

**LEGISLATIVE PRESENTATION OF  
VETERANS SERVICE ORGANIZATIONS AND  
MILITARY ASSOCIATIONS  
HEARING II**

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**HEARING**

BEFORE THE

**COMMITTEE ON  
VETERANS' AFFAIRS**

**HOUSE OF REPRESENTATIVES**

**ONE HUNDRED NINTH CONGRESS**

SECOND SESSION

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FEBRUARY 16, 2006  
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**HEARING ON LEGISLATIVE PRESENTATION OF  
VETERANS SERVICE ORGANIZATIONS AND MILITARY  
ASSOCIATIONS HEARING II**

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**THURSDAY, FEBRUARY 16, 2006**

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON VETERANS' AFFAIRS,  
*Washington, D.C.*

The Committee met, pursuant to call, at 10:30 a.m., in Room 334, Cannon House Office Building, Hon. Steve Buyer [Chairman of the Committee] presiding.

Present: Representatives Buyer, Brown of South Carolina, Miller, Boozman, Filner, Brown of Florida, Snyder, Michaud, Herseth, Berkeley, and Salazar.

THE CHAIRMAN. Good morning. The Full Committee of the House Veterans' Affairs Committee, February 16, 2006, will come to order. I have an opening statement. Lane Evans has an opening statement. Mr. Reyes has an opening statement. Mr. Filner.

MR. FILNER. May I go now?

MR. CHAIRMAN. Well, Mr. Boozman does not have a --

MR. FILNER. I have a --

MR. CHAIRMAN. -- written opening statement. Three of us have a written opening statement which we would like to submit for the record.

[The statement of Chairman Buyer appears on p. 50]

[The statement of Mr. Evans appears on p. 54]

[The statement of Mr. Reyes appears on p. 62]

THE CHAIRMAN. And we're anxious to hear from the first panel. Mr. Filner.

MR. FILNER. Thank you, Mr. Chair. We would like to welcome all those who are here this morning. The Democrats have appointed a new member, Congressman John Salazar from Colorado. We will

welcome him when he arrives.

So, we thank you. I think we're in a very difficult situation that, having read your advanced testimony, is clear to all of you also. The budget is clearly inadequate. If you just look at the surface, it fails to meet the health care needs of our nation's veterans by almost one and a half billion dollars.

If you look at the games that are played in the budget where it says there are going to be legislative proposals which will bring in almost a billion dollars, it over counts the efficiencies supposedly brought to the VA. It double counts certain entries. There are savings that supposedly come about because of third party collections. All these are games. And we should be angry about these games because they are being played with the veterans who have given us our democracy.

They are budgetary games that leave the veterans short by about over four billion dollars this year. Over four billion dollars to treat the health care needs and to meet the benefits of our nation's veterans. I think that is disgraceful. I think it should be protested around the nation. I think you need to go back to your grassroots.

The Chairman changed the rules this year so we don't have the grassroots in these meetings. The joint Senate/House meetings have been cancelled. I think it's because the participatory nature of those meetings where veterans from around the country feel they are a part of the process is not wanted, even as the Congress is talking about greater transparency for some of the reforms we may do this year.

So you need to go back to your members and say engage in this process because you have been cut off from participation in these hearings. We have to find new ways for them to participate, whether it's going to members' offices, or maybe surround the Capitol until a budget that's worthy of veterans gets passed. I think we have to find creative ways to bring your membership into this process.

Because Congress members respond to your members, but they have to know what is going on. They have to know what this four billion dollar short-fall means. They have to know what it means for their claims, which are backlogged, and that people coming back from Iraq and Afghanistan have to wait months and months for their first medical appointment. Some cannot get a dental appointment. We already have a freeze on nurse hirings in some of the hospitals around the nation. So no matter what the administration says in its spin, these are not good times. We can change this if you bring in your membership to the discussions.

So let's do that and let's eventually produce a budget that is worthy of our veterans. Two things I think come through from a lot of your testimony. One is the so-called assured funding, mandatory funding. We are going to argue about whether the shortfall is four point two billion or three point six or one point three. We shouldn't even have those arguments. There should be mandatory (assured) funding for

the health care of our veterans.

In addition, the biggest third party payment that is still lying on the table is for medicare. We have had bills in the past called "medicare subvention." We ought to pursue that in a very much more focused way this year. So we are prepared to do that and I thank the Chair. Would you just give me one minute to introduce our new member?

John Salazar, is the newest Democratic member of our Committee. His district is in rural Colorado and is home for more than 70,000 veterans. He served, himself, in the U.S. Army from 1973 to '76 and has a son in the National Guard. So, Congressman, your understanding of veterans' issues is grounded in your professional and personal experience.

In fact, in the Colorado State House, he was awarded "Legislator of the Year" by the United Veterans' Committee of his state. And as a Member of Congress, he was selected to lead the Congressional Hispanic Caucus Veterans' Task Force, which was created to recognize the contributions and unique needs of Hispanics in our Armed Forces. We have a lot of work to do, John. I am certain that you will hit the ground running and contribute to our progress. Welcome to this Committee.

MR. SALAZAR. Thank you.

THE CHAIRMAN. Welcome. Thank you. We would like to introduce the first panel. Ms. Rose Lee is the Legislative Director for Gold Star Wives. Ms. Lee is also the current president of Potomac Area Chapter of Gold Star Wives. She is the widow of Colonel C.M. Lee, United States Army. He served in Korea and in Viet Nam. He died on active duty overseas in 1972.

Started in 1945 and granted a federal charter in 1980, the Gold Star Wives focuses on issues relating to the spouses and children of those killed in action. And it's good to see you once again.

Also here representing the Fleet Reserve Association is Joseph L. Barnes, Retired Navy Master Chief. Mr. Barnes received numerous awards and citations. He joined FRA in 1993 as the editor of "On Watch". He was selected to serve as the Fleet Reserve Association's National Executive Secretary in September 2002. FRA supports America's future leaders by annually awarding more than 80,000 scholarships to deserving students. FRA scholarships are awarded to FRA members, their spouses, children, and grandchildren. Welcome.

MR. BARNES. Thank you.

THE CHAIRMAN. Also next is Chief -- formerly Chief Master Sergeant, James E. Lokovic. Did I pronounce it correctly?

MR. LOKOVIC. Lokovic.

THE CHAIRMAN. He is representing the Air Force Sergeants Association as the Association's Deputy Executive Director and the Director of Military and Government Relations. Chief Lokovic served 25 years

in the United States Air Force in numerous state side and overseas locations. His last assignment was on the Air Force staff as Chief of Enlisted and Professional Military Education. He has worked for the Association since January 1994. The Air Force Sergeants Association and Airmen Memorial Foundation join together annually to conduct a scholarship program to financially assist undergraduate studies of eligible and dependent children of the Air Force, Air Force Reserve Command, and Air Guard Enlisted Members and, those of Active Duty, Retired, and Veterans status. Thank you for joining us.

Representing the Retired Enlisted Association is Ms. Holleman. She currently serves as the National Legislative Director of the Association. Before joining TREA she was the Washington liaison for the Gold Star Wives of America. And Ms. Holleman focuses on health care, financial, and benefit matters for military retirees, veterans, and active duty, the National Guard, and Reserves, and all the families and survivors. Welcome.

We also then have Colonel Bob Norton, Retired. He is representing the Officers Association of America. Colonel Norton enlisted as a private in the United States Army in 1966, completed Officer Candidate School, was commissioned Second Lieutenant in the Infantry in August 1967. He served one tour in Vietnam as a platoon leader supporting the 196th Infantry Brigade in ICorps in Civilian Affairs. We can still use you, you know?

In 1969 he joined the United States Army Reserve. Colonel Norton volunteered on active duty in 1978 and was among the first group of USAR officers affiliated with the Active Guard and Reserve AGR program on full-time duty. He served two tours of duty at the Office of Secretary of Defense. Colonel Norton retired in 1995. With the stresses on civil affairs, it's pretty real. Ms. Lee, we will open with you. You are recognized for ten minutes.

#### STATEMENTS OF ROSE LEE, LEGISLATIVE DIRECTOR, GOLD STAR WIVES

MS. LEE. Thank you so much, Mr. Chairman. Good morning to all of you, Mr. Chairman, and Members of the House Veterans' Affairs Committee. Thank you for the opportunity to testify before you on behalf of all of the Gold Star Wives. My name is Rose Lee. I am a military widow and I am here as Chair of Gold Star Wives Legislative Committee.

Behind me is Ms. Smith and in the audience are some Gold Star Wives also. Gold Star Wives was founded in 1945 and is a Congressionally-chartered service organization comprised of surviving spouses of military service members who died on active duty or as a result of service-connected disabilities.

I will present to you the collective goals of the Gold Star Wives

with the hopes that they will alert you to certain discrepancies and inefficiencies that you may be able to alleviate in your deliberations this year.

Too often we feel that survivors, widows and orphans, if you will, are overlooked though they shouldn't be. A couple of years ago I took this snapshot of the VA's mission statement that's on the VA building and it reads "To care for him who shall have borne the battle and for his widow and his orphan." By Abe Lincoln.

Then just recently I attended the VA budget briefing. This is their handout. I was glad to hear them say that they convinced OMB and got the budget increased for 2007. What bothered me is that nowhere in the briefing handout did the words "survivors" or "widows and orphans" appear. We seem to get lost in the shuffle. We hope that these oversights will be changed and we are not forgotten.

I do want to thank the Members of this Committee and the staff for your continued support of programs that directly support the well-being of our widows and their families. If there is one message I could leave with you today it is that there is never enough communication. Yes, there are casualty assistant officers who have a difficult mission in a difficult time, but they don't always know about benefits and entitlements managed by the VA or DOD.

Gold Star Wives sponsors a chat room for many widows following 9/11. New widows joined this chat room and asked questions about benefits. Our widows need our help. We need to examine the coordination process among agencies more closely and work hard to prevent these widows and their children from encountering gaps in identifying benefits.

The VA and DOD have co-hosted meetings that focus on improving outreach to surviving family members. VA has created a survivor's website that offers communication channels for all service widows and widowers. Often widows do not even know where to turn simply to identify their benefits. We participate in this outreach and applaud these efforts. However, to enhance these efforts Gold Star Wives asks your serious consideration of creating an oversight office for survivors across the VA and DOD to assure improved delivery of benefit information and benefits to survivors.

Unfortunately, the National Defense Authorization Act for 2006 did not include eliminating the offset to the Survivor Benefit Plan by the Dependency and Indemnity Compensation. We recognize that you must work with your colleagues on the Committee on Armed Services to correct this issue.

We thank Representative Henry Brown for introducing HR 808, sir. And we encourage Congress to provide this real relief for our military surviving spouses now. But to illustrate the bad publicity that this issue is getting, the New York Times OpEd published an article by Attorney Dan Shay on February 13, 2006, just this past

week, in which he wrote, “My brother, Lieutenant Colonel Kevin Shay was killed by a rocket attack in Falluja on September 14, 2004. He knew the risks when he joined the Marine Corp in 1989. But he also thought if anything ever happened to him the United States Government would take care of his wife, Amy, and his two children. Sadly that’s not the case.” Dan Shay went on to describe the problem which prevents his brother’s wife from receiving both SBP and DIC without offset.

Current law provides for remarriage at age 57 to retain VA benefits. For those who remarried before that law was enacted, there was a one year period to apply for reinstatement. Lowering the age to 55 would bring this benefit in line with rules for SBP and other federal survivor programs and opening up the reinstatement period with renewed outreach efforts would make survivors aware of their eligibility.

We thank Representative Michael Bilirakis for introducing HR 1462, which will make equitable changes in the law. There are inequities among several payments for child survivor that need immediate attention. The SBP child option applies now only to survivors of deaths after November 24, 2003. We seek this benefit to be linked to October 7, 2001, the beginning of the Global War on Terror, as are other survivor benefits.

Similarly, the additional monthly \$250 child DIC payment per family only applies to survivors of deaths after January 1, 2005. This too should be linked to October 7, 2001. We thank Representative Michael Michaud for introducing HR 1573, which provides for this additional payment to families. It makes no sense, however, that the survivors of those who died first should be prohibited from accessing a benefit given to survivors of those who died later in the same war.

There is another grievous oversight concerning the \$250 child DIC. The program evaluation of benefits study recommended that surviving spouses with dependent children receive the \$250 for five years instead of the two years that is currently provided. An amount should be indexed for inflation to avoid a devaluation of the benefit.

Unfortunately, these recommendations were ignored. The \$250 child DIC is the only DIC benefit that doesn’t receive the cost of living adjustment. We wish to thank those of you who did try to include a COLA in legislation for the \$250 child DIC. But, please, we ask you to continue to work on it until it is given the rightful COLA.

CHAMPVA doesn’t carry with it a dental plan. Gold Star Wives seeks for widows and all CHAMPVA beneficiaries the ability to purchase a voluntary dental insurance plan similar to the TRICARE program for military service retirees’ dental care. Gold Star Wives recommend Congress fix this and provide a dental plan for CHAMPVA beneficiaries.

We request Congress to review how the DIC rate is established,

which is currently a flat rate of \$1,033. The SBP is calculated at 55 percent of retired pay as if the member had retired for total disability on the date of death. We recommend that the DIC be calculated in a similar manner at 55 percent of the disabled veterans 100 percent disability compensation. We believe this would help alleviate growing financial difficulties of widows from wars prior to this conflict who are receiving only DIC.

In conclusion, we do not want our widows to be forgotten whether they are experiencing their losses in the Global War on Terror over the past five years or whether they are members of the so-called Greatest Generation and experienced their loss many years ago during World War II.

I thank this Committee for using this hearing as one more avenue of awareness and education and for giving me an opportunity to share my thoughts and the goals of Gold Star Wives. We will be happy to work with the Committee on any of these initiatives. Thank you.

THE CHAIRMAN. Ms. Lee, I should note that your boss walked in while you were testifying.

MS. LEE. Oh, I'm glad she did. Our boss is our national president, of course, and her name is Joan Young and she is from Florida. I'm glad she's here. Another Gold Star Wife. We have a couple of young widows also from this current Global War on Terror and one of them is Vivianne Wertz and another young one is with one of the other groups and her name is Jennifer McCullum. And I do appreciate them being here as well.

THE CHAIRMAN. Thank you. Well let me have an opportunity to tell your boss that we enjoy working with Ms. Lee.

[The statement of Rose Lee appears on p. 72]

THE CHAIRMAN. Mr. Barnes.

STATEMENT OF JOSEPH L. BARNES, NATIONAL EXECUTIVE SECRETARY, FLEET RESERVE ASSOCIATION, ACCOMPANIED BY CHRIS SLAWINSKI, NATIONAL SERVICE OFFICER, AND JOHN DAVIS, DIRECTOR OF LEGISLATIVE PROGRAMS

MR. BARNES. Thank you, Mr. Chairman. It's a pleasure to be here this morning. Greetings to the distinguished Members of the Committee. I appreciate the opportunity to present FRA's recommendations on the Fiscal Year 2007 Department of Veterans' Affairs Budget on behalf of Edgar Zerr, FRA's National President.

Accompanying me today are Chris Slawinski, our National Service Officer and John Davis, FRA's Director of Legislative Programs.

FRA's top legislative agenda issue is full funding and access to health care for all beneficiaries in the DOD and VA health care systems. This issue is important to every member of our association,

their families, and survivors.

FRA appreciates the increased funding in the Fiscal Year 2007 budget, particularly for VA health care and other key accounts. This marks significant progress over last year's budget request and follows emergency supplemental appropriations that were necessary at the end of the last fiscal year.

Our members are very concerned about the discovery of inaccurate projections and faulty models used to prepare previous budgets, and GAO findings about the methods used to project management efficiency savings. FRA is also concerned about the assumptions used in preparing the budget. The budget request assumes Congressional approval of a \$250 enrollment fee and significantly higher prescription co-pays for priority seven and eight beneficiaries. As the distinguished Committee knows, this is not a new proposal and FRA strongly opposes the establishment of these increases.

VA health care funding must be adequate to meet the needs of the growing number of veterans seeking services from the VA. Many from Operations Enduring Freedom and Iraqi Freedom and the budget must be based on realistic and sound projections.

Military retirees pay an annual enrollment fee for TRICARE prime enrollment and some believe that a similar fee, detailed above, should be authorized for access to VA health care services. The TRICARE fee assures access to DOD health care services while priority seven and eight veterans, who would pay the VA enrollment fee if approved, will remain at the bottom of the priority list for VA health care benefits and still be forced to wait long periods for access to care.

As part of your views and estimates to the House Budget Committee, FRA urges the Committee to support budget allocations to eliminate the need for the enrollment fee, the prescription co-pay increase, and vital funding for other important VA programs including medical research.

The Association also appreciates Ranking Member Evans' testimony before the Budget Committee on Funding for Health care and other VA Benefits. FRA believes that adequately funding health care and other programs for veterans, their families and survivors, is part of the cost of defending our nation and ensuring our freedoms.

The VA suspended enrollments for priority eight -- priority group eight in 2003. And FRA urges that sufficient resources be authorized to allow resumption of the enrollment process for all veterans.

FRA supports the authorization of medicare reimbursements as an alternative to the enrollment fee and higher pharmacy co-pays. A significant number of veterans enrolled in the VA health care system have paid into medicare, yet the VA is not authorized to receive reimbursements for providing services to these veterans. Why this has not been authorized is perplexing to our membership and FRA urges that this concept be thoroughly researched.

Injured combat veterans from Iraq and Afghanistan should be immediately processed into the VA system. This is also important for personnel retiring from military service with service-connected disabilities. Electronic medical records, plus expanded and improved coordination between DOD and VA will ensure seamless transitions for these personnel.

FRA strongly supports adequate funding for medical and prosthetic research and is concerned that the budget for these -- about the budget for these programs and that it relies on partnering initiatives with other institutions. Ensuring sufficient funds to maintain VA's world-class research program is very important.

Mr. Chairman, our members appreciate your support to modernize and enhance the MGIB to include much needed changes to guard and reserve benefits. FRA believes that Congress should raise MGIB benefits to the average cost of a four year public college or university education. Unfortunately benefits now cover only about 60 percent of current tuition expenses at these institutions.

FRA also believes that Congress should restore and sustain education benefits to members of the selected reserve to 47 percent of basic benefits as authorized when the MGIB was established in 1984. The reserve MGIB should also be transferred from Title 10 to Title 38 to allow better accountability and improved processing.

There are thousands of senior enlisted personnel who entered service during the Veterans' Education Assistance Program period or VEAP era from 1977 to 1985. They are seeking an opportunity to sign up for the MGIB and these personnel include about 14,000 Navy personnel and nearly 5,000 Marines. FRA urges authorization of an open enrollment period to provide an opportunity for them to sign up for the MGIB. This is a major issue within the career senior enlisted communities.

Finally, some additional priority concerns from our members. FRA continues its advocacy for full concurrent receipt of military retired pay and VA disability payments for all disabled retirees and appreciates Vice Chairman Representative Michael Bilirakis' leadership on this issue.

The Association supports legislation to shift the effective paid-up date from 2008 to 2006 for military survivor benefit plan participants who have paid premiums for 30 years and are 70 years of age. Additionally, the Association supports legislation that would authorize the elimination of the SBP offset to DIC.

And last, FRA strongly supports sorely needed reform of the Uniformed Services Former Spouses' Protection Act. Mr. Chairman, in closing allow me to again express the sincere appreciation of the Association's membership for all you, the Members of the Veterans' Affairs Committee, and the professional staff do for our nation's veterans. Our legislative team stands ready to assist you and your staff

at any time and I stand ready to answer any questions you may have. Thank you.

[The statement of Joseph L. Barnes appears on p. 82]

THE CHAIRMAN. Mr. Lokovic.

STATEMENT OF CMSGT JAMES E. LOKOVIC (RET.), DEPUTY EXECUTIVE DIRECTOR, AIR FORCE SERGEANTS ASSOCIATION

MR. LOKOVIC. Mr. Buyer, Mr. Chairman, Mr. Filner, and especially a long-time friend, absent member and former Air Force Sergeant, Mr. Bilirakis, and Members of the Committee. Good morning. I am honored to represent the leadership of the Air Force Sergeants Association and its 130,000 members. This morning I look forward to working with the Committee and throughout the year as we work toward the fiscal year 2007 budget.

Mr. Buyer, I congratulate you and the other Committee Members for your service to our nation. You are men and women on both sides of the aisle that don't have to do this. And yet you step up to do it to fulfill this nation's commitment to those who care enough to serve, and I salute each of you.

This morning I want to speak to you on behalf of those who can't get involved in the policy that governs VA programs and who are only indirectly involved in implementing them, currently serving members of our Armed Forces. Having listened to other panels before this Committee and having spoken with others who will appear before you today and in the future, we too are concerned about some of the primary focus items that you are working on, such as full VA health care funding, seamless transition efforts, and the accelerated adjudication of the claims process.

At this point let me mention simply one item that we mentioned in our written statement: an example of the need to have a good solid handoff between the Department of Defense health care system and the VA health care system. And the example we gave was of an Airman who was wounded during the course of military duty, but was able to stay in until retirement. He went through numerous medical operations and procedures and then when applying for VA transition benefits after he separated ended up having to redo all of these tests again and all of the procedures again, wasting taxpayer's money. We have seen great promise in this area, and we need to continue working on the seamless records and the handoff between DOD and the VA.

You have received our full written statement which I know you will consider. However, this morning the remainder of my remarks will be restricted to educational benefits, specifically the Montgomery GI

Bill, something appreciated by all commissioned and enlisted alike, and important to their well-being.

The Montgomery GI Bill is a program that is generous in its benefit but which is administered using rules that are unfair to young service members. It's on their behalf that I ask you to listen to them and to make some changes in policy and administration that would cost very little but that would be good for those who serve for the military services themselves and for the nation as a whole.

This morning I would assert that the Montgomery GI Bill is a benefit that is poorly administered and rarely made available in full. In fact many aspects of the program discourage its use. Fortunately this Committee can greatly improve the program without significant additional obligation of funds.

One problem is the enrollment payroll reduction procedure is illogical and drives many service members away. Young service members are given a one-time irrevocable decision to enroll in the Montgomery GI Bill at basic military training. They are automatically enrolled unless they identify themselves to the TIs and say they don't want to be in the program. This is at a point that military members are making relatively little money to begin with. Simply put, their choice is do I want to sacrifice \$100 of pay each month for the first 12 months of my career?

While this policy of payroll avoidance may be a boon for the Department of Defense, it's a non-sensible way to offer this important program which can affect the rest of their lives. And this is important because many members simply cannot afford the monetary sacrifice at that point of their careers when they are being paid relatively little. And many members turn down enrollment because they just joined the military, deciding to forego education for the time being. And many of them later regret the decision and tell us that they would enroll if given a second opportunity. However, the program as currently administered does not offer a second chance.

Non-commissioned members in particular turn the program down in fairly great numbers, three to five percent each year, since they pay twice as much proportionally as commissioned officers. I don't make this point to point out commissioned officers versus enlisted or otherwise, but simply to point out that it all comes out during the first year. And we could clearly fix that by allowing all enrollees, whether commissioned or enlisted, to enroll in the program at any point during the first two years and to stretch out the period of the payroll deduction to a two-year period.

I can't tell you, Mr. Chairman, how many young airmen tell us later on that they regret having made the decision they made at basic training but feeling that they were forced into doing so.

Current service members are plagued by old policies. Those who turn it down, as Mr. Barnes said, the old Veterans' Educational As-

sistance Program, absolutely deserve an opportunity to enroll in the Montgomery GI Bill. VEAP was a poorly counseled, relatively inadequate program. I must note that so many military members declined enrollment in the old VEAP program, perhaps hundreds of thousands, that there are still over 15,000 serving in the Air Force alone, and Mr. Barnes mentioned a couple of the other services. Probably around 50,000 in all services are still on duty. And are now getting ready to end their careers with no transitional education benefit.

Representative Camp's HR 269 and a couple of other bills would correct this situation. According to Mr. Camp's staff during the 108th Congress the CBO scored this program at \$170 million over a ten-year period for all eligible members to go into this program.

As you might expect, since then the pool of eligibles is declining daily. The fix would be to support this legislation and open all enrollees or perspective enrollees, commissioned and enlisted alike, an opportunity and open window to enroll in the Montgomery GI Bill. Certainly it would help a lot. We believe we should give these patriots a chance to get into the GI Bill. Goodness knows that they have certainly earned it.

Another problem is the GI Bill benefit is not the same for all enrollees. Matters such as the ability for the buy-up option where you can pay a little bit more and get additional coverage only applies to those that came in under the original bill and not those that transitioned under two earlier windows for those that were once enrolled in the VEAP program.

Another problem is the GI Bill has such restrictions that the government budgets each year based on the belief that less than half of the military members will ever use their GI Bill. And that is true because of the restrictions on its use. For example, while on active duty it cannot be used for the cost of books, tuitions, and fees. It's parceled out on a monthly basis and is insufficient to cover the costs for advanced, accelerated, or laboratory courses.

A fix to that would be to allow military members to spend portions of their GI Bill benefit as they need it. They earned the benefit, they ought to be able to spend it as they need it as they use up the portion that they have, the amount that they have. There should be no artificial limits on which aspects of education they can spend the money on. And what a great military service incentive this would be.

Another problem is that under the --

THE CHAIRMAN. Mr. Lokovic.

MR. LOKOVIC. Yes.

THE CHAIRMAN. I'm sorry. We have a vote and a possible pending vote thereafter. How many minutes do you have left?

MR. LOKOVIC. About one.

THE CHAIRMAN. All right. Let's go ahead and complete your testimony and then we will break. We have about nine minutes to the

vote, so please proceed.

MR. LOKOVIC. Okay, sir. The fix under the program would be to allow members to transfer a portion of their benefits after the 12th year of service. My point here that I was going to develop is that transferability can be a government incentive, something smart for both the government and the member if you make it at a career point.

And the last point was made by Mr. Barnes. And that is that to tie the value of the program to educational inflation without going into details. I ask the Committee to seriously consider these items that I have mentioned in my testimony. Most of them could be implemented with minimal or no cost to the American taxpayer. But they would take large steps toward making the program more user friendly, more equitable, and of more benefit to the nation. And again, Mr. Chairman and Committee Members, thank you for your service and for this opportunity to address the Committee.

[The statement of CMSGT James E. Lokovic, (Ret.) appears on p. 95]

THE CHAIRMAN. Thank you. The Committee will stand in recess. We should be back by 11:30, I hope. We will stand in recess.

[Recess.]

#### STATEMENT OF DEIDRE PARKE HOLLEMAN; LEGISLATIVE DIRECTOR, THE RETIRED ENLISTED ASSOCIATION

MS. HOLLEMAN. Thank you for returning. Mr. Chairman, Mr. Filner, it is always an honor for TREA to speak on the issues and concerns facing today's and tomorrow's veterans and their families.

As we all know this is a crucial time for our country. We are waging a war on terror both at home and abroad. There are additional service members deployed in numerous hot spots throughout the world. And the veterans who have protected us throughout history in both hot and cold wars are getting older and in more need of their nation's help.

TREA is a nationwide VSO whose members have served a career in the enlisted ranks of our military or are doing so at this time. The services and benefits that are the provenance of the Department of Veterans Affairs and this Committee are crucial to them so that they will be able to live the life in their retirement years that they have so justly earned.

TREA is grateful to everyone who has worked to create these benefits and to make sure that they are implemented in an efficient and fair way. We must start with the statement that TREA was pleased and relieved at the realistic top-line figure that the Administration put in the budgetary request for VA health care this year. It is a far more sensible and workable amount than what had been previously

requested.

We are also pleased that the President has exempted the VA from his across-the-board cuts then most of the federal government is dealing with. During this time of increased medical needs and returning veterans more, not less, focus is needed on the VA's health care system.

Of course we do not agree with all of the Administration's proposals. For the last several years TREA has been firmly opposed to the proposed imposition of a \$250 enrollment fee for veterans presently enrolled in category seven and eight. And we are opposed to it again this year. This proposal is unwise and unfair for several reasons. First of all this was not the veterans were promised when they enrolled at the urging of the VA. Secondly, veterans in seven and eight do not have priority to be seen or access standards for care. Therefore, they are the equivalent of space available. There is no guarantee.

However, everyone in this room knows that if you start charging a yearly fee and beneficiaries will predictably and rightfully demand the care that they are paying for. Rather than lessening the work requirements of the VA it will most likely increase them. The VA predicts that 325,000 beneficiaries will leave category seven and eight in the coming fiscal year. We presume that that number is primarily based on the expectation that many present enrollees will drop out rather than pay the yearly fee. That is not an appropriate way to lessen one's case load. And we believe the ones who will remain will be predictably more demanding. So it is not an effective way either.

Additionally, the VA states in their proposal that they expect or hope to collect Three Billion Dollars in third-party insurance claims, OHI. TREA is doubtful, as we know the Chairman is, that they will be able to reach that goal. In the past they have not been very successful in collecting private insurance claims. But if this is a serious goal for them, then beneficiaries in category seven and eight should be the main source of such insurance. These veterans cannot depend on the VA for all their health care and so are much more likely to have plans that the VA may look to for collections.

Numerous people, both on this Committee and at the VA, believe the veterans chose to enroll in category seven and eight to get the drug benefit. That is correct. The new medicare part D benefit, once it settles down, should cause a drop in enrolled veterans looking to obtain service. The new drug plan will have several advantages for them. They can use their civilian doctor's script. They can have them filled near their home. They do not have to deal with long waits. If we are correct, the concern about the costs of category seven and eight should subside without unfair and unpopular steps being taken.

TREA is also firmly against the Administration's proposal to raise the pharmacy co-pay to \$15, a 30-day script for category seven and

eight. Last year the VA raised it's co-pay from \$7.00 to \$8.00 and I assure you it caused great consternation at many of members. These veterans are not being petty or cheap. They are on fixed incomes and many of them need numerous daily medications. TREA assures you that practically doubling the co-pay would be disastrous to many of our members. We hope this Committee will once again oppose this proposal.

The VA is, as you have heard and read before, tasked not only to care for the he who has borne the scars of battle but also his widow and orphan. TREA was very pleased that Congress increased SGLI to \$400,000 as well as increasing the death gratuity to \$100,000 last year for our recent widows. Thank you so much for these improvements. But as you well know, TREA and all the members of the coalition and the alliance last year worked hard to try and end the SBP/DIC offset that Ms. Lee spoke of.

Of course, we are well aware that this is not the Committee of jurisdiction. But we know of your focus and concern for military widows. We also know that many of you are also on the Armed Services Committee as well as this Committee. Therefore, we urge all of you to convince your colleagues that this is the time to finally correct this unfair situation.

Although we know it is a great deal to ask TREA also wants this Committee to take on more work. It is, as my colleagues have said, it is crucial to look towards improving and modernizing the Montgomery GI Bill. The select reserve Montgomery GI Bill must keep up with the improvements and modifications that you have been adding to the active duty program. But that has not happened. We are expecting more and more from a reserve component but we have not improved this program.

TREA believes that this is due to the split of the program between Title 10 for the reserve components bill and Title 38 for the active duty program. If you had jurisdiction of both programs under Title 38 coordination would be much easier and changes allowing the guard and reserve to continue to use their benefits after leaving the service would become more likely. The reserve program is a stepchild in Title 10. It would find its proper home here.

As has been suggested by the representative from MOAA in his written testimony, we still have a long way to go before we reach our goal of a seamless transition from the status of active service to that of veteran. The VA has been recently rightfully praised for its new electronic medical records program. And DOD is now moving out their new ALHTA program. But we are still concerned as to whether these programs will be able to talk to each other. It is crucial that they do and TREA hopes that you will continue to push to require the technological improvements needed to improve health care for the entire life of our servicemember. We must also continue to strive for

a single and comprehensive exit examination. This will be a great help for both departments and even more of an advantage for the servicemember.

There are many more suggestions in our written testimony and we would be grateful if you would consider all of them. We all share a love and admiration for our servicemembers, our veterans, our military retirees and their families and survivors. Because they have served and dared we can live in freedom and argue public policy issues. TREA is grateful for all the efforts and time the Members of this Committee and their staff have dedicated to making the VA the best that it can be. We believe that adoption of our suggestions would make its service even more effective. We thank you for your time and attention. I would be honored to try and answer any questions you might have.

[The statement of Deidre Parke Holleman appears on p. 109]

THE CHAIRMAN. Thank you very much. Colonel Norton.

STATEMENT OF COLONEL ROBERT F. NORTON, USA (RET.),  
DEPUTY DIRECTOR FOR GOVERNMENT RELATIONS, MILITARY OFFICERS ASSOCIATION OF AMERICA

COLONEL NORTON. Thank you, Mr. Chairman, Mr. Filner. On behalf of the 360,000 members of the Military Officers Association of America I am very pleased with this opportunity to appear before you today to present our legislative agenda for veterans.

Mr. Chairman, before I began though, -- I know Vice Chairman Bilirakis is not here,--but I would like to add my voice for the public record to thank him in particular for his years of service to this nation both in uniform as well as a Member of this Committee and a Member of Congress. "Big Mike" Bilirakis has been an unbelievable leader and advocate for veterans over a long career. He was for many, many years the junkyard dog on concurrent receipt. And he was relentless in pursuing that goal when no one else even considered that it could ever get done. So I just want to say to him, even though he is not here, thanks for his great service to the Committee and to the Congress of the United States.

I would ask that my prepared statement be entered in the official record of this hearing.

THE CHAIRMAN. Hearing no objection, so ordered. Do all members of the first panel have written statement, they would like to submit for the record? All answered in the affirmative. Hearing no objection, so ordered.

COLONEL NORTON. MOAA appreciates the Committee's commitment to overhauling the VA's methodology for projecting resource requirements for the VA health care system. The VA continues to understate

demand, including demand from the more than half million veterans of the War on Terror in addition to active duty veterans. Those half million are from the National Guard and reserve.

Two weeks ago a new GAO report concluded that the VA's projections for so-called management efficiencies are based on false premises. In effect, the GAO is saying that the VA uses ENRON accounting techniques to build some of its cost-saving projections. MOAA fully supports this Committee's intention to oversee reform of the nuts and bolts of the VA's health care budget building process.

For the coming fiscal year MOAA is pleased to see a significant increase in the medical services budget. This is an important first step in matching resources to the rising demand for care. MOAA continues to support the President's task force report recommendation that the VA health care system should be fully funded either by mandatory means or by any other means that will accomplish the objective.

MOAA continues its opposition to proposed user tax fees for certain veterans in priority groups seven and eight. And we recommend that Congress again reject them for the fourth year in a row. A nation that spends \$2 billion a week to prosecute the war should assure the small minority of citizens who defend us against terror that they should not have to pay for their access to VA care.

Mr. Chairman, MOAA greatly appreciates the Committee's leadership in pressing the VA and the Department of Defense in accelerating accomplishment of seamless transition initiatives. Congress needs an aggressive Committee for seamless transition and we applaud you for taking on this very challenging task.

Seamless transition may be a buzzword for some, but it has deadly serious consequences for those who go into harms way, our future veterans. At the most recent meeting of the Veterans' Disability Benefits Commission Army Captain Marc Giammatteo told the story that speaks to the heart of this issue. After undergoing 30 surgeries at Walter Reed to repair his severe wounds from combat he took convalescence leave in his home town. While there he experienced a medical problem with his surgery and attempted to check into the local VA facility. There he was turned away. VA officials said that they couldn't treat him since he was on active duty.

Seamless transition is not just about computers talking to each other and abstract plans and policies, but about our nation's volunteers during a very critical moment in their lives as they transition from active military service into veteran status. Getting this right, Mr. Chairman, has enormous implications for future health care and benefits delivery in the VA and for the Department of Defense as it prepares our warriors to go into harms way.

DOD recently announced the fielding of its new electronic medical record system known as AHLTA that my colleague Ms. Holleman

mentioned. The question that needs to be asked is whether this system can talk to the VA's own system, VISTA.

My prepared statement addresses a number of seamless transition initiatives that MOAA feels must be a high priority for the Committee and Congress as well as the Armed Services Committee overall. MOAA recommends that this Committee and the Armed Services Committee conduct a joint hearing on seamless transition.

Before turning to benefits, I want to briefly address two other VA health care issues. First we are concerned about the adequacy of the VA's construction and research budget. In recent visits to VA polytrauma centers in Tampa and San Antonio, MOAA leaders learned that funds are needed to continually upgrade these facilities and to enable cutting edge research and technological innovation. With the proposed cut in the construction budget and inadequate research funding MOAA is concerned that our severely wounded veterans will not get the care and rehabilitative services they will need for decades to come. We urge the Committee's attention to this issue.

Second, the budget request recognizes the growing need to provide robust mental health care services in the VA and we urge continued emphasis on this critical funding need.

Turning now to benefits, I want to associate MOAA with other military and veterans' organizations regarding the need to beef-up the disability claims processing system. The VA budget estimate projects it will handle about 900,000 claims this year alone. MOAA strongly recommends the Committee endorse needed increases in full-time equivalent positions, training and technology improvements.

Finally, I want to address the need to enact a Montgomery GI Bill that reflects the sacrifice of all members of our fighting force. We call this initiative a "Total Force Montgomery GI Bill for the 21st Century."

The issue is quite simply this: our forces in the field deploy and fight as a team, active duty, National Guard and reserve, but their educational benefits are not synchronized according to the service they perform nor are they optimized as Congress intended to support recruiting, retention and readjustment outcomes. For example, mobilized members of the Guard and reserve are not authorized any readjustment benefit under the Montgomery GI Bill when they complete their service contracts. That is simply not right. And it's not right that the reserve Montgomery GI Bill has dwindled in value, as my colleague from the Fleet Reserve Association had said. It's dwindled to just 29 cents to the dollar compared to the active duty program.

My written statement goes into some detail on this issue, but it boils down to two basic recommendations. First, the reserve Montgomery GI Bill programs that are housed in Title 10 should be transferred to Title 38 so that future benefits can be correlated with the

active duty GI Bill.

Second, Congress needs to authorize a readjustment benefit for mobilized reservists and guard members who serve their nation on active duty in the War on Terror. Mr. Chairman, we are very grateful to you, to Ranking Member Evans, and to other members of this Committee on both sides of the aisle for your interest in and support of a Total Force Montgomery GI Bill. We urge the Committee to work with the Armed Services Committee to enact this initiative.

Finally, Mr. Chairman, I would just like to say that all of us here on this first panel work together as colleagues and partners in the military coalition. We testify together before a number of Committees on Capitol Hill. And all of the issues that they have addressed here we would like to associate ourselves with in MOAA.

We thank you again, Mr. Chairman, Mr. Filner, and Members of this Committee for the opportunity to testify and I look forward to your questions.

[The statement of Colonel Robert F. Norton, USA (Ret.) appears on p. 119]

THE CHAIRMAN. Thank you very much. Colonel Norton, please pass my regards to Evan O'Brien and my appreciation for his leadership role in the efforts to modernize the GI Bill. Don't know what it is going to look like. Don't know what we are going call it. But we are going to be judicious and we are going to put our efforts toward this. It's easy to say, well, we will just move it from Title 10 to Title 38 and take their jurisdiction and move it over here. It's a little harder than that. I did have a good meeting between Chairman Larry Craig and the Secretary and myself and I raised this issue and asked him to speak with his counterpart Secretary of Defense about this. So putting it on their radar screen was important and we will circle back. And we are going to begin our efforts. But this is a lift. I just want you to know that. I think you understand that.

COLONEL NORTON. Thank you, Mr. Chairman. And if I could just add that this issue is identified in the veterans' Independent Budget. All the major veterans service organizations endorse it. The military coalition endorses it. And the higher education associations are behind it as well.

THE CHAIRMAN. Well it's a good coming together about the same time. Before it came to me from you, it came to me from Colonel Jim Lariviere because he is the deputy commander of marine reserve division. And so he has been sending his warriors overseas and he told me about his tank company. And the platoons that he sends and they then round out that active duty tank platoon. And then when they come back there is an inequity in the benefit.

And so Jim was the first to bring it to my attention. So it's all percolating out there. So I wanted to let you know that.

I wanted to ask Ms. Lee, the VA came and shared with me the survivors website -- while in its development stage. What is your feedback that you are hearing? Have you also been working with them?

Ms. Lee. Yes, sir. Chairman Buyer, I am glad you brought the subject up. It is really a big help to the girls. And we do periodically remind them to go to the website because sometimes when they are in the chat room and they ask each other a question or they ask a question that they cannot answer, and I am one of the elder ones who is able to monitor the chat room to answer questions. And so that is one of the jobs that I have imposed upon myself to remind them that they should go to the chat room and remind them who are the casualty assistant officers that they should go to also for information. And also if they were not able to contact their regular casualty assistance officer to go the headquarters for their casualty assistance.

But the website, getting back to it, it's excellent and we do get good feedback on that. Very much so. Thank you.

THE CHAIRMAN. Yes. I was really pleased they are doing that. So you are highlighting that communication especially at difficult moments. Family members and friends can come in and they can help at difficult and challenging moments.

Ms. LEE. That is right.

THE CHAIRMAN. Thanks for that response.

Ms. LEE. Yes. But I might add though that there are always new widows joining the chat room and it's a constant battle to keep them informed of what are the various benefits are and to remind them of the different sources such as the website and their casualty assistance officers. And unfortunately on occasions some of the widows have said that their casualty assistance officers have had other obligations. It is a collateral duty for them. And so oftentimes I do hear, on rare occasions, I should say now, I hear that there are some ladies who don't have contact with their casualty assistance officers. That is when I give them the name of the headquarters contact person so that they do get information through that source.

THE CHAIRMAN. Okay. I brought this issue up yesterday to each panel and so I am going to do it with your panel and I will do it with the next panel, because I want you to engage publicly. And that is this great concern I have about individuals that were called to active duty out of the IRR and decided not to show up for duty. And it appears as though that, I could be wrong, but it appears as though the Department of Defense will not move to court martial them. And they may do administrative discharges. And then if you move to administrative discharge you only have so many types of discharges which you could receive.

And my great fear is, and I do not desire at all, on behalf of the country, to have an individual receive a general discharge because its quick and its easy, yet they could be able to access very similar bene-

fits from the VA that our honorable discharge veterans could receive. So I am just putting it on everybody's radar screen. Go back and have that discussed and we want to send a message to the Department of Defense and more importantly also to the commanders in the field and those JAG officers doing their counsel.

MS. LEE. Mr. Chairman.

THE CHAIRMAN. I also wanted to raise it when Dr. Snyder is here from military personnel. Yes.

MS. LEE. Could I just say one more thing?

THE CHAIRMAN. Uh-huh.

MS. LEE. I found out that every single widow reacts differently. Each person has a different personality and some will be able to on their own debate go to a survival website or find out information. Others are asking the other widows questions about how did this go for you, what did you do, and did you get this or did you get that, and what was the cost of the funeral, things of that sort. Those kinds of questions come up. So each person is an individual and they have their own way of looking at these problems that they face when they become newly widowed.

THE CHAIRMAN. Okay.

MS. LEE. It is difficult for them.

THE CHAIRMAN. I would encourage you also, the IT issues are issues that we have been focusing on in the Committee. They are very important to the seamless transition issues. And making sure that the VA goes to a one it architecture. It is one of our challenging issues. This is very helpful to us, receiving all this testimony for our business meeting and then we have to prepare our letters on the budget views and estimates. We haven't done it like this before. And this has been extremely helpful to us.

But I wanted you to know that as we go through the budget and we do our puts and our takes and buy backs and all kinds of things we have to do, the IT is extremely important. So even though the Administration, as we are moving them to go, didn't adopt what we had recommended with regard to a centralized system, they are moving to what they call their federated approach whereby they are still empowering the CIO and he will be responsible for the transfer of the assets, meaning the hardware and personnel and dollars with regard to that, but not on the development side for now.

And in order to do that and to perfect the system under the one architecture we are going to have to buy in some things. So moving to the data processing centers is going to cost about \$60 million. We have got 127,000 PCs out there that aren't going to be able to run on the new software operating systems.

So these are nuts and bolts things, you know, that -- it's not glamorous. Right? But it's what we need to do to perfect the system so that

we can provide timely care with the highest quality possible and ensure that people have that access. These are really important issues and not everyone has touched IT. And I just wanted to bring that on everyone's radar screen. Mr. Filner, you are now recognized.

MR. FILNER. Thank you, Mr. Chairman. And thank you all for your testimony. I think it reflects a deep understanding of your membership and a commitment to their well being. It shows through in every sentence that you say. So thank you very much.

My sense is that everything you asked for is within the capability of this nation. We can get estimates, I would say four to five billion dollars above what we are talking about, in the budget. That sounds like a lot of money. But we have a two and a half trillion dollar budget, as Colonel Norton pointed out. We are spending two billion a week on war. So, a couple weeks of the war would pay for almost everything you are talking about. And we have to consider this a cost of war. It should be part of that budget. We are going to look at supplemental budgets that don't have to operate under any budgetary rules. And that is how we should look at the VA budget.

You have asked for nothing that this nation cannot do, but I don't think it's going to be done, and we have to look at that reality. I think the fix is in. The President understated what he needs, so we will bump it up a little bit to show how we really care for the veterans. But there is something more going on here, and I think we have to be less nice here, less polite. We are talking about, you know, real people with real problems and life and death issues in many cases.

I think this Administration is purposely trying to downsize as opposed to expanding the reach of the VA. In their budget requests at both TRICARE and with the VA enrollment fees they are saying, "Oh, there is going to be more than 200,000 people forced out. Great news. We save money." I mean that is just an insult to the veterans of this nation that we are going to joyously celebrate the forcing out of hundreds of thousands of either military retirees or veterans from the health system. I think we should be boasting about bringing people in. Instead we are boasting about forcing them out.

The VA Secretary sat here last week, I think, and said "It wouldn't be a hardship, these enrollment fees." In the next sentence says "200,000 will be forced out." I mean, come on. That is not reality. It is a hardship. That is why they will be forced out. And we shouldn't stand for it. I don't think this Committee or this Congress will. But that is part of the game that is being played in the President's budget.

The Chairman talks repeatedly about "Core Veterans." I think what he is saying is that sevens and eights should not be served by this Veterans Administration. I don't think that is a good response to the problems we have. To save money by forcing veterans out of the system is not the approach that this nation ought to take.

So we have some real problems, and I think you have to adopt some new strategies to deal with them. Your membership has got to be told squarely what is going on--that we are probably \$4.2 billion under where we should be just to keep things going as they are. This Congress and this President aren't going to put that back in. They will put some in to show that they are listening to you. It won't be anywhere near what is needed.

But I think this Congress and this President will respond to the veterans if they take political action, political action that is going beyond just coming to a hearing, which they are not even allowed to do anymore, or writing a letter. They have got to physically meet their Congress person in an informed way. I think there ought to be demonstrations, whether in Washington or around the country. I think you have to make some noise. I think the time to be polite is over. The fix is in on this stuff.

We don't have by accident a Secretary who was a political hack basically, put in charge of the VA. He is going to respond to a downsizing imperative. I don't think it's an accident that we changed Chairmen of this Committee. For the same reason. So, you all have to get, I think, a little bit madder and a little bit more direct, a little bit less polite. Because you are not going to get what you deserve going the way we are going. And I think we have to make some noise. Anybody have any reaction or are you going to join me in making noise?

THE CHAIRMAN. Dr. Snyder, you are now recognized.

DR. SNYDER. I think Mr. Michaud was a head of me, Mr. Chairman. I think I came in after he did. Oh, all right. I appreciate you all's presence here today. And I will just be brief because I know we have another panel. But I am one of those people who, while my total amount of active duty time was only 21 and a half months back in the late '60's, Marine Corp IT enlistment and early release.

Actually early release to go to begin college a summer term. I was able to get 45 months of GI Bill. And I didn't pay in \$100 a month. You know, I just, as a veteran was entitled to it and at some point the Congress said instead of 36 months, there is a lot of people going on to graduate school, let's make it 45 months which is effectively five school years. And it was very, very helpful. And so I appreciate not only you all mentioning that, but you going into some detail in these presentations, both orally and in your written statements.

And some of the things you talk about are complex when you have one portion of our population eligible for the GI Bill is under the jurisdiction of this Committee, another part of the population is eligible under the Armed Services Committee, of which I am also a member. And then you have people who, if they are activated for lengths of time they are accruing GI Bill benefits as an active duty personnel member. And to say there are some complexities here -- and I think that the inertia has been that we haven't moved as robustly as we

-- anywhere near what we ought to frankly. And so I hope that you all's statements will add to that and I appreciate that. I would be interested in hearing more from you personally on some of the thoughts that you have had. Thank you, Mr. Chairman.

THE CHAIRMAN. Mr. Michaud.

MR. MICHAUD. Thank you, Mr. Chairman. I too want to thank the panel for your written testimony as well as your comments. It's very refreshing to continue to see you out there, each of you, actively fighting for our veterans in this country. And if it wasn't for your active voice clearly Congress wouldn't be doing anything more than what is in the budget. But because you are here today and because of your membership that is out there continuing to remind us not only of those who have served this country and the commitment that we owe veterans and their survivors, but it also keeps us abreast of what is actually going on out there in the field. So I really appreciate your taking the time to come here today to fill us in. Mr. Chairman, I have no questions. I think they did a great job in their written testimony as well as their oral remarks. So, thank you.

DR. SNYDER. Mr. Chairman.

THE CHAIRMAN. Yes. Thank you. Dr. Snyder.

DR. SNYDER. I want to say one thing.

THE CHAIRMAN. Absolutely.

DR. SNYDER. On the issue, let's see several of you mentioned medical research and the Chairman has mentioned it in the past also. Let's see, Colonel Norton, I think I have your statement here. And I am sorry I missed your presentation. But you mentioned medical research in your written statement. I don't know if you did that in oral presentation.

But we had a discussion with Dr. Perlin about that here this week. And you called hence in fact that the budget shows a \$17 million increase in the 06 level based on whether they get non-federal sources. The challenge though, and I think where they're running into problems is that it's my understanding that the medical research inflation rate is about three point seven percent per year. And so if there is an actual increase in nominal dollars of \$17 million we are probably going to result in just right round \$60 million or a little less in a real dollar cut to medical research.

So if we adopt the President's number just like it is, as it is, and assume that they are able to pull in additional NIH money, which may be difficult problematic this year because that number is not being plused up robustly, you know, it's not like they are going to take a corner of the brick to cut off. What is going to get cut to save that almost \$60 million in real dollars will be personnel and research. And I hope that it's something that this Committee will draw a line and appreciate your drawing attention to it. Yeah, you are back. Thank you, Mr. Chairman.

THE CHAIRMAN. What we have staff drilling into before we can deliver these fees and estimates for the budget by next week, is the increase that the VA medical research has been receiving from outside grants. So they sort of came to us and said we don't need as much money from you because we also have gotten this much of an increase. I just want you to know we are working to drill down that number. So publicly it appears as though that it would be a decrease and you bring it to our attention. But it appears as though that they are getting an increase from outside sources. But we want to do the math and make sure its right. And I appreciate you raising our attention, Dr. Snyder. But I just want to let you know that is happening right now as we speak.

DR. SNYDER. That is correct, Mr. Chairman. I think the number in the President's budget is \$1.650 billion total in research, which is a \$17 million increase with a \$1.633 billion from the preceding year. If everything goes as they want and they get the additional dollars in real dollars it's a substantial cut in their ability to deliver services because of the three point seven percent inflation rate.

THE CHAIRMAN. But what I am saying is that perhaps does not take into account all of the increase in research dollars that they are presently receiving. And which we want to understand. So it would appear as though you say well, there is a cut in medical research. Well, perhaps not.

DR. SNYDER. Well, I am just going by the budget numbers.

THE CHAIRMAN. Right. I understand.

DR. SNYDER. That one point six five billion in the President's budget includes all of the outside money. I think the budget number, my staff may know, I think it's \$399 million is actual federal dollars that are coming to the VA in research. So the one point six five zero billion assumes that they will meet their mark as far as getting other outside monies. Now, maybe they will do even better than that.

THE CHAIRMAN. I think they are going to do even better.

DR. SNYDER. Well, they are not showing us that. What they are telling us they are estimating they are going to get \$17 million more. And we are to do the President's budget number and assume that they will get the \$17 million more will still mean a \$50 to \$60 million cut in actual services. But I am glad you are looking into that.

THE CHAIRMAN. I think you all have been very cautious with regard to Administration assumptions. So, that is why I wanted --

DR. SNYDER. That is why I want to work with the gentleman on the medical research.

THE CHAIRMAN. All right. Thank you very much for your testimony and I would enjoy working with you. This panel is now excused. If the second panel could please come forward. First Mr. John Rowan is the National President of Vietnam Veterans of America. Mr. Rowan I commend you and the work of your organization, and what you are

presently doing to return the remains of our missing in action from Vietnam.

Mr. Rowan was elected National President of Vietnam Veterans of America at the organization's twelfth national convention in Reno, Nevada. Mr. Rowan served as the Chairman of the VVA's conference of the state council presidents and three terms on the organization's board of directors. He is President of VVA's New York State Council. He served as a linguist in the United States Air Force Security Service during the Vietnam War. VVA is the nation's only congressional chartered veterans service organization dedicated to the needs of Vietnam war hero veterans and their families.

Representing the Association of Service Disabled Veterans is Mr. John K. Lopez. He's been Chairman since 1985. The Association emphasizes economic participation for service disabled and prisoner of war veterans. He sponsored eight business development legislative acts in the California legislature and ten in the United States Congress, all of which are now public laws. Mr. Lopez is a veteran of the United States Marine Corps and was disabled in service while in Korea as a Sergeant. His career has been frequently interrupted by physical relapse due to his military service injuries, but he keeps on coming. Mr. Lopez is also Chairman of the SDV Group, Incorporated and the Service Disabled Veterans Business Association.

Next we will hear from Mr. George Basher, President, National Association for the State Directors of Veterans Affairs. He was appointed director of the New York State division of Veterans Affairs in March, 1999, by Governor George Patacki. The Division serves as the State's advocate for veterans and their families. He also serves on the board of directors for the National Coalition for Homeless Veterans. Earlier this year he was appointed by the Secretary of Veterans Affairs to the 15 member Advisory Committee on Homeless Veterans. The director received his army commission in 1969 and served three years in the Ordinance Corps, including a year in Vietnam where he commanded the 78th Ordinance Detachment.

Representing the American Ex-Prisoners of War is Mr. Les Jackson, their Executive Director. Mr. Jackson is present -- strike the word "present". Mr. Jackson is here to present the testimony of National Commander Gerald Harvey. Mr. Jackson has been serving as the Executive Director of the American Ex-Prisoners of War since April of 2001. He qualified for membership on April 24, 1944, after being captured by no fewer than 200 of Hitler's army recruits from a basic training camp only a few hundred yards from where his B-17 had crashed. Mr. Jackson, I am sure you have quite a story to tell with regard to such an event and encourage you to contact the Library of Congress, if you have not. Please tell your story so that America and others -- will you do that?

MR. JACKSON. Yes.

THE CHAIRMAN. Thank you very much. The veterans' history project will be enriched by your story. If you would like, what I will do is I will have Mr. Lariviere be in touch with you immediately after the hearing and we will let you know how you can work that with the Library of Congress so your story may be placed on the official record.

MR. JACKSON. The kind of encouragement I need.

THE CHAIRMAN. Very good. Next we will hear from Ms. Ann Knowles as President of the National Association of County Veterans Service Officers. She served Sampson County, North Carolina as its veterans service officer since 1983. Veterans service officers perform a unique and valuable service to all of our nation's veterans. They are a link between the veteran and the federal VA system advising veterans, helping them process claims applications, keeping both veterans and public officials at the state and local levels up-to-date on veterans issues and services. I believe this is the first time the National Association of County Veterans Service Officers has been invited to present testimony at these hearings and we welcome you.

Finally, we will hear from Mr. Rick Jones, the Legislative Director for the National Association for Uniformed Services. Mr. Jones joined NAUS as the legislative director on September 1, 2005. He is an Army veteran who served as medical specialist in the Vietnam War era. His assignments include duty at Brooke General Hospital, U.S. Army in San Antonio, Texas; at the Fitzsimmons General Hospital in Denver, Colorado; and Moncrief Community Hospital in Columbia, South Carolina.

Welcome, ladies and gentlemen. Without objection your written statements, if all of you have one -- all acknowledged in the affirmative. Your written statements will be entered into the record. We will begin with you, Mr. President Rowan Vietnam Veterans of America.

STATEMENT OF JOHN ROWAN, NATIONAL PRESIDENT,  
VIETNAM VETERANS OF AMERICA, ACCOMPANIED BY  
RICHARD WEIDMAN, DIRECTOR OF GOVERNMENT RELATIONS

MR. ROWAN. Thank you, Mr. Chairman and the Members of the Committee. I want to thank you for allowing us to testify this afternoon. First, Mr. Chairman, I want to applaud your call for a real GI Bill that would be like the one that we had back in World War II. When I was teaching as an urban studies professor I used to teach that program as being one of the best pieces of social legislation ever put out by this Congress and which created the middle-class that we know in the United States today. Without it there would have been no middle-class.

The VVA has a very simple agenda this year. First, funding for veterans' health care and other veterans' services, especially the

comp and pension system in VA. Second, accountability in each of the above arenas. And third, outreach to inform veterans as to what their benefits are.

In VVA's testimony for the record we give breadth and scope to these issues and to the following issues: the POWs which is still our highest priority, post traumatic stress disorder, women veterans health, agent orange and other toxic exposures, increased employment and training programs, increased business opportunities for veteran-owned businesses, homeless veterans, comp and pension reform, and a bold legislative agenda to do what must be done to assist the new generation of veterans.

Under funding, the cost of caring for veterans, as was mentioned earlier, is part of the continuing cost of our national defense and we must keep that in mind at all times. The VA can do a better job if it's assured of an adequate budget for veterans health care. The current discretionary system just does not work. Last July, Congress was in an uproar over the shortfall. The VA acknowledged an \$800 plus million hole for Fiscal Year '05. The VSO's won't say to the VA we told you so, but we told them so.

Mr. Chairman, we want to thank you for your strong and decisive leadership in resolving that crisis. Again this year we believe the Administration's budget request is short by at least two point three billion dollars. And four point two billion would be needed to reopen the system to priority eights.

As VVA has said before, we would be discussing a budget eight to ten billion dollars greater had the VA's health care budget not been flat-lined for four years as eligibility reform was opening the system to hundreds of thousands of deserving veterans.

There is no doubt that we will all suddenly discover that there is not enough money at the VA hospitals to last until October, 2006. The bad news is the good news is wrong. The continually increasing burden on the health care system is not just caused by the influx of veterans of the fighting in Iraq and Afghanistan, but because Vietnam veterans are getting sicker at an earlier age with diseases and maladies that can be traced back to our service in southeast Asia. These service-connected illnesses will pose serious long-term fiscal problems for the VA that must be addressed. We challenge Congress here and now to form a bipartisan group to meet, study the issues and options, hold hearings, and recommend legislation that would fundamentally change the way in which veterans health care is funded now, this year, for the '07 budget.

A fair funding formula can be arrived at. One that won't bust the budget, but one that recognizes our nation's obligations to veterans as an on-going cost of national defense that must be keyed to medical inflation and the per capita use of the VA health care system.

We are also concerned about the compensation side of the house.

More than half a million veterans' claims have been in various stages of adjudication for more than six months. Congress must demand an accounting why it takes upwards of two and a half years to adjudicate claims. We need accurate adjudication. The IG report of May 6, 2005, documented the poor training of adjudicators and the inordinate pressure to decide cases with incomplete data. Congress must demand that the VA not only develop but put into practice a real strategy for unclogging the system.

We also need greater accountability. We applaud you, Mr. Chairman, for your task force on accountability and for including the VSOs in this effort. Budget reform must be accomplished hand-in-hand with real changes in how VA senior managers and middle managers and line staff perform. Give at-a-boys and bonuses to those who have earned them to managers and workers using objective criteria, but VA must give warnings and sanctions to those who have not done their jobs well. Better management and training and competency best taste -- excuse -- competency based testing is needed if efficiency and effectiveness is to be increased.

We have a need for expanded outreach. According to the census bureau there are 25 million veterans in the United States and only one-fifth in any interaction with the VA. Many are eligible for compensation for several maladies incurred during their military service and yet far too many of them are unaware of the benefits to which their service entitles them.

The VA has an obligation to reach out to all veterans to ensure to the maximum extent possible that they know what benefits they have earned and that they know how to access these benefits.

In VVA's 2006 legislative agenda and policy initiatives, which I hope you all have gotten and if you haven't we will make sure we have them to you, we discussed several other priorities, including the following major issues.

The National Vietnam Veterans Longitudinal Study must be done as required by Public Law 106-419. The utter contempt that the VA has shown and continues to show for the law and for the will of Congress must not be allowed to continue. We must ask you to fully investigate this mess of the VA's creation and force the completion of the NVVLS at an early date. The Congress and all of us need the results of this study in order to quantify the health status of Vietnam veterans so that the VA can accurately forecast their future needs.

This study should also provide the VA and the Congress with the framework for forecasting the needs of those brave Americans serving in Iraq and Afghanistan and elsewhere today. VA urges the early passage of HR 4259, the Veterans' Right to Know Commission Act, as well as action by this Committee to secure an extension of health care for those veterans who are exposed to biological weapons, chemical weapons, as well as harmful stimulants and decontaminates during

SHAD and Project 112.

Lastly, we need an additional 250 full-time permanent staff at the VA centers, the Vet centers, to properly assist OIF/OEF Vets and their families with the PTSD problems that are coming home from Iraq and Afghanistan.

Mr. Chairman and the Committee, VVA thanks you and all the distinguished Members of this Committee on both sides of the aisle for your leadership, your service to veterans, and for all of your hard work. I would be pleased to answer any questions you may have. Thank you.

[The statement of Mr. John Rowan appears on p. 132]

THE CHAIRMAN. Will you please hold for a second? We need to wait for Mr. Filner, here. All right. Mr. Lopez, please, you may proceed with your testimony.

#### STATEMENT OF JOHN K. LOPEZ, CHAIRMAN, ASSOCIATION FOR SERVICE DISABLED VETERANS

MR. LOPEZ. Thank you. Good afternoon, Mr. Chairman, Ranking Member, Members of the Committee. The Association for Service Disabled Veterans continues to focus on rehabilitation as an alternative to improving the quality of life of our veteran. It has been nearly six years since the U.S. Congress first provided support for the service disabled and prisoner of war veteran enterprise initiative by enacting Public Law 106-50 and Public Law 108-183.

The Administration followed that direction by invoking Presidential Executive Order 13360, directing aggressive and immediate implementation of those laws and specifying actions to be taken.

Those activities took place in October 2004 and since that time the frustration has continued. For example, when Public Law 106-50 was enacted the Federal Acquisition Regulatory Council contended that the main intent of the legislation by Congress was unclear and therefore the required establishment of a program for service-disabled veterans did not exist.

Subsequently, the legislative intent of the United States Congress has been variously interpreted by regulators due to the necessity for inserting and parsing of the required language, statements, and references to existing regulations and public laws. This bureaucratic obfuscation has the effect of confusing and impeding the effort to increase the participation of the service-disabled veteran in government procurement and contracting opportunities.

H.R. 3082 The Veteran Owned Small Business Promotion Act, clarifies and reemphasizes the intent of the U.S. Congress. The intent is a splendid example of the concern and focus of the Committee's response to the veteran's need for rehabilitation and transition as-

sistance.

H.R. 3082 gives specific authority to the Department of Veterans' Affairs to confirm the eligibility of service disabled veteran businesses and to accept direct responsibility for the provision of benefit to the veteran, especially the service disabled veteran. It puts the task to that agency specifically established for the purpose of serving those who have borne the battle.

Included is concern for the total family. The age-old adage that, "Beside every successful man stands a woman", pales in significance when compared to the role of wives, mothers, sisters, and daughters who care for those service disabled and prisoner of war veterans that are enhancing their rehabilitation through the ownership and management of businesses. At the same time, at the very same time they are assisting them in their business.

Besides the enormous burden of caring for the service disabled veterans' life-long disabilities, incurred in sacrifice for the well being of all the free world, these women are vested participants in the daily management of the service disabled veteran enterprise. Without their participation the service disabled veteran enterprise is surely doomed to failure. For too long has this extraordinary contribution gone unrecognized and the unique investment of vested women gone uncompensated.

Present legal interpretation states that the legal entitlement of the service disabled veteran enterprise ceases when the service disabled veteran owner dies or is incapacitated, leaving the significantly invested vested woman with a practically totally devalued business. The actual vested woman role as a de facto partner and the enabling force in the enterprise is discarded.

This is an unacceptable disposition of the accomplishments of the service disabled veteran and the sacrifice of the vested woman, disgracing the responsibility of the nation for the sacrifices of the veterans' unique initiative. HR 3082 will alleviate this injustice and provide for service disabled veteran business succession.

In the words of one vested woman, "Women have stood by too long while our disabled veteran loved ones have taken abuse and disrespect for their sacrifice for this nation while they struggle with their own rehabilitation. That will now stop."

It is estimated that over 2,500,000 women are integral in the operation of the service disabled veteran enterprise and over 15 million women in all veteran owned businesses.

HR 3082 also clarifies the misconception that veterans' entrepreneurship and the proposed act are a socioeconomic development initiative or a cultural inequity panacea. HR 3082 is a specific contribution to that continuing obligation of our nation to rehabilitate those veterans that have sacrificed for our nation's security and prosperity.

The service disabled veterans government service and his incurred

misery is unique. There is no justification for requiring that service disabled veteran indemnification and rehabilitation be adjusted to the conduct of any other socioeconomic program.

Future generations of American military heroes will be forever indebted to the Congress, and especially the 109th Congress, for their commitment to honor and support those killed, maimed, and tortured in the continuing struggle to provide security and prosperity for the people of this world. Those Iraqi Afghanistan veterans returning from harms way are experiencing a far different outreach from others who have served, and that is a tribute to the conscience of the Members of the U.S. Congress.

The 25 million veterans of our nation thank the Chairman and Ranking Members of the Committee and Subcommittees. The 500,000 grandmothers, 12 million wives, 6 million granddaughters and their dogs that are direct stakeholders and beneficiaries of veteran's entrepreneurial investment and the 30 million employees of veteran enterprises thank the U.S. Congress for the compassionate and responsible --

THE CHAIRMAN. John, can we include cats?

MR. LOPEZ. Just dogs. That have demonstrated -- that is pretty funny -- in the development of veterans entrepreneurship. We ask that the Congress enact HR 3082 expeditiously and that the Congress stay acutely engaged in a process of verifying that the intent of veteran entrepreneurship development legislation is implemented. Thank you for your attention. I will be pleased to answer any questions the members may have.

[The statement of Mr. John Lopez appears on p. 163]

THE CHAIRMAN. Thank you, Mr. Lopez. Mr. Basher.

#### STATEMENT OF GEORGE BASHER, PRESIDENT, NATIONAL ASSOCIATION OF STATE DIRECTORS OF VETERANS AFFAIRS

MR. BASHER. Mr. Chairman and distinguished Members of the Committee, as President of the National Association of State Directors of Veterans Affairs I think you for the opportunity to testify and present the views of our state directors of all 50 states, commonwealths and territories.

As the nation's second largest provider of services to veterans, spending over \$3.5 billion annually, state governments' role continues to grow. We believe it is essential for Congress to understand this role and to ensure we have the resources to carry out our responsibilities. We partner very closely with the federal government in order to best serve our veterans. And as partners we are continuously striving to be more efficient in delivering services to veterans.

Under health care benefits and services NASDVA supports the Capital Asset Realignment for Enhanced Services, CARES, process. We were generally pleased with the report and recommendations made in the final plan. We also support the process for planning at the remaining 18 sites and the direction it will move VA as a national system. We urge that capital funding required for implementation be included over a reasonable period of time to enable these recommendations to be realized.

We support the opening of additional community based outpatient clinics. We would like to see the new priority CBOCs deployed rapidly with appropriate VA medical center funding.

We recommend an in-depth examination of long-term care and mental health services. The CARES Commission review did not include long-term care or mental health services, but did recommend further study of both areas. To that end, we again ask that a study be done to thoroughly examine veterans' long-term care needs and continue the study currently being done on mental health care needs, to include gap analysis clearly identifying where services are lacking. The CARES report recognized state veterans homes as a critical component of veterans' long-term health care and a model of cost-efficient partnership between federal and state governments. These state nursing care facilities and domiciliaries bear over half of the national long-term health care workload for our infirm and aging veteran population. Forty-eight states provide care for more than 27,500 veterans in 120 homes. We urge you to continue to oppose proposals that jeopardize the viability of our state veteran homes. State taxpayers have supported the homes through its 35 percent share of construction costs with an understanding that the federal government would continue to make its contribution through per diem payments. The federal government should continue to fulfill its important commitment to the states and ultimately to the individual veterans in need of care.

MR. FILNER. Has Mr. Chairman finished talking to his staff so we may continue?

MR. BASHER. NASDVA continues its strong support for the state home construction grant program. The annual appropriation for this program should be continued and increased. Based on the reduction in funding in fiscal year 2006, we recommend that the amount in '07 be increased to \$115 million. Re-ranking of projects should be eliminated once a project is established a priority one project with state matching funds available.

Since 1977, state construction grant requests have consistently exceeded Congressional appropriations for the program. According to the '06 priority list of pending home applications there are 80 projects in the priority one group with state matching funds of \$226 million committed and a federal match of \$420 million. Any grant morato-

rium only exacerbates an already underfunded program, where the fiscal year '06 appropriation was only \$85 million.

The success of VA's efforts to meet its current and future long-term care needs of veterans is contingent on resolving the current mismatch between demand and available funding. We recommend this issue be included in any long-term care study undertaken.

We support full reimbursement for care in state veteran homes for veterans who have 70 percent or more service-connected disability or who require nursing home care because of a service-connected disability. Currently community homes are paid the full daily cost of care but if that same veteran was in a state nursing home they would only receive the federal per diem.

We support increase in per diem to provide one-half of the national average annual cost of care in a state veterans' home. Today it's less than 25 percent. We support VA medicare subvention.

We recommend that VA implement a medicare subvention program similar to the unrealized VA Advantage Program. Working with the Department of Health and Human Services this program would allow a priority group eight veterans aged 65 and older to use their medicare benefits to obtain VA health care. VA would receive medicare payments to cover costs. It's an HMO concept we have supported in the past. However, we are concerned about the delay in implementation of a pilot. It was our understanding two years ago that this program would be available to veterans within a few months and another year has now passed without implementation.

We also request continued protection of the federal supply schedule for VA and DOD pharmaceuticals. We support continued efforts to reach out to veterans. This should be a partnership between VA and the state Departments of Veterans' Affairs. While growth has occurred in VA health care due to improved access to CBOCs, many areas of the country are still short changed due to geography and/or due to veterans lack of information and awareness of their benefits. VA and state directors must reduce this inequity by reaching out to veterans regarding their rights and entitlements. We support implementation of a grant program that would allow VA to partner with state directors to perform outreach at the local level. There is no excuse for veterans not receiving benefits to which they are entitled simply because they are unaware.

Under compensation and pension, we support consideration of a greater role for state directors in the overall effort to manage and administer claims processing, regardless of whether the state uses state employees, veterans service organizations, or county veterans service officers. Recent studies regarding claims processing have all noted that VA needs to make better use of the assets of the state and local government to assist in claim processing. The claim processing task force is one example. Additionally, as noted in the recent VA Inspec-

tor General's Report, "Veteran access to competent claim assistance is still very much an accident of geography." Effective advocacy for veterans from an initiation of a claim to VA decision can improve sufficiency and timeliness of the claims. Numerous studies indicate well developed claims produce better outcomes for veterans in a shorter time at a lower cost to VA.

State directors, nationally chartered VSOs and county veteran service officers have the capacity and capability to assist VA. State directors can be an effective partner with VA to establish and achieve higher performance standards in claims preparation. State directors could assume a role in more effective and comprehensive training programs, certification of service officers, to ensure competence and technical proficiency in claims preparation. We can support VA in its duty to assist without diminishing our role as advocates.

For all the reports and testimony to the contrary, VBA has not been very successful in making effective use of the state, county, service officers systems of service auditors and counselors. We further recommend the establishment and enforcement of uniform training programs, performance measures for all personnel involved in the preparation of claims.

Under burial and memorial benefits, we recommend an increase in the plot allowance for all veterans to \$1,000 per interment, it's currently \$300. And we strongly support an increase in funding for the state cemetery grant program, a new federal state national cemetery administration grant program could be established to support state costs.

We also support efforts to diminish the national disgrace of homelessness among veterans. State directors would prefer an active role in allocating and distributing per diem funds for homeless veterans to non-profit organizations ensuring greater coordination, fiscal accountability, and local oversight of the services provided. We also strongly support improving upon and providing seamless transition to help our service members transition into civilian life.

We support the expansion of the Transition Assistance Program and efforts need to be made to maximize the integration of services provided by DOD, VA and state and local governments. It must be recognized that no single agency can adequately meet the transition needs of our returning service members.

We strongly support veterans' preference with regard to employment. We support full implementation of existing programs and laws with regard to veterans' preference to ensure our returning veterans have every opportunity available in their transition into civilian life. We also support incentives to businesses that hire veterans.

In conclusion, Mr. Chairman and distinguished Members of the Committee, we respect the important work that you have done to improve support to veterans who have answered the call to serve our

nation. The National Association of State Directors of Veterans' Affairs remains dedicated to doing our part, but we urge you to be mindful of the increasing financial challenge that states face, just as you address the fiscal challenge at the federal level. We are dedicated to our partnership with VA in the delivery of services and care to our nation's veterans. This concludes my statement and I am ready to answer any questions you may have. Thank you.

[The statement of Mr. George Basher appears on p. 176]

THE CHAIRMAN. Thank you very much, Mr. Basher. Mr. Jackson, you are now recognized.

STATEMENT OF LES JACKSON, EXECUTIVE DIRECTOR,  
AMERICAN EX-PRISONERS OF WAR

MR. JACKSON. I want to talk as fast as the three gentlemen on my right. I don't have as much to say. Chairman Buyer, Ranking Member Evans, distinguished Members of the Veterans -- House Veterans' Affairs Committee and guests.

I welcome the opportunity to again speak on behalf of American Ex-Prisoners of War. We are deeply grateful for all that the Congress and the Veterans Administration has done for POWs over the last 30 years. As you know, prior to that POWs were an invisible part of the veteran population. It has been incorrectly stated that we preferred it that way out of shame over being captured. This is not true. We are proud to have lost our liberty while defending the right of all Americans to be free. We were so happy to be free we simply wanted to again get to enjoy our homes and our families and get back to raising -- starting a new career. As a result, we made few requests upon the government at that time.

Public awareness about the plight of aging POWs generally was reawakened when the plight of the Americans held for months and years in North Vietnam. Max Cleland, was the VA Administrator at that time, and he later became Senator from Georgia. He took the lead in correcting the country's failure to remember POWs from the earlier wars, including World War II. VA then immediately took steps to identify all POWs receiving benefits, health benefits and disability benefits. Congress responded and directed VA to conduct a review of all policies and procedures relative to POWs and established a POW Advisory Committee to review and evaluate VA and Congressional matters as they relate to POWs.

Over the last 30 years many presumptives were established to simplify the procedures by which POWs could obtain needed disability benefits and medical care. The ongoing research conducted on POWs by the National Academy of Sciences provided the basis for these ongoing Congressional studies for VA. At present most of the long-term

health problems causally related -- associated with the brutal and inhumane treatment of being captive have been identified and made presumptive.

We urge Congress to act on the several remaining medical conditions identified in certain legislation. The first of these is chronic liver disease. It is simply a clarification of a current presumptive, cirrhosis of the liver. The National Academy of Sciences has stated in writing that more currently reflects their findings. Cirrhosis is simply the final stages of chronic liver disease.

The second is diabetes. It has already been established for Vietnam veteran exposed to certain chemicals and other factors. POWs similarly were exposed to adverse factors while captured and are causally related to diabetes.

Third, osteoporosis. This is directly related to absence of the calcium needed to maintain bone structure, a common situation for POWs. This condition becomes apparent after a bone breaks.

Adjudicators typically already decide these claims for POWs. Making it a presumptive simplifies the process for adjudicators as well as POWs alike.

HR 1588 introduced by Representative Mike Bilirakis and S. 1271 introduced by Senator Patty Murray cover these presumptives. We ask the full Committee to support these bills.

We call to your attention that these bills have virtually no increase cost to any of these -- many of these proposed presumptives. Costs are more than offset by rapidly diminishing numbers of POWs already on the disability rolls or favorably acted upon by VA adjudicators via a longer process of evaluation.

Also I want to include -- recognize the fact that Congressman Filner has introduced HR 2369, which awards a Purple Heart to every POW who died while in captivity. We urge the support of the Committee for these bills. The American Ex-Prisoners of War appreciates the opportunity to share our views with you.

[The statement of Mr. Les Jackson appears on p. 176]

THE CHAIRMAN. Thank you, Mr. Jackson, for your testimony. Ms. Knowles, you are now recognized.

#### STATEMENT OF ANN KNOWLES, PRESIDENT, NATIONAL ASSOCIATION OF COUNTY VETERANS SERVICE OFFICERS

MS. KNOWLES. Thank you. Mr. Chairman, Members of the Committee, it is truly my honor to be able to present this testimony before you today. As President of the National Association of County Veterans Service Officers, I am commenting on three things. Recommendation for the creation of a new federal, state, and local government partnership to provide outreach to veterans and their dependents;

the development of standardized training for county veterans service officers; recommendation for claims development improvement.

The National Association of County Veterans Service Officers is an organization made up of local government employees. Our members are tasked with assisting veterans and their dependents in applying for benefits with the VA. We exist to serve veterans and partner with the national service organizations and the VA to serve veterans. Our Association focuses on outreach, standardized training, and claims processing. We are an arm of the government, not unlike the VA itself in service to the nation's veterans and their dependents.

Our workforce represents approximately 2,400 government employees available to partner with VA to help speed the process of claims development and transition by military personnel back to civilian life. Upon discharge, the service man or woman becomes a veteran who returns to the local community. When health issues become apparent and help is needed, the most visible and accessible assistance is your County Veterans Service Officer.

As we sit here today discussing the needs of the veterans across this great land, it soon becomes apparent that there are many areas that need attention. Outreach and claims processing improvements are essential if we are to fulfill the obligation proclaimed by Abraham Lincoln "To care for him who shall have borne the battle and for his widows and his orphans." That is our focus and that is our passion.

The year 2005 brought much needed changes and additions to the veterans' laws. And the National Association of County Veterans' Service Officers commends Congress on your accomplishments of 2005. However, there is much more that remains to be done in the arena of unmet needs.

I would like to take a few minutes to address our legislative priorities beginning with outreach. Outreach efforts must be expanded in order to reach those veterans and dependents that are unaware of their benefits and to bring them into the system. Nearly two million poor veterans and their impoverished widows are likely missing out on as much as \$22 billion a year in pension benefits from the U.S. government. But the VA has had only limited success in finding them according to the North Carolina Charlotte Observer.

Widows are the hardest hit. According to VA's own estimate only one in seven, only one in seven of the survivors of the nation's deceased veterans who likely could qualify for pensions actually get the monthly checks. Veterans and widows are unaware that the program exists. They simply don't know about it and the VA knows that many are missing out on the benefits. "We obviously are here for any veteran or survivor who qualifies," says a VA pension official. "There are so many of them we don't know who they are or where they are." The VA's own report of 2004 recommended that the agency improve its outreach efforts with public service announcements and pilot pro-

grams. While it made limited efforts to reach veterans or the widows through existing channels, it is difficult to determine whether such efforts have been successful.

Nonetheless, VA's estimate of the program shows the potential pool of poor veterans and widows without the pension has remained unchanged for four years. A VA report estimated an additional 853,000 veterans and 1.1 million survivors, generally widows, could get the pensions but don't. Of all those likely eligible only 27 percent of the veterans and 14 percent of widows receive the money. It's obvious there is a great need for outreach into the veterans' community and the local CVSO is the advocate closest to the veterans and their widows. Therefore, NACVSO is supporting House Bill 4264 and companion bill, Senate 1990 introduced by Congressman Mike McIntyre and Senator Richard Burr of North Carolina that would allow Secretary Nicholson to provide federal and state, local grants and assistance to state and county veterans' service officers to enhance outreach through veterans and their dependents.

Secondly, standardized training for CVSOs. Across the United States there are approximately 3,000 state and county veteran service officers who are required by the state and local laws to assist veterans and their dependents in applying for benefits from the VA. The laws of the states are inconsistent in the requirements for employment of service officers, their training requirements and their accreditation process. Some states have a very strict detailed training program with an accreditation test that must be passed. They also include a continuing education process that must be met each year to maintain accreditation, and in some cases, to maintain employment.

This is in contrast to other states that have little or no training and do not have an accreditation program. If the state law is a "shall operate a county veterans service office" versus a "may operate a county veterans office" there very well could be a big difference on how the county veterans offices are funded and operate. Depending on where in this country one may go there are great disparities on how the offices are funded, operated, and the level of staff training.

Most county veterans offices operate on bare bone budgets by their respective counties. To overcome these deficiencies in the service to veterans across the country a method of standardized training must be established. To enhance training we must also have a reliable accreditation process, a method to maintain that accreditation, and a means to track current status of accredited service officers. Seventy-five percent to ninety-five percent of all claims filed through the regional offices across this country are filed by a county and state veterans service officer. We are the ones that sit at the table across from the veterans on a daily basis.

Finally, claims development. NACVSO sees the role of county veterans service officers as one of advocacy and claims development in

concert with the veteran or dependent at the grassroots level. Where the initial claim is prepared and the necessary supporting documentation is gathered from veterans or dependents, private medical sources, county, state public records, VA medical center, and reviewed for completeness. This complete package is passed off to a state or a national service officer for review and presentation to the VA regional office of jurisdiction. Any hearings or additional records required would be obtained by this organization in concert with the CVSO of record.

The majority of the CVSOs have the capability of electronic filing. We currently are able to perform many electronic activities with other agencies and institutions. NACVSO strongly believes for the CVSO to have access to the VA's electronic files would greatly improve the claims process, speed veterans' awards, and help eliminate the loss of files as well as enhance VA's own record keeping.

Currently the partnership between the VA and CVSOs based upon eligibility criteria that includes training and accreditation has allowed us access to certain screens on SHARE and MAP-D, which are the VA's computerized claims process and development systems. Even with this limited access we still must use the VA office regional phone units to get information on appeals and ratings. Expansions of remote access to include VACOLS, RBA 2000, CPRI and eventually Virtual VA systems must become a high priority if there is to be the ultimate electronic claims development. All of this would increase productivity and be an additional way to speed the processing of veterans claims to reduce the inventory.

On behalf of the National Association of County Veterans Service Officers I would like to thank you for giving me this opportunity to share these thoughts with you. It is truly an honor for us to be a part of this process. Now I would be glad to entertain any questions.

[The statement of Ms. Ann Knowles appears on p. 179]

THE CHAIRMAN. Thank you Ms. Knowles. Mr. Jones, you are now recognized.

STATEMENT OF RICK JONES, LEGISLATIVE DIRECTOR,  
NATIONAL ASSOCIATION FOR UNIFORMED SERVICES

MR. JONES. Chairman Buyer, Mr. Filner, Mr. Michaud, Members of the Committee, Major General Bill Matz, NAUS President, sends his regrets. He is in Tampa, Florida, today at a meeting of the Veterans Disability Benefits Commission where he serves at the request of President Bush.

On behalf of the nationwide membership of the National Association for Uniformed Services, I am pleased to present our legislative priorities. First and foremost, NAUS urges the Committee's support

to ensure veterans have access to quality health care at VA. NAUS applauds the Committee in its effort to lead Congress on the discovery of funding shortfalls found in last year's budget and for taking action to shore up VA's financial troubles.

NAUS also appreciates your work, Mr. Chairman, in seeing that VA was exempted from the one percent across the board cut made in appropriations for the current year.

Mr. Chairman, the provision of quality timely care is considered one of the most important benefits afforded veterans. We urge the Committee to fully fund VHA and we endorse The Independent Budget recommendation of \$32.4 billion without increased fees and co-pays for total medical care.

Mr. Chairman, for several years certain veterans have been prohibited from enrollment in VA's health care system under a decision made by the Secretary on January 17, 2003. NAUS urges the Committee to review this policy and provide a measure of relief to allow at least medicare eligible veterans to gain access to VA's prescription drug program. As a result of VA's decision to restrict new enrollments, a great number of veterans, including medicare eligible veterans, are denied access to VA.

NAUS recognizes that VA fills and distributes more than 100 million prescriptions annually to five million veteran patients. As a high volume purchaser of pharmaceuticals VA is able to secure a significant discount on medication purchases. Enrolled veterans can obtain prescription paying \$8.00 for each 30 day supply. However, veterans not enrolled for care before January 2003 are denied an earned benefit that similarly situated enrolled veterans are able to use.

NAUS asks the Committee to consider legislation that would allow medicare eligible veterans to get a break on prescription drug pricing. What we recommend is to give medicare eligible veterans currently banned from the system and paying retail prices, or using the newly established Part D program, access to the same discount provided VA in their purchases of prescriptions. Providing the discount would not cost the government a cent. Medicare eligible patients would pay the same price the VA pays. And these veterans would see value restored and returned in a benefit each earned through military service. It looks like a win-win.

Mr. Chairman, despite VA's best efforts to deliver benefits to entitled veterans, the workload of the Veterans Benefits Administration continues to increase. As of mid-February VBA had more than 500,000 compensation pension claims pending decision, an increase of nearly 70,000 from this time last year.

NAUS does not see the problem as something that cannot be overcome. A stronger VA budget would provide for the hiring and training of claims adjudicators and the investment in appropriate technology to overcome the backlog and get the program back on track.

Mr. Chairman, the House Veterans' Affairs Committee has an excellent record of oversight on administrative efforts to improve the seamless transition for service members as they leave military service and become veterans. Providing a seamless transition is especially important for the most severely injured patients. No veteran leaving military service should fall through the bureaucratic cracks in this transition.

NAUS requests that the Committee continue to schedule oversight hearings to push for progress. NAUS compliments VA and DOD for following through on establishing benefit representatives at military hospitals. This is an important step and can often help reduce the amount of frustration inherent in the separation process.

Mr. Chairman, our troops with limb loss is a matter of national concern. Improved body armor, better advantages in battlefield medicines have reduced fatalities, however, injured soldiers are coming back oftentimes with severe, grievous physical losses. NAUS encourages Congressional decision makers to ensure that funding for VA's prosthetic research is adequate to support the full range of programs needed to meet current and future health challenges facing wounded veterans. The need is great.

Lieutenant Colonel Paul Pasquina, chief of physical medical and rehabilitation at Walter Reed says, "About 15 percent of the amputees at Walter Reed have lost more than one limb." And according to Lieutenant Colonel Jeffrey Gamble, chief of amputee clinic, about one-third of the amputations done on recently injured service members have involved upper extremities because of the type of munitions used by our enemy.

In order to help meet the challenge, VA research requires funding for continued development of advance prostheses that will perform more like normal limbs. NAUS would also like to see better coordination between VA and the Department of Defense Advanced Research Projects Agency in the development of prosthetics that are readily adaptable to aid amputees. NAUS looks forward to working with you, Mr. Chairman, to see that priority is given for these brave men and women with special needs.

Mr. Chairman, more than 50 years ago Army psychiatrists reported that psychiatric casualties in combat are as inevitable as gunshot and shrapnel wounds in warfare. At VA Secretary Nicholson reports VA is seeing about 12 percent of returning troops for PTSD examination. And about 40,000 OIF/OEF soldiers are showing symptoms of PTSD and are currently in some process of treatment.

Beyond the number of new veterans from OIF and OEF, VA provides treatment for some type of mental health service to more than 833,000 of the nearly five million veterans who received VA care in fiscal year 2004. NAUS urges the Committee to push VA to develop a working approach that leads to more effective early intervention

and to healing. Secretary Nicholson said he supports that in his testimony.

NAUS appeals to the Committee on Veterans' Affairs to approve an annual COLA adjustment. To prevent inflation from eroding disability compensation and disability and indemnity compensation. We urge you, because this decision is in your hands, to be generous and liberal in the cost of living adjustment.

NAUS thanks you, Mr. Chairman, for stating your interest in a total force framework for a new GI Bill for education. We look forward to working with you to develop a veterans education assistance program that provides benefits based on a continuum of service and includes members of the National Guard and Reserve.

We appreciate your leadership in traumatic injury insurance. This new and very necessary program is much appreciated by those who actually need the funds. These brave men and women and their families deserve nothing less. And we appreciate your effort on their behalf.

NAUS encourages the Committee to closely review permitting medicare eligible veterans to use their medicare entitlement for care at local VA medical facilities. We support medicare reimbursement.

And Mr. Chairman, we ask the Committee to play an active role in helping to move concurrent receipt forward. We recognize it's not in your jurisdiction. But we recommend the Committee work to extend concurrent receipt to include individuals medically discharged from service prior to achieving 20 years of service.

Mr. Chairman, you and your Committee Members have made progress. We thank you and your excellent staff. Again, NAUS deeply appreciates the opportunity to present our Association's priorities on veterans' health and benefits. Thank you, sir.

[The statement of Mr. Rick Jones appears on p. 189]

THE CHAIRMAN. Thank you very much. I will also bring to your attention as I have done with other panels with regard to the general discharges. You were present, I think, when you heard me bring that to your attention. I just want to make sure that you take that back to your membership so that the Pentagon gets the right message on how these individuals should appropriately be handled. Ms. Knowles.

MS. KNOWLES. Yes, sir.

THE CHAIRMAN. There is a reason we asked you to testify here for your Association for the first time. And you are absolutely correct. You and your membership are located in every county in America and our territories. And so you in a lot of circumstances are the very first person that they see. And as we were trying to improve this seamless transition and move to a one IT architecture and you are part of this partnership. Not only is it you, it's the Veterans' Service Offices, and the state directors, and as we want to move to this architecture there

is this hesitation in the VA to include you as part of our one architecture. Do you sense that also?

MS. KNOWLES. Yes, sir.

THE CHAIRMAN. Yes. So, I wanted you to come here today. I was very interested in what your testimony was going to be. I wanted the Committee to be able to hear it. And I would like for you to explore that a little more. So the first question would be, of your counties do you know how many counties in America -- let me ask it this way -- are all county veteran service offices computerized?

MS. KNOWLES. No, sir. They are not. Some of your smaller counties, Mississippi is one that we work with a lot, there is very few in that state that have computers. They have some. They are, you know -- as I said, the veterans service office is the bare bones budget and the counties give the budget. So we are not high on the priority list to get the equipment. That is why we do partner with the state. And that is why we feel in order to move forward we need some help from the VA, standardized training and electronic equipment in our counties.

THE CHAIRMAN. Mr. Basher, how would you respond to the counties out there that are saying they are not being properly funded?

MR. BASHER. I think that they run the gambit. Some are very well resourced. Some, like down -- especially down in the south, they have very, very limited resources. I know most state governments struggle to make sure that those counties have whatever resources are available. I know that in some cases even VA works to make surplus equipment available to county organizations and service organizations. But as Ms. Knowles points out, there is no uniform standards. There is no performance measures. So it's very, very hard to capture this data.

THE CHAIRMAN. All right. But as we move toward standardization, the goal would be to seek that you be incorporated under the one architecture. You are the individual, your memberships are the ones that are in close proximity to our governors.

MR. BASHER. Yes.

THE CHAIRMAN. Right?

MR. BASHER. Yes, sir.

THE CHAIRMAN. So the governors need to make sure they have you in the budgets. County commissioners need to make sure that they have you in the budgets. Right? I mean we all have to, we here in Congress, we end up dealing with all these shortfalls, whether it's a township fire department in Homeland Security; whether it's making sure that they have access to bulletproof vests. I mean you can go down the list here and I just want to make sure that we are going to be able to pull all this together. But too often there is this, well, we will get the federal government to pay for it too. And states and localities need to make sure that they step up to the plate here in their

partnership. That's why I wanted to make sure that we have a communication between the counties and the states. President Rowan.

MR. ROWAN. Yes. I would like to just add to that too. In your discussion, we support it all the time at the state level and in the county levels in trying to get their budgets in hand. And we have been trying to explain to these elected officials that in fact this is an economic development program to them. When each of these service offices and each of these counties and state agencies do their job, they bring federal dollars into those districts. And just as you Congress members go back and forth trying to bring federal dollars into your district in every way you can, these programs are probably one of the most efficient and certainly one of the nicest ways to bring federal dollars into their district by helping those people who actually live there.

One of the other things I might point out, however, that disturbs me in the architecture discussions you had. A year ago I got new computers for my service officer in the VA regional office in New York. And we went out to talk to the computer people in the VA about what we should go buy. They said "Well make sure you get it that it has Windows 2000." I said, well this is 2004 -- this is 2005. Why don't I get Windows XP? "Oh, no, we can't handle that. You've got to get Windows 2000." And I am sitting here in 2005 saying why am I getting 2000 when I should be getting XP which is the newest version and the VA wasn't up to snuff.

So I hope that when we move forward that we all move forward and we get up to the modern day technology and that the VA comes into the fold as well.

THE CHAIRMAN. That will be part of the discussion that will begin at 3:00 o'clock today on the budget. To make sure that the CIO, has been empowered, with a lot of support on a bipartisan basis from this Committee to do this. And now as we move that hardware over to him, we want to make sure that he gets those 127,000 computers. You know what I mean? We are going to be doing this kind of stuff. So this is going to be a substantial investment.

But I think it will pay great dividends. I am most hopeful. But we may have this circumstance whereby we are going to modernize on the hardware on the VA side and then we are going to turn to the State directors and to the counties. So I just want to make sure we are all getting on the same page.

Mr. Lopez, please work closely with Dr. Boozman and Ms. Herseth with regard to your policy initiative which you testified on. I would encourage that. I will yield right now -- I have one -- all right. Mr. Filner, you are recognized.

MR. FILNER. Again, thank you for your testimony. Your passion for serving our veterans is very noticeable, and we appreciate that. I think you heard me say before that the budget proposal from the Administration and probably what this Committee will officially submit

is an insult to the veterans and does not handle virtually any of the issues that you discussed today. I wish we would have a more public debate on that. The Chairman and I differ on our view of what the VA should be doing. And we should debate that.

We have a different view of the budget. This Committee for the second year in a row will not have a public vote on the budget that we are sending to the House. We do not have the thousands of veterans from your organization watching what we do. I think this is all part of an explicit plan to keep that knowledge from as many people as possible. I think it's a disgrace that we're operating in that way.

You mentioned outreach. And I am talking general terms. We talked about \$4.2 billion short or something. That doesn't get to the issues that you all talked about. We are not doing the outreach that you all want. I will just use the PTSD situation that many of you are familiar with and you all know.

The Vietnam Vets are too well informed about what happens when we don't recognize mental conditions as a VA responsibility when our vets come home. One-half of the homeless on the street tonight are Vietnam Vets. We did something wrong there. We are in danger of repeating the mistake with our young men and women coming back from Iraq and Afghanistan. I will wait until you finish, Mr. Chairman.

THE CHAIRMAN. Cell phones are not permitted in the Committee room. Absolutely not.

MR. FILNER. Up to 4050 of the men and women who are coming back from Iraq and Afghanistan have been estimated to have PTSD. And yet, we do not have either the resources or, more importantly, the outreach to the families involved to get them the treatment that will prevent what the Vietnam Vets have seen and see every day.

We don't have outreach to the families so they recognize the behaviors. We had testimony here from an Army Captain, whose husband returned from Iraq, who exhibited all the classic symptoms: domestic violence, nightmares, irrational behaviors, and they had no idea what was going on. He eventually committed suicide. They should know what was going on, the children and the family, so that they could help get treatment.

We should have mandatory evaluations when our young men and women come back. Too many of those people think that if they admit some mental situation, it hurts their career or hurts their self esteem or other people's view of them, when we know mental conditions can be more difficult than actual physical conditions to deal with.

So we are not doing the outreach. In fact we are doing it in reverse. Our VA has instructed people in the field not to talk about enrollment procedures and what benefits are available. We glory in the fact that we are going to kick hundreds of thousands of people out of VA and TRICARE to save money. So we are doing just the reverse. And it

shows up in the PTSD situation. We need outreach to families. We need evaluations of the young men and women coming back. We need the resources in our local hospitals. We have already reports of the same things that happened with Vietnam Vets: homelessness, loss of jobs, suicides, domestic violence. And we know how to deal with it. That is the tragic thing. We know how to deal with it! We need the outreach. And the cost of that, I don't care what it is, we should be paying it because we can't afford not to. It should be part of the cost of the war and we just get in worse problems down the line if we don't handle it now.

So thank you. And I hope you will continue to press our nation on doing what it should do for our brave veterans, especially those coming home today.

THE CHAIRMAN. Thank you, Mr. Filner. Mr. Michaud, you are now recognized.

MR. MICHAUD. Thank you, Mr. Chairman. I too want to thank the panel for your testimony today. I really appreciate it and I can associate myself with a lot of your comments, whether it's prosthetic research, PTSD, the fact that taking care of our veterans should be part of the cost of the war, which I agree with 100 percent. So I really appreciate your taking the time. I just have a couple of questions, Mr. Chairman. One actually is to Ms. Knowles. That is the first time I heard of your organization to be quite frank. And unless it's called something different in the State of Maine, we have a program in Maine called Operation I Served. I was wondering does your organization call it the same in each state? And I assume you are located in every state.

MS. KNOWLES. No, sir. We are not. Maine is not a member. We would really love to have Maine as a member of our association.

MR. MICHAUD. Great. That is probably why I haven't heard of you.

MS. KNOWLES. That is right.

MR. MICHAUD. Thank you. My second question is to Mr. Basher. When your organization testified before this Committee last year, we discussed a budget proposal that would have reduced approximately 85 percent of VA per diem payments to states veterans' home. I and many of this Committee were very concerned about the impact that last year's proposal would have had on residents of the state homes. The budget consideration that we are considering today does not appear to target the state homes in the same way. My question to you is what is the most important budget issue for the state veterans' homes nationally?

MR. BASHER. If I had to pick the top priority it would be exactly that. The per diem and stability and predictability of that. Recognizing that if you change the rules in the middle of the game we risk going down a very slippery slope of the whole system coming unglued from unintended consequences. Those homes are a partnership be-

tween state and local governments. State governments supports it, but without that per diem payment it doesn't make it financially tenable.

If it becomes financially untenable then those homes will go out of business. And if they do go out of business then they are required to revert to federal ownership and also the states are liable to repay the federal funds that have advanced for them. So I don't think any of us in this room want that to happen. But what we need to do is continue to work together, make a stable, predictable system that allows state and federal government to partner in a way to deliver long-term care, understand who those people are we are taking care of, and make sure it's done in a most cost effective manner. So, long answer, short question, but, it's important, sir. Thank you.

MR. MICHAUD. Thank you.

MR. ROWAN. Can I add something to that too? It seems to me that when we have those situations, if these homes were to disappear all we would be doing is be transferring these individuals in many cases over to medicaid. Because the reality is that is where they would end up. So they would just be switched into a different pot of money coming out. And usually a bigger pot coming out of the federal budget at a higher cost. These state homes run very efficiently as do the VA and all the other veterans programs we have. So the longer we can keep these things in veterans run programs we are much better off. All of us.

MR. MICHAUD. Well, I appreciate your comment. And I also agree. I can only speak for the state veterans' homes in the State of Maine having served in the legislature on the Appropriations Committee when we worked with the folks in Maine on the state veterans homes. And you are absolutely right, we get a good bang for our buck as far as how they are operated and the cost efficiency.

So, once again, I want to thank each of you for coming here today. I really appreciate your comments and I yield back the balance of my time, Mr. Chairman. Thank you.

THE CHAIRMAN. Thank you, Mr. Michaud. Mr. Michaud is a very valuable member of the Committee serving as Ranking Member on the Health Subcommittee. The timely counsel that 19 veterans service organizations and military service organizations have given this Committee has been valuable. And it's being done prior to formation of the budget, which has never been done before. It sounds like common sense, doesn't it? We can either take your advice and counsel after we formulate the budget or we can take it before we do the budget. So this way was pretty basic.

And I know that some of the organizations, have members that are coming in March. Some of you may even have. I think that is wonderful. What we have done here on the Committee is we have opened up the access. That has never been done before. And it's valuable.

It's helpful. It's insightful. And not only are we going to do it now, we are going to bring you back in September. And we are going to do this again in September.

And we are going to mirror exactly what they do on the Armed Services Committee. I always enjoyed it. This was so helpful and enriching. We would bring the Chairman and the Joint Chiefs of Staff in twice, once to formulate the budget, and then we would do a look back, look ahead in the fall. And that form of oversight was extremely powerful because then we were able to say, okay, how are we going. It's the monitoring. And are we on track, you know. As we are then moving into the formulation of then the budget.

So what the Committee has done despite a lot of rhetoric that has been out there, we have sought to increase your access, increase your counsel to this Committee, and that has been accomplished. And I want to thank all of you. And I want to thank your membership.

So a lot of things historically have happened. We listened to your counsel ahead of time. Ms. Knowles, your organization has never testified in this capacity before. And the Vietnam Veterans of America have never been even offered the opportunity to testify on the nation's budget, sitting right next to the American Legion.

So I want to thank all of you for your testimony. I will finish with Mr. Jackson. You have a meeting with Colonel Lariviere.

MR. JACKSON. Thank you.

MR. CHAIRMAN. Well, wait a minute. I, Congressman Salazar and Congresswoman Brown have written statements for the record. Hearing no objection, so ordered.

[The statement of Mr. Salazar appears on p. 70]

[The statement of Ms. Brown of Florida appears on p. 63]

The Chairman. The hearing is now concluded. Thank you very much.

[Whereupon, at 1:45 p.m., the Subcommittee was adjourned.]

## APPENDIX

**OPENING STATEMENT OF CHAIRMAN STEVE BUYER  
COMMITTEE ON VETERANS' AFFAIRS  
ON  
LEGISLATIVE PROPOSALS OF THE VETERANS'  
AND MILITARY SERVICE ORGANIZATIONS  
FEBRUARY 16, 2006**

Good morning. Welcome to everyone.

Today we will hear testimony from veterans' and military service organizations on their legislative proposals for Fiscal Year 2007.

Last week we heard testimony on the 2007 budget request from Secretary of Veterans Affairs Jim Nicholson and the Independent Budget. We also heard from the American Legion and Vietnam Veterans of America.

That hearing, as well as yesterday's hearing on legislative priorities, was constructive and I look forward again today to an honest exchange on issues of shared concern: quality health care for veterans enrolled in the VA system, timely and accurate claims decisions, seamless transition between DoD and VA, and helping veterans live full, healthy lives which take advantage of the opportunities offered by the nation they defended. I have announced my support for modernizing the GI Bill, and I look forward to working with VSOs and MSOs on this initiative.

Before we begin, I extend, on behalf of the Committee's members and staff, our appreciation for the enduring contributions made by your membership, including your auxiliaries and families.

As the Committee develops its views and estimates for submission to the Budget Committee, your testimony today is invaluable – your thoughts will be integral to the tough decisions we must make in the days ahead.

As Chairman of this Committee, my top three priorities remain:

- Caring for veterans who have service-connected disabilities, those with special needs, and the indigent.
- Ensuring a seamless transition from military service to the VA.
- And providing veterans every opportunity to live full, healthy lives.

These, then, are my priorities, and I look forward to hearing yours.

In our exchange, we must ask difficult questions, question the old assumptions, and assume that we can do better. America's veterans deserve our best.

I would now like to recognize Mr. Evans for his opening statement.

Ladies and gentlemen of the first panel, please proceed to the witness table.

Before we begin with the testimony, I would like to provide a brief introduction to our panelists for the first panel.

Mrs. Rose Lee is the Legislative Director for Gold Star Wives. Mrs. Lee is also the current President of the Potomac Area Chapter of the Gold Star Wives. She is the widow of Colonel C. M. Lee, U.S. Army, who served in Korea and in Vietnam. He died on active duty overseas in 1972. Founded in 1945, and granted a federal charter in 1980, the Gold Star Wives focuses on issues relating to the spouses and children of those killed in action. It's good to see you Rose.

Also here, representing the Fleet Reserve Association, is Joseph L. Barnes. A retired Navy Master Chief, Mr. Barnes has received numerous awards and citations. He joined FRA in 1993 as the editor of "On Watch." He was selected to serve as the Fleet Reserve Association's National Executive Secretary in September 2002. FRA supports America's future leaders by awarding more than \$80,000 annually in scholarships to deserving students. FRA scholarships are awarded to FRA members, their spouses, children, and grandchildren. Welcome, chief.

Chief Master Sergeant James E. Lokovic is here representing the Air Force Sergeants Association as the Association's Deputy Executive Director and the Director of Military and Government Relations. Chief Lokovic served 25 years in the United States Air Force as numerous stateside and overseas locations. His last assignment was on the Air Staff as the Chief of Enlisted and Professional Military Education. He has worked for the association since January 1994. The Air Force Sergeants Association and the Airmen Memorial Foundation (AMF) join together annually to conduct a scholarship program to financially assist the undergraduate studies of eligible, dependent children of Air Force, Air Force Reserve Command and Air National Guard enlisted members in active duty, retired or veteran status.

Representing The Retired Enlisted Association is Deirdre Parke Holleman. Mrs. Holleman currently serves as the National Legislative Director of the association. Before joining TREA, she was the Washington Liaison for The Gold Star Wives of America. Mrs. Holleman focuses on healthcare financial and benefit matters for military retirees, veterans, the active duty, the National Guard and Reserves, and all their families and survivors. Welcome, Mrs. Holleman.

Colonel Bob Norton is here representing the Military Officers Association of America. Col. Norton enlisted as a private in the U.S. Army in 1966, completed officer candidate school and was commissioned as a 2<sup>nd</sup> lieutenant of infantry in August 1967. He served a tour of duty in Vietnam as a civilian affairs platoon leader supporting the 196<sup>th</sup> Infantry Brigade in I Corps. In 1969, he joined the U.S. Army Reserve. Colonel Norton volunteered for active duty in 1978, and was among the first group of USAR officers to affiliate with the Active Guard and Reserve (AGR) program on full-time active duty. He

served two tours of duty with the Office of the Secretary of Defense. Col. Norton retired in 1995.

Thank you all for coming here.

Panelists, thank you for your attendance today. We look forward to working with you in the year ahead. The Committee will also be submitting questions for the record as soon as possible.

Thank you for your testimony before the Committee. While the first panel may now be excused, I ask that you remain in the hearing room to hear the testimony of the second panel.

This Committee will now recess for a 10-minute break to allow for the change in the panel. The Committee is now in recess.

The Committee will again come to order. I again thank the first panel for their testimony, and for staying to hear these presentations. Before we hear testimony, I would like to introduce each of our panelists.

Mr. John Rowan is National President of Vietnam Veterans of America. John, I commend you and the work your organization is doing to return the remains of our Missing in Action from Vietnam. John was elected National President of Vietnam Veterans of America at the organization's Twelfth National Convention in Reno, Nevada. John has served as the chairman of VVA's Conference of State Council Presidents and three terms on the organization's Board of Directors. He is the president of VVA's New York State Council. He served as a linguist in the U.S. Air Force's Security Service during the Vietnam War. VVA is the nation's only congressionally chartered veterans' service organization dedicated to the needs of Vietnam War-era veterans and their families.

Representing the Association for Service Disabled Veterans is Mr. John K. Lopez, who has been chairman since 1985. The association establishes economic participation for service disabled and prisoner of war veterans. It has sponsored eight business development legislative acts in the California Legislature and ten in the U.S. Congress, all of which are now public laws. Mr. Lopez is a veteran of the United States Marine Corps, and was disabled in service while in Korea as a sergeant. His career has been frequently interrupted by physical relapse due to military service injuries. Mr. Lopez is also Chairman of SDV Group, Inc., and Service Disabled Veterans Business Association.

Mr. George Basher is President of the National Association of State Directors of Veterans Affairs. He was appointed director of the New York State Division of Veterans' Affairs in March 1999 by Governor George E. Pataki. The division serves as the state's advocate for veterans and their families. Director Basher also serves on the board of directors of the National Coalition for Homeless Veterans. Earlier this year he was

appointed by the Secretary of Veterans Affairs to a 15-member Advisory Committee on Homeless Veterans. Director Basher received his Army commission in 1969 and served three years in the Ordnance Corps, including a year in Vietnam, where he commanded the 78<sup>th</sup> Ordnance Detachment.

Representing the American Ex-Prisoners of War is Mr. Les Jackson, the Executive Director. Les is here to present the testimony of National Commander Gerald Harvey. Les has been serving as the Executive Director of the American Ex-Prisoners of War since April 2001. He qualified for membership on April 24, 1944, after being captured by no fewer than 200 of Hitler's army recruits from a basic training camp only a few hundred yards from where his B-17 crashed. Les, I'm sure you have quite a story to share about that event, and encourage you to contact the Library of Congress, Veteran's History Project to share the details. If you would like, a member of the Committee staff will help you contact the Library at the end of this hearing. They may not have anything like your story.

Mrs. Ann Knowles is President of the National Association of County Veterans Service Officers. Ann has served Sampson County, North Carolina, as its Veterans Service Officer since 1983. Veterans Service Officers perform a uniquely invaluable service to our nation's veterans. They are a link between the veteran and the federal VA system, advising veterans, helping them process claims applications, and keeping both veterans and public officials at the state and local levels up to date on veterans issues and services. I believe this is the first time the National Association of County Veterans Service Officers has testified at these hearings, and we welcome President Knowles.

Finally, we have Mr. Rick Jones, the Legislative Director for the National Association for Uniformed Services. Rick joined NAUS as Legislative Director on September 1, 2005. He is an Army veteran who served as a medical specialist during the Vietnam War era. His assignments included duty at Brooke General Hospital in San Antonio, TX, Fitzsimmons General Hospital in Denver, CO, and Moncrief Community Hospital in Columbia, SC.

Welcome ladies and gentlemen. Without objection, your written statements will all be included in the hearing record.

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We would like to thank all witnesses for their attendance today.

This hearing is adjourned.

**Statement of Representative Lane Evans**  
**Ranking Democratic Member**  
**Committee on Veterans' Affairs**  
*Hearing to receive legislative priorities of*  
*veterans' service organizations*  
**February 16, 2006**

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I'd like to thank each of the organizations represented here today for your views on the status of veterans' benefits and services -- where we are, where we are going, and where we might have failed.

**The VA Budget**

On the latter, we clearly have our work cut out for us. I am disappointed, and frankly amazed, over the misleading and inadequate Department of Veterans Affairs (VA) FY '07 budget the Congress has just received from the Administration. It's the same song, same tired refrain that more should be lifted from veterans' pockets. The Administration barely tries anymore to conceal the smoke and inadequacies of its budget submissions, which include:

- new user fees for health care for veterans making as low as \$26,903, many of whom are combat-decorated and some of whom might not have other health care options;
- nearly doubled prescription copayments for this same group of veterans (on top of a recent increase);
- more than a billion dollars in so-called management efficiencies that, as has been documented by the Government Accountability Office, cannot be accounted for, are not likely to provide real savings, and which nonetheless are used to reduce health care appropriations;
- cuts in veterans' medical research at the height of a war;
- continuation of the questionable methodology of claiming gross receipts for the Medical Care Cost Fund and not considering the cost to collect those revenues;
- dwindling average daily census for institutional long-term care in VA as the aging veteran population is peaking;
- continuation of a heartless policy that has, to date, shut more than a quarter million veterans out of the VA health care system altogether with signs that the Administration intends it to be perpetual, and proposals that would drive another 200,000 away from VA hospital doors;
- cuts in staff who adjudicate veterans' claims for benefits, while there are hundreds of thousands of claims already awaiting adjudication; and, incredibly,

- projections that claim VA will treat thousands of fewer returning Iraq and Afghanistan veterans in 2007 than in 2006 with an attendant request for an inadequate amount to cover prosthetics services.

– all frightening proposals because there are some in Congress who will obligingly accept and even attempt to trump them with deeper cuts in discretionary spending and veterans' entitlements. Count on it.

Veterans' organizations, their rank and file, and the 24 million veterans of this nation and their families must speak out – quickly and forcefully. The Administration touts its latest as a “landmark” budget – the best that can be said is that it is better than last year's 0.4% increase in veterans' medical care – but, in fact, it is largely another affront to veterans who need VA services and veterans' advocates who must fight this Administration at every turn to help make certain that those services remain intact.

And if anyone was thinking that maybe it will get better *next* year, reports have surfaced showing that the Administration's five-year timeline calls for deep cuts in VA funding. When the White House calls its '07 VA budget submission “landmark,” it is perhaps prophetic of what its intentions are down the road. Over five years, the Bush budget cuts funding for veterans' medical care \$10.1 billion below the level estimated to maintain purchasing power at the 2006 level, according to the House Budget Committee.

All of this comes in the wake of an '05 VA budget that was dangerously short, that compelled a begrudging request from the Administration for supplemental appropriations to fill the gap last summer, and an '06 budget that suggests more of the same. The House Veterans' Affairs Committee is already hearing from across the VA health care system that, once again, medical facilities are having to delay equipment purchases and hiring of health care professionals to deal with new budget shortfalls. No doubt, we'll still hear a cheery official Administration forecast, notwithstanding what the direct care providers, administrators and other employees are telling us.

The immediate response to these concerns – the knee-jerk, faint defense from the Administration and its budget crunchers – has been that they have done plenty for veterans, increased the budget by a large percentage in fact. This “look-at-the-bottom-line” sleight of hand masks: that they have requested far less than necessary, putting forth budgets that haven't kept pace with demand (evidenced, in part, by continuing unacceptably long waiting times for health care); that they continue to use unsound, deceptive accounting practices that increase their requests on paper while in reality cutting veterans' funding; that they continue to press for repeatedly-rejected legislative

proposals that would place the onus for making up the Administration's budget shortcomings squarely on veterans themselves; and that much of the increase in VA's budget is the result of Congressional add-ons that still do not measure up to what the system requires. And, let's not forget that this is not the first year deceptive practices have been employed. The cumulative impact of claiming unfounded management efficiencies may have weakened the veterans' health care system by billions of dollars over the last five years. That's not exactly a record the Administration, or anybody, should be pointing to with pride.

### **Assured Funding**

There have never been clearer road signs marking the way to an assured funding process for veterans' health care. We can no longer allow funding to be held hostage to the Administration's misplaced priorities and the follies of the Congressional budget process. Veterans' health care must be placed on par with all major federal health care programs by determining its resources based on programmatic need rather than politics and budgetary gimmicks.

In 2004, The President's Task Force to Improve Health Care Delivery for Our Nation's Veterans issued a report citing a "growing mismatch between funding and demand" within the VA health care system. H.R. 515, the *Assured Funding for Veterans Health Care Act of 2005*, would require the Treasury Secretary to annually provide funding for the VA health care system based on the number of enrollees in the system and the consumer price index for hospital and related services.

Rationing health care to this country's veterans is not a policy that anyone should support. H.R. 515 aims to prioritize health care for the men and women who served this country in uniform over tax cuts for millionaires. It recognizes that veterans' health care is a continuing cost of war. This vital piece of legislation is supported by every major veterans' service organization, as well as the Partnership for Veterans Health Care Budget Reform, a group made up of nine key veterans' service organizations advocating reform of the budget process.

Perhaps because it is such a profound debt to repay – sacrifices for freedom – that no Administration has done all it should for veterans, but this Administration has a particularly abysmal record of failure in seeking adequate funding to provide health care to veterans. It just seems incapable of doing so.

The budget is not the only problem for which we need to send out a clarion call to veterans and their families for petition and protest. This will be a short legislative year for the Congress, but one in which we should find ourselves dealing, Congress's

majority leadership willing, with some of the most pressing problems for veterans in contemporary times.

### Mental Health/PTSD

This Administration -- and frankly, the Congress -- is not taking the mental health of our returning service personnel as seriously as it should. The mental health, just like the physical health, of our servicemembers and veterans deserves to be treated as a top priority. The Administration proposes to spend an additional \$339 million for mental health services in FY '07, which sounds good but falls short in addressing the magnitude of the matter. VA has failed to account for other promised expenditures toward veterans' mental health, upwards of \$100 million, in fact. I have asked the Government Accountability Office to look into this.

Moreover, VA has failed to implement key recommendations of its own Special Committee on Post-traumatic Stress Disorder (PTSD), including more staff and family therapists at readjustment counseling centers (Vet Centers). VA's model for projecting demand fails to recognize that OEF/OIF veterans are disproportionately represented in its PTSD population: They represent 2% of the overall patient population, nearly 6% of the veterans in treatment for PTSD. We cannot afford to sit back and wait, offering up a belated response as we did with the veterans of the Vietnam War.

Mental health experts indicate that between 17% and 26% of the troops returning from combat operations in Iraq and Afghanistan may experience symptoms related to a mental health disorder, such as depression, anxiety or PTSD.

Government Accountability Office reports have found that the Departments of Defense and Veterans Affairs may lack capacity to meet the demand for mental health services of combat troops and returning veterans.

H.R. 1588, the *Comprehensive Assistance for Veterans Exposed to Traumatic Stressors Act of 2005*, focuses on enhanced education and outreach efforts, improved pre- and post-deployment screening, early diagnosis and effective treatment and follow-up counseling for veterans and family members.

A key provision of the bill would extend from two to five years the guaranteed period of access to the VA health care system for combat veterans. The extended eligibility period is critical to providing comprehensive mental health services for conditions that do not always manifest in ways that are easily identified and which can lead to difficulty in completing the VA claims process.

We must have a comprehensive approach to identifying potential mental health problems with precise pre- and post-health deployment assessments, outreach and counseling in the combat theater, tracking veterans when they return stateside to military or veterans' medical facilities, through separation to their homes and six-month, 1-year and beyond follow-up to determine their health conditions.

### **Seamless Transition/Medical Records Exchange**

The Departments of Defense and Veterans Affairs (less so, the latter) have for at least two decades given significant levels of lip service to the concepts of sharing and seamless transition, meant to assure that our service personnel do not fall through the health care and benefits assistance cracks when they transition to stateside hospitals and/or civilian life. An observer could conclude that the respective cultures of the two Departments are an impediment to *real* progress, with each placing differing levels of priority on accomplishing this task and falling back on the unacceptable claim that they have different missions. They do not.

Some progress has been made, particularly in the last two years, and at least one promising electronic medical record-keeping system has been introduced, but we have only limited national exchange capability to show today. For the most part, the two medical systems established to care for our active duty personnel and veterans cannot talk to each other. That is a significant inadequacy in light of the current war and should be a paramount concern for "the long war." The fervor for completing this task must be awakened in the two departments, and that can only happen if the heads of each finally deem it important and direct it to fruition.

### **Aging Veterans**

There are 9.6 million veterans who are age 65 or older, representing 38% of the total veteran population. By 2030, the proportion of older veterans will increase to 45% of the total. As in the general U.S. population, those age 85 or older are the fastest growing segment of the veteran population, representing 3% of current veterans. The number of veterans age 85 or older is expected to nearly double from 764,000 to a peak of 1.4 million between 2003 and 2012. VA estimates that in FY 2007 some 45,000 of its patient population will have dementia.

Yet, the Bush Administration's '06 VA budget proposed to greatly reduce the number of veterans it supports in institutional nursing care settings, just as states may have to deal with large cuts in Medicaid program funding. In particular, the Bush budget proposed to drastically reduce the number of state residents VA would have supported in veterans' state nursing homes – a program that VA has supported for decades. The National Association of State Veterans Homes estimated that adoption of this policy

could have potentially affected funding for as many as 80% of its residents and possibly could have led to the closure of many of its programs. With the help of the veterans' service organizations, veterans across the country and state officials, we successfully fought the Administration's efforts to decimate the state home program. Still, the Administration is thumbing its nose at the law.

P.L. 106-117 requires VA to maintain its in-house nursing home capacity at the level that existed in fiscal year 1998 (average daily census [ADC] of 13,391). VA's programs have continued to erode since that time. In the current Bush budget, ADC is projected to be 11,100 and, rather than take actions to redress this erosion, VA continues to propose to do away with the requirement and fund ways to reduce its institutional long-term care capacity, even though we are now in the veteran population's peak need for such services.

The non-institutional programs are indeed a necessary part of VA's care continuum, but we should hold to the 1998 recommendations of the Federal Advisory Committee on the Future of VA Long-Term Care that **VA should maintain its bed capacity** [emphasis added], increase capacity in the state homes and double or triple capacity in its non-institutional long-term care settings. While telemedicine and home care are important components of long-term care, telemedicine cannot help a veteran to get out of bed or take a shower. Home care may not be suitable for many severely disabled veterans who need 24-hour care for complex medical and psychiatric conditions.

### **GI Bill**

A GI Bill education assistance program that has returned as much or more to our society than any other piece of social legislation has fallen behind tuition rates and, while still effective as a recruitment and retention tool, must be brought into the 21<sup>st</sup> Century with greater flexibility and modern benefits that fit today's education and job training requirements. Achieving this will require bipartisan initiative and effort and the support of all of the Nation's military and veterans' service organizations.

### **VA Employees**

But for all the concerns, there still is some good news, and we can thank the employees of the Department of Veterans Affairs for it. As independent surveys, prestigious journals and the Nation's news media have pointed out, VA employees continue to deliver quality health care – better than that delivered by the private sector as judged by veterans themselves – in the face of dwindling budgets, crippling Administration policies, and the general neglect of a White House with other priorities on its mind that take greater precedence.

“For the lessons of the [Veterans Health Administration’s] success story – that a government agency can deliver better care at lower cost than the private sector – runs completely counter to the pro-privatization, anti-government conventional wisdom that dominates today’s Washington,” said columnist Paul Krugman in The New York Times. Yet, dismayingly, this Administration still chooses not to fully support the VA system and, in fact, makes no bones about its preference that veterans pay greater out-of-pocket costs or go searching for care in a private sector where many will not find the veteran-sensitive, specialized care they need and deserve or worse, will find no care at all. This is to the detriment of the system, of veterans and of taxpayers who will foot higher costs as a result.

The dedication of VA employees – their hard work, their true compassion, their ingenuity and creativity, especially when you consider that they often are not given the tools they need and deserve – is largely beyond reproach. Theirs is the gold standard for public service. They serve America’s most important constituency with distinction and they deserve better. Imagine what they could do, how effective they could be, with adequate funding.

#### **A Clarion Call**

No one can do more than veterans themselves, and their widows/widowers and dependents, to bring this Administration to its senses and keep the Congress on the path of what is true and right – an agenda that places veterans and their families at the top, certainly well above tax breaks for millionaires that are driving us to deficit nightmare.

The battle is not over, the truce is not yet declared. Unfortunately, veterans must continue to fight for what they already have earned. It is a sad, sorry state of affairs that they must approach their President and their Congress year after year, hats in hand, begging for adequate funding.

At the core of every American’s desire for this country, and as key to its defense and security as any weapons system or strategy to keep our enemies at bay, is keeping our promise to those whose sacrifices above all others have indelibly etched liberty into the granite of time.

So let the clarion call go out. Veterans and their organizations must not stand idly by. Americans must raise their voices. And the Congress must join the chorus. The toll of silence and acceptance of the status quo will be an ever-diminishing VA and the continuing neglect of a system and a constituency that have earned our undying gratitude and foremost attention.

Honorable Jeff Miller  
Opening Statement  
Full Committee Hearing  
VSO/MSO Legislative Priorities

February 16, 2006

Thank you, Mr. Chairman.

I want to take a moment to thank you all for your continued contributions, both to the budget as well as veterans across the nation. With so many groups offering so much input, it is difficult at best to find a perfect budgetary solution in any year. However, your participation in this process is an incredibly important guide for the Congress as it seeks to provide veterans with much-needed and much-earned services. Without their dedication to our great nation, it is questionable whether we would have the freedom to participate in an interactive political process such as this.

The President's budget request for this upcoming fiscal year will move us in the right direction, with significant increases in funding in nearly every area. With this budget, we must place emphasis not only on our veterans in the here and now, but also the future needs of our veterans. Not just soldiers returning from Operation Enduring Freedom and Operation Iraqi Freedom today, but also those who will return from defending our country in the future. The needs for improved access to healthcare from the VA are also affected by events at home, and the VA must remain flexible enough to adapt to those needs. The geography of our nation plays a part as well, and that aspect must not be overlooked.

I look forward to working with you into the future to make sure we can meet the challenges in access to care that we come across in the present as well as the future landscape.

SILVESTRE REYES  
16TH DISTRICT, TEXAS

COMMITTEE ON ARMED SERVICES  
RANKING MEMBER  
SUBCOMMITTEE ON STRATEGIC FORCES  
SUBCOMMITTEE ON READINESS

COMMITTEE ON VETERANS' AFFAIRS  
SUBCOMMITTEE ON  
OVERSIGHT AND INVESTIGATIONS

PERMANENT SELECT COMMITTEE  
ON INTELLIGENCE  
SUBCOMMITTEE ON OVERSIGHT  
SUBCOMMITTEE ON  
TERRORISM, HUMAN INTELLIGENCE, ANALYSIS  
AND COUNTERINTELLIGENCE



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**STATEMENT OF CONGRESSMAN SILVESTRE REYES (TX-16)**  
**Hearing on Legislative Presentations of Veterans Service Organizations and Military**  
**Associations**

**February 16, 2006**

Mr. Chairman, I would like to thank you and Ranking Member Evans for allowing the various Veterans Service Organizations (VSO) to be here with us today. Their knowledge of the needs of their membership is vital to the budget process as we consider fiscal year 2007 funding for veterans programs.

As in previous years, the Administration's budget request includes legislative proposals that would impose enrollment and pharmaceutical co-pay fees on our nation's veterans. I find this absolutely unacceptable and will assure you that I will work with the Committee to remove this language in a bipartisan fashion as we have done in the past.

I am also concerned that not enough progress has been made to increase the number of healthcare professionals working for the Department of Veterans Affairs (VA) so that we can substantially decrease the wait period for medical services. Unfortunately, these issues are not new and, as the VA witnessed last year, the number of Iraqi Freedom and Operation Enduring Freedom veterans is only increasing.

Again, I would like to thank the representatives of the VSOs for taking the time to be here with us today. Their dedication to our nation's veterans is commendable and I look forward to working with my colleagues to provide the VA a budget that will meet all the needs of our nation's veterans.

Rep. Corrine Brown  
House Committee On Veterans' Affairs  
Legislative Presentations Of Veterans Service Organizations And Military Associations  
Hearing II  
~~Wednesday~~, February 16, 2006, 10:30 A.M.  
334 Cannon House Office Building

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Thank you Mr. Chairman. I am pleased that many groups who have not traditionally given testimony to us regarding their legislative priorities are here to inform their elected officials what is important to them.

However, the reason for moving these presentations from the spring and the joint bipartisan bicameral format used for decades is absurd. These

presentations are not involved in the process.

Later TODAY the Veterans Committee is holding a Committee Business Meeting to review the Views and Estimates prior to sending to the Budget Committee. Will these presentations have any affect on your views and estimates, Mr. Chairman?

I don't think so.

I admire these groups and am interested in all they have to say.

I will admit I have been a supporter of these organizations and the causes they support. I am not the one that needs to be reminded of your sacrifices and our duty to you.

Those who want to balance the budget on the backs of veterans and pay \$10 billion a month for the war in Iraq out of the pockets of our military retirees and

veterans are the ones who need to be explained who does the fighting.

A \$250 user fee for the VA and a \$15 prescription co-pay, and increase of 47 percent is unconscionable. The House of Representatives has voted repeatedly to reject this misguided cost to those who defend our freedoms with their lives.

This is something our Chairman has not realized yet.

While nominally only affecting “higher income” veterans, a veteran could have an income as little as \$26,902 to be considered Priority 8 in my district. Those veterans are already denied coverage and if served, would have to pay a lot more to get that medical care.

Thank you all for your service and I am pleased to hear your testimony today.

## STATEMENT OF CONGRESSWOMAN STEPHANIE HERSETH

Legislative Presentation of  
Gold Star Wives, Fleet Reserve Association, Air Force Sergeants  
Association, The Retired Enlisted Association, Military Officers Association  
of America, Vietnam Veterans of America, Association for Service Disabled  
Veterans, National Association of State Directors of Veterans Affairs,  
American Ex-Prisoners of War, National Association of County Veterans  
Service Officers, National Association for Uniformed Services

February 16, 2006

Thank you to everyone for being here today to present the central issues affecting our nation's veterans, servicemembers, military retirees, and their families and to share the views of your organizations on issues under the jurisdiction of this committee. Your presence and time are greatly appreciated. Your unity makes a strong statement.

At a time in our nation's history when we are asking young men and women for tremendous service and sacrifice, we must send a clear message to them and their families that veterans' care is considered an ongoing cost of national security during times of both war and peace.

While the VA has made great improvements in recent years, I believe that the current budget will once again leave the VA without adequate resources to properly care for all veterans. I am deeply troubled by recent reports of shortfalls from VA medical facilities across the nation.

Proposals to make health care more expensive for veterans are extremely disappointing. The Administration's proposal to assess an enrollment fee

and increase co-payments for veterans' prescription drugs is particularly troubling. In addition, I am disappointed that the Administration continues to deny access to the VA for 260,000 Priority Eight veterans - including 1,200 veterans from my state of South Dakota.

As the Ranking Member of the Economic Opportunity Subcommittee, I would like to express my support for strengthening and updating the Montgomery GI Bill. I am encouraged by and supportive of recent proposals to increase educational benefits under the Montgomery GI Bill – including proposals to better reflect the service commitment of the National Guard and Reserve.

In addition, I would like to express my concern that the VA has failed to maintain its nursing home required daily census mandate of 13,391. As more servicemembers enter the VA system and or population continues to age, I believe a crisis in long term care among veterans is developing.

While I highlighted only a few issues in my opening statement, I know there are many other important matters affecting today's veterans. I share your concerns regarding these issues and look forward to working with you and my colleagues to address these matters.

Again, thank you to everyone for taking the time to be here.

Office of Congressman John Salazar  
Opening Statement  
Committee of Veterans Affairs  
Presentations of Annual Legislative Agendas  
February 16, 2006

- Chairman Buyer, Ranking Member Evans it is truly an honor for me to join you and the Full Committee on Veterans Affairs this morning.
- I am truly humbled by the opportunity to serve the brave men and women who have worn the uniform of the United States military.
- I assure you that I take this committee assignment seriously and that I will work diligently to ensure veterans and their families receive the benefits, both monetary and otherwise, that they are rightfully entitled to.
- The Salazar's have a proud family tradition of service to our country in the military.
- My father served during World War II and his dying wish was to be buried in his uniform.
- Although he had forgotten nearly everything in life due to the Alzheimer's disease that struck him in his 80's, he never forgot two things: the love he had for his family and the love he had for his country.
- I have worked hard to live up to his example and to model it to my sons.
- Today our committee will hear from the Veterans Service Organizations that work so hard for our veterans here on Capitol Hill.

- I look forward to listening to their thoughts on what our priorities should be as a committee this year.
- Last year, this Congress passed a supplemental budget bill to make up for a shortfall in VA's budget.
- I hope we can work together to come up with a responsible budget so we can avoid having to take this kind of action ever again.
- Mr. Chairman, Ranking Member Evans – I look forward to working with you and the rest of the committee as we strive to provide for our nation's veterans.
- I think we can all agree that helping the VA achieve maximum efficiency in the distribution of all benefits to veterans is not a partisan issue.
- Thank you for the time this morning.



# *Gold Star Wives of America, Inc.*

540 N. Lombardy St. • Arlington, VA 22203-1060 • (703) 527-7706

## **Statement of Gold Star Wives of America, Inc.**

before the

Committee on Veterans' Affairs  
United States House of Representatives

February 16, 2006

Presented by

Mrs. Rose Elizabeth Lee  
Gold Star Wives of America, Inc.  
Chair, Legislative Committee

"With malice toward none; with charity for all; with firmness in the right, as God gives us to see right, let us strive to finish the work we are in; to bind up the nation's wounds, to care for him who has borne the battle, his widow and his orphan."

...President Abraham Lincoln, Second Inaugural Address, March 4, 1865

Not for publication  
Until Released  
By the Committee

**INTRODUCTION/BACKGROUND**

Mr. Chairman, Representative Evans, and Members of the House Veterans' Affairs Committee, I would like to thank you for the opportunity to testify before you today on behalf of all Gold Star Wives regarding the importance of addressing critical services for America's military widows and their children.

My name is Rose Lee. I am a widow and I am here before you as the Chair of the Gold Star Wives (GSW) Committee on Legislation. I am also currently President of the Potomac Area Chapter. In the past, I have held the positions of National President and Chair, Board of Directors for GSW. For many years now I have been working to achieve the overall goals of the Gold Star Wives, and more specifically to assist our young, new widows, one by one, wind their way through the maze that lies before them with first notification of the death of their loved one.

The Gold Star Wives of America, Inc. was founded in 1945 and is a Congressionally-chartered service organization comprised of surviving spouses of military service members who died while on active duty or as a result of a service-connected disability. We could begin with no better advocate than Mrs. Eleanor Roosevelt, newly widowed, who helped make GSW a truly national organization. Mrs. Roosevelt was an original signer of our Certificate of Incorporation as a member of the Board of Directors. Many of our current membership of over 10,000 are the widows of service members who were killed in combat during World War II, the Korean War, the Vietnam War and the more

recent wars including the one we are currently in, the Global War On Terrorism (GWOT).

In my testimony I will respond to your request for our legislative views on the past year, an assessment of the present, and a look ahead into 2008. In doing so, I will present to you the collective goals of the Gold Star Wives with the hopes that they will alert you to certain discrepancies and inefficiencies that you may be able to alleviate in your deliberations this year.

I do want to thank the Members of this committee and the staff for your continued support of programs that directly support the well-being of our service members' widows and their families. It is imperative that the difficulty of the sacrifice of our husbands' lives should not be compounded by lack of information, confusing information and sometimes even erroneous information that prevent our widows from accessing the assistance she needs to begin the rest of her life without that core person who had been her most critical support.

### **THE CHALLENGE**

We are unmistakably in a time of war. Warriors are dying and leaving behind young families. If there is one message I could leave you with today it is that there is never enough good communication. The Casualty Assistance Calls Officers (CACOs) have a difficult mission in a difficult time. They act to assist survivors from the death notification to assistance with coordinating funeral arrangements to applying for benefits

and entitlements. They do a valiant job but CACOs are not trained to be the subject matter expert for the benefits and entitlements managed by the VA or the DoD.

Our widows need our help. We need to identify and reach out to them. In addition, we must coordinate with our counterparts in other agencies to ensure that the message given is thorough and consistent as they transition to their lives made forever different by the loss of a loved one.

We need to examine the coordination process between agencies more closely and work hard to prevent these widows and their children from encountering gaps in identifying benefits.

#### **GOVERNMENT INITIATIVES**

The Departments of Veterans Affairs (VA) and Defense (DoD), including the Military Services, have several on-going programs which merit attention as critical facets in serving widows in this most difficult time of their lives. These organizations together have co-hosted a series of meetings that focus on improving outreach to surviving family members. VA in collaboration with DoD and the Social Security Administration has created a Survivors Web Site that offers communication channels for all services widows and widowers who are entitled to and need to continue their daily living. Often widows do not even know where to turn simply to identify their benefits. We participate in this outreach and applaud these efforts. To enhance these efforts, GSW asks your serious

consideration of creating an oversight office for survivors across the VA and DoD to assure improved delivery of benefit information and benefits to survivors.

### **BRIDGING THE GAPS**

Getting the right information to the right people at the right time is important. Getting the right benefit is important as well. There are gaps in the benefit for survivors that we have called for corrective action on over time. Most will not be new to you. It is time to act.

1. Despite valiant efforts over the past year, the dollar for dollar offset of Survivor Benefit Plan (SBP) annuity payments by benefits from the VA's Dependency and Indemnity Compensation program was NOT eliminated. The SBP was meant to provide income protection for survivors. This income is not protected when the DIC benefit offsets the SBP income to which a survivor is entitled, sometimes eliminating the entire SBP. We recognize you must act with your colleagues on the Committee on Armed Services on this issue. We thank Rep. Henry Brown for introducing HR 808 and encourage Congress to provide this real relief for our military surviving spouses now.
2. The law currently allows for surviving spouses who remarry after age 57 to retain their VA DIC survivor benefit. For those who remarried before that law was enacted, there was a one-year period to apply for reinstatement. Communication in the form of outreach was lacking during the retroactive period. Therefore, we

thank Rep. Michael Bilirakis for introducing H.R. 1462, which will make two equitable changes to the law:

- a. allow survivors to retain DIC on remarriage at age 55 in order to bring this benefit in line with rules for SBP and other federal survivor programs; and
- b. open up the reinstatement period with renewed outreach efforts to make survivors aware of their eligibility.

3. There are inequities among several payments for the child survivor that need immediate attention. The SBP child option applies now only to survivors of deaths after November 24, 2003. We seek this benefit to be linked to October 7, 2001, the beginning of the Global War on Terror as are other survivor benefits. Similarly, the additional monthly \$250 child DIC payment per family only applies to survivors of deaths after January 1, 2005. This too should be linked to October 7, 2001. We thank Rep. Michael Michaud for introducing HR 1573 which provided for this additional payment to families. It makes no sense that the survivors of those who died 'first' should be prohibited from accessing a benefit given to survivors of those who died later in the same war. There's another grievous oversight concerning the \$250 child DIC. The program evaluation of benefits study recommended that surviving spouses with dependent children receive the \$250 for FIVE years instead of TWO years this is currently provided and that amount should be indexed for inflation, to avoid a devaluation of the benefit. Unfortunately, those recommendations were ignored. I want to note that the \$250 child DIC is the only DIC benefit that doesn't receive the Cost of Living

Adjustment (COLA). However, we wish to thank those of you who tried to include a COLA in legislation for the \$250 child DIC.

4. CHAMPVA, the Civilian Health and Medical Program of the Department of Veterans' Affairs, currently does not carry with it a dental plan. In order to increase beneficiaries' access to dental care at a reasonable cost, GSW seeks for widows and all CHAMPVA beneficiaries the ability to purchase a voluntary dental insurance plan. We are in agreement that the model of the TRICARE program for military service retirees for dental care in which the payment of premiums or services is completely funded by the enrollee is an acceptable model. Beneficiaries are simply looking for affordable dental care, which can be accomplished through a group plan. Allowing for assignment of VA benefits to cover the cost of dental insurance premiums would be an additional benefit to ease the payment process. This would require a modification to Title 38, Chapter 53.
5. We would like to begin the process of reviewing how the DIC rate is established, which is currently a flat rate of \$1,033. The SBP is calculated at 55 percent of retired pay, as if the member had retired for total disability on the date of death. We recommend that the DIC be calculated in a similar manner at 55 percent of the disabled veterans 100 percent disability compensation amount. We recognize there are complexities in this depending on rank of the deceased and on date of death, but we do believe this would help alleviate growing financial difficulties of widows from wars prior to this conflict who are receiving only DIC. We would welcome the opportunity to work with the committee in determining how to

implement these changes, which will provide more equitable compensation to our survivors.

Finally, there are three other issues that we want to bring to your attention:

1. Widows whose husband died in VA hospitals due to wrongful VA hospital care receive only DIC without any other VA benefits (Title 38 USC 1151). We urge the Committee to support the measures necessary to allow these widows to be entitled to the CHAMPVA benefit also. These wrongful deaths are not much different than those killed by friendly fire.
2. We recommend that the Committee ensure that medical benefits be provided fairly and equitably include surviving spouses and eligible children (i.e., seek legislation to remove Part B penalties and interest for late enrollment and promote a feasibility study to convert VA facilities to Long Term Care facilities which would welcome widows/widowers).
3. Education benefits for surviving spouses who are on active duty should be able to use the education benefit derived from her deceased husband while still serving on active duty. Currently, the active duty widow must resign from the military in order to use the derived educational benefit. GSWs urges this Committee to review and change this law.

## **CONCLUSION**

In conclusion, we do not want our widows to be forgotten whether they are experiencing their losses in the Global War on Terror over the past five years or whether they are

members of the so-called Greatest Generation and experienced their loss many years ago during World War II. Whenever the ultimate sacrifice is given, there is family left behind. In the same way we have asked some to give their lives, we have also asked some to continue their lives with a chasm so large it is difficult to transgress. Let us show the spirit of this nation by not forgetting these widows, whose numbers grow daily.

I thank this Committee for using this hearing as one more avenue of awareness and education and for giving me an opportunity to share my thoughts and the goals of the Gold Star Wives. We will be happy to work with the committee on any of these initiatives. Thank you.

## BIOGRAPHY

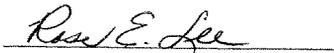
## MRS. ROSE ELIZABETH LEE

Rose Lee was born in Pittsburg, California and is the widow of Colonel C. M. Lee, U.S. Army, who served in Korea and in Vietnam. He died on active duty overseas in 1972. Rose has two children and three grandchildren. In 1978, she was appointed Gold Star Wives Washington Representative and has been active through most of the time since then. Rose was Gold Star Wives National President 1991 – 1993 and Chair of the Board of Directors 1998 – 2002. She is currently the Potomac Area Chapter President since 2004. All her Gold Star Wives work is voluntary. Her mission is to “train” new young widows to become involved with legislative work. She is also an appointed member of the VA Advisory Committee on Cemeteries and Memorials.

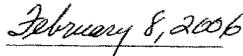
Rose worked in personnel management, Veterans’ Employment, and retired from Federal service in 1992. Rose appreciates her VA Education Benefits as she used them to return to school to complete a BA in Political Science and a Master of Public Administration in 1977 from the American University, Washington, D.C.

## DISCLOSURE STATEMENT

Neither Mrs. Lee nor the Gold Star Wives of America, Inc. have received any Federal grant or contract, relevant to the subject matter of this testimony, during the current or previous two fiscal years.



Signature, Mrs. Rose E. Lee



Date



Statement of the Fleet Reserve Association  
on its 2006 Legislative Goals  
Presented to the  
Veterans Affairs Committee  
U.S. House of Representatives

By

Joseph L. Barnes  
National Executive Secretary  
Fleet Reserve Association

February 16, 2006

**Joseph L. Barnes**  
National Executive Secretary, FRA

Joseph L. (Joe) Barnes was selected to serve as the Fleet Reserve Association's (FRA's) National Executive Secretary (NES) in September 2002 during a pre-national convention meeting of the FRA's National Board of Directors (NBOD) in Kissimmee, Fla. He is FRA's senior lobbyist and chairman of the Association's National Committee on Legislative Service. He is also the chief assistant to the National President and the NBOD, and responsible for managing FRA's National Headquarters.

A retired Navy Master Chief, Barnes served as FRA's Director of Legislative Programs and advisor to FRA's National Committee on Legislative Service since 1994. During his tenure, the Association realized significant legislative gains, and was recognized with a certificate award for excellence in government relations from the American Society of Association Executives (ASAE).

In addition to his FRA duties, Barnes is a member of the Defense Commissary Agency's (DeCA's) Patron Council, and was elected Co-Chairman of the 36-organization Military Coalition (TMC) in November 2004. He also serves as Co-Chairman of TMC's Personnel, Compensation and Commissaries Committee and testifies frequently on behalf of FRA and TMC on Capitol Hill.

He received the United States Coast Guard's Meritorious Public Service Award for providing consistent and exceptional support of Coast Guard from 2000 to 2003 and was appointed an Honorary Member of the United States Coast Guard by Admiral James Loy, former Commandant of the Coast Guard, and then-Master Chief Petty Officer of the Coast Guard Vince Patton at FRA's 74th National Convention in September 2001. Barnes is also an ex-officio member of the U.S. Navy Memorial Foundation's Board of Directors.

Barnes joined FRA's National Headquarters team in 1993 as editor of *On Watch*, FRA's quarterly publication distributed to Navy, Marine Corps, and Coast Guard personnel. While on active duty, he was the public affairs director for the United States Navy Band in Washington, DC. His responsibilities included directing marketing and promotion efforts for extensive national concert tours, network radio and television appearances, and major special events in the Nation's capital. His awards include the Defense Meritorious Service and Navy Commendation Medals.

Barnes holds a bachelor's degree in education and a master's degree in public relations management from The American University, Washington, DC, and earned the Certified Association Executive (CAE) designation from ASAE in 2003. He's an accredited member of the International Association of Business Communicators (IABC), a member of ASAE, the American League of Lobbyists, the U.S. Naval Institute, Navy League, and National Chief Petty Officer's Association.

He is a member of the FRA Branch 181 board of directors and has served in a variety of volunteer leadership positions in community and school organizations. He is married to the former Patricia Flaherty of Wichita, Kansas and the Barnes' have three daughters, Christina, Allison, and Emily and reside in Fairfax, Virginia.

## **THE FRA**

The Fleet Reserve Association (FRA) is the oldest and largest organization serving personnel and veterans of the Navy, Marine Corps, and Coast Guard. It is Congressionally Chartered, recognized by the Department of Veterans Affairs (DVA) as an accrediting Veteran Service Organization (VSO) for claim representation and entrusted to serve all veterans who seek its help.

FRA is actively involved in the Veterans Affairs Voluntary Services (VAVS) program, and has a seat as a national representative on the VAVS National Advisory Committee (NAC). The NAC was established in 1946 and advises the Under Secretary for Health on matters pertaining to the participation of volunteers in VA medical facilities. The NAC also assists in recruitment and orientation of volunteers, and keeps the officers and members informed of volunteer needs and accomplishments.

In 2005, FRA shipmates volunteer in more than 30 VA facilities throughout the country, enabling FRA to achieve "Service Member" status. Members of the Ladies Auxiliary of the Fleet Reserve Association are also actively involved in the VAVS program and hold an Associate Membership on the committee (which requires involvement at 15 or more VA facilities).

FRA also is a major participant in The Military Coalition (TMC) a 36-member consortium of military and veterans organizations. FRA hosts most TMC meetings and members of its staff serve in a number of TMC leadership roles, including co-chairing several committees.

FRA celebrated 80 years of service in November 2004. For over eight (8) decades, its dedication to its members has resulted in legislation enhancing quality of life programs for Sea Services personnel and other members of the Uniformed Services while protecting their rights and privileges. CHAMPUS, now TRICARE, was an initiative of FRA, as was the Uniformed Services Survivor Benefit Plan (USSBP). More recently, FRA led the way in reforming REDUX, obtaining targeted pay increases for mid-level enlisted personnel, and sea pay for junior enlisted sailors.

FRA's motto is: "Loyalty, Protection, and Service."

### **CERTIFICATION OF NON-RECEIPT OF FEDERAL FUNDS**

Pursuant to the requirements of House Rule XI, the Fleet Reserve Association has not received any federal grant or contract during the current fiscal year or either of the two previous fiscal years.

## INTRODUCTION

Mr. Chairman, and distinguished Members of the Committees, the membership of the Fleet Reserve Association (FRA) appreciates this opportunity to present the Association's FY 2007 legislative goals. On behalf of more than 110,000 shipmates, I extend sincere gratitude for the concern, active interest and progress to date generated by the Committee in protecting, improving, and enhancing benefits that are truly deserved by our Nation's veterans. We look forward to working with you to further enhance the quality of life for over 25 million of our Nation's veterans, their families and survivors.

FRA was established in 1924 and its name is derived from the Navy's program for personnel transferring to the Fleet Reserve or Fleet Marine Corps Reserve after 20 or more years of active duty, but less than 30 years for retirement purposes. During the required period of service in the Fleet Reserve, assigned personnel earn retainer pay and are subject to recall by the Secretary of the Navy.

As a congressionally chartered association, FRA's mission is to act as the premier "watch dog" organization in maintaining and improving the quality of life for Sea Service personnel and their families. FRA is a leading advocate on Capitol Hill for enlisted Active Duty, Reserve, retired and veterans of the United States Navy, Marine Corps, and Coast Guard.

### THE FY 2007 DVA BUDGET

FRA appreciates the Administration's proposed record \$80.6 billion FY 2007 budget, representing an \$8.8 billion increase over the DVA's 2006 budget. And the 11.3 percent increase for veterans' health care, totaling \$34.3 billion, is a step in the right direction toward maintaining the highest quality care for our Nation's veterans. However, the Association questions the assumptions used to determine these amounts, particularly in shifting part of the cost burden on to veterans' shoulders.

FRA strongly opposes the plan to impose a \$250 enrollment fee for veterans in Priority Groups 7 and 8. The Administration's request also includes a recommendation to nearly double prescription drug co-payments from \$8 to \$15, for a 30 day supply – a plan FRA also opposes.

According to DVA estimates, 200,000 veterans would be discouraged from seeking VA health care, and more than a million veterans currently enrolled in Priority Groups 7 and 8 would drop out of the system if this fee structure were implemented. Beneficiaries in these Priority Groups are veterans, and FRA adamantly opposes shifting costs to them.

#### Persistent Shortfalls

This past year is perhaps the most unique ever in the debate over the Department of Veterans' Affairs (DVA) budget. The Department acknowledged that it did not have the resources neces-

sary to meet the growing demands being placed on its health care system due primarily to Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF).

During the past year, DVA acknowledged that it was facing a shortfall of approximately \$1 billion for veterans' health care funding for FY 2005. During a subsequent hearing conducted by this distinguished Committee, Under Secretary for Health, Jonathan Perlin, MD, stated that because of flaws with its health care model, DVA would be transferring approximately \$1 billion from other health care accounts in order to continue to meet the demand for care. During subsequent hearings, Secretary of Veterans Affairs James Nicholson explained that it would be necessary to transfer approximately \$600 million from operations and non-recurring maintenance accounts, and approximately \$400 million from FY 2006 funding.

Congress responded quickly and decisively to address this situation by authorizing additional appropriations totaling \$1.2 billion to cover the shortfall and our members appreciate this effort.

However, despite these actions, DVA still faces the real possibility that it will not receive adequate resources in future budgets, and funds may become available after the start of each fiscal year. These factors place enormous stress on the system and will leave the DVA struggling to provide care that all veterans have earned and deserve.

Research by the Government Accounting Officer (February 1, 2006) on methodology used by DVA, found that unrealistic assumptions, estimate errors, insufficient data, and inaccurate budget models resulted in the 2005 DVA budget shortfalls. Hopefully these issues were taken into account in the preparation of the proposed FY 2007 DVA budget.

#### **Discretionary versus Mandatory Funding**

Currently only the Veterans Benefits Administration (VBA) portion of the DVA budget is designated as mandatory spending, while the entire Veterans Healthcare Administration (VHA) part of the DVA budget is discretionary spending. Unfortunately the budgetary process has become more and more politicized and continues to fail veterans who depend on DVA for all or part of their healthcare.

FRA concurs with, and endorses recommendations that the Committee on the Budget convert the veterans' health care account from discretionary to mandatory spending. FRA understands the jurisdictional and other challenges associated with this issue and believes that veterans' health care is as important as other federal benefits funded in this manner. Regardless of the method used, the Association supports any efforts to help ensure full funding for VA Healthcare to ensure care for all beneficiaries.

## VETERANS HEALTH ADMINISTRATION

### **VA/DoD Collaboration**

The Departments of Defense (DoD) and Veterans Affairs have made great progress in sharing information and resources, but much more is needed, particularly with regard to access standards, to truly provide a “seamless transition” from military service to veteran status.

This came to light during the January 2006 meeting of the Veterans Disability Benefits Commission (VDBC). Commissioners heard testimony of the real life stories from combat injured personnel returning from the front lines. The most compelling story came from Sarah Wade, wife of retired US Army Sergeant Edward Wade who suffered a traumatic brain injury. He had his right arm amputated above the elbow, broke his right foot and suffered shrapnel wounds. While still in a coma, Wade was medically “retired” and shifted to the DVA. In her presentation to the Commission, Mrs. Wade reflected how her husband was pushed back and forth between the two departments to receive proper care. Unfortunately, this is not unique and there are other examples of personnel encountering challenges in moving from the military to DVA.

Some OEF/OIE combat-injured service members are being discharged or medically retired and transferred to VA without adequate consideration of family needs for adjustment counseling and seamless follow-up services.

The Final Report of the “President’s Task Force (PTF) to Improve Health Care Delivery for Our Nation’s Veterans” (June 2003) addressed these and other issues that would smooth the transition of service members to veterans’ status and speed the development of their claims.

FRA urges the Committee to review these recommendations, and due to the ongoing war on terror and the heightened importance of sharing services between departments, recommends hearings to review progress in implementing major PTF recommendations. This may also be beneficial to establishing outcome measures after assessing CARES, BRAC actions and other DoD Military Treatment Facilities initiatives.

### **Waiting Times**

FRA is encouraged by the goal of DVA to schedule 93.7 percent of all appointments within 30 days of a patient’s desired date. The Association welcomes a detailed clarification on waiting times for appointments for veterans rated less than 50% service connected either on their first visit or those veterans who are already in the VHA system. FRA believes that a 30-day maximum wait is reasonable for routine care and will require that VA Medical Center directors monitor all appointments and make any necessary changes in a timelier manner.

### **DVA Medicare Subvention**

In 2003, then DVA Secretary Principi suspended enrollment in Priority Group 8. According to Congressional estimates, more than 260,000 veterans who do not have illnesses or injuries in-

cured during military service and earn more than the average wage in their community have been prevented from enrolling. Although termed “temporary” at the time, it appears that this suspension will continue with no end in sight. FRA urges sufficient funding be authorized and appropriated to allow resumption of the enrollment process for all veterans.

As previously stated, FRA opposes the imposition of a “user’s fee” and an increase in co-payments for prescriptions. A much better alternative would be the full and immediate implementation of DVA Medicare Subvention. The funds recovered from the Department of Health and Human Services (HHS) and specifically the Centers for Medicare and Medicaid Services (CMS), for health care provided to those eligible veterans, would go a long way in ensuring adequate health care for more veterans. But it would be incumbent that Congress mandate any funds recovered from CMS be provided to the VA and not put in the General Fund. It is puzzling to our members why this program has not been given serious consideration and enacted long ago.

### **VA+Choice**

In 2003, DVA also announced that a VA+Choice program would be established for veterans unable to enroll in the VA Health Care System. Subsequently, DVA’s Health Services Research and Development Service conducted a study in 2005 to investigate the potential of developing a program now known as “VA Advantage” and how it would impact veterans’ care to VA beneficiaries.

FRA urges Congress to closely examine the report from this study before “VA Advantage” is fully implemented. There are numerous problems with Medicare+Choice programs in the country and it is becoming more difficult for Medicare-eligible beneficiaries to locate plans and doctors willing to accept new Medicare insured patients.

### **Nursing Homes, Long Term Care, and other Health Care Programs**

The Veterans Millennium Health Care Act, Public Law 106-117, Section 101, made great strides in providing long-term care for our veterans. However, this program is only authorized for a four-year period, and only for veterans who need care for a service-connected disability, and/or those with service-connected disability ratings of 70% or more. This program should be extended, and expanded to include veterans with service-connected disability ratings of 50% or more.

World War II and Korean veterans are in their late 60’s and older, as are some Viet Nam veterans, and many require a greater level of long-term care. No one can argue that as veterans age, more and more of them will become dependent upon the VA to provide the necessary care in nursing homes, domiciles, state home facilities, and its underused hospital beds. The Nation can ill afford to wait for out-year funds before it expands nursing or long-term care.

Congress and the Administration must ensure sufficient funding for the construction of new facilities and renovation of existing hospitals outlined by the CARES plan. Funding intended for implementation of CARES initiatives should not be diverted to other projects and CARES-based construction should be allowed to proceed as planned.

In implementing the CARES plan, DVA must ensure that mental health services and long-term care are made part of the full continuum of care for veterans. FRA commends DVA for moving forward on implementing the national strategic plan for mental health services, and progress on this plan should be incorporated into DVA's reporting to Congress on its capacities to care for veterans.

### **Medical and Prosthetic Research**

DVA is widely recognized for its effective research program and FRA continues to strongly support adequate funding for medical research and for the needs of the disabled veteran. The value of both programs within the veterans' community cannot be overstated. Noteworthy is the fact that the FY 2007 proposed DVA Budget for Medical and Prosthetic Research shows a slight one percent increase (\$17.3 million) in one of the most successful aspects of all VA Medical Programs. Even the DVA CARES Commission recommends the improvement and expansion of VA Medical Research Facilities.

## **VETERANS BENEFITS ADMINISTRATION**

### **Separation Pay**

Under current law, service members released from active duty who fail to qualify for veterans' disability payments, and are not accepted by the National Guard or Reserve, never have to repay any portion of separation pay. However, if qualified for either, it's time for payback. FRA has difficulty understanding why the individual willing to further serve the Nation in uniform, or is awarded service-connected disability compensation, should have to repay the Federal government for that privilege.

FRA is opposed to the repayment requirement and recommends the repeal of, or the necessary technical language revision, to amend the applicable provisions in Chapters 51 and 53, 38 USC, to terminate the requirement to repay the subject benefits. (Also requires an amendment to 1704(h)(2), 10 USC.)

### **Court-Ordered Division of Veterans Compensation**

The intent of service-connected disability compensation is to financially assist a veteran whose disability may restrict his or her physical or mental capacity to earn a greater income from employment. FRA believes this payment is that of the veteran and should not be a concern in the states' Civil Courts. If a Civil Court finds the veteran must contribute financially to the support of his or her family, let the court set the amount allowing the veteran to choose the method of contribution. FRA has no problem with child support payments coming from any source. However VA disability should be exempt from garnishment for alimony. If the veteran chooses to make payments from the VA compensation award, then so be it. The Federal government should not be involved in enforcing collections ordered by the states. Let the states bear the costs of their own decisions. FRA recommends the adoption of stronger language offsetting the provisions in

42 USC, now permitting Federal enforcement of state court-ordered divisions of veterans' compensation payments.

### **Total Force Montgomery GI Bill**

The Montgomery GI Bill is important and aids in the recruitment and retention of high-quality individuals for service in the active and Reserve forces; assists in the readjustment of service men and women to civilian life after they complete military service; extends the benefits of higher education (and training) to service men and women who may not be able to afford higher education; and enhances the Nation by providing a better educated and productive workforce.

Double-digit education inflation is dramatically diminishing the value of MGIB. Despite recent increases, benefits fall well short of the actual cost of education at a four-year public college or university. In addition, thousands of career service members who entered service during the Veterans Education Assistance Program (VEAP) era, but declined to enroll in that program (in many cases, on the advice of government education officials) have been denied a MGIB enrollment opportunity.

Unfortunately, not all of MGIB objectives are being achieved, particularly for mobilized members of the National Guard and Reserve forces. Specific concerns include:

- Delayed implementation of MGIB benefits for mobilized Reservists authorized under Chapter 1607 of Title 10 USC. Few educational benefits claims have been processed for the more than 500,000 personnel who have served on active duty under contingency operation orders since 9/11/01.
- Mobilized Reservists lack of a readjustment benefit. They must leave behind remaining MGIB benefits upon separation unless the separation is for disability.
- During the early years of the MGIB, benefits earned by Guard and Reserve members amounted to 47 cents to the dollar compared to active duty MGIB participants. Since 9/11/01, the ratio has dropped to 29 cents to the dollar.
- Reserve MGIB programs are under Title 10, whereas basic MGIB benefits for active duty service members are codified under Title 38. There are major challenges in coordinating the oversight and management of MGIB programs. Outmoded information management and information technology is part of this.

The Nation's active duty, Guard and Reserve forces are effectively being integrated under the Total Force concept, and educational benefits under the Montgomery GI Bill should be re-structured accordingly.

FRA, along with its partners in The Military Coalition, the American Legion, the Veterans Independent Budget for FY2007, and major higher education associations support enactment of a "Total Force Montgomery GI Bill" for the 21st century. The integration of active and Reserve

force MGIB programs under Title 38 is very important and will provide equity of benefits for service performed, enable improved administration, and facilitate accomplishment of statutory purposes intended by Congress for the MGIB.

### **Disability Compensation Claims Processing**

DVA can promptly deliver benefits to entitled veterans only if it can process and adjudicate claims in a timely and accurate fashion. Given the critical importance of disability benefits, DVA has a paramount responsibility to maintain an effective delivery system, taking decisive and appropriate action to correct any deficiencies as soon as they become evident. However, DVA has neither maintained the necessary capacity to match and meet its claims workload nor corrected systemic deficiencies that compound the problem of inadequate capacity.

Rather than making headway and overcoming the chronic claims backlog and consequent protracted delays in claims disposition, DVA has lost ground on the problem, with the backlog of pending claims growing substantially larger.

FRA believes DVA's efforts in decreasing the backlog of initial disability claims are commendable but the backlog has swelled, increasing the lists of veterans waiting for decisions on their claims. FRA commends the Chairman for his statements at the December 8, 2005 hearing on VBA claim processing and agrees that "the increase in disability claims can be directly related to the increase in U.S. military operations abroad. Doing more with less is not a strategy of success." An increase in staffing levels within the VBA claims processing system is essential to moving forward to reduce this backlog.

## **NATIONAL CEMETERY ADMINISTRATION**

### **Cemetery Systems**

The National Cemetery Administration (NCA) has undergone many changes since its inception in 1862. Currently, the administration maintains almost 2.5 million gravesites at 124 national cemeteries in 39 states, the District of Columbia, and Puerto Rico.

VA estimates that about 24.4 million veterans are alive today. They include veterans from World War I, World War II, the Korean War, the Vietnam War, the Gulf War, and the global war on terrorism, as well as peacetime veterans. Nearly 688,000 veteran deaths are estimated to occur in 2006 and it is expected that one in every six of these veterans will request burial in a national cemetery.

FRA is grateful to Congress for funding new cemetery sites and urges authorization of funding for new cemeteries in Bakersfield, California, Birmingham, Alabama, Columbia/Greenville, South Carolina, Jacksonville, Florida, Southeastern Pennsylvania, and Sarasota, Florida. The NCA needs initial funding for these cemeteries in order to meet the expected demand over the next several decades. The NCA is doing much to meet resource challenges and the demand for burial spaces for aging veterans. With additional resources, the NCA will hopefully be able to

meet the demand. FRA urges increased funding, which is fenced for the purchase of land, preparation, construction and operation of new cemeteries, the maintenance of existing cemeteries, and the expansion of grants to States to construct and operate their own cemeteries.

As part of the Veterans Education and Benefits Act of 2001, the government is to provide grave markers for veterans whenever requested, even if there is another marker on the grave. However, as written, the law only applies to burials after December 27, 2001. FRA believes the grave-marker rule should be amended to include the thousands of families denied grave markers in the past decade.

## **OTHER RECOMMENDATIONS FOR CONSIDERATION**

### **Concurrent Receipt**

FRA continues its advocacy for full concurrent receipt of military retired pay and veterans' service-connected disability payments as envisioned in H.R. 303, introduced by Representative Michael Bilirakis of Florida.

The FY2006 Defense Authorization Act reduced the phase in period for disabled military retirees deemed "individual unemployable" (IU) from 2014 to 2009, and FRA appreciates this progress. However, our members are extremely disappointed and perplexed that such undeserved discrimination will be allowed to continue for three more years.

FRA urges the Committee to end the disability offset to retired pay immediately for otherwise-qualifying members rated as "individual unemployable" by the DVA.

Progress has been made in recent years to expand Combat-Related Special Compensation (CRSC) to all retirees with combat-related disabilities and authorize concurrent receipt of retired pay and veterans' disability compensation for retirees with disabilities of at least 50 percent.

While the concurrent receipt provisions enacted by Congress benefit tens of thousands disabled retirees, an equal number are still excluded from the same principle that eliminates the disability offset for those with 50 percent or higher disabilities. The fiscal challenge notwithstanding, eliminating the disability offset for those with disabilities of 50 percent is just as valid for those with 40 percent and below, and FRA urges the Committee to be sensitive to the thousands of disabled retirees who are excluded from current provisions.

As a priority, FRA asks the Committee to consider those who had their careers cut short solely because they became disabled by combat or combat-related events, and were forced into medical retirement before they could complete their careers.

Under current law, a member who is shot in the finger and retires at 20 years of service with a 10-percent combat-related disability is rightly protected against having that disability compensation from his or her earned retired pay. But a member, who is shot through the spine, becomes a

quadriplegic and is forced to retire with 19 years and 11 months of service, suffers full deduction of VA disability compensation from his or her retired pay. This is grossly unfair.

For chapter 61 (disability) retirees who have more than 20 years of service, the government recognizes that part of that retired pay is earned by service, and part of it is extra compensation for the service-incurred disability. The added amount for disability is still subject to offset by any VA disability compensation, but the service-earned portion (at 2.5% of pay times years of service) is protected against such offset.

FRA believes strongly that a member who is forced to retire short of 20 years of service because of a combat disability must be "vested" in the service-earned share of retired pay at the same 2.5% per year of service rate as members with 20+ years of service, as envisioned in H.R. 1366, also introduced by House Representative Michael Bilirakis of Florida. This would avoid the "all or nothing" inequity of the current 20-year threshold, while recognizing that retired pay for those with few years of service is almost all for disability rather than for service and therefore still subject to the VA offset.

### **Veterans Disability Benefits Commission**

FRA understands that many in Congress are looking to the Veterans Disability Benefits Commission (VDBC) for recommendations on this and other issues, and we fully expect the Commission will validate the principle that a military retiree should not forfeit any portion of earned retired pay simply because he or she also had the misfortune of incurring a service-connected disability.

But FRA is concerned that the recent extension of the Commission's work can only delay an equitable outcome further. In the meantime, FRA believes action is needed on the critical areas which we believe there should be little question as to their propriety.

### **Uniformed Former Spouses Protection Act (USFSPA)**

The USFSPA was enacted over 20 years ago; the result of Congressional maneuvering that denied the opposition an opportunity to express its position in open public hearings. With one exception, only private and public entities favoring the proposal were permitted to testify before the Senate Manpower and Personnel Subcommittee. Since then, Congress has made 23 amendments to the Act: eighteen benefiting former spouses. All but two of the amendments were adopted without public hearings, discussions, or debate. Since adoption, opponents of the USFSPA or many of its existing inequitable provisions have had opportunities to voice their concern to a Congressional panel. The last hearing, in 1999, was conducted by the House Veterans Affairs Committee and not the Armed Services Committee that has the oversight authority for amending the USFSPA.

One of the major problems with the USFSPA, of its few provisions protecting the rights of the service member, none are enforceable by the Department of Justice or DoD. If a State court violates the right of the service member under the provisions of USFSPA, the Solicitor General will make no move to reverse the error. Why? Because the Act fails to have the enforceable language

required for Justice or the Defense Department to react. The only recourse is for the service member to appeal to the court, which in many cases gives that court jurisdiction over the member. Another infraction is committed by some State courts awarding a percentage of veterans' compensation to ex-spouses, a clear violation of U. S. law, yet, the Federal government does nothing to stop this transgression.

FRA believes Congress needs to take a hard look at the USFSPA with a sense of purpose to amend the language therein so that the Federal government is required to protect its service members against State courts that ignore provisions of the Act. More so, a few of the other provisions weigh heavily in favor of former spouses. For example, when a divorce is granted and the former spouse is awarded a percentage of the service member's retired pay, this should be based on the member's pay grade at the time of the divorce and not at a higher grade that may be held upon retirement. The former spouse has done nothing to assist or enhance the member's advancements subsequent to the divorce; therefore, the former spouse should not be entitled to a percentage of the retirement pay earned as a result of service after the decree is awarded. Additionally, Congress should review other provisions considered inequitable or inconsistent with former spouses' laws affecting other Federal employees with an eye toward amending the Act.

### **Survivor Benefit Plan**

FRA appreciates recent enhancements to the military's Survivor Benefit Plan (SBP) to increase benefits for survivors over several years. Unfortunately, there is another inequity to the program that is a major concern for our membership.

FRA strongly supports an amendment to the program to accelerate from 2008 to 2006 the time the military retiree will be a paid-up participant after paying premiums for 30 years and is at least 70 years of age. This is an equity issue for participants who've paid premiums since the program was established in 1972.

## **CONCLUSION**

Mr. Chairman. In closing, allow me to again express the sincere appreciation of the Association's membership for all that you and the Members of the Veterans Affairs Committee do for our Nation's veterans.

Our Legislative Team stands ready to meet with you, other members of the Committees or their staffs at any time, to work together to improve benefits and entitlements for all veterans.



**STATEMENT  
BY  
CMSGT (RET.) JAMES E. LOKOVIC  
DEPUTY EXECUTIVE DIRECTOR AND  
DIRECTOR, MILITARY AND GOVERNMENT RELATIONS  
AIR FORCE SERGEANTS ASSOCIATION**

**FOR THE  
HOUSE COMMITTEES  
ON VETERANS' AFFAIRS**

**FY 2007 PRIORITIES OF THE DEPARTMENT OF  
VETERANS' AFFAIRS**

**February 16, 2006**

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**\*\* A participating organization in The Military Coalition \*\***

## CURRICULUM VITAE

CMSgt (Retired) James E. Lokovic is the Deputy Executive Director and the Director of Military and Government Relations for the Air Force Sergeants Association. Chief Lokovic works for the Executive Director and is the association's primary liaison with Congress, the administration, the military services, and other military and veteran's associations—in carrying out the association's chartered mission to protect and enhance the quality-of-life benefits for current and past military members and their families. Chief Lokovic served 25 years in the United States Air Force at numerous stateside and overseas locations. His last assignment was on the Air Staff as the Chief of Enlisted Professional Military Education. He has worked for the association since January 1994.

## DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Air Force Sergeants Association (AFSA) does not currently receive, nor has the association ever received, any federal money for grants or contracts. All of the association's activities and services are accomplished completely free of any federal funding.

Mr. Chairman and distinguished committee members, on behalf of the 130,000 members of the Air Force Sergeants Association, thank you for this opportunity to offer the views of our members on the FY 2007 priorities of the Department of Veterans' Affairs. This hearing will address issues critical to those serving and who have served our nation. AFSA represents active duty, Guard, Reserve, retired, and veteran enlisted Air Force members and their families. Your continuing effort toward improving the quality of their lives has made a real difference, and our members are grateful. In this statement, I will list several specific goals that we hope this committee will pursue for FY 2007 on behalf of current and past enlisted members and their families. The content of this statement reflects the views of our members as they have communicated them to us. As always, we are prepared to present more details and to discuss these issues with your staffs.

How a nation fulfills its obligation to those who serve reflects its greatness. How we treat them also influences our ability to recruit future service members since a significant percentage of those wearing the uniform today were once members of military families. They watched to see how their moms and dads were treated as they put their lives on the line for America. And that trend continues. People observe how the service member is taken care of during service and after they have served. Simply speaking, if we want to keep good people in the military, it is important that our country live up to the commitments made to our veterans--the role models for today's force and tomorrow's.

It is important that this committee view America's veterans as a vital national resource rather than as a financial burden. As you deliberate on the needs of America's veterans, this association is gratified to play a role in the process and will work to support your decisions as they best serve this nation's veterans. We believe this nation's response for service should be based on certain principles. We urge this committee to consider the following principles as an underlying foundation for making decisions affecting this nation's veterans.

### GUIDING PRINCIPLES

1. **Veterans Have Earned a Solid Transition Back Into Society.** This country owes its veterans dignified, transitional, and recovery assistance. This help should be provided simply because they served in the most lethal of professions.
2. **Most Veterans Are Lower-paid Enlisted Members.** Enlisted veterans served with lower pay, generally re-entered the civilian populace with non-transferable military skills, probably had relatively little civilian education, and most likely served in skills that are less marketable. We should factor in the unique circumstances of enlisted veterans, especially in the area of transitional education; i.e., the Montgomery G.I. Bill.
3. **Decisions on Veterans' Funding Primarily Should be Based on Merit.** Funding for military veterans must, of course, be based on fiscal reality and prudence. However, Congress and, in turn, the VA must never make determinations simply because "the money is just not there" or because there are now "too many" veterans. Funding for veterans' programs should be viewed as a national obligation—a "must pay" situation.
4. **Remember that Reservists are Full-fledged Veterans.** In Iraq, Afghanistan, and around the world, reserve component members are valiantly serving, ready to sacrifice their lives if necessary. Record numbers have been called up to support operations since September 11, 2001. By spring of this year, nearly half of U.S. forces serving in Iraq will be guardsmen and reservists. Without question, enlisted guardsmen and reservists are full-time players as part of the "Total Force." Differences between reserve component members and the full-time force, in terms of VA programs or availability of services, need to be critically examined.
5. **The VA Must Openly Assume the Responsibility for Treatment of the Maladies of War.** We are grateful for VA decisions in recent years that show a greater willingness to judge in favor of the service member. The VA focus on health care conditions caused by battle should be on presumption and correction, not on initial refutation, delay, and denial. It is important that the decision to send troops into harm's way also involves an absolute commitment to care for any healthcare condition that may have resulted from that service. Many veterans call and write to this association about our government's denial, waffling, then reluctant recognition of illnesses caused by conditions during past conflicts. We applaud past decisions of this committee toward reinforcing a

commitment to unconditional care after service, and encourage the committee to do the same in the future.

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This statement will focus on three main areas: education, health care, and general issues that we hope you will consider as you deliberate the FY 2007 VA budget and policies.

**EDUCATION PROGRAMS**

Frankly speaking, this is an enlisted, non commissioned officer issue. Unlike commissioned officers, few enlisted members enter the service with a college degree. Relatively few of them are able to achieve one while in the service.

Prior to 9/11 this committee did a good job of increasing the value of the Montgomery G.I. Bill (MGIB), but very little has been done since. There's no escaping the fact that college costs are rising and last year the average public school tuition rates jumped 10.5 percent. As the gap between the cost of an education and value of the MGIB widens, the significance of the benefit becomes less apparent. Without an overhaul to reinvigorate the MGIB, this benefit will lose its effectiveness when it comes to recruiting this nation's finest young men and women into service. As a member of the The Military Coalition and Partnership for Veterans' Education, we strongly recommend you transform the program to something similar to the post-WW II G.I. Bill. We ask this committee to work toward funding a program that pays for books, tuition, and fees, and that the benefit be annually indexed to reflect the *actual* costs of education, especially for enlisted members.

When young enlisted men and women opt for military service, they should know that this "company" will provide them with a no-cost, complete education, as do numerous companies in the private industry. But our government does not do this in the way that it should. It gives them a one-time chance to enroll in the MGIB during basic training. It charges them \$1,200 to enroll at a time when they can least afford it. It limits the use of the benefit to a designated monthly amount which prevents its use for all educational expenses as needed, or in amounts to support accelerated programs, or courses with lab requirements, or advanced programs; and it imposes a benefit-termination clock that starts ticking when the service member separates from military duty. Each of these provisions suggests the government's lack of sincerity toward providing a user-friendly benefit that may be fully used to benefit the service member and this nation. Remember, enlisted initially make about half that a new commissioned officer makes. Enlisted members who actually need the MGIB, must proportionally agree to pay twice the portion of their initial pay as commissary officers do. This is just plain unfair.

Despite the extremely commendable, fairly recent value increases in the MGIB (which, in October 2005 increased to \$1,034 per month for 36 months), more needs to be done. If this nation is going to have an effective, beneficial military educational benefit program, it should mirror the comprehensive ones provided by civilian industry. Recent studies show that the average costs for colleges and universities are approximately \$1,770 per month—a figure that reflects the cost of books, tuition, and fees at the average college or university for a commuter student (based on the annual “College Board” report). That means that despite the recent increases in the MGIB, it will only cover about 58 percent of the average cost of a four-year public college or university for academic year 2005-2006. As educational costs rise and if Congress does not increase funding, the value of the MGIB will continue to deteriorate. Without automatic indexing for inflation, MGIB purchasing power continues to erode, thereby negating the previous hard work of this committee. We ask that you look toward further increases in the MGIB program by legally indexing the MGIB benefit to annual increases in “educational” inflation.

We are aware of recent interest among some members of Congress to “renovate” the MGIB. Specific characteristics that a new comprehensive benefit should include are as follows:

***Provide an MGIB Enrollment Opportunity for All Currently Serving Enlisted Members Who Declined Enrollment in the Old Veterans Educational Assistance Program (VEAP).*** We are mindful that VEAP was intended to be a transitional benefit which enabled departing service members to secure necessary skills as they transition back into the civilian workforce. It’s only in more recent years that the MGIB has evolved into a recruiting incentive. That being the case, and without question, one of the greatest needs cited by our members is to provide a second chance for those who turned down their initial opportunity to enroll in the Veterans Educational Assistance Program (VEAP). VEAP was the program in place for those who were serving immediately prior to the July 1985 initiation of the Montgomery G.I. Bill. VEAP was a far-less beneficial program than the MGIB.

Hundreds of thousands of military members chose not to enroll in the VEAP program. Many were advised not to enroll in VEAP because a better program was coming along. Unfortunately, when the MGIB program began, those who turned down the VEAP program were not allowed to enroll in the MGIB program. So many turned down their one-time opportunity (during the 1980s) to enroll in the VEAP program that approximately 50,000 military members who declined VEAP enrollment are still serving.

Approximately 15,000 still-serving commissioned officers turned down VEAP; by definition they already have at least bachelors degrees when they enter service—most have graduate and higher degrees by the time they reach retirement. For that reason, and considering funding challenges, AFSA would contend that the MGIB enrollment opportunity should be limited to still-serving enlisted (noncommissioned) members who turned down the old VEAP program.

Rep. Dave Camp has introduced H.R. 269 which would provide an MGIB enrollment opportunity to the estimated less than 50,000 currently serving who turned down the old VEAP program—including commissioned officers. In evaluating this same legislation in the 108th Congress, CBO scored this bill at \$173 million over 10 years (figure based on the 96,000 plus eligible active duty personnel at that time) Taking into consideration that the number of eligibles is now halved, estimated costs of implementation would now be in the range of \$86 million. However, if we limit the enrollment opportunity to enlisted members only, it will reduce the number by more approximately one-fourth and, therefore, the cost by 25 percent. The projected scoring would then be reduced to somewhere in the neighborhood of 65 million over 10 years if limited to enlisted members only.

Time is running out for Congress to provide these deserving individuals an MGIB enrollment opportunity; unfortunately many have already retired. *As of July 1, 2005, all actively serving members who enlisted in this era were eligible to retire.* We urge these committees to act quickly before it is too late to at least provide a transitional education assignment to the remaining VEAP-era enlisted members. Remember these citizens served a full career of dedicated service and sacrifice fighting this nations wars and preserving the peace.

***Provide a Second Chance for those Currently Serving Enlisted Members Who Declined Enrollment in the MGIB.*** Since the end of the VEAP program, tens of thousands more have declined enrollment in the MGIB. Most enlisted members did so because they were (and still are) given only a one-time, irrevocable enrollment opportunity at basic military training when many simply could not afford to give up \$100 per month for the first 12 months of their career. While this may not apply to all accessions, it certainly applies to enlisted members.

In fact, in the Air Force alone, there are now over 25,000 on duty who came in during the MGIB era but who declined to enroll in the MGIB. Hundreds of noncommissioned members tell us that they want a second chance to get into the MGIB, now that they can afford to do so. This is particularly a serious problem among enlisted members—those who generally enter military service without a college degree and with prospects of relatively little income. As we said earlier, thanks to the fine work of these committees, the MGIB value has been significantly increased in recent years. Although more work needs to be done, the benefit is now a comparatively “lucrative” benefit—a far cry from that which most VEAP and MGIB non-enrollees turned down. For that reason alone, fairness would dictate an enrollment opportunity for any military member not currently enrolled in the MGIB. They have made freedom possible during their service; now let’s say “Thank You” to them! H.R. 3195 by Rep. Peter Visclosky specifically calls for an enrollment opportunity for these deserving individuals.

***Eliminate the \$1,200 MGIB Enrollment Fee.*** The Montgomery GI Bill is the one of the only company-provided educational programs in America that requires a student to pay \$1,200 (by payroll deduction during the first 12 months of military service) in order to establish eligibility. This \$1,200 DoD payroll cost-avoidance method amounts to little

more than a tax penalty on a benefit that must be paid before it is received. Sadly, this fee causes many young noncommissioned service members to decline enrollment simply because they are given a one-time, irrevocable decision when they are making the least pay and under the pressure of initial training. Those who decline enrollment—many due to financial necessity—do not have a second chance to enroll in the program. This is probably the biggest complaint we get from the lowest-ranking airmen. *They feel that, in a sense, it is a “dirty trick” to offer such an important program only when it is clearly a financial burden for enlisted members to enroll in the program. After all, because of lower pay, enlisted members must sacrifice a significantly higher percentage of their income (in relation to new commissioned officers) in order to be eligible for the program.* Further, it sends a very poor message to those who enter service expecting a world-class educational benefit.

We would imagine that a good case could be made to show that eliminating the fee will not be as expensive as estimated since the administration of the fee (tracking and collection) most likely costs nearly as much as, if not more than, the fee itself. To our knowledge, this has never been explored, and we encourage these committees to investigate this matter further. S. 43, by Sen. Chuck Hagel, and its companion bill, H.R. 786, by Rep. Lee Terry, would eliminate the \$1,200 user fee for those serving during the period of Executive Order 13235. Both bills would also give a second MGIB enrollment opportunity for those serving during this period. AFSA maintains that both elimination of the \$1,200 payroll reduction and a second MGIB enrollment opportunity should be permanently provided for enlisted service members.

***Allow Enlisted Military Members to Enroll in the MGIB Later During Their Careers.***

As I explained above, the one-time enrollment opportunity at Basic Training is a problem. Of course, abolishing the \$1,200 fee would eliminate the non-enrollment problem while simultaneously reintroducing some honesty into the recruitment promises made concerning educational benefits. This would alleviate the need for young recruits to make a monumental financial decision under the pressure of Basic Military Training when they are making very little money. Another option would be to allow them to enroll at any time during their first or subsequent enlistments. In the 108th Congress, H.R. 3041, which was introduced by House Veterans Affairs Committee Vice Chairman Congressman Michael Bilirakis, would have allowed individuals to make an election to participate in the MGIB at any time during the first two years of service. AFSA would strongly encourage the committee to incorporate this legislation as they look to revamp the benefit.

***Extend or Eliminate the Ten-year Benefit Loss Clock.*** Once an MGIB enrollee separates or retires, they have ten years to use their benefit or they lose any unused portion. Transitioning from a military career to civilian life requires a period of readjustment and satisfying survival needs—especially for enlisted members. These include relocation, job and house hunting, and family arrangements, just to name a few. For many, using their “earned” educational benefit (for which they paid \$1,200), must be delayed a few years—or their education must be pursued piecemeal (e.g., a class at a time) due to conflicting work and family obligations. However, the benefit self-destruct

clock is ticking as the government prepares to take the benefit away. We urge you to extend that ten-year clock to 20 years, or repeal the "benefit-loss" provision altogether. The benefit program has been earned, the federal computer program that tracks the MGIB usage is not earmarked to go away, and extending the 10-year benefit loss clock would have negligible cost implications.

**Provide "Portability" (Transferability) of MGIB to Family Members.** "Critical skills" portability for family members was signed into law in the FY 2002 NDAA. To date, this powerful retention incentive has gone largely unused as only a very small percentage of personnel were ever provided this opportunity. Part of the problem is the service secretaries get to determine just what "critical" means. For example, in the Air Force, less than 500 personnel in a dozen career fields were provided this opportunity despite the fact that over 60 career fields were considered critical enough to require Selective Reenlistment Bonuses. The vast majority of MGIB enrollees, many of whom have been told their jobs are "critical," find it unfair that they have not also been afforded this opportunity. As an issue of fairness, we urge that the portability feature be extended to all MGIB enrollees.

Portability would be an important career incentive for the vast majority of military members and, if we are wise, a good retention tool across the board. For enlisted members, in particular, it could mean the ability to offer greater educational opportunities to their children. **A career-promoting alternative would be to offer the option to transfer (at least a portion of) the benefit to family members once the individual has served 12 to 15 years.** This would make the option available in time to help send their kids to college, and it would serve as an incentive to stay in the service. Please work to extend the "portability" option across the board to all military enrollees (enlisted ones in particular).

#### **MEDICAL CARE**

The health care system administered by the Veterans Administration impacts, in one way or another, all of those who served. As reported, the Administration's FY 07 budget proposal provides an 8 percent or \$2.65 billion increase in discretionary funding for VA health care, which gives Congress a much better starting point in the appropriations process than in previous years. AFSA, like most military and veterans associations remain concerned that the requested levels of funding and the calculations utilized to arrive at these figures may not reflect the true needs of this department. We recommend the committee scrutinize the Administrations proposals closely so as to avoid previous It is critical that those fighting wars today receive care when needed, while at the same time, full funding is provided to cover past veterans. Recent practice is that in order to keep funding down we progressively redefine the categories of eligibility to exclude a portion of currently eligible veterans.

Once again the Administration is proposing to increase prescription co-payments and create an annual "enrollment fee" of \$250 for almost two million Category 7 and 8 veterans who do not have service-connected disabilities. The co-payment would jump

88 percent — from \$8 to \$15 — per 30-day supply, per prescription. AFSA feels these two proposals are unacceptable and urges Congress to reject it in similar fashion to last year's proposed \$250 "enrollment fee." Our feeling is that such an enrollment fee should only be applied prospectively. Current veterans should not be charged a fee for access which earlier Congresses determined was not appropriate. One would have to wonder what the next Congress is going to add or eliminate as the policies relative to veterans health care change based on the changing economy and personal preferences and interpretations. Upon what can veterans depend when it comes to national provision of benefits and services?

The FY 2007 VA Budget should be sufficient to provide full health care and program needs for those who are currently defined as eligible for care. Funding should not be based on additional redefinitions of who is eligible and on a proposed institution of additional co-payments and enrollment usage fees.

I wish to briefly touch on some issues that have been reflected in the many letters and phone calls that AFSA has received from the field. As a general rule, we tend to hear most loudly (and frequently) from those who are not happy with the adjudication of their claims or the treatment they have received. I am not going to go into isolated problems, because anecdotal information is just that. Rather, I want to briefly touch on some specific health-related situations/conditions that we feel need to be addressed.

**Work Toward Mandatory Funding and Program Permanence.** This association believes that the parameters of who will be served, what care will be provided, the facilities needed, and the full funding to accomplish those missions should be stabilized as mandatory obligations. If that were so, and Congress did not have to go through redefinition drills as economic philosophies change, the strength of the economy fluctuates, and the numbers of veterans increases or decreases—these committees and this nation would not have to re-debate obligations and funding each year. We believe that these important programs should be beyond debate and should fall under mandatory rather than discretionary spending.

**Policy Consistency Needed.** The pervading feeling among veterans is that the Administration's approach to providing adequate service to an ever-growing number of veterans is to shrink the number of patients by excluding increasing classes of veterans. These veterans who are being excluded were expressly included in earlier congressional legislation. In other words, rather than funding for increased needs, the VA's allowable clientele definition is changed by adding an increasing number of "Priority" groups, raising co-pays, and charging fees for use. The VA's "temporary" moratorium on Priority Group 8 enrollment has now assumed a "permanent" status.

**Seek Proactive Cost-saving Approaches.** Provisions in the FY 2005 budget proposal allowed the VA to pay for emergency room care at non-VA facilities. This proactive approach prevented delays in treating life-threatening conditions, thereby saving the lives of veterans who do not reside in close proximity to a VA medical facility. Periodically the VA has agreed to a change in policy and filled prescriptions written by

non-VA providers under very specific circumstances. These are excellent examples of how the VA can enhance the care provided to veterans at a modest cost through using new approaches!

**Support VA Subvention.** With more than 40 percent of veterans eligible for Medicare, VA-Medicare subvention is a very promising venture, and AFSA offers support for this effort. Under this plan, Medicare would reimburse the VA for care the VA provides to non-disabled Medicare-eligible veterans at VA medical facilities. This funding method would, no doubt, enhance some older veterans' access to VA health care. The VA has an infra-structural network to handle this, and we anticipate the effort would be successful. This is an opportunity to ensure that those who served are not lumped in with all those who have not, and would, no doubt, save taxpayer dollars by potentially reducing an overlap in spending by Medicare and the VA for the same services.

**Support Judicious VA-DoD Sharing Arrangements.** We believe the enlisted force would be pleased with judicious use of VA-DoD sharing arrangements involving network inclusion in the DoD health care program, especially when it includes consolidating physicals at the time of separation. This decision alone represents a good, common sense approach that should eliminate problems of inconsistency, saves time, and takes care of veterans in a timelier manner. In that sense, such initiatives will actually save funding dollars. AFSA supports testing such program but recommends that the committee closely monitor the collaboration process to ensure these sharing projects actually improve access and quality of care for eligible beneficiaries. DoD beneficiary participation in VA facilities must never endanger the scope or availability of care for traditional VA patients, nor should any VA-DoD sharing arrangement jeopardize access and/or treatment of DoD health services beneficiaries. VA and DoD each have a lengthy and comprehensive history of agreeing to work on such projects but have yet to follow-through on most of them. A memorandum of understanding to renew their commitment to joint ventures was recently signed by the two departments. With this committees urging, perhaps this latest effort won't go by the wayside as past "restarts."

**Support State Veterans Homes.** One hundred and thirty-three state-run veterans' homes, serve about 30,000 former service members. These homes are a good federal investment since the states provide funding for two-thirds of total operating costs. Funding reductions in this area could be devastating and would force the closure of several facilities. We urge the committees to take a close look at the required level of support to protect these important national assets. We urge these committees to provide full funding for state veterans homes--building on levels established in the past with inflation factored in. If changes are to be made in the future, they should be announced for future implementation and should be applied prospectively without harming those who have come to depend on these facilities.

**Care for Women Veterans.** We applaud the actions of these committees in recent years to directly address the issue of the unique health challenges faced by women veterans. Between 1990 and 2000, the women veteran population increased by 33.3

percent from 1.2 million to 1.6 million, and women now represent approximately 7 percent of the total veteran population. By the year 2010, the VA estimates that women veterans will comprise well over 10 percent of the veteran population. Currently women make up 15 percent of the active duty force and approximately 23 percent of the reserve force. Many of these female veterans have served in more recent years. Tens of thousands of female troops have been serving, or have already returned from service in Iraq and Afghanistan. As the number of women veterans increases, the VA must be funded to increasingly provide the resources and legal authority to care for female-specific healthcare needs.

## GENERAL ISSUES

***Speedier Claims Processing and Improved Accuracy.*** For many veterans association with the VA begins with the claims process. Two years ago, the Veterans Benefit Administration announced they had reached a steady state of 250,000 claims in progress but recent numbers reflect a number three times that. Not mentioned in the Administrations FY 07 budget plan was how this agency intends to address a claims backlog that currently exceeds more than 813,000 cases!

The key to sustained improvements in claims processing rests primarily on adequate funding to attract and retain a high-quality workforce of claims workers who are supported by full investment in information management and technology. This agency is facing a mass exodus of experience once the baby-boomer generation retires from federal service over the next five years. It's becoming more and more apparent that this particular section of the agency needs additional funding consideration verses funding reductions to overcome this growing backlog. Additionally, proper training impacts the quality and consistency of claims decisions. An infusion of funding specifically for this purpose could save the agency millions, if not more as errors in processing claims and the subsequent appeals they generate are reduced. Much of the past success of this agency can be directly attributed to the funding and support of this committee. The time to take a closer look is long overdue.

***“Seamless,” Transferable Medical Records.*** The record numbers of veterans being generated by the wars in Afghanistan and Iraq underscore the importance of accelerating DoD and VA plans to seamlessly transfer medical information and records between the two federal departments. A lifetime DoD-VA service medical record could help veterans obtain early, accurate, and fair VA disability ratings, save the Department of Veterans Affairs funding, and facilitate pre- and post-deployment research that could advance standards of care. Additional savings would be realized by preventing the “doubling” of diagnostic testing which currently occurs when VA runs similar testing (MRIs/X-rays, etc) to validate DoD findings.

A good example of the redundancy in the system is retired U.S. Air Force Master Sergeant Morgan Brown. While on active duty, after documented severe-repetitive stress injuries to his spine, in 1996 Brown had his first MRI, several examinations, and

other diagnostic and corrective procedures. Since 1996, he had several additional MRIs and X-rays, countless examinations and medical procedures to treat and track the progression of the injury. He was poked, prodded, and treated by specialists such as orthopedic surgeons, neurologists, and neurosurgeons. His comprehensive retirement physical in early 2002 included nearly all of the above procedures and visits to specialists. However, when Sergeant Brown retired in 2002 and applied for a VA disability assessment, the VA re-accomplished all of the previous tests and consults. The bottom line is that the vast array of detailed, current medical documentation was ignored by the VA, and all data had to be re-accomplished. These were very expensive, unnecessary tests that had already been accomplished shortly before the VA assessment. Common sense and cross flow of information between the DoD and VA systems could have saved the taxpayer a great deal of money. Multiply that amount by the thousands of service members retiring each year and the amount could easily total several billion dollars. Accepting service connected diagnosis's made by DoD providers and their accompanying documentation would help resolve another problem that plagues VA by freeing up thousands of doctors and specialists thereby reducing the wait list times for specialized care. 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.

At an Oversight and Investigations Subcommittee hearing in November 2003, it was pointed out that the technology already exists to accomplish the goal of a seamless record. We urge this committee to assume an oversight role and facilitate implementation of this important document as quickly as possible.

***Legitimate, Sincere Veterans' Preference.*** In recent years, Congress has taken steps toward making "Veterans' Preference" a reality. We have seen commendable moves in this Administration involving the VA and the Department of Labor to enhance the job preferences available to veterans. We continue to urge these committees to support any improvement that will put "teeth" into such programs so that those who have served have a "leg up" when transitioning back into the civilian workforce.

***Support of Survivors.*** AFSA commends this committee for previous legislation which allowed retention of DIC, burial entitlements, and VA home loan eligibility for surviving spouses who remarry after age 57. However, we strongly recommend the age-57 DIC remarriage provision be reduced to age-55 to make it consistent with all other federal survivor benefit programs. H.R. 1462 introduced by Rep. Bilirakis would make this important change in law. We also endorse the view that surviving spouses with military Survivor Benefit Plan (SBP) annuities should be able to concurrently receive earned SBP benefits and DIC payments related to their sponsor's service-connected death. We regret that the 109th Congress felt it was unable to address this issue as it finalized the FY 2006 National Defense Authorization Act.

***Protect VA Disability Compensation:*** Despite being clearly stated in law, veterans' disability compensation has become easy prey for former spouses and lawyers seeking money. This, despite the fact the law states that veterans' benefits "shall not be liable to

attachment, levy, or seizure by or under any legal or equitable process, whatever, either before or after receipt by the beneficiary." Additional legislation is needed to enforce the probation against court-orders or state legislation that would award VA disability dollars to third parties in divorce settlements.

**Provide a Written Guarantee.** Many veterans are frustrated and disappointed because existing programs they thought they could depend on have been altered or eliminated due to changing budget philosophies. That creates a perception among service members and veterans **that the covenant between the nation and the military member is one-sided**, with the military member/veteran always honoring his/her obligation, and hoping that the government does not change the law or the benefits upon which they depend. **We urge this committee to support a guarantee in writing of benefits to which veterans are legally entitled by virtue of their service.** This would demonstrate that the government is prepared to be honest and consistent with its obligation to its service members.

**Veterans Disability Benefits Commission.** AFSA remains concerned about the intent of the Veterans Disability Benefits Commission set up as part of recent years' concurrent receipt legislation. We are encouraged that various military and veterans' associations and individual veterans have had the opportunity to provide input into the panel's deliberations and hope that trend continues. Congress recently granted the panel an extension that carries its reporting date into the latter part of 2007. Until then, and understanding the budgetary constraints faced by this committee, we simply ask that the following items be included in deliberations on the impact of future decisions as they will apply to current veterans.

Obviously, budgetary parameters/limitations must be set by sound fiscal decisions. However, one dynamic of changing the definition of those who are to be served by the Department of Veterans Affairs in the future is that these decisions can have a life-altering affect on current veterans and their families. Many have already made decisions to purchase housing near a VA facility and have made other financial and life-altering decisions based on earlier decisions and philosophies of governmental decision makers.

Whereas this committee has made "access" decisions in the past (as to who would be eligible for full access to VA programs) based on the urging of veterans groups, the voters, their fellow members of Congress, or simply fiscal restraints, the ultimate decisions was made by Congress. As such, once the congressional decisions are signed into law, it is understandable that veterans would have a reasonable expectation that the VA programs available today will be available on the same terms in the future. Accordingly, these veterans make/made life-affecting decisions based on their faith and trust in the United States government.

It is also understandable that significantly redefining the system, adding user fees, significantly increasing costs for certain categories of veterans who are already using the system, etc., lead to further mistrust, frustration, and in some cases significant

financial hardship. In that sense, this association urges that future funding decisions and the implementation of the decisions of the blue ribbon panel be applied prospectively. That is, current veterans should not be significantly affected by the periodic and aperiodic changing decisions of governmental bodies; citizens ought to be able to depend on standing governmental decisions.

As the government changes its decisions from Congress to Congress, because the economy changes or there are now too many veterans, we would hope that the members of the applicable committees will consider the impact on current veterans and set timetables or effective dates for future applications of its decisions. For that reason, we cannot endorse annual user fees and significantly increased pharmaceutical costs for certain categories of veterans—except prospectively. That is, these congressional decisions should most properly apply to new veterans entering the system. While this may seem unfair to new veterans, we believe that is the way the law generally and properly has been applied for changes to the military retirement system and other major benefit reductions—the changed laws were applied in such a way that they would not negatively affect the financial and family security of those to which the current law applies.

Mr. Chairman, in conclusion, I want to thank you again for this opportunity to express the views of our members on these important issues as you consider the FY 2007 budget. We realize that those charged as caretakers of the taxpayers' money must budget wisely and make decisions based on many factors. As tax dollars dwindle, the degree of difficulty deciding what can be addressed, and what cannot, grows significantly. However, AFSA contends that it is of paramount importance for a nation to provide quality health care and top-notch benefits in exchange for the devotion, sacrifice, and service of military members, particularly while the nation remains at war. So too, must those making the decisions take into consideration the decisions of the past, the trust of those who are impacted, and the negative consequences upon those who have based their trust in our government. We sincerely believe that the work done by this committee is among the most important on the Hill. On behalf of all AFSA members, we appreciate your efforts and, as always, are ready to support you in matters of mutual concern.



THE  
RETIRE ENLISTED  
ASSOCIATION

Serving The Total Force

**TESTIMONY OF**

**Deirdre Parke Holleman**

**National Legislative Director**

**Of**

**THE RETIRED ENLISTED ASSOCIATION**

**Before a**

**HEARING**

**Of the**

**HOUSE VETERANS AFFAIRS COMMITTEE**

**On**

**February 16<sup>th</sup> 2006**

**DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS**

The Retired Enlisted Association does not currently receive, has not received during the current fiscal year or either of the two previous years any federal money for grants or contracts. All the Association's activities and services are accomplished completely free of any federal funding.

***Mr. Chairman, Representative Evans and members of the Committee :*** It is always an honor for The Retired Enlisted Association to testify about the needs and concerns of America's veterans and their families and survivors.

The Retired Enlisted Association is a Veterans Service Organization founded over 40 years ago to represent the needs and points of view of enlisted men and women who have dedicated their careers to serving in all the branches of the United States Armed Services active duty, National Guard and Reserves, as well as the members who are doing so today.

Today there are hundreds of thousands of enlisted men and women serving in war zones and dangerous locations throughout the world. While they protect our freedom we all embrace the duty to make sure that when they return they will find all the care and benefits they need and were promised. This includes health care and education and much more. The Nation also has a sacred duty to provide for the survivors of those who will not be coming back. We also have a duty never to forget those who protected us in past years and conflicts and to make sure that they are properly cared for and treated. It is an honor for TREA to be a part of the noble work that Congress, the VA and our brother and sister organizations do to make sure that these goals are reached.

**VA HEALTH CARE**

As always when appearing before you our first concern is to make sure that first rate and adequately funded healthcare is available for our Veterans. Last year was a shambles that no one wishes to occur again. We are happy and relieved that the Department has requested \$80.6 billion for its budget for FY07. This includes \$34.3 billion for Health care. This is a reasonable and rational number and TREA is pleased. However there are

calculations and proposed income sources that we are opposed to or do not believe will materialize. Additionally, there are some programs that we are still concerned will not be adequately funded. The GAO report requested by Congress, "VA Health Care: Preliminary Findings on the Department of Veterans Affairs Health Care Budget Formulation for Fiscal Years 2005 and 2006" GAO-06-43OR February 2, 2006, indicated that the "VA's internal process for formulating the medical programs funding requests were informed by, but not driven by projected demand." We hope that this Committee will carefully oversee the funding levels needed for several crucial programs that are likely to see large increases in needs of services. These include the 2 year qualification for healthcare that all returning veterans from Iraq and Afghanistan are entitled to have at the VA as well as the need for "politrauma centers" to deal with the large numbers of severely and multiple injured veterans who are returning home and looking to the VA for hope in their future lives. There are presently 4 of these centers but we may very well need more as the War on Terror continues. There is also likely to be a substantial increase in the necessity of mental health (both outpatient and in patient for Veterans returning from the War. And for older Veterans there will be growing need for nursing home care. TREA is concerned that the budgetary calculations have not been sufficiently increased. We hope this Committee will again exercise its oversight function to make sure as the next year goes on that sufficient funds have been requested and obtained.

We are also deeply concerned that part of the increased budget, once again, rests in part on an expectation on proposed increases in enrollment fees and prescription drug co-payments. In the past year the Department raised the Co-pay for drugs from \$7 to \$8. This may not sound like a great deal at first glance but that is when you are looking at 1 prescription. Many veterans are not taking 1 medication a day but 10 or 15. Even a small increase in the co-pay can have a harsh affect on a veteran on a fixed income. But the proposed budget calls for a co-pay of \$15. This almost doubles the present co-pay. This proposal could be truly crippling to many TREA members and we are opposed to it.

TREA is also firmly opposed to the proposal of a \$250 enrollment fee. Categories 7 and 8 members would be required to pay the proposed enrollment fees while they would have no guarantee that they will be served. While those Veterans who are 50% or more disabled or are being treated for the service connected disability get priority others are inevitably pushed to the back of the line. Veterans in Categories 7 and 8 have no guarantee that they will be seen at all. Additionally those that are 50% disabled or are being treated for their service connected disability have an access standard. They will be seen at the VA within 30 days for their primary care appointment or the VA will arrange for outside care. But again Category 7 and 8 Veterans have no such guarantee. They will be seen when an appointment becomes available. So these men and women who served our Country so well are not overwhelming the system; they are simply waiting for an appointment to become available. It is a space available system for them now. But we all know well that if you start charging a yearly fee for their status there will be a much

greater push on the VA to provide guaranteed service. And there is no reason to believe at this time that it is a service they will be able to provide. This proposal has been made for the last several years and each time Congress has refused to implement it. We hope that you will once again take that wise path.

The VA's proposed budget also includes an expected increase of 3<sup>rd</sup> party insurance collections (OHI). The Department of Veterans Affairs predicts that they will collect \$3 billion this year. While we can hope that this is true none who has watched the VA try to collect civil insurance claims in the past has a great deal of faith that they will be successful.

TREA indeed doubts that the VA will be able to reach their goal. However it is obvious that the VA enrollees who are most likely to have other health insurance are those who are enrolled in Categories 7 and 8. These are the people who cannot completely rely on the VA for their everyday care and will therefore have insurance plans. These are the people that the VA could look to for the 3<sup>rd</sup> party collections. TREA knows that the VA, and indeed, some members of this Committee have been worried that the VA would be overwhelmed by elderly Veterans looking for a pharmacy benefit. The VA predicts that membership in Categories 7 and 8 will decline by 235,000 this coming year. Clearly they hope that the proposed enrollment fee and increased co-payments will force many to leave. But that is unnecessary. For those 7 and 8 enrollees who are on Medicare a new drug benefit has been put into effect since the last time TREA testified. While the standup of Medicare Part D has been a bit rocky that group of Veterans now have a plan that is not limited to the VA formulary. They can use it for prescriptions that their civilian doctor has written and they can use it at their local pharmacy or many mail order programs. So this previous concern should no longer be as worrisome.

TREA have argued for years that the VA should be able to collect from Medicare for non service connected treatments provided to Veterans who are enrolled in and pay premiums for Medicare Part B. This would put the Department of Veteran Affairs in the same position that Indian Health Care Service is in under Title 25 Section 1645. The CBO has indicated that about half of all enrolled veterans are also enrolled in Medicare. This would be a large and fair income flow to VA health care. Obviously, this proposal would not be under your Committee's jurisdiction but it is an idea that should be considered.

**TREA urges this Committee to exercise your oversight to make sure that VA's crucial healthcare programs continue to be adequately funded throughout the budgetary year.**

**TREA urges Congress to reject the proposed increases in drug co-pays and the proposed \$250 yearly user fee for Categories 7 and 8 enrollees.**

**TREA urges the Committee members to support legislation to allow the VA to become a Medicare provider.**

## IMPROVEMENTS IN THE MONTGOMERY GI BILL (MGIB)

One of the most important benefits that this Nation provides to its Veterans is the Montgomery GI Bill (MGIB) for both its active duty and its National Guard and Reserve members. It serves both as a crucial recruiting tool and as a way for patriotic, disciplined and intelligent men and women to move up in the civilian world. However, with all its virtues the MGIB has structural flaws that should be changed. The Active Duty MGIB is sensibly under Title 38, Veterans Benefits and under this Committee's authority. However, Selected Reserve Programs are still under Title 10, the Armed Forces Code. Your many improvements to the Montgomery GI Bill have not been reflected in the Selected Reserve Program. With the massive call ups of the Guard and Reserve and the future outlook that this will not change it is time to properly coordinate the two programs. TREA feels strongly that it is time, for the long term good of the program that the SR MGIB should be placed under Title 38 and the jurisdiction of **this** Committee. Needed modifications and improvements could then be made in tandem in both programs. These include increasing the monetary benefit (as you have for the Active Duty plan) and to allow Guard and Reserve members to be allowed to continue using their benefits after they leave the Guard and Reserves. Since 9/11 the role the Guard and Reserve plays in our National Defense has changed dramatically

Additionally, with the increased pace of call ups and our increasing reliance on the Guard and Reserve (a reliance that TREA doubts will change in the foreseeable future) the benefit should be readjusted. With your focus on the whole program this is the Committee with both the focus and the expertise necessary to properly coordinate the two programs.

When looking at the Active Duty program TREA, along with our fellow members of the Partnership for Veterans Education, has called for the

Montgomery GI Bill to cover the average costs of a four year education at a State University. When hundreds of thousand of members of the military are stationed throughout the world fighting the War on Terror this would show our gratitude as a Nation and would make a huge improvements in these Service members' lives when they return home. It would also be a wonderful recruitment tool at this difficult time. The original GI Bill after World War II transformed the Nation. This change would also improve the future for the entire Nation, not just the Service members and their families who it will directly help. We also urge this Committee to broaden the types of education programs that can be paid for by the MGIB. As the

Chairman has already agreed this is a new world where a great deal of critical higher education is presented in non-four year degree programs. These changes would reflect the changes in America's changing Education System.

**TREA urges this Committee to attempt to move the SR Montgomery GI Bill under its jurisdiction in Title 38.**

**TREA urges that the SR MGIB benefit be readjusted to both reflect the improvements in the Active Duty MGIB program and to reflect the added duties and burdens that are being placed on the Reserve Components.**

**TREA urges this Committee to move toward having the Active Duty Montgomery GI Bill cover the costs of a four (4) year Public University education.**

### **VA CLAIMS BACKLOG**

This is a perennial concern. With all the best efforts and motives in the world the VA disability claims backlog has not improved. According to the Department of Veteran Affairs submission in 2005 it took 167 days to process a claim as compared to 166 days in 2004. In 2005 the number of filed claims increased to 788,298 up from 771,115 in the year before the VA states that they are expecting a 3% increase in filings to 811,947 (with an additional approximate 100,000 cases resulting from the new outreach program created in the FY06 Appropriation Act.) This means that the average case is taking almost half a year. Furthermore as the cases become more complicated from injuries returning from Iraq and Afghanistan the delays may grow even larger. This is just too long. Desperate people are anxiously waiting so they can know how they can move on with their lives. TREA is sure that all members of this Committee are extremely concerned about this continuing back log. Hopefully, correcting this problem will remain a top priority of the VA.

**TREA urges the Committee to closely monitor the Department of Veterans Affairs on their efforts to increase both the speed and the accuracy of their claim decisions.**

### **CAPITAL ASSET REALIGNMENT FOR ENHANCED SERVICES**

#### **(CARES)**

While there certainly has not been as much public discussion about CARES as there has

been about BRAC this year it is still proceeding apace. And it is still a major concern for TREA. We certainly agree with the stated goal of CARES to modernize the VA plant and make their operations more efficient. However we are still greatly concerned that the analysis for CARES did not take into account the VA's future Mental Health and Long term health care (nursing home care) needs. The Department of Veteran Affairs is obligated to provide nursing home care for Veterans with a 70% or over disability rating or for those Veterans who require Nursing Home care due to their service connected disability. We are all aware of the Nation's demographics and the growing number of citizens that will need Nursing Home care. There is no reason to believe that the Veterans population will require less such care than the general population. So when planning for CARES this important and predictably growing duty of the VA should have been analyzed. The CARES needs analysis also failed to consider mental health needs. If anything, 4 years of War has made this omission more serious than it was before the War. Of course it is a goal for mental health practitioners to have as much care be conducted outpatient as possible. However there are times when inpatient treatment is clearly necessary. When dealing with Post Traumatic Stress Disorder (PTSD) and other war related conditions there is no institution that has more experience and skill than the VA. And there is no place where Veterans would feel more at home. Before the VA takes irreversible steps they should make sure that these future needs are factored into the calculation.

During this dramatic time of War and returning Veterans it seems unwise to dramatically destabilize the plant structure. And it is certainly unwise to do so based on a plan that did not take into account two of the VA's important and growing missions.

**TREA urges that no additional steps in the CARES process occurs until a full study on the future needs of the VA for both long term health care and mental health facilities are studied and incorporated into any future plans.**

#### **MILITARY RETIREES AND THE VA**

This Committee knows well that all Military Retirees are Veterans. The combination of their military retiree benefits and their Veterans benefits make it possible for them to achieve the quality of life they deserve in their retirement years. They have served their nation

for at least 20 years. Many of these Military Retirees are daily patients in the VA Health Care system. In Categories 1-3 (Service Connected Disabilities) 30% of all enrollees are Military Retirees. They have been wounded, injured or developed illnesses and conditions while serving their Country. They deserve and need to be able to get the expert

care for their service connected conditions from the VA while receiving normal healthcare near their homes through DOD's healthcare programs. They deserve to be seen as a special category of patients. To place retirees in Category 3 would acknowledge the lifetime of service they have provided to the military and their special medical needs.

**TREA urges Congress to place military retirees into Category 3 of the VA Health Care System.**

### **DOD-VA COLLABORATION/SEAMLESS TRANSITION**

Another goal for all of us who are concerned with the wellbeing of America's Veterans is to create a seamless transition between the status of a member of the military to that of a Veteran. TREA needs to know whether the much praised VA electronic health record program will be able to speak to DOD's new ALHTA electronic health record program. When will DOD and the VA be able to stand up throughout the country a single separation exam?. This would be a boon to the Veteran, and both the VA and DOD. Years have gone by and only partial implementation has occurred. Now is the time we can improve the hand off from DOD to the VA for the future.

**TREA hopes your Committee will continue to monitor the progress in this crucial area.**

### **SURVIVORS BENEFITS**

Everyday in this time of our War on Terror wives, husbands and children are becoming survivors. We are presently in the exact situation that President Lincoln faced at when he gave the Nation's its call: With malice toward none; with charity for all; with firmness in the right, as God gives us to see the right, let us strive to finish the work we are in; to bind up the nation's wounds, to care for him that has borne the battle, his widow and often..." from his glorious Second Inaugural address. TREA is very grateful to all of Congress, and especially this Committee for last year's significant improvements in the SGLI coverage. When combined with the new \$100,000 death gratuity passed last year the families of those who gave their full measure of devotion" for this Nation behind will be able to try to restart their lives without the extreme and immediate financial difficulties that they had to deal with in the past.

In the first half of the 109<sup>th</sup> session of Congress TREA along with many of our other Veterans Service and Military Service Organizations worked very hard to end the Survivor Benefit Plan Dependency and Indemnity Compensation Program (SBP/DIC)

Offset. (The program often referred to as the widow's concurrent receipt.) We are well aware that the VA pays the full DIC amount to the surviving widow and thus any change to this program will have to go through the Committee on Armed Services. But this Committee has always shown great interest in Veterans' survivors and we hope that you can work with your Colleagues to pass Representative Henry Brown's HR 808 and finally end this unfair practice.

Additionally we hope that you will all support Representative Michael Bilirakis' HR 1462 and allow survivors to retain DIC if they remarry at the age of 55 or older. At this time the age for retention of DIC is 57. However the age to retain CHAMPVA upon remarriage is the normal federal program age of 55. The difference is because the two benefits were reinstated in different years and during different Congressional negotiations. There are no policy reasons for this awkward and unequal distinction and we hope that this year it can finally be corrected.

**TREA urges Congress to finally end the SBP/DIC dollar for dollar offset and urges this Committee to support HR 1462 and allow surviving spouses to retain their DIC if they remarry after reaching the age of 55.**

## CONCLUSION

The members of TREA are grateful for the opportunity to speak about the needs and concerns of our members and the needs of all American Veterans, their families and survivors. Veterans and their families need and deserve all the benefits and services- healthcare, education and others- that the VA provides and that you oversee. During this critical time for our Nation it is crucial that the VA has the money and expertise that is necessary to accomplish its duty. TREA is sure that this dedicated Committee will make strive to make sure that our veterans, whether young or old, and their families are provided that they receive the quality care and benefits services that we owe them for the dedicated service they have given to their Country.

**Biography of Deirdre Parke Holleman, Esq.**

National Legislative Director  
The Retired Enlisted Association

Deirdre Parke Holleman, Esq. is the National Legislative Director of The Retired Enlisted Association. She is also the Co-Director of the National Military and Veterans Alliance (NMVA) and the Co-Chairman of The Military Coalition's (TMC) Survivors Committee and a member of the Base Realignment and Closure Working Group on Military Health Care as well as serving on many other committees. In all these capacities and as a member of TMC's Health Care Committee Mrs. Holleman focuses on healthcare, financial and benefit matters for the Military's retirees, Veterans, the active duty, the National Guard and Reserves and all their families and survivors.

Prior to joining TREA Mrs. Holleman was the Washington Liaison for The Gold Star Wives of America, Inc. There she represented the concerns of active duty widows and widows of Military members who die of service connected disabilities Before Congress, the Department of Defense, the Department of Veteran Affairs and other Veteran Service Organizations.

Mrs. Holleman is an attorney licensed to practice in the State of New York and before all Federal Courts. She argues many cases before all the Appellate Courts of New York including the New Your Court of Appeals, the highest appellate court in the state. She successfully argued **In the Matter of Marie B.**, a case that struck down a New York statute as unconstitutional. For years she was a civil trial attorney in New York primarily handling Domestic, Family and Juvenile cases. She was the Associate Director of The Legal Aid Society of Mid-New York, Inc. This charity represents people who cannot afford to hire counsel in civil matters over nine counties in Upstate New York. She has a B.A. in History and Journalism from George Washington University and a J.D. from Vanderbilt University School of Law.

She lives in Rosslyn Virginia with her husband Christopher Holleman, an Administrative Judge for the Small Business Administration.



STATEMENT  
of the  
MILITARY OFFICERS ASSOCIATION OF AMERICA  
on  
LEGISLATIVE PRIORITIES  
for  
VETERANS' HEALTH CARE and BENEFITS  
2nd Session, 109<sup>th</sup> Congress  
before the  
HOUSE VETERANS' AFFAIRS COMMITTEE

February 16, 2006

Presented by

Colonel Robert F. Norton, USA (Ret.)  
Deputy Director, Government Relations

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**One Powerful Voice®**

Mr. CHAIRMAN AND DISTINGUISHED MEMBERS OF THE COMMITTEE, on behalf of the 360,000 members of the Military Officers Association of America (MOAA), I am honored to have this opportunity to present the Association's legislative agenda for veterans health care and benefits programs.

MOAA does not receive any grants or contracts from the federal government.

## **VETERANS HEALTH CARE**

### **Health Funding Overview**

MOAA is grateful to Congress for addressing a woefully inadequate VA health care budget for the past (FY 2005) and current fiscal year, FY 2006. Since 9/11, we have been particularly concerned that VA demand projections have not properly accounted for the increased number of veterans from the Iraq and Afghanistan conflicts (OIF / OEF). In accordance with VA's two-year "open door" policy, more than 525,000 Guard and Reserve veterans are now eligible for VA care, in addition to the active duty veteran population. VA data show that greater numbers of active duty veterans than Guard / Reserve veterans are enrolled in the VA, but Guard-Reserve usage is higher. The GAO recently confirmed that the VA's demand model is inadequate for estimating projected costs for the VA health care system.

***MOAA fully supports the Committee's intent to reform the VA's enrollment projection model used to justify the VA health care budget.***

The FY 2007 VA Medical Care Budget includes \$31.5 billion in discretionary appropriations and \$2.8 billion in increased collections for a total of \$34.3 billion for VA medical care. The budget request recognizes the need to provide timely care to those who have served the nation in uniform and is in range of the budget estimate set forth in the Veterans Independent Budget for FY 2007, which MOAA endorses.

***MOAA strongly endorses the President's Task Force recommendation that the VA health care system should be fully funded by mandatory spending or by some other means that will ensure the full-funding objective is met.***

### **Usage Fees and Drug Co-pays**

MOAA is surprised and disappointed to note that after twice being rejected by Congress, the Administration is again seeking enactment of a \$250 usage fee for 2.3 million Priority Group 7 & 8 enrolled veterans.

The Administration is also reviving its proposal to increase pharmacy co-payments from \$8 to \$15 for these veterans. The fees would generate revenue of \$251 million in FY 2007.

What's wrong with this picture? First, under the VA's two-year open door policy for OIF / veterans, many thousands of veterans are completing their "trial" enrollment and, if they have not been determined to have a service-connected disability, are being assigned to PG-7 or 8

depending on income levels. We must ask if it is right that a nation that sent these veterans into harm's way in the War on Terror should now charge them a fee for their VA care? Second, the proposals fail to consider the lost revenue from PG 7 and 8 veterans who may have other health insurance (OHI).

Third, attempts to correlate the fees with TRICARE Prime fees are fallacious: the VA is not a health insurance system with managed care standards. TRICARE Prime is a managed care (HMO) component of the military health system. TRICARE Prime fees are optional for those who choose this coverage over TRICARE Standard. Participants pay modest annual fees in order to obtain assured access to TRICARE providers under established access standards. The fees the Administration seeks bring no reciprocal benefit in terms of access to care in a timely manner. Their only purpose is to depress demand and save money by driving veterans away.

***MOAA is opposed to VA usage fees and higher drug copays. During this long and difficult war on terror, Congress would send the wrong signal to the nation's warriors and future veterans by endorsing usage fees for VA health care.***

### **Medical and Prosthetic Research**

The budget request shows a \$17 million increase in the research budget above the 2006 level. Additionally, the VA indicates that OIF/OEF research is a high priority and special research is being done concerning PTSD, traumatic brain injury, prostheses and injuries associated with blast injuries. However, we are concerned that the \$17M increase appears to be due only to funds from other federal and non-federal resources that may or may not actually be available.

***MOAA strongly urges Congress to ensure an adequate funding level for medical research -- including traumatic brain injury, spinal cord injury, prosthetic devices, and burn therapies.***

### **Polytrauma Centers funding**

Advances in medical treatment and casualty management during the "golden hour" have raised the survival rates for our wounded warriors to unprecedented levels. But, unfortunately, the injuries often are much more severe and may involve multiple systems intervention and rehabilitation in highly advanced polytrauma centers. The VA has four such polytrauma centers throughout the United States and the DoD is planning to establish three more. Senior MOAA leaders have been privileged to visit some of these facilities. We have seen first hand the need for facility modification and expansion in order to keep up with demand and enable the most efficient use of modern technology. But the need is not adequately addressed in the budget request, which proposes a \$627 million cut in minor and major construction dollars.

***MOAA strongly urges the Committee to specifically restore construction funding required for needed upgrades to VA polytrauma centers and for other critical construction needs.***

### **Seamless Transition Road Map**

MOAA appreciates the leadership of the Committee in keeping up the pressure on the VA and DoD to accelerate accomplishment of “seamless transition” policies, procedures, and supporting objectives for our nation’s service men and women and their families.

What is seamless transition? In its 2003 report, the President’s Task Force on DoD – VA health care collaboration outlined the following objectives:

- Single separation physical: “The Departments [of Defense and Veterans Affairs] should implement by fiscal year 2005 a mandatory single separation physical as a prerequisite of promptly completing the military separation process.”
- Electronic Medical records: “VA and DoD should develop and deploy by fiscal year 2005 electronic medical records that are interoperable, bi-directional, and standards based.”
- Privacy: “The Administration should direct the Department of Health and Human Services (HHS) to declare the two Departments to be a single health care system for the purposes of implementing HIPAA regulations.”
- Occupational and Hazard Exposure Data: “VA and DoD should expand their collaboration in order to identify, collect, and maintain the specific data needed by both Departments to recognize, treat, and prevent illness and injury resulting from occupational exposures and hazards experienced while serving in the Armed Forces; and to conduct epidemiological studies to understand the consequences of such events.”
- Joint Health Surveillance and Reporting: “The Departments [of Defense and Veterans Affairs] should: 1) add an ex officio member from VA to the Armed Forces Epidemiological Board and to the DoD Safety and Occupational Health Committee; 2) implement continuous health surveillance and research programs to identify the long-term health consequences of military service in high-risk occupations, settings, or events; and 3) jointly issue an annual report on Force Health Protection, and make it available to the public.”

The record of accomplishment on these goals is mixed, though there is some progress. We offer the following observations on policy, procedures, and technologies supporting seamless transition objectives:

- **Transparency in oversight and policy coordination.** MOAA commends Congress for enacting legislation that established a formal coordination process between the Departments of Defense and Veterans Affairs. The DoD-VA Joint Executive Council (JEC) and its subordinate Benefits Executive Council (BEC) and Health Care Executive Council (HEC) have the potential to spearhead greater progress on seamless transition initiatives.

***MOAA recommends greater transparency and oversight of the DoD-VA Joint Executive Council activities.***

- **Electronic Medical Records.** The VA has fielded a standard-setting electronic medical records system for its hospital facilities and outpatient clinic networks. Known as VISTA, the VA system has received high marks in the medical community and is being adopted by a growing number of civilian provider networks. DoD is now fielding a military electronic medical records system called AHLTA. AHLTA is expected to be on line this year. The question, however, is whether VISTA and AHLTA can “talk to each other.”

***MOAA continues to strongly urge accelerated development of bi-directional, interoperable standards-based electronic medical records between DoD and the VA.***

- **Medical Evaluation Board (MEB) / Physical Evaluation Board (PEB).** MEBs are conducted to determine suitability for continued service following an injury, wound, or illness. MEBs follow a “period of observation” or “time to heal” for ill or injured service men and women. MEBs average 121 days, but can vary considerably depending on the medical condition and healing process. For example, Army MEBs currently take 67 days to complete. The PEB is charged with making personnel decisions based on the input from the MEB. DoD requires a PEB in peacetime to be completed within 40 days following an MEB. The average PEB completion time since OIF and OEF is 87-280 days. Taken together, the convalescence, MEB and PEB processes appear to average between nine and fifteen and a half months for Army soldiers.

***MOAA has recommended that the Veterans Disability Benefits Commission evaluate MEB-PEB policy and procedures to ensure fair treatment among the Services including members of the Guard and Reserve.***

- **Single Separation Physical.** MOAA remains concerned about known gaps in implementing a single separation physical. Some time ago, DoD and VA announced an agreement on a single separation physical protocol. Yet, at key medical treatment facilities like the Walter Reed Army Medical Center and the National Naval Medical Center neither facility has implemented a single, systematic process for a separation physical under a joint DoD-VA protocol. That being the case at the Army and Navy’s premier medical facilities, it’s unlikely that a single separation physical has been implemented elsewhere.

***MOAA continues to urges support for accelerated development of a single separation physical.***

- **Seriously Wounded Transition Program.** DoD and VA have made commendable progress in coordinating services for injured and ill service members. DoD has established a joint center to oversee care and services for injured and ill OIF and OEF service members. The VA has assigned caseworkers to major military medical facilities that are providing care and rehabilitation services to severely injured or ill troops. Last year, the GAO recommended improving information sharing between DoD and VA on seriously injured service men and women (*Vocational Rehabilitation; More VA and DoD Collaboration Needed to Expedite Services for Seriously Injured Service Members* (January 2005).

***MOAA recommends continued emphasis on improving the coordination of care and information sharing between DoD – VA for seriously wounded service members.***

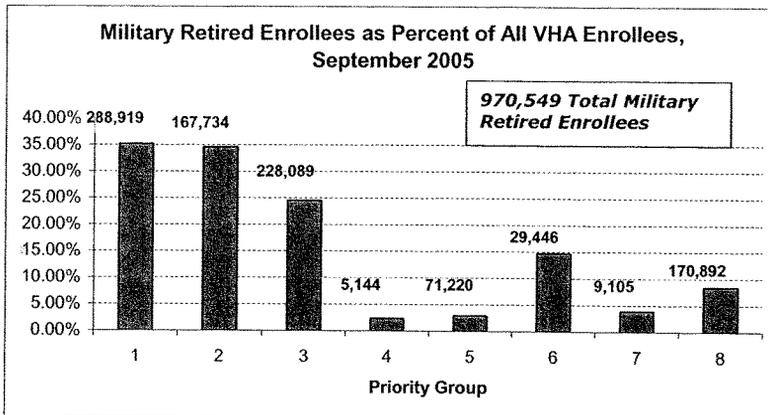
**Expansion of Mental Health Services**

Recent studies project that 1 out of 6 servicemembers returning from Iraq and Afghanistan will need care for PTSD and other mental health conditions. The budget request increases funding for mental health services from \$2.8 billion to \$3.2 billion. We are pleased that the VHA Mental Health Strategic Plan Workgroup is developing a 5-year strategic plan to eliminate deficiencies and gaps in the availability and adequacy of mental health services.

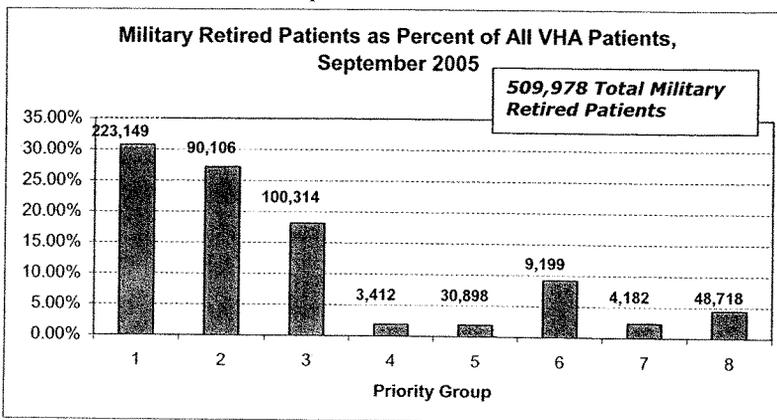
**Retired Military Veterans Access To Earned DoD-VA Health Care Benefits**

Veterans who complete a full career in the armed forces earn lifetime entitlement to health care benefits in the Department of Defense TRICARE system, and eligibility for VA health care services.

- About one out of eight enrolled veterans is a dual-eligible veteran.
- One out of ten users (“unique patients”) of VA care is a dual-eligible veteran.
- Enrollment of military retired veterans has increased by a little over one-third since June 2000 when VA began tracking the data (600,870 retired veteran enrollees to 970,549 as of Sep 2005).



Source: VHA. Data as of 30 September 2005.



Source: VHA data as of 30 September 2005.

The more severe a disability, the more likely it is that a veteran would seek VA care:

- 77% of dual-eligibles with disabilities rated at 50% or greater (PG-1) used VA care last year
- 54% of dual-eligibles with disabilities rated 40-50% (PG-2) used VA care last year down
- 44% of dual-eligibles with disabilities rated 10-30% (PG-3) used VA care last year down
- By contrast, only 26% of PG-8 retired veterans used VA care last year down from 29% in 2004.

In 2005, 53% of enrolled military retired veterans used VA health care in some way.

Because many enrolled retired veterans have serious disabilities, it is imperative that they have assured access to the VA's spectrum of health care services including its well-regarded specialty care capabilities.

As we have noted in past testimony, military retired veterans often prefer to obtain their routine health care locally from the TRICARE network, but are willing to travel some distance to have access to VA specialty care services.

***MOAA appreciates Congress' continued support in opposing "forced choice" proposals that would compel dual-eligible veterans to relinquish access to earned DoD or VA health care services.***

#### **Capital Assets for Enhanced Services (CARES)**

MOAA and other military and veterans organizations have noted that the CARES planning process does not include planning for mental health services and long-term care. ***MOAA continues to urge inclusion of mental health care and long term care services in ongoing facilities decisions resulting from the CARES process.***

#### **VETERANS BENEFITS**

**Overview.** The 2007 VA Budget Request includes \$42.1 billion for entitlement costs associated with benefits administered by the Veterans Benefits Administration (VBA). The total includes an additional \$4 billion for disability compensation for veterans and their survivors for disabilities or diseases incurred or aggravated in military service.

#### **Disability Claims: Quality and Process Improvements Needed**

The workload and complexity of VA disability claims continues to increase. The VA projects over 900,000 claims this year. The estimate includes almost 100,000 claims from "special outreach" programs mandated by Congress last year. Disability claims processing time rose to 167 days on average in 2005. The VA's performance goal for claims processing is 100 days. In addition to increased workload, a continuing challenge is replacing retiring claims workers with highly trained replacements and providing them with the tools, policies and procedures to improve the quality and timeliness of production. The VA "tiger team" model, which is used to

adjudicate claims of WWII and other older veterans, should be used throughout the system. Additional investment in training, full time positions, and technology also will be needed to reach sustainable quality and timeliness goals.

***MOAA continues to urge additional claims-workers, technology upgrades, and training to reach and sustain the VA's original strategic performance goal of 100 days on average per VA claim.***

**Seamless Transition - TAP / DTAP Programs and Related Issues.** A Senate Veterans Affairs Committee hearing on 2 February 2006 examined the issue of rising unemployment among veterans recently separated from military service. The rate of unemployment among veterans aged 20-24 is 15%, almost double that for non-veterans (8% unemployment). Since 2001 the active Armed Forces have separated an average of 200,000 service men and women each year. In addition, the call-up of more than 525,000 Guard and Reserve service men and women since 9/11 has increased the demand on transition assistance programs (TAP).

A GAO report issued last year stated that TAP resources have been “flat since fiscal year 1995” and that DoD’s budget has not taken into account the needs of separating members of the Guard and Reserve.

MOAA recommends that the Committee support policy and funding initiatives to:

- Enable TAP services to be delivered in local communities for separating Guard and Reserve veterans
- Expand VA outreach to provide "benefits delivery at discharge" services in local settings convenient to de-mobilizing Guard and Reserve veterans

***MOAA urges the Committee to support seamless transition initiatives that support TAP / DTAP objectives and reduce the potential of unemployment and homelessness in this generation of veterans.***

### **Total Force Montgomery GI Bill**

Congress intended that the all-volunteer force Montgomery GI Bill would support DoD recruitment and retention programs, enable a smoother readjustment to civilian life, and enhance the nation’s competitiveness.

But these goals are not being fully realized especially for mobilized members of the National Guard and Reserve forces. Ongoing challenges include:

- Delayed implementation of MGIB benefits for mobilized reservists authorized under Chapter 1607 of Title 10 USC. Only a handful of educational benefits claims have been processed – and these, manually – for the more than 525,000 Guard and Reserve troops who have served on active duty under contingency operation orders since 9/11.
- Lack of a readjustment benefit for mobilized reservists. After serving the nation on active duty in the war on terror and successfully completing a Guard or reserve service commitment, reservists are not authorized any readjustment benefit. They must leave behind

remaining MGIB benefits upon separation unless the separation is for disability.

- Benefit disparities. For the first 15 years of the MGIB, benefits earned by individuals who initially joined the Guard or Reserve paid 47 cents to the dollar for active duty MGIB participants. Since 9/11, however, the ratio has dropped to 29 cents to the dollar.
- Administrative difficulties. DoD and VA officials report enormous challenges in de-conflicting and coordinating the oversight and management of MGIB programs. Policy and procedural challenges are compounded by outmoded information management and information technology support for the MGIB.

**The Total Force MGIB for the 21<sup>st</sup> Century.** The Total Force MGIB has two broad concepts. First, all active duty and reserve MGIB programs would be organized under Title 38. (The responsibility for cash bonuses, MGIB “kickers”, and other enlistment / reenlistment incentives would remain with the Department of Defense under Title 10). Second, MGIB benefit levels would be structured according to the level of military service performed.

The Total Force MGIB would restructure MGIB benefit rates as follows:

- Tier one – Chapter 30, Title 38 – no change. Individuals who enter the active armed forces would earn MGIB entitlement unless they decline enrollment.
- Tier two – Chapter 1606, Title 10: MGIB benefits for initial entry into the Guard or Reserve. Chapter 1606 would transfer to Title 38. No other change is envisioned at this time. In the future, the Committee should consider adjusting benefit rates in proportion to the active duty program. Historically, Selected Reserve benefits have been 47-48% of active duty benefits.
- Tier three – Chapter 1607, Title 10, amended -- MGIB benefits for mobilized members of the Guard / Reserve on “contingency operation” orders. Chapter 1607 would transfer to Title 38 and be amended. Mobilized servicemembers would receive one month of “tier one” benefits (currently, \$1034 per month) for each month of activation after 90 days active duty, up to a maximum of 36 months for multiple call-ups.

A servicemember would have up to 10 years to use remaining entitlement under Tier One or Tier Three programs upon separation or retirement. A Selected Reservist could use remaining Second Tier MGIB benefits only while continuing to serve satisfactorily in the Selected Reserve. Reservists who qualify for a reserve retirement or are separated / retired for disability would have 10 years following separation to use all earned MGIB benefits. In accordance with current law, in cases of multiple benefit eligibility, only one benefit may be used at one time, and total usage eligibility extends to no more than 48 months.

***MOAA strongly supports enactment of a “Total Force Montgomery GI Bill”.***

#### **Other Educational Benefits Issues**

**Benchmarking MGIB Rates to the Average Cost of Education.** Department of Education data for the 2005-2006 academic year show the MGIB reimbursement rate for full-time study covers 61% of the cost at the average public four-year college or university. *MOAA recommends the Committee increase MGIB benefit rates to keep pace with the average cost of education at a four-year public college or university.*

**Enrollment Option for Career Servicemembers who Declined “VEAP”.** Approximately 50,000 career servicemembers who continue to serve on active duty declined to enroll in the precursor to the MGIB known as “VEAP”, the Post-Vietnam Era Veterans Education Assistance Program (Chapter 32, Title 38). Many declined VEAP on the advice of military counselors. They were told that they would do better to invest the VEAP enrollment fee of \$2700 and wait to enroll in the coming Montgomery GI Bill. *MOAA supports enactment of H.R.269.*

**Transferability of Benefits.** About two-thirds of today’s force is married. Many reenlistment decisions are based on family needs. *MOAA supports enactment of legislation to permit a servicemember to transfer up to one-half of remaining MGIB-AD entitlement to immediate family members in exchange for a career commitment* (e.g., those who commit to serve at least 14 years normally will later complete 20 or more years service).

**MGIB Eligibility for Certain Officers.** Under current law, officers commissioned from a Service Academy or Senior ROTC scholarship program are ineligible for the MGIB. Most officers today are required to obtain advanced degrees for future assignments and promotion competitiveness. But Service tuition assistance programs are limited to a discrete number of designated specialties. *MOAA recommends the Committee consider establishment of MGIB entitlement for officers commissioned from a Service Academy or Senior ROTC Scholarship program in exchange for extension of their active duty service commitment.*

### **Uniformed Services Employment and Reemployment Rights Act (USERRA)**

MOAA is grateful for this Committee’s leadership in endorsing legislation that requires the posting of USERRA rights and responsibilities in the workplace.

We are also grateful for the Committee’s past support in urging that the Department of Labor issue implementing regulations and guidance for the USERRA. The new USERRA rule explains the law using a “question and answer” format that is clear and understandable.

Other adjustments to the USERRA are still needed, however. It is our understanding that mobilized reservists are treated as “severed employees” with respect to their employer-based retirement plans such as 401k or 403b programs. Consequently, they are not authorized to contribute to retirement plans during the period of activation. Although employers must match any 401k contributions that would have been made during the absence upon the return to the workplace, the reservist is prohibited from making personal contributions during the period of lengthy active duty. *MOAA recommends the Committee endorse a change to the USERRA that would permit optional contributions to reservists’ 401k plans during a call-up.*

### **Servicemembers Civil Relief Act (SCRA)**

MOAA has heard from active duty service families regarding tax problems that arise from changing duty stations. States of residence often treat military spouses differently than their sponsors with respect to the tax code and on matters such as the joint registration of vehicles at the new duty station. *MOAA supports a review of these type issues with the goal of providing fair tax treatment of military families who are compelled to make frequent relocations.*

### **Arlington National Cemetery Interment Rules**

On multiple occasions since 1998 the House of Representatives by unanimous or near-unanimous vote favorably reported legislation that would codify the rules governing interment in our nation's most hallowed ground for its military heroes. In addition, this Committee has previously endorsed legislation that would authorize burial in ANC for reservists on inactive duty and for retired reservists eligible to retire but not yet 60 years of age.

The most recent House-passed legislation would authorize an in-ground burial to:

- ❑ Members of the Armed Forces who die on active duty.
- ❑ Retired members of the Armed Forces, including Reservists who served on active duty.
- ❑ Former members of the Armed Forces who have been awarded the Medal of Honor, Distinguished Service Cross, Air Force Cross, or Navy Cross, Distinguished Service Medal, Silver Star, or Purple Heart.
- ❑ Former prisoners of war.
- ❑ Members of the National Guard / Reserve who served on active duty and are eligible for retirement, but who have not yet retired.
- ❑ Members of the National Guard / Reserve who die in the performance of inactive duty training.
- ❑ The President or any former President.
- ❑ The spouse, surviving spouse, minor child and at the discretion of the Superintendent of Arlington, unmarried adult children of the above categories.

MOAA understands that many members of the Senate support codification of these rules, but also want to maintain longstanding tradition and practice of considering certain exceptions in the case of individuals who have made extraordinary contributions to the nation.

*MOAA continues to recommend codification of the rules governing interment in Arlington National Cemetery.*

### **Presumption of Service Connection for Hepatitis-C Infection**

Medical research has established that there is a significantly higher rate of Hepatitis-C (HCV) infection among veterans than in the general population.

Before development of a reliable HCV screening test in the early 1990's, many thousands of servicemembers were exposed to HCV through air-gun inoculations, surgery, other medical procedures, and battlefield exposure. Accordingly, it is reasonable to presume service-connection for servicemembers exposed to the HCV virus prior to development of definitive screening tools.

*MOAA recommends legislation adding presumption of service connection for Hepatitis-C in servicemembers determined to have been exposed to this disease prior to development of definitive screening protocols in 1992.*

### **Survivors Issues**

MOAA is extremely grateful to the Committee and Congress for passage of legislation last year to raise Servicemembers' Group Life Insurance (SGLI) to \$400K, enact a Traumatic Injury Insurance

rider to SGLI, and affirm the “24-7” principle for service-connected disabilities.

**Retain DIC on Remarriage at Age 55.** Thanks to this Committee’s action, Congress changed the law in 2003 to allow eligible military survivors to retain DIC upon remarriage after age 57. At the time, Committee staff advised that age-57 was selected only because there were insufficient funds to authorize age-55 retention of DIC upon remarriage. *MOAA's goal remains age 55 retention of DIC upon remarriage in order to bring this benefit in line with rules for the military SBP program and all other federal survivor benefit programs.*

#### **Conclusion**

The Military Officers Association of America greatly appreciates the opportunity to present the Association’s legislative priorities on veterans’ health care and benefits issues for the second session of the 109<sup>th</sup> Congress.

**Biography of Robert F. Norton, COL, USA (Ret.)**  
**Deputy Director, Government Relations, MOAA**  
**Co-Chair, Veterans' Committee, The Military Coalition**

A native New Yorker, Bob Norton was born in Brooklyn and raised on Long Island. Following graduation from college in 1966, he enlisted in the U.S. Army as a private, completed officer candidate school, and was commissioned a second lieutenant of infantry in August 1967. He served a tour in South Vietnam (1968-1969) as a civil affairs platoon leader supporting the 196th Infantry Brigade in I Corps. He transferred to the U.S. Army Reserve in 1969 and pursued a teaching career at the secondary school level. He joined the 356th Civil Affairs Brigade (USAR), Bronx, NY and served in various staff positions from 1972-1978.

Colonel Norton volunteered for active duty in 1978 and was among the first group of USAR officers to affiliate with the "active Guard and Reserve" (AGR) program on full-time active duty. Assignments included the Office of the Deputy Chief of Staff for Personnel, Army Staff; advisor to the Asst. Secretary of the Army (Manpower & Reserve Affairs); and personnel policy and plans officer for the Chief, Army Reserve.

Colonel Norton served two tours in the Office of the Secretary of Defense (OSD). He was responsible for implementing the Reserve Montgomery GI Bill as a staff officer in Reserve Affairs, OSD. From 1989 –1994, he was the senior military assistant to the Assistant Secretary of Defense for Reserve Affairs, where he was responsible for advising the Asst. Secretary and coordinating a staff of over 90 military and civilian personnel. During this tour, Reserve Affairs oversaw the call-up of more than 250,000 National Guard and Reserve component troops for the Persian Gulf War. Colonel Norton completed his career as special assistant to the Principal Deputy Asst. Secretary of Defense, Special Operations / Low Intensity Conflict and retired in 1995.

In 1995, Colonel Norton joined Analytic Services, Inc. (ANSER), Arlington, VA as a senior operational planner supporting various clients including UN humanitarian organizations and the U.S. Air Force's counterproliferation office. He joined MOAA's national headquarters as Deputy Director of Government Relations in March 1997.

Colonel Norton holds a B.A. in philosophy from Niagara University (1966) and a Master of Science (Education) from Canisius College, Buffalo (1971). He is a graduate of the U.S. Army Command and General Staff College, the U.S. Army War College, and Harvard University's Senior Officials in National Security course at the Kennedy School of Government.

Colonel Norton's military awards include the Legion of Merit, Defense Superior Service Medal, Bronze Star, Vietnam Service Medal, Armed Forces Reserve Medal, Army Staff Identification Badge and Office of the Secretary of Defense Identification Badge.

Colonel Norton is married to the former Colleen Krebs. The Nortons have two grown children and reside in Derwood, Maryland.



***Vietnam Veterans of America***

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

**STATEMENT**  
**OF**  
**VIETNAM VETERANS OF AMERICA**

**Presented By**

**John Rowan**  
**National President**

**Accompanied By**

**Richard Weidman**  
**Director of Government Relations**

**Before the**  
**House Committee on Veterans' Affairs**

**Regarding**  
**2006 Legislative Priorities**

**February 16, 2006**

Good morning Chairman Buyer, Ranking Member Evans, and other distinguished Members of this Committee. It is my privilege this morning to present to you the thoughts and views of Vietnam Veterans of America (VVA) on the funding priorities and issues of significance for veterans and our families.

It has been said many times, only half-jokingly, that Americans have the shortest attention span of all mammals. Remember Chandra Levy? What makes headlines today most of us forget about six months from now.

Veterans, though, have long memories. We remember why we served, what we saw, what we did when we donned the uniform to answer our country's call. We remember our comrades, those who died and most of the rest who were forever changed by their service.

We also remember last July, when Congress and the Administration were embarrassed by the revelation that the Department of Veterans Affairs was \$800 million in the hole to meet its health care obligations. After a flurry of meetings and a spate of publicity, Congress moved quickly, if belatedly, to do the right thing for veterans, even as this shortfall grew by several hundred million dollars as the VA suddenly "discovered" it was treating 103,000 OEF and OIF veterans rather than 26,000.

To your credit, you closed this budget gap by adding \$1.5 billion to the VA's FY'05 operating budget. And you added another \$1.2 billion in "emergency funds" for the current fiscal year which, even with a reported \$1.1 billion carryover in the VA's budget, will still not be enough for the VA to maintain its current level of care. You cited, correctly, some of the problems inherent in how the VA predicts the usage and attendant costs of its health care operations. VVA's budget projections and those of the Independent Budget were right on the money, again.

**FY'07 Budget** Again this year, we believe the Administration's budget request, despite the spin, is short by at least \$4.2 billion, which would open enrollment into the VA's health care system to Priority 8 veterans who were "temporarily" restricted from enrolling in January 2003. Even if the ban on statutorily eligible Priority 8s continues, VVA believes the budget for health care is still short by some \$2.3 billion. We've said this before and we'll say this again: Had the VA's health care budget not been flat-lined for four years just as eligibility reform was

opening the system to hundreds of thousands of deserving veterans, we would be discussing a budget \$8- to \$10-billion greater than it has been, than what is proposed for FY'07.

This year, yet again, we dispute the numbers in the Administration's budget request. It just simply is not enough money, even to take care of those already in the system. Along with the other veterans' service organizations, VVA will expend countless hours and energy arguing about and fighting for funding that is sufficient to meet the needs of the veterans the VA serves.

This is one battle we should not have to wage. Instead, we should be working together to fashion a formula to fund the VA's health care operations. We challenge Congress here and now: Form a bipartisan group to meet, study the issues and options, hold hearings, and recommend legislation that would fundamentally change the way in which veterans health care is funded.

VVA believes, in concert with The Partnership for Veterans Health Care Budget Reform, that a fair funding formula can be arrived at, one that won't bust the budget, one that recognizes our nation's obligations to veterans and is indexed to medical inflation and the per capita use of the VA health care system.

**Adjudication Backlog** What sometimes gets lost in the debate over sufficient funding for veterans health care is the continuing backlog in the adjudication of claims at the Veterans Benefits Administration. More than 525,000 cases have been in various stages of adjudication for far too long now. The VA projects this situation will get worse, yet only requests funding for 130 new employees for all of the VBA for FY 2007. Congress needs to ensure that the new platoon of adjudicators is properly trained, supervised, and, along with their supervisors and managers, held accountable for their work.

We believe that Congress must demand an explanation from the VA as to why it takes upwards of two and a half years to adjudicate cases. Congress must demand that the VA not only develop but put into practice a real strategy for unclogging the system. (The VA might try to triage cases, akin to what military medical personnel do as casualties are brought in from the field of battle.) There's no reason why a veteran who has all of his paperwork in order in making a claim for, say, tinnitus must wait a year or more. There should be no reason why his claim can't be adjudicated in sixty to ninety days.

**Greater Accountability** We do not make the argument, however, that budget reform is an end in and of itself. It is, rather, a means to an end. It must be accomplished hand-in-hand with real changes in how VA senior managers and middle managers perform. Give “attaboys” and bonuses to those who have earned them; give warnings and sanctions to those who have not done their jobs well. Please do not get us wrong: The overwhelming number of those who work at the VA are dedicated to helping veterans, and we applaud the efforts they make every day. But better management – and training -- is needed if efficiencies are to be increased.

**Expanded Outreach** According to the U.S. Bureau of the Census, there are more than 25 million veterans in the United States today. Only around one-fifth of them have any interaction with the Department of Veterans Affairs. However, many of them, particularly in-country Vietnam veterans, are eligible for compensation for several maladies incurred during their military service – and far too many remain unaware of the benefits to which their service entitles them.

These are not just veterans who have been having difficulties coping with life. As an example, in speaking with one Navy veteran, we learned that he had served in-country in Vietnam. When he mentioned that he had suffered with prostate cancer, we asked if he knew that this was service-connected compensable, presumptive to exposure to Agent Orange. This was news to him. And he is a lawyer with the IRS here in Washington, D.C.

VVA believes that the VA has an obligation to reach out to *all* veterans to ensure to the maximum extent possible that they know what benefits they have earned, and they know how to access these benefits. This is starting to happen as VA personnel are assigned to the bases where active-duty personnel transition to civilian life. This, however, is hardly enough.

We commend to you legislation S.1342 introduced in the Senate by Mr. Feingold that would require the Secretary of Veterans Affairs to establish a separate account for the funding of the outreach activities of the department – and a sub-account for the funding of the outreach activities of each element within the department. This legislation would assist states in carrying out programs that offer a high probability of improving outreach and assistance to veterans – and to their spouses, children, and parents who may be eligible to receive veterans’

benefits. We urge members of this committee to seriously consider introducing and holding hearings on companion legislation.

This morning, rather than offer a laundry list of issues and priorities, VVA is focusing on specific issues that demand our best efforts to achieve and warrant your attention and support.

**Fee-Basis Health Care** Approximately 60 percent of OEF/OIF service members, particularly in the National Guard and the Reserves, come from rural areas. Despite the VA's network of clinics, too many of these returnees and other veterans do not live near a VA clinic or medical center. They are at a dire disadvantage in accessing VA health care. When the VA cannot provide the highest quality care, in a timely manner, within a reasonable distance or travel time from a veteran's home, the VA has a duty to provide care via a fee-basis provider of choice for service-disabled veterans. VA personnel who deal with these veterans must be aware of their duty in this regard.

This most assuredly does not mean that the VA should begin to dismantle its network of healthcare facilities and outsource, or privatize, VA services. It does mean that Congress must ensure that every effort is made so that veterans – particularly our newest veterans – receive timely care from providers.

**Military History** The Veterans Health Administration (VHA) must become a true “veterans health care system” instead of a general health care system that happens to be for veterans. Without taking a complete military history of its patients, this is just not possible. We cannot state emphatically enough the need for VA clinicians to take a complete military history as a matter of course for all veterans currently in or entering the VA health care system. This must be part of the automated patient treatment record, so that it can be keyed to training, be the basis of clinical reminders based on the veterans' military record, and focus the general mindset of all clinicians at VA toward being a “veterans health care system.”

What is true for VA clinicians is true as well for private clinicians. A medical professional who knows a patient is a veteran, and knows a patient's military history, should have a better idea about what that patient may have been exposed to, what emotional trauma were faced that will have ongoing physical and/or mental repercussions.

**Military Sexual Trauma** It has become clear in the last decade that Sexual harassment and sexual abuse are far more rampant than what had been and acknowledged by the military. Reported instances of sexual harassment and abuse represent only the tip of the proverbial iceberg. While we are gladdened that both the Departments of Defense and Veterans Affairs seem now to be taking this seriously, even acknowledging sexual trauma as a crime in the Defense Authorization Act of 2005, there is still a long road to travel to change the current atmosphere that conditions victims of sexual abuse to not report this abuse to authorities. We urge Congress to call for a review of the penalties for military sexual trauma under the Uniform Code of Military Justice to determine if the penalties are commensurate with the offenses, and to act to ensure uniform enforcement in all branches of the military.

VVA also shall seek, via legislation or regulation, to re-authorize the biennial report of the Advisory Committee on Women Veterans, to be submitted to the Secretary of Veterans Affairs for response and then to Members of Congress; and we shall seek as well legislation to provide contract care, for up to 14 days post-delivery, for infants born to women veterans who receive delivery benefits through the VA.

**VA Research** - Perhaps the coalition of Friends of VA Medical Care and Health Research endorsing a \$48 million increase in appropriations for medical and prosthetics research – and \$45 million for facilities improvements – did not reach the right ears yet. It should be clear to all, however, that the \$13 million “hit” the VA research budget will take if the Administration’s proposal is approved is unconscionable, particularly in a time of war. Research may not reap immediate benefits, but research is critical in finding answers to the unique medical problems of veterans, and treatments that ease pain and save lives. The VA research program results in discoveries that advance the fields of mental and physical rehabilitation, increase research on blast injuries and burns, study means to improve the quality of health care delivery, and continue investigation on addressing chronic diseases and their complications.

VVA urges a significant increase, not any decrease, in funding VA research. VVA also calls for a separate line item of \$25 million in Research & Development funds to fund the National Vietnam Veterans Longitudinal Study (NVVLS), with report language compelling the rapid resumption and early completion of this vital study. (See further explication below.)

**Agent Orange** Far too many in-country Vietnam veterans are afflicted with serious, life-threatening diseases at a relatively young age, diseases that we believe are borne of exposure to Agent Orange and other herbicides, defoliants, and desiccants during their tour of duty in the jungles and rice paddies of Southeast Asia. Congress must provide the funds for study by reputable scientists into the long-term health effects of dioxin. Some of this research must focus on the intergenerational effects of exposure on the children – and on future generations – of Vietnam veterans.

Even though VVA agrees that funds should no longer be expended on the flawed Air Force Ranch Hand Study, we fully intend to work to ensure that the data gleaned from this study, as well as the tissue samples, are properly stored and accessible for legitimate scientific study.

**Lung Cancer and Veterans** As the VA acknowledged in 1994, there is mounting evidence of a “positive association” between exposure to herbicides – like Agent Orange – and the subsequent development of respiratory cancers. Additionally, a series of studies over the past 20 years has linked military service to higher smoking rates and smoking-related diseases and deaths. Because lung cancer is usually not diagnosed until late stage, making treatment costly and not very effective – the mortality rate for lung cancer is 85 percent – VVA urges Congress to mandate that the VA institute an early detection and screening program for all veterans – and especially Vietnam veterans – at high risk for this lethal cancer.

**Project 112/SHAD** VVA has been and will continue to work diligently to ensure the passage of The Veterans’ Right to Know Commission Act (H.R. 4259). This legislation, introduced by Reps. Mike Thompson (D-California) and Denny Rehberg (R-Montana), would empower an independent commission to delve into the history and non-disclosure of information to American service members who participated in the testing of chemical and biological substances as part of the Project 112/SHAD program.

This bill is about achieving justice for those Americans whose health may have been compromised by toxic elements to which they were exposed. Most were exposed unwittingly. The VA acknowledges that *at least* 70,000 service members may have been exposed in tests that go back to the end of World War II. Those still living, and the survivors of those no longer with us, should be provided with the information they need to resolve questions about their health, and to make

claims for service-connected disabilities derived from their participation in these tests.

Additionally, the legislation entitling a veteran who was in one of the Project 112/SHAD tests to medical services at the VA must be reauthorized and extended. VVA strongly recommends that the VA be required to issue a national protocol for these physicals based on the agents, simulants, tracers, and decontaminants to which 112/SHAD veterans were potentially exposed.

**PTSD and Substance Abuse** VVA believes that the National Vietnam Veterans Longitudinal Study (NVVLS), a follow-up to a study done some twenty years ago, must be funded – and the VA compelled to immediately re-initiate this statutorily mandated study and bring it to an early and proper conclusion. The NVVLS represents the last best chance we have of understanding the scope of the health of Vietnam veterans. Line-item funding for this study and strong explicit report language are needed to compel the VA to fulfill its responsibility to comply with the mandate set by Congress in Public Law 106-419, The Veterans' Benefits and Health Care Improvement Act of 2000.

Just as important, Congress must take the necessary steps to ensure that the organizational capacity and funding of the VA's mental health programs for the diagnosis and treatment of the neuro-psychiatric wounds of war are restored to at least the level of effort that existed in FY'96. So many veterans of the fighting in Afghanistan and Iraq are returning home haunted by their experiences. We do a disservice to them if we cannot provide the necessary mental health services that they require.

As all of us are aware, PTSD has been a hot topic of late. The 108<sup>th</sup> Congress authorized and funded the Veterans' Disability Benefits Commission to research and make recommendations as to how service-connected disability compensation is adjudicated, if the manner in which the VA adjudicates claims is in accord with the intent and will of Congress. The very existence of this commission, combined with the VA's ill-advised – and now revoked – decision to conduct a retrospective review of some 72,000 cases in which veterans were granted 100 percent disability compensation for PTSD, has left many veterans fearing that their benefits will somehow be reduced or taken away.

The VA is obliged to use as a guidepost for the diagnosis of PTSD the mental health standards set forth in the current edition of the *Diagnostic and Statistical Manual* of the American Psychiatric Association. VVA believes strongly that if VA adjudicators are properly trained and supervised, if they follow the VA's own "Best Practices" manual, the hubbub surrounding the variation in awards for PTSD would be silenced. The VA specifically and firmly refuses to utilize its own "Best Practices" for PTSD adjudication. Now, four years since the completion of the manual, and having refused to use it to train clinical or adjudication staff, or to issue a directive on its use – or to even distribute a copy of the manual – the VA is awaiting the results of a study by the Institute of Medicine to let VA officials know if how they adjudicate PTSD claims is the "gold standard" or if they need to do things differently.

**Employment, Training, and Business Opportunities** VVA will continue to work to ensure that all provisions of executive orders, public laws, and legislation pertaining to the employment, training, and business opportunities for all veterans, and especially for service-disabled veterans, be enforced. State, local, and federal agencies that work diligently to meet the spirit and intent of these provisions should be rewarded; any attempts to weaken the provisions should receive appropriate sanctions.

For the Secretary of Labor to continue to implement the Jobs for Veterans Act as it has been is astonishing. A recent Government Accountability Office report is far too kind to the Department of Labor, which has made no progress in the past three years to put in place a system to gather information to learn if the Jobs for Veterans Act is actually working and meeting the intent of Congress. In fact, the DOL has done nothing of consequence to implement "priority of service" for veterans, particularly disabled veterans and returning service members.

In fact, there is no real national strategy to assist returning veterans, including National Guard and Reservists, who are unemployed or under-employed. Similarly, there is no effective mechanism in place for enforcing veterans' preference, and we have an Administration that appeals a case against a disabled veteran who had finally won his case before the Merit System Protection Board pursuant to The Veterans Employment Opportunities Act of 1998.

It is imperative that re-education and work skills upgrades, including self-employment, should be made a priority by those agencies of government that

provide these services, especially considering the battalions of seriously and permanently disabled veterans returning from Afghanistan and Iraq.

Additionally, VVA implores Congress to begin an investigation into the disparities of the Compensated Work Therapy programs in the Veterans Health Administration, which we believe is just not doing the job they were created to do, of creating a bridge to permanent employment.

**Homeless Veterans** It is a national scandal that so many men – and, increasingly, women – who have served our nation now do not have a roof over their head, a place to call home. Although there are many reasons that have caused them to become homeless, they deserve our best efforts to help them salvage their lives.

Public Law 107-95, The Homeless Veterans Assistance Act of 2000, must be sufficiently funded and its provisions fully implemented – including the maximum appropriations stipulated in a variety of homeless assistance programs. Furthermore, we believe that congressional action is necessary to readdress what has emerged as a difficulty: VA Homeless Grant and Per Diem funding must be considered a payment rather than a reimbursement for expenses, an important change that will enable the community-based organizations that deliver the majority of these services to operate effectively and to require that the Department of Housing and Urban Development comply with section 12 of P.L 107-95 authorizing 500, additional HUD/VASH vouchers in FY03, FY04, FY05 and FY06. HUD acknowledges in a letter of December 5, that these funds have not been appropriated and that housing needs of homeless American is one of the top priorities, of the department, if this is so, then why are they leaving about 2,000 homeless veterans' without the most vital resources they need a safe and secure place to live by not asking Congress to appropriate these vouchers.

**Compensation and Pension** To promote uniform claims decisions, current policy must be changed to permit VA staff and VSO service representatives to collaborate in developing uniform training materials, programs, and competency-based re-certification exams.

VVA also seeks to secure a pension for Gold Star parents, many of whom are in dire financial straits and have lost the son or daughter who might have been able to assist them in their old age.

For currently deployed or soon-to-be deployed troops, VVA believes that greater financial protections are warranted for their security and the security of their loved ones. For the survivors of those who die in military service, we seek a permanent prohibition of offsets of Survivor's Benefit Plan and Dependency & Indemnity Compensation.

Finally, a change in the law is necessary to permit service members wounded in combat and placed on temporary disability status to be considered as remaining on active duty for the purpose of computing leave and retirement benefits.

**A New Generation of Veterans** The force readiness plan being developed by the Pentagon at the behest of Congress must include a full medical examination, to include a blood draw and a psychosocial history by a qualified clinician, for all troops prior to their deployment overseas and upon their return to their redeployment.

Because our newest veterans appear to be suffering the psychological stresses and disorders in far greater numbers than even we of the Vietnam generation, it is imperative that a system of acute stress counseling and PTSD counseling be emplaced, a system funded by DoD and delivered by VA personnel and private practitioners. This counseling must be made available to Reservists and members of the National Guard and their families in addition to active-duty troops.

**POW/MIA** The fullest possible accounting of the fate of American service members who had been Prisoners of War or who had been declared Missing in Action has long been a keynote of Vietnam Veterans of America. To further VVA's long-standing efforts in this regard, we urge Congress to appropriate additional funds to put more teams on the ground to conduct searches for remains in Vietnam, Laos, and Cambodia.

VVA also urges that all documents relevant to the status of POW/MIAs be declassified and released to the public; and we ask Congress to pass a resolution urging the government of Vietnam to provide all relevant wartime records and

to continue to repatriate the remains of American service members that have been recovered.

Finally, we seek funding for a public awareness program to inform all the families of those still listed as POW/MIA of the need to provide DNA family reference samples for potential identification of recovered remains.

To lose a son or daughter, father or sister or mother or brother is difficult enough for families to deal with. To not know the fate of their loved ones places these families in emotional limbo. We must do all that we can to bring closure to them. And to all of us.

Attach please find as an addendum the VVA 2006 Legislative Agenda & Policy Initiatives brochure.

**Thank You** To conclude, the members and their families of Vietnam Veterans of America, and the Associates of Vietnam Veterans of America, thank all of you in Congress who have served our nation, and those of you who continue to serve veterans and their families as members of this committee. I will be more happy to answer any question you may have.



**Never Again Will One Generation of Veterans Abandon Another.**



## *Vietnam Veterans of America*

---

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

### VIETNAM VETERANS OF AMERICA Funding Statement February 16, 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:**

Director of Government Relations  
 Vietnam Veterans of America.  
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### JOHN ROWAN

John Rowan was elected National President of Vietnam Veterans of America at VVA's Twelfth National Convention in Reno, Nevada, in August 2005.

John enlisted in the U.S. Air Force in 1965, two years after graduating from high school in Queens, New York. He went to language school, where he learned Indonesian and Vietnamese. He served with the Air Force's 6990 Security Squadron in Vietnam and at Kadena Air Base in Okinawa helping to direct bombing missions.

After his honorable discharge, John began college in 1969. He received a BA in political science from Queens College and a Masters in urban affairs at Hunter College. Following his graduation from Queens College, John worked in the district office of Rep. Ben Rosenthal for two years. He then worked as an investigator for the New York City Council and recently retired from his job as an investigator with the New York City Comptroller's office.

Prior to his election as VVA's National President, John served as a VVA veterans' service representative in New York City. John has been one of the most active and influential members of VVA since the organization was founded in 1978. He was a founding member and the first president of VVA Chapter 32 in Queens. He served as the chairman of VVA's Conference of State Council Presidents for three terms on the national Board of Directors, and as president of VVA's New York State Council.

He lives in Middle Village, New York, with his wife, Mariann.



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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, 23<sup>rd</sup> 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 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 Readjustment 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. He currently serves as Chairman of the Task Force for Veterans' Entrepreneurship, which has become the principal collective voice for veteran and disabled veteran small-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

VVA 2006

LEGISLATIVE AGENDA  
& POLICY INITIATIVES



The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional as to how they perceive the veterans of earlier wars were treated and appreciated by their nation.

— GEORGE WASHINGTON



In Service to America

## Vietnam Veterans of America

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

January 2006

Dear Veterans, Families, and Friends,

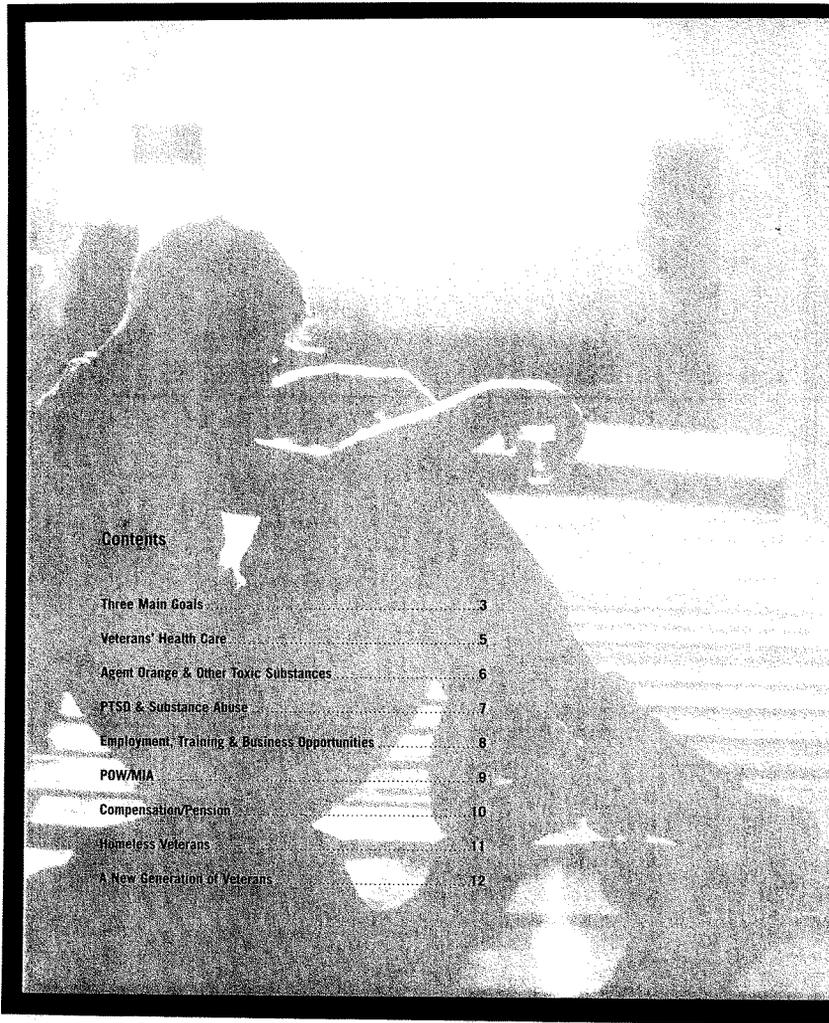
Vietnam Veterans of America has been making the case for several years that the current discretionary method of funding the health care programs of the Veterans Health Administration in the Department of Veterans Affairs (VA) just doesn't function any more. It is uncertain. It is subject annually to the whims and competing priorities of Congress to the detriment of the veterans it serves. It needs to be replaced by a new funding mechanism that is indexed to medical inflation and the per capita use of the VA health care system. This mechanism must assure the veterans health care system of a reliable, predictable funding stream.

This continues to be our highest legislative priority. We have united in this quest with other veterans' service organizations in The Partnership for Veterans Health Care Budget Reform. We believe, however, that the only way members of Congress will really listen is if they hear from their constituents – in letters and e-mails, in visits to congressional district offices, at town hall meetings, in Op/Ed columns in local news publications. We urge each of you to contact your Representative and your Senators to state the case and ask where they stand.

It is because of all the pressure brought to bear by the VSOs and by veterans across the land that the VA backed off its planned retrospective review of some 72,000 claims in which 100 percent disability ratings were given for Post-traumatic Stress Disorder (PTSD). And it will be because of the voices of veterans and their families and friends that we will succeed in changing the way in which veterans' health care is funded.

Keep up the good work.

John Rowan  
 National President



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*There are three areas that VVA believes are critical for the effective and efficient delivery of health care services and service-connected disability benefits earned by veterans.*

#### **Funding of Veterans Health Care and . . .**

Each year, VVA and the other VSOs fight for more dollars to provide the Veterans Health Administration with the resources it needs to serve eligible veterans who choose to receive their health care from the VA. We maintain that the VA health care system is grossly under-funded. As we have pointed out, had funding for the VA's medical programs not been flat-lined as the system was reaching out to admit newly eligible veterans in the wake of the eligibility reform act of 1996, the budget for VA health care would be some \$10 billion more than it is currently.

We should not have to debate each and every year how many dollars go into funding VA health care. There has to be a better way than the current method of discretionary funding. We call on members of Congress to come together in a spirit of bipartisan accommodation to resolve this perennial thorn. We call on reasonable minds from both parties to work together to fashion an acceptable formula of funding the VA's medical programs. VVA stands ready to work with them to enact this much-needed legislation.

#### **. . . Funding Veterans Benefits**

The system of adjudicating veterans' claims for service-connected disability compensation is the cause of much anguish and anger among veterans. Many of the delays in awarding compensation are the result of poor training and supervision of adjudicators – and the fact that there simply are not enough adjudicators to handle the caseload. The lack of resources is one of the major culprits. The Veterans Benefits Administration cannot ask its employees to handle larger and larger caseloads while at the same time pumping out decisions faster and faster.

There are smarter ways to accomplish this task and reduce the unacceptable backlog of cases. Yet the backlog will remain, and grow ever larger, without an infusion of funding to hire and train a new generation of adjudicators. With the jobless rate of returning OEF and OIF troops hovering at 15 percent, there is certainly a pool of talent that can be tapped – but only if the dollars are there. Currently, they are not.

### Accountability

It is not enough to appropriate additional resources to fund veterans' benefits and veterans' health care. Along with increased funding, Congress and the Secretary must ensure that the VA uses the right measurements of performance, focusing on quality as much as on quantity, and that the mechanisms are in place to ensure the proper utilization of these measurements. Congress must also ensure much greater accountability of senior managers. While the vast majority of the VA work force are dedicated to serving veterans, there are too many in positions of responsibility who evince little commitment to doing their jobs right. Many are rewarded at year's end with performance-based bonuses, bonuses based primarily on cost-savings, not quality of care. For those who have legitimately earned these benefits, congratulations! Those, however, whose performances leave much to be desired, need to be sanctioned, not rewarded.

VVA will help lead efforts to partner with Congress, and where possible with the Executive branch, to change the means and methods of measuring performance of units, and change laws governing Senior Executive Service and other senior levels to ensure accountability. Once this has been achieved, then VVA will work with the Congress to find ways to hold lower level employees more accountable, while restoring veterans' preference and worker rights to a meaningful status. VVA will also work with both the authorizing and the appropriations committees of Congress to insert language into VA appropriations that will spell out sanctions for poor performance.

### Outreach

There are some 25 million veterans of military service in the United States today. A little more than five million actively use the VA for their health care needs. Yet tens of thousands who avoid the VA, who have their own health insurance and their own physicians and other clinicians, are eligible for benefits they don't even know about. And how many in the legion of homeless veterans know what their benefits, and their rights, are?

For instance, how many in-country Vietnam veterans diagnosed with prostate cancer or Type 2 diabetes know that these conditions are presumptive for exposure to Agent Orange, and are both treatable and compensable by the VA? The VA has done a woeful job of reaching out to these veterans. VVA believes that outreach must be a separate line item in the budget, and that the VA must explain to Congress and to the VSOs how the outreach is being accomplished, and improved.

*There are other issues of concern that warrant the attention of Congress and the American people. What follows are VVA's legislative priorities in these areas.*

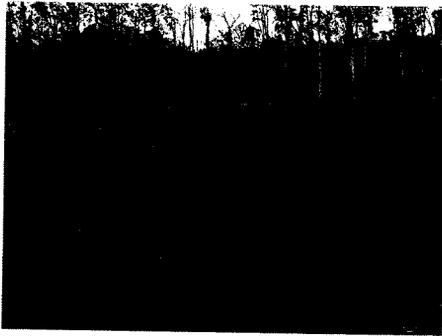
#### **Veterans' Health Care**

- When the VA cannot provide the highest quality care within a reasonable distance or travel time from a veteran's home and in a timely manner, the VA has a duty to provide care via a fee-basis provider of choice for service-disabled veterans.
- VVA is committed to protecting and advancing the rights to access VA health care programs and services for all veterans who meet the definition set forth in Title 38, U.S. Code, and shall continue our efforts to ensure that clinicians at VA medical facilities take a military history as a matter of course for all veterans currently in or entering the VA health care system.
- To better provide health care for women veterans, VVA will seek legislation or regulation to re-authorize the biennial Report of the Advisory Committee on Women Veterans, with submission to the Secretary of Veterans Affairs for response, and to members of Congress; and VVA shall seek legislation to provide contract care, for up to 14 days post-delivery, for infants born to women veterans who receive delivery benefits through the VA.



**Agent Orange & Other Toxic Substances**

- VVA shall promote continued research by reputable scientists into the long-term health effects of dioxin; some of the research must focus on the intergenerational effects of exposure on the children and future generations of in-country Vietnam veterans.
- Even though VVA agrees that funds should no longer be expended on the Air Force Ranch Hand Study, we shall monitor and work to ensure that the data, as well as the tissue samples, are properly stored and accessible for legitimate scientific study.
- VVA shall work to ensure passage of The Veterans' Right to Know Commission Act (H.R. 4259), which would empower an independent commission to look into the history and non-disclosure of information to American service members who participated in the testing of chemical and biological substances as part of the Project 112/SHAD program.



**PTSD & Substance Abuse**

- VVA shall call upon the Secretary of Veterans Affairs to fund the National Vietnam Veterans Longitudinal Study (NVVLS), a follow-up study to one done 20 years ago. This will fulfill the responsibility of the VA to comply with the mandate set by Congress in Public Law 106-419, The Veterans' Benefits and Health Care Improvement Act of 2000.
- VVA shall work with Congress to take the steps necessary to ensure that the organizational capacity and funding of the VA is restored to at least the level of effort that existed in FY'96 for the effective diagnosis and treatment of the neuro-psychiatric wounds of war, particularly for Post-traumatic Stress Disorder and substance abuse.
- VVA shall encourage the VA Central Office to enforce the use of current mental health standards regarding the diagnosis of PTSD as set forth in the current edition of the *Diagnostic and Statistical Manual* published by the American Psychiatric Association.



**Employment, Training & Business Opportunities**

- VVA shall work to ensure that all provisions of executive orders, public laws, and legislation pertaining to the employment, training, and business opportunities for all veterans, particularly service-disabled veterans, be enforced. State and federal agencies that work diligently to meet the spirit and intent of these provisions should be rewarded; any attempts to weaken the provisions, or fail to fulfill the spirit and intent should receive appropriate sanctions.
- VVA shall seek to ensure that re-education and work skills upgrades for all veterans, including self-employment, shall be provided by the appropriate agencies of government and be accorded the highest priority.
- VVA shall seek an investigation into the disparities of the Compensated Work Therapy programs in the Veterans Health Administration, with minimum standards and quality assurance established to include rewards for outstanding performance and sanctions for not meeting set standards.

**POW/MIA**

- To further VVA's long-standing efforts to seek the fullest possible accounting of the status of all American service members who had been Prisoners Of War or who had been declared Missing In Action, we urge Congress to appropriate additional funds to put more teams on the ground to conduct searches for remains in Vietnam, Laos, and Cambodia.
- VVA shall urge that all documents relevant to the status of POW/MIAs be declassified and released to the public; and VVA asks Congress to pass a resolution urging the government of Vietnam to provide all relevant wartime records and to continue to repatriate the remains of American service members that have been recovered and stored.
- VVA shall urge that funding be dedicated to a public awareness program to inform families of those still listed as POW/MIA of the need to provide DNA family reference samples for potential identification of recovered remains.

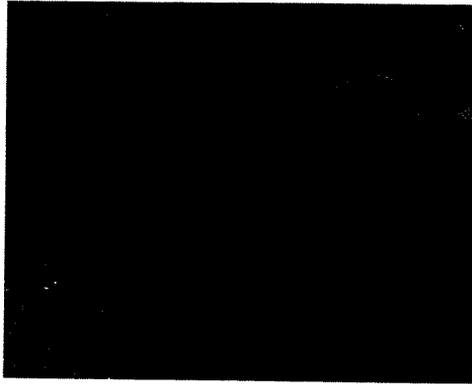


**Compensation/Pension**

- VVA shall seek to secure a pension for Gold Star parents.
- To promote uniform claims decisions, VVA shall seek a change in current policy to permit VA staff and VSO service representatives to collaborate to develop uniform training materials, programs, and competency-based re-certification exams.
- VVA shall seek a change in the law to permit service members wounded in combat and placed on temporary disability status to be considered as remaining on active duty for the purpose of computing leave and retirement benefits.
- VVA shall seek permanent prohibition of offsets of Survivor's Benefit Plan (SBP) and Dependency & Indemnity Compensation (DIC) for the survivors of those who die in military service.
- VVA shall seek greater financial protections for deployed service members.

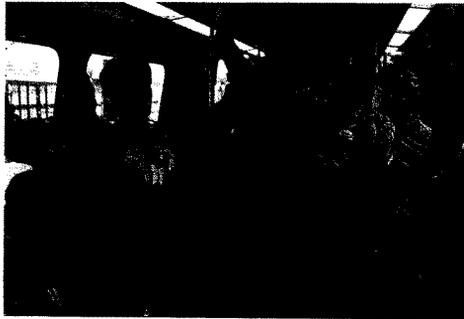
**Homeless Veterans**

- VVA shall work to ensure that Public Law 107-95, The Homeless Veterans Assistance Act of 2000, is sufficiently funded and fully implemented, to include maximum appropriations for HUD McKinney-Vento and HUD-VASH voucher programs; HHS Projects for Assistance in Transition from Homeless Programs; the VA Health Care for Homeless Veterans and the DOL Homeless Veterans Reintegration Program.
- VVA shall seek legislation or regulation to readdress the VA Homeless Grant and Per Diem funding as payment rather than a reimbursement for expenses.



### **A New Generation of Veterans**

- VVA shall work to ensure that the Department of Defense comply with the law by giving a full health examination, to include the drawing of blood and an encounter with a clinician to take a psychosocial history, to all troops prior to their deployment overseas and upon their return to the United States.
- VVA shall work with officials to emplace a system of acute stress counseling and PTSD counseling that is funded by DoD and delivered by VA personnel and private practitioners for returning OEF/OIF service members, including Reservists and members of the National Guard and their families.
- VVA shall urge Congress to call for a review of the penalties under the Uniform Code of Military Justice to determine if penalties for military sexual trauma are commensurate with the offenses, and to act to ensure uniform enforcement in all branches of the military.



CREDITS

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JANUARY 2006

Never again will one generation of veterans abandon another.



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**Testimony**

**Of**

**John K. Lopez, SDV, Chairman**

**Association for Service Disabled Veterans**

**To**

**The Committee on Veterans' Affairs**

**U.S. House of Representatives**

**Thursday, February 16, 2006**

**Room 334, Cannon House Office Building**

**Washington, DC**



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Good morning Mr. Chairman, Ranking Member and Members of the Committee. Thank you for your attention and without objection, I shall submit a written statement for the record and summarize my testimony for the Committee.

It has been nearly six (6) years since the U.S. Congress first provided support for the service disabled and prisoner of war veteran enterprise initiative, by enacting P.L. 106-50 and P.L. 108-183.

The Administration followed that direction by invoking President Executive Order 13360, directing aggressive and immediate implementation of those laws and specifying actions to be taken.

Those activities took place in October 2004 and since that time the frustration has continued.

For example; when P.L. 106-50 was enacted the Federal Acquisition Regulatory Council (FAR) contended that the main intent of the legislation was unclear and therefore the required establishment of a program for service-disabled veterans (SDV) did not exist.

**Subsequently, the legislated intent of the U.S. Congress has been variously interpreted by regulators due to the necessity for inserting and parsing of the required language, statements and reference to existing regulations and public laws.**

This bureaucratic obfuscation has had the effect of confusing and impeding the effort to increase the participation of the service-disabled veteran (SDV) in government procurement and contracting opportunities.

H.R. 3082 "The Veteran Owned Small Business Promotion Act" clarifies and reemphasizes the intent of the U.S. Congress. The intent is a splendid example of the



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concern and focus of the Committee's response to the veteran's need for rehabilitation and transition assistance.

H.R. 3082 gives specific authority to the Department of Veterans Affairs (USDVA) to confirm the eligibility of service disabled veteran businesses and to accept direct responsibility for the provision of benefit to the veteran. Especially, the service disabled veteran. It puts the task to that agency specifically established for the purpose of serving "those who have borne the battle".

Included is concern for the total family.

The age old adage that; "BESIDE EVERY SUCCESSFUL MAN STANDS A WOMAN"; pales in significance when compared to the role of the wives', mothers', sisters' and daughters' who care for those service disabled and prisoner of war veterans (SDV) that are enhancing their **REHABILITATION** through the ownership and management of a smaller business (SDVE).

Besides, the enormous burden of caring for the SDV's life long disabilities, incurred in sacrifice for the well being of all the free world, these women are vested participants in the daily management of the SDV enterprise. Without their participation the SDVE is surely doomed to failure.

For too long has this extraordinary contribution gone unrecognized and the unique investment of Vested Women (VW) gone uncompensated.

Present legal interpretation states that the legal entitlement of the SDVE ceases when the SDV owner dies or is incapacitated, leaving the significantly invested VW with a



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practically totally devalued business. The actual VW role as a defacto partner and enabling force in the enterprise is discarded.

This is an unacceptable disposition of the accomplishments of the SDV and the sacrifice of the VW. Disgracing the responsibility of the nation for the sacrifices of the veterans' unique initiative. H.R. 3082 will alleviate this injustice and provide for SDV business succession.

In the words of one Vested Woman (VW); **"WOMEN HAVE STOOD BY TOO LONG WHILE OUR DISABLED VETERAN LOVED ONES HAVE TAKEN ABUSE AND DISRESPECT FOR THEIR SACRIFICE FOR THIS NATION WHILE THEY STRUGGLE WITH REHABILITATION.**

**THAT WILL NOW STOP!!!"**

It is estimated that over 2,500,000 women are integral in the operation of SDVE and over 15,000,000 in all veteran owned business.

**H.R. 3082 also clarifies the misconception that Veterans Entrepreneurship, and the proposed act, are a socioeconomic development initiative or a cultural inequity panacea.**



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H.R. 3082 is a specified contribution to that continuing obligation of our nation to **REHABILITATE** those veterans that sacrifice for our nations security and prosperity.

### **THE SERVICE DISABLED VETERANS GOVERNMENT SERVICE INCURRED MISERY IS UNIQUE!**

There is no justification for requiring that service disabled veteran indemnification and rehabilitation be adjusted to the conduct of any other socio-economic program.

Future generations of American military heroes will be forever indebted to the Congress, and especially the 109th Congress, for their commitment to honor and support those killed, maimed, and tortured in the continuing struggle to provide security and prosperity for the people of the world.

Those Iraqi-Afghanistan veterans returning from harms way are experiencing a far different outreach from others who have served, and that is a tribute to the conscience of the Members of the U.S. Congress.

The 25 million military veterans of our nation thank the Chairman and Ranking Members of the Committee and Subcommittees, **the 500 thousand grandmothers, 12 million wives and 6 million granddaughters that are direct stakeholders and beneficiaries of veteran's entrepreneurial investment and the 30 million employees of veteran enterprises (SDVE)**, thank the U.S. Congress for the



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compassionate and responsible leadership that they have demonstrated in the development of veterans entrepreneurship.

We ask that the Congress enact H.R. 3082 expeditiously and that the Congress stay acutely engaged in a process of verifying that the intent of veteran entrepreneurship development legislation is implemented!

Thank you for your attention. I would be pleased to answer any questions the Members may have.

**Statement**

of the

**NATIONAL ASSOCIATION OF STATE DIRECTORS  
OF VETERANS AFFAIRS**

on the

**US Department of Veterans Affairs  
Budget Request and  
Legislative Program**

before the

**House  
Veterans' Affairs Committee**

February 16, 2006

*Presented by*

*George Basher  
President, NASDVA  
Director, NYS Division of Veterans' Affairs*

## INTRODUCTION

Mr. Chairman and distinguished members of the committee, as President of the National Association of State Directors of Veterans Affairs (NASDVA) I thank you for the opportunity to testify and present the views of the State Directors of all 50 states, commonwealths, and territories.

As the nation's second largest provider of services to Veterans, state governments' role continues to grow. We believe it is essential for Congress to understand this role and ensure we have the resources to carry out our responsibilities. We partner very closely with the Federal Government in order to best serve our veterans and as partners, we are continuously striving to be more efficient in delivering services to veterans.

We greatly appreciate the leadership of Chairman Buyer and Ranking Member Evans and the entire membership of the House VA Committee for their past support of building upon the administration's budget and hope that it continues. Because of the War on Terror, we are now serving a new generation of veterans. They are going to need our help as they return to civilian life. We believe, therefore, that there will be an increased demand for certain benefits and services and the overall level of health care funding proposed by the administration must meet that demand while continuing to serve those veterans already under VA care.

## VETERANS HEALTH BENEFITS AND SERVICES

***NASDVA supports the Capital Asset Realignment for Enhanced Services (CARES) process.***

Capital Asset Realignment for Enhanced Services (CARES): We were generally pleased with the report and recommendations made in the final plan. We also support the process for planning at the remaining 18 sites and the direction it will move VA as a national system. We urge that capital funding required for implementation be included over a reasonable period of time to enable these recommendations to be realized.

***NASDVA supports the opening of additional Community-Based Outpatient Clinics (CBOCs). We would like to see the new priority CBOCs deployed rapidly with appropriate VA Medical Center (VAMC) funding.***

Community-Based Outpatient Clinics (CBOCs): Continued development of CBOCs has greatly improved veterans' access to VA health care. We continue to encourage rapid deployment of new priority clinics over the next few years with the corresponding budget support to VAMCs. VA needs to quickly develop these additional clinics, to include mental health services. We encourage the investment of capital funding to support the many projects recommended by CARES. We support VA contracting-out some specialty care to private-sector facilities where access is difficult. Likewise we would like to see this process continue in FY 2007, with sufficient funding in the budget.

***NASDVA recommends an in-depth examination of long-term care and mental health services.***

Long-Term Care and Mental Health Services in CARES Initiatives: The CARES Commission review did not include long-term care or mental health services, but did recommend further study of both areas. To that end, we again ask that a study be done to thoroughly examine veterans' long-term care and continue the study currently being done on mental health care needs, to include gap analysis clearly identifying where services are lacking. The CARES report recognized State Veterans Homes (SVHs) as a critical component of veterans' long-term health care and a model of cost-efficient partnership between federal and state governments. These state nursing care facilities and domiciliaries bear over half of the national long-term health care workload for our infirm and aging veteran population. Forty-eight (48) states provide care for more than 27,500 veterans in 120 SVHs. We urge you to continue to oppose proposals that jeopardize the viability of our SVHs. State taxpayers have supported the SVHs through its 35% share of construction costs with an understanding that the federal government would continue to make its contribution through per diem payments. The federal government should continue to fulfill its important commitment to the states and ultimately to the individual veterans in need of care.

***NASDVA continues its strong support for the State Home Construction Grant Program. The annual appropriation for this program should be continued and increased. Based on the reduction in funding in FY 2006, we recommend that the amount in FY 2007 be increased to \$115 million. Re-ranking of projects should be eliminated once a project is established as Priority group 1 (state matching funds are available).***

Funding of the State Homes Construction Grant Program. Since 1977, state construction grant requests have consistently exceeded Congressional appropriations for the program. According to the FY06 Priority List of Pending State Home Construction Grant Applications, there are 80 projects in Priority group 1 with state matching funds of \$226M for a federal match of \$420M. Any grant moratorium only exacerbates an already under-funded program, where the FY06 appropriation was only \$85M. This deficit in federal program support causes long delays in the establishment of long-term care beds in areas where these services are badly needed by an aging veteran population. We recommend rejection of any proposed moratorium and an increase in funding.

The success of VA's efforts to meet the current and future long-term care needs of veterans is contingent upon resolving the current mismatch between demand and available funding. We recommend this issue be included in any long-term care study undertaken.

Ranking of State Home Construction Projects. Priority groups for construction or acquisition of SVHs are established in 38 CFR, Chapter 59.50. States that have applied and made matching funds available for projects are ranked Priority group 1. Due to insufficient funding each budget year, some Priority group 1 projects do not receive federal funding and are then subject to reprioritization the following budget year. Since these projects have state funds committed, they should maintain their ranking in Priority group 1 except for new projects that are for "life and safety" issues.

***NASDVA supports full reimbursement for care in SVHs for veterans who have a 70% or more service-connected disability or who require nursing home care because of a service-connected disability.***

Full Reimbursement for Cost of Care for Qualifying Veterans in SVHs: The November 1999 Millennium Act requires VA to provide nursing home care to those veterans who have a 70% or more service-connected disability or who require nursing home care because of a service-connected disability. VA provides nursing home services through three national programs: VA owned and operated nursing homes, SVHs owned and operated by the state, and contract community nursing homes. VA General Counsel interpretation of the law allows only contract community facilities to be reimbursed for full cost of care. SVHs merely receive per diem towards the cost of care, requiring the veteran to make a co-payment. This is unfair to those veterans who are eligible for full cost of care, but prefer to reside in a SVH.

***NASDVA supports increasing per diem to provide one-half of the national average annualized cost of care in a SVH.***

Increase in Per Diem Payments to SVHs. Current law allows VA to pay per diem up to one-half of the cost of care each day a veteran is in a SVH. However, in 1QTR FY05, VA per diem amounted to only 31% of the average daily cost of nursing home care (\$185.56) and only 25% of the average daily cost of domiciliary care (\$119.94) in a SVH. We ask that per diem for both programs be increased to one-half of the national average annualized cost of providing care, as the SVH program is the most cost effective nursing care alternative used by VA.

***NASDVA supports VA Medicare Subvention. We recommend a veterans' medication purchase option be implemented for Priority group 7 and 8 enrollees who only seek medications. We request continued protection of the Federal Supply Schedule for VA/DOD pharmaceuticals.***

Medicare Subvention. We recommend that VA implement a Medicare Subvention program similar to the unrealized "VA Advantage" Program. Working with the Department of Health and Human Services, this program will allow Priority group 8 veterans aged 65 and older to use their Medicare benefits to obtain VA health care. VA would receive Medicare payments to cover its costs. This is an HMO concept we have supported, however, we are concerned about the delay in implementation of a pilot. It was our understanding two years ago that this program would be available to veterans within a few months. Another year has now passed without implementation.

Optional Purchase of VA Medications. NASDVA requests Secretary Nicholson consider a veterans' medication purchase option. Large numbers of Priority group 7 and 8 enrollees are seeking prescription drugs; they do not necessarily seek access to the VA health care system. A medication only purchase program could separate this population from the enrollee lists and reduce backlogs, assisting VA in delivering services to the core constituency of service-connected veterans. Such a plan would provide veterans an attractive alternative to Medicare Part D funding for pharmaceuticals.

Protection of VA pharmaceutical costs. NASDVA requests continued protection of the Federal Supply Schedule (FSS) for VA/DOD pharmaceuticals. While we support the goal of reduced drug prices for all Americans, we are concerned that if the FSS prices were

extended to Medicare recipients or other entities, it would result in increased prices for VA/DOD, diverting millions of dollars from health care funding for veterans.

***NASDVA supports continued efforts to reach out to veterans. This should be a partnership between VA and the State Departments of Veterans Affairs (SDVAs).***

Outreach to Veterans. While growth has occurred in VA health care due to improved access to CBOCs, many areas of the country are still short-changed due to geography and/or due to veterans' lack of information and awareness of their benefits. VA and SDVAs must reduce this inequity by reaching out to veterans regarding their rights and entitlements. NASDVA supports implementation of a grant program that would allow VA to partner with the SDVAs to perform outreach at the local level. There is no excuse for veterans not receiving benefits to which they're entitled simply because they are unaware of those benefits.

## COMPENSATION AND PENSION BENEFITS

***NASDVA supports considerations of a greater role for SDVAs in the overall effort to manage and administer claims processing, regardless of whether the state uses state employees, Veterans Service Organizations (VSOs), and/or County Veterans Service Officers (CVSOs).***

Restructured Claims Management: Recent studies regarding claims processing have all noted that VA needs to make better use of the assets of the state government and VSOs to assist in claim processing. One example is the October 2001 *Claim Processing Task Force Report to the Secretary*, which stated:

*"the full partnership and cooperation of VBA and Veterans Service Organizations (VSOs) are vital elements in assuring timely service to the veteran. A well-developed network of VSOs and State Departments of Veteran's Affairs (SDVAs) should be encouraged to cooperatively enhance the delivery of services to veterans. Service organizations can help improve service to beneficiaries and increase veteran satisfaction by providing assistance in gathering evidence for the development of a well documented and "ready-to-rate claim, helping deter frivolous claims, and by providing timely information on claim status."*

Additionally, as noted in the recent VA Inspector General's *Review of State Variances in VA Compensation Payments*, veteran access to competent claim assistance is still very much an accident of geography. Effective advocacy for veterans from initiation of a claim to a VA decision can improve sufficiency and timeliness of claims. Numerous studies indicate "well-developed" claims produce better outcomes for veterans in a shorter time and at a lower cost to VA.

The SDVAs, nationally chartered VSOs, and county veteran service officers have the capacity and capability to assist VA. NASDVA can be an effective partner with VA to establish and achieve higher performance standards in claims preparation. SDVAs could assume a role in more effective and comprehensive training programs and certification of service officers to ensure competence and technical proficiency in claims preparation. We can support VA in its "duty to assist" without diminishing our role as the veterans' advocate.

For all the reports and testimony to the contrary, VBA has not been very successful in making effective use of the state/county/VSO system of service officers and counselors. Under the current system of claims processing, the interface between VBA and those who represent veterans is clumsy and poorly integrated. We recommend VBA explore methods of integrating its existing and future applications and its business process with those state, county, and VSO personnel supporting claim processing. We further recommend the establishment and enforcement of uniform training programs and performance measures for all personnel involved in the preparation of veteran claims.

***NASDVA strongly supports passage of legislation to eliminate the time-phased concurrent receipt of military retirement pay and service-connected disability compensation.***

We appreciate the FY05 Defense Authorization Act authorizing full concurrent receipt of retired pay and disability compensation for retirees with 100% VA disability ratings. We are disheartened, however, by the DoD decision to exclude the 30,000 retirees currently rated as "unemployable" and receiving disability compensation at the 100% rate. This decision should be based on fairness, not budgetary constraints.

NASDVA strongly supports passage of legislation to eliminate the time-phased concurrent receipt of military retirement pay and service-connected disability compensation. These are both earned entitlements and should apply to all retired veterans, regardless of their level of disability.

#### BURIAL AND MEMORIAL BENEFITS

***NASDVA recommends and increase in the plot allowance for all veterans to \$1000 per interment. We strongly support an increase in funding for the State Cemetery Grant Program. A new federal/state national Cemetery Administration (NCA) grant program could be established to support state costs.***

Increase in Burial Plot Allowance: the average operational cost of interment in a state veterans' cemetery is \$2000. This adds to the fiscal burden of many SDVAs. The current burial plot allowance of \$300 per qualified interment provides 15% of the average cost of interment. NASDVA recommends the Plot Allowance be increased to \$1000 in order to offset operational costs. The increase should also apply to the plot allowance for veterans' interment in private cemeteries.

Increased Funding for State Veterans Cemetery Grant Program (SCGP): the State Veterans Cemetery Grant Program (SCGP) has greatly expanded the SDVAs' ability to provide gravesites for veterans and their eligible family members in those areas where national cemeteries cannot fully satisfy burial needs, particularly in rural and remote areas of the country. The existing State Cemetery Grant Program has allowed the number of state cemeteries to grow by nearly 40% over the past five years with a corresponding increase in interments. Currently there are some 40 project pre-applications pending totaling \$160M. We ask that SCGP funding be increased to \$50M.

Establishment of a State Veterans Cemetery Operations Grant Program: SDVAs are provided construction grants for veterans' cemeteries and a limited burial plot allowance

as discussed above to partially offset the cost of interment. Operational costs for both state and national veterans' cemeteries continue to rise. However, once a state establishes a state veterans' cemetery there is no further source of federal funding to defer operational costs. NASDVA recommends the establishment of a federal grant program to assist state veterans' cemeteries with operational costs.

### **HOMELESSNESS AMONG VETERANS**

***NASDVA supports efforts to diminish the national disgrace of homelessness among veterans. SDVAs would prefer an active role in allocating and distributing per diem funds for homeless veterans to non-profit organizations, ensuring greater coordination, fiscal accountability, and local oversight of the services provided.***

Homeless Providers Grant and Per Diem Program: VA grants greatly assist states in reducing homelessness among veterans and we urge an increase in per diem (currently \$27.44) to ensure appropriate support services at transition facilities. Additionally, NASDVA recommends VA partner with SDVAs in the process of allocating and distributing per diem funds to non-profit organizations. This would create an appropriate level of accountability and collaboration between non-profit agencies and SDVAs, ensuring funding is used to provide care to veterans in the program in a most effective manner.

### **SEAMLESS TRANSITION AND JOBS**

**NASDVA strongly supports improving upon and providing "Seamless Transition" to help our service members' transition into civilian life.**

We support the expansion of the Transition Assistance Program (TAP). Efforts need to be made to maximize the integration of services provided by the DoD, VA and State and Local Governments. It must be recognized that no single agency can adequately meet the transition needs of our returning service members.

**NASDVA strongly supports Veterans' preference with regard to employment.**

We support full implementation of existing programs and laws with regard to veterans' preference to ensure our returning veterans have every opportunity available in their transition into civilian life. We also support incentives to businesses that hire veterans.

### **CONCLUSION**

Mr. Chairman and distinguished members of the committee, we respect the important work that you have done to improve support to veterans who have answered the call to serve our nation. NASDVA remains dedicated to doing our part, but we urge you to be mindful of the increasing financial challenge that states face, just as you address the fiscal challenge at the federal level. We are dedicated to our partnership with the VA in the delivery of services and care to our Nations Veterans.

This concludes my statement and I am ready to answer any questions you may have.



Testimony of  
**GERALD HARVEY**  
National Commander  
**AMERICAN EX-PRISONERS OF WAR**

Presented by  
Les Jackson  
Executive Director

Before the  
**HOUSE VETERANS' AFFAIRS COMMITTEE**

February 16, 2006

Testimony of National Commander Gerald Harvey  
American Ex-Prisoners of War  
Presented by Executive Director Les Jackson  
February 16, 2006

Chairman Buyer, Ranking Member Evans, Distinguished Members of the House Veterans Affairs Committee and Guests.

I welcome the opportunity to again speak on behalf of American Ex-Prisoners of War (POWs). We are deeply grateful for all that Congress and VA have done for POWs over the last thirty years. As you know, prior to that POWs were an invisible part of this nations veterans. It has been incorrectly stated we preferred it "this way" out of shame over being captured. This is not true, we are proud to have lost our liberty while defending the right of all Americans to be free. We were so happy to be free we simply wanted to again enjoy that freedom with our homes and families. As a result, we made few requests upon our government at that time.

Public awareness about the plight of ageing POWs in general was reawakened by the plight of the Americans held for months and years by North Vietnam. Max Cleland, then VA Administrator and, later, Senator from Georgia - took the lead in correcting our country's failure to remember POWs from earlier wars, including WWII. For the first time, Total Captured, Repatriated, and Currently Alive were obtained from original military records.

VA then immediately took steps to identify all POWs receiving health care or disability benefits. Congress, too, responded promptly and directed VA to conduct a review of all policies and procedures relevant to POWs and established a POW Advisory Committee to review and advise VA and Congress on matters related to POWs. In a very real sense, POWs were changed to a high priority group within VA and Congress.

Over the past thirty years many presumptives were established to simplify the process by which POWs could obtain needed disability benefits and medical care. The ongoing research conducted on POWs by the National Academy of Sciences provided the basis for these Congressional and VA actions. At present most of the long term health problems causally associated with the brutal and inhumane conditions of captivity have been identified and made presumptive.

We urge Congress to act on the several remaining medical conditions identified in current legislation. The first of these, "chronic liver disease" is simply a clarification of a current presumptive - "cirrhosis of the liver". The National Academy of Sciences has stated in writing, this more accurately reflects their findings - cirrhosis is simply the final stage of chronic liver disease.

The second is diabetes. It has already been established for Viet Nam veterans exposed to certain chemicals and other factors. POWs were similarly exposed to adverse factors while in captivity that are causally related to diabetes.

Third - osteoporosis. This is directly related to the absence of the calcium needed to maintain bone structure, a common situation for POWs. This condition becomes apparent after a bone break. Adjudicators typically already decide these claims for POWs. Making it a presumptive simplifies the process for adjudicators and POWs alike.

H. R. 1598 introduced by Rep. Michael Bilirakis and S. 1271 introduced by Sen. Patty Murray cover these presumptives. We ask the full committee to support these bills. We call to your attention that there is virtually no increased cost to any of these proposed presumptives. Costs are more than off-set by rapidly diminishing numbers of POWs already on the disability rolls or favorably acted on by VA adjudicators via a longer process of evaluation.

In closing, I want to again express our deep appreciation for identifying POWs as a high priority and worthy segment of the veterans population. We are also gratified for VA's ongoing efforts to identify every POW and be processed for applicable VA benefits by adjudicators specially trained to handle POW claims.

Note: 1.) AXPOW receives no grants or funds from the Federal Government  
2.) My curriculum vitae is that of service as a member and officer of AXPOW

**National Association of County  
Veterans Service Officers**

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**Testimony of**  
**Ann G. Knowles, President**

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before the

United States House of Representatives  
Committee on Veteran Affairs  
109<sup>th</sup> Congress  
On

**Legislative Priorities 2006**

February 16, 2006

**Testimony of**  
**Ann G. Knowles, President**  
  
**National Association of**  
  
**County Veterans Service Officers**

**Introduction**

Chairman Buyer, members of the committee, it is truly my honor to be able to present this testimony before your committee. As President of the National Association of County Veterans Service Officers, I am commenting on:

- Recommendations for the Creation of a New Federal/State/Local Government Partnership. to provide Outreach to Veterans and their Dependents.
- Recommendations for the Development of Standardized Training for County Veterans Service Officers.
- Recommendations for Improvements in Claims Development.

The National Association of County Veterans Service Officers is an organization made up of local government employees. Our members are tasked with assisting veterans in developing and processing their claims. We exist to serve veterans and partner with the National Service Organizations and the Department of Veterans Affairs to serve veterans. Our Association focuses on outreach, standardized quality training, and claims development and advocacy. We are extension or arm of government, not unlike the VA itself. in service to the nation's veterans and their dependents.

Our workforce represents approximately 2,400 employees available to partner with Department of Veterans Affairs to help speed the process of claims development and transition of our military personnel to civilian life.

Upon discharge, the service man or woman becomes a veteran who returns to a local community. When health issues become apparent and help is needed -the most visible

and accessible assistance is the County Veterans Service Officer. As we sit here today discussing the needs of the veterans across this great land it soon becomes evident that there are many areas that need attention. Outreach and claims processing improvements are essential if we are to fulfill the obligation proclaimed by Abraham Lincoln "...To care for him, who shall have borne the battle and for his widows and orphans...". This is our focus and passion.

## 2005

The 108th Congress brought some much needed changes and additions to veteran's law. The National Association of County Veterans Service Officers (NACVSO) monitored and supported the COLA Bill, Parkinson's Disease Research Pilot, Service Member's Increased Life Insurance to \$400,000, Health Insurance Protection Act of 2005, Veterans Housing and Protection Act of 2005 and the Information Technology Management Improvement Act of 2005.

We commend the House Members and the Committee on Veteran Affairs on your accomplishments of 2005. However there is much more that remains to be done in the arena of unmet needs for veterans.

## Legislative Priorities

- **OUTREACH:**

Outreach efforts must be expanded in order to reach those veterans, dependents and survivors that are unaware of their benefits and to bring them into the system. Nearly 2 million poor Veterans or their impoverished widows are likely missing out on as much as \$22 billion a Year in pensions from the U.S. government, but the Department of Veterans Affairs has had only limited success in finding them, according to the North Carolina Charlotte Observer.

According to a recent study performed by the National Association of State Directors of Veterans Affairs the national average of veterans in receipt of Compensation and Pension benefits is just over 11%. We believe this points to veterans being unaware of available benefits.

Widows are hardest hit. According to the VA's own estimate, **only one in seven** of the survivors of the nation's deceased Soldiers, Sailors, Airmen and Marines who likely could qualify for the pension actually get the monthly checks. What's more, participation in the program is falling. **Veterans and widows are unaware that the program exists.** They simply don't know about it and the VA knows that many are missing out on the benefit "We obviously are here for any veteran or survivor who qualifies," said a VA Pension official. **"But so many of these people -- we don't know who they are, where they are.**" The VA's own report from late 2004 recommended that the agency "improve its outreach efforts" with public service announcements and other pilot programs. While

it made limited efforts to reach veterans or their widows through existing channels, it is difficult to determine whether such efforts have been successful.

Nonetheless, one VA estimate of the program shows the potential pool of poor veterans and widows without the pensions has remained unchanged the past four years. The total number of pension cases fell to 541,000 in fiscal 2005, the sixth straight year of declines. The VA actuary's office predicts that pension participation is likely to drop further, losing between 7,000 and 8,000 enrollees a year and falling below 500,000 participants by 2012, according to a VA actuary report obtained by Knight Ridder. At the same time, the separate 2004 report estimated that an additional 853,000 veterans and 1.1 million survivors -- generally widows -- **could get the pension but don't**. Of all those likely eligible, only 27 percent of veterans and 14 percent of widows receive the money. It is obvious that there is a great need for outreach to into the veteran's community and the local CVSO is the advocate closest to the veterans and widows and with minimal funding could reach the maximum number of eligible veterans and widows. Therefore, NACVSO is supporting HR 4264 and its companion bill S 1990, introduced by Congressman Mike McIntyre and Senator Richard Burr, of North Carolina, that would allow Secretary Nicholson to provide federal - state - local grants and assistance to state and county veteran's service officers to enhance outreach to veterans and their dependents. We are already present in most communities and stand ready to assist the Department of Veterans affairs with this monumental task.

- **STANDARDIZED TRAINING FOR SERVICE OFFICERS:**

**PROBLEM:**

The inconsistencies in hiring, training and accrediting of State and County Veterans' Service Officers (CVSO).

The inability of the Department of Veterans Affairs (DVA) to determine and track the knowledge and skill level, and the ability of a State or County Veterans Service officer to provide proper assistance to a veteran/claimant in filing for benefits to the DVA.

The veteran/claimant, that is being provided assistance with their claim for benefits, should have some kind of assurance that the person assisting them is knowledgeable of the DVA benefit programs and has been sufficiently trained in the application of those benefits.

**DISCUSSION:**

Across the United States there are approximately 3000 State and County Veteran Service Officers. These service officers are required by State and local laws to assist veterans and their dependents in applying for benefits are spending over \$3 billion per year in local funds. The laws of the states are inconsistent in the requirements for employment of Service Officers, their training requirements and the accreditation process. Some states

have a very detailed and strict training program with an accreditation test that must be passed. Moreover, these programs include a continuing education process that must be met each year to maintain accreditation and in some cases employment. This is in contrast to other states that have little or no training and do not have an accreditation program. One State actually has a law preventing the CVSO's of that State from obtaining accreditation. If one were to take the time to study the various State laws that form the basis of service to veterans in their respective state, one would find a mish-mash of laws and regulations. Because of these inconsistencies, it may be extremely difficult to incorporate a standardization of training, accreditation program and maintenance of that accreditation. Another problem is one that is associated with the laws of the various States. A few State' law read "shall operate a county veterans office" while many others read " may operate a county veterans office". Because of these inconsistencies, in the various State laws there very well could be a big difference in how each county veteran's office is funded and operated. States that operate under a "shall" law tends to place more emphasis on serving veterans and provide better funding mechanisms for their county veteran's office. The states that operate under the "may" law tend to have less emphasis on serving veterans and resulting in their counties have more struggles with the funding and operation of a veterans office. Depending on where in this country one may go, there are great disparities on how the offices are funded, operated and level of staff training. For example, a veteran may go to a large city in the Midwest that operate with several million dollars a year has mandated training for the staff, and requires accreditation. In contrast, another veteran may go to a smaller city in the south where the office operates on less then \$5000.00 a year and has virtually no training or accreditation program. It is a fact, most county veterans offices operate on "bare bones" budgets provided by their respective counties. As a result, There is very little funding in the budgets for travel and training. This is primarily due to tight budgets in the counties, a lack of direction in the laws of the respective State and a lack of importance being placed on service to veterans by the state and the county. To overcome these inconsistencies in the service veterans receive across the nation, a method of standardized training must be established that provides and maintains proper accreditation. In addition, there must be a means to track the current status of accredited service officers. The challenge facing us today is how to fairly and equitably establish the aforementioned training and accreditation process, as well as how to properly fund its operation and attendance.

## **Suggested Solutions:**

There are several possible solutions to consider in the discussion concerning methods to establish a program of standardized training for county veteran service officers. When selecting a solution to implement we must keep in mind that it is extremely important that the CVSO's remain the veterans advocate and do not become agents of the Department of Veterans Affairs. The veteran / claimant must have the confidence that the CVSO is the advocate for them and their claim and not just an extension of the DVA.

Possible training solutions are:

- 1. Creation of traveling training teams.** This would consist of forming two (2) fully funded training teams, which would travel from State to State providing training to the CVSO's. Each team would consist of three (3) trainers who would provide a 32 hour comprehensive course of instruction in the filing claims for veteran's benefits. The course would conclude with an examination requiring a score of 70% for passing. The successful completion of the course and the passing of the examination would be required for certification to the VA for accreditation. Each team would be required to provide instruction for approximately 20 sessions per year. This would allow the coverage of most of the United States each year. In addition to the six instructors, there would be a Program Manager and a Training Development Specialist. Both would also serve as additional instructors as needed. In addition, an Administrative Assistant would be required to assist with correspondence, schedule training, reserve hotels and flight scheduling. It would be necessary to provide each member of the training team with laptop computers and the proper audio visual equipment needed to conduct the training courses. The program should have a means to help the counties and/or state to off-set the cost of the training program.
- 2. Creation of an in-residence course of instruction.** This would require a school-house approach, which would require a suitable building in which to conduct VA training. In this approach, there would be additional expenditures for maintenance, utilities and other related cost. The school should be in an area of the country accessible by reasonable airfares and other suitable transportation along with reasonable housing cost. This approach may have to create a scholarship type program to pay for the cost of transportation and housing. This could be done by contracting with airlines for transportation and a hotel for housing students. An in-house school would require four (4) instructors along with a Program Manager and Training Development Specialist. Again, these two would serve as back-up instructors. In addition, there would be a need for administrative support. With this program there may be an occasional need to put a traveling team together when it made better use of funds and personnel.
- 3. Combination of in-house course and a traveling training team.** This would combine the best elements of 1 & 2 above. The traveling team could provide the initial certification/accreditation training while all advanced training would take place in house at a training facility.
- 4. Contracting the training programs to a separate entity.** Contracting with an organization that is experienced in the training of county veteran service offices could be the most logical step. The National Association of County Veterans Service Officers (NACVSO) is such an organization. The NACVSO has conducted professional veteran's advocacy training since its first training conference in Springfield, Ohio in 1991. NACVSO currently operates three (3) courses of instruction at its annual training conference. They are (1) a 32 hour accreditation course, (2) a 32 hour continuing education course of more advanced material and (3) an advanced course of instruction that will lead to a certification

as a "Certified Veterans Advocate" (CVA). This year, at the annual conference, a new course will be offered to the CVSO and/or staff members who have been on the job for less than 18 months. This course will be called "Introduction to Veterans Advocacy". This course will concentrate on the basics of veterans claims work along with when, how and why to complete the proper VA forms.

Additionally, NACVSO has developed trainers for the DVA's "Training, Responsibility in Partnership (TRIP)" program required by the DVA before an accredited CVSO is given limited access to the VA's electronic files. NACVSO has been the leader in professional service officer training for the past 15 years. They can also create the flexibility to do any of the above methods of training. If any of the above training solutions are implemented, it will take coordination between the training entity and the DVA to establish an agreeable program of training. The training must have a solid foundation in VA benefits, laws and regulations, while being taught from the perspective of the veterans advocate.

- **CLAIMS DEVELOPMENT:**

NACVSO sees the role of county veteran's service officers (CVSO) as one of advocacy and claims development in concert with the veteran or dependent at the grassroots level. Where the initial claim is prepared and the necessary supporting documentation is gathered, from the veteran or dependent, private medical sources, county or state public records, VA medical centers and reviewed for completeness. This complete package is passed to a state or national service office for review and presentation to the VA regional office of jurisdiction. Any hearings or additional records required would be obtained by this organization in concert with the CVSO of record. We believe this division of responsibility would benefit the veteran and provide a clearer understanding of the process of claims development as it relates to the CVSO.

The majority of CVSO's have the capability of electronic filing. We currently are able to perform many electronic activities with other agencies and institutions. NACVSO believes strongly that similar DVA - CVSO electronic activities would greatly improve the claims process speed the issuance of veteran awards and help eliminate the loss of files as well as enhance DVA's record keeping. Currently the partnership between the DVA and CVSO's has allowed the us access to certain screens on SHARE and MAP-D, the DVA's computerized claims processing and development systems, based upon eligibility criteria that includes training and accreditation. Even so we still must use the Regional Offices phone units to get information on appeals and ratings. Expansion of remote access to include VACOLS, the Board of Veterans Appeals electronic appeals tracking system, the Veterans Benefits Administrations electronic rating system included in the RBA 2000, CAPRI, the Veterans Health Administrations system for electronic transfer of medical records and eventually the Virtual VA system, must become a high priority if there is to be the ultimate electronic claims development. All of these would increase productivity and be an additional way to speed the processing of veterans claims.

**CONCLUSION:**

This concludes my comments.

If I commented on any items of interest to the Committee on Veteran Affairs, NACVSO stands ready to expand on our comments or suggestions for improving services to veterans.

Thank you.

P.O. Box 731  
Clinton, North Carolina  
28329-0731

## Ann G. Knowles

### Experience

1983-Present                      Sampson County Government                      Clinton, NC

#### Veterans Service Officer

- Assist Veterans and dependents with VA benefits.

1975-1983                      Sampson County Government.                      Clinton, NC  
Assistant Veterans Service Officer

- Assist Veterans and dependents with VA benefits.

### Education

1965-1969                      Hobbton High School                      Clinton, NC  
1992                      VA Accreditation with NACVSO  
1995                      VA Accreditation with NC Div. of Veterans Affairs  
1999                      VA Accreditation with American Legion  
2005                      VA Accreditation with AMVETS

### Interests

Girls Scouts and Church Youth

### Achievements

National Association of County Veteran Service Officers Executive Committee  
  
National Association of County Veterans Service Officers Secretary  
  
National Association of County Veterans Service Officers 2<sup>nd</sup> Vice President  
  
National Association of County Veterans Service Officers 1<sup>st</sup> Vice President  
  
National Association of County Veterans Service Officers President



**NATIONAL ASSOCIATION  
COUNTY VETERANS SERVICE OFFICERS**  
2200 Wilson Blvd.  
Suite 102-530  
Arlington, VA. 22301-3324

National Association of County Veterans Service Officers

Funding Statement  
February 16, 2006

The National Association of County Veterans Service Officers (NACVSO) is a non-profit organization registered as a 501 (c) Corporation with the Internal Revenue Service.

NACVSO is not currently in receipt of any federal grants or contracts.

For further information, contact:

James Goltart  
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**National Association for Uniformed Services**

**TESTIMONY**

**of**

**NATIONAL ASSOCIATION FOR UNIFORMED SERVICES**

**on**

**NAUS Legislative Priorities for  
Veterans Health Care and Benefits**

**Thursday,  
February 16, 2006**

before the

**House Committee on Veterans' Affairs**

presented by

**Rick Jones, Legislative Director  
National Association for Uniformed Services**

Chairman Buyer, Ranking Member Evans, and members of the Committee:

On behalf of the nationwide membership of the National Association of Uniformed Services (NAUS), I am pleased to present our legislative priorities to the Committee on Veterans' Affairs regarding the programs and policies of the Department of Veterans Affairs (VA).

Founded in 1968, NAUS represents all ranks, branches and components of uniformed services personnel, their spouses and survivors. The Association includes all personnel of the active, retired, Reserve and National Guard, disabled veterans, veterans community and their families. We support our troops, remember our veterans and honor their service.

For the record, NAUS has not received any federal grants or contracts during the current fiscal year or during the previous two years in relation to any of the subjects discussed today.

Among the top issues that we will address today are the provision of a cost-of-living adjustment for compensation and survivor benefits, adequate funding for the Department of Veterans Affairs (VA) health care, appropriate staffing to address VA's disability claims backlog, and related priority concerns such as the diagnosis and care of troops returning with Post Traumatic Stress Disorder (PTSD), the need for enhanced priority in the area of prosthetics research, and providing improved seamless transition for returning troops between the Department of Defense (DoD) and VA.

### **VA Health Care**

NAUS urges the Committee's support to ensure veterans have access to quality health care from VA. The Department's Veterans Health Administration (VHA) is a world-class leader in advanced care medicine and in the provision of primary care. In addition, VHA has consistently pioneered research initiatives in areas that have directly benefited not only veterans, but also our entire population.

Shortfalls within VA's budget, however, have challenged the system to maintain availability of care to all veterans and have threatened its position as a high quality provider. Last year saw serious shortfalls that required Congress and the President to include an emergency supplemental of \$1.5 billion for VA in the Interior Department spending bill. NAUS applauds the Committee in its efforts to lead Congress on the "discovery" of this shortfall and for taking action to shore-up the financial troubles of VHA.

NAUS also appreciates your work, Mr. Chairman, in seeing that VA was exempted from the one percent across-the-board cut made in appropriations for the current year.

NAUS firmly believes that the veterans healthcare system is an irreplaceable national investment, critical to the nation and its veterans. The provision of quality, timely care is considered one of the most important benefits afforded veterans. And our citizens have benefited from the advances made in medical care through VA research and through VA innovations as well, such as the electronic medical record.

We urge the Committee to take the actions necessary for honoring our obligation to those men and women who have worn the nation's military uniform. Clearly, when VA does not receive adequate funding, it is forced to ration, delay or deny care. We support a recommendation to fully fund VHA at levels that would allow the healthcare system to deliver the quality of care those who served deserve. And we endorse The Independent Budget recommendation of \$32.4 billion, without increased fees and copays, for total medical care.

### **Prescription Drug Assistance**

Mr. Chairman, for several years certain veterans have been prohibited from enrollment in VA's healthcare system under a decision made by the Secretary on January 17, 2003. NAUS urges the Committee to review this policy and provide a measure of relief to allow Medicare-eligible veterans to gain access to VA's prescription drug program.

As a result of VA's decision to restrict new enrollments, a great number of veterans, including Medicare-eligible veterans, are denied access to VA. NAUS recognizes that VA fills and distributes more than 100 million prescriptions annually to 5 million veteran-patients. As a high-volume purchaser of prescriptions, VA is able to secure a significant discount on medication purchases.

Enrolled veterans can obtain prescriptions, paying \$8.00 for each 30-day supply. However, veterans not enrolled for care before January 2003 are denied an earned benefit that similarly situated enrolled veterans are able to use.

NAUS asks the Committee to consider legislation that would allow Medicare-eligible veterans to gain a measure of relief and get a break on prescription drug pricing.

What we recommend is to give Medicare-eligible veterans, currently banned from the system and paying retail prices or using the newly established Part D program, access to the same discount provided VA in their purchase of prescriptions. This issue is a win-win situation. Providing the discount would not cost the government a cent. Medicare-eligible patients would pay the same price VA pays. And these veterans would see value returned in the benefit each earned through military service.

### **Disability Claims Backlog**

NAUS strongly supports the provision of timely benefits to disabled veterans and their families. These benefits help offset the economic effects of disability and are one of the essential functions of the Department of Veterans Affairs (VA). The capacity of the disabled veteran to afford the necessities of life is oftentimes dependent on these benefits, so delays in the resolution of a claim is a matter of serious concern.

Despite VA's best efforts to deliver benefits to entitled veterans, the workload of the Veterans Benefits Administration (VBA) continues to increase. Simply stated, VBA does not currently

have the requisite budget to allow it to process and adjudicate claims in a timely and accurate fashion. It is falling farther behind.

As of mid-February, VBA had more than 500,000 compensation and pension claims pending decision, an increase of nearly 70,000 from this time last year. In addition, nearly 25 percent of these pending claims have been in the VBA system for more than 180 days. Rather than making headway and overcoming the chronic claims backlog and consequent protracted delays in claims disposition, VA has lost ground to the problem, with the backlog of pending claims growing substantially larger over the past year.

NAUS does not see the problem as something that cannot be overcome. It is important, however, that Congress and the administration provide a stronger VBA budget to provide for the hiring and training of claims adjudicators and the investment in appropriate technology to overcome the backlog and get the program back on track.

NAUS calls on lawmakers to make the VBA a priority within the national budget. The challenge is to provide timely decisions on claims submitted by veterans who suffer disability as a result of their military service. And the solution is to ensure that VBA has adequate funding to reduce the backlog and achieve the mission of providing timely claims adjudication.

#### **Seamless Transition Between the DoD and VA**

NAUS urges the House Veterans' Affairs Committee to continue their excellent record of oversight of administrative efforts to improve the seamless transition of benefits and services for servicemembers as they leave military service and become veterans. It is our view that providing a seamless transition for recently discharged military is especially important for servicemembers leaving the military for medical reasons related to combat, particularly for the most severely injured patients.

The President's Task Force (PTF) to Improve Health Care Delivery for Our Nation's Veterans report, released in May 2003 regarding transition of soldiers to veteran status, stated, "timely access to the full range of benefits earned by their service to the country is an obligation that

deserves the attention of both VA and DoD.” NAUS agrees with this assertion and believes that good communication between the two Departments means VA can better identify, locate and follow up with injured servicemembers separated from the military.

And most important in the calculus of a seamless transition is the capacity to share information at the earliest possible moment prior to separation or discharge. It is essential that surprises be reduced to a minimum to ensure that all troops receive timely, quality health care and other benefits earned in their military service.

In this regard, NAUS is pleased to read a TRICARE Management Activity news release (No. 05-37) stating that displaced medical providers from Keesler Air Force Base, Biloxi, Miss., received immediate access to medical information of TRICARE beneficiaries evacuated due to Hurricane Katrina through the military electronic health record. The next step is to deploy similar data-sharing availability for incorporation of a fully interoperable healthcare system between DoD and VA.

There is a need to improve the system for handing over responsibility to VA from DoD for the continuance of medical care to those leaving service. To improve this exchange, the hand-off should include a detailed history of care provided and an assessment of what each patient may require in the future, including mental health services. No veteran leaving military service should fall through the bureaucratic cracks.

NAUS requests that the Committee continues to schedule oversight hearings on DoD progress regarding congressionally directed pre- and post-deployment medical examinations. Advances in this area would enhance collaboration between DoD and VA. Establishing a better record would help identify and treat troops who may exhibit symptoms of undiagnosed illness or injury. Institution of such a system may be expensive, but we should recognize that the lack of such information led to so many issues and unknowns with Gulf War Syndrome, particularly among our National Guard and Reserve forces.

Another area that would enhance a seamless transition for our uniformed services is the further expansion of single-stop separation physical examinations. A servicemember takes a physical exam when he is discharged. While progress is being made in this area, we recommend expanding VA's benefit delivery at discharge (BDD) program to all discharge locations in making determination of VA benefits before separation. This will allow more disabled veterans to receive their service-connected benefits sooner.

NAUS compliments VA and DoD for following through on establishing benefits representatives at military hospitals. This is an important step and can often reduce the amount of frustration inherent in the separation process for service members and their families.

NAUS calls on Congress to ensure adequate funding is available to DoD and VA to cover the expenses of providing for these measures. Taking care of veterans is a national obligation, and doing it right sends a strong signal to those currently in military service as well as to those thinking about joining the military.

### **Prosthetic Research**

As Congress moves forward in consideration of the new budget for fiscal 2007, NAUS encourages a strong effort to see that critical funding is provided for the Department of Veterans Affairs (VA) mission to conduct medical research, especially in the area of prosthetic research.

As described in *The Independent Budget*, a comprehensive budget and policy document authored by leading veterans service organizations and endorsed by NAUS, VA prosthetic research is a national asset that attracts high-caliber researchers and advances care for veterans with special needs.

Clearly, care for our troops with limb loss is a matter of national concern. The global war on terrorism in Iraq and Afghanistan has produced wounded soldiers with multiple amputations and limb loss who in previous conflicts would have died from their injuries. Improved body armor

and better advances in battlefield medicine reduce the number of fatalities, however injured soldiers are coming back oftentimes with severe, devastating physical losses.

NAUS encourages congressional decision-makers to assure that funding for VA's prosthetic research is adequate to support the full range of programs needed to meet current and future health challenges facing wounded veterans. To meet the situation, Congress and the administration need to focus a substantial, dedicated funding stream on VA research to address the care needs of a growing number of casualties who require specialized treatment and rehabilitation that result from their armed service.

As of Dec. 31, 2005, 16,329 troops had been wounded but survived their injuries, according to U.S. Defense Department figures. And according to Col. Daniel Garvey, USA, deputy commander of the U.S. Army Physical Disability Agency, located at Walter Reed and responsible for evaluating whether a soldier is physically able to return to active duty, the caseload the agency reviews has increased by almost 50 percent since the wars in Afghanistan and Iraq began.

The need is great. Lt. Col Paul Pasquina, chief of physical medicine and rehabilitation at Walter Reed, says about 15 percent of the amputees at Walter Reed have lost more than one limb. And according to Lt Col Jeffrey Gambel, chief of the amputee clinic, about one-third of the amputations done on recently injured service members have involved upper extremities, because of the types of munitions used by the enemy.

In order to help meet the challenge, VA research must be adequately funded to continue its intent on treatment of troops surviving this war with grievous injuries. The research program also requires funding for continued development of advanced prosthesis that will focus on the use of prosthetics with microprocessors that will perform more like the natural limb.

NAUS encourages Congress to see that VA research dollars are leveraged in partnerships with the National Institutes of Health and other federal research funding agencies, for-profit industry partners, nonprofit organizations, and academic affiliates. We would also like to see better

coordination between VA and the Department of Defense Advanced Research Projects Agency in the development of prosthetics that are readily adaptable to aid amputees.

NAUS reiterates its firm belief that the building block to a successful public-private and even an intra-departmental cooperation is a strong commitment to funding VA's annual research budget for maximum productivity. NAUS looks forward to working with you, Mr. Chairman, to see that priority is given to care for these brave men and women who crossed harm's way.

### **Post Traumatic Stress Disorder (PTSD)**

NAUS supports a higher priority on VA care of troops demonstrating symptoms of mental health disorders and treatment for PTSD.

The mental condition known as PTSD has been well known for over a hundred years under an assortment of different names. For example more than fifty years ago, Army psychiatrists reported, "That each moment of combat imposes a strain so great that ... psychiatric casualties are as inevitable as gunshot and shrapnel wounds in warfare."

In a recent interview with the American Legion, VA Sec. Jim Nicholson said VA is seeing about 12 percent of returning troops for PTSD examination. "What we're treating right now," he said, "is something in the area of 4 to 5 percent of the total of those returnees from Operation Iraqi and Enduring Freedom." According to VA, about 40,000 OIF/OEF soldiers are showing symptoms of mental health disorders and are currently in some process of treatment.

Over the past several years, VA has dedicated a higher level of attention to veterans who exhibit PTSD symptoms. NAUS applauds the extent of help provided by VA. VA assistance is essential to many of those who must deal with the debilitating effects of mental injuries, as inevitable in combat as gunshot and shrapnel wounds.

Regarding the new emphasis on mental health and PTSD, the fiscal 2007 VA budget requests \$3.2 billion for VA mental health services, an increase of \$337 million. While many new

approaches to treatments have been developed and are available to veterans, this year's dedicated funding will assist in the development of additional treatments going forward.

NAUS encourages the Members of the Committee to closely monitor the expenditure of these funds to see they are not redirected to other areas of VA spending.

It is important to note that beyond the number of new veterans from OIF and OEF, VA provides treatment for some type of mental health service to more than 833,000 of the nearly 5 million veterans who received VA care in fiscal year 2004. These veterans diagnosed with mental health disorders and PTSD are receiving treatment within a network of 160 specialized programs, including an outreach programs to address patients in the community.

While VA and Congressional leaders have taken important steps to move VA toward better care for veterans with mental health problems, many challenges still remain. NAUS urges the development of a consistent, seamless, and working approach that allows VA and DOD to screen returning service members and provide more effective early intervention that leads to healing.

#### **Cost-of-living Adjustments (COLAs)**

NAUS appeals to the Committee on Veterans' Affairs to approve an annual COLA sufficient to prevent inflation from eroding disability compensation and dependency and indemnity compensation (DIC) to eligible survivors. Veterans whose income is limited due to service-connected disabilities rely on VA disability compensation to maintain purchasing power. And compensation and DIC rates require adjustment to keep pace with increases in living costs.

#### **Montgomery GI Bill, Education for the Total Force**

NAUS also urges the Committee to support a Total Force framework for a new GI Bill for education. We ask you to take a look at the concept of veterans' educational assistance program that provides benefits based on a continuum of service and includes members of the National Guard and Reserves.

It is apparent to NAUS and the associate member groups in the Partnership for Veterans Education that the current GI Bill programs do not consider the SelRes as an integral part of the Total Force. Although educational benefits for Reserve Components are addressed under Chapter 1607 of Title 10, US Code, the main body of educational benefits provided veterans are part of Title 38. Oftentimes when upgrades occur, Title 10 benefits are neglected.

NAUS would like the Committee to address this matter. As a start, we recommend pulling Guard and Reserve educational benefits into Title 38, so the value of these earned benefits can be modernized and treated with the equity they deserve.

#### **Traumatic Injury Protection under Servicemembers' Group Life Insurance (TSGLI)**

Although a DOD benefit, the benefit is administered by the VA. Initial reports indicate that the program has started well. The legacy claims, for those injured from October 7, 2001, to December 1, 2005, are being processed very expeditiously.

NAUS is informed that the average time for the newest claims from time of actual injury to receipt of money is 21 days or less. We were also told that 11 claims have already been paid to service members injured worldwide, not just those from Afghanistan or Iraq.

This auspicious beginning to this new and very necessary program is much appreciated by those who actually need the funds. They are now able to start getting their lives and the lives of their families back to a more normal routine much more quickly. These brave men and women deserve nothing less, and we deeply appreciate your efforts on their behalf.

#### **Medicare Reimbursement**

NAUS supports legislation to authorize Medicare reimbursement for health care services provided Medicare-eligible veterans in VA facilities. Medicare subvention will benefit veterans, taxpayers and VA.

NAUS sees an all around win-win-win for establishment of Medicare subvention. VA would receive additional, non-appropriated funding. Medicare-eligible veterans would receive world-class medical treatment in the system our government provided for their care. Scare resources would be saved because medical services can be delivered for less cost at VA than in the private sector.

In addition, direct billing between VA and the Centers for Medicare and Medicaid Services (CMS) would reduce opportunities for waste, fraud and abuse losses in the Medicare system.

NAUS encourages the Committee to closely review permitting Medicare-eligible veterans to use their Medicare entitlement for care at local VA medical facilities.

### **Concurrent Receipt**

Since the FY 2003 National Defense Authorization Act (NDAA) authorized a special compensation for certain military retirees injured in combat, Congress has advanced NAUS-supported concurrent receipt to include benefits to most military retirees with combat related disabilities and personnel with service-connected VA disability ratings of 50 percent or higher.

In last year's NDAA, Congress accelerated the phase in of concurrent receipt for individuals rated 100 percent disabled as a result of Individual Unemployability. NAUS urges members of the House Veterans Affairs Committee (HVAC) to press legislation for full and complete concurrent receipt to all disabled retirees.

We recognize that the issue is not under HVAC jurisdiction, but we ask committee members to play an active role in helping to move the issue forward. We also recommend the committee work to extend concurrent receipt to include individuals medically discharged from service prior to achieving 20 years of service.

**Appreciation for Opportunity to Testify**

As a staunch advocate for veterans, NAUS recognizes that these brave men and women did not fail us in their service to country, and we, in turn, must not fail them in providing the benefits and services they *earned* through honorable military service.

Mr. Chairman, you and your Committee members have made progress. We thank you for your efforts and look forward to working with you to ensure that we continue to protect, strengthen, and improve veterans benefits and services.

Again, NAUS deeply appreciates the opportunity to present the Association's priorities on veterans health care and benefits.

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**Richard "Rick" Jones**  
Legislative Director  
National Association for Uniformed Services (NAUS)

Richard "Rick" Jones joined NAUS as Legislative Director on September 1, 2005. As legislative director, he is the primary individual responsible for promoting NAUS legislative, national security, and foreign affairs goals before the Departments of Defense and Veterans Affairs, and the Congress of the United States.

Rick is an Army veteran who served as a medical specialist during the Vietnam War era. His assignments included duty at Brooke General Hospital in San Antonio, Texas; Fitzsimmons General Hospital in Denver, Colorado; and Moncrief Community Hospital in Columbia, South Carolina. At Moncrief Hospital, Rick was selected to assist in processing the first members of the all-volunteer Army.

Rick completed undergraduate work at Brown University prior to his Army draft and earned a Master Degree in Public Administration from East Carolina University in Greenville, North Carolina, following military service.

Prior to assuming his current position, Rick served five years as National Legislative Director for AMVETS, a major veterans service organization. He also worked nearly twenty years as a legislative staff aide in the offices of Senator Paul Coverdell, Senator Lauch Faircloth, and Senator John P. East. He also worked in the House of Representatives as committee staff for Representative Larry J. Hopkins and Representative Bob Stump.

In working for Rep. Stump on the House Committee on Veterans' Affairs, he served two years as Republican minority staff director for the subcommittee on housing and memorial affairs and two years as Republican majority professional staff on funding issues related to veterans affairs budget and appropriations.

Rick and his wife Nancy have three children, Sarah, Katherine, and David, and reside in Springfield, Virginia.

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STATEMENT BY

**LTG THEODORE G. STROUP, JR., USA (RET)**

**VICE PRESIDENT**

**ASSOCIATION OF THE UNITED STATES ARMY**

SUBMITTED FOR THE RECORD TO

**COMMITTEE ON VETERANS AFFAIRS**

HOUSE OF REPRESENTATIVES

109<sup>TH</sup> CONGRESS

**VETERANS GROUPS LEGISLATIVE PROPOSALS**

16 February 2006

**Biography of Lieutenant General Theodore G. Stroup, Jr., USA Ret.  
Vice President, Association of the United States Army**

General Theodore G. Stroup Jr. has served as AUSA's Vice President, Education, and Managing Director of the Institute of Land Warfare since January 1997.

At the time of his retirement from active service, General Stroup was serving as the Army's Deputy Chief of Staff for Personnel, having served in that position since 1994.

As a combat engineer, General Stroup commanded at all levels through battalion. His Vietnam service was from January 1966 to April 1967, during which he was a construction engineer in the U.S. Army Support Command, Vietnam; aide-de-camp to the commanding general of the 1<sup>st</sup> Logistics command; and commander of Company C, 864<sup>th</sup> Engineer Battalion (Construction). In Germany (1978-80), General Stroup commanded the 293<sup>rd</sup> Engineer Battalion (Combat Heavy).

Within the U.S. Army Corps of Engineers, he served as the Assistant Director, Civil Works, in Washington, DC (1981-1982), and as Commander of the U.S. Army Corps of Engineers District, Fort Worth, Texas, from July 1982 until January 1985. His staff duty includes service as an Engineer Personnel Management Officer, U.S. Army Military Personnel Center (1973-76). He then served as a manpower analyst in the Office of the Chief of Staff until January 1978.

General Stroup has also been assigned as Executive Officer to the Army Vice Chief of Staff (1985-86), and as Deputy Director of the Headquarters Reorganization Study, Army Reorganization Commission, under the Office of the Secretary of the Army.

General Stroup also served as Deputy Chief of Staff for Resource Management, U.S. Army Training and Doctrine Command, and as Director for Military Personnel Management in the Office of the Deputy Chief of Staff for Personnel. He also was Director for Program Analysis and Evaluation in the Office of the Chief of Staff.

General Stroup was commissioned through the U.S. Military Academy in 1962 and later served as a course director in the Academy's Military Science Branch (1968-71).

General Stroup is a licensed professional civil engineer in Texas and Pennsylvania. He holds a Master's degree in Civil Engineering from Texas A&M University, and a Master's in Finance and Economics from the American University, and is a graduate of the U.S. Army Command and General Staff College, Armed Forces Staff College and U.S. Army War College.

General Stroup's additional community and volunteer activities include: Member, USMA Association of Graduates Strategic Planning Committee; Vice President, West Point Society of Washington DC; Vice President, Class of 1962 USMA; Director, Army Historical Foundation; Director, Army Engineer Regimental Association; Fellow, Society of American Military Engineers; Chairman, USMA Bicentennial Committee, Washington DC area; Member, Personnel – Technology Committee – National Research Council of National Academy of Science; Member, Board of Advisors, Keller Graduate School, Chicago, Illinois; Member, American Society of Civil Engineers; Fellow, Inter University Seminar of Society and Armed Forces.

**Neither General Stroup nor the Association of the United States Army has received any federal grants or contracts relative to the subject matter of this testimony during the current or previous two fiscal years.**

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to present the 2006 legislative agenda of the Association of the United States Army (AUSA) as it deals with veteran's issues. Both in personal testimony and through submissions for the record there exists a long-standing relationship between AUSA and the House Committee on Veterans Affairs. We are honored that we have been asked to express our views on behalf of our members and America's veterans.

The Association of the United States Army is a diverse organization of over 100,000 members – active duty, Army Reserve, Army National Guard, Department of the Army civilians, retirees and family members. An overwhelming number of our members are entitled to veterans' benefits of some type. Additionally, AUSA is unique in that it can claim to be the only organization whose membership reflects every facet of the Army family. Each October, at our Annual Meeting, our membership has the opportunity to express its views through the consideration and approval of resolutions for the following year. These resolutions provide the base upon which the Association's leadership builds its legislative agenda.

Each year, the AUSA statement before the committee seeks to stress that America's veterans are not ungrateful. Much of the good done for veterans in the past would have been impossible without the commitment of many who serve on this committee and the tireless efforts of their professional and personal staffs.

The inherently difficult nature of military service has never been more self-evident than during the current conflict. While grateful for the good things done for veterans, AUSA reminds our elected representatives that we consider veterans benefits to have been duly earned by those who have answered the nation's call and placed themselves at risk.

AUSA is heartened that Congress has expressed a commitment to support America's veterans. Despite this, many are concerned that the declining number of veterans in Congress might in some way lessen the value this institution places on veterans and their service to the nation. We, at AUSA, do not share this opinion. AUSA is confident that you - well-intentioned, patriotic men and women - will faithfully represent the interests of America's veterans during fiscal deliberations.

As elected representatives, you must be responsible stewards of the federal purse because each dollar emanates from the American taxpayer. AUSA emphasizes that the federal government must remain true to the promises made to her veterans. We understand that veterans' programs are not above review, but always remember that the nation must be there for the country's veterans who answered the nation's call.

Veterans seldom vote in a block, despite their numbers. This is one reason AUSA seeks this forum to speak for its members about veterans' issues. Our veterans have lived up to their part of the bargain; the Congress must live up to the government's part.

Those who have volunteered to serve their country in uniform deserve educational benefits that support their transition to civilian life. It is imperative that the Montgomery GI Bill (MGIB) remain relevant - that its benefit levels parallel the rising cost of education.

Currently, educational benefits under the MGIB do not reflect policy nor match benefits to service commitment. Basic benefits for active duty troops

authorized under Chapter 30 of Title 38 have not kept pace with the rising costs of education and training.

AUSA strongly supports the goal to index the monthly MGIB stipend to the average annual cost of a four-year public college or university. The proposal would benchmark the total benefit to about \$37,000 and it would be adjusted automatically each year based on a government index of college costs. Since the MGIB for some time has been one of the Services' best recruiting incentives, it is imperative that its buying power remain comparable to education costs.

AUSA strongly encourages Congress to raise education benefits for National Guard and Reserve servicemembers under Chapter 1606 of Title 10. For years, these benefits have only been adjusted for inflation. Currently, Reserve GI Bill benefits have fallen to less than 29 percent of the active duty benchmark. Additionally, Reserve benefits have no-post service value as a veteran benefit, even though almost half of the Select Reserve has served on lengthy combat tours since September 11. Further, a transfer of the Reserve MGIB-Select Reserve authority from Title 10 to Title 38 will permit proportional benefit adjustments in the future.

AUSA applauds Congress' effort to address the gap by authorizing a new MGIB program (Chapter 1607, Title 10 USC) for Guard and Reserve members mobilized for more than 90 days in a contingency operation. However, more than a year after the law was changed, the program has still not been implemented.

AUSA also believes it's time to revisit the need to dock volunteer force recruits \$1200 of their first year's pay for the privilege of serving their country on active duty. Government college loan programs have no upfront payments; thus, it is difficult to accept any rationale for our nation's defenders to give up a substantial portion of their first year's pay for MGIB eligibility.

Further, AUSA urges the committee to authorize greater flexibility in MGIB usage by amending Title 38 to permit use of MGIB benefits for up to 20 years post-separation or retirement in order to keep pace with market demands and to encourage veterans to acquire lifetime skills and knowledge during their working years.

AUSA strongly encourages Congress to allow all participants of MGIB's predecessor, the Veteran's Education Assistance Program (VEAP), as well as those servicemembers who were on active duty but did not enroll in VEAP, to receive MGIB educational benefits. There are about 63,000 non-commissioned officers and officers bravely serving their country in the war against terrorism at home and abroad in this situation. However, when they exit the service, they will have no education benefits to help them achieve their post-service goals like all other veterans. These service members should be given the opportunity to take the MGIB or decline it.

AUSA continues to support giving MGIB participants who serve a full military career the option of transferring their benefits to dependents as a career retention initiative.

Members of the National Guard called to active duty under Title 32 in support of the current crisis do not receive veteran's status for their active duty military time. Those called to active duty under Title 10 do receive veteran's status. This inequity must be addressed. Your support in allowing Guardmembers to earn veterans' status on equal footing with their active

duty and Reserve counterparts will send the message that National Guard personnel are part of the Total Force.

Veterans' medical facilities must remain expert in the specialties which most benefit our veterans. These specialties relate directly to the ravages of war and are without peer in the civilian community. Demand for VA health care still outpaces the capacity to deliver care in a timely manner. AUSA believes that full funding should occur through modifications to the current budget and appropriations process, by using a mandatory funding mechanism or by some other changes in the process that achieve the desired goal.

AUSA supports legislation that establishes a presumption of service connection for veterans with Hepatitis C (HCV).

AUSA applauds the unprecedented and historic legislation which authorized the unconditional concurrent receipt of retired pay and veterans' disability compensation for retirees with disabilities of at least 50 percent and the legislation that removed disabled retirees who are rated as 100 percent from the 10-year phase-in period.

However, we cannot forget about the thousands of disabled retirees left out by this legislative compromise. The principle behind eliminating the disability offset for those with disabilities over 50 percent is just as valid for those 49 percent and below. AUSA urges that the thousands of disabled veterans left out of recent legislation be given equal treatment and that the disability offset be eliminated completely.

Two other critical areas need to be addressed. For chapter 61 (disability) retirees who have more than 20 years of service, the government recognizes that part of that retired pay is earned by service, and part of it is extra compensation for the service-incurred disability. The added amount for disability is still subject to offset by any VA disability compensation, but the service-earned portion (at 2.5 percent of pay times years of service) is protected against such offset.

AUSA believes that a member who is forced to retire short of 20 years of service because of a combat disability must be “vested” in the service-earned share of retired pay at the same 2.5 percent per year of service rate as members with 20+ years of service.. This would avoid the “all or nothing”

inequity of the current 20-year threshold, while recognizing that retired pay for those with few years of service is almost all for disability rather than for service and therefore still subject to the VA offset.

Recent legislation restored full retired pay for members designated as “unemployables” in six years rather than 10 years as originally legislated. While AUSA is appreciative of the accelerated schedule, we would like to see the disability offset to retired pay end immediately.

Legislation provided in previous defense bills authorized Combat Related Special Compensation (CRSC) for certain retirees with combat- or operations-related disabilities. Unfortunately, CRSC has been slow in implementation because of the requirement to connect retirees’ disabilities directly to combat, a combat-related event or combat-type training. This validation requires retrieval of VA medical records, an excruciatingly slow process. Many qualifying retirees are still waiting for compensation authorized to them. AUSA urges the Committees to authorize proper funding to ensure timely processing of any expected increase in disabled veterans’ claims for this or other reasons.

The rules for interment in Arlington National Cemetery (ANC) have never been codified in public law. Twice the House has passed legislation to codify rules for burial in Arlington National Cemetery. However, the legislation has not passed in the Senate. AUSA supports a negotiated settlement of differences between the House and Senate concerning codification of rules for burial in Arlington National Cemetery. Further “gray area” reservists eligible for military retirement should be included among those eligible for interment at Arlington National Cemetery.

AUSA is opposed to the administration’s request to impose an annual deductible on veterans already enrolled in VA health care and the proposed increase in the co-payment charged to many veterans for prescription drugs.

AUSA supports continuing congressional efforts to help homeless veterans find housing and other necessities, which would allow them to re-enter the workforce and become productive citizens.

Terminally ill veterans who hold National Service Life Insurance and U.S. Government Life Insurance should, upon application, be able to receive benefits before death, as can holders of Servicemembers Group Life

Insurance and Veterans Group Life Insurance. AUSA supports legislation to amend the U.S. Code appropriately.

Much more needs to be done to ensure that returning combat veterans, as well as all other service men and women who complete their term of service or retire from service receive timely access to VA benefits and services. This issue encompasses developing and deploying an interoperable, bi-directional and standards-based electronic medical record; a “one-stop” separation physical supported by an electronic separation document (DD-214); benefits determination before discharge; sharing of information on occupational exposures from military operations and related initiatives. AUSA strongly recommends accelerated efforts to realize the goal of “seamless transition” plans and programs.

We encourage the positive steps toward mutual cooperation taken recently by the Department of Defense (DOD) and the VA. The closer we can come to a seamless flow of a service member's personnel and health files from service entry to burial, the more likely it will be that former service members receive all the benefits to which they are entitled. AUSA supports

veterans. As you make your decisions, do not forget the commitment made to America's veterans when they accepted the challenges and answered the nation's call to serve.

Thank you for the opportunity to submit testimony on behalf of the members of the Association of the United States Army, their families, and today's soldiers who are tomorrow's veterans.

**Statement for the record,**

**submitted by**

**Veterans' Widows International Network, Inc. (VWIN)**

**for the House Committee on Veterans' Affairs**

**full committee presentation of annual legislative agenda,  
views and priorities of veterans' and military service organizations**

**February 16, 2006**

Veterans' Widows International Network, Inc.  
Founded \* Denver, Colorado \* March 1995  
Member of THE MILITARY COALITION



vwin95@aol.com  
www.vetsurvivors.com

Aurora, CO, 2/14/06

Dear Chairman Buyer,  
Honorable members of the House Committee on Veterans' Affairs.

The Veterans' Widows International Network, Inc. (VWIN) has submitted a testimony Position Paper regarding three of its goals destined to better the fate of Veterans' Survivors benefits.

- The long overdue creation of an office solely dedicated to manage all veterans' survivors benefit inquiries.
- To immediately eradicate the totally unfair and injurious DIC/SBP offset.
- To address the legitimate request to designate every June 28 as a national Veterans' Survivors Day. We deserve the nation's recognition. We have earned it the hard way.

Mr. Chairman, members of the committee, we want to trust in your fairness, so much is at stake for Veterans' Survivors. We beg you to give close attention to the above.

VWIN's prayers are with you all.

*Edmée J. Hills*  
*VWIN National Chairperson.*

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National Chairperson  
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3657 E. South Laredo St  
Aurora, CO 80013

Vice-Chairperson  
Eunice Luke  
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Veterans' Widows International Network, Inc.

January 26, 2006

Position Paper drafted by the Council members of the Veterans' Widows International Network, Inc. (VWIN, addressing the following requests:

- The need of one office solely dedicated to handle Veterans' Survivors benefit inquiries.
- The unfair taxing of the SBP/DIC offset.
- The request of a national day of recognition of Veterans' Survivors every June 28.

Since our inception in March of 1995, our organization has received hundreds of pleas for succor and support. These desperate pleas for help have yet to subside.

*"We still hear horror stories from women who find us after being shuffled from person to person without having their issues addressed and even worse, those who have been victimized by the people who are supposed to help them".*

After thorough investigation of the facts, we decided to draft the following Resolution.

RESOLUTION

Drafted by the VETERANS' WIDOWS INTERNATIONAL NETWORK, INC.

January 20, 1998

WHEREAS, nearly 1,500 Veterans die daily, many survived by widows and other dependents, and

WHEREAS, thousands of such referred individuals already exist nationwide and overseas, and

WHEREAS, most of them not being auxiliary members of Service organizations are not aware their respective Posts offer help with veterans' benefit services, and

WHEREAS, such organizations including counseling services offered by the Department of Veterans' Affairs throughout its regional offices and Veterans Hospitals nationwide, and

WHEREAS, Veterans' widows and dependents are more often than not relegated last in order of attention and sometimes misled as to their qualification for benefits, and

WHEREAS, the numerous closure of Armed Forces bases, Casualty and Retirees' Affairs Offices further restrict access to sources of information, and

WHEREAS, there is no effective coordination of Veterans' Widows and dependents benefits programs and services at any echelon,

NOW, THEREFORE, BE IT RESOLVED that the House and Senate Committees on Veterans' Affairs enact specific legislative goals to create a National Central Office that will consolidate all major activities regarding the military widows wives of Vietnam & Desert Storm Wars and dependents of those entrusted to safeguard the freedom and security of our nation.

\*\*\*\*\*

For the past 8 years, we have addressed our request to every member of Congress, especially those on the House and Senate committees on Veterans' Affairs. We have received response from only two representatives. Congresswoman Corrine Brown and Congressman Mike Doyle support our initiative.

*"On the personal human side we deserve more than a website. (Even the recent innovation by the VA does not go far enough) " We deserve to be able to have a caring persistent person to talk to. One office would eliminate the turn over of personnel and would give us a trained person to deal with Survivors that are grieving and who need one source to go to instead of being lead in circles and being told this is the dead end!"*

*"We need an office to help Survivors identify their rights and benefits instead of sending us to other offices that are not interested in our particular situation. The government of a great nation, as ours, needs to 'step up to the plate' and help those who have given so much for the cause of freedom."*

\*\*\*\*\*

#### Repeal the SPB/DIC offset immediately!

Survivors of these veterans who died of service-connected disabilities that had elected to secure the Survivor Benefit Plan at the time of their retirement must be granted the right to receive both the SBP and DIC benefits due them, freed of the current dollar for dollar offset.

The present situation is ludicrous. SBP is withdrawn from the veteran's own pocket via his retirement benefits. DIC was paid with the veteran's own blood while on active duty!

Please address this gross injustice at once.

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#### Recognition of Veterans' Survivors by the Country

Each year since 2001, VWIN has requested without success for the President to proclaim June 28 as Veterans' Widows Day.

*"We see this as the awareness and recognition of the people who are not in the military (Survivors) but who keep the home fires burning and sacrifice so much so their loved ones*

*can support and defend this country. These people (Survivors) may not get ribbons or medals but they deserve gratitude and recognition from our nation.*

*Following is the copy of the Resolution drafted in 2001.*

**Proposed Presidential Resolution**

**by the Veterans' Widow International Network (VWIN)**

**WHEREAS, throughout our country's history women have supported their husbands when the men were called to war, such as the two most popular ones nicknamed "Molly Pitchers" during the American Revolutionary War:**

*"Molly Pitcher" was a slang term given any woman who fetched water for thirsty soldiers on duty. Water was also vital for the operation of a cannon to wet and cool down the just fired hot barrel.*

*Each woman was Pennsylvania born and married to an artillery soldier. One, by the name of Mary Ludwig Hayes was at her husband's side when he was killed during the Battle of Monmouth, NJ, on June 28, 1778. Similarly, the other "Molly Pitcher", named Margaret Corbin, stood and served her husband in the Battle of Washington, NY*

*Both women became widows as a result of their husbands' deaths in battle and both heroically took over their fallen husbands' artillery position and continued to help fired the cannon throughout the battle. And both had to struggle to survive similarly as most of our Nation's veterans' Survivors have done throughout the ages and still do nowadays! "*

*Alan C. Aimone - Senior Special Collections Librarian,  
United States Military academy West Point, New York.*

**WHEREAS, since those days more than 200 years ago, servicemen's spouses have followed their husbands from place to place within the United States as well as overseas, giving up career opportunities, raising families on the go, sometimes under most trying circumstances; and**

**WHEREAS, these women, who during their husbands' active duty career unselfishly made great sacrifices to insure the support and welfare of our armed forces on the local and national levels; and**

**WHEREAS, since veterans' widows do not have a national 'home' where to address their request, as suggested by the VETERANS' WIDOWS INTERNATIONAL NETWORK, Inc.**

**NOW, THEREFORE, I, George W. Bush, do hereby proclaim this June 28 and others to follow, VETERANS' WIDOWS DAY, to be observed each year throughout the United States, in order to focus the attention of our great Nation upon these women who have so gallantly earned our profound gratitude' and admiration.**

**Respectfully submitted by Edmée J. Hills National Chairman, on behalf of the VWIN National Council.**



**National Association of  
State Veterans Homes**

**TESTIMONY OF**

**DORIS NEIBART**

**PRESIDENT**

**NATIONAL ASSOCIATION OF STATE VETERANS HOMES**

**AND**

**CHIEF EXECUTIVE OFFICER, VETERANS MEMORIAL HOME  
PARAMUS NEW JERSEY**

**LEGISLATIVE GOALS FOR THE 109<sup>TH</sup> CONGRESS,  
SECOND SESSION**

**COMMITTEE ON VETERANS' AFFAIRS  
HOUSE OF REPRESENTATIVES**

**FEBRUARY 16, 2006**

Chairman Buyer, Ranking Democratic Member Evans and other Distinguished Members of the Committee, thank you for the opportunity given to the National Association of State Veterans Homes (NASVH) to submit testimony to the Committee on Veterans' Affairs.

Our Association is an all-volunteer, non-profit organization founded over a half-century ago by administrators of State veterans homes to promote the common interests of the homes and the deserving elderly, disabled veterans and their family members that we serve. The membership of NASVH consists of the administrators and senior staffs of 119 State-operated veterans homes in 47 States and the Commonwealth of Puerto Rico. We provide nursing home care in 114 homes, domiciliary care in 52 of those locations, and hospital-type care in five of our homes. Our State homes presently provide over 27,500 resident beds for veterans, of which more than 21,000 are nursing home beds.

The State home program dates back to the post-Civil War era when several States, among them including New Jersey, Kansas, Connecticut, and Ohio, established homes in which to provide domicile, shelter and care to homeless, sick and scarred Union soldiers and sailors. In 1888 Congress first authorized federal grants-in-aid to States that maintained these homes, including a per diem allowance for each veteran of twenty-seven cents (\$100 per year per veteran). Over the years since that time, the State home program has been expanded and refined to reflect the improvements in standards of medical practice, including the advent and refinement of nursing home, domiciliary, adult day health, and other specialized geriatric care for veterans. For example, many of our facilities offer special care units for Alzheimer's and dementia patients, a growing need in this population. There are also now two State homes providing adult day health care, and a number of others are developing programs in this new discipline and other emerging approaches to delivering care in less restrictive settings.

Today, the State home program is supported in two ways by the federal government: through *per diem* subsidy payments that help States cover daily costs, and construction grants to keep our homes up-to-date and safe for our patients and staffs. Subject to available appropriations, VA provides construction matching-grant funding for up to 65%

of the cost of constructing or rehabilitating homes, with at least 35% covered by State funding commitments. The per diem program provides reimbursement to State homes, currently \$63.40 for a day of nursing home care, which is less than 30% of the average cost to the States to provide this care. Section 1741(b) of Title 38, United States Code, authorizes VA to provide a per diem rate of up to 50% of the States' average daily cost, but VA has not raised the actual rate paid to our homes near this statutory authorization.

Mr. Chairman, as you well know, the last budget debate for fiscal year 2006 was a crucial one for the State home program. We want to thank the Members of this Committee for your support of the State home program during the budget and appropriations debate. Thanks to your leadership the Administration's proposals to dramatically restrict per diem payments to only a small portion of the veterans currently in our homes, and to impose a moratorium on construction grants, were soundly rejected by Congress. We are grateful that Congress spoke clearly and forcefully on these matters in the Joint Explanatory Statement accompanying the Military Quality of Life-Veterans Affairs Appropriations Act, 2006:

*"The conferees do not agree with the proposal contained in the budget to alter the long-term care policies, including a policy of priority care in nursing homes. The conferees have provided with this total appropriation, sufficient resources to maintain a policy of providing long-term care to all veterans, utilizing VA-owned facilities, community nursing homes, State nursing homes, and other non-institutional venues. The conferees expect there to be no change from the policies in existence prior to fiscal year 2005."*

As you know the President's fiscal year 2007 budget was presented to Congress on February 6, 2006. Our Association was relieved that VA has not repeated those ill-advised proposals it made in last year's budget. In fact VA indicates it intends to continue its current policies of paying full per diem allowances and making construction grants in fiscal year 2007 the same as in prior years. Nevertheless, given the history and level of commitment of the States in providing care to veterans for the past 140 years,

one of our legislative goals was stimulated by the issues VA raised last year about the future of these facilities, and the role of institutional care itself.

In order to provide a degree of confidence and stability in our programs, which represent major human and capital investments by State governments, we ask that Congress consider amending chapter 17, title 38, United States Code to provide the States assurance that VA will not surprise the States by withdrawing future Federal support in a way similar to the VA's proposals of last year. The Committee should be aware that no consultation was made, and no information was provided, of VA's intent to abandon the partnership before the budget was unveiled a year ago. We ask that Congress enact a provision that at minimum requires consultation and information before-the-fact with your Committee and your Senate counterpart, our association, that of the State directors of veterans affairs and equivalent offices, as well as the National Governors Association. VA should be required at a minimum to report, and then wait to allow Congress and other interested parties to determine the wisdom of any such future proposals. Our association would be pleased to work with you and your staffs in crafting appropriate language for these purposes.

As indicated above, current law limits VA per diem payments to 50 percent of the actual cost to the States to provide care under our programs. VA's per diem payment for fiscal year 2006 is \$63.40 for skilled nursing care. On average, this payment level represents about 28 percent of the total costs to the States to provide skilled nursing care. While we are appreciative of the existence of the vital per diem program, we believe VA should review its mechanism of determining per diem amounts and adjust them so that the levels of permitted payments can rise to a more equitable level for the States. What Congress intended to set as a cap for equity of burden-sharing with the States, VA has used to hold down the amount actually paid. We believe this unfairly burdens States with an ever-larger share of cost, and should be rectified through strong Committee oversight of VA's methods of adjusting per diem. We would be pleased to work with you and your staffs in further developing methods of improving and correcting VA's formula for adjusting per diem payments.

Mr. Chairman, there is no mechanism in current law to permit VA to place severely service-connected veterans in State homes. As you know, the Veterans Millennium Health and Benefits Act provides certainty of eligibility for nursing home care to veterans who need care for service-connected conditions and for veterans who are 70 percent or more service-connected disabled. The VA either places these veterans in its own nursing home beds or in community nursing home care. The State facilities are not generally used, because VA cannot by law pay our facilities the total cost of such a veteran's care. We provide care in our facilities at an average cost slightly over \$200 per day, about one-half of VA's in-house cost and significantly less than VA currently pays to community nursing homes. We meet all of VA's standards in providing that care, including round-the-clock registered nursing, physician attendance and other requirements. We believe that seriously disabled service-connected veterans should have State veterans homes as an option for their institutional long-term care. We ask that the Committee consider legislation to authorize VA to place severely disabled service-connected veterans in State veterans homes when appropriate, and to reimburse our full costs in providing that care.

On a similar basis to the inequity that exists for service-connected veterans' placements in State veterans homes, we also report that, in instances in which 50 percent service-connected disabled veterans are resident in our homes, VA provides no medication benefit. If a veteran is 50% disabled from a service-connected disability, by law that veteran is eligible for comprehensive VA prescription medication services. However, that benefit does not accrue to that veteran if he or she is a patient in a State veterans home. We believe this is unfair to the veteran, and unfair to the State home that cares for that veteran. We ask the Committee consider legislation enabling these veterans to participate in VA's pharmacy benefits program.

Mr. Chairman, we observe significant gaps in long term care services to veterans in remote and rural regions of the United States, including such areas as Northern Idaho, the Neighbor Islands of Hawaii, Alaska, Wyoming, Montana, Kansas and other rural States. Under current law, as set forth in the Millennium Act, Congress established specific criteria for authorizing construction of new State homes. It is possible under VA criteria that some of these rural States could justify building a State home based upon their

statewide veteran populations. However, it would not be practical to expect elderly, disabled veterans from close-knit families in isolated communities to leave their families and travel great distances to another place for long-term care. While the construction of a given State veterans' home might solve one community's problem for aging veterans, it would not adequately address the lack of long-term care services in others.

We believe it could prove beneficial for this Committee to look at how Alaska, our largest State, has managed some of this challenge.

Over the years, Alaska's State government, Congress and Alaska's veterans' organizations have considered numerous proposals for that State to seek VA matching grants for the construction of State homes for veterans, but no concrete proposal was ever approved by the Governor or the State legislature. This is not to suggest that Alaska has no facilities serving older veterans in need of long-term care.

Beginning in 1913 in the city of Sitka, the State of Alaska began operating what are called "Pioneer Homes." Today, Alaska operates six of these homes providing more than 500 total long term care beds in Sitka, Anchorage, Fairbanks, Juneau, Ketchikan and Palmer. These homes provide nursing and residential care to "Alaska Pioneers" – any Alaska citizen over age 65, in declining health, and in need of significant care for activities of daily living. These homes are supported by State funds, insurance reimbursements and private payments, very similar to the mixed financing arrangements of State veterans' homes. Although these homes are not solely reserved for veterans, about one-quarter of the residents are veterans of military service.

In the past decade, Alaska's "Pioneer Homes" also have become licensed assisted living facilities, offering a comprehensive range of services to meet the needs of the elderly residents. Professional services cover the full range of needed care, including assistance with activities of daily living, skilled nursing, and compassionate end-of-life services. Many Pioneer residents receive a level of service that would otherwise be delivered in a hospital, a traditional nursing home, a hospice, or in a home-based elder program under a

Medicaid waiver arrangement Alaska reached with the Center for Medicare and Medicaid Services (CMS).

In May 2004, Congress passed legislation to define the Alaska “Pioneer Homes” as a single State veterans home for purposes of their establishing eligibility for participation in VA’s State home programs. Based upon this legislation, Alaska submitted a request for, and was approved for, the construction of a domiciliary as a new wing to the existing Pioneer Home in Palmer, Alaska. Construction of this new wing began this past summer and is expected to be completed late this year.

Similar to Alaska, Hawaii’s dispersed veteran population on the smaller islands generally cannot justify construction of veterans’ homes on each island. However, using the Alaska Pioneer Home concept as a foundation, it may be feasible to advance legislation deeming a similar status to the Hawaii Health Systems Corporation (HHSC) – as one “State veterans’ home” for purposes of HHSC’s participation in the VA State veterans’ home programs. The HHSC, a public benefit corporation, is an extensive hospital system of 12 facilities on five islands, and is the largest health provider in the Neighbor Islands. Under this scenario, smaller bed units – perhaps ten to thirty beds each, depending on local circumstances – could be justified under existing VA criteria in a manner similar to the Alaska model. Such projects could be developed as separate facilities within these existing State-owned and operated hospitals to accommodate the needs of elder and disabled Hawaii veterans in rural and remote locations.

Mr. Chairman, NASVH is committed to meeting the long-term care needs of veterans, whether they live in major metropolitan areas or in geographically dispersed, rural and remote places such as Alaska, Hawaii, Idaho and other large but rural States. Although a rural State may not be able to cost-effectively justify the establishment of large, stand-alone State veterans’ nursing homes, other creative solutions such as the Pioneer Homes model we have described may be worth pursuing in existing public or private facilities. NASVH stands ready to work with you, this Committee, Congress and VA to meet the diverse needs of veterans for long term care.

Mr. Chairman, Ranking Member Evans, and other Members the Committee, we look forward to working with you and the Senate to strengthen, rather than weaken, this foundation of veterans' long-term care. The care provided by our member homes is an indispensable, cost-effective, and successful element in the Nation's provision of comprehensive health care to veterans. Millions of veterans are going to need long-term care in the years ahead. We want to be sure that the State veterans home program is there to support them.

Mr. Chairman, this concludes our statement for the record. Thank you for permitting the National Association of State Veterans Homes to submit this testimony.

**Statement of the National Association of State Veterans Homes to the Committee on  
Veterans Affairs, House of Representatives, in compliance with Rule XI 2(k)2 of the  
Rules of the House of Representatives**

The National Association of State Veterans Homes is neither in receipt of any grant from, nor engaged in any contract with, any Federal Department, Agency or Establishment.

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