

STATEMENT OF
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BEFORE THE
SUBCOMMITTEE ON HEALTH
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

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DEAR MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

As Commander-in-Chief of the 2.6 million men and women of the Veterans of Foreign Wars of the United States (VFW) and our Ladies Auxiliary, I would like to thank you for this opportunity to testify today. It has indeed been an honor working with the members of this Subcommittee, but especially with the Chairman who I am proud to call my Congressman and my friend. I thank everyone on this Committee and their hard-working staffs for their dedication to these important issues.

The central issue of today's hearing and the draft bill under consideration, the *VFW Pharmacy Fairness Act*, is what can be done to improve veterans' access to pharmaceuticals.

The Department of Veterans Affairs (VA) offers an out-patient prescription drug benefit to enrolled veterans as part of its uniform health care package. Comparable to prescription drug plans offered by numerous health care insurers, this earned benefit is

very important to many veterans, especially those without any other prescription drug coverage.

Currently, VA provides a 30-day supply of pharmaceuticals for a \$7 co-payment to enrolled veterans. The co-payment is waived for prescriptions related to the treatment of service connected disabilities. Additionally, veterans with a 50% or higher disability rating or those who are indigent are not required to make co-payments.

Unfortunately present Department procedure drastically limits veterans' access to VA pharmaceuticals. Current law prohibits VA from filling prescriptions from duly licensed physicians who do not practice within the VA Health Care system.

Due to lengthy delays in scheduling appointments, many veterans have turned to their private physicians, outside the VA health care system. At its peak, there were nearly 300,000 veterans waiting six months or more for a medical appointment. We believe that many of these veterans became discouraged with the wait and were effectively forced to seek care outside VA. Even now, despite improvements, there are still thousands of veterans waiting six months or more for appointments. Many of them have established solid relationships and histories with their outside physicians.

A veteran who obtains care from his or her private physician--whether for convenience, out of familiarity or some other reason--is unable to have that prescription filled through VA. That veteran, despite already having a diagnosis, is forced to wait for an appointment with a VA physician who will provide the same battery of tests, the same exams and, eventually, the same diagnosis as the veteran's private physician. Only then, after waiting months for a duplicative exam, can the veteran have VA fill that prescription.

I do not see the rationale for this. This duplication of services is a waste of time for the veteran and a mismanagement of resources for VA. In fact, in December 2000, the VA Inspector General had projected that this redundancy of services would waste over \$1 billion a year. We expect that this number would be far higher today. When VA is currently unable to meet the demand for services and it forces veterans to wait months for appointments, it simply is irrational for VA to slide these veterans to the back of a growing queue. They already have had their diagnosis; they just simply need to utilize the benefit VA provides.

Additionally, it does not make sense to sever the important relationships many veterans have established with these outside doctors. The openness and trust that can come with familiarity can lead to optimal treatment and better health. VA should not impair these connections.

VFW strongly supports a pharmaceutical benefit that allows all veterans optimum access to the pharmaceuticals they need for their health and well-being. Given the current situation and the opportunity to potentially mitigate the impact of long waiting times and produce cost savings by streamlining an inefficient and overly bureaucratic process, VFW supports the creation of an out-patient prescription benefit that would free up VA health care appointments and potentially reduce the backlog. In addition, we support providing an outpatient medication benefit to Medicare-eligible Category 8 veterans who are currently precluded from enrolling in VA health care.

The VFW, however, does not support requiring veterans to forgo their earned VA health care in favor of Medicare. Veterans are unique in that they have an entitlement to Medicare by way of financial contribution and have also earned the right to VA health care through virtue of their service to this nation. They must not be forced to give up

their rights to either. The VFW will continue to fight for adequate appropriations to allow all veterans access to VA's medical benefits package.

Even with the recent passage of Medicare Prescription Drug Improvement Act (P.L. 108-173) it is as important as ever to improve the pharmaceutical benefit provided to veterans. Although many veterans will be eligible for these Medicare reforms, the complexity of the many types of coverage available under the plan, as well as the large gaps in coverage, make it an unattractive alternative for most veterans. Veterans cannot, and we should not expect them to, fall back on Medicare as a safety net. Past Congresses have seen fit to afford veterans special benefits because of our years of dedication on behalf of this country. This Congress must rise up and do the same.

Extending this benefit by allowing the department to fill non-VA prescriptions would greatly help all involved. For the veteran, he or she would have timely access to pharmaceuticals. For VA, significant financial resources would be freed up, as well as an increase in the number of appointments available to our sick and disabled veterans. Also, the American tax payer would benefit. VA's prescription drug formulary and its massive buying power ensures that it receives its pharmaceuticals at significantly lower prices than other outlets. Time after time, VA has demonstrated that it is able to provide more health care to more patients at a cheaper per patient cost than other health care systems. It is time that we use this leverage to the benefit of all parties.

Mr. Chairman, this concludes my testimony, I will be happy to respond to any questions you may have. Thank you.