



Vietnam Veterans of America

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A Not-For-Profit Veterans Service Organization Chartered by the United States Congress

TESTIMONY

OF

Vietnam Veterans of America

Submitted By

**Rick Weidman
Director of Government Relations**

Before the

**Committee on Veteran's Affairs
United States House of Representatives**

Regarding

**The Department of Veterans Affairs
Fiscal Year 07 Budget Request**

February 8, 2006

Chairman Buyer, Ranking Member Evans and Members of the Committee, I appreciate the opportunity to come before you today to share Vietnam Veterans of America's views on the fiscal year 2007 budget.

Most of our comments in this statement will concentrate on health care for veterans, as that is the largest and most pressing issue in terms of the magnitude of the need for additional resources. While we comment briefly on the Veterans Benefits Administration (VBA), I draw your attention to the fact that Vietnam Veterans of America (VVA) has endorsed the Independent Budget of the Veterans Service Organizations (IBVSO) although some of our recommended estimates are higher than in that document. VVA is in general accord with the premises of the IBVSO, and the majority of their conclusions. Where we diverge will be clear from our statement below, and there will be more specifics in statements to be delivered to the Committee later this week for the specific hearings in the Subcommittees next week.

Veterans Health Administration

Unfortunately, we are not able to comment in detail on the President's budget submission, as it was not available to the veterans' service organizations before 12:00 noon on Monday, February 6, 2006. However, VVA has just completed an analysis of fiscal needs for 2007 and would like to share some of these key findings.

VA needs a significant infusion of funds in fiscal year 2007—about \$6 billion more than its fiscal year 2006 funding level—to compensate for years of flat-lined or inadequate funding at a time when there have been huge increases in veterans' demand and health care inflation. Since VA is compelled to live within its constrained annual increases, Congress must find a way to restore the baseline for its medical care business line. I will discuss options VVA believes are appropriate later.

All veterans must be allowed access to their health care system. VVA calls for the immediate reinstatement of Priority 8 veterans' eligibility for enrollment. Further, veterans must not be subjected to enrollment fees or increased co-payments in order to receive care. VA must be properly funded to allow this to occur.

VA needs more people—about 25,000 more full-time employees—to carry out the responsibilities of its health care system, particularly if it is to once again open its doors to all eligible veterans. If VA had had its way in eliminating some of the Priority 7 and 8 veterans, it would have excluded 1.1 million veterans in fiscal year 2006. Thanks to the help of Congress, including many on this Committee, many of these veterans probably remain enrolled and use VA services—there will likely be about 8 million enrolled and about 5.4 million veterans who use VA health care services in fiscal year 2006. If VA lifted its ban on enrolling new Priority 8 veterans, it will increase these numbers to about 8.4 million enrollees and about 5.9 million users. This is about a 9% increase in utilization, including new use by some veterans—such as new Operations Iraqi Freedom and Enduring Freedom veterans—considered “high priority.”

VA must address its current waiting times—according to recent VA statistics about 50,000 veterans can presently be expected to wait more than 6 months for care its increases in demand and expected changes in the intensity of service delivery. It must restore and enhance long-term care services for veterans. Many of newest veterans require dental care of the already overburdened and less than fully modernized dental system, too.

VA must ensure that it has adequate mental health services, not only to meet its current veteran patients' needs, but also to meet the needs of troops returning from Operations Iraqi Freedom and Enduring Freedom. Estimates of the needs of these troops vary, but all are high—from 17-30% may have post-traumatic stress disorder or some other post-deployment issues that require clinical care. In addition to the full range of services for PTSD treatment, a wide range of mental health services must be available to meet these new veterans' needs—from family counseling to substance use disorder treatment to homelessness interventions. In addition, those returning with traumatic brain injuries will result in the need for both significant counseling for the veteran (and the veteran's family) as well as physiological care

Increasing staff levels at the VA Medical Centers to adjust for the intensity of services are necessary and, in fact, was one of the factors cited in the Office of Management and Budget's request for emergency funds. The largest populations of current users are now Vietnam era veterans—there are 8.1 million of us according to VA statistics. Most Vietnam era veterans are between fifty and sixty years old, and age range in which many chronic diseases, some the byproducts of our military experience, are manifested. About 10 million veterans are more than 65 years old—a time when health care utilization is at its peak. VA health care users are also a group—particularly now that potentially wealthier and healthier veterans continue to be prohibited from enrolling—who are more difficult to treat than the general veteran population because of co-morbidities, poverty and social isolation.

These demographics also make the case for rebuilding the once robust long-term care system in the VA. In our view, long-term care includes a range of services from interim rehabilitative care to non-institutional long-term care (such as home and respite care and adult day care), to custodial care which, unless there is considerable improvement in a veteran's health status, should be available throughout the remainder of that veteran's life. Long-term care policy remains a difficult issue to address. VVA will stipulate that VA's oft-cited refrain, "No one wants to live in a nursing home," is true, but unfortunately for some there is no other humane option. Also, unfortunately for America's frailest veterans, VA does not value the role it has played in offering custodial care to those who need it. Every recent budget submission from the Administration has sought to curtail VA's role in providing long-term care. It is not interested in preserving its beds for this mission and sought to eliminate 3,200 long-term care employees in fiscal year 2006. It is now reviewing the law that prohibits it from discharging the most highly service-disabled veterans without their consent.

In FY 2006, the Administration also proposed offloading its role in paying for care for many of the veterans receiving care in state nursing homes. State nursing home directors told Congress that the proposal would cause about 80% of the state homes to close effectively putting to rest a successful partnership between the states and the federal government that has existed for more than 100 years. We want to thank this Committee for its role in helping to shelve these proposals—hopefully for the indefinite future. The emergency funding in fiscal year 2006 sought from VA also requested \$600 million for long-term care, perhaps indicating that Congressional pushback may have led the Administration to reconsider its proposals. We hope they do not re-emerge in fiscal year 2007 and that this Committee will remain steadfast in its support of the state homes and the prohibition of eliminating nursing home capacity and treatment mandates for the severely service-connected.

VVA projects that inflation and increased utilization will cost the VA about \$1.8 billion in fiscal year 2007. These costs include inflation for pharmaceutical drugs, durable medical equipment and contracted services; the increases for these items are likely to exceed general inflation.

We want to thank Congressman Evans for his joint request with Senator Akaka for the Government Accountability Office's recent report "Limited Support for VA's Efficiency Savings." Looking at per capita costs for VA compared to the general population and Medicare enrollees, there can be no doubt that VA is an efficient provider. In fact, resources have become far too spare in an environment with costs that are often increasing at double the rate of non-medical items and in which users have almost doubled in the last decade. According to GAO's report, there was never a basis for the efficiencies VA claimed to find in fiscal years 2003 and 2004 the President was simply unwilling to request the funds that were necessary to support veterans' growing demand. This sham, now uncovered, must not be allowed to continue in fiscal year 2007.

In the last few years, VA has spent millions of dollars on a plan to restructure the VA health care system's capital assets. There was extensive study, although some of us believed it was flawed because a civilian health care formula and not a veteran's health care formula was employed. Even with the absence of mental health and long-term care in its models—the report called for about \$6 billion to be invested in the system, VVA believes this indicates the magnitude of the problem of a crumbling infrastructure for the most part built in the 1940s and 50s.

The promises of CARES seem far from fulfillment as medical facilities coffers continue to be robbed to pay for medical services operations. It must be disheartening for the hard-working and dedicated employees of VA to compare the state of many of their facilities to those in the community. Some of VA's hospitals are barely maintaining accreditation because they cannot meet privacy and access standards because of overcrowding. VA has delayed vital capital equipment purchases and non-recurring maintenance projects in order to fund veterans' health care. This must cease. Dilapidated and over-crowded facilities are symbolic to veterans of the lack of commitment the federal government has to those who have served or would serve their

nation. We must do better. Congress should include at least \$1.5 billion for medical facilities in fiscal year 2007.

If Congress enacts an appropriation that provides for these basic adjustments—what we consider an adequate budget for VA in fiscal year 2007—it should then seriously consider how it intends to fund VA in the future. VVA is a member of the Partnership for Veterans' Health Care Budget Reform and believes that assured funding is the best and most straightforward response to the funding dilemma the Administration and Congress confront every fiscal year.

Assured funding means a budget that grows with the beneficiary population and medical inflation and is provided to VA automatically each fiscal year. It would create a funding stream that is predictable and timely, aiding the efforts of VA planners and managers. It would ensure funding for those the Administration and Congress agreed should be served. We would hope this would include all honorably discharged veterans who choose to seek care from the VA.

VVA is in the process of finalizing an updated version of our White Paper on Health Care Funding for All Veterans. This document will fully justify our continued call for major budget reform and explain how vital it is to the sustenance of the unique health care resource that has been created for America's veterans. Mr. Chairman, we respectfully ask that you hold hearings on this important subject, and we hope in this fiscal year we can once again see some bipartisan progress in achieving this important goal.

VVA will also have additional specifics that we will share with you in our statement for the Subcommittee on Health hearing next week. These will include report language that we urge you request be included with the appropriations bill.

Veterans Benefits Administration

VVA believes that there is much more that can be done with the funding for the Veterans Benefits Administration (VBA) to achieve better training, supervision, and greater accountability using existing legal means. Having said that, VVA still believes that there are not enough adjudicators in the Compensation & Pension system, and that as many as 300 FTE are needed in addition to those they have recently hired.

Further, VVA strongly believes that the VA Vocational Rehabilitation system is grossly understaffed, particularly in rural areas: Consider that 60% (when considering the National Guard and the Reserves as well as the active duty troops) of those serving in Operation Iraqi Freedom and Operation Enduring Freedom are from rural areas. We need much better coverage of those areas.

Further, we need the right people with the right skills in these vocational rehabilitation jobs who will concentrate on helping veterans, particularly disabled veterans, obtain and sustain meaningful employment at a living wage. Although we are certainly not

suggesting that we do away with service-connected compensation, or reduce it from what is already a low base, but we owe those who serve more.

We clearly cannot rely on the state work force development agencies to get the job done for veterans, particularly disabled veterans and returning servicemembers, despite the often-heroic actions of staffers (who just keep trying, no matter how little encouragement they often receive from management). There is simply no means within that system to ensure that the veterans staff are doing their job, that the rest of the staff at the one-stop centers are doing their job, or that the Jobs for Veterans Act is being properly implemented at the state and local level. So, that is largely because the Act has not been properly implemented at the national level. Therefore, we need to concentrate at the moment on something we can effect, and seek to have the VA Vocational Rehabilitation system do a much better job helping disabled veterans find and keep decent jobs. This will take additional staff, in addition to further proper training, as well as more effective supervision and greater means of accountability.

Mr. Chairman, this concludes our written comments. Again, VVA thanks you for the opportunity to present our views to you on this vital issue of resources. I will be happy to answer any questions you or your distinguished colleagues may have.

**VIETNAM VETERANS OF AMERICA
Funding Statement
February 8, 2006**

The national organization Vietnam Veterans of America (VVA) is a non-profit veterans membership organization registered as a 501(c)(19) with the Internal Revenue Service. VVA is also appropriately registered with the Secretary of the Senate and the Clerk of the House of Representatives in compliance with the Lobbying Disclosure Act of 1995.

VVA is not currently in receipt of any federal grant or contract, other than the routine allocation of office space and associated resources in VA Regional Offices for outreach and direct services through its Veterans Benefits Program (Service Representatives). This is also true of the previous two fiscal years.

For Further Information, Contact:

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RICHARD WEIDMAN

Richard F. “Rick” Weidman serves as Director of Government Relations on the National Staff of Vietnam Veterans of America. As such, he is the primary spokesperson for VVA in Washington. He served as a 1-A-O Army Medical Corpsman during the Vietnam War, including service with Company C, 23rd Med, AMERICAL Division, located in I Corps of Vietnam in 1969.

Mr. Weidman was part of the staff of VVA from 1979 to 1987, serving variously as Membership Service Director, Agency Liaison, and Director of Government Relations. He left VVA to serve in the Administration of Governor Mario M. Cuomo (NY) as statewide director of veterans’ employment & training (State Veterans Programs Administrator) for the New York State Department of Labor.

He has served as Consultant on Legislative Affairs to the National Coalition for Homeless Veterans (NCHV), and served at various times on the VA Read adjustment Advisory Committee, the Secretary of Labor’s Advisory Committee on Veterans Employment & Training, the President’s Committee on Employment of Persons with Disabilities - Subcommittee on Disabled Veterans, Advisory Committee on veterans’ entrepreneurship at the Small Business Administration, and numerous other advocacy posts in veteran affairs. He currently serves as Chairman of the Task Force for Veterans Entrepreneurship (TFVE), which has become the principal collective voice for veteran and disabled veteran business owners.

Mr. Weidman was an instructor and administrator at Johnson State College (Vermont) in the 1970s, where he was also active in community and veterans affairs. He attended Colgate University (B.A., (1967), and did graduate study at the University of Vermont.

He is married and has four children.