REVIEW PREVIOUS FISCAL YEAR AND LOOK AHEAD TO THE UPCOMING YEAR — HEARING II

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

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REVIEW PREVIOUS FISCAL YEAR AND LOOK AHEAD TO THE UPCOMING YEAR — HEARING II

WEDNESDAY, SEPTEMBER 21, 2006

U.S. House of Representatives,
Committee on Veterans' Affairs,
Washington, D.C.

The Committee met, pursuant to call, at 10:37 a.m., in Room 334, Cannon House Office Building, Hon. Steve Buyer [Chairman of the Committee] presiding.

Present: Representatives Buyer, Bilirakis, Brown of South Carolina, Boozman, Filner, Snyder, Michaud, Hooley, Berkley, Udall, Salazar.

The Chairman. Good morning. The full Veterans' Affairs Committee will come to order September 21, 2006.

I would like to welcome everyone, especially the new Commanders here today who are beginning a well-earned opportunity after many years of faithfully serving veterans within your organizations. I look forward to a constructive and positive year ahead.

Last November, after meeting with many of you at Carlisle Barracks just north of Gettysburg Battlefield, I announced a decision to enhance the way the Committee develops its budget views and estimates.

The decision was to reform the way we gather the views of veterans service organizations and military service organizations, and your members have very valuable insights and deserve consideration.

For years, I saw how the process of hearings were held and much of the testimony was received after the Committee did its views and estimates. It effectively had silenced the voice of many of the VSOs and MSOs because their testimonies would come so late, they then became a critic after the fact. The status quo in my opinion was not working for veterans and the process has been changed.

Last February, before we developed the fiscal year 2007 views and estimates, the Committee heard from 19 VSOs and MSOs, some of

whom had never been heard from before. This was very powerful. It represented a significant increase in access to this Committee at a key point in the budget process.

When I discussed accelerating these budget and legislative hearings in February, I also said that we wanted to meet again in September to review the fiscal just ending and look forward to the next then fiscal year.

Yesterday we held the first of these hearings at which eleven VSOs and MSO commanders and leaders testified. Their comments were substantive and the session was very productive. And I anticipate the same here today. You are helping, as Mr. Filner said yesterday, to set an agenda, so it is the meshing of our priorities.

These September hearings are timely because the Administration is now also beginning to develop its budget request for next year.

As I did yesterday, I would like to compliment The American Legion National Commander, Tom Boch, because he championed to me the Legion's approach. The Legion separated themselves from other veterans' groups and MSOs by representing their information to the Committee in the fall as the Administration was developing its request.

This approach is also taken by the House Armed Services Committee whereby they bring in the Chairman of the Joint Chiefs in the spring and they also then do it in the fall as a look back, look ahead.

And so that is what we have also here now adopted on the Veterans' Affairs Committee doing a spring and fall hearing. Having adopted that and augmented it, I think, will be very helpful, and we learned that yesterday.

As we look at the budget cycle, you can see that we have opened the access to Congress, and we will take all of this testimony and we will also share it with OMB and the VA.

I consider this a continuation of the war budgets for the VA. The country is at war and faces challenges and severe demands on fiscal resources. Yet, this is also a budget that reflects a decade of unprecedented growth and support for veterans. The VA budget has nearly doubled in the ten years. Reflecting that support, the VA has earned a reputation of high-quality healthcare.

And I do recall when I first arrived here the flat- lined budgets for the VA and I even recall the horrific cases where appropriators were taking money out of the VA to fund domestic programs. One in particular was WIC. I have not seen that in the last twelve years.

A double budget and a quality product do not, however, mean that there are not challenges. The VA's Secretary has taken ownership of his budget and changed the flawed inputs to the model. That was reflected in the strong fiscal year 2007 funding.

Yet, a perennial challenge to us is also what I refer to as the ghost population. These are individuals that move in and out of the VA

health system and sometimes utilizing other systems, whether it is TRICARE or an HMO, they move in and out of these systems and they pick and choose. And it is very challenging for us to get the numbers right.

Simply plugging a few numbers into a capitation spreadsheet does not address this type of complexity. The discretionary funding gives us the responsiveness to do correctly that which is hard, but which must be done right.

Comparatively the assured or mandatory healthcare funding model according to the Congressional Budget Office would cost nearly half a trillion dollars over ten years. That would be a costly experiment in my view.

And in contrast, the strong discretionary budgets of the past decade have proven responsive to change. Yet, with strong funding, we should expect good programs. However, the seamless transition of servicemembers entering the VA system is not where it should be.

Last month, Secretary Nicholson, Chairman Boozman, Mr. Salazar, and I went to Kuwait, Iraq, and Germany to assess the continuing healthcare from the combat medic or Navy Corpsmen to all the way to a level-four medical facility. We were impressed by the quality of care and the total integration and teamwork within the Armed Services.

Yet, as we sit here, we receive testimony from the Department of Defense witnesses who like to talk about their electronic medical record. Well, as Mr. Salazar and I were there, as we watched them taking the patients off the bus, we saw that "electronic" medical record. It was paper strapped to their chests. So it is one thing to receive their testimony and then in reality see something much different.

I am disappointed that DoD did not adopt the VA standard with regard to interoperability of electronic medical records, and we will continue to work with them. To me, this is not, the seamlessness that we are looking for, and we can do much better.

Also, the recent theft of personal data belonging to millions of veterans has shown the utter necessity that the VA and every government agency with sensitive data must centralize management over their information technology, information policy, and information security. IT is the organization's central nervous system.

And I appreciate those who worked with us on this issue and I am disappointed with those who said it was too hard or it was out of their lane, but, yet, they were quick to criticize.

With regard to organizations, if you are outraged by lapses in security and unnecessary risk to your members, I would like for you to join this Committee in dislodging the status quo and doing right by veterans.

Next week, Mr. Filner and I will be taking the Committee's bills

dealing with cyber security to the House floor, and I ask for your assistance in getting the attention of the United States Senate to this very important measure.

Many of you also cited the disability claims backlog in your written testimony. This issue to me is the big elephant in the room. The total backlog exceeds 800,000 and is climbing. And I compliment the Committee's Task Force on Accountability, of which some of you are members.

I formed this task force to examine issues across the VA, not just in DVA, to improve claims development. I will be meeting with them next week.

Timely and accurate claims' decisions are as important to America's veterans as the delivery of high-quality healthcare.

Some think that if we bring lawyers into the process, that will help solve the problem. I am apprehensive, but I want to be a good listener. And so I need testimony from all of you with regard to bringing lawyers into the process.

I need to know if you support what the Senate has done or do you support Mr. Evans' approach? And we will be asking those questions of all the witnesses today.

Ladies and gentlemen, the issues in front of us are not going away, and I will share with you the top three priorities that I have as Chairman.

Number one is caring for veterans who have service-connected disabilities, those with special needs, and the indigent; number two, ensuring a seamless transition from military service to the VA; and, three, providing veterans every opportunity to live full and healthy lives.

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

Before we begin, on behalf of the Committee's members and staff, I extend an appreciation for the enduring contributions made by your members, including the auxiliaries and their families. You make a great difference in the tone and tenor of our country.

We are at war in two theaters and still have responsibilities globally. Our men and women in uniform are performing their duties magnificently. They are coming home with a simple expectation that we will be there for them. It is up to all of us to help these returning servicemembers transition to civilian life. The VA has the structure, but the personal help is your strength and you play a tremendous role.

So I ask you to put your arm around that young Lance Corporal who just came back from the War on Terror and help honor our promise.

I also want to thank Mr. Filner and other members of the Committee for their hard work this past summer in dealing with the information technology issues.

And at this moment, I will yield to Mr. Filner for an opening statement.

MR. FILNER. Thank you, Mr. Chairman.

If I may, I think this is the last Full Committee hearing before we adjourn.

THE CHAIRMAN. Oh, you are preempting me.

MR. FILNER. You want to go first?

THE CHAIRMAN. No, no. I was going to do it after your remarks. We can do it together.

MR. FILNER. Okay. This is technically the last meeting both for the Ranking Member, Mr. Evans, and our Vice Chair, Mr. Bilirakis.

These are two great friends of veterans, and we thank Mr. Evans for a lifetime of service in not only the Marine Corps but in watching over those veterans who came back and making sure they had the best.

Mr. Bilirakis has been on the Committee for 24 years. We do not often think of each other as mentors, but I want to thank you for mentoring me. Maybe keeping me in line is a better term.

Mr. Bilirakis cares so much for the veterans, and he, of course, was the leader in the fight to make sure we have the so-called concurrent receipt. But he also was pained when this Committee had divisions, especially partisan, and he did his best—he has got a tough customer here, but he did his best to teach me civility and respect.

I want to thank you not only for the substantive work you did here in the 24 years, because you have a lot of accomplishments to your name, but in helping all of us achieve a tone that would be more productive for the veterans. So I thank you, Mr. Bilirakis.

THE CHAIRMAN. I join the gentleman. When I think of my colleague, Mr. Evans, it is of great pain to see a great man of whose body is giving way. And to think that this is the same guy we used to elbow for position down in the men's gym playing basketball. To see his condition now, it is really hard.

And all of us know a loved one who had gone through such great pain and it affects us all. And Mr. Evans will be missed on this Committee. I do not think he ever forgot his core values shared by his family and his parents where he grew up, and polished by the United States Marine Corps. And he embraced them and they were enduring and they helped guide him here in his service to country.

And I think the same can be said for Mr. Bilirakis. I will tell you what. This little Greek man has got a lot of power behind him too. I share with Mr. Filner that his kindness and his graciousness are very powerful attributes behind a very tough man in negotiations.

And it can be disarming because he gets in close and then it is like he grabs your collar. And you have to let him come in close, but he gets your attention and then he has something powerful to say. And I think he has earned the respect of many of his colleagues on both

sides of the aisle.

So, Michael, you are going to be missed. And I want to thank you for your service to country not only in the Air Force but also for what you have done for so many veterans, what you have done for so many widows and children. And so I want to thank you for your years of service. You are going to be missed. But if you need me to come down there and pick those grapefruit, I will be more than happy to get the high ones for you.

MR. BILIRAKIS. Thank you, Mr. Chairman and Bob, Mr. Filner. I am not sure whether to refer to you as Ranking Member, but friend. I think that is probably the best title.

But, you know, many times as you go through the years, people ask you what was your crowning moment in the Congress and for 24 years, you know, how can you think of everything. There are so many ups and downs.

And I oftentimes talk about where a few us a banded together and stuck to our guns and helped to tear down that wall and tear down communism in the Soviet Union along with President Reagan. And I feel very proud of that.

But I talk mostly about veterans and our work for veterans. I am very proud of it and very proud to have worked with you gentlemen. Obviously the best honor to me would be to continue with concurrent receipt to do something so we can complete that completely.

But an easier chore, Mr. Chairman, and I mentioned this to you just before we started, you know, over the years—and forgive me, I did not plan to do this, but since you sort of opened up the door—over the years, we have heard and we have read about, you know, America and how great it has become and how much of that greatness is due to the GI Bill, the men and women who came out of World War II and because of the benefits of the GI Bill were able to educate themselves and have contributed so very much to make this country really what it is. And that opportunity under the Montgomery GI Bill is there and it is even a much better opportunity in that sense.

But I go back to the VEAP prospect where I remember when I was going through basic training and I was a noncom, noncommissioned officer, enlisted men. But when I was going through basic training, and if somebody had approached me at that time and said, Mike, you have got to make a decision whether you contribute out of your very spare, very, very spare income as an airman basic and choose this educational opportunity that will take place years from now, hell, I mean, I just wanted to get through basic training. I would not have wanted to make or been able to make a very intelligent decision at that point in time.

And I do feel that there is so many who are faced with that same sort of thing and passed up that opportunity. And I would dearly

love to see this Congress—I am reminded my VEAP Bill has been introduced, but that is besides the point. We are not going to be able to do anything with it this Congress. But my point here is that I think really that there is some way that we can take a look at that.

And I know when I got out, the payment, full payment for education was $110 a month and that was supposed to take care of tuition and books and everything else. Well, obviously I had to go to work full time in order to be able to get through school. But it was a motivational factor to have that $110.

So maybe we can look at things of that nature, Mr. Chairman and Mr. Filner, and I would feel awfully good if I read some day in this next Congress or so that that has been addressed in some way to give these young people an opportunity that was really available to them, but they were not really legitimately, adequately able to consider in a very serious tone.

Having said that, thank you very much. It has been wonderful working with all of my fellow veterans over the years. God bless you.

MR. FILNER. Thank you, sir.

[The statement of Bob Filner appears on p. 48.]

THE CHAIRMAN. Thank you, Michael.

Anyone else want to make any opening statements?

MR. FILNER. I would yield to anybody else for any comments on our Vice Chair.

Let me just say a few words, if I might, Mr. Chairman.

In the spirit of Mr. Bilirakis, I think we are trying to create here an agenda for the coming year, and we will work together on that.

We certainly worked together on this Committee to come out with good cyber security protection for the veterans, and that bill will be on the floor, as I understand it, next week. We will try to pressure the Senate to look at it.

We disagree on some other things, but I do not think any of us on this Committee disagree that our first role is to enhance the life and quality of our veterans who have given us so much. We may have different ways to get there.

This process, Mr. Chairman, that you started, I think we may want to look at and maybe try to get the benefits that you suggested with the benefits that we had when the rank and file from VSO members were able to be in the room and see their government in action or in inaction, whichever.

I think we have to figure out how to combine those two goals of trying to make sure the testimony comes at a relevant point and people feeling a part of the process and not excluded from it.

As you know, Mr. Chairman, one of the top priorities on this side is to end the practice of veterans' organizations coming almost hat

in hand begging for money. This is not only wrong in terms of the contract that we have with veterans, but it is a shameful kind of position.

The only way we get out of that, and I think most of the VSOs agree with this, is through mandatory or assured funding, that we do not dispute every year a billion here, three there, two billion, everybody is pointing fingers at one another, that we have a source of funding that is guaranteed by law.

We can talk about the cost of that. There are different estimates than what we have heard this morning, but I think we have to get there because what we have now is at least a quarter of a million, veterans barred from being enrolled in the VA system.

We have folks coming back from Iraq and Afghanistan, who have to wait many, many months, if not more than a year for certain appointments or who cannot get the mental health assistance that they need. We have to have a better system, and I look forward to working with you to do that.

The budget process in the last few years, as the Chairman said, has led to a doubling of the absolute dollars for the VA. But if your needs are escalating faster than the money and the costs are escalating faster than the income, you are falling behind no matter what the absolute dollars say. And we are falling behind here.

The Administration, for example, has kept up efforts to try to make veterans pay more for their care rather than asking for additional resources from the Congress. Thousands of people are waiting for clinical appointments. I have a thousand veterans waiting for their first appointment in San Diego, in the San Diego Medical Center. That is disgraceful.

We are not meeting the mental health needs. We saw what happened in Vietnam when we neglected those problems. Up to a half of the homeless on the street tonight are Vietnam vets. It is a disgrace that we have allowed this to happen. And, yet, we are repeating the same mistakes with those coming back with post-traumatic stress disorder from Iraq. They go through the same pattern, domestic violence, problems in the family, problems on the job, alcohol, drug abuse, homelessness, suicide.

Thirty years after Vietnam or 35 years, we know how to deal with this. It is a question of resources.

The Administration has not met its statutory requirements for long-term care as our veterans age. They have sought cuts in traumatic brain injury care at the height of a war that is producing more brain injuries than ever before. We have vacancies whether in nursing or counseling or other specialties all around the country. So we have to do better.

The VA is a basically sound system. That is why we care so much about it. It has certainly improved, as the Chairman said, from sub-

standard care of several decades ago. It is now on the cutting edge of healthcare in many areas and, in fact, the world. But if we have delayed care or rationing of care or veterans unable to access it, we are not doing our job.

I am glad that you care about the quality. Many of you have supported this Independent Budget, which I take as my Bible during the budget process, to try to make sure we have the resources that we need.

Mr. Chairman, I look forward to working with you in the future. I am not sure whether we will have another Mr. Bilirakis with us next year. I hope so. But we have a lot of work to do, and I look forward to working with you to complete that job.

THE CHAIRMAN. Thank you, Mr. Filner.

[The statement of Bob Filner appears on p. 48]

THE CHAIRMAN. Today we will hear from several of the Commanders and Presidents, and representatives of veterans services organizations and military service organizations. So I shall now introduce them to my colleagues.

First representing the Air Force Sergeants Association is Chief Master Sergeant John McCauslin?

CHIEF MCCAUSLIN. Yes, sir.

THE CHAIRMAN. He is the Air Force Sergeants Association's International President. The Chief currently is serving his second term as International President. He joined the Air Force in June 1955.

The Chief has served in a variety of medical-related positions at Air Force installations worldwide. During his career, he was selected as a Senior Enlisted Advisor for the Fifth Air Force in Japan and the Senior Enlisted Advisor to the Commander of the United States Air Forces Europe in Ramstein, Germany. He served 32 years in the United States Air Force.

Representing the Retired Enlisted Association is the National President, Patrick Corbett. Mr. Corbett was elected President September 1st, 2006. He has held many positions within TREA including member of the Board of Directors and the Second Vice President and First Vice President.

Mr. Corbett enlisted in the United States Marine Corps in 1957. During his 23 years of service, he served two tours in Vietnam. In 1980, he retired from the United States Marine Corps.

Why don't I just call you Gunny?

SERGEANT CORBETT. Beg your pardon, sir?

THE CHAIRMAN. You are Gunny?

SERGEANT CORBETT. Yes, sir.

THE CHAIRMAN. You look like a Gunny.

I mentioned this yesterday. There is something about you guys. They dip you and you all look alike. You all act alike. You

all talk alike. And then you are like a Gunny for life. That is a tremendous compliment because a lot of people rely on Gunnies.

He is the father of three adult children with four grandchildren, and resides in Pennsylvania.

Speaking for the Military Officers Association of American is the National President, Vice Admiral Norb Ryan. Admiral Ryan assumed the position in September 2002. In 1967, having barely gotten through the Naval Academy—oh, I am sorry. Kelly must have made a mistake there.

Kelly picking on you, Norb?

MS. CRAVEN. [Majority Counsel] No.

THE CHAIRMAN. I apologize.

He did graduate from the Naval Academy with distinction and was designated a Naval Aviator in 1968. Admiral Ryan has numerous operational and sea duty assignments including Command of the Squadron at Wing level culminating with Commander of Patrol Wings, U.S. Pacific Fleet Commander, and Commander of the Task Force 12. He has directed the Navy's Office of Legislative Affairs and was also Chief Personnel for the United States Navy.

Admiral Ryan is a graduate of George Washington University with a Master's in Science Degree, Personnel Administration, of the National Security Program at Harvard University's John F. Kennedy School of Government. And before retiring, as I said, he was the 52nd Chief of Naval Personnel.

We will also then hear from Mr. John Lopez of the Association for Service Disabled Veterans. He has been Chairman since 1985. Mr. Lopez is a Marine who was disabled while in service in Korea. His career has been frequently interrupted by physical relapse due to his military service and injuries.

Mr. Lopez has developed several socioeconomic smaller business programs for major corporations, and he initiates disabled veteran entrepreneur programs with the U.S. Small Business Administration and Bank of America.

Mr. Lopez is Chairman of the U.S. Congress Advisory Committee on the Study of the Needs of Service-Disabled Veteran Entrepreneurs and Co-Chairman of the National Task Force for Veterans Entrepreneurial Development.

We welcome all of you. Before you begin, do each of you have written testimony you would like to be submitted for the record?

All answering in the affirmative, your written testimony will be entered into the record. Without objection, so ordered.

Each of you will have ten minutes to testify. The Committee will operate under the five-minute rule. And I will grant you latitude. So when you see the light come on after your ten minutes, try to summarize and move toward the end of the testimony to be courteous to each of the witnesses.

Chief, we will begin with you.

STATEMENTS OF CHIEF MASTER SGT. JOHN R. MCCAUSLIN, USAF (RET.) INTERNATIONAL PRESIDENT, AIR FORCE SERGEANTS ASSOCIATION; GUNNERY SGT. PATRICK CORBETT, USMC (RET.), NATIONAL PRESIDENT, THE RETIRED ENLISTED ASSOCIATION; VADM. NORBERT RYAN, JR., USN (RET.), NATIONAL PRESIDENT, MILITARY OFFICERS ASSOCIATION OF AMERICA; JOHN K. LOPEZ, CHAIRMAN, ASSOCIATION FOR SERVICE DISABLED VETERANS

STATEMENT OF JOHN R. MCCAUSLIN

CHIEF MCCAUSLIN. Thank you, Mr. Chairman, and distinguished Committee members.

On behalf of our 130,000 members of the Air Force Sergeants Association, thank you for this opportunity to offer the views of our members on future priorities for the Department of Veterans Affairs.

AFSA represents active duty, Guard, Reserve, retired, and veteran enlisted Air Force members and their families around the world. Your continuing effort toward improving the quality of their lives has truly made a real difference and our members are forever grateful.

Since my time here today is very brief, I will restrict my comments to just a few of the areas covered in my written statement, which I hope will be entered in its entirety into the written record.

Today the demands of military service are increasing, non-traditional education programs are evolving, and the efficacy of the Montgomery GI Bill to support actual education programs is diminishing.

As a member of the Military Coalition and Partnership for Veterans' Education, the Air Force Sergeants Association strongly endorses the need for a better GI Bill that meets the needs of all those who wear the uniform, yet is robust enough to assist the individual services in their recruiting efforts.

Our members eagerly await this Committee's future proposals regarding the Montgomery GI Bill and hope that any new benefit proposal more closely meets the actual cost of obtaining an education, eliminates the current $1,200 fee to participate, and allows expenditure of that benefit in greater amounts to accommodate the cost of a broad range of accelerated and advanced courses.

I also ask the Committee to keep in mind that there are thousands of servicemembers currently on active duty who did, for whatever reason, enroll in either the Veterans Educational Assistance Program, otherwise known as VEAP, or the Montgomery GI Bill.

Time is truly running out for Congress to provide servicemembers

from the VEAP era an enrollment opportunity, and the vast majority have already retired from us. As of 1 July last year, all actively serving who enlisted in this time frame were eligible to retire.

Being mindful that the principal purpose of educational assistance programs is to assist veterans in their transition back into the civilian workforce, we urge your Committee to act quickly to at least provide a transitional education benefit for the relatively few remaining VEAP-era enlisted members.

Veterans around the world applaud your Committee's and Congress' decision to once again reject the Administration's proposed $250 user fee to receive their promised VA healthcare. Our feeling has been and continues to be that such an enrollment fee should be applied only prospectively; that is, for people who have not yet begun their military service. Current veterans should not be charged a fee for access which earlier Congresses determined was not appropriate.

It goes without saying that we could do a lot to improve the handoff of veterans from military to veteran status, from DoD to the VA. Transferability of information is the most critical element in that whole seamless transition process. The VA and DoD have two distinctly different electronic record keeping systems, but only the VA's system allows transferability of medical information globally.

Advances have been made toward seamless DoD/VA transition, but it is important for Congress to resolve the VA/DoD medical records situation. Without your leadership, this situation will go unresolved and veterans will not be receiving the best care they truly deserve.

And, finally, for most veterans, contact with the VA begins with the claims process. On a daily basis, the VA's current claims backlog totals several hundred thousand, as Congressman Filner alluded to, and this is an unacceptable number. It is going to take money, thoughtful planning, proper training, and innovative ideas to break through what seems to be an insurmountable problem.

AFSA encourages your Committee to support departmental plans to reduce pending cases with one caveat. We absolutely disagree with any plans to reduce the number of claims processing personnel.

Technology is not going to solve this problem; people will. And Congress should flatly reject any plan that reduces the number of personnel in this area until that backlog is cleared up.

The recent recall of two retired judges to assist the U.S. Court of Appeals for veterans' claims is exactly the type of smart resource use that we feel will help the Department reduce this unprecedented number of pending claims.

Before I conclude, I want to take a moment to recognize an extraordinary individual who has been a long-standing member of your Committee and will be retiring at the end of this year, a friend and member of the Air Force Sergeants Association, Mike Bilirakis from the 9th District in Florida.

On behalf of veterans everywhere, we thank you, sir, for your leadership and most importantly your tenacity to fight for what you feel is right and for what veterans and their family members truly deserve.

You will be missed by all of us, but you leave a body of work that will long outlast all of us. It has been an honor and a true pleasure for our association to have been able to work with you for these past 24 years.

We wish you, your wife, Evelyn, and your entire family the very best in years to come.

In conclusion, it is imperative in peacetime or in war that veterans know their needs will be taken care of. Once they have served honorably and they need help, we believe their care and assistance becomes the responsibility of the nation that they served.

On behalf of all AFSA members, we appreciate your efforts to ensure that our nation does just that. And as always, we are ready to support this Committee in matters of mutual concern.

Thank you, sir.

THE CHAIRMAN. Thank you very much.

[The statement of John R. McCauslin appears on p. 61]

THE CHAIRMAN. Mr. Corbett.

STATEMENT OF PATRICK CORBETT

SERGEANT CORBETT. Mr. Chairman, Acting Ranking Member Filner, and members of this Committee, it is always an honor for The Retired Enlisted Association to testify about the needs and concerns of American veterans, military retirees and their families and survivors.

It is a particular honor for me, the new National President of TREA, to testify before this Committee on what has happened in the last year and what we hope the future will bring.

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 Forces, active duty, National Guard and Reserves, as well as members who are doing so today.

When we look at what has happened this year and what should happen next, we seem to have started down many roads and have not come to the end of any of them. Indeed, many of these paths will always have to be worked on and improved. It is just part of how an enormous organization works.

The main duties of the VA are basically the same year in and year out. They are to provide first-class healthcare for those who have kept us free, to accurately and quickly provide the financial support owed to veterans by the United States government, to provide for the

widows and orphans who have lost their loved ones due to his or her service to our country, and to make sure there are appropriate resting places and funeral honors for those who have served.

But which of these issues are most in need of work from year to year varies. In the past few years, our concerns have centered on sufficient funding to provide first-rate healthcare to all qualified veterans who needed and earned it. Of course, in this time of war, this must still be our primary concern.

Since the disastrous shortfall in 2005, all of Congress agreed with you that adequate funding for the VA healthcare is essential. You added a critical supplement to cover the shortfall of the VA's budget request. And this year, VA request corrected some of the past year's mistakes.

Is this year's budget sufficient? Of course not. How could it be? But it is much better than in the past, and we thank you. The budget needs to be covered. The two-year program for all veterans returning home from Afghanistan and Iraq, it must cover various expense to treat and rehabilitate our wounded warriors.

It must cover the medical needs of veterans who preserved our freedom and safety in the past. And we should never forget that it must cover the nursing home cares, the needs of many of our greatest generation who are now reaching the time in life when they need this type of care.

Looking back at this past year, we are very grateful to note you refused to implement the proposed $250 yearly enrollment fee and sharp drug co-pay increases for those veterans presently enrolled in category seven and eight.

We expect that when looking towards next year, there will be a similar proposal, and we hope that you once again say no. We know that some of you on this Committee are in favor of this proposal, but TREA is firmly opposed.

Numerous of our members really rely on this program that was established at a time in their lives when getting new medical coverage is close to impossible. They are living on a fixed income. The proposed increase would be financially crippling to them. We believe you will hold firm and protect these former warriors now that they need protection themselves.

But beyond healthcare, there are other critical needs in the VA, and this is what I would like to focus on now. These include increasing the IT security throughout the VA, working to improve the speed, consistency, and accuracy of VA disability determination, and thereby the present dramatic backlog, and, finally, creating a seamless transition between DoD and the VA for all veterans.

It has become dramatically clear to the whole nation this year that the VA must make major improvements in its IT security. TREA is well aware that our Committee's Chairman has been trying to get VA

to focus on this problem for a year.

The theft of a VA computer and hard drive with personal information of approximately 22 million veterans and an additional computer theft from the VA contractor has certainly gotten their attention.

This Committee must make sure that the VA stays focused on making these necessary improvements.

We hope that House Resolution 5835, this Committee's bipartisan bill, will pass before the end of this session. This bill would go far in not only to correcting the VA's IT problems, it would make the VA an up-to-the-minute leader in IT security. And the proposed fellowship for talented people in this field would hopefully keep the VA on the cutting edge in the future.

With the VA putting out fires in the fields of medical care and IT security, there has been little discussion recently about the continuing problem in the area of disability claims determination. These delays in decision making and the inconsistency of the decisions around the country have made veterans doubt that they are being treated fairly.

This problem has gone on for years and has not been solved. And with more and more complicated injuries to be dealt with, it is obviously a problem that needs to be solved now.

What is clearly needed is more and better trained people doing this work. There also needs to be better supervision around the country so a decision on various types of disabilities will be the same in all VISNs.

Following the direction of Congress, the VA is supposedly trying to get disabled veterans to apply for benefits in six areas of the country where payments are dramatically lower than in the rest of the country. What is found to be service-connected in one VISN is not service-connected in another.

Percentages granted vary for the same injury. This needs to be corrected through constant training and regular supervision. Then hopefully cases could be decided quickly and correctly. There would be fewer appeals and the backlog would go down.

We hope that this Committee will make sure this push will continue in the future.

For years, TREA and Congress has called on the VA and the DoD to create a seamless transition from being a member of the U.S. Armed Forces to being a veteran. And large steps forward have been made, but we still do not have a seamless transition.

The two medical records systems of the VA and the DoD do not talk to each other and this is a must. We need to finally have one medical examination to be used by two departments. It would finally create a seamless transition. It will save time, money, and aggravation. It would make healthcare better. It would make IT more secure and make disability determinations accurate and fast. It would help im-

prove all these problem areas.

Of course, the numerous bills that we hope can still be passed by the 109th Congress, that includes Representative Filner's House Resolution 2747 and Representative Bilirakis' House Resolution 1462.

House Resolution 2747 would modernize the insurance plan for disabled veterans by using today's actuarial charts rather than those from 1941.

House Resolution 1462 would allow DIC recipients to remarry at age 55 rather than the present 57 without losing their payments.

Both programs are not expensive, but they would greatly help a small group of very deserving people who have been overlooked.

As I said in my written testimony, if one looks at the VA bills passed so far this year, you would think it has been a very calm town. How wrong you would be. With last year's enormous shortfall and this year's IT theft, it has been a terribly busy year.

TREA members know how much the members of the Committee had to do to protect our veterans and personnel security. Thank you. We hope 2007 will be a year where we can work together to improve the future and not just deal with disasters.

We hope the VA healthcare grows to provide first-class service for all our beneficiaries. We hope that both the quality of disability decisions and the size of the backlog improves. We hope IT security becomes the best in the Federal government. And we can reach these goals by working together.

This year, we will be losing some of our strongest advocates. Both Representative Lane Evans and Representative Michael Bilirakis will be leaving the House at the end of the session. All TREA members thank both men for all they have done for this nation's veterans and their loved ones. They have been remarkable and steadfast advocates for us, and we will forever be grateful to you both. We will miss working with you in the future.

Thank you very much for your attention, and I will be happy to try to answer any questions you might have.

[The statement of Patrick Corbett appears on p. 70]

THE CHAIRMAN. We have currently three votes in front of us. The previous question adopted the rule on H.R. 4830 and the suspension vote dealing with the Military Personnel Financial Services Protection Act. So it is a 15 followed by two fives.

And, Admiral, I hate to interrupt your testimony. So if we could go ahead and recess right now and then come back after the vote and then receive your testimony rather than bifurcating it. Would that be all right?

ADMIRAL RYAN. Okay.

THE CHAIRMAN. All right. The Committee will stand in recess. We will reconvene around quarter to ten till twelve.

[Recess.]

THE CHAIRMAN. The House Full Committee will come back to order.

We now recognize Admiral Ryan.

STATEMENT OF NORBERT RYAN, JR.

ADMIRAL RYAN. Thank you, Mr. Chairman, Ranking Member Filner. I am honored to be here today representing our 360,000 members of the Military Officers Associations of America. Like my colleagues, I use that word honored with a great deal of sincerity.

I do not think there is a higher calling for a member or a staff person than serving on this Committee. And I know that Mr. Evans is here in spirit and Congressman Bilirakis was here earlier. Those two gentlemen exhibited that higher calling, sense of higher calling, and the Military Officers Association deeply appreciates their servant leadership and their personal example. They have impacted on hundreds of thousands of lives, and we are deeply grateful for their service.

MOAA is also grateful to the Committee for adding needed resources to the VA healthcare system. But like my colleagues, we remain concerned, as you are, that the VA continues to underestimate demand.

The bottom line is when veterans do get their appointments, the quality of care is among the highest in the nation, as you said, Congressman Filner, but they should not have to wait months for that care.

As the Chairman mentioned, we are reminded over and over that we are a nation at war, so it is imperative that we fund the VA system accordingly. Just as this nation is stepping up to the plate to pay the enormous cost of the War on Terrorism, they must also step up and fully fund the healthcare system that serves the needs of our wounded warriors and all other veterans the VA has agreed to treat.

To properly fund the VA, we need to get our facts and data straight. MOAA has three recommendations to do this.

First, we recommend that the VA continue its work to overhaul its demand projection model which, as you all know, fails to adequately recognize that all returning Operation Enduring Freedom/Operation Iraqi Freedom veterans are eligible to enroll for up to two years with no questions asked.

Second, the VA budget should be built to meet the VA's own 30-day access standard. What is the point of having access standards if the budget is not built to meet them?

And, third, we recommend the Committee continue to carefully consider the veterans' Independent Budget for the next fiscal year, fiscal year 2008. The Independent Budget has consistently been a

very reliable projection of the true demand and cost of care.

MOAA like the Committee, is particularly concerned about the care and rehabilitation of our most severely wounded men and women. I have recently visited the Tampa VA Polytrauma Rehabilitation Center. The quality of care is impressive, but the facility, particularly some of the buildings are bursting at the seams.

I have seen worried family members sleeping in a lounge chair that cannot fit into the room out in the passageway. I have seen the modern equipment that they need to help rehabilitate and heal these veterans out in the passageway because they cannot fit it into the room. We have got to innovate and find a way to accommodate this new technology.

We strongly recommend that the Committee make funding for traumatic brain injury, spinal cord injury, PTSD, prosthetics, blinded vet care, research and family counseling a priority going forward. We applaud the Committee for continuing to champion the cause of seamless transition.

Last spring, Army Captain Mark Giammatteo who underwent 30 surgeries at Walter Reed to repair combat injuries, testified before the Veterans Disability and Benefits Commission. He stated while on convalescent leave in his hometown, he experienced a medical problem and attempted to check into the local VA facility, but the VA official said they could not treat him since he was on active duty.

Seamless transition must include interoperable medical records as you both gave examples of. So far, DoD and the VA health systems can only talk to each other in limited ways.

The President has signed an Executive Order saying that we ought to have common health records, and it was signed in August. We have got to get on with it.

We agree with the Chairman that the VA has got a good start on this, but we hope you all will continue to get DoD and VA in the same room and ask them to come out with a solution in the shortest time possible. And it will take some jaw boning to get that done.

Speaking of data issues, we strongly support the Committee's bipartisan bill, House Resolution 5835, to strengthen data security and protect our veterans in the event of a future data breach. And we will be there with strong support for your efforts on the floor next week, Mr. Chairman.

Turning to the benefits, a major priority should be improving the claims processing including hiring and training new colleagues or new claims workers to replace retiring workers and upgrade the system to speed claims operations.

We also recommend greater flexibility in delivering transition assistance. For example, Guard and Reserve veterans need to get TAP information near their homes.

As a founding member of the Partnership for Veterans Educa-

tion, MOAA believes we need to restructure the GI Bill as soon as possible. All of my colleagues have addressed it as have you all.

Mr. Chairman, as you know, right now the Army and Marine Corps Reserves have sent over 280,000 men and women to Iraq and Afghanistan and have mobilized over 500,000 since 9/11. Yet, they do not have the same benefits for the GI Bill. Guard and Reserve education benefits have dropped from about 50 percent of active duty rates in 1985 to 29 percent since 9/11.

An active duty member who serves two years on active duty and one tour in Iraq can use his or her GI Bill after separating, but no one who spends six or eight years in the Guard or Reserve and does two or three tours in Iraq can. That is just not right, and Reserves know it.

If you look at the recent trend in recruiting for the Army, it is a very troubling trend. Army Reserve recruiting was 87 percent of goal in July and 62 percent in August. We believe this is symptomatic of the fact that this nation has not sent a high enough signal of value, particularly those who are in the Reserves.

The Guard usually has a great State education benefit as all of you know in your states, but the Reserves belong to no one as a direct relative. And I see the Reserves are going to be the ones that first bring risk to the all- volunteer force, and I think it started in Reserve recruiting right now.

So we recommend combining the active duty and Reserve GI Bill programs under Title 38 and scaling the benefits to match duty performed including equal opportunity for all to use benefits after they have completed their service obligations.

Mr. Chairman, MOAA appreciates your public statements on this concept, and we really appreciate the leadership of Congressman Boozman, Congressman Snyder, and many others on the Committee who have championed this issue. And we cannot urge action quick enough by the Congress. We think this is something that is really going to be an Achilles heel for the all-volunteer force, this weakening and erosion of support as perceived by the members of the Reserves.

Finally, MOAA believes strongly that we must fix remaining inequities for survivors of members whose death was caused by service. One disconnect, as my colleagues have mentioned, is that the DIC widows must be at least age 57 to retain their VA compensation if they remarry. We think as a minimum that should be changed to age 55, the same standard as all other Federal survivor programs.

We also urge your leadership in ending the deduction of DIC from military survivor benefit plan annuities. It is on another Committee, but you all are the influencers of the Congress and you can help us get rid of this shameful offset for SBP for those that lose their spouses due to their disability or in combat.

Thank you again, Mr. Chairman, and members for setting a higher

standard on this Committee and for answering the higher calling.

THE CHAIRMAN. Thank you, Admiral.

[The statement of Norbert Ryan, Jr. appears on p. 79]

THE CHAIRMAN. Mr. Lopez, you are now recognized.

STATEMENT OF JOHN K. LOPEZ

MR. LOPEZ. Good afternoon, Mr. Chairman. Mr. Chairman and Ranking Member Filner, thank you for your attention and accepting our written statements for the record.

As you may know, the Association for Service Disabled Veterans is an organization of disabled and military service veterans devoted to the rehabilitation of all disabled military veterans to the maximum state of self-dependency attainable within existing technological and human resources. Consequently, our focus is directed towards freeing the service-disabled veteran from the dependency of tax supported assistance whenever possible.

To that end, service-disabled veterans are extremely grateful to the accomplishments of the 106th, 107th, 108th, and the 109th Congress under the leadership of this Committee.

Under the responsible and compassionate leadership of your Chairmen and Ranking Members, you have established self-employment entrepreneurship as a viable opportunity for our nation's service-disabled veterans to live a life of individual dignity and make a significant contribution to the economic prosperity of our nation.

Public Law 106-50, Public Law 108 - 183 and the pending House Resolution 3082 and portions of the Reauthorization of the Small Business Act of 2006 are continuing statements of the intent of the United States Congress to enable the rehabilitation of those who have sacrificed their well-being for the prosperity and security of the United States of America and the free world.

However, there remains the issue of effective implementation of the intent of Congress due to the lack of compliance by the prime contractors that receive the vast majority of agency procurement dollars.

Although required by legislation to subcontract opportunities to service-disabled veteran owner businesses and to assist in self-employment rehabilitation, major contractors continue to evade compliance through various regulatory manipulations. This has had the dramatic effect of diminishing opportunities since the majority of procurement dollars are awards to billion dollar prime contractors.

It is requested that the Committee request information regarding the subcontracting performance and practices of prime contractors of Federal agencies, especially the lack of compliance by the United States Department of Veterans Affairs and the United States Depart-

ment of Defense billion dollar prime subcontractors.

Irrespective of the efforts of the Committee, a feeling persists among the service-disabled veteran population that the vested interests of the agency procurement bureaucracy and the influence of special interest groups is so pervasive that it may require major oversight if we are to make significant and positive change.

Central to this quandary is the service-disabled veteran perception that the service-disabled veteran is a powerless stakeholder in the effort to establish and maintain an effective rehabilitation program for our nation's service-disabled veteran heros.

Attached to this testimony is a discussion concept that considers the question of the establishment of a policy of countervailing power for the serving military person titled Selective Sacrifice. This concept would reinforce the perception of the serving military that their sacrifice be actively emphasized and subsequently acknowledged and honored.

This concept of Selective Sacrifice is a reflection of the advice of the First President of the United States that the willingness with which our young people are likely to serve in any war, no matter how justified, is directly proportional to how they perceive the veterans of earlier wars were treated and appreciated.

Thank you for your attention. I shall be pleased to answer any questions you may have.

[The statement of John K. Lopez appears on p. 90]

THE CHAIRMAN. Mr. Lopez, you need to help me here a little bit. I want you to articulate a little better for me when you talked about the quandary and the perceptions that the service-disabled veteran is a powerless stakeholder.

Will you please articulate that a little further?

MR. LOPEZ. Certainly, Mr. Chairman.

The populous views veterans as victims. The Defense Department views veterans as casualties. And the legislature and the Congress, rather, and the Administration view veterans as beneficiaries. In none of these definitions are veterans recognized as participating stakeholders in the formulation of the policies which govern their lives.

Mr. Filner made a reference earlier today towards enabling veterans to be more participatory in the legislative process. It was a passing reference. Perhaps he can elaborate on it. I will not do that for him.

Veterans come before you gentlemen and ladies and they ask you to get them things, to do things for them. We do not participate in the actual negotiation, in the actual formulation of those benefits or those needs.

I think it is very imperative if we are continue to retain the inter-

est, patriotism, allegiance, and concern of our veterans that we come up with some type of a system whereby they are day-to-day or maybe even policy-to-policy participants in the actual formulation of programs.

I think this can be done by when program managers in the Department of Veterans Affairs meet with senior staff or with your staff and start to discuss what they are going to do in a particular area of concern that they include random selected or specifically selected members of veterans' organizations so that they can be true participants, not recipients, not reacting at all times.

You have had before you with all of your effort and all your accomplishments, you have the constant haranguing from the veterans organizations not willing to accept what you have done for them. And many times, we consider that to be the ungrateful whining of a population. What I believe it is, is a population that is really ignorant on what it is that is being done for them.

THE CHAIRMAN. Well, you have been responsive to the first part where you said a powerless stakeholder in the effort to establish. Now please articulate the second half of that when you use the word to maintain.

MR. LOPEZ. Repeat that, please. I do not—

THE CHAIRMAN. Well, in your testimony, you have used this perception among the service-disabled veterans about a powerless stakeholder in the effort to establish, an effective rehab program for our nation's disabled heros.

MR. LOPEZ. Okay.

THE CHAIRMAN. Then you also then used the word to maintain. So you have just articulated for me with regard to establish. Now articulate is this perception also then in the marketplace?

MR. LOPEZ. Yes, sir.

Also, you have existing programs, historical existing programs. Many of the gentlemen here already testified regarding the direction of those programs. Not one of them, not one, enunciated their participation in the formulation of the directions of those programs. And I would like to hear from them saying that they were invited or any organization that they were invited to negotiate, discuss what a policy would be and how it would be formulated.

We do that informally and sometimes formally as we are now with you because of the Congress' concern and responsibility. We do not do that when these programs are actually formulated and put into practice. We take what we get.

THE CHAIRMAN. We are passing in the night.

MR. LOPEZ. Right.

THE CHAIRMAN. Let us go back here a second. My question is about this perception of a disabled veteran. See, for this Committee, we decided to form a separate Subcommittee called Economic Opportunity

because we want veterans to live as full and complete lives as they possibly can, and to examine those types of programs.

My question to you is, when you testify to us and you say about the perception of powerless, I have heard what you said about to establish. My question to you is, in the marketplace, do they feel that they are also powerless in the marketplace? If you cannot testify to that, then do not. But just let me know whether you can be responsive to that.

MR. LOPEZ. Let me comment to that.

Yes, they feel they are powerless because once they get into the marketplace, they found that they are overwhelmed by numerous regulations and interpretations by the bureaucracy which the bureaucracy maintains is a reflection of the intent of the Congress.

THE CHAIRMAN. So that is why you used the word ignorance in your prior statement? Ignorant meaning because they just do not know, so it is the better outreach to them? What is it? How do we bridge that?

MR. LOPEZ. I do not think your Committees, and I am sincere when I say it, have been—without you, self- employment, entrepreneurship would not exist. You have made a tremendous stride in the options of service-disabled veterans to have a meaningful quality of life.

However, however, it is the implementation where they feel that they are powerless because you have done your duty. You have taken your initiative. But when this is applied in the bureaucracy, there is no payoff. There is no result.

And you can only recollect the fact that we have come to you time and time again saying fix this, fix that, fix this, fix that because we have met with frustration in the marketplace, because all the work you did before, they have reinterpreted that work and said that they will decide what the interpretation of Congress is, and it is not as you folks feel is to your benefit.

THE CHAIRMAN. All right. Thank you.

MR. LOPEZ. So that is our frustration.

THE CHAIRMAN. We cannot even get the VA to hit their standards on the set-asides let alone the rest of this bureaucracy. This Committee does not have jurisdiction over all departments of government. I assure you we would change that from—

MR. LOPEZ. I know.

THE CHAIRMAN. —from a goal to a mandatory standard. But then at the same time what happens in this town is there is gamesmanship with regard to these set-asides. So you have got that big dominant player out there that says, well, I can go after that particular contract. I will just find me a veteran's owned business that is a front—

MR. LOPEZ. Exactly.

THE CHAIRMAN. —and they become the primary and the big guy

is the sub and they do a little payola. I hate to call it payola, but they take a cut as the front so they can gain access to a particular contract. Huge games going on in this town, whether it is through Alaskan, Indian, any minority set-aside, disabled veteran set-aside.

So you are right. As soon as we make a little change that we feel like we are making a fix, the fix is out there, too, the gamesmanship that goes on with the system.

I have to ask this question, and then I want to then yield to Mr. Filner. I am asking everyone the question about the attorney representation issue.

I need to know whether you support bringing attorneys into the claims process or not, whether you support the approach given by the Senate, which means bring them in, lawyers in at the beginning of a claims process, that veterans should have that option; or Mr. Evans' approach meaning you can bring a lawyer in after the notice of disagreement has been issued. If your association does not take a position, please let me know that.

Chief.

CHIEF MCCAUSLIN. Thank you, sir.

I was reviewing again the Constitution of the United States, which I carry with me, and it just reminds me of this one part of the 14th Amendment that says no person shall be deprived—any person shall be deprived of life, liberty, or property without the due process of law nor deny to any person within this jurisdiction the equal protection of the law.

It is not a yes or no with Air Force Sergeants Association. I think we still want to study what is behind it, what is the implications, what is the cost, and more important, as the last gentleman talked, regardless of how the law has changed, what is the actual where the rubber hits the road activity out there where there is a veteran who has a denied claim.

We certainly do not want the ambulance chasers to be out there and milk the system. So the bottom line is, no, we do not have a position yet because we are still studying where we are at with this thing in mind.

THE CHAIRMAN. All right. This is coming to us right now.

CHIEF MCCAUSLIN. Yes, sir. Thank you.

THE CHAIRMAN. So you cannot just study this one to death because - I just want you to know this—the Senate has a position. They are placing pressure upon this Committee to take their position, and I need to know.

Now, obviously you cannot testify outside your lanes, but I just want you to know if your association is interested in taking a position, and you need to let us know pretty soon.

CHIEF MCCAUSLIN. Yes, sir.

THE CHAIRMAN. All right?

CHIEF MCCAUSLIN. Certainly.

THE CHAIRMAN. Mr. Corbett.

SERGEANT CORBETT. The legislative agenda of our organization is determined by the resolutions passed at our annual convention. We have taken no position on this issue of lawyers representing veterans, sir.

THE CHAIRMAN. Thank you very much.

Admiral.

ADMIRAL RYAN. Mr. Chairman, we think that the VSOs have more expertise—I will be up front on that—than we do as a military service organization. But the reason we are reserving our opinion for right now, I think, is the same reason that the Congress ought to reserve their opinion, and that is you all do have a higher calling here, and that first calling is to do no harm.

And I am not sure that, if you take the Senate bill you are going to do harm, more harm than you are if you keep the lawyer out of that part of the process because of two things.

Number one, the claims process itself really needs to be improved and, number two, I think that you have a perfect vehicle to do that with, and that is ask the Veterans Disability Benefits Commission to include this as part of their analysis as they look at this claims process and what can we do to improve it. It is a perfect place to have people really carefully analyze it before we go and make the situation worse rather than better.

And so we are reserving our opinion. We know that some of the VSOs feel very strongly about it in both ways, but we are concerned that rushing into this is going to do more harm than good if you all are not convinced personally of the way to go.

THE CHAIRMAN. Mr. Lopez.

MR. LOPEZ. Our members automatically have legal counsel because of the nature of entrepreneurship. It is one of the requirements. So they do not look upon this issue in the same way. So we have no opinion on it.

THE CHAIRMAN. Well, Admiral Ryan, I dealt with you for years when I chaired Personnel and negotiated many different provisions which you had interest in with the Senate.

ADMIRAL RYAN. Uh-huh.

THE CHAIRMAN. And I recall sometimes when we came to difficult questions in figuring out how to compromise, how to get to yes so everybody feels good coming out of the room, DoD, House, Senate, Administration. Sometimes on these questions, you can also sense that, right, do those types of things too? But I am being a good listener to your counsel.

Mr. Filner.

MR. FILNER. Mr. Chairman, since I already gave my opening statement. I hope you will recognize me after my colleagues. I

would appreciate that.

THE CHAIRMAN. Very good.

Mr. Brown, Chairman Brown.

MR. BROWN OF SOUTH CAROLINA. Thank you, Mr. Chairman.

I would just like to thank the gentlemen for coming and being a part of this dialogue, and I will reserve questions.

THE CHAIRMAN. Mr. Michaud.

MR. MICHAUD. Thank you, Mr. Chairman.

I want to thank the panelists for coming before us. I just have one question if I understood Mr. McCauslin's statement earlier. He had mentioned as far as paying an enrollment fee, the $250 enrollment fee, that he is opposed to that proposal, but prospectively might not be opposed to it.

Is that correct? Do I understand you correctly?

CHIEF MCCAUSLIN. That is correct, sir.

MR. MICHAUD. How do the other three MSOs feel about that? I know you are opposed to the enrollment fee, but prospectively would you also be opposed to an enrollment fee?

SERGEANT CORBETT. We are opposed to the enrollment fee, the Retired Enlisted Association. It will affect some of our members too much because they are living on a fixed income. They are senior citizens and it would definitely, definitely hurt them.

MR. MICHAUD. Even prospectively?

SERGEANT CORBETT. Yes, sir.

ADMIRAL RYAN. I have not looked that far out, I am embarrassed to say, about prospectively. But we are opposed at this time. With the war going on, we think it sets a terrible signal. Thank you.

MR. MICHAUD. Mr. Lopez.

MR. LOPEZ. We have not looked into the issue, so we do not have a clear statement to make to you, sir.

MR. MICHAUD. Okay. Thank you.

I yield back, Mr. Chairman.

THE CHAIRMAN. Chairman Boozman.

MR. BOOZMAN. Thank you, Mr. Chairman.

I really do not have any questions, but I know myself and Ms. Herseth really have enjoyed working with you this last year, and we do appreciate the input and the very thoughtful input. And like I said, we appreciate you being here. We appreciate all that you represent.

A special thanks to the Air Force Sergeants. My dad was a retired Sergeant and we were visiting earlier. I said that he would be very proud of me, and he said, yeah, he'd be proud of you. I did not mean it in that way. I meant he would be very proud of me that I would be standing with the Air Force Sergeant representative and have looked at that—I lost my dad about ten years ago, but have seen that publication on his coffee table for many, many years.

And, again, we appreciate all of the things that you are doing for

your membership. Thank you.

THE CHAIRMAN. Thank you, Chairman Boozman.

I am equally the proud son of an Army Sergeant.

Dr. Snyder.

MR. SNYDER. Thank you, Mr. Chairman.

I just want to make a comment. The three of you, Mr. McCauslin, Mr. Corbett, Admiral Ryan, made very strong and amplified statements about the GI Bill and the need for improvements. And I think there is a lot of unity of opinion about that we need to make some major changes to the whole GI Bill system both for our veterans, but also for our men and women in the Reserve component.

And Chairman Boozman and I are going to participate in a hearing next week on the GI Bill. And I think Senator Lincoln is going to testify also.

But we have just so many things that we need to work on, and I think what has happened over the last several years is you have so many things to work on that we do not do anything. And so as time goes by, the benefit has eroded, particularly for our Reserve component, but, frankly, for everyone.

And then the worst provision that I know that you talked about, I think, Admiral Ryan, was this problem that we have now with our men and women in the Reserve component, the Guard and Reserves. They get activated. The intent of the current benefit is that they use their GI Bill benefit while they are in the Reserves.

But if they get activated, they are spending three or four or five months preparing for service in Iraq, sometimes longer than twelve months, they are coming back at the end of their—if they are at the end of their enlistment and they get out, they have no GI Bill benefit.

The expectation, the way this thing is legislatively designed is somehow they would attend the University of Baghdad or something while they are in a war zone. I mean, that is the reality of how that benefit is set up, and I think it is unconscionable.

But for whatever reasons, it has been difficult to get DoD interested in doing something about it. That is not under the jurisdiction of this Committee. It is in the Armed Services Committee.

But I am not sure I am very optimistic that Senator Lincoln's provision that was attached to the Senate Defense Bill, if that is going to make it out of conference. We should know that in the next two or three days. Hopefully it will.

It deals with that specific issue, but we have a lot of issues there to work on all generated by two things in my view, the increasing cost of education and the necessity of participating in that education.

We could do so much for our country and for our veterans and our men and women in uniform if we would really look at improving this benefit for both the Guard, Reserve, and the active forces.

I appreciate your statements which were more than just a brief note. You all describe in some detail things that you thought we needed to work on. So we look forward to those discussions.

Thank you, Mr. Chairman.

THE CHAIRMAN. Mr. Filner.

MR. FILNER. Thank you. Mr. Chairman, thank you for following up on Mr. Lopez's statement. It is something that we have not discussed here.

I think I get it, Mr. Lopez, and I am going to keep it in mind as we move forward. You know, there are attempts to set up Advisory Committees, and they do not work very well. There has to be something that gives the sense that there is some participation.

I thank you for bringing that up. I thank the Chairman for allowing that discussion.

Let me just say to conclude this panel, when we read through your written testimony, and I thank you for your expertise which is incredible and helps us understand the issues very clearly—there is a unanimity on a lot of issues that should constitute our agenda as a Committee.

Sometimes, as Mr. Lopez says, people feel like they are begging for something that is really rightfully theirs. It costs a lot of money. But the saddest thing for me is the sense that as a nation, we have the money. It is a question of priorities. We have the money. We are the richest nation in the history of the world.

Our budget this year was three trillion dollars. The debt that we owe as a nation is eight trillion dollars. The VA gets 80 billion. Surely with all those figures, it is within our ability to provide for our veterans.

We are spending a billion dollars every two and a half days in Iraq. As the Chairman said, it is a cost of war to deal with our previous gallant fighting men and women. If we looked at like that, the money would be available.

As Mr. Lopez quoted President Washington that the knowledge of how we deal with our veterans is a really important part of the morale of our active duty.

So we are supporting our troops in Iraq if we treat not only the servicemembers coming back from Iraq but also those who came back from Normandy, et cetera. We, as a nation, can do this and we can do it in a way that involves the people who are affected by it.

Nobody should feel that they are asking us or begging us. We should beg you for the honor of dealing with those who we made a contract with. I hope we get into that way of looking at things.

You have not asked for too much. You have asked for what is rightfully due the veterans of this nation. I hope this Committee responds and this Congress responds.

Thank you.

THE CHAIRMAN. Thank you.

I would like to thank Chairman Boozman and Ranking Member Snyder on the House Armed Services Military Personnel Subcommittee, who is also on this Committee, for the joint hearing that you are going to do. And you have got great expertise here.

I think MOAA is planning on testifying, are you not, and NAUS? Others, if you get interested, go knocking on their door to be heard. So give Chairman Boozman a call. Sorry.

If there is not room, please prepare your statements and submit them for the record. We are trying to do this. It took Sonny Montgomery seven years to do the GI Bill. Seven years.

So I got criticized yesterday by one of the groups in saying, hey, you said you would do it, but I have not seen anything. And I about choked, but it is kind of the atmosphere sometimes.

Chairman Boozman.

MR. BOOZMAN. Mr. Chairman, Jeff is over there, so they can talk to him about whatever their needs are.

THE CHAIRMAN. All right. Did you get your home phone number?

Well, thank you very much for your testimony today. And I do want you to know I embraced something.

Admiral Ryan, you mentioned it. It is something we all need to embrace and this is the issue of the traumatic brain injuries and what you saw at the polytrauma centers. And there is something here that I need to understand a little better and it deals with the case referrals.

They were taking active duty. They are going into the VA. The DoD then reimburses the VA, but then there are also some patients then that do not go into our VA polytrauma centers, but end up in a neurotrauma unit in the private sector, then to be reimbursed under TRICARE.

And I do not completely understand who is getting referred to where and why. And it is something I want to look at, and I invite you also to apply your eyes to that one.

We cannot do all things for all people at every one of these polytrauma centers, and so I am hopeful that these case management decisions are being made based upon who has what ability to care for certain injuries.

I am sure that is happening. Maybe it is just having been around this town for so long. I just want to make sure that those decisions are being made by competent doctors driving those decisions based on their diagnosis as opposed to dollars and budgets and costs.

So I am going to look into that, and I invite you to put your eyes on that one also. And this one is not going to go away so long as the enemy understands that they can hide and still hurt us. And they have killed over a thousand just by these IEDs alone.

And these blast injuries are something that we really have not

been able to prepare for and how we care for them not only from the protective side with what we are able to put in these helmets but also on research and development and then the medical care.

So I thank you for making that a priority, and we want to work with you on that.

Mr. Bilirakis, do you have any questions of this panel?

MR. BILIRAKIS. No.

THE CHAIRMAN. No?

Thank you very much for your testimony. This panel is excused.

The second panel may come forward.

Speaking on behalf of the National Association for Uniformed Services is retired Major General Bill Matz, the President of NAUS. He became the President of NAUS in January 2005.

General Matz was an Infantry Company Commander in combat in Vietnam where he was wounded in action during the 1969 TET offensive. He has served as a Staff Commander of six Army divisions, as Plans Officer for the Pacific Fleet Amphibious Ready to Go Fleet in Panama during Operation Just Cause, and Executive Secretary to the Secretary of Defense. He also in 2005 was appointed by President Bush to the Veterans Disability Commission.

Representing the National Association of State Directors of Veterans Affairs is Mr. Kerwin Miller, the Director. Mr. Miller was confirmed as the first Director of the District of Columbia Office of Veterans' Affairs in 2003.

Mr. Miller completed 28 years of honorable service, active duty, and Naval Reserve, retiring as a Naval Reserve Commander. He was the first U.S. Naval Academy graduate to graduate from Howard University School of Law.

Mr. Miller served as an attorney in the Department of Veterans Affairs' Office of General Counsel from 1989 to 1998, and received the Secretary of Veterans' Affairs Outstanding Volunteer Award, as well as the Special Contributions Award. In 2005, he was appointed to the VA's 12-member Advisory Committee on Minority Veterans.

Testifying on behalf of the Commander, the American Ex- Prisoners of War, Gerald Harvey, is Les Jackson, Executive Director of the Washington, D.C. office.

Mr. Jackson has been serving as the Executive Director of the American Ex-Prisoners of War since April 2001. He qualified for membership on April 24th, 1944, after being captured by no fewer than 200 of Hitler's Army recruits from a basic training camp only a few hundred yards away from where his V-17 happened to make a crash landing.

Representing the National Association of County Veterans Service Officers is Darlene McMartin, the First Vice President and Second Vice President, Secretary, and Treasurer of that association which she has served in the past.

Ms. McMartin served in the United States Army as a member of the Military Police from 1975 to 1977. She was past First Vice President of the Iowa Association of County Commissioners of Veterans Affairs and has served as 7th District Director and President. In May 2004, she was appointed by the Governor of Iowa as the State Commissioner for the Iowa Department of Veterans Affairs.

Ms. Martin is a member of the Walnut Iowa AM-VETs Post 45 and is a member of Hancock American Legion Post 720 and Auxiliary Post 720 in which she serves as President of the Auxiliary. She is a lifetime member of the Disabled American Veterans and Vietnam Veterans of America as an associate member.

Our final panelist is the National Commander of the Jewish War Veterans of the United States of America, Norman Rosenshein, a member since 1970. He has held all the post's offices in Post 63 in Elizabeth, New Jersey. He has served in the United States Army from 1964 to 1966 on active duty and 1966 to 1970 in standby Reserve.

He was a Specialist Fourth Class and night supervisor for the Quartermaster School television station at Fort Lee. That is interesting. He has worked for CBS television and United Video and in 1993 started his own business in television wiring design.

In addition to the Jewish War Veterans, he is Vice President of his congregation and a member of The American Legion Post 6 of Elizabeth and Vietnam Veterans of America Chapter 779.

Do all of you have written testimony that you would like to be submitted for the record?

Mr. Jackson, do you have testimony you would like to be submitted for the record? Do you have written testimony, Mr. Jackson? Do you have written testimony, Mr. Jackson?

MR. JACKSON. I have not submitted it yet.

THE CHAIRMAN. All acknowledge in the affirmative. Without objection, so ordered. All of your written testimony will be submitted for the record.

Each of you will be recognized for ten minutes, and the Chair will grant latitude to you just as I exercised courtesy of your fellow members on the panel. And the members will abide by the five-minute rule.

Mr. Jackson, you are now recognized.

STATEMENTS OF GERALD HARVEY, NATIONAL COMMANDER, AMERICAN EX-PRISONERS OF WAR, PRESENTED BY LES JACKSON, EXECUTIVE DIRECTOR, AMERICAN EX-PRISONERS OF WAR; KERWIN MILLER, DIRECTOR, OFFICE OF VETERANS' AFFAIRS, DISTRICT OF COLUMBIA, NATIONAL ASSOCIATION OF STATE DIRECTORS OF VETERANS AFFAIRS; MAJ. GEN. WILLIAM M. MATZ, USA

(RET.), PRESIDENT, NATIONAL ASSOCIATION FOR UNIFORMED SERVICES; DARLENE MCMARTIN, FIRST VICE PRESIDENT, VETERANS LEGISLATION, NATIONAL ASSOCIATION OF COUNTY VETERANS SERVICE OFFICERS; NORMAN ROSENSHEIN, NATIONAL COMMANDER, JEWISH WAR VETERANS OF THE USA

STATEMENT OF GERALD HARVEY, AS PRESENTED BY LES JACKSON

MR. JACKSON. I want to apologize up front. I may be stumbling over my words, and I ask that you please bear with me. My macular degeneration is progressing.

Chairman Buyer, Ranking Member Filner, distinguished members of the House of Veterans' Affairs Committee, and guests, we welcome the opportunity to again speak on behalf of the American Ex-Prisoners of War. We are grateful for what Congress and the VA have done for former prisoners of war.

Over the past 30 years, many presumptives were established to simplify the process for which POWs could obtain needed disability benefits and medical care. The ongoing research conducted 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 inhuman treatment of captivity have been identified and made presumptives.

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

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

Third, osteoporosis. This is directly related to the absence of calcium needed to maintain bone structure, a common situation amongst POWs. This condition becomes apparent with a bone break. Adjudicators typically decide these cases for POWs. Making it a presumptive simplifies the process for the adjudicators and the POWs alike.

House Resolution 1598 introduced by Representative Michael Bilirakis and Senate 1271 introduced by Senator Patty Murray cover these presumptives. We call to your attention that there is virtually no increase in the cost of any of these presumptives. Costs are more

than offset by the rapidly diminishing numbers of POWs already on the disability rolls.

Other legislation that ex-POWs consider high priority. Senator Harry Reid introduced Senate 2385 known as the Combat Related Special Compensation Act. Representative Michael Bilirakis, a long-time advocate of concurrent receipt legislation, previously introduced the companion bill House Resolution 1366 in the House. It is currently before the Armed Services Committee.

This legislation will amend that part of Combat Related Special Compensation Act, Chapter 61 of the Defense Authorization Act of—it is going to amend it to an earlier date of January 1, 2006.

With the current effective date of 2014 and their current advanced age, it is a statistical probability that World War II military retirees will not live to receive any of this compensation.

Representative Bob Filner introduced House Resolution 2369 to provide for the Purple Heart to be awarded to prisoners of war who die in captivity. We ask the Committee to give their full support to these bills.

In closing, I want to again express our deep appreciation for identifying POWs as a high priority and worthy group of the veteran population.

We are also grateful for VA's ongoing efforts to identify every POW and take the next step in getting them processed for applicable VA benefits by adjudicators specifically trained to handle POW claims.

Thank you.

THE CHAIRMAN. Thank you, Mr. Jackson.

[The statement of Gerald Harvey appears on p. 117]

THE CHAIRMAN. Mr. Miller.

STATEMENT OF KERWIN MILLER

MR. MILLER. Good afternoon, Mr. Chairman and distinguished members of the Committee.

As a member 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 55 State Directors who represent all 26 million veterans in this country and around the world.

As the nation's second largest provider for services to veterans, State governments' role continues to grow. We believe it is essential for Congress to understand the 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 continually striving to be more efficient in delivering services to veterans.

We greatly appreciate the leadership of Chairman Buyer and Rank-

ing 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 healthcare funding proposed by the Administration must meet that demand while continuing to serve those veterans already under VA care.

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.

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 funding.

Continued development of CBOCs has greatly improved veterans' access to all VA healthcare. We continue to encourage rapid deployment of new priority clinics over the next few years with the corresponding budget support to the 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 the process continue in fiscal year 2007 with sufficient funding in the budget. CBOCs provide better access, leading to better preventative care, which better serves our veterans.

NASDVA recommends 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 and continue the study currently being done on mental healthcare needs to include gap analysis, clearly identifying where services are lacking.

NASDVA continues its strong support for State home construction grant programs. 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 fiscal year 2007 be increased to $115 million. Reranking of projects should be eliminated once a project is established as a priority group one.

The VA has changed the procedures for allocating State home construction money. The theory is that by allowing partial payments on projects, the life safety projects applied for, will not be overlooked and will, therefore, allow other projects to proceed. The real issue is the amount of money appropriated in light of the amount of projects applied for.

Currently the Senate has included 85 million in its version of the budget and the House has included $105 million. The backlog of applications, however, exceeds $800 million and grows annually.

This year is vital to raise the appropriation as much as possible when the Committees conference and also to request an increased appropriation in following years.

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 undertaking.

NASDVA supports full reimbursement for care in State veteran homes for veterans who have a 70 percent or more service-connected disability or who require nursing home care because of service-connected disability.

Full reimbursement for cost of care for qualifying veterans in service veterans homes. The November 1999 Millennium Act requires VA to provide nursing care to those veterans who have a 70 percent 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, service veteran homes 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-time cost of care. The service veteran homes merely receive per diem towards the cost of care, requiring the veteran to make a co-payment. This is unfair for those veterans who are eligible for full cost of care, but prefer to reside in a service veteran home.

NASDVA supports increasing per diem to provide one-half of the national average annualized cost of care in a service veteran home. Currently law allows VA to pay per diem up to one-half of the cost of care each day a veteran is in a service veteran home.

However, in first quarter of fiscal year 2005, VA per diem amounted to only 31 percent of the average daily cost of nursing home care, which was $185.56. Only 25 percent of that average daily cost of domiciliary care, $119.94, in an 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 service veteran home program is the most effective nursing care alternative

used by VA.

NASDVA also supports VA Medicare subvention. We recommend a veterans' medication purchase option be implemented for priority group seven and eight enrollees who also seek to have medications. We request continued protection of the Federal Supply System for VA and DoD pharmaceuticals.

NASDVA also supports continued efforts to reach out to veterans. There should be a partnership between VA and the State Departments of Veterans Affairs. While growth has occurred in VA healthcare due to improved access to CBOCs, many of the areas of the country are still short-changed due to geographic and/or due to veterans' lack of information and an 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 SDVAs 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 of these benefits.

NASDVA strongly supports an adequate level of funding to allow VBA to keep pace with the rising backlog of claims. Veterans are now filing a higher percentage of claims than the earlier conflicts and those claims have a great number of cases and issues. The backlog continues to grow and with the continued deployments to combat theaters, there is no expectation that the number will drop.

NASDVA also supports consideration 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, and/or county veteran service officers.

NASDVA strongly supports passage of legislation to eliminate the time-phased concurrent receipt of military retirement pay and service-connected disability compensation.

We also recommend an increase in the plot allowance to all veterans to $1,000 per interment. We strongly support an increase in funding for the State Cemetery Grant Program. New Federal/State national cemetery grant programs could be established to support State costs.

NASDVA supports efforts to diminish the national disgrace of homelessness among veterans. SDVAs would prefer an active role in allocating and distributing per diem grants for homeless veterans to nonprofit organizations which would ensure greater coordination, fiscal responsibility, accountability, and local oversight of the services provided.

NASDVA strongly supports improving upon and providing seamless transition to help our servicemembers transition into civilian life.

Mr. Chairman and distinguished members of the Committee, we

respect the important work that you have done to improve supporting the 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 nation's veterans.

This concludes my testimony. I stand ready to answer any questions you may have. Thank you.

THE CHAIRMAN. Thank you, Mr. Miller.

[The statement of Kerwin Miller appears on p. 109]

THE CHAIRMAN. General Matz, you are now recognized.

STATEMENT OF WILLIAM M. MATZ

GENERAL MATZ. Chairman Buyer, Acting Ranking Member Filner, and members of the Committee, on behalf of the nationwide membership of the National Association for Uniformed Services, I am pleased to present our views on the current fiscal year and also to look ahead to the upcoming year on the programs and policies of, in particular, the Department of Veterans Affairs.

NAUS firmly believes that despite the funding increases over the recent past that our VA medical care facilities continue to face serious challenges both due to medical inflation and the rising numbers of veterans seeking care within the VA system. And, of course, as my colleagues indicated, there are also many budget challenges facing VA's Claims Administration as well.

We believe that the answer to the budget challenge must come from consistent, well-grounded, common-sense decisions made to scour the entire budget and find the resources to fund our highest priority needs. And so it was heartwarming for me to hear from Congressman Filner that it is a question of priorities, the money is there.

Regarding VA healthcare, as we look back over the past year, we are pleased to see that the challenge to fund the underfunded Department of Veterans Affairs did not rely on out-of-pocket healthcare expenses for many veterans. The leadership of this Committee took action to recognize that asking sick and disabled veterans to pay for their own healthcare is not the acceptable answer for the VA funding problems. The answer to the challenge is to fund the Department so veterans have access to quality healthcare.

Recently VA presented information that the waiting list for first-time appointments with VA doctors had fallen to manageable levels. However, improvements in this area of concern did not necessarily tell the whole story.

Veterans who have already had their first doctor's appointment are

not part of that calculation. Many of these veterans tell us, and as I have had the opportunity to get out with the Veterans Disability Commission, that they are waiting up to nine months for some surgical procedures and specialty care. And, folks, we all know we can do better than that and we should.

Mr. Chairman, NAUS appreciates your work in the bipartisan push to better fund veterans' healthcare and benefits in the coming fiscal year. Rejecting the fees and the new challenges for veterans and spending more on care for those returning from battles is warmly welcomed by NAUS.

Prescription drug assistance, Mr. Chairman, we are disappointed that little consideration has been given to those veterans who have been prohibited from enrollment in VA's healthcare system under the decision made by the Secretary on 17 January 2003.

Enrolled veterans can obtain prescriptions, as you are very well aware, paying $8.00 for each 30-day supply. However, veterans not enrolled for care before January 2003 are clearly denied an earned benefit that similarly situated enrolled veterans are able to use now.

What we recommend is to give Medicare eligible veterans currently banned from the system and paying the higher retail prices or using the newly established Part D Program access to the same discount provided VA in their purchase of prescriptions.

THE CHAIRMAN. Say that again.

GENERAL MATZ. What we recommend, sir, is to give the Medicare eligible veterans that are currently banned from the system and paying the higher retail prices or using this newly established Part D Program access to the same discount provided VA in the purchase of prescriptions.

THE CHAIRMAN. Go ahead.

GENERAL MATZ. This situation would be a win-win situation. It would provide the discount. It would not cost the government a cent, and Medicare eligible patients would pay the same price the VA pays.

THE CHAIRMAN. You want to do that for all veterans?

GENERAL MATZ. Yes, and those veterans would see value returned in the benefit each earned through military service.

The disability claims backlog, sir, NAUS strongly supports efforts to find a solution to the rising backlog in claims processing. Veterans coming home from the war, I think we would all agree, deserve quick response to their claims.

Unfortunately, despite VA's best efforts to deliver benefits to entitled veterans, the workload of the Veterans Benefits Administration continues to increase. And, in fact, I think as we all pointed out, VBA is falling further behind in this area.

And as of September 9th, VBA had 598,000 compensation and pension claims pending decision, and this is an increase, according to our

calculation and VA's own, of nearly 90,000 from this time just last year.

In addition, nearly 25 percent of those pending claims have been in the VA system for more than 180 days. This accumulation of claims within the system, I know we would all agree, is clearly unacceptable.

Congress and the Administration need to provide a stronger VA budget for the hiring and the training of claims adjudicators and the investment in the appropriate technology to overcome this backlog and get the program back on track.

Regarding the Montgomery GI Bill, NAUS shares a keen interest in consideration of a total force framework for a new GI Bill for education to include the members of the Guard and the Reserve. We endorse clearly a total force approach that meets the needs for all those who wear the uniform.

And as the members of the Committee know, there is a growing disparity between Reserve and active duty programs simply because we believe Reserve benefits under Title 10 are often neglected when program improvements are made in the active duty Title 38 program.

While the upgrade to a total force Montgomery GI Bill might be complex, NAUS, as I believe one of my colleagues stated earlier, as a start that Congress act to place the Guard and the Reserve educational benefits within the Title 38 GI Bills. Taking this action would increase the visibility of these earned benefits and it would certainly help move the Guard and the Reserve education benefits toward the equity of treatment deserved.

Regarding seamless transition, over the past year, the House Veterans' Affairs Committee has developed an excellent record of oversight on administrative efforts to improve the seamless transition of benefits and services for servicemembers as they leave military service and become veterans.

And while the GAO reports, just the recent one in June, that DoD and VA have taken a number of positive steps to increase awareness on the medical records of servicemembers wounded in these battle operations, it also reports that VA continues to have difficulties gathering real-time information from DoD medical facilities.

Now, I would say, sir, that while DoD and VA, are beginning to make some effort in sharing this electronic health information, much work, as you know, remains to be done. And I would submit based on what we hear from the people who come before our Commission and what I hear from my own members, particularly in the sharing of inpatient documentation, and we are encouraged to see that the transfer of inpatient documentation has, in fact, begun.

We are told that soon the DoD and the VA biodirectional health information exchange will be able to access information stored in ALTA, which, as you know, is DoD's digitalized medical system, and

make it available to VA.

So we are pleased that the two departments appear to be working to ensure the sharing of health information both DoD and VA-wide, but we encourage this Committee as you have in the past to keep the pressure on them, actually on both these departments.

Concerning research, sir, as Congress moves forward in consideration of its veterans' research requirements, NAUS encourages a strong effort to see that critical funding is provided for the VA mission to conduct medical research, especially in the area of traumatic brain injury, spinal cord injuries, blindness, and the prosthetic research.

It is essential that research be conducted to guide treatment and rehabilitation for these individuals with the polytrauma injuries. VA medical and prosthetic research programs have played a key role in meeting the current and future health challenges facing veterans with disabling injuries.

Clearly VA must also make research and treatment of brain injuries as a high priority. And we agree with members of this Committee that VA needs to develop better procedures to screen and treat returning veterans who have brain injury.

As well, care for our troops with limb loss is also a matter of national concern. And so to 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 prostheses that will focus on the use of prosthetics with microprocessors that will perform more like the natural limb.

Concerning post traumatic stress disorder, NAUS supports a higher priority for VA care of troops demonstrating symptoms of mental health disorders and the treatment for PTSD.

The cost of living adjustments, sir, NAUS is pleased to see that the House vote of 408 to zero in June to provide a COLA to 209 million service-connected veterans and survivors. This COLA, as you know, provided every year since 1976 will prevent the inflation from eroding disability compensation and dependency and indemnity compensation that so many of our veterans and their survivors rely on.

Respect for the Fallen Heros Act, I would like to mention this. NAUS deeply appreciates this Committee's efforts in the passage of legislation to stop these protestors from trying to disrupt military funeral services. The action was prompted by a series of protests where demonstrators yelled at mourners and made harassing comments about the U.S. Military. And NAUS was pleased to support enactment of this measure.

Finally, my last point here, NAUS continues its support of legislation to authorize Medicare reimbursement for healthcare services provided Medicare eligible veterans in VA facilities. Medicare subvention will benefit veterans, taxpayers and the VA. And so we en-

courage the Committee to just closely review permitting Medicare eligible veterans to use their Medicare entitlement for care at local VA medical facilities.

Mr. Chairman, you and your Committee members, are making great progress. We thank you for your efforts and we thank you for this opportunity to come before you today and give you our concerns as to what we did this past year and what we should look at in the future.

Thank you.

THE CHAIRMAN. Thank you, General Matz.

[The statement of General Matz appears on p. 96]

THE CHAIRMAN. Ms. McMartin, you are now recognized.

STATEMENT OF DARLENE MCMARTIN

MS. MCMARTIN. Mr. Chairman, members of the Committee, it is truly my honor to be able to present this testimony before your Committee.

As First Vice President of the National Association of County Veterans Service Officers, I am commenting on the past veterans' legislative efforts by the National Association of County Veterans Service Officers and the upcoming year and suggestions for improvements in veterans' affairs.

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 submitting their claims to the DVA for adjudication.

We exist to serve veterans and partner with the national service organizations and the United States Department of Veterans Affairs to serve veterans. Our association focuses on outreach, standardized quality training, and claims development. We are an extension or arm of government not unlike the VA itself in service to the nation's veterans and their dependents.

The past legislative session, over the past five years, as in the five years prior, the National Association of County Veterans Service Officers has concentrated on legislation that would assist the Department of Veteran Affairs with claims development and the inventory of pending claims.

We fully supported House Resolution 4264, the Veterans Outreach Improvement Act of 2005 by Congressman McIntyre of North Carolina, and its companion bill Senate 1990 by Senator Burr of North Carolina.

There are other bills such as House Resolution 4355, the Rural Veterans Services Outreach and Training Act by Congressman Wu of Oregon that we believe to be on the right track to improve services to

our great nation's veterans. We believe that legislation such as this is what is needed to reduce the backlog of veterans' claims that has continued to grow in spite of valiant effort of the Department of Affairs.

In 2002, the National Association of County Veterans Service Officers testified before the House Subcommittee on Veterans Benefits that veterans are dying while waiting for their claims to be adjudicated. Sadly, this is still going on. The saddest circumstance is that it is needless and it can be changed for the better.

The relationship between the Department of Veterans Affairs and the County Service Officers throughout our great nation has traditionally been professional and mutually advantageous and has developed into a partnership benefiting the nation's veterans.

The DVA has assisted the CVSOs in providing limited training opportunities and access to information the DVA holds on our mutual clients. By a large majority of disability and pension claims, the CVSO serves as the primary entry point nationwide for the local veteran to access services offered by the DVA.

Most veterans view the local CVSO as the VA and do not realize the DVA and the CVSO are not one in the same. And in many ways, we are the VA to our communities.

NACVSO sees the role of the County Veterans Service Officer as one of advocacy and claims development in concert with the veteran or dependent at that grass-roots level. Our members sit across the desk from the veterans every day. Because of this direct access to our veterans, we believe we are in the position to assist the DVA in claims development in an unprecedented way as set forth in House Resolution 616 introduced by Congressman Baca in 2005.

NACVSO believes that developing a fast-tracking method for submission of fully-developed claims eases the burden on the DVA's inventory of pending claims. And NACVSO believes that a pilot program as outlined in House Resolution 616 would provide relief to the astronomical number of veterans waiting processing around the nation.

The process begins with a face-to-face, in-depth interview between the veteran and the CVSO. This initial interview accomplishes many things. It builds a trust between the veteran and the CVSO and it provides the veteran with a basic understanding of how the DVA system works.

We believe that this division of responsibility between two arms of government, the FEDERAL and the local, benefit the veteran, the CVSO, and the DVA, and has the potential to provide clearer understanding for the veteran of the process of the claims development and how the DVA system works.

The current and the next legislative session, the future of veterans' services is in developing the partnership between the NACVSO, the SDVA, the national service organizations, and the VA. It is the

most important legislation Congress can pass for the veterans and dependents that are eligible for veterans' benefits.

The CVSOs play a vital role in the veterans advocacy system. The VSO relationship we would subscribe to would be a full partnership and cooperation between the VA and all VSOs. The local CVSO is the closest to the veteran and dependent, and with funding from the VA, the CVSO would provide services to an increased number of possible beneficiaries.

NACVSO is capable of providing an out-stationed network of over 3,000 FTE to develop well-documented and ready-to- rate claims, help defer frivolous claims, and increase veterans' satisfaction by providing timely claim status to the veteran.

Local grants to County Veterans Service Officers to enhance outreach to veterans and their dependents would also ensure the quality of training provided to the CVSO meets the highest standards.

NACVSO is available and has the capability to assume the role of manager and develop tracking and payment controls as defined by the grant or administrative claiming program guidelines.

Outreach, outreach efforts must be expanded in order to reach those veterans and dependents that are unaware of their benefits and bring them into the system. Nearly two million poor veterans or their impoverished widows are likely missing out on as much as 22 billion in pensions from the U.S. government. NACVSO believes that we must do better.

The total number of pension cases fell to 541,000 in fiscal year 2005, the sixth straight year of declines. The VA's actuary's office report obtained by Knight Ridder predicts that pension participation is likely to drop further, losing between 7,000 and 8,000 enrollees a year. At the same time, the separate 2004 report estimated that an additional 853,000 veterans and 1.1 million survivors, generally the widows, could get the pension but don't. It is obvious that there is a great need for outreach into the veterans' community.

We are already present in most communities and stand ready to do our part to assist the Department of Veteran Affairs in this monumental task.

Standardized or minimal training requirements, there have already been some discussions by the VA on this topic. This discussion on the development of training standards must be moved to the front burner. NACVSO has been an advocate for standardized training for claims development. Every veteran should have the right to expect whoever is helping them is adequately trained and is giving them the very best of assistance.

THE CHAIRMAN. Can you summarize, please.

MS. MCMARTIN. Okay. The latest Monday Morning Report showed there were 595,512 veterans' C&P claims pending WIPP. This is an increase of over 87,000 claims in one year. It is unacceptable and it

causes an undue burden on the claimant.

There are two methods to consider in reducing the amount of claims pending in WIPP. One method is to hire and train significantly more development clerks, adjudicators, and raters. This would be a costly avenue to pursue and would take two to four years to be fully effective.

The most cost-effective way to work down the backlog is to have the VA employees spend less time on each claim. How can that be accomplished? By the Department of Veteran Affairs in partnership with the NACVSO and the VSO making a serious effort in providing in-depth training and guidance of true claims development.

Any rating officer will tell you that it is a pleasure to receive a new claim that is fully developed, and the National Association of County Veterans Service Officers stands ready, willing, and able to assist the VA in developing, piloting, and evaluating the implementation of a professional claims development course.

Mr. Chairman, I thank you for this opportunity.

THE CHAIRMAN. Thank you.

[The statement of Darlene McMartin appears on p. 121]

THE CHAIRMAN. We have a real challenge. We have got four votes facing us.

What I hope to do here is, Mr. Rosenshein, your testimony has been submitted for the record and if you could give us a summary, give us a quick five minutes, it would be absolutely wonderful, so you do not have to hang around and we could then conclude the hearing.

STATEMENT OF NORMAN ROSENSHEIN

MR. ROSENSHEIN. Okay. Well, thank you. Good afternoon, Chairman Buyer, Ranking Member Filner. My testimony is there, so I will narrow it down.

The basic issues that we have, including what is listed, as everyone knows, that we have a multi billion dollar shortfall and the present budget asks you to use this year's budget—

THE CHAIRMAN. Can you pull the mike a little closer to you, please. Thank you.

MR. ROSENSHEIN. Okay? With returning soldiers and demobilized soldiers, the needs for care will be rising. And even the veterans from groups World War II, Korea, and Vietnam or our Gulf War veterans are going to cause our needs to go up, not decrease.

We have seen new kinds of care for all levels of veterans, some extreme physical wounds that now require long-term care and rehabilitation. Soldiers are surviving from major injuries that now require extensive care.

These items are causing us to need more money, and we, as Con-

gressman Filner just mentioned, prefer not to beg. We would like this to be done in a mandatory funding method.

We have a different kind of veteran returning from active duty today than we did before. We have Reservists and National Guard who have just gone through active service and are returning to their families. The National Guard and Reservists are now ranging in age from 21 to 60.

The needs of a 21-year old returning and the needs of 60-year-old returning are very different. We have not truly addressed how we will change the care they get. Both from a mental point of view and from a physical point of view, their needs are very, very different.

The present care allocated for women's veterans is totally inadequate to support the 15 percent of active and returning veterans. At the present time, there are over 400 wounded female veterans. Doctors, staff, and facilities have to be made available for these veterans on an equal basis.

In addition, the Veterans Administration medical research, which has been one of the greatest arms of the VA from its inception, needs to continue to get funds, not less. There is no question that this research fund is what developed all medical things across the country.

The only way this is going to be done from our feeling is to have joint hearings in the spring so we can go over the recommendations that we need.

Since time is short, I want to thank first Ranking Member Lane Evans and Mr. Bilirakis for their many years of service and hopefully will continue with yours.

Mr. Chairman, thank you. And, again, I want to thank you for the opportunity for appearing here. And I hope that was short enough for you.

THE CHAIRMAN. You will receive the Brevity Award. Thank you.

[The statement of Norman Rosenshein appears on p. 130]

THE CHAIRMAN. Real quick question, so we will try to go through this. Let me know whether your organization has taken a position on the attorney representation issue within the claims process.

Mr. Jackson.

MR. JACKSON. We have no position.

THE CHAIRMAN. No position.

Mr. Miller.

MR. MILLER. We have taken no official position.

THE CHAIRMAN. Thank you.

General Matz.

GENERAL MATZ. Sir, we do not have an association position, but let me just—we—

THE CHAIRMAN. Hold on.

GENERAL MATZ. —me and my staff would believe—

THE CHAIRMAN. Hold on to your thought.

GENERAL MATZ. Beg your pardon?

THE CHAIRMAN. Ms. McMartin.

Hold on to that thought.

MS. MCMARTIN. Yes, we have an official position.

THE CHAIRMAN. And it is what?

MS. MCMARTIN. We state the veterans have a right to choose who will represent their claim to the VA, but it becomes a question of when is the right time for them to get an attorney.

THE CHAIRMAN. That is exactly what we are faced with, at the beginning or—

MS. MCMARTIN. We feel that it should be at the point when the veteran's claim is docketed with the BVA. When they receive the docket number, then at that point in time would be the best time for an attorney to be involved.

THE CHAIRMAN. When they receive the docket? Yes.

What about if you took the Evans approach on the notice of disagreement?

MS. MCMARTIN. I believe it can be handled by the DRO. It still can be handled in the local jurisdiction. It should as long as—

THE CHAIRMAN. You think the docketing is the trigger?

Ms. McMartin. —the local jurisdiction at the RO, we believe it should be handled by the CVSO, the VSO. At the point of it leaving and being docketed with the BVA, that is when an attorney should be involved.

THE CHAIRMAN. Thank you.

Mr. Rosenshein.

MR. ROSENSHEIN. Yes. Our organization has a resolution we passed in favor of lawyers representing them. However, what we have requested in our resolution is that the lawyers be fully qualified which means some type of method to qualify that they truly understand the needs of the veteran as opposed to anyone going in. But we want it open to all veterans.

THE CHAIRMAN. Would you please submit that resolution to the Committee?

MR. ROSENSHEIN. Yes, I will.

THE CHAIRMAN. General Matz, you had an afterthought.

GENERAL MATZ. My afterthought was our staff has just looked at this, sir, and I would just tell you from the staff point, it is not an association position. I was not prepared to give that.

And, frankly, we have not heard any real concern from our members on this. I believe it would be better for VA to remain an advocate, a champion helping veterans, and not get into the attorney adversarial relationship that might come down the road.

THE CHAIRMAN. Do you have an opinion on Admiral Ryan's recommendation since you are a member of the, Claims Commission, for us

to defer and wait until you all take a look at this? Are you looking at this issue?

GENERAL MATZ. I agree with that. I agree we should do that, and that is one of our points in the Commission.

THE CHAIRMAN. Mr. Filner.

MR. FILNER. Well, we have seven minutes left, so we cannot really go into very much.

But, you know, I have oftentimes been concerned that many of the problems lie and the delays lie through inadequately prepared claims, which means basically getting the service officers involved a lot earlier.

When we know that about 85 percent of veterans or maybe even more are not members of any of the service organizations, how do we get to those 85 percent and try to get as many of them coming in even though they do not belong to the VFW, et cetera, have them come to the VFW or whomever for assistance with their claims?

Frankly, off the top of my head, I think that goes closer to the solution than getting an attorney involved. Having said that, I would yield back, Mr. Chairman.

THE CHAIRMAN. Chairman Boozman.

MR. BOOZMAN. Do you have any opinions again based on the attorney, not on the attorney, but about providing perhaps better education for those that are giving guidance?

MS. MCMARTIN. The Department of Veteran Affairs went into partnership with the NSDVA at the New York office with George Basher. They had a pilot program to where they utilized claims development, fully developed claims through an education program, and that was a very successful program because they fully developed those claims and those claims went through quicker, faster, were fully more developed. There was no need to get any other adversarial partner involved in that.

And if we get that education and training to all of our CVSOs out there, that would help the DVA work their claims, get them in quicker. They would know they were fully developed when they received them, and it would speed up the process tremendously.

THE CHAIRMAN. Ma'am, you are reading from something, so would you please place your position in writing and please get that to the Committee and give it to Ms. Craven? Can you do that, please?

MS. MCMARTIN. I sure will.

[A follow-up letter with their position appears on p. 164]

THE CHAIRMAN. All right. Thank you.

Thank you very much for your testimony and participation and I will look back, look ahead, and we will see you in the spring.

Thank you. This hearing is now concluded.

[Whereupon, at 1:38 p.m., the Committee was adjourned.]

APPENDIX

STATEMENT OF CONGRESSMAN BOB FILNER

before the

HOUSE COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

Hearings to receive the Legislative Views of VSOs
September 20 and 21, 2006

I appreciate the opportunity we have today to hear from our veterans' organizations. While I would have preferred to hear this testimony in the more-desired traditional setting -- before the joint House and Senate Committees just subsequent to the Administration's budget submission when I believe it carries more budgetary impact -- we still can put your views to good use during the remainder of this session of Congress and into the next.

What troubles me most is that our veterans have to trudge up here at any time year after year, hats in hand, begging for money. I'm sure I'm not the only one who finds that not just ironic, but shameful. It is long past time to place all veterans' funding where it belongs, in the mandatory category, so that each year the Department of Veterans Affairs knows how much it will have and can better forecast and plan. More important, veterans of all generations can have greater assurance that their health care will be there when they need it.

Under H.R. 515, Lane Evans' bill of which I and others on this panel are proud cosponsors, the budget would increase to meet inflation and respond to the enrollment numbers. And those numbers should include ALL eligible veterans. We must bring back into the VA health care fold those veterans who the Administration is now barring -- more than a quarter million so far -- many of whom are combat-decorated, who have health problems deemed unrelated to their service and who might be unable to afford private health insurance.

They too deserve to use the system established for veterans and shouldn't be excluded simply because they make a modest or even higher income. When they took the oath, we didn't ask how much they made; their good health shouldn't be incumbent upon some arbitrary income level now. Congress intended this to be a temporary management tool for the Secretary for a single budget cycle, not to be perpetual, as this Administration clearly intends.

The assurances that come with mandatory funding would be in stark contrast to this embarrassing charade we call a budget process and to the current system of care under which the Administration: 1) is not dropping its efforts to make veterans pay more for their care rather than asking for needed resources; 2) makes thousands wait longer than they should have to for clinical appointments; 3) is failing to appropriately address the mental health requirements of service members returning from Iraq and Afghanistan, as well as past generations of veterans; 4) is thumbing its nose at the statutory requirements of long-term care and the needs of our older veterans;

5) sought cuts in traumatic brain injury care at the height of a war that is producing more brain-injured veterans; 6) and is failing to commit adequate staff and resources to its counseling programs. All this while, as I noted previously, it has turned away a quarter of a million veterans who wished to enroll.

The supplemental request last year illustrated just how flawed the current process is. VA had to request around $3 billion more to cover expenses not in the 2005 and 2006 budgets passed by Congress. That was the amount called for in the Independent Budget, so the *VSOs* knew what the *Administration* tried to avoid and what the Congress failed to make up for until confronted with dangerous shortfalls.

VA is rightfully touted these days for the exceptional quality of its clinical care and its use of technology. It has come a long way from the stereotypical image of the '60s and '70s of multiple patients in dirty wards receiving substandard care from uncaring health providers.

It is now on the cutting edge of health care in this country and, in fact, the world, and that is commendable. But DELAYED CARE, RATIONING OF CARE and ACCESS TO CARE are QUALITY issues as well, and for scores of veterans, access is either "iffy" or non-existent.

I am pleased that the veterans' and military organizations support the passage of mandatory funding for veterans' health care. I can assure you that I and many of my colleagues will continue to press in the next Congress for mandatory funding legislation.

This brings me to the "core veteran" issue. Some have stated that there are two classes of veterans, those deemed "core veterans" and all others.

I totally agree that some veterans have a greater need for VA services and are a higher priority. I support and will fight for that. But all veterans should have access to VA health care.

A veteran who scaled the cliffs of Normandy, who walked point in the jungles of Vietnam, who endured the frozen reservoirs of Korea or who served in the Persian Gulf and was fortunate enough not to be wounded or disabled is just as much a veteran as any other veteran, even if his health care needs are not based on that service and no matter his income. That veteran deserves access to the system.

I -- and I know many of my colleagues share this view -- disagree vehemently with those who strive to create a caste system for veterans and in the process, slight the needs of all veterans. We all see that for what it is – nothing more than an attempt to cut the VA budget and downsize its health care system.

Congress, in 1996, promised enrollment for all veterans. Congress must appropriate funds to keep that promise.

On the information technology front, we were outraged at how VA handled the theft of the personal information of 26.5 million veterans and active duty personnel.

It was a travesty. But this Committee did its job. We first held a roundtable discussion with representatives of six major U.S. corporations to learn how these top companies handle information security. We held six full committee hearings, two subcommittee hearings and one markup to address it. We expect the legislation that came from these hearings, introduced by the Chairman and by me, -- the "Veterans Identity and Credit Security Act," H.R. 5835 -- will be voted on in the House next week. Hopefully we can negotiate an agreement with the Senate on it. We must continue to monitor VA's progress in cyber-security and keeping veterans' information safe.

This Committee worked quickly, efficiently and effectively to address a bad situation in a bipartisan manner. I know we can continue in that productive spirit.

The nature of the wars in Iraq and Afghanistan will require us to take a more focused and serious look at the medical treatment and assistance we provide to veterans who have suffered traumatic brain injury or who have lost limbs.

A recent VA Inspector General report shows that VA care for TBI is inconsistent and fails to provide TBI veterans with the lifelong care they need.

VA and DoD also need to do a better job of helping veterans' families adjust and cope with a veteran's disabilities. Supporting the troops means helping families stay strong when a veteran has physical AND psychological wounds. According to an Army report, suicide rates among soldiers last year was the highest since the 1990s. Veterans with PTSD are three times more likely to commit suicide than their cohorts in the general population.

There are bills in the House and Senate that would require the VA to develop and implement a comprehensive program to reduce suicides, including mandatory training for staff who interact with veterans; screening, tracking, and counseling for veterans; and reports to Congress. We should pass this legislation.

One-third of veterans of the Iraq and Afghanistan wars are returning home with mental health concerns. GAO reports most servicemembers who screen positive for PTSD are not referred for a follow-up mental heath evaluation. DoD is doing next to nothing to help get at-risk veterans to VA care. This must change.

Veterans continue to suffer due to their exposures during the first Gulf War. The continued incidence of fibromyalgia, chronic fatigue syndrome, and multiple chemical sensitivity among deployed Gulf War veterans is of great concern to me. Studies show that deployed Gulf War veterans have higher rates of brain cancer, ALS and some birth defects among their children. We must continue to monitor and treat these veterans. We must also take steps to screen and protect those serving in the current war in Iraq. We must be more vigilant in monitoring exposure on the battlefield so we can better assess later health effects.

We need more timely ratings for the claims of all medically-discharged servicemembers, more timely medical care for all who need it, and better information about benefits and services placed in the hands of separating servicemembers and veterans. That will require VA and DoD to do a much better job of sharing information and working together toward a true seamless transition.

We need a more robust program to help disabled veterans acquire quality work opportunities. A comprehensive report from a panel established by former Secretary Principi contained 102 recommendations to improve this program, including an additional 200 full-time VA staff for vocational rehabilitation. We need to make sure those recommendations don't just sit on a shelf, forgotten.

We must improve funding and programs to reduce homelessness among veterans. In fact, the words "homeless" and "veteran" should never have to be used in the same sentence.

Veterans who struggle to return to society, including those who are chronically and severely mentally ill, need a safe place to live. VA has already seen nearly 600 veterans from Iraq and Afghanistan in its Health Care for Homeless Veterans program. They deserve our help.

We must recognize that the number of aging veterans is growing. More than 6.5 million veterans are over age 65. We must provide funding to care for them. VA is required by law to maintain approximately 13,000 VA nursing home care beds, yet the Administration scoffs at this law and refuses to ask for the funds to meet this demand. It's long past time for them to be called on it.

We must improve the Montgomery GI Bill, which has fallen woefully behind in its ability to fund an education at a four-year public college or university. This should be a priority for this committee in the 110th Congress.

Any changes to the GI Bill must also reflect our "total force" defense policy. Clearly, we all recognize that our Reserve and National Guard forces are an integral component of our current military force. The time is right to match veterans' education and training benefits with our 21st Century military.

We must honor our nation's promise to Filipino World War II Veterans who were drafted into service by President Roosevelt, when the Philippines was a territory of the U.S. The 1946 Congress rescinded the promised benefits. While we in Congress have recently passed laws to restore some benefits to some veterans, we need to finish the job. These brave men, now in their 80s, deserve to be recognized as veterans and given the health care and pensions they deserve.

So I look forward to the testimony of our witnesses today on these and other issues. And I call upon the organizations represented here today, and all others, to remain vigilant, vocal and involved.

Even though you have good friends in these halls, change and improvements and progress will not happen at any appreciable pace, perhaps not at all, if you fail to do YOUR job. Congress needs to continually hear from you.

Thank you, Mr. Chairman.

STATEMENT
BY
CMSGT JOHN R. McCAUSLIN, USAF, RET.
INTERNATIONAL PRESIDENT
AIR FORCE SERGEANTS ASSOCIATION

FOR THE
HOUSE COMMITTEE
ON VETERANS' AFFAIRS

FY 2006 REVIEW/FY 2007 PRIORITIES OF THE DEPARTMENT OF VETERANS' AFFAIRS

SEPTEMBER 21, 2006

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

Mr. Chairman and distinguished committee members, on behalf of the 130,000 members of the Air Force Sergeants Association (AFSA), thank you for this opportunity to review current efforts on veterans-related issues and offer the views of our members on the FY 2008 priorities for the Department of Veterans' Affairs.

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.

My statement identifies a series of specific goals that we hope this committee will continue to pursue on behalf of current and past enlisted members and their families. It is a compilation of the views expressed by 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.

EDUCATION PROGRAMS

Today, the demands of military service are increasing, non-traditional educational programs are evolving, and the efficacy of the Montgomery G.I. Bill (MGIB) to support actual education programs is diminishing. As a member of The Military Coalition and Partnership for Veterans' Education, the Air Force Sergeants Association strongly endorses the need for a better G.I. Bill that meets the needs of all those who wear the uniform, yet is robust enough to assist the individual services in their recruiting efforts.

There's no escaping the fact that college costs are rising—depending on the source, from 5 to 10 percent or more each year. In past years, this committee secured a series of value increases for the MGIB, the last one occurring in October 2005, which raised the benefit to its current level of $1,034 per month for 36 months.

Despite these commendable increases, the value of the current benefit falls far short of what our veterans actually need to cover the cost of an education. According to the most recent College Board Report, the average costs for colleges and universities are approximately $1,776 per month—a figure that reflects the cost of books, tuition, and fees at the average college or university for a commuter student.

That means that despite the recent increases, the MGIB covers less than 60 percent of the actual cost incurred by the veteran. As educational costs rise and if Congress does not increase funding, the value of the MGIB will continue to deteriorate. Congress should consider increasing the value of the MGIB. Additionally, without automatic indexing based on annual educational cost increases, the purchasing power of the MGIB will continue to erode, thereby negating the hard work of this committee. We ask that you look toward further increases in the MGIB program by mandating annual benefit value adjustments.

By far the greatest need 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) or the MGIB. 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 with the majority advised not to enroll because a better program would soon be starting. 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 40,000 military members who declined VEAP enrollment are still serving. Approximately 15,000 of the VEAP decliners are still-serving commissioned officers who, by definition, already had at least a bachelor's degree when they entered service and most have government-funded graduate and higher degrees by the time they reach retirement. For that reason, and considering funding challenges, AFSA contends that the MGIB enrollment opportunity should be limited to still-serving enlisted (noncommissioned) members who declined enrollment in the old VEAP program.

Legislation introduced in the 109th Congress addressing the VEAP issue include H.R. 269 by Representative Dave Camp which would provide an MGIB enrollment opportunity to those 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 has more than 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 would reduce the number by 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 service members from the VEAP era an enrollment opportunity and the vast majority have already retired. As of July 1, 2005, all actively serving members who enlisted in this era were eligible to retire. Being mindful that the principal purpose of educational assistance programs is to assist veterans in their transition back into the civilian workforce, we urge this committee to act quickly to at least provide a transitional education benefit (even at a slightly higher cost if necessary) for the relatively few remaining VEAP-era enlisted members.

Since the end of the VEAP program, thousands of service members 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 (whose starting pay is roughly half of new commissioned members). In the Air Force alone, there are approximately 25,000 on duty who are in this situation.

As we visit Air Force bases around the world, we routinely run into young enlisted members pleading for another opportunity to get into the MGIB--now that they can afford to do so. Unlike commissioned officers, few enlisted members enter the service with a college degree. Without one, the prospect of earning meaningful income after completion of military service is grim.

In June of last year, Representative Peter Visclosky introduced H.R. 3195, the "Montgomery GI Bill Second Chance Act of 2005." This bill would provide all currently serving servicemembers who declined an educational benefit an MGIB enrollment opportunity. This would include those who entered service during the VEAP-era years between January 1, 1977, and June 30, 1985. Several other bills include similar provisions.

Whereas the costs associated with a second enrollment opportunity may be substantial, failing to meet the needs of these veterans may have even greater consequences. In May of this year the U.S. Bureau of Labor Statistics reported that for the first three quarters of 2005, nearly 15 percent of veterans aged 20 to 24 were jobless--three times the national average. With the number of veterans growing daily, that is an alarming figure. What is not known is how many of these young men and women lack transitional education benefits. We strongly urge this committee to investigate this issue thoroughly to determine how (or if) the absence of an educational benefit correlates to these figures.

The Montgomery GI Bill is 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. DoD's $1,200 MGIB payroll cost-avoidance method amounts to little more than a tax penalty on an "earned" benefit that must be paid before it is received. As stated earlier, younger enlisted veterans cite their inability to afford this fee as their principal reason for declining the MGIB. Keep in mind, our lower paid, enlisted members are required to sacrifice a significantly higher percentage of their income (in relation to new commissioned officers) in order to be eligible for the program. That is ironic since enlisted members generally enter service without a college degree and tend to be assigned to skills that are not transferable to civilian occupations. 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. Abolishing the $1,200 fee would eliminate the non-enrollment problems described above—a move AFSA strongly supports.

While few would enter the Armed Forces *not* intending to fulfill their full service commitment, it does happen. For some, separation is related to disciplinary action; but for many, their departure is through no fault of their own--and their service was honorable. There is a group of veterans that paid the required $1,200 MGIB fee, yet by law are not eligible to use their benefit. That's because in order to qualify for the basic MGIB benefit, one must serve on Active Duty for a minimum of two years—no exceptions. If the service member is unable to fulfill their service commitment--even through no fault of their own--they forfeit the $1,200 (or the portion paid). This is clearly an unethical situation enabled by law! AFSA believes that anyone separated, for other than dishonorable reasons, prior to reaching their 2-year mark should have their money refunded or allow them to use the MGIB benefit they paid for.

This committee should take a serious look at the actual timeframe when the MGIB benefit is being offered to new recruits. Currently they are given a one-time, irrevocable decision when under the pressure of basic military training. Since it takes two years for the individual to become eligible to use the MGIB benefit, it is wrong to require them to make such a monumental financial decision under duress. It is clearly inappropriate and not in the best interests of those receiving the least compensation and who serve this nation in largest numbers. If we are truly looking out for the best interests of our young men and women who serve, the practice of offering the benefit at basic training should be stopped and, at a minimum, the enrollment decision point should be shifted to their first duty station. 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 MGIB benefit.

When Active Duty veterans separate or retire, they have ten years to use their educational 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 (since full use is already part of the scoring for the program).

One proposed MGIB change most requested by our members would be the ability to transfer some or all of their MGIB benefit 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 by the individual services, and only a very small percentage of Air Force personnel were ever provided this opportunity. 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—a "win-win" situation. Please work to extend the "portability" option across the board to all military enrollees, enlisted ones in particular.

Finally, this committee should also look at the Selected Reserve MGIB (SR-MGIB). When it was created more than 20 years ago, Congress intended this benefit to be equal to roughly half of the active duty MGIB. Until recently, it has proved to be a powerful recruiting and retention tool. However, unlike the active duty MGIB, this benefit has seen no legislative increases and lacks an adjustment mechanism to counter the effects of inflation and rising school costs. Consequently, the SR-MGIB's current value has slipped to roughly 29 percent of the Active Duty program and no longer serves as a powerful inducement to join the reserve components.

Members of the Guard and Reserve don't retain their educational benefits upon separation from service like Active Duty members do. Declining value of the program and their inability to use the SR-MGIB when it is needed most (after separation from service) are the two biggest problems identified by our reserve component members.

Mr. Chairman, enlisted members are encouraged by your expressed interest in revitalizing the Montgomery G.I. Bill (MGIB). We would greatly encourage the committee to focus on legislation that would allow accelerated payment of MGIB benefits to accommodate accelerated courses, those with labs, on-line programs, higher-level educational courses, and courses leading to certification. Such changes are those being called for by the military members whom we represent.

MEDICAL CARE

The health care system administered by the Veterans Administration impacts, in one way or another, all of those who served. AFSA, like most military and veterans' associations remain concerned that the requested levels of funding do not reflect the true needs of this department. We recommend the committee scrutinize future Administration proposals closely so as to avoid embarrassing shortfalls like that which occurred last year.

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.

Veterans around the world would applaud this committee's and Congress' decision to once again reject the Administration's proposed $250 user fee to receive their promised VA health care. Our feeling has been, and continues to be, that such an enrollment fee should be applied only prospectively. Current veterans should not be charged a fee for access which earlier Congresses determined was not appropriate.

In the past, provisions and policy changes allowed the VA to pay for emergency room care at non-VA facilities and fill prescription by civilian providers. This type of innovative thinking could allow the VA to improve services while simultaneously cutting costs and should be strongly encouraged by this committee. With more than 40 percent of veterans eligible for Medicare, VA-Medicare subvention is a very promising, yet untapped venture that would save taxpayer dollars by reducing an overlap in spending by Medicare and the VA for the same services. Additional savings could be achieved through the judicious use of VA-DoD sharing agreements. This decision alone represents a good, common sense approach that should eliminate problems of inconsistency, save time, and of course, better serve veterans.

The record numbers of veterans being generated by the wars in Afghanistan and Iraq underscore the importance of accelerating the DoD and VA effort 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. The potential for savings in this area total millions of dollars annually.

Transferability of information is the most critical element in the whole seamless transition process. On one hand you have a department (VA) with a modern electronic record keeping system (VISTA) that is recognized as the best there is, allows information to be transferred globally, and is being emulated by civilian HMOs and entire nations. On the other hand you have a department (DoD) with its own modern electronic records keeping system (AHLTA) that users report is cumbersome, is not user friendly, and does not allow transferability outside of the system. Forward progress on the transferability

issue has stalled, and it is time for Congress to step in and exercise its oversight authority to break what many feel will become a protracted stalemate. Without action, veterans will not be receiving the best care they deserve.

GENERAL ISSUES

Funding for 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 thank the committee for its continued support to protect these important national assets.

Care for Women Veterans. We applaud the actions of this committee in recent years to directly address the issue of the unique health challenges faced by women veterans. Seven percent of the current veteran populations are women, and the VA predicts that number will swell to 10 percent in the next four 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 health care needs.

Reducing the Claims Backlog. On a daily basis the VA's current claims backlog totals several hundred thousand. Too many veterans are waiting to hear about financial assistance they may be entitled to. It's going to take money, thoughtful planning, proper training, and innovative ideas to break through what seems to be an insurmountable problem. We encourage this committee to support departmental plans to reduce pending cases with one exception: we absolutely disagree with plans to reduce claims processing personnel. Technology isn't going to solve this problem; people will, and Congress should reject any plan that reduces the number of personnel in this area until the backlog is cleared. The recent recall of two retired judges to assist the U.S. Court of Appeals for Veterans Claims is exactly the type of smart resource use that we feel will help the department reduce an unprecedented number of pending claims.

Increased Training Funding. Training impacts the quality and accuracy 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.

Survivor Support. AFSA commends this committee for its efforts to ensure survivors of veterans are properly cared for. 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 dependency and indemnity compensation (DIC) payments related to their sponsor's service-connected death.

Prohibit Awarding Veterans Benefits to Ex-Spouses in Divorce Settlements. 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.

In conclusion, I thank the chairman and the members of this committee for the opportunity to comment on a few of the veterans-related issues on the hearts and minds of Air Force enlisted members. It is imperative, in peacetime or in war, that veterans know their needs will be taken care of. Once they have served honorably and they need help, their care and assistance becomes the responsibility of the nation which they served. On behalf of all AFSA members, we appreciate your efforts to ensure that our nation does just that, and, as always, we are ready to support this committee in matters of mutual concern.

TESTIMONY OF

Patrick Corbett, GySgt, USMC (Ret)

National President

Of

THE RETIRED ENLISTED ASSOCIATION

Before a

HEARING

Of the

HOUSE VETERANS AFFAIRS COMMITTEE

On

September 21, 2006

guarantee our freedom? And indeed the freedom of the entire world. Are our actions and programs sufficient? Mr. Chairman TREA is very grateful to be asked to participate in the early planning hearing of how we should accomplish this sacred trust the Nation has been given.

VA HEALTH CARE

When looking back at the past year the real surprise is the dog that did not bark. TREA's primary concern whenever we are privileged to appear before this Committee is to make sure that first rate and adequately funded healthcare is available for our Veterans. We were very pleased that this year the worries about adequate funding have been much less profound than in prior years. Initially we were relieved that the Department requested $80.6 billion for its budget for FY07. This included $34.3 billion for Health care. While it was far from all that was needed it was a reasonable starting point. We were very pleased when this Committee (and your counterpart in the Senate) rejected the Administration's proposals to increase the VA drug co-pays to $15 and to create a $250 yearly enrollment fee for those Veterans already in Categories 7 and 8. Not only did you once again reject this draconian proposal but you voted to replace the amount of money into the health care budget that the Department estimated these proposals would raise. Again TREA was very pleased and wishes to thank this Committee.

After looking back on this year we must now look forward towards what we hope next year will bring. If history is any guide we expect that next year the Department will once again proposed increases in co-pays and in all probability some sort of enrollment fees for Categories 7 and 8. TREA is well aware that members of this panel are in favor of such proposals but we are firmly opposed. The Veterans in VA Categories 7 and 8 are made up primarily with Veterans, including many Military Retirees, who are elderly and living on fixed incomes. They have come to depend on the VA for affordable and first class health care. Some members of Congress may wish that they did not create this program. But you did and now numerous elderly heroes rely and depend on it. It is believed by some that a large enrollment fee will persuade enrollees in Categories in 7 and 8 to drop their membership. We have heard the argument that some are not presently using the system but maintaining their enrollment in case they are in need in the future. But why should that be a worry if they are not presently using the VA they are not costing us anything. They are not placing a burden on the system. But if we impose an enrollment fee the demands may very well continue. At this time there are no access standards applying to 7 and 8 (like there are for Service Connected treatments and on the DOD side in TRICARE Prime). It is really functioning as a space available system. And the waiting times are improving. If a substantial fee was imposed we believe there would

be a huge push for the VA to comply with access standards. After all they would be paying for coverage and should be guaranteed some treatment. Rather than easing the pressures on the VA an enrollment fee would make the pressure of Categories 7 and 8 much worse.

TREA believes firmly that the VA must continue to focus on the health care that is being provided for all those veterans coming home from Iraq, Afghanistan and that sufficient planning, coordination and money must be provided to guarantee the best care in the world for our veterans from both the VA and DOD. The VSOs and this Committee and your staffs have spoken together numerous times about the need to have a seamless transition from DOD to the VA.(please see below) This coordination is clearly crucial to provide for our heroes' needs as well as for our planning. TREA hopes and expects that this Committee will carefully oversee the future funding levels and coordination of care many crucial programs. One of the important programs for our returning veterans that is rarely talked about is the 2 year qualification for healthcare that all returning veterans from Iraq and Afghanistan are entitled to have at the VA. It is a very good idea. It provides all our veterans the care they may need today as they return to the civilian world as well as giving the federal government the chance to keep an eye on any illnesses or medical conditions that may unexpectedly develop in the future.(If handled correctly it may provide protection from being surprised by another Agent Orange medical effect.) However this program puts a large new burden on the VA and DOD should make sure that the service members have essential care prior to their separation. We have heard from members from both sides of the aisle on this panel that DOD needs to focus on performing normal dental care rather than sending them back to the VA after separation. This delay is costly but more important can cause long term dental problems for our troops. TREA will urge DOD to handle such problems before service members separation.

In the coming year the VA should increase the number and size of the "politrauma centers" dealing 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. As TREA has said before it is clear that next year (and into the future) will see a substantial increase in the necessity of mental health services (both outpatient and in patient) for Veterans returning from the War There will also be a growing need in increase the programs that the VA has wisely created to provide counseling for the Veterans families.. And for older Veterans there will be growing need for nursing home care. We know that the VA may indeed think we will think about the nursing home problem later but they cannot delay. The demographics of many of our elderly veterans will not let them. While providing care for elderly veterans the VA should be allowed to do what all other

qualified American providers are allowed to do: collect from Medicare. These Veterans have paid for the Medicare coverage throughout their careers. The VA should be allowed to become a Medicare provider and collect appropriate fees. We hope that next year will be the time when this may finally happen.

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 will be obtained. There have been real improvements in the past year on all these issues. However we all realize that more needs to be done. Next year it is of course again critical that the VA's healthcare service is fully funded. It is also crucial that this full funding is predictable so the VA can truly make sensible long term plans rather than living from year to year's budget with no ability to predict the next several year's finances.

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

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

DOD-VA COLLABORATION/SEAMLESS TRANSITION

As stated above, TREA is concerned that we still have not created a seamless transition for our troops going from DOD to the VA. It should not be a surprise that a member's status is going to change, at some point, from a member of the military to that of a Veteran. This is another area where this Committee's oversight function is critical. For years Mr. Chairman you have pushed for IT that would speak from DOD to the VA. We need 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. We need to know when both Departments will be able to create an electronic health care record that all TRICARE and VA health care patients can carry with them wherever they are throughout the world for their entire lives. (and not place paper medical files on the stretchers with injured service members being evacuated out of war zones as is **still** going on today.)We need to know 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. And it should help the VA in improving the speed and accuracy of determining VA claims Years have gone by and only partial implementation has occurred. Now is the

time Congress should insist that the Government 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.

IT SECURITY

At the beginning of the year TREA had no idea that one of our main, indeed overwhelming, concerns for the VA would be its IT Security. TREA is well aware that the Chairman and this Committee has been worried for the last several years about the VA's IT failures but we did not expect to have its shortcomings be demonstrated in such a dramatic fashion. (To be fair it is clear that the VA is not the lone Department and Agency within the federal government to have these holes and failings.) For years members of this Committee have urged the two Departments to create a system that will speak to each. The Chairman has called on the VA to upgrade its information security TREA hopes and expects that by the end of this session of Congress the bill passed in a dramatically bi-partisan manner to improve information security at the VA will become law.

TREA calls on Congress to pass and the President to sign HR5835 It also urges this Committee to continue, as it has done for years, to oversee the needed improvements in this area.

VA CLAIMS BACKLOG AND IMPROVEMENT

This is a perennial concern and worry. Indeed if we had to predict what will be the most serious problem facing the VA in 2007 TREA believes that it will be the continuing claims backlog. 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 The VA stated that they expected a 3% increase in filings to 811,947 this year. (with an additional approximate 100,000 cases resulting from the new outreach program created inthe 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. The decisions are slow in coming and often wrong. There has not been the consistency of outcomes throughout the Country that is essential for any fair judicial system. The VA must improve the quality and consistency of internal training of its decision makers

throughout the nation. The VA, as directed by Congress, has started to deal with this problem by going to 6 states where VA disability payments are inexplicably low attempting an outreach to Veterans who may deserve help. However the need for such a program shows how inconsistent the VA programs are administered throughout the country. More work needs to be done to correct this problem. The VA should also increase the number of people handling these cases. TREA is sure that all members of this Committee are extremely concerned about this continuing back log and inconsistency of decision making. Hopefully, correcting this problem will remain a top priority of the VA.

TREA urges Congress and most particularly this Committee to focus on requiring systemic improvements to the adjudication system. Changes must be made to improve the speed, accuracy and consistency of the fact finding.

IMPROVEMENTS IN THE MONTGOMERY GI BILL (MGIB)

Again when speaking on what happened this year TREA had hoped that there would be more movement to improve the Montgomery GI Bill for both Veterans from the Active Duty and those from the National Guard and Reserve. The Montgomery GI Bill is one of the most important benefits that this Nation provides to all our Veterans. It serves 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 allowing 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 itself should be readjusted and increased. 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. This is a new world 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.

SURVIVORS BENEFITS

Everyday during this war on terror, wives, husbands, children, and more and more often parents are becoming survivors of our service members. We are losing members of the military every day. (Indeed even in peace time we lose an average of 1,500 Service members a year on active duty. The military is always a very dangerous avocation.) As Lincoln memorably told us in his Second Inaugural Address we, as a Nation, have a duty to take care of his "widow and orphan." In the last few years we have made great improvements in the benefits and help we provide for the families we are losing in the present war. We wish to thank Congress again for all these improvements. 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 recently "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 109th session of Congress TREA along with many of our other Veterans Service and Military Service Organizations has worked very hard to abolish the Survivor Benefit Plan Dependency and Indemnity Compensation Program (SBP/DIC) Offset. (The program often referred to as the widow's concurrent receipt.) While writing this testimony we are not aware whether we have made any progress on this issue or not. 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. It has been passed by the Senate but not the House. We hope that you can support the Senate's position on this issue in the next couple of weeks and finally end this unfair practice.

The Senate's version of the NDAA also moves up the paid up provisions for SBP. This would help elderly couples who have paid into SBP for at least 30 years and whose service member is at least 70 years old. These couples are clearly members of "our greatest generation. It is not expensive, is not an ongoing cost and will make these couples much more comfortable for the next two years.

Both provisions would help survivors who have served our Nation faithfully but have not been touched by recent improvements this Congress has enacted.

Indeed we hope that this Committee looks at the need to Update the basis of programs and then index them for predictable future cost increases. Throughout the system programs have not been modernized to reflect present conditions. Mr. Filner's HR 2747 demonstrates how this type of failure harms those who have given so much The Disabled Life Insurance's premiums are based on actuarial charts from 1941. Happily life expectancies are dramatically improved so the premiums disabled veterans must pay are much higher than they should. TREA hopes that this needed fix can be made. This is just one example of why all the VA programs should be kept up to date.

Additionally we hope that you will all support the concept in the House encompassed in 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 support an end to the offset, urges the Committee to support the passage of HR2747 and allow surviving spouses to retain their DIC if they remarry after reaching the age of 55.

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. It is already true that 30% of all enrollees in Categories 1-3 (Service Connected Disabilities) are Military Retirees. They have been found to have been wounded, injured or developed illnesses and conditions while serving their Country. But many other retirees have also lived the hard and wearing life of a career service member. But this health care needs that are caused by this life have not been acknowledged by the VA. 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.

CONCLUSION

The members of TREA are grateful for the opportunity to speak about what has happened this year, what we learned, what must be corrected and how we should walk towards next year. An overview of the bills passed in the last year would give the impression of a gentle year. But all of us know that this is not true. The last year has been dramatic for the VA and this Committee. Through luck (and good police work) it appears that the VA barely averted a disaster when the personal records of over 22 million veterans and members of the active duty were stolen with a lap top computer and hard drive. Additional security breaches have occurred and are being dealt with. Changes are being made but more changes in this area should be directed by Congress. There was more and more call on the VA to provide medical care and other services to veterans returning from the war, new needs for 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 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.

STATEMENT

of the

MILITARY OFFICERS ASSOCIATION OF AMERICA

on

A Review of FY 2006 Veterans Issues and

Presentation of Priorities for 2007

before the

HOUSE VETERANS' AFFAIRS COMMITTEE

September 21, 2006

Presented by

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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 views on the current year's legislative accomplishments for our veterans and a 'look ahead' to issues that we believe Congress should address in the next fiscal year.

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

VETERANS HEALTH CARE

Review of 2006

MOAA is grateful to Congress for correcting a seriously inadequate VA health care budget for this fiscal year, FY 2006. We are concerned, however, that the VA may once again underestimate its budgetary requirements in its next budget submission for FY 2008.

VA projection models have not properly accounted for the increased number of veterans from the Iraq and Afghanistan conflicts (OIF / OEF). The VA's commendable two-year "open door" enrollment policy for OIF / OEF veterans including de-mobilizing National Guard and Reserve veterans, has resulted in a dramatic increase in the number of returning veterans utilizing VA health services. But, in February 2006 the GAO confirmed that the "VA's internal process for formulating the medical programs funding requests was informed by, but not driven by, projected demand" (GAO-06-430R). Billions of dollars in supplemental funding were needed to meet veterans' health care needs in the current and prior fiscal years.

Veterans Independent Budget (IB) Projections. As an endorser of the IB, we would like to reinforce to the Committee that this year's (FY 2006) IB estimates were "spot on" to what the final true costs were to the VA health system to meet the rising demand. MOAA recommends that the Committee closely review the FY 2008 IB analysis and recommendations to ensure adequate funding for VA health care.

Passing the buck – Usage Fees. MOAA was surprised and disappointed to note that after twice being rejected by Congress, the Administration again for FY 2007 sought enactment of a $250 usage fee for 2.3 million Priority Group 7 & 8 enrolled veterans. We believe it would be shortsighted for the VA to again make such a recommendation for FY 2008 since a strong bi-partisan majority in Congress rejects cost-shifting to veterans who since 9/11 and earlier have defended the nation.

MOAA is opposed to VA annual usage fees. 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.

Unfinished Business

Budgeting to Meet VA Access Standards. The VA should take into account adherence to its own published access standards for all those eligible for VA health care services when

formulating the budget. Veterans Health Administration directive 2006-041 requires all new patients desiring routine care to be seen within 30 days. Additionally, routine follow up and specialty appointments must be available within 30 days.

MOAA fully supports reform of the VA's enrollment projection model and enactment of a requirement for the VA to submit a budget that fully satisfies its own access standards. This recommendation is consistent with the President's Task Force Report recommendation that the VA system should be fully funded to meet demand by "using a mandatory funding mechanism, or by some other changes in the process to achieve the desired goal."

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 technologies for our nation's service men and women and their families.

The President's Task Force on DoD – VA health care collaboration (2003) 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 and 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. MOAA recommends renewed efforts to accomplish seamless transition objectives, including:

Bi-Directional, Interoperable VA – DoD Electronic Medical Records.

A Presidential Executive Order signed August 22nd directs all federal health care programs to develop health information technology systems that are interoperable. This means the systems should have "the ability to communicate and exchange data accurately, effectively, securely, and consistently" between each other. Unfortunately, as the GAO has noted with regards to the DoD's AHLTA and VA's VISTA systems, that is not the case today: "the goal of system wide two-way electronic exchange of patient records remains far from being achieved."

MOAA continues to strongly urge as a top priority next year development of bi-directional, interoperable standards-based electronic medical records between DoD and the VA.

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 major medical centers such as 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 urge support for accelerated development of a single separation physical.

VA Medical Research

The VA indicates that OIF/OEF research is a high priority and special research is being done concerning PTSD, traumatic brain injury, prostheses and trauma associated with blast injuries.

Experts testified this year that Traumatic Brain Injury is the "signature injury" of this war.

Service members have seen a dramatic increase in their survivability rate during the current conflict due to improved field medical procedures and efficient transportation activities. This has caused an increase in medical conditions that past service members did not experience. Research will be essential to future care, rehabilitation, and the quality of life that injured service members must now live with. The administration, however, has shown a propensity to rely more heavily on non-direct funding from other private and public medical research as a way to enhance VA medical research activities.

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. MOAA's national

president, VADM Norb Ryan, Jr. USN (Ret.) has 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.

MOAA strongly urges the Committee to ensure construction and operating funds are made available for needed upgrades to VA polytrauma centers.

Expansion of Mental Health Services.

Recent studies project that 1 out of 6 service members returning from Iraq and Afghanistan will need care for PTSD and other mental health conditions. 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. We are equally concerned that the Administration request appropriate levels of funding for treatment of these debilitating disorders.

MOAA strongly encourages Congress to ensure necessary funding is available to the VA Health system for the treatment of Mental Health Disorders.

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. Enrollment of military retired veterans has increased by more than one-third since June 2000 when VA began tracking the data.

As of 30 September 2005, nearly one million (970,549) military retired veterans were enrolled in VA care and more than half the enrollees obtained health care from the VA last year. Not surprisingly, many retired veterans have serious disabilities and VA data show that use of VA health care rises with the level of the service-connected disability. The more severe a disability, the more likely it is that a veteran would seek VA care. For routine care, however, many enrolled retirees prefer to use their TRICARE or TRICARE for Life benefits closer to their homes. From MOAA's perspective, the issue is improving the coordination of care and reimbursement procedures between the VA and TRICARE systems, not imposing arbitrary and unfair rules that would lock out retirees from either system.

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)

The CARES planning process fails to address services for veterans' mental health and long-term care. Veterans returning from war are geographically more spread out than ever before. Providing services to these eligible veterans within a reasonable time and distance is crucial.

MOAA continues to urge inclusion of mental health care and long term care services in ongoing facilities decisions resulting from the CARES process and Congress provide necessary funds to fully implement CARES initiatives.

VETERANS BENEFITS

Review of 2006

A. ***Veterans Personal Information Security.*** MOAA is particularly grateful for the Committee's leadership in adopting strong measures to shore up the VA's information management security program. H.R. 5835, the Veterans Identity and Credit Security Act of 2006 would establish an information security "czar" at the Under Secretary level in the Dept. of Veterans Affairs and authorize fraud resolution and credit protection services free of charge to veterans in the event of a future theft of their personal information stored in VA records. We are pleased to see that the Committee took strong action on this issue and hope that the full House and Senate will endorse the bill before the close of this session.
B. ***Other Benefits.*** Modest progress was made in 2006 on veterans' benefits issues, mostly in terms of technical adjustments. MOAA is appreciative of the Committee and Congress' efforts in the following areas:

- Reinstatement protection for mobilized servicemembers' civilian health insurance coverage – H.R. 2046, enacted as P.L. 109-233
- Technical improvements to Servicemembers' Group Life Insurance beneficiary designation and notification issues – P.L. 109-233
- Prohibition against certain demonstrations at national cemeteries and Arlington National cemetery – H.R. 5037, enacted as P.L. 109-228

Unfinished Business

Disability Claims: Quality and Process Improvements Needed

The workload and complexity of VA disability claims continues to increase. The VA projects over 900,000 working claims by the end of the 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 against a stated performance goal of 100 days. This is clearly unacceptable and reflects in part on insufficient resources from Congress and inadequate investment in worker training, administrative support and technology integration and upgrades.

In addition to increased workload, a critical issue is the replacement of retiring claims workers with fully trained individuals. MOAA strongly recommends that the Committee make this issue a priority next year.

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

Seamless Transition. Earlier in this statement, we stressed the importance of accelerating efforts to realize a seamless transition for service men and women between the DoD and VA health care systems. Seamless transition also should be a priority on the benefits side of the equation.

The Veterans Disability Benefits Commission (VDBC) established by Congress has been examining a range of issues associated with the laws, policies and procedures for making disability determinations. An area we believe needs closer scrutiny is the interface between the military services disability rating / medical retirement system and the VA disability system. While recognizing that the military services rate disabilities on fitness for duty, they are required by law to use the VA's Schedule for Rating Disabilities (VASRD). It has long been observed that there are inexplicably wide variations among the Services in rating very similar disabling conditions and even more puzzling gaps between the Services and the VA using the same VASRD standards. At the end of the day, these disjointed procedures result in unfair and inadequate benefits for medically separated or medically retired veterans.

Transition Assistance Program (TAP) for National Guard and Reserve Veterans. TAP resources are inadequate to meet the needs of service men and women separating from active military service, including de-mobilizing members of the reserve forces. The GAO concluded in a 2005 report (GAO-05-844T) that that TAP funding requirements are based entirely on projected active duty separations. The Services separate about 200,000 active duty troops per year and TAP budgets were built on that projection alone. But since 9/11 more than 500,000 Guard and Reserve troops have been called up.

In 2004, 117,000 Guard and Reserve troops were de-mobilized, but no additional funds were earmarked by the Departments of Defense, VA, or Labor for TAP activities for them. Taking an average of about 100,000 Guard and Reserve separations per year, ***MOAA recommends that TAP budgets be increased by 50% over current spending levels.***

MOAA also recommends that TAP Veterans Benefits briefings from the Dept. of Veterans' Affairs and Dept. of Labor should be adapted for reserve troops and delivered back in the community, wherever possible.

Towards a Total Force MGIB for the 21st Century.

MOAA appreciates Chairman Buyer and the Committee's interest in the concept of a "total force Montgomery GI Bill." The nation's active duty, National Guard and Reserve forces are operationally integrated under the Total Force policy. But educational benefits do not reflect the policy nor match benefits to the length and type of military duties being performed. Legislation is needed to restructure the MGIB in Title 38 and tier benefit rates to service performed.

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 under the Department of

Defense in 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.

MOA strongly recommends that the Committee hold hearings on a Total Force Montgomery GI Bill as soon as possible and work with the Armed Services Committee to structure a GI Bill that more fully accomplishes the goal envisioned by the late Rep. G.V. Sonny Montgomery, the father of the modern GI Bill that bears his name.

Other Educational Benefits Issues

MOAA recommends Committee consideration of the following issues in the design of the Total Force MGIB.

Accelerated Benefit Usage. Pending legislation would permit only veterans eligible for Chapter 30, 38 U.S. Code benefits to get accelerated benefits for training or education in designated employment fields. Unfortunately, Guard and Reserve service men and women would be ineligible for accelerated use of their (Title 10) benefits, another example of the need to create a total force approach to the MGIB.

Enrollment Option for Career Servicemembers who Declined "VEAP". MOAA continues to support enactment of legislation that would permit a one-time MGIB enrollment option for currently serving VEAP-'decliners'.

$1,200 MGIB Enrollment "Tax." Federal student loans are available to students at no cost and no commitment of service to the nation, but our armed forces volunteers must pony up their hard earned pay to gain the MGIB. Something is very wrong with this picture especially during a time of war. The $1200 MGIB enrollment fee should be abolished.

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.

Transferability of Benefits. More than half of the force today 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. To help career force retention, *we recommend 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)

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.***

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.

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.

SBP-DIC Offset. MOAA was extremely disappointed that House and Senate conferees failed to make at least some progress in the FY2006 Defense Authorization Act to ease the unfair law that reduces military Survivor Benefit Plan (SBP) annuities by the amount of any survivor benefits payable from the VA Dependency and Indemnity Compensation (DIC) program.

Under current law, the surviving spouse of a retired member who dies of a service-connected cause is entitled to DIC from the Department of Veterans Affairs. If the military retiree was also enrolled in SBP, the surviving spouse's SBP benefits are reduced by the amount of DIC (about $1,000 per month). A pro-rated share of SBP premiums is refunded to the widow upon the member's death in a lump sum, but with no interest. The offset also affects all survivors of members who are killed on active duty. There are approximately 61,000 military widows/widowers affected by the DIC offset.

MOAA believes SBP and DIC payments are paid for different reasons. SBP is purchased by the retiree and is intended to provide a portion of retired pay to the survivor. DIC is a special indemnity compensation paid to the survivor when a member's service causes premature death. In such cases, the VA indemnity compensation should be added to the SBP the retiree paid for, not substituted for it. It's also noteworthy as a matter of equity that surviving spouses of federal civilian retirees who are disabled veterans and die of military-service-connected causes can receive DIC without losing any of their purchased federal civilian SBP benefits.

In the case of members killed on active duty, a surviving spouse with children can avoid the dollar-for-dollar offset only by assigning SBP to the children. But that forces the spouse to give up any SBP claim after the children attain their majority - leaving the spouse with only a $1,000 monthly annuity from the VA.

MOAA notes that most large city fire departments continue 100% of pay for survivors of firefighters killed in the line of duty, in addition to far larger lump sum payments than military members' survivors receive. Military members whose service costs them their lives deserve fairer compensation for their surviving spouses.

We are encouraged by Senate action to include provisions in its version of the FY2007 Defense Authorization Bill that would repeal this unfair offset to survivor benefits and strongly support their inclusion in the final bill.

Retain DIC on Remarriage at Age 55. Legislation was enacted in 2003 to allow eligible military survivors to retain Dependency and Indemnity Compensation (DIC) upon remarriage after age 57. At the time, Congressional 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 "look back – look ahead" views on issues that affect the veterans of our great nation.

Testimony

of

John K. Lopez, SDV, Chairman
Association for Service Disabled Veterans

to

The Committee on Veterans' Affairs
U.S. House of Representatives

Thursday, 21 September 2006
334 Cannon House Office Building
Washington, DC

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.

As you may know, the Association for Service Disabled Veterans (ASDV) is an organization of disabled in military service veterans (SDV) devoted to the rehabilitation of all disabled military veterans to the maximum state of self-dependency attainable within existing technological and human resources. Consequently, our focus is directed towards freeing the SDV from the dependency of tax supported assistance whenever possible.

To that end, SDV are extremely grateful to the accomplishments of the 106th, 107th, 108th and the 109th Congress, under the leadership of this Committee. Under the responsible and compassionate leadership of your Chairmen and Ranking Members, you have established **SELF-EMPLOYMENT ENTREPRENEURSHIP** as a viable opportunity for our nations SDV to live a life of individual dignity and significant contribution, to the economic prosperity of our nation. Public Law 106-50, Public Law 108 – 183 and the pending H.R. 3082 and "Reauthorization of the Small Business Act of 2006" are continuing statements of the intent of the U.S. Congress to enable the rehabilitation of those who have sacrificed their well-being for the prosperity and security of the United States of America and the free world.

However, their remains the issue of effective implementation of the intent of Congress, due to the lack of compliance by the prime contractors that receive the vast majority of agency procurement dollars.

Although, required by legislation to subcontract opportunities to SDV owner businesses, and to assist in self-employment rehabilitation, major contractors continue to evade compliance thru various regulatory manipulations. This has the

dramatic effect of diminishing opportunities, since the majority of procurement dollars are awards to billion dollar prime contracts.

It is requested that the Committee request information regarding the subcontracting performance and practices of prime contractors of federal agencies, especially the lack of compliance by the U.S. Department of Veterans Affairs and the U.S. Department of Defense billion dollar prime subcontractors.

Irrespective of the efforts of the Committee, a feeling persists among the SDVE population that the vested interests of the agency procurement bureaucracy (APB) and the influence of special interest groups (SIGs) is so pervasive, that it may require major oversight if we are to make significant and positive change.

Central to this quandary is the SDV perception that the SDV is a powerless stakeholder in the effort to establish and maintain an effective rehabilitation program for our nation's service disabled heroes.

Attached to this Testimony is a discussion concept that considers the question of the establishment of a policy of **"countervailing"** power for the serving military person, titled "SELECTIVE SACRIFICE". This concept would reinforce the perception of the serving military that their sacrifice be actively emphasized and subsequently acknowledged and honored.

This concept of **SELECTIVE SACRIFICE** is a reflection of the advice of the First President of the United States that; "The willingness with which our young people are likely to serve in any war, no matter how justified, is directly proportional to how they perceive the veterans of earlier wars were treated and appreciated".

Thank you for your attention!

I shall be pleased to answer any questions you may have.

SELECTIVE SACRIFICE ACT: AN AMENDMENT TO THE ARMED SERVICES ACT

Background:

Since the beginnings of our nation, the people of the United States of America have placed great confidence in that interpretation of the United States Constitution that permits our government to conscript or seduce our citizens to be killed, disabled and tortured in military service, for the security and prosperity of the total population.

Complicit in that application, has been the presumption that our nation, thru its government, would provide rehabilitation for the service disabled veteran (SDV) survivors of the resulting consequences.

However, actions of the U.S. government that reflect the mindset of the American populace, have indicated that there is no will to treat individuals service disabled and tortured for the security and prosperity of the United States of America, in a fair and equitable manner.

For over forty years, the U.S. government has spent billions of dollars on programs that have failed to alleviate the employment and training needs of veterans and now funds special interest groups (SIGs) and major corporations that subvert attempts by disabled veterans to develop self-employment entrepreneurial strategies and policies.

A review of the constant legislative conflict between representatives of the nations 26 million veterans and the U.S. Congress Committees charged with the support of the needs of these veterans, indicates a disinterest and disrespect for veteran needs.

Consequently, it is incumbent on those victims at risk that have demonstrated sacrifice for our nation's security and prosperity, to seek legislation

and policies that will prevent continued victimization of the veteran by a reluctant government.

Proposed:

It is requested that the U.S. Congress enact an amendment to the Armed Services Act which provides the following:

(1) That an active duty serviceperson (ADS) be allowed to specify from one (1) to three (3) assignments wherein the ADS believes that the assignment will result in death, disablement or torture on direct behalf of individual(s) or organizations that adversely complicate or prevent the ability of the ADS to recover or be rehabilitated from a resulting disablement.

(2) An ADS would be allowed to specify one (1) to three (3) of such assignments during active duty service in the military and be excused from such duty without prejudice or negative record. If in the opinion of the unit commanding officer there is no immediate danger to the status of the assignment and such an action can be implemented without clear and present danger to the mission.

(3) The individual or organization specific assignment can be original to the ADS or recorded in electronic databases maintained by stakeholder civilian veteran organizations dedicated to protecting the futures of ADS disabled in service to the nation.

There is a persistent question asked by service disabled veterans nationwide: "Why should service persons risk death, disability and torture to insure the security and prosperity of individuals and organizations that are committed to the abuse of the at risk veteran?"

Our nation has developed a culture of entitlement that has presumed to include the expectation that military serviceperson(s) are to be readily killed and disabled for the security and prosperity of the interests, foreign and domestic, of any resident individual or organization.

Summary:

Human life and well-being are the most precious elements of any society.

The refusal of our nation to support the rehabilitation of those human lives that invested in our national security and prosperity is an outrage.

A legal, legislated policy to permit the ADS to express their specific dissatisfaction with the continued endangering of their life and well-being, is a token recognition of the hypocrisy that surrounds their sacrifice.

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The Servicemember's Voice in Government
Established in 1968

Testimony

of

The National Association for Uniformed Services (NAUS)

presented by

NAUS President
Major General William M. Matz, Jr., US Army, (Retired)

before the

House Committee on Veterans' Affairs

Thursday, September 21, 2006, 10:30 a.m.
Room 334 Cannon House Office Building

Chairman Buyer, Ranking Member Evans, and members of the Committee:

On behalf of the nationwide membership of the National Association for Uniformed Services (NAUS), I am pleased to present our views on the current fiscal year and look ahead to the upcoming year on 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.

Throughout the past year NAUS has given top focus to what is best for our military men and women and what is best for our valiant veterans who have served our country so well. As a nation, we have a solemn, moral obligation to care for our troops, their families, our veterans and survivors.

NAUS firmly believes that, despite funding increases over the recent past, our VA medical care facilities continue to face serious challenges due to medical inflation and rising numbers of veterans seeking care within the VA system. In addition, there are budget challenges facing VA's claims administration as well. Excessive wait times for claims decisions is a clear signal that VA needs additional resources to move claims forward.

NAUS believes that a major part of the answer to the budget challenge must come from consistent, well-grounded, commonsense decisions made to scour the budget and to fund our highest-priority needs.

VA Health Care

As we look back over the past year, we are pleased to see that the challenge to fund the chronically underfunded Department of Veterans Affairs (VA) did not rely on out-of-pocket health care expenses for many veterans.

The leadership on this committee and other congressional champions saw to it that we would not pay for veterans health care by increasing fees. We have recognized that asking sick and disabled veterans to pay for their own health care is not the acceptable answer for the VA funding problems. The answer to the challenge is to adequately fund the Department, so veterans will receive world-class medical care at little or no cost to them.

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.

While NAUS appreciates the strong concern over providing healthcare services to our veterans, we am concerned that the overall VA budget is not sufficient to meet the needs of those currently in the system and of troops returning from Iraq and Afghanistan.

Recently, VA presented information that the waiting list for first-time appointments with VA doctors had fallen to manageable levels. However, improvements in this area of concern do not tell the whole story. Veterans who have already had their first doctor's appointment are not part of the calculation. Many of these veterans tell us that they are waiting up to 9 months for some surgical procedures and specialty care. We can do better than this, and we should.

We ask that all members of the Committee give the same effort in fighting for our veterans that our veterans did fighting for us. It is the right thing to do for the men and women who have given so much in service to our country.

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.

In this regard, Mr. Chairman, NAUS appreciates your work in the bipartisan push to better fund veterans health care and benefits in the coming fiscal year. Rejecting the fees and new charges for veterans and spending more on care for those returning from the battles in Iraq and Afghanistan is warmly welcomed. It will help veterans receive the kind of care they deserve for the sacrifices they made.

Prescription Drug Assistance

Mr. Chairman, we are disappointed that little consideration has been given to those veterans who have been prohibited from enrollment in VA's healthcare system under a decision made by the Secretary on January 17, 2003.

Last February, NAUS urged 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, again, 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

Mr. Chairman, last year at a full Veterans' Committee oversight hearing on claims processing, you said, "We will need to increase the staffing at both the regional compensation office level and at the Board of Veterans Appeals to attack this backlog and prepare for the anticipated increases in additional claims." You also said, " Doing more with less is not a strategy of success."

NAUS strongly supports efforts to find a solution to the rising backlog in claims processing. The provision of timely benefits to disabled veterans and their families can help the disabled veteran afford the necessities of life, so delays in the resolution of a claim is a matter of serious concern.

Veterans coming home from war deserve quick response to their claims. Unfortunately, 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 is falling farther behind.

As of September 9, VBA had 598,338 compensation and pension claims pending decision, an increase of nearly 90,000 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.

The accumulation of claims within the system is unacceptable. We must do all we can to ensure that veterans' claims receive timely, quality decision. Congress and the administration need to provide a stronger VBA budget 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.

Montgomery GI Bill, Education for the Total Force

It is our understanding that the Committee is about to take under consideration a Total Force framework for a new GI Bill for education to include members of the National Guard and Reserves.

NAUS shares a keen interest in this matter with our fellow members of the Partnership for Veterans Education, our partners in The Military Coalition and friends in The Military/Veterans Alliance. We endorse a Total Force approach that meets the needs of all those who wear the uniform.

As the members of the Committee know, there is a growing disparity between Reserve and active duty programs, simply because, we believe, Reserve benefits are under Title 10 and are often neglected when program improvements are made in the Title 38 active duty program.

While the upgrade to a Total Force Montgomery GI Bill is complex, NAUS recommends as a start that Congress act to place Guard and Reserve educational benefits within Title 38 with other

GI Bill benefits. Taking this action would increase the visibility of these earned benefits and help move Guard and Reserve education benefits toward the equity of treatment deserved.

Seamless Transition Between the DoD and VA

Over the past year, the House Veterans' Affairs Committee has developed an 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. Clearly, the provision of a seamless transition for recently discharged military is important for those leaving the military for medical reasons, especially 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.

A Government Accountability Office (GAO) report issued in July noted that DoD and VA had taken a number of positive steps to increase awareness on the medical needs of servicemembers wounded in Operation Enduring Freedom and Operation Iraqi Freedom. The report, however, also found that VA continues to have difficulties gathering real time information from DoD medical facilities.

GAO indicates that progress is being made to advance system interoperability between DoD and VA medical records but according to its report the records of a military patient transferred from

DoD to VA cannot be integrated into VA's electronic record system. In addition, x-rays, MRIs and CAT scans cannot be shared electronically. Simply stated, AHLTA, the DoD digitalized medical record system, does not allow electronic transfers to VISTA, the VA record keeping system.

As we look to the future, there remains a need to improve the system for handing over responsibility from DoD to VA 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 encourages the Committee to continue oversight hearings on DoD progress regarding congressionally directed pre- and post-deployment medical examinations. 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.

VA Information Security

In late May, VA announced the theft from an employee's home of computer equipment containing the personal information on 26.5 million veterans, active duty and guard and reserve members. The lapses that allowed this breach of information security are deeply troubling.

NAUS applauds the FBI and law enforcement for their work to recover our veterans personal data, which occurred at the end of June, a month after the theft. It is great news that after forensic examination of the equipment, the FBI finds no compromise of the sensitive data.

While the entire incident is a reminder to all of us that we need to protect ourselves against the possibility of identity theft, NAUS remains troubled that it took two-weeks for the VA Secretary to be informed about the stolen data. According to the VA Inspector General report, though the data analyst immediately notified local police and VA officials about the theft on May 3, the VA

Secretary was not informed on the theft until May 16. The delay in action indicates a serious breakdown in the chain of command in VA.

NAUS will work with VA, members of Congress, and other veterans organizations to ensure this mess is cleaned up. Every step must be taken to see that this sort of breach never happens again. While I criticize the Department, I also want to highlight VA's success in taking the lead to hire veterans. Their goal is to have 36 percent of their workforce be veterans by the year 2008, up from the present 30.5 percent. VA calls this program "Getting the Preference They Have Earned." And as we look to the future, NAUS would like the Committee to help awaken the rest of the federal government and civilian companies to follow this example and offer employment to those who have served during challenging times.

Research

As Congress moves forward in consideration of its veterans research requirements, NAUS encourages a strong effort to see that critical funding is provided for the VA mission to conduct medical research, especially in the area of traumatic brain injury, spinal cord injuries, blindness and prosthetic research.

It is essential that research be conducted to guide treatment and rehabilitation for these individuals with polytraumatic injuries. VA medical and prosthetic research programs have played a key role in meeting the current and future health challenges facing veterans with disabling injuries. And it is well documented that VA research attracts high-caliber medical talent whose work advances care for veterans with special needs.

Clearly, VA must make research and treatment of brain injuries a high priority. NAUS agrees with members of this Committee who are working to see that VA develops resources to better screen and treat returning veterans who have brain injury.

As well, 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 members of this Committee to authorize and pursue resources for VA's prosthetic research. To 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 looks forward to working with you, Mr. Chairman, to see that priority is given to care for these brave men and women who return from the battlefield injured in service.

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 know 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."

It is reported that more than one-quarter of all combat troops returning from Afghanistan and Iraq who seek care at the VA do so for mental health reasons. According to the New England Journal of Medicine, 16 percent of surveyed Marines and 17 percent of Army soldiers meet screening criteria for major depression, generalized anxiety, or PTSD. These rates are similar to those of service men and women in the Vietnam and Gulf Wars, and it is our understanding that these numbers may even underestimate the severity of the problem.

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.

When considering the number of new veterans seeking mental health support, 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 program 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 is pleased to see the House vote 408 to 0 in June to provide a COLA to 2.9 million service connected veterans and survivors. The COLA, provided every year since 1976, will 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.

Traumatic Injury Protection under Servicemembers' Group Life Insurance (TSGLI)

NAUS is pleased with the Committee's work nearly one year ago to put in place the traumatic injury protection benefit. The benefit serves to help bridge the gap in financial assistance servicemembers and their families receive from the time of injury to the time of their rehabilitation and recovery. Although a DOD benefit, the benefit is administered by the VA.

NAUS is informed that nearly 2,700 servicemembers with traumatic injuries have received payments ranging from $25,000 to $100,000 under the TSGLI program. The average time for the newest claims from time of injury to receipt of money is 21 days or less.

NAUS is informed that 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 continues its support of 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. Scarce 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.

Respect for Fallen Heroes Act

NAUS deeply appreciates passage of H.R. 5037 (Public Law 109-228) to stop protesters from trying to disrupt military funeral services. The legislation was prompted by a series of protests where demonstrators yelled at mourners and made harassing comments about the U.S. Military.

NAUS was pleased to support enactment of this legislation. We honor our US troops who died in the name of their country. They have given the ultimate sacrifice, and they deserve to be buried with the dignity and respect of a nation grateful for their 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. They did all our country asked and more. Our responsibility is clear. We must uphold our promises and provide the benefits they *earned* through honorable military service.

Mr. Chairman, you and your Committee members are making 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 review the previous actions of Congress and look ahead to the upcoming year.

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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

September 21, 2006

Presented by
Kerwin Miller, Director
Office of Veterans' Affairs, District of Columbia

INTRODUCTION

Mr. Chairman and distinguished members of the committee, as a member 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. CBOCs provide better access, leading to better preventative care, which better serves our veterans.

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).

State Home Rule Changes. The VA has changed the procedures for allocating State Home Construction money. The theory is that by allowing partial payments on projects, the Life/Safety projects applied for will not be overlooked and will therefore allow other projects to proceed. The real issue is the amount of money appropriated in light of the amount of projects applied for. Currently the Senate has included $85 million in its version of the budget and the House has included $105 million. The backlog of applications, however, exceeds $800 million and grows annually. This year it is vital to raise the appropriation as much a possible when the committees conference and also to request an increased appropriation in following years.

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 strongly supports an adequate level of funding to allow VBA to keep pace with the rising backlog of claims.

Veterans are now filing a higher percentage of claims than in earlier conflicts and those claims have a greater number of issues. The backlog continues to grow and with the continuing deployments to combat theaters there is no expectation the number will drop.

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 41 project pre-applications pending totaling approximately $176M. We ask that SCGP funding be increased to $50M from $32M.

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 Nation's 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

U. S. HOUSE OF REPRESENTATIVES
VETERANS AFFAIRS' COMMITTEE

Presented by
Les Jackson
Executive Director

September 21, 2006

Testimony of National Commander Gerald Harvey
American Ex-Prisoners of War
September 21, 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 aging 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 Vietnam 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 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.**

Senator Harry Reid introduced S. 2385 known as the Combat Related Special Compensation Act. Rep. Michael Bilirakis, a long time advocate of concurrent receipt legislation, previously introduced the companion bill H. R. 1366 in the House. It is currently before the Armed Services Committee. This legislation will amend some parts of The Combat Related Special Compensation Act chapter 61of the Defense Authorization Act to an earlier effective date of January 1, 2006. With the current effective date of 2014 and their current advanced age it is a statistical probability WWII military retirees will not live to receive this deserved compensation.

Representative Bob Filner introduced H. R. 2369 to provide for the Purple Heart to be awarded to prisoners of war who die in captivity. We ask the committee to give their full support to these bills.

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

Testimony of
Darlene McMartin, First Vice-President
National Association of
County Veterans Service Officers

Introduction

Mr. Chairman, members of the committee, it is truly my honor to be able to present this testimony before your committee. As First Vice-President of the National Association of County Veterans Service Officers, I am commenting on:

- The Past Year in Veterans Legislative Efforts by the National Association of Veterans Service Officers; and
- The upcoming Year and suggestions for improvements in Veterans Affairs.

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 submitting their claims to the DVA for adjudication. We exist to serve veterans and partner with the National Service Organizations and the United States Department of Veterans Affairs (DVA) to serve veterans. Our Association focuses on outreach, standardized quality training, and claims development.

We are extension or arm of government, not unlike the VA itself in service to the nation's veterans and their dependents.

The Past Legislative Session

Over the past year, as in the five years prior, the National Association of County Veterans Service Officers has concentrated on legislation that would assist the Department of Veterans Affairs with claims development and the inventory of pending veteran claims. We fully supported HR 4264 The Veterans Outreach Improvement Act of 2005 by Congressman McIntyre of North Carolina and its companion bill in the Senate S. 1990 by Senator Burr of North Carolina. There are other bills such as HR 4355 The Rural Veterans Services Outreach and Training Act by Congressman Wu of Oregon that we believe to be on the right track to improve services to our great nation's veterans. We believe that legislation such as this, is what is needed to reduce the backlog of veterans claims that has continued to grow larger in spite of valiant efforts of the Department of Veterans Affairs. In 2002 the National Association of County Veterans Service Officers testified before the House Subcommittee on Veterans Benefits that Veterans are "Dying while Waiting" for their claims to be adjudicated. Sadly, this is still going on. The saddest circumstance is that it is needless and can be changed for the better. The relationship between the Department of Veterans Affairs (DVA) and the County Veterans Service Officers (CVSOs) throughout our great nation has traditionally been professional and mutually advantageous and has developed into a partnership benefiting the nations veterans. The DVA has assisted the CVSOs in providing limited training opportunities and access to

information the DVA holds on our mutual clients. By a large majority of disability and pension claims, the CVSO serves as the primary entry point nation-wide for the local veteran to access ~~the~~ services offered by the DVA. Most veterans view the local CVSO as "The VA" and do not realize that the DVA and the CVSO are not one and the same and in many ways we are the VA to our communities.

NACVSO sees the role of County Veteran's Service Officers as one of advocacy and claims development in concert with the veteran or dependent at the grassroots level. Our members sit across the desk from our veterans everyday. Because of this direct access to our veterans, we believe we are in the position to assist the DVA in claims development in an unprecedented way as set forth in HR 616 introduced by Congressman Baca in 2005.. NACVSO believes that developing a fast tracking method for the submission of fully developed claims eases the burden on the DVA's inventory of pending claims and NACVSO also believes that a Pilot program, as outlined in HR 616, would provide relief to the astronomical number of veteran claims awaiting processing around the nation. The process begins with a face to face, in depth interview between the veteran and the CVSO. This initial interview accomplishes many things. It builds a trust between the veteran and the CVSO and provides the veteran with a basic understanding of how the DVA system works. The CVSO honestly explains the process with the veteran while building realistic expectations for the veteran. This results in lessening the impact of frivolous claims or unrealistic appeals that the DVA is mandated to process and develop. Once complete, the application package is then passed on to a state or national service office for review and presentation to the VA regional office of jurisdiction. Any hearings or additional records required can be obtained by the CVSO of record if needed. Once the rating decision is made and received by the veteran, the veteran nearly always returns to the CVSO for an explanation. The

CVSO then interprets the decision for the veteran and explains what the decision means to the veteran and their dependents. The CVSO reviews the rating decision for accuracy and explains the veteran's benefits. If an appeal is warranted, the CVSO can explain what a notice of disagreement is and assist the veteran with the preparation of the appeal. The CVSO can also limit frivolous appeals at this point through proper guidance and counsel to the veteran without further bogging down the system. We believe this division of responsibility, between two arms of government (federal and local), benefits the veteran, the CVSO and the DVA and has the potential to provide a clearer understanding for the veteran of the process of claims development and how the DVA system works.

The Current and next Legislative Session:

The future of Veterans services is the developing partnership between the NACVSO, National Service Organizations and the DVA is the most important legislation Congress can pass for the veterans and dependents that are eligible for Veterans Benefits. County Veterans Service Officers play a vital role in the veteran's advocacy system. The National Association of County Veterans Service Officers views the local County Veterans Service Officer as an extension or arm of government, not unlike the VA itself. VSO Relationships we subscribe to would be a **Full Partnership and Cooperation** between the VBA and all VSO's. This partnership must include the Veterans Service Organizations (VSOs), State Departments of Veterans Affairs (SDVAs), and County Veterans Service Officers (CVSOs).The local CVSO is the closest to the veteran and dependent and with funding from the VA the CVSO could provide services to an increased number of possible beneficiaries. NACVSO is capable of providing an out-stationed network of over **3000 FTE** to develop well-documented and "ready- to- rate claims", help defer frivolous

claims and increase veterans satisfaction by providing timely claim status to the veteran. We are already present in most communities and stand ready to do our part to assist the Department of Veterans Affairs with this monumental task. NACVSO supports HR 4264 and its companion bill S1990, introduced by Congressman Mike McIntyre and Senator Burr of North Carolina. Local grants to county veteran service officers to enhance outreach to veterans and their dependents would also ensure the quality of training provided to the CVSO's meets the highest standards. NACVSO is available and has the capability to assume the roll of manager and develop tracking and payment controls as defined by the grant or administrative claiming program guidelines.

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 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 recent reports in the North Carolina Charlotte Observer. According to a recent study performed by the National Association of State Directors of Veterans Affairs the national average for our nation's veterans who receive Compensation and Pension from the Veterans Administration stands just over 11 % of the number of veterans in the respective jurisdictions. This is merely a measuring stick that many in State and Local Veterans Affairs Agencies believe is at a minimum acceptable level. The National Association of County Veterans Service Officers believe that we must do better. With approximately 88 plus % of veterans not being compensated for injuries or diseases. It is more likely than not a lack of access or knowledge of available

services rather than a lack of interest by the veteran. 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 report obtained by Knight Ridder, 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. 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 into the veteran's community and the local CVSO is the advocate closes 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 for assistance to state and county veterans service officers to enhance outreach to veterans and their dependents. We are already present in most communities and stand ready to do our part to assist the Department of Veterans Affairs with this monumental task.

Standardized or minimum training requirements:

There have already been some discussions by the VA on this topic. This discussion on the development of training standards must be moved to the "front burner." NACVSO has been an advocate for standardized training for claims development for many years. We feel that the person who sits across the desk from the Veteran or their dependents should have a minimum amount of training that will ensure that the veteran is getting proper service and the very best

information available. The service that a veteran receives should not be based on what state or county he or she is living. Every veteran should have the right to expect whoever is helping them is adequately trained and is giving them the very best of assistance. The standards must be set high. As professionals, NACVSO would like to see VA training standards established to help ensure quality assistance to the veteran with his / her claim. With VA standards there needs to come some type of assistance to insure that every county, state and veterans service organization fulfills this requirement. . In this day and age of shrinking county budgets, it only makes sense to provide some sort of training grants for those counties that simply cannot afford the to send their Veterans Service Officers and claims representatives to basic and advanced training. Training is the Key to the success of producing ready to rate claims. The VA has, at its disposal a ready workforce consisting of approximately 3000 FTE ready to become true partners with the VA in claims work. This would also allow the CVSO to strive to meet professional goals and then seek quality professional continuing education to meet accreditation requirements and to gain access to the veterans electronic file.

Improved Access:

Access to the veteran's electronic VA file for CVSO's who have had the proper training, certifications by VSO's for power of attorneys and the correct permissions granted by the VA , have access to the veterans electronic file. We can access the veterans MAP-D and SHARES records using the VA's VPN from remote locations. For those of us who have this access, it has been a tremendous asset when working with a veteran. With this access, we can discuss the veterans claim with the most current information available. This makes all of us who are involved in the benefits process look more professional. The VA should immediately expand training opportunities for the attendance of TRIP Training, encourage certification for

accreditation by VSO's and provide access to all electronic files for the veterans claims to include Virtual VA. Work should start quickly to allow electronic filing of veterans claims, the capability exists to do this. When the claimants paper work, including all supporting documents, can be electronically transmitted to the VA regional office from the remote county office instantaneously and placed in real time in front of a "TRIAGE" person to log in and distribute the work, this can make a real difference in the inventory/backlog of claims. The key to this succeeding is a partnership between governmental agencies like the DVA, the County and the State and Veteran Service Organizations that ensures access to the necessary programs that are under the VA control, for example CAPRI and Virtual VA.

Claim Development:

The Monday Morning Report of 26 August 2006 showed the there was 596,706 veterans C&P claims pending in WIPP. This is approximately double the amount of claims that would ideally be in WIPP. This is an increase of 88,757 claims in one year. This is unacceptable and causes an undue burden on the claimant and the VA workforce. There are two methods to consider in order to reduce the amount of claims pending in WIPP. One method is to hire and train significantly more Development Clerks, Adjudicators and Raters. If there is a 25% increase in these positions, we would see more claims completed than new claim entering the system. This would allow the backlog of claims to be reduced and reduce the amount of time the veteran has to wait on a decision. This would be a costly avenue to pursue and would take 2 to 4 years to be fully effective. The most cost effective way to work down the backlog is to have the VA employees spend less time on each claim. If 15 to 30% less time is spent on each claim, it would result in more claims being processed in the same amount of time. At some point completed claims will

out number the new claims thus reducing the backlog. How can this be accomplished? By the Department of Veterans in partnership with NACVSO and the VSO making a serious effort in providing in-depth training and guidance of true claims development. Any rating officer will tell you that is a pleasure receive a new claim that is fully developed. The rater can review the claim, produce a decision and move on to the next one. You have an army of about 3000 governmental partners who are willing to do more in the development area. The County, City and State Service Officers would welcome an in-depth training program on proper claims development. The National Association of County Veteran Service Officers stand ready, willing and able to assist the VA in the development, piloting, evaluating and the implementation of a professional claims development course.

Mr. Chairman, I thank you for this opportunity to provide this testimony to your committee on veterans issue before this committee. I would be glad to answer and questions you or your committee members may have.

VIEWS OF THE JEWISH WAR VETERANS OF THE USA

As Presented By

Norman Rosenshein
National Commander

September 21, 2006

INTRODUCTION

Chairman Buyer, Ranking Member Evans and members of the House Committee on Veteran Affairs, I am Norman Rosenshein, National Commander of the Jewish War Veterans of the USA (JWV). Mr. Chairman, we sincerely appreciate having the opportunity to appear before you and that you have asked us to present our views.

JWV is Congressionally Chartered and provides counseling and assistance to members concerning the Department of Defense (DoD), the Department of Veterans Affairs (VA), and other government agencies. JWV is an active participant in The Military Coalition, a group of over 30 military associations and veterans' organizations representing over five million active duty, reserve and retired uniformed service personnel, veterans and survivors on Capitol Hill.

Mr. Chairman, JWV was founded on March 15, 1896. Though out these 110 years, JWV has advocated a strong national defense and a just and fair recognition and compensation for veterans. The Jewish War Veterans of the USA prides itself in being in the forefront among our nation's civic and veterans groups in supporting the well-earned rights of veterans, in promoting American democratic principles, in defending universal Jewish causes and in vigorously opposing bigotry, anti-Semitism and terrorism both here and abroad. Today, even more than ever before, we stand for these principles. The Jewish War Veterans of the USA represents a proud tradition of patriotism and service to the United States of America.

JWV believes Congress has a unique obligation to ensure that veterans' benefits are regularly reviewed and improved to keep pace with the needs of all veterans in a changing social and economic environment. We must improve access to veterans' health care, increase timeliness in the benefit claims process, and enhance access to national cemeteries and to state cemeteries for all veterans.

NO GOVERNMENT FUNDING

The Jewish War Veterans of the USA, Inc. does not receive any grants or contracts from the federal government.

JOINT HEARINGS

Every year for decades, the veteran's service organizations look forward to having their members come to Washington to personally present our legislative priorities to a Joint Session of the House and Senate Veterans Affairs Committees. This wonderful tradition has been going for so long; I haven't been able to find anyone who can recall when it began. Sadly, the tradition has ended.

Mr. Chairman, your arbitrary decision to cancel the March hearings creates a feeling of great disappointment among our members. Each year our members eagerly look forward to hearing the National Commander present our legislative priorities to a Joint Session of the House and Senate Veterans Affairs Committees. At each Annual National Convention, our members work very diligently to develop our resolutions which become our legislative priorities. Your decision to cancel the highly anticipated Joint Session has created a feeling of disillusion and frustration among our members. Mr. Chairman, JWV and the other organizations deserve better!

MANDATORY FUNDING FOR THE VA

JWV's major legislative goal is the passage of Mandatory Funding for the VA, thus providing an assured adequate level of funding for veterans' health care. This legislation would require the Secretary of the Treasury to make available to the Secretary of Veteran Affairs for programs, functions, and activities of the Veterans Health Administration for FY 2007, 130 percent of the amount obligated during FY 2005. The current bill number is HR-515.

The Jewish War Veterans of the USA strongly endorses and supports the efforts of Congressman Evans and other members of Congress to provide required funding for veterans' health needs through the introduction of H.R. 515, the Assured Funding for Veterans Health Care Act of 2005.

The Jewish War Veterans of the USA agrees in the strongest possible terms with these friends of veterans' contention that "We can no longer allow the VA to be hostage to the administration's misplaced priorities and the follies of the Congressional budget process. This bill would place veterans' health care on par with all major federal health care programs by determining resources based on programmatic need rather than politics and budgetary gimmicks."

Under the current system, funding for veterans' health care is subject to reduction at any time due to political and programmatic pressures to take money earmarked for the care of those who have served the country, many on the field of battle, and divert those funds to other programs. In this way, the most deserving among us, those who have fought to defend our basic freedoms, are often denied the care which they have earned, which they have been promised, and which they deserve.

The lack of prompt access to the care they deserve and have earned is not acceptable. As the wounded come home in ever-increasing numbers from the battlefields of Iraq and Afghanistan, the problem will only worsen in the years to come. Therefore, it is imperative that all those who honor our brave fighting men and women come together to support Rep. Lane Evans' bill.

It is not enough to mouth support for our current troops and those who fought the brave fight before them. We must all support mandatory funding to ensure their future needs as set out in the legislation proposed by our friends. The Jewish War Veterans of the USA urges everyone to contact his/her senators and representatives to urge their support for this bill and corresponding legislation in the Senate. Our country owes health care to our veterans who must not be

dependent on the whims of the political process to get the benefits they have earned. We must remove funding for veterans' health care from the vagaries of political maneuvering.

POST TRAUMATIC STRESS DISORDER

JWV is also focusing on legislation to improve programs for the identification and treatment of post-deployment mental health conditions, including post-traumatic stress disorder, in veterans and members of the Armed Forces. The current bill number is HR 1588.

THE MILITARY COALITION

JWV continues to be a proud member and active participant of the Military Coalition (TMC). PNC Bob Zweiman, JWV's Chairman of the Coordinating Committee, serves on the Board of Directors of the Coalition. Colonel Herb Rosenbleeth serves as our Washington representative and as Co-Chair of the Coalition Membership and Nominations Committee.

JWV requests that the House and Senate Committees on Veterans' Affairs do everything possible to fulfill the legislative priorities of the Military Coalition. These positions are well thought out and are clearly in the best interests of our military personnel, our veterans and our nation's security.

PRIORITY GROUP 8 VETERANS

Since January 17, 2003, access to Department of Veterans Affairs (VA) care for new Priority 8 veterans has been prohibited. More than 260,000 veterans have applied to receive VA health care but have been turned away because of the cost-cutting decision to limit veterans' access to VA hospitals, clinics and medications. There is no reason for the VA to deny health care to veterans who have served our country honorably. My motto is, "The Mission is the Veteran!"

SUPPORT FOR THE NATIONAL GUARD AND RESERVE

The Jewish War Veterans of the USA recognizes the National Guard and Reserve as being essential to the strength of our nation and the well-being of our communities.

In the highest American tradition, the patriotic men and women of the National Guard and Reserve serve voluntarily in an honorable and vital profession. They train to respond to their community and their country in time of need. They deserve the support of every segment of our society.

If these volunteer forces are to continue to serve our nation, increased public understanding is required of the essential role of the National Guard and Reserve in preserving our national security. Their members must have the cooperation of all American employers in encouraging employee participation in National Guard and Reserve training programs.

The Jewish War Veterans of the USA encourages all employers to pledge that:

1. Employment will not be denied because of service in the National Guard or Reserve;
2. Employee job and career opportunities will not be limited or reduced because of service in the National Guard or Reserve;
3. Employees will be granted leaves of absence for military training in the National Guard or Reserve, consistent with existing laws, without sacrifice of vacation;
4. Employers must recognize that their employees' rights must be protected when their workers are activated in the war against terrorism, regardless of whether that activation was for State or Federal service; and
5. Leading by example, the Jewish War Veterans of the USA, as an employer, has signed a pledge under the auspices of the National

Committee for the Employer Support of the Guard and Reserve, to be a good employer. We ask our members who are employers to do so as well.

The Jewish War Veterans of the USA demands that all members of the National Guard and Reserves be treated as equal partners in America's total force structure entitled to all of the rights and benefits afforded to those in the active components and that they be equipped with all assets necessary to perform their mission.

CONCLUSION

Mr. Chairman, my motto is, "The Mission is the Veteran!" I ask you and the Members of this Committee to make this your motto also.

Veterans' Widows International Network, Inc.
Founded * Denver, Colorado * March 1995
Member of THE MILITARY COALITION

vwin95@aol.com
www.vetsurvivors.com

September 3, 2006

To the honorable Chairman Steve Buyer and members of the House Committee on Veterans' Affairs.

The Veterans' Widows International Network, Inc. (VWIN) was founded in Colorado 11 years ago. Its National Council is addressing the following exposé for your review and consideration of action. Some existing Veterans' Survivors benefits are in dire need of drastic overhaul. Additionally, a new benefit should be created, one granted and a last one given a great deal of thought. They are:

- SBP/DIC offset
- Reimbursement of final paycheck
- 10 years waiting period
- S 77 IS
- Space-A travel
- National Veterans' Survivors recognition Day
- Creation of an office for Survivors
- Realignment of BRAC bases to be closed into retirement villages for Retirees.

Since 1999, several members of Congress and military organizations have written down of their endorsements of VWIN's goals. We cannot list all, but a few are introduced here.

To begin with, VWIN is calling for the immediate repeal of the dollar for dollar offset penalizing Survivors who qualify for both the Survivor Benefit Plan (SBP) and the Dependency and Indemnity Compensation (DIC). SBP is selected by veterans upon retirement from active duty to provide financial security for their next of kin. The monthly premiums are withdrawn from their retirement paychecks until the time of their death. On the other hand, DIC is awarded to Survivors of veterans whose deaths are the outcome of medical conditions suffered while on active duty. In other words the price of the benefit was paid in human kind.

Another practice, which must be discontinued at once, is the reimbursement by the Survivors of both the last government and Social Security checks upon the death of the veterans. Many survivors are left with minor children (others in college), various bills to be paid including mortgages, credit cards debts and in some instance medical bills.

National Chairperson
Edmée J. Hills
Phone & Fax: (303) 693-4745

3657 E. South Laredo St
Aurora, CO 80013

Vice-Chairperson
Eunice Luke
Phone: (303) 942-1465

The following benefit requirements need to be amended: The Dependent and Indemnity Compensation (DIC) benefit eligibility criteria require that the veteran be continuously rated totally disabled (100%) for a period of ten or more years immediately preceding death. The Department of Veterans' Affairs should take into consideration the date when the 100% disability rating is first applied for, instead of the date when the disability award is granted. In light of the fact the U.S. courts statute of limitation at its longest is only seven years and that there are other different statutes of limitation for different causes of actions this ten years requirement should be reduced. For example, equity skimming is only six years and bankruptcy seven.

The Department of Veterans' Affairs should only call for six to seven years waiting period. When a 100% disabled veteran dies before the ten years waiting period, the survivor who has provided most of his or her care for so many years, is barred from receiving DIC on his or her own. The present criterion is not justified.

In January 2005, a new survivor benefit was created when Senator Sessions introduced Senate Bill 77 IS. Although both the Senate and the House have passed it, it has not as yet been enacted into Law. This Bill stipulates new widows/ers of members of the Armed Forces who die while deployed in combat zones would receive $100,000 death compensation plus whatever insurance plans the veterans chose. This 'new widows benefit' would be retroactive to September 7, 2001. What makes these survivors different than those who lose their spouses from 100% Service related disabilities incurred on active duty? How do you explain to them that they don't qualify for the new survivors benefit because their spouses did not die on active duty, although they are faced with conditions that will ultimately cause their death? Families who have taken care of them over long periods of time, agonize as they watch their loved ones suffer and deteriorate, knowing full well Service connected medical conditions are responsible for their demise.

Jonnie Mae Stearnes, who lost her husband in 1966 and her brother in 1970 as a result of the Vietnam conflict stated, " *What the President is working on, shouldn't just be geared toward the soldiers lost in the war in Iraq*". We respectfully request that all military widows be considered equally when discussing compensations, as they have all suffered loss equally whether it was years ago, or today. The loss of one life is no greater than the loss of another's.

If S 77 IS is finally enacted into Law as presently written, there will only be one fair solution to alleviate the injustice to be inflicted upon other veterans' survivors than the 'new widows'. DIC recipients should be awarded monthly increases of $250 to $300 until their death.

The Department of the Air Force should be required by the Department of Defense to extend Overseas Space-A travel to those survivors who qualify for this benefit. Why should we be barred from this benefit because our sponsors are deceased?

Next is the issue of a national day of recognition for all Veterans' Survivors on June 28 of each year. The President has refused us that honor year after year. Under the date of September 13, 2003, members of the Colorado Congressional Delegation under the tutelage of Congressman Tancredo, sent the following letter to the President. Henceforth, in September 2003, VADM Norbert R. Ryan, USN (Ret) President of the Military Officer Association of America, sent the enclosed letter to the VWIN Chairperson. Finally, The Military Coalition sent this next letter to VWIN. regarding its complete support of that issue. (Encl. 1-2-3-4)

Now comes the suggestion to create a new VA office. The needs to create one national office solely dedicated to handle Veterans' Survivors benefits inquiries, became evident to the newly founded Veterans' Widows International Network, Inc. when it began to receive inquiry upon inquiry from military widows who had been jilted over for benefits they felt there were entitled to. Once convinced that issue would have to become its #1 Goal, VWIN drafted the following Resolution under the date of January 20, 1998. (Encl. 5)

One year later, THE MILITARY COALITION having endorsed VWIN's Goal, addressed similar letters to both Congressman Bob Stump, the then Chair of the House Committee on Veterans' Affairs and Senator Arlen Specter. (Encl. 6&7) No interest was ever shown by anyone.

Here is an example to illustrate VWIN's claims of inadequate ministration of Survivors requests by so many so-called counselors as stated in its Resolution of January 98.
In this instance, although the death of the veteran was declared by doctors as service connected, the VA refused to issue DIC to the widow stating there were no records showing the veteran was ever in Vietnam. Later, VWIN's Chairwoman searching with the widow within the husband's military records, came across a document citing decorations which the latter had been awarded for his service in Vietnam. We are sure you can guess the end of this true story!

We let you be the judges. We are sure you will agree our Veterans' Survivors deserve better attention and treatment than this. This is simply appalling.

The office suggested here should be staffed with multilingual counselors, well trained in the art of listening and patient enough to help survivors reconstruct a veterans' 201 file if necessary. Initial inquiry forms should be made available at VA hospitals, Libraries, Congressional Offices and overseas Consulates. Military Organizations, military bases Public Affairs and Retirees' Affairs offices should be required to publish such information in their publications and 800 numbers for that new office carried in every telephone directory across the Land.

To end this exposé, VWIN recommends that bases slated for closure by BRAC, especially if they have medical facilities and other DOD amenities, should be realigned into military retirement villages for military retirees and their families and veterans' survivors. This recommendation is made in spite of the provisions of the Pryor Amendment of 1992.

After initial conversions expenditures, the rental revenues would be used for the up-keep of those federal facilities.

Since its inception, our organization has received hundreds of pleas for help. In our efforts, we have become convinced that these are the actions that will provide due assistance to our veterans' survivors.
We wish to thank you for your attention to these crucial matters and we hope we have convinced you of the needs we have expressed here.

With the very best regards from the members of VWIN Council.

Edwina J. Hills on behalf of VWIN COUNCIL

Congress of the United States

Washington, DC 20515

September 17, 2003

#1

President George W. Bush
The White House
1600 Pennsylvania Avenue, NW
Washington, DC

Mr. President,

On December 7, 1992, the forty first president of the United States, George Herbert Walker Bush, at a wreath-laying ceremony at the United States Navy Memorial said the following. "Today we remember the servicemen, the brave and the innocent, who gave their lives to keep us free. The men we honor served a noble cause and made America forever proud."

President George H. W. Bush was correct in recognizing the service of these brave men and women. However, the time has come to similarly acknowledge the significant sacrifices made by their widows. They gave their husbands and wives to the great cause of freedom. They waited valiantly for their spouse to return, but it was not to be. They carry on caring for the children of the fallen. They recount the stories of their spouses so that we can never forget the cost freedom. They remind us every day of how life and liberty is precious.

This is why many states, including Colorado, have proclaimed June 28th as Veterans' Widow Day. June 28th was chosen as Veterans' Widow Day because on that day in 1778, the sacrifices of military widows was first recorded. We would ask that you consider the attached resolution so that we can not only recognize the sacrifices of those who died for our country, but also those who gave their husbands and wives to our country.

Sincerely,

THOMAS G. TANCREDO
Member of Congress

BOB BEAUPREZ
Member of Congress

DIANA DEGETTE
Member of Congress

JOEL HEFLEY
Member of Congress

SCOTT MCINNIS
Member of Congress

MARILYN N. MUSGRAVE
Member of Congress

MARK UDALL
Member of Congress

MOAA
Military Officers Association of America
FORMERLY TROA

VADM Norbert R. Ryan, Jr. USN (Ret)
President

#2

September 25, 2003

Edmee J. Hills
National Chairperson
Veteran's Widows International Network, Inc.
3657 South Laredo St., "E"
Aurora, CO 80013

Dear Mrs. Hills:

Thank you for your recent letter informing us of your efforts to seek a presidential proclamation to honor veteran's survivors each year on June 28th. We believe this is a very worthy effort and stand ready to provide additional support if you desire. The many veterans' survivors in this country have made countless sacrifices over the years. It is time that we recognize them with their own special day and let them know how much we appreciate all they have done in support of our armed forces.

Sincerely, & all the best
Norb Ryan

201 N. Washington Street
Alexandria, VA 22314-2539
800 234 6622 phone

T H E M I L I T A R Y C O A L I T I O N
201 North Washington Street
Alexandria, Virginia 22314
(703) 838-8113

#3

August 18, 2004

Mrs. Edmee J. Hills
National Chairperson
Veterans' Widows International Network, Inc.
3657 E. South Laredo St.
Aurora, CO 80013

Dear Mrs. Hills:

The Military Coalition (TMC), a consortium of nationally prominent military and veterans organizations, representing more than 5.5 million members plus their families and survivors, is writing to express support for the Veterans' Widows International Network (VWIN) and its efforts to urge the President to designate June 28 of each year as Veterans' Survivors Day.

For over 200 years, the spouses of our servicemembers have supported their loved ones when they have been called to serve and fight for this nation. Many sacrifices have been made by these spouses in keeping families together at home. We believe this day of recognition for over one million veterans' widows is well deserved and is at least a small token of thanks from a grateful nation.

The Coalition supports the long-overdue recognition of this very important group of survivors and wishes you every success in this endeavor.

Sincerely,

The Military Coalition
(Signatures Enclosed)

#4

Air Force Association

Air Force Sergeants Association

Air Force Women Officers Associated

American Legislative Association

AMVETS (American Veterans)

Army Aviation Assn. of America

Assn. of Military Surgeons of the United States

Assn. of the US Army

Commissioned Officers Assn. of the US Public Health Service, Inc

CWO & WO Assn. US Coast Guard

Enlisted Association of the National Guard of the US

Fleet Reserve Assn.

Jewish War Veterans of the USA

Marine Corps Reserve Association

Military Officers Assn. of America

Military Order of the Purple Heart

National Association for Uniformed Services

National Military Family Assn.

Naval Enlisted Reserve Assn.

Naval Reserve Assn.

Navy League of the US

Non Commissioned Officers Assn. of the United States of America

Reserve Officers Assn.

Society of Medical Consultants to the Armed Forces

The Military Chaplains Assn. of the USA

The Retired Enlisted Assn.

United Armed Forces Assn.

USCG Chief Petty Officers Assn.

US Army Warrant Officers Assn.

Veterans of Foreign Wars of the US

5

RESOLUTION

Drafted by the VETERANS' WIDOWS INTERNATIONAL NETWORK, INC.

January 20,1998

WHEREAS, over 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.

THE MILITARY COALITION

201 North Washington Street
Alexandria, Virginia 22314

#6

May 13, 1999

The Honorable Bob Stump
House Veterans Affairs Committee
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The Military Coalition, a consortium of nationally-prominent military and veterans associations, representing more than five million current and former members of the uniformed services, plus their families and survivors, urges you to give immediate attention to the enclosed Resolution of the Veterans' Widows International Network, Inc. that proposes the creation of a national central office to oversee all needs of our veterans' survivors. This is a vital issue never addressed before that needs to be remedied at once. The Coalition would appreciate your prompt and strong support of this initiative to protect the interests of the survivors of our deceased veterans.

Sincerely,

The Military Coalition
(Signatures enclosed)

Enclosures

#7

Air Force Association

Air Force Sergeants Association

Assn. of Military Surgeons of the United States

Assn. of the US Army

Commissioned Officers Assn. of the US Public Health Service, Inc.

CWO & WO Assn. US Coast Guard

Enlisted Association of the National Guard of the US

Fleet Reserve Assn.

Jewish War Veterans of the USA

Marine Corps League

Marine Corps Reserve Officers Assn.

National Guard Assn. of the US

National Military Family Assn.

National Order of Battlefield Commissions

Naval Enlisted Reserve Assn.

Reserve Officers Assn.

Society of Medical Consultants to the Armed Forces

The Military Chaplains Assn. of the USA

The Retired Enlisted Assn.

The Retired Officers Assn.

United Armed Forces Assn.

USCG Chief Petty Officers Assn.

US Army Warrant Officers Assn.

Veterans of Foreign Wars of the US

Veterans' Widows International Network, Inc.

National Association of State Veterans Homes

"Caring for America's Heroes"

TESTIMONY OF

DORIS NEIBART

PRESIDENT
NATIONAL ASSOCIATION OF STATE VETERANS HOMES
AND
CHIEF EXECUTIVE OFFICER, VETERANS MEMORIAL HOME
PARAMUS, NEW JERSEY

OVERSIGHT HEARING TO REVIEW THE PREVIOUS YEAR AND LOOK AHEAD TO THE UPCOMING YEAR

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

SEPTEMBER 21, 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.

Mr. Chairman, as you will recall, the budget debate last year for fiscal year 2006 was a difficult one for the State Home program, with the Administration proposing to dramatically scale back support for veterans residing in State Homes. Thanks to your leadership, and the support of this Committee, the Administration's proposals to restrict per diem payments to only a small portion of the numbers of 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 that this historic partnership with VA was essential to the care of veterans.

Looking back to the beginning of this year, we were relieved that the President's fiscal year 2007 VA budget did not repeat the ill-advised proposal to cut back per diem payments, and we are pleased that VA has indicated that it intends to continue its current policies of paying full per diem allowances. But we remain very concerned about the matching-grant construction program.

VA's budget for this program has grown slowly over the past 15 years in order to meet the rising demand by veterans for long term care. However, last year the State Home construction grant program was cut from $104 million down to $85 million, and this has threatened to undermine all of the progress made in the past decade. The Administration's recommendation for continuing this cut to $85 million in State Home construction grants for FY 2007 is simply inadequate given the backlog of projects, many of which are vital life and safety repairs and upgrades. Fortunately, the House passed an increase to bring the total back up to $104.3 million, and further required that no less than $20 million be reserved exclusively for life and safety projects. To date the Senate has not acted on VA's appropriation for next fiscal year, and we remain concerned that the Senate may accept the Administration's proposed reduced funding level.

This Committee should be aware that States have presented over $400 million in projects that are presently pending before VA. Also, a February 2006 VA survey of States documented that $161 million will be required in life-safety projects alone over the next few years. We believe that the total backlog of all conceivable State construction projects, including increased capacity to meet rising demand in California, Texas, Florida and other States, could easily top $1 billion. We implore Congress to strengthen this program with additional investments to ensure these projects move forward in a timely manner, rather than be backlogged for many years in that pipeline.

Mr. Chairman, at NASVH's mid-winter meeting here in Washington in March, our membership formally approved new legislation to pursue this Congress, goals that we are still working to enact before the end of this session. We would like to take this opportunity to thank the Honorable Jeb Bradley, a Member of your Committee, along with Health Subcommittee Ranking Member Michaud, who introduced legislation embodying our goals: H.R. 5671, the Veterans Long Term Care Security Act. The provisions of H.R. 5671 have already been adopted by the Senate and are supported by all the major veterans organizations, who jointly wrote you to express that support in July 2006.

Mr. Chairman, H.R. 5671 fixes several inconsistencies and anomalies in current law regarding the equitable treatment of veterans residing in State Homes. For example, there is no mechanism in current law to authorize VA to place severely service-connected veterans in State homes. As you and other Members recall, the Veterans Millennium Health and Benefits Act (Public Law 106-117) provided mandatory 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 in VA facilities, or in community nursing home care under VA contracts. The State facilities are never used by VA for these high priority placements, because VA cannot by law pay State home facilities the actual cost of these veterans' care. State homes 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 community nursing homes for the same care. We meet all of VA's standards in providing our care to veterans, including round-the-clock registered nursing, physician attendance and other requirements. We believe that VA as well as seriously

disabled service-connected veterans should have State veterans homes available as an option for placements in long-term care, and H.R. 5671 would establish this authorization.

Mr. Chairman, on a similar basis to the inequity that exists for service-connected veterans' placements in State veterans homes, in instances in which 50 percent service-connected disabled veterans are resident in our homes (several hundred service-connected veterans are in fact resident in State homes), VA provides no medication benefit to them. If a veteran is 50% disabled from a service-connected disability, by law that veteran is eligible for comprehensive VA prescription medication services as a part of "medical services" eligibility. However, that benefit does not accrue to that veteran if he or she is a resident in a State veterans home by virtue of an alleged "opinion" by VA's General Counsel. We believe this denial is unfair to veterans in our homes, and unfair to the State homes themselves that care for these service-connected veterans. H.R. 5671 would provide authorization for these veterans to participate in VA's pharmacy benefits program.

Finally, Mr. Chairman, we observe significant gaps in long term care services to veterans in remote and rural regions, including areas in Northern Idaho, the Neighbor Islands of Hawaii, Alaska, Wyoming, Montana, Kansas and other rural, remote 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 these criteria that some rural States could justify building State homes based upon statewide veteran populations. However, it would not be practical to expect elderly, disabled veterans from close-knit families in isolated villages and towns to leave their families and travel great distances 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 in a rural State. H.R. 5671 would provide for a three-year pilot program to authorize the VA Secretary to designate, or "deem" 100 beds nationwide in pre-existing health care facilities to meet these purposes. We believe the precedent for this deeming authority was set by Congress in the State of Alaska, a matter about which we provided testimony at the Committee's February 16, 2006 hearing.

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.

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

United States House of Representatives

109TH CONGRESS

Oversight Hearing

21 September 2006

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to present the views of the Association of the United States Army (AUSA) concerning 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 105,000 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, as Chairman Buyer has recognized, 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 giving them much less value as a recruiting and retention incentive. This also sends a signal to Reserve Component personnel that their service is undervalued. 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.

Similarly AUSA urges the Congress to enact pending legislation that would establish portability of educational benefits for members of the Reserve Component activated for at least one year under contingency operation orders. Currently, they are not allowed to use their MGIB benefits in civilian life after they complete their commitment.

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 servicemembers 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 Guard members 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 remains 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 applauds the Congress' rejection of the administration's request and urges it to continue to oppose such fees in the 110th Congress.

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.

National Association of County Veterans Service Officers
2200 Wilson Blvd., Suite 102,#530
Arlington, VA 22201-3324

Ann G. Knowles- President
Darlene McMartin- 1st Vice-President
James Tackett 2nd Vice-President

October 6, 2006

Honorable Steve Buyer
Chairman of Committee on Veterans Affairs
U.S. House of Representatives
335 Cannon House Office Building
Washington, DC 20515

Dear Chairman Buyer:

On September 21, 2006, NACVSO had the privilege of providing testimony to the House Veteran Affairs Committee. In that testimony, we commented on our position of when veterans have the right to be represented by an attorney. We wanted to go one step further and provide you a breakdown of our view that resulted in our position.

NACVSO POSITION

"The veteran should have the right to choose who will represent him/her when the claim is presented to the VA. It becomes a question of "When is the right time to hire an attorney". It is the position of The National Association of County Veterans Service Officers that attorneys should not be involved in a veteran's claim while the claim is at the Regional Office (VARO). Once a claim is denied and docketed at the Board of Veterans Appeals (BVA), a veteran at his / her choosing may elect to have a paid attorney provide legal representation. This compromise will allow the veteran to process a claim on its own merit, within the system, as it was designed".

[It will also allow VA to do its job quickly, efficiently, accurately and compassionately with a minimum of controversy, if it can and if it will.]

INTRODUCTION

The claims processing system was designed historically in a manner that would task the Department of Veterans Administration to develop and adjudicate claims for veterans' benefits in a non-adversarial process. We do not want to jeopardize that concept. Once a claim is filed VA is generally obligated to notify a claimant of evidence needed to substantiate the claim, assist the claimant in obtaining that evidence, and provide the claimant with the benefit-of-the doubt when weighing the evidence and making a decision. When VA denies a

claim the agency is obliged to provide reasons and bases such that the claimant can understand the reason for denial, permit the claimant to correct deficiencies in the weight or sufficiency of evidence necessary to establish entitlement, and provide an explanation that will permit a thorough and appropriate review of the denial on appeal. When a claimant disagrees with VA's initial decision, claimant may seek a more favorable outcome by following what is supposed to be a non-adversarial appeal process within the agency. This may include multiple reviews of accumulated evidence by adjudicators at the regional office (VARO) and, eventually, a review by the Board of Veterans Appeals.

Veterans/claimant's have always been permitted the assistance of advocates, but they are almost exclusively representatives without law school training employed by State or County government (County Veteran Service Officers) and service officers working as volunteers or employees of Veteran Service Organizations, all working without charge to the claimants.

Attorneys have never been barred from assisting claimants pursuing benefits from VA. However, since 1862 there has been a limitation of fees the attorney was allowed to collect. In 1862 the fee was set at $5, and was raised to $10 in 1864. The restriction remained in place until 1988 when Congress created the U.S. Court of Veterans Appeals. The committee recognized the new right to judicial review would be a hollow right without providing for a reasonable attorney fee for a claimant whose case was appealed to the Court. At that point VA maintains a large staff of attorneys to defend their denials (whether right or wrong), comply with Court rules, and prepare briefs to defend the agency's decisions. When Congress enacted the Veterans Judicial Review Act the $10 fee limit was removed, but claimants were not permitted to hire attorneys until after the date on which the Board of Veterans Appeals (BVA) first makes a final decision in the case. VA and the Court have also taken the position that legal fees are only permitted to the extent deemed reasonable by the Court.

The question now raised is whether veterans ought to have a right to hire a "lawyer" at an earlier stage in the claims processing proceedings. Our answer is yes, when a case is certified to, and docketed at BVA.

CLAIMANTS SHOULD BE PERMITTED TO HIRE LAWYERS WHEN THE CASE REACHES BVA

We wish to protect the fundamental principal that claims processing is to be performed in a paternalistic system where the claimant is supposed to be assisted by the agency in a collaborative effort to establish the entitlement. We are concerned that if lawyers are permitted to seek benefits for claimants for fees at VARO, VA will counter that move by hiring lawyers at VARO escalating litigation and adversarial attitudes. But, the fact remains that the agency denies thousands of claims each month and creates the perception (if not the reality) that the agency is much more of an adversary seeking ways to deny rather than a loving parent finding ways to grant benefits to the veterans, widows and orphans who seek entitlements.

The complex tapestry of the system is apparent when reviewing the numerous statutes, evolving regulations, presumptions, definitions, diagnostic codes, rating policies, fast letters, bulletins, VA General Counsel's Opinions, adjudication manuals, and the confusing tapestry of case law that continues to define and interpret the endless volumes that reveal the concepts of "veterans law". It is not surprising that VFW testified at the Senate Committee on Veteran's Affairs, March 7, 2006, " [f]or a veteran without a service officer, navigating the highly complex bureaucracy that VA claims process has become is a nightmare." **So when should a claimant be permitted to hire a lawyer ...** At the Board of Veterans Appeals.

When a case leaves the VA regional office it is sent to the Board of Veterans Appeals (BVA) where the adjudicators are exclusively attorneys. BVA currently has 56 "Veterans Law Judges" each of who have as many as 3 staff lawyers. Fair play would dictate that the claimant whose claim is being "judged" by VA's lawyers, should be permitted to hire a lawyer to evaluate the issues, sift through the evidence, shore up weaknesses in the evidence, discuss veteran friendly presumptions, identify and raise substantive and procedural legal arguments, and ensure the case is ready to rate.

Claimants should be permitted to hire attorneys to frame issues and arguments to be presented to BVA. CAVC has adopted what has been called an "exhaustion requirement." The Court will not consider evidence or issues that were not raised, considered and decided by BVA. When claimants fail to properly raise critical matters before the agency (VARO & BVA) their claims are foreclosed. If evidence in the file is not properly considered at BVA and that issue is successfully identified at CAVC, the case will be returned to the agency for more development, closer scrutiny and a new decision. If the claimant is not provided relief at BVA, and the Court finds a dispositive issue was not raised at BVA, the issue is not properly before the Court of Appeals for Veterans Claims. The appeal will be dismissed for lack of jurisdiction. Remands are better for the veterans than a decision affirming BVA because it had a "plausible basis" for their factual determination, but remands are often deadly – the veteran or his dependents never see the end of the litigation before death ends life … and the claim.

The Court (CAVC) is not permitted to weigh the facts of a case on a de novo basis. [Current law was established in a foundational rule by the Court of Veterans Appeals in Gilbert v. Derwinski (1990) 1 Vet.App 49 "[CAVC] is not permitted to substitute its judgment for that of the BVA on issues of material fact: if there is a "plausible basis" for the factual determinations, even if this court might not have reached the same factual determinations, we cannot overturn them."] The law permits CAVC to reverse factual determination only if findings of fact are determined to be "clearly erroneous". [A finding is clearly erroneous when although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed.]

To most claimant/litigants these rules of law simply deprive the veteran from a thorough and complete appeal, because the court gives deference to almost all material findings of fact entered by BVA. The veteran ought to be permitted the assistance of lawyer counsel when evaluating evidence extant, before an adverse ruling is handed down by BVA.

It has been argued that veterans should be able to file claims for disability benefits and receive fair decisions from VA without the necessity to hire and pay a large portion of their benefits to lawyer advocates. Most veterans and service officers would share that hope. But, the large inventory of cases on appeal is staggering, each represents a claim that was not (in the eyes of the claimant) decided fairly. The strength of accredited service representatives is in their front-line work in the field, filing claims for compensation and pension, developing claims and succeeding at the regional office level in most routine cases. The better that accredited representatives do their jobs the more likely VA will decide a case quickly and correctly. But the further up the appellate chain the case must go the more likely it presents complicated legal or factual issues; it becomes less and less routine. At that point most claimants lose a personal relationship with their accredited service representative. It is only fair they be permitted to pay a fee and hire a lawyer to pursue an appeal at BVA.

It is certainly possible that paid legal counsel may streamline a review of evidence, provide focus on well-developed claims and even eliminate frivolous claims. Delay encountered because cases get stagnant in an appeal posture could be shortened and cases "settled" if a Veterans Law Judge were willing and able to communicate directly with a lawyer and resolve thorny factual or legal issues. Such a collaborative effort may reduce case volume and appellate delay.

We are not overlooking the fact that there are many dedicated, well trained nonlawyer service officers employed by local government and by Veteran Service Organizations who are quite capable of providing sound professional guidance to veterans at the BVA level. But when claimants become unsure of the competence or experience of a free service officer, the claimant ought to have the right to seek the services of a different free VSO or employ (hire) a person in whom they have confidence.

We are also quick to agree that lawyers who do not become familiar with the laws, regulations, procedural rules and individual case files can be detrimental to a claimant's chances of success – there can be inexperienced, ineffectual, incompetent veteran service officers and inexperienced, ineffectual, incompetent lawyers. It is only reasonable to believe accredited representatives and lawyers working in veterans' advocacy can train and learn from each other, and the veteran will benefit by this cooperation.

SUMMARY

Many veterans feel hopeless and frustrated when trying to cope with denials and what they perceive as intransigent Veterans Administration bureaucracy. As they attempt to navigate through the appeals process receiving unyielding and mystifying decisions they want the right to hire an advocate. There is likely to be some change in the statute that has historically barred lawyers from charging fees to assist claimants who are pursuing entitlements that are purportedly available to veterans and their dependents in accordance with federal law. The question is, "when should lawyers be permitted to charge a fee to represent claimants in the administrative process of claims adjudication?"

Arguably, if VA did a better job of befriending applicants, counseling, guiding and assisting veterans in developing a ratable claim, and seeking ways to grant rather that reasons to deny, then veterans may perceive a truly veteran-friendly atmosphere and accept what might be accurately deemed a paternalistic system of claims adjudication.

VA has a system in place at their regional offices to develop evidence and assist claimants who seek and need compensation and pensions. The better VA performs its duty to notify, assist and satisfy claimants, the less likely a veteran will feel the need for appellate action at the Board of Veterans Appeals.

However once the case proceeds to Form 9 status (a formal request for a BVA decision) it is presented to lawyers hired by VA to evaluate and support or reject decisions made at the regional office. BVA must determine if the adjudication made at VARO is correct both legally and factually, as well as determine if VA has complied with its duty to assist the veteran. If there is evidence to support a claim, but a Veterans Law Judge subjectively determines the evidence does not meet the standard of persuasion known as "equipoise", the veteran loses the right to add more evidence in an appeal to the court. And, the Court will affirm that judgment if they can find any "plausible" basis for the decision, even if they would not have made the same determination

if they were the fact-finder. If the Veterans' Law Judge finds that all the laws and regulations were properly considered and applied in making the decision at VARO, his legal conclusions are the law of the case unless overturned by CAVC. And if the veteran's advocate (currently not a lawyer) does not raise a legal objection about how a law or regulation was applied or interpreted, the veteran loses the right to raise the objection by a lawyer at the court. If VA lawyers make such assessments and enter decisions at BVA, it seems only fair to level the playing field to allow the veteran to hire a lawyer at that stage in the appellate process.

We do not address additional questions of how attorneys may be limited in the amount of fees to be charged at that stage in the controversy. We do believe the government ought not to be ordered to pay fees for a veteran's lawyer appearing at the BVA level of the administrative appeal. [Such fees are available through EAJA at CAVC.] By the time a case has been decided at BVA, substantial past due benefits may be due. Veterans will make their own determinations whether they want to hire lawyers instead of use advocates provided without charge by Veterans Service Organizations or County VSOs when available. Indeed lawyers will make their own determinations to accept or reject clients; filtering out cases they deem to be frivolous

If we can be of further assistance, please advise.

Sincerely,

National Association of County Veterans Service Officers

Ann G. Knowles, President
Darlene McMartin, 1st Vice-President
Clarke Barnes, Judge Advocate
John Steele, Chairman Legislative Committee
George Hunt, Chairman Washington Liaison