

Testimony by Representative Lane Evans  
House of Veterans Affairs Health Subcommittee  
Hearing on the Availability and Eligibility for Pharmaceutical  
Services Provided by the Department of Veterans Affairs  
March 19, 2003

Thank you, Chairman Simmons. I appreciate your invitation to testify on the “Veterans Prescription Drug Benefits Act” at this important hearing. My bill enables VA to respond to the needs of veterans in a world of limited resources. I am pleased several veterans’ organizations have already expressed support or interest in the concept behind my legislation. I request that their letters be included in the hearing record.

I want to acknowledge my colleagues who will be testifying today on measures they have introduced. Congressman Wicker has previously testified in support of his bill to provide veterans the opportunity to have non-VA physician prescribed medications filled by VA. While providing a prescription benefit, this proposal would not provide a new funding mechanism for this benefit. I believe this is a major concern because without the additional funding needed to provide this benefit, the existing shortfall in funding for veterans health care would grow dramatically. The gentle lady from Connecticut, Mrs. Johnson brings a similar bill to our Subcommittee’s attention. Congressman Mica’s bill links the problem of waiting times to veterans’ improved access of prescription drugs. Congressman Lynch’s bill would attempt to assess the cost-effectiveness of administering a non-VA prescription drug benefit through a smaller network-based demonstration at VA. I appreciate all of my colleagues’ efforts and I have tried to craft my bill in a manner that takes cognizance of some of the concerns each of their bills raise.

At this Subcommittee’s legislative hearing in Sept. 6, 2001, when asked to comment on the idea of a prescription drug benefit, Secretary Principi told the Subcommittee that, while he could understand the need for such a benefit for veterans, he believed the cost would be great—between \$9.2 billion and \$15.9 billion a year in additional costs because of new demand for such a benefit. On the other hand, the VA Inspector General actually thinks VA would save \$1 billion a year by avoiding some duplication of examinations veterans have already received from non-VA physicians.

I believe the VA's estimate of the cost of this benefit may be too high and also believe the IG that there would be "offsetting savings". I do believe, however, there would be some new costs from new demand associated with this benefit. That's why, in this time of budget shortfalls, I considered it critical to find a way to pay for this new benefit. The optimal way I found to cover the most veterans would be to use Medicare funds. If Congress is truly serious about enacting a Medicare prescription benefit for America's seniors, I see no reason why we should not start with our veterans.

I believe my bill would do several things:

- It would allow veterans who only want to receive prescription drugs from VA to use Medicare for a VA-administered prescription drug benefit.
- It would cover the costs of the benefit, including the costs of administering, filling and dispensing the drug. This would give many of our Priority 8 veterans who are now "locked out" of VA health care, a way to tap into subsidized prescription drug coverage as Medicare beneficiaries.
- It would allow Priority 1 veterans to have the same benefit covered by VA without trading off access to VA services.

I believe the revenue stream through Medicare is the chief distinction between my bill and the other bills that are being discussed today. I also believe it is critical for us to find some way to reimburse VA for the costs of this new benefit for veterans.

As any Member of this Committee knows, it has been difficult for us to pass constructive Medicare subvention legislation. I believe we have an advantage with the legislation I have proposed since the benefits would be for veterans who are using Medicare rather than VA for their health care. This is also a "new benefit" rather than VA attempting to receive funding for something it has already been doing like previous subvention bills.

Mr. Chairman, again, I appreciate the opportunity to be here today and I am happy to answer any questions you may have.