Mr. Chairman, this concludes my testimony and I will be happy to answer any questions you or members of the subcommittee may have.