



S
ERVING
WITH
PRIDE

Testimony

of

Richard "Rick" Jones
AMVETS National Legislative Director

before the

Committee on Veterans' Affairs
Subcommittee on Health
U.S. House of Representatives

on

VA's Prescription Drugs Benefit

Tuesday, March 30, 2004
10:00 a.m., Room 334
Cannon House Office Building



A M V E T S

NATIONAL
HEADQUARTERS
4647 Forbes Boulevard
Lanham, Maryland
20706-4380
TELEPHONE: 801-450-0000

Chairman Simmons, Ranking Member Rodriguez, and Members of the Subcommittee:

On behalf of AMVETS National Commander S. John Sisler and the nationwide membership of AMVETS, I am pleased to offer our views to the Health Subcommittee on providing certain veterans with a Department of Veterans' Affairs prescription-only health care benefit.

As the Subcommittee is all too aware, Secretary Principi took action on January 17, 2003, that banned healthcare access to an estimated 164,000 veterans who could have enrolled in 2003, citing a lack of resources. During budget briefings earlier this year, VA indicated that as many as 320,000 veterans would be denied access to VA under current policy by the close of fiscal year 2005.

Mr. Chairman, Congress authorized enrollment eligibility for these so-called high-income veterans or "Priority 8s" into the VA system since 1996, but the funding to provide for them has never been adequately appropriated. In addition, VA has not, repeat not, done its job of collecting on the insurance coverage these patriots carry for the care they have been provided. The result is high-stress within the VA system and a blame-game outside the system, pointing a finger at non-service connected veterans for making a "run" on VA.

Regarding prescription drugs, current policy makes veterans eligible to receive prescription medications from the VA only if a VA physician prescribes the medication. While it may not seem like too great an imposition to require a VA doctor to see the patient, many of the veterans waiting over six months for a VA doctor's appointment are

waiting solely to have a prescription written and filled.

According to the Inspector General of the Department of Veterans Affairs, the VA pharmacy benefit is the primary reason that veterans without service-connected disabilities use VA healthcare services.

Nearly 90 percent of these veterans have access to private health care and private physicians, yet they wait in lengthy lines at the VA in order to be re-examined and re-tested so they can receive their prescription drugs through the VA. This causes veterans with a prescription already in hand to wait weeks, even months before it is filled and creates a backlog of veterans waiting for doctor appointments.

Once these veterans are under the care of a VA physician, they can see dramatically reduced prescription drug costs versus the private sector. Clearly with VA dispensing over 100 million prescriptions yearly to its 4.5 million patients, VA can negotiate very favorable drug prices. They have done an excellent job in this regard.

Figures from the National Association of Chain Drug Stores claim that for 2001, VA cost per prescription was almost half the cost found in the private sector. It is little wonder Priority 8 veterans have availed themselves of this benefit after Congress allowed them access to the VA system.

Mr. Chairman, AMVETS is generally supportive of extending and enhancing the current VA policy on prescriptions. We would, for example, like to see veterans able to renew their prescriptions as well as receive the first issuance of the non-VA prescribed medication.

In addition, AMVETS supports legislation to remedy the situation faced by older “banned” Priority 8s. While we would like to see VA lift its ban on Priority 8s, beginning with those veterans who currently have health insurance that pays VA for the care they may provide.

We also would support legislation, which, at the least, would permit Medicare-eligible veterans access to the VA system through an outpatient medication benefit.

AMVETS would also support legislation that openly allows VA to fill a prescription for a veteran who has been diagnosed and prescribed medication by a non-VA physician. The current VA prescription cost for enrolled patients is \$7.00 for a 30-day supply. At this cost, many eligible veterans could see a substantial reduction in their medication expenses. They would also witness, in part, a promise of care fulfilled.

In addition, a benefit of this type would likely induce some Priority 8 veterans, enrolled before the Secretary’s cut-off date, to return to their non-VA healthcare providers and thereby reduce VA’s patient backlogs.

In the past, we have voiced concerns about the potential for VA becoming a national “drug store” rather than a provider of care in the event of a change in the way VA dispenses prescriptions.

We have said that we would not like to see further diminishment of veterans access to care because medical care dollars are being spent for prescriptions instead of primary and critical care of veterans.

However, with the understanding that VA rolled over more than 600 million unused fiscal year 2003 medical care dollars into fiscal year 2004, and projects increasing this amount to \$800 million in fiscal year 2005, we no longer see the lack of available funding as a rational for a barrier to veterans access to prescription drugs.

Indeed, in this understanding AMVETS is doubly disappointed in the ban of Priority 8 veterans. We know that VA has instituted a 30-day appointment policy that allows veterans to be seen by doctors outside of the VA system if they cannot be scheduled in VA within that time period. Taking into account that the average cost of providing care to a Priority 8 veteran is \$2,500 a year, there is ample funding available to give medical care to these veterans who earned and deserve it this year.

We must never forget who Priority 8 veterans are. They are those brave Americans who answered our nation's call and with God's grace returned from service whole and able to continue their lives without disabling injury or illness. They are the soldiers, sailors, airmen or marines who stand a post or walk a patrol somewhere in Iraq or elsewhere across the globe defending America, her interests and her freedoms. As we speak, these defenders may be replacing a buddy who yesterday gave the ultimate sacrifice. Today these patriots are ready voluntarily to take the place of those who have fallen. In doing so, we recognize victory in defense of freedom and our way of life.

The members of AMVETS believe these men and women, these \$25,000-a-year "high-income" veterans, should be able to seek care at

VA if they have the need following their military service. Current statute makes them eligible, as long as appropriations are available. And it is the least our nation can do for those on whom America depended to defend her liberty.

It is almost beyond belief to members of AMVETS that our elected Congress -- at this time when we have young Americans engaged in the war on terrorism, risking their lives -- would pass a budget that fails to fully fund veterans health care and veterans benefits.

We recognize that the budget-appropriations process for this year has only just begun, but the course set by the House last week raises concern. The approved budget may appear ample when viewed with green-eye shades, but to the clear eye of those who served in the Armed Forces and many other Americans, there is a growing question about decision-making and national priorities.

Mr. Chairman, in closing, AMVETS thanks you for advancing the dialogue on the prescription drug needs of our nation's veterans.

We look forward to working with you and others in Congress to resolve this matter. As we find ourselves in times that threaten our very freedom, our nation must never forget those who ensure that our freedom endures.

AMVETS thanks the panel for the opportunity to address this matter.

###