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LEGISLATIVE PRESENTATIONS OF THE NATIONAL ASSOCIATION OF STATE DIRECTORS OF VETERANS AFFAIRS, THE AMVETS, THE AMERICAN EX-PRISONERS OF WAR, AND THE VIETNAM VETERANS OF AMERICA

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

MARCH 30, 2006

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LEGISLATIVE PRESENTATIONS OF THE NATIONAL ASSOCIATION OF STATE DIRECTORS OF VETERANS AFFAIRS, THE AMVETS, THE AMERICAN EX-PRISONERS OF WAR, AND THE VIETNAM VETERANS OF AMERICA

THURSDAY, MARCH 30, 2006

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10:00 a.m., in room SD–106, Dirksen Senate Office Building, Hon. Larry E. Craig (Chairman of the Committee) presiding.

Present: Senators Craig, Akaka, Salazar, and Obama.

OPENING STATEMENT OF HON. LARRY E. CRAIG, U.S. SENATOR FROM IDAHO

Chairman CRAIG. Well, good morning, ladies and gentlemen and fellow Americans. Welcome to the Committee on Veterans' Affairs. The Committee will now be in order.

It is my pleasure to welcome all of you here today. I would like to single out a person in your membership who is a personal friend of mine that we have worked with over the years who represents my home State all so well. I said hello to him a few moments ago, Herb Kerchoff, National Director of the Northwest Region, American Ex-Prisoners of War. Herb, thank you.

Herb is from beautiful Couer d'Alene, Idaho. For those of you who have not been there, this is a personal invitation from Herb to visit him.

I wish to thank all of you for your fine service and that service that you have rendered veterans in your respective communities over the years. Your valuable contributions of service to many of our veterans is greatly appreciated.

The past year has been an extremely gratifying one for me, my first as Chairman of the Veterans' Affairs Committee here in the Senate. I sincerely believe that this Committee and its Members, while sometimes differing in approach, are all united in one common mission: ensuring that our Nation's veterans, particularly veterans wounded in the line of duty receive the highest quality health care and benefits that they need. By any measure, we have had a very busy and productive first session, convening 23 hearings here in Washington, nine field hearings, and four mark-ups.

More importantly, the committee-related activity has led to several what I think are extremely important accomplishments. I am

going to single out one of those accomplishments in particular that deserves special attention because some of you were instrumental in securing its enactment. About a year ago, I walked into my office to meet three veterans of Operation Iraqi Freedom. One of them was missing a leg. Another was missing both legs, and the third had lost his sight. They asked that I sponsor legislation to create a new insurance benefit for traumatic injuries such as theirs, but not for them, mind you, but for their fellow compatriots and for future severely wounded service Members, and here is the result that we can all be proud of:

Earlier this month, VA has now paid out to almost 1,500 traumatically injured members from OIF and OEF. These are young men and women with amputations, severe burns, total blindness, total deafness, paralysis, and a host of other disabilities, all of them sustained in defense of America. Going forward, Wounded Warriors Insurance will fill the gap in financial help that these heroes need and faced during their convalescence. Thank you for helping us get that done.

Let me touch on what has consumed much of our attention of late, the fiscal year 2007 VA budget. I believe this record budget is extraordinary. The Senate-passed budget resolution would provide VA health care systems a 12.4 percent increase in direct appropriations. That would mean that since 2001, VA health care budgets have increased by nearly 70 percent. At these rates, the cost of VA medical care will double every 6 years. There is almost no other area of the Federal budget that has experienced that kind of increase.

Yes, if what is demonstrated continues in a fiscal austere climate, the President and us and you have a challenge to sustain this level of spending—a top budget priority of this President, a top budget priority of ours. That said, I am concerned that at the present spending rates, VA budgets will soon collide with spending demands in other areas of the government. Although we may wish that VA funding exists in a vacuum, you and I both know it does not and I am sure that everyone here is aware that the President has proposed one way for us to respond to some of these realities, by asking Priority Seven and Eight veterans with no service-related disabilities to contribute about $21 per month to enroll in the VA health care system and to pay $15 for a 30-day supply of medicine.

While these proposals did not survive in the budget resolution, they reflect a fiscal reality of limited resources that we must face someday. I personally find these proposals to be reasonable, and while I know that many in your organizations voiced concern and even opposed, I reiterate, my hope is that VSOs and others will engage this Committee in serious and candid discussion if not about the President's proposal, then about other options.

It is our collective responsibility to sustain this incredible VA health care system today and for future needs. If we begin addressing these issues now, we can help ensure that future veterans will not be faced with even bigger challenges and more radical changes to meet those challenges. Personally, I do not want to pass this issue on to the next guy or gal that may chair this Committee. I want to pass on to tomorrow's veterans what we have collectively

created, a health care system that provides quality care, that is accessible to those who need it, but affordable to those who want it. I hope you agree with my goals and are willing to work with me and my colleagues on this effort.

Today, we have four distinguished members of the veterans community testifying. They are George Basher, National President, National Association of State Directors of Veterans Affairs; Gerald S. Harvey, National Commander, American Ex-Prisoners of War; John Rowan, National President, Vietnam Veterans of America; and Edward Kemp, National Commander for AMVETS.

[The prepared statement of Senator Craig follows:]

PREPARED STATEMENT OF HON. LARRY E. CRAIG, U.S. SENATOR FROM IDAHO

Good morning, ladies and gentlemen. The Committee on Veterans' Affairs will now come to order. It is my pleasure to welcome all of you here today. I'd like to single out a person of your membership from my home State of Idaho who is in attendance:

Mr. Herb Kirchhoff, National Director of the Northwest Region, American Ex-Prisoners of War. He is from Coeur D'Alene, Idaho. I wish to thank all of you for the fine service you render the veterans in your respective communities. Your valuable contributions of service to many of our veterans is greatly appreciated.

The past year has been an extremely gratifying one for me . . . my first as Chairman of the Veterans' Affairs Committee. I sincerely believe that this Committee and its Members, while sometimes differing in approach, are all united in one, common mission: ensuring that our nation's veterans—particularly veterans wounded in the line of duty—receive the highest quality of health care and benefits that they need.

By any measure, we have had a busy and productive first session, convening twenty-three hearings here in Washington, nine field hearings, and four markups. More importantly, committee-related activity has led to several important accomplishments.

I am going to single out one accomplishment in particular that deserves special attention because some of you were instrumental in securing its enactment. About a year ago, I walked into my office to meet with three veterans of Operation Iraqi Freedom: one was missing a leg; another was missing two legs; and the third had lost his sight. They asked that I sponsor legislation to create a new insurance benefit for traumatic injuries such as theirs. Not for them, mind you. But for their fellow compatriots, for future severely wounded service members.

And here is the result we can all be proud of: Earlier, this month, VA had paid almost 1,500 traumatically injured service members from OIF/OEF. These are young men and women with amputations, severe burns, total blindness, total deafness, paralysis, and a host of other disabilities . . . all of them sustained in defense of America. Going forward, "Wounded Warrior" insurance will fill the "gap" in financial help these heroes face during their convalescence.

Let me touch on what has consumed much of our attention of late . . . the fiscal year 2007 VA budget. I believe this record budget is extraordinary. The Senate passed budget resolution will provide VA's health care system with 12.4 percent increase in direct appropriations. That would mean that since 2001, VA's health budget has increased by nearly 70 percent. At this rate the cost of VA medical care will double every 6 years. Yes, it conclusively demonstrates that in this fiscally austere climate, both the Senate and the President have chosen to make veterans, once again, a top budget priority.

That said, I am concerned that at present spending rates, VA's budget will soon collide with spending demands in other areas of government. Although we may wish that VA funding existed in a vacuum, it simply does not.

As I am sure everyone here is aware, the President had proposed one way for us to respond to these fiscal realities . . . by asking priority 7 and 8 veterans—with no service-related disabilities to contribute about $21 per month to enroll in the VA health care system and pay $15 for a 30-day supply of medicine. While these proposals did not survive in the Budget Resolution they reflect a fiscal reality of limited resources that we must face someday. I personally find these proposals to be reasonable, and while I know that many in your organizations voiced concern and even opposition I reiterate my hope that the VSOs and others will engage this Committee in serious and candid discussions . . . if not about the President's proposals, then

about other options. It is our collective responsibility to sustain this incredible VA health care system into the future.

If we begin addressing these issues now, we can help ensure that future veterans will not be faced with even bigger challenges and more radical changes to meet those challenges. Personally, I do not want to pass this issue on to the next guy. I want to pass on to tomorrow's veterans what we have collectively created, a health care system that provides quality care that is accessible to those who need it, but affordable to those who want it. I hope you agree with my goals and are willing to work with me and my colleagues in our efforts.

Today we have four distinguished members of the veteran community testifying.

They are: Mr. George Basher, President, National Association of State Directors of Veterans Affairs; Mr. Gerald S. Harvey, National Commander, American Ex-Prisoners of War; Mr. John Rowan, National President, Vietnam Veterans of America; and Mr. EDWARD W. Kemp, National Commander, AMVETS.

Chairman CRAIG. Before I turn to our panelists this morning and testifiers, let me turn to the Ranking Member, Senator Danny Akaka of Hawaii. Danny and I work very closely together on all of the issues that pertain to veterans.

Danny.

STATEMENT OF HON. DANIEL K. AKAKA, U.S. SENATOR FROM HAWAII

Senator AKAKA. Thank you very much, Mr. Chairman. It has always been a pleasure for me to be part of this Committee and to work with you.

Before I proceed with my statement, I just want to comment on the news we received this week. My counterpart in the House, Congressman Lane Evans, will be retiring at the end of this year. Congressman Evans is a true champion for veterans and I will greatly miss working with him. As a Vietnam-era Marine and an unyielding advocate for veterans and their families, Mr. Evans has done so much for our country's veterans. He is a true patriot and we will all miss his great leadership. I look forward to continuing to work with him this year and wish him my warmest aloha for the future.

Mr. Chairman, it is certainly a pleasure to be here with our veterans. I want to thank the commanders and national presidents who are testifying here today, and my thanks go as well to all veterans and their families who have made the journey to the Nation's Capital to express their concerns. This truly is the democracy in action.

Your organizations have a long and proud tradition of public service, and your advocacy on behalf of veterans is truly exemplary. This Committee relies heavily on your concerns and agendas for the coming year.

I would like to share some of my concerns and priorities. During this time last year, many of us here in Congress were sounding the alarm that the VA budget was facing a crisis situation. Many months later, the Administration acknowledged this fact and Congress took action to provide emergency funding. Chairman Craig kept his promise and was a driving force behind that emergency funding.

When we started working together last year, we pledged to work in a bipartisan manner, and we have done so. There are times, however, when we agreed to disagree. We both agree that veterans deserve to have the best health care, the best services, and the best

benefits, though we sometimes disagree on how to pay for it. I want to be clear, however, that we have the same goal and that is to ensure that VA is provided with the resources to provide quality care and services to our Nation's veterans. I remain dedicated to ensuring that VA has the resources it needs to care for all veterans.

We must learn a lesson from last year's budget crisis and do everything we can to ensure that veterans and their family members have access to the health care and benefits they have earned. VA's budget has increased for the past 6 years, as mentioned by the Chairman, since 2001. It has increased by 70 percent, and this is as it should be.

The cost of caring for our veterans is in my opinion a cost of war. If the Department of Defense's budget can grow exponentially and we fund it yearly out of supplementals, it makes sense that VA's budget needs to grow exponentially as well. It is no secret that each service member that we so readily fund out of DOD will eventually seek services from VA. It follows, then, that if DOD's budget grows steadily, VA's budget must grow steadily as well.

For me, it is a matter of priorities. We must stand by our veterans and ensure that they receive the care and services that they have earned through their service to our country and we must ensure that we care for all veterans. We cannot fund the VA system out of the pockets of the middle income veterans as many of these men and women make as little as $27,000 a year. Higher copayments and enrollment fees are not justified. To date, over a quarter of a million veterans have been excluded from VA health care. We must work to overturn this Administration's decision and open the VA system up to those who need it.

I also am concerned about the VA research program being slated for a cut under this budget. Since its inception, the VA research program has made landmark contributions to the welfare of not only veterans, but the entire Nation. Illustrating the unique importance of keeping it adequately funded with thousands of military personnel engaged in conflict overseas, it is vital that Congress invest in research that could have a direct impact on their post-deployment quality of life.

With regard to VBA budget, I am concerned whether or not this budget provides an adequate level of staffing for compensation claims rating. VA must be ready to adjudicate claims in a timely and accurate manner. I believe that VA must begin to hire additional staff now to handle the anticipated influx of new claims from recently separated service members.

In closing, I would like again to thank the witnesses and all who are here with us today. Your service, your dedication to this Nation and its veterans is unquestionable. I look forward to your presentation and working with you in the future.

Thank you very much, Mr. Chairman.

[The prepared statement of Senator Akaka follows:]

PREPARED STATEMENT OF HON. DANIEL K. AKAKA, U.S. SENATOR FROM HAWAII

It is certainly a pleasure to be here today. I want to thank the Commanders and National Presidents testifying today. My thanks go as well to all the veterans and their families who have made the journey to the Nation's capital to express their concerns. This is truly democracy in action. Your organizations have a long and proud tradition of public service and your advocacy on behalf of veterans is truly

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I would like to share some of my concerns and priorities. During this time last year, many of us here in Congress were sounding the alarm that the VA budget was facing a crisis situation. Many months later, the Administration acknowledged this fact and Congress took action to provide emergency funding. Chairman Craig kept his promise and was a driving force behind the emergency funding. When we started working together last year, we pledged to work in a bipartisan manner. And we have done so.

There are times, however, when we agree to disagree. We both agree that veterans deserve to have the best health care, services, and benefits. Though, we sometimes disagree on how to pay for it. I want to be clear, however, that we have the same goal and that is to ensure that VA is provided with the resources to provide quality care and services to our Nation's veterans.

I remain dedicated to ensuring that VA has the resources it needs to care for all veterans. We must learn a lesson from last year's budget crisis and do everything we can to ensure that veterans and their family members have access to the health care and benefits they have earned.

VA's budget has increased over the past 6 years. This is as it should be. The cost of caring for our veterans is, in my opinion, a cost of war. If the Department of Defense's budget can grow exponentially, and be funded yearly out of supplementals, it only makes sense that VA's budget needs to grow exponentially as well. It is no secret that each servicemember that we so readily fund out of DOD will eventually seek services from VA. It follows then, that if DOD's budget grows steadily, VA's budget must grow steadily as well. For me, it is a matter of priorities—we must stand by our veterans and ensure that they receive the care and services that they have earned through their service to our country. And we must ensure that we care for all veterans.

We cannot fund the VA system out of the pockets of "middle-income" veterans, as many of these men and women make as little as $27,000 a year. Higher copayments and enrollment fees are not justified. To date, over a quarter of a million veterans have been excluded from VA health care. We must work to overturn this Administration's decision and open the VA system up to those who need it.

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In closing, I would like once again to thank the witnesses and all who are here with us today. Your service and dedication to this Nation and its veterans is unquestionable. I look forward to your presentation and working with you in the future.

Chairman CRAIG. Senator Akaka, thank you, and let me join with the Senator in his expression and recognition of Congressman Lane Evans and his retirement. He clearly has been a dedicated public servant with veterans foremost in his mind almost his entire service period here, and we have had the opportunity to work with him. We will miss him in his retirement.

Let me also add before we turn to our panelists, Senator Akaka and I insisted last year with the budget difficulties we had with the VA that they change their practices and their habits and that they report to us on a quarterly basis of their spend-down and their needs, and they are now doing that. Yesterday before the Subcommittee of MILCON, which is MILCON and Veterans Affairs that I serve on in Appropriations, we took testimony from the Secretary. Not only did he refer to that effort that Senator Akaka and

I insisted upon, but they are now reporting monthly to OMB, the Office of Management and Budget.

This is without question a new precedent for them. It will help us shape and understand their needs much more clearly. It will allow us to read trend lines of growth and demand or the lack of demand. It will show all of those factors, and I think that that is a very positive step, and Senator Akaka and I insisted that that be a part of the way that we would deal with VA and the only way we would deal with VA when it came to budget matters, open, transparent, and timely reporting as to their fiscal needs.

Now let us turn to all of you witnesses and, again, we thank you so very much for being with us this morning. Let me first turn to George Basher, President, National Association for State Directors of Veterans Affairs.

George, welcome before the Committee.

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

Mr. BASHER. Thank you, Mr. Chairman.

Mr. Chairman and distinguished Members of the Committee, as President of the National Association of State Directors of Veterans Affairs, I thank you for the opportunity to testify and present the views of the State Directors of all 50 States, our commonwealths and our territories. As the Nation's second largest provider of services to veterans, spending over three and a half billion dollars this year, State Government's 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 Craig and Ranking Member Akaka and the entire membership of the Senate Veterans' Affairs Committee for their past support of building on 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 will need our help as they return to civilian life, and 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.

The State Directors support the Capital Asset Realignment for Enhanced Services, CARES, process, and we urge that the capital funding required for implementation be included over a reasonable period of time to enable these recommendations to be realized. We recommend an in-depth examination of long-term care of mental health services. The CARES Commission review did not include long-term care of mental health services, but it did recommend further study of both areas. To that end, we ask again that a study be done to thoroughly examine veterans' long-term care and continue the study currently being done in mental health service needs to include gap analysis clearly identifying where services are lacking.

The CARES report recognized State veteran homes as a critical component of veteran 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 the national long-term health care workload for our infirm and aging veteran population. Forty-eight States provide care for more than 27,500 veterans in 120 homes.

We urge you to continue to oppose proposals that jeopardize the viability of our State veteran homes. State tax payers have supported the State homes through their 35 percent share of construction costs with an understanding that the Federal Government will continue to make its contribution through per diem payments.

Since 1977, State construction grant requests have consistently exceeded congressional appropriations for the program. According to the fiscal year 2006 priority list, pending programs, there are 80 projects in Priority Group One with State matching funds of $226 million for a Federal match of $420 million. Any grant moratorium or lessening only exacerbates an already underfunded program where the fiscal year 2006 appropriation is only 85 million.

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

We support increasing the per diem payment to one-half of the national average annualized for cost in State veteran homes. Current law allows VA to pay per diem up to one-half the cost of care of a veteran in a State home; however, in the first quarter of 2005, the VA per diem payment amounted to only 31 percent of the daily average cost of nursing home care. We ask that the per diem for both programs be increased to one-half the national average annualized cost of providing care.

We support Medicare subvention. We recommend veterans medication purchase option be implemented for Priority Group 7 and 8 enrollees. Under the compensation and pension benefits area, we support consideration of a greater role for State Director Divisions of Veteran Affairs in the overall efforts to manage and administer claims processing regardless of whether the State uses State employees, veteran service organizations, or county veteran service officers. As noted in the recent VA Inspector General review of variances, veteran access to competent claim assistance is still very much an action of geography, and this organization stands ready to assist VA in alleviating that condition.

We strongly support improving and providing a seamless transition and help our returning service members' transition back into civilian life and also support veterans preference with regard to employment.

Mr. Chairman and distinguished Members of the Committee, we respect the important work that you have done to improve and support veterans who have answered the call to serve our Nation. State Directors of Veterans' Affairs remain dedicated to doing our part. We urge you to be mindful of the increasing financial challenge that States face just as you address the fiscal challenges at the Federal level. We are dedicated to our partnership with the VA in the delivery of service and care to our Nation's veterans.

This concludes my statement, and I am ready to answer any questions you might have.

[The prepared statement of Mr. Basher follows:]

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

INTRODUCTION

Mr. Chairman and distinguished Members of the Committee, as President of the National Association of State Directors of Veterans Affairs (NASDVA) I thank you for the opportunity to testify and present the views of the State Directors of all 50 states, commonwealths, and territories.

As the nation's second largest provider of services to Veterans, State governments' role continues to grow. We believe it is essential for Congress to understand this role and ensure we have the resources to carry out our responsibilities. We partner very closely with the Federal Government in order to best serve our veterans and as partners, we are continuously striving to be more efficient in delivering services to veterans.

We greatly appreciate the leadership of Chairman Craig and Ranking Member Akaka and the entire Membership of the Senate 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 fiscal year 2007, with sufficient funding in the budget.

NASDVA recommends an in-depth examination of long-term care and mental health services.

Long-Term Care and Mental Health Services in CARES Initiatives: The CARES Commission review did not include long-term care or mental health services, but did recommend further study of both areas. To that end, we again ask that a study be done to thoroughly examine veterans' long-term care and continue the study currently being done on mental health care needs, to include gap analysis clearly identifying where services are lacking. The CARES report recognized State Veterans Homes (SVHs) as a critical component of veterans' long-term health care and a model of cost-efficient partnership between Federal and State governments. These State nursing care facilities and domiciliaries bear over half of the national long-term health care workload for our infirm and aging veteran population. Forty-eight (48) States provide care for more than 27,500 veterans in 120 SVHs. We urge you to continue to oppose proposals that jeopardize the viability of our SVHs. State taxpayers have supported the SVHs through its 35 percent share of construction costs with an understanding that the Federal Government would continue to make its contribution through per diem payments. The Federal Government should continue

to fulfill its important commitment to the states and ultimately to the individual veterans in need of care.

NASDVA continues its strong support for the State Home Construction Grant Program. The annual appropriation for this program should be continued and increased. Based on the reduction in funding in fiscal year 2006, we recommend that the amount in fiscal year 2007 be increased to $115 million. Re-ranking of projects should be eliminated once a project is established as Priority group 1 (state matching funds are available).

Funding of the State Homes Construction Grant Program. Since 1977, state construction grant requests have consistently exceeded Congressional appropriations for the program. According to the fiscal year 2006 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 fiscal year 2006 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 percent 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 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, 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 fiscal year 2005, VA per diem amounted to only 31 percent of the average daily cost of nursing home care ($185.56) and only 25 percent 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 2 years ago that this program would be available to veterans within a few months. Another year has now passed without implementation.

Optional Purchase of VA Medications. NASDVA requests Secretary Nicholson consider a veterans' medication purchase option. Large numbers of Priority group 7 and 8 enrollees are seeking prescription drugs; they do not necessarily seek access to the

VA health care system. A medication only purchase program could separate this population from the enrollee lists and reduce backlogs, assisting VA in delivering services to the core constituency of service-connected veterans. Such a plan would provide veterans an attractive alternative to Medicare Part D funding for pharmaceuticals.

Protection of VA Pharmaceutical Costs. NASDVA requests continued protection of the Federal Supply Schedule 'FSS) for VA/DOD pharmaceuticals. While we support the goal of reduced drug prices for all Americans, we are concerned that if the FSS prices were extended to Medicare recipients or other entities, it would result in increased prices for VA/DOD, diverting millions of dollars from health care funding for veterans.

NASDVA supports continued efforts to reach out to veterans. This should be a partnership between VA and the State Departments of Veterans Affairs (SDVAs).

Outreach to Veterans. While growth has occurred in VA health care due to improved access to CBOCs, many areas of the country are still short-changed due to geography and/or due to veterans' lack of information and awareness of their benefits. VA and SDVAs must reduce this inequity by reaching out to veterans regarding their rights and entitlements. NASDVA supports implementation of a grant program that would allow VA to partner with the SDVAs to perform outreach at the local level. There is no excuse for veterans not receiving benefits to which they're entitled simply because they are unaware of those benefits.

COMPENSATION AND PENSION BENEFITS

NASDVA supports considerations of a greater role for SDVAs in the overall effort to manage and administer claims processing, regardless of whether the state uses state employees, Veterans Service Organizations 'VSOs), and /or County Veterans Service Officers 'CVSOs).

Restructured Claims Management. Recent studies regarding claims processing have all noted that VA needs to make better use of the assets of the State government and VSOs to assist in claim processing. One example is the October 2001 Claim Processing Task Force Report to the Secretary, which stated:

> "The full partnership and cooperation of VBA and Veterans Service Organizations 'VSOs) are vital elements in assuring timely service to the veteran. A well-developed network of VSOs and State Departments of Veteran's Affairs (SDVAs) should be encouraged to cooperatively enhance the delivery of services to veterans. Service organizations can help improve service to beneficiaries and increase veteran satisfaction by providing assistance in gathering evidence for the development of a well documented and "ready-to-rate" claim, helping deter frivolous claims, and by providing timely information on claim status."

Additionally, as noted in the recent VA Inspector General's Review of State Variances in VA Compensation Payments, veteran access to competent claim assistance is still very much an accident of geography. Effective advocacy for veterans from initiation of a claim to a VA decision can improve sufficiency and timeliness of claims. Numerous studies indicate "well-developed" claims produce better outcomes for veterans in a shorter time and at a lower cost to VA.

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

For all the reports and testimony to the contrary, VBA has not been very successful in making effective use of the state/county/VSO system of service officers and counselors. Under the current system of claims processing, the interface between VBA and those who represent veterans is clumsy and poorly integrated. We recommend VBA explore methods of integrating its existing and future applications and its business process with those state, county, and VSO personnel supporting claim processing. We further recommend the establishment and enforcement of uniform training programs and performance measures for all personnel involved in the preparation of veteran claims.

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

We appreciate the fiscal year 2005 Defense Authorization Act authorizing full concurrent receipt of retired pay and disability compensation for retirees with 100 percent 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 percent 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 percent 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 percent over the past 5 years with a corresponding increase in interments. Currently there are some 40 project pre-applications pending totaling $160M. We ask that SCGP funding be increased to $50M.

Establishment of a State Veterans Cemetery Operations Grant Program. SDVAs are provided construction grants for veterans' cemeteries and a limited burial plot allowance as discussed above to partially offset the cost of interment. Operational costs for both state and national veterans' cemeteries continue to rise. However, once a state establishes a state veterans' cemetery there is no further source of Federal funding to defer operational costs. NASDVA recommends the establishment of a Federal grant program to assist state veterans' cemeteries with operational costs.

HOMELESSNESS AMONG VETERANS

NASDVA supports efforts to diminish the national disgrace of homelessness among veterans. SDVAs would prefer an active role in allocating and distributing per diem funds for homeless veterans to non-profit organizations, ensuring greater coordination, fiscal accountability, and local oversight of the services provided.

Homeless Providers Grant and Per Diem Program: VA grants greatly assist states in reducing homelessness among veterans and we urge an increase in per diem 'currently $27.44) to ensure appropriate support services at transition facilities. Additionally, NASDVA recommends VA partner with SDVAs in the process of allocating and distributing per diem funds to non-profit organizations. This would create an appropriate level of accountability and collaboration between non-profit agencies and SDVAs, ensuring funding is used to provide care to veterans in the program in a most effective manner.

SEAMLESS TRANSITION AND JOBS

NASDVA strongly supports improving upon and providing "Seamless Transition" to help our service members' transition into civilian life.

We support the expansion of the Transition Assistance Program 'TAP). Efforts need to be made to maximize the integration of services provided by the DoD, VA and State and Local Governments. It must be recognized that no single agency can adequately meet the transition needs of our returning service members.

NASDVA strongly supports Veterans' preference with regard to employment.

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

CONCLUSION

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

the call to serve our nation. NASDVA remains dedicated to doing our part, but we urge you to be mindful of the increasing financial challenge that states face, just as you address the fiscal challenge at the Federal level. We are dedicated to our partnership with the VA in the delivery of services and care to our Nations Veterans.

This concludes my statement and I am ready to answer any questions you may have.

Chairman CRAIG. George, thank you very much for that statement, and to all of our panelists, your full written statements will be a part of the record.

Before I turn to you, Gerald, let me recognize one of our colleagues that has joined us for any opening comments he would like to make, Senator Ken Salazar of the State of Colorado.

Ken.

STATEMENT OF HON. KEN SALAZAR, U.S. SENATOR FROM COLORADO

Senator SALAZAR. Thank you very much, Chairman Craig and Senator Akaka, for holding today's hearing. I want to thank the members of the National Association of State Directors of Veterans Affairs, the AMVETS, the American Ex-Prisoners of War, and the Vietnam Veterans of America for coming here today. Your presence here today and your testimony will ensure that we here at the United States Senate do the very best that we can to fulfill our Nation's promise to the veterans of America.

I have a longer statement, Mr. Chairman, and I will submit that for the record, but again, I just want to welcome all of you and say thank you for being here to provide your testimony today.

[The prepared statement of Senator Salazar follows:]

PREPARED STATEMENT OF HON. KEN SALAZAR, U.S. SENATOR FROM COLORADO

Thank you, Chairman Craig and Senator Akaka for holding today's hearing. As a relatively new Member of this Committee, I have found these hearings incredibly helpful as I further my understanding of the issues that are uniquely important to our veterans.

With that in mind, I want to thank the members of the National Association of State Directors of Veterans Affairs, the AMVETS, the American Ex-Prisoners of War, and the Vietnam Veterans of America for coming here today to talk about the legislative issues that are so important to them—and to us as Members of this Committee. We certainly value what you have to say; we are here to represent you by doing everything we can to ensure that you receive the best support our nation can provide.

We've now had several hearings on this year's budget proposal for the Department of Veterans' Affairs, and we've had an opportunity to evaluate the budget from the varied perspectives of a diverse range of our nation's prominent veterans' groups. Yet at each of these hearings, we seem to be hearing the same thing—that while the 2007 budget proposal for Veterans' Affairs is better than last year, it remains deficient in a number of critical respects.

For example, this Administration wants to generate revenue and decrease costs by establishing enrollment fees and doubling prescription drug co-payments for Priority 7 and 8 veterans. As I've said before, this is an unacceptable solution. While I certainly understand the need to focus our services on those veterans who need the most help, we cannot turn our backs on the promises we have made to provide all our veterans with the high-quality healthcare they deserve. For that reason, I oppose these enrollment fees and co-pay increases.

Another troubling aspect of this budget proposal is the revelation that, beyond fiscal year 2008, it projects drastic cuts in VA funding. Whether or not this is an accurate reflection of the intentions of this Administration, the fact remains: deep budget cuts for veterans' services and cynical budget shell games are equally unacceptable. We need to provide for our veterans each and every year. We also need to be

honest about the challenges we face when it comes to future deficits and their potential impact on the quality of healthcare services we can provide.

In my view, the way to solve this problem is to provide mandatory funding for VA healthcare. I have co-sponsored legislation that would make this goal a reality, and I will continue to push for mandatory funding for VA because I believe it is the best way to provide for the ever-growing needs of our veterans.

In addition, there are a number of benefits issues that must be addressed immediately. We need to end the disability tax on veterans and allow full concurrent receipt immediately. And we must support our military survivors by allowing them to receive compensation in the event that their spouse passes away due to service-related causes—compensation that does not interfere with the survivors' insurance their spouse paid into while he or she was alive.

Finally, I'd like to express a general concern about our national veterans' policies. Specifically, I am concerned that these policies fail to meet the needs of a particularly vulnerable veterans' population—veterans living in rural communities. In my home state of Colorado, some veterans have to travel hundreds of miles to receive treatment from VA facilities. We need to be aware of the challenges our rural veterans face, and we need to make sure the Federal agencies responsible for assisting them are adequately equipped to meet their needs. That's why I recently introduced legislation with Senator Thune and several other Members of this Committee to ensure the VA is sufficiently targeting its efforts toward rural veterans.

As we continue to face these and other challenges, I want to again thank Chairman Craig and Senator Akaka for all they do as leaders of this Committee. I also want to thank you, our veterans, for your continued diligence in working to help us serve you better.

Thank you.

Chairman CRAIG. Ken, thank you very much.

Now let us turn to Gerald Harvey, National Commander, American Ex-Prisoners of War.

Gerald, welcome before the Committee.

STATEMENT OF GERALD S. HARVEY, NATIONAL COMMANDER, AMERICAN EX-PRISONERS OF WAR

Mr. HARVEY. Chairman Craig, Ranking Member Akaka, distinguished Members of the Senate Veterans' Affairs Committee, and guests. I welcome the opportunity to speak on behalf of American Ex-Prisoners of War. We are deeply grateful for all that Congress and the VA have done for prisoners of war over the last 30 years.

As you know, prior to that, POWs were an invisible part of this Nation's veterans. It has been incorrectly stated that 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 rights of all Americans to be free. We were so happy to be free, we simply wanted to enjoy that freedom at home with our 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 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 World War II. For the first time, the identities of those captured, re-patriated, 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 related to POWs. In a very real sense, POWs were changed to a high-priority group within VA and Congress.

Over the past 30 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 Science provided the basis for these congressional and VA actions.

At present, most of the long-term health problems associated with brutal and inhumane conditions of captivity have been identified and are 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 Science has stated in writing that this more accurately reflects their finding. Cirrhosis is simply the final stages 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 also exposed to adverse factors while in captivity that are 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 Representative Michael Bilirakis, and S. 1271, introduced by Senator 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 offset by rapidly diminishing numbers of POWs already on the disability rolls or favorably acted on by VA adjudicators by a longer process of evaluation.

Earlier this month, Senator Harry Reid introduced A. 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, 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 61 of the Defense Authorization Act, to an earlier effective date of January 1, 2006. With a concurrent effective date of 2014 and their advanced age, it is a statistical possibility World War II military retirees will not live to receive this deserved compensation.

Representative Bob Filner introduced H.R. 2363 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 veteran population. We are also grateful for VA's ongoing efforts to identify every POW and for them to be processed for VA benefits by adjudicators specially trained to handle POW claims.

Thank you.

[The prepared statement of Mr. Harvey follows:]

PREPARED STATEMENT OF GERALD S. HARVEY, NATIONAL COMMANDER, AMERICAN EX-PRISONERS OF WAR

Chairman Craig, Ranking Member Akaka, Distinguished Members of the Senate 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 30 years. As you know, prior to that, POWs were an invisible part of this nation's 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 re-awakened 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 30 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.

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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.

Chairman CRAIG. Gerald, thank you. Thank you very much, Gerald.

Now let us turn to John Rowan, National President of Vietnam Veterans of America. John, welcome again before the Committee. Good to see you.

STATEMENT OF JOHN ROWAN, NATIONAL PRESIDENT, VIETNAM VETERANS OF AMERICA

Mr. ROWAN. Thank you, Chairman Craig. Thank you, Member Akaka.

Chairman CRAIG. Is your microphone on, John?

Mr. ROWAN. Now, it is.

Chairman CRAIG. There you go. Thank you.

Mr. ROWAN. I thought it was automatic. I was watching everything else.

Anyway, starting again, thank you, Senator Craig, Chairman of the Committee, and Ranking Member Akaka and Senator Salazar for allowing us to testify here this morning. I am appreciative to be able to join my distinguished colleagues, and hearing their words, we support what they said before and I am sure what the gentleman from the AMVETS will say as well and, of course, the veterans that are here joining us this morning and their families and friends.

Our testimony this year, our legislative agenda this year, was a little bit different. We really focused on three overarching issues, basically funding, which you had mentioned earlier, accountability, and outreach, and while we appreciate the increases that have been coming down the VA budget over the last several years, we believe it has only been a start to recoup from the losses we had suffered in the late nineties over several years of flat-line budgets.

We also believe, quite honestly, that we predicate all of our discussions on what we believe is the looming health crisis and benefit crisis in the VA. Obviously the VA was not ready for a new war and all of the new men and women coming home from Iraq and Afghanistan and elsewhere around the world. More importantly, they weren't ready for the Vietnam Veterans. They weren't ready for our agent orange-related service-connected disabilities that are now showing up as we get into our fifties and early sixties. All of the diseases that are now presumptive, diabetes, prostate cancer, lung cancer, all of the many cancers are ravaging the Vietnam Veterans.

Everybody talks, of course, because of the age of the World War II Veterans and how quickly they are dying off. We are dying off at a faster rate than any veterans previously ever recorded in the history of this country because of agent orange. "The Veteran", which is our national newspaper, every month comes out with hundreds of names of our own members, just our members, who are dying every month, and if you look at the ages and you look at the results and why, it is cancer, heart attack, cancer, cancer, diabetic-related problems, cancer, on and on.

This is creating a health crisis, I believe, in the VA because they are not ready for us. The reason why they are not ready for us is because they never finished the National Vietnam Veterans Longitudinal Study that should have been finished 3 years ago that was mandated by Congress, which the VA has totally disobeyed. They

disobeyed your order to do this study to find out what has been happening with Vietnam Veterans over time. The Australians did their study and they showed what happened, and they have been dealing with their veterans, but we haven't been dealing with ours.

We think that our issues, our health care issues, are putting a substantial burden on the VA and will continue to do so over the next several years. What is really concerning to us is they are not doing outreach to these Vietnam Veterans. Many veterans don't belong to VSOs, don't belong to the VA and, therefore, don't understand when they get that prostate cancer, it has something to do with where they were 35 years earlier.

It is not just the fiscal issue. It is a health care issue. We need to tell Vietnam Veterans in particular that they need to go to their doctors, whether they are VA or private, and get annual exams, detailed exams for all of the myriad of things that we unfortunately suffer from, and while the budget may be a problem and we understand the fiscal realities of life—everybody has to go home and write a checkbook every month—the problem is this is the continuing cost of national defense, as Senator Akaka said earlier.

Like it or not, this is just a bill that was left over from Vietnam from 35 years ago. We may have left there in 1975 in the last helicopters off the roof of the embassy, but that bill is still being paid every day by Vietnam Veterans, and we need to make sure that the VA has the resources to cover that bill not only on the health care side, but on the benefit side. In a weird perverse way, the Vietnam Veterans are affecting that too. The Vietnam Veterans are retiring from the VA in droves. They are reaching retirement age. They came to work for the VA and they are sitting there as adjudicators or senior adjudicators or appeals officers, and all of those people in the VA are going to march out the door over the next several years because they reached retirement age and they are not being backfilled with newer veterans. We hope they do. We need to do a lot more of that, and they are not prepared for that either.

So all of those cases, while we understand fiscal realities, as we said, this is a cost. We didn't ask for it. It is a cost that has to be bourne by this country because they sent us off to war and just as they are sending the new veterans off to war, and while I focused mainly on the Vietnam Veterans issues, I would not relieve our colleagues who are following us in any way either. We still don't know what is going on with the Persian Gulf War Veterans. They still have all these unknown ailments. We are starting to find out more science about what happened to them. We don't know what the health effects are of the Marines who stood next to those burning oil wells for month after month. We don't know what is happening to the new veterans.

We see from our service representatives, which I have been one for the last several years, people coming into our system that we see who have been injured. The most visible ones are sitting in Walter Reed in Bethesda, but there are thousands more that get hurt from not just IADs, but from accidents, vehicle mishaps, helicopter crashes, all kinds of things, and many of them are being taken off the field for disease, but we have no idea what that is about. So we are looking to see all of those things, and unfortu-

nately it is going to cost money, and money is the issue. I am sorry. They are just going to have to bear the burden.

Thank you for your listening to us and listening to my colleagues. Thank you.

[The prepared statement of Mr. Rowan follows:]

PREPARED STATEMENT OF JOHN ROWAN, NATIONAL PRESIDENT, VIETNAM VETERANS OF AMERICA

Good morning Chairman Craig, Senator Akaka, and other distinguished Members of this Committee. It is my privilege this morning to present to you the thoughts and views of Vietnam Veterans of America 'VVA) on the funding priorities and issues of significance for veterans and our families.

It has been said many times, only half-jokingly, that Americans have the shortest attention span of all mammals. What makes headlines today most of us forget about 6 months from now. Remember Chandra Levy?

Veterans, though, have long memories. We remember why we served, what we saw, what we did when we donned the uniform to serve our country. We remember our comrades, those who died and most of the rest who were forever changed by having donned the uniform.

We also remember last July, when Congress and the Administration were embarrassed by the revelation that the Department of Veterans Affairs was $800 million in the hole in meeting its health care obligations. After a flurry of meetings and a spate of publicity, Congress moved quickly, if belatedly, to do the right thing for veterans, even as this shortfall grew by several hundred million dollars as the VA suddenly "discovered" it was treating 103,000 OEF and OIF veterans rather than 26,000. Some 144,000 of our newest veterans are now being treated at VA facilities.

To your credit, and for this we thank you, you closed this budget gap by adding $1.5 billion to the VA's FY 2005 operating budget. And you added another $1.2 billion in "emergency funds" for the current fiscal year which, we fear will still not be enough for the VA to maintain its current level of care, even with a reported $1.1 billion carryover in the VA's budget. You cited, correctly, some of the problems inherent in how the VA predicts the usage and attendant costs of its health care operations. While we are hardly omniscient, VVA's budget projections and those of the Independent Budget were right on the money, again.

FY 2007 BUDGET

This year, we believe the Administration's budget request, despite the hype, is short by at least $4.2 billion, $1.9 billion of which would open enrollment to Priority 8 veterans who were "temporarily" restricted from enrolling in the VA's health care system in January 2003. If the ban on statutorily eligible Priority 8s continues, VVA believes the budget for health care is still short by some $2.3 billion.

The real effect of this shortfall is felt in the VISNs, in the VA medical centers, where the real work—patient care—is done. Next time you are back home, next time you visit one of the VA medical centers in your state, ask around how they're doing with the current budget constraints. We think you'll be surprised by what you learn.

VVA believes that the budget for veterans' health care should not be capped by the need to control the deficit—a need that is exacerbated by tax cuts that benefit the wealthiest among us—but by the needs of the eligible veterans who choose to utilize the VA for their health care.

We've said this before and we'll say this again: Had the VA's health care budget not been flat-lined for 4 years just as eligibility reform was opening the system to hundreds of thousands of deserving veterans, we would be discussing a budget $8- to $10-billion greater than it has been, than what is proposed for FY 2007.

This year, yet again, we dispute the numbers in the Administration's budget request. It is not enough money, even to properly take care of those already in the system. Along with the other veterans' service organizations, VVA will expend countless hours and considerable energy arguing about and fighting for funding that is sufficient to meet the needs of the veterans the VA serves.

This is one battle we should not have to wage. Instead, we should be working together to fashion a formula for funding the VA's health care operations. We challenge Congress here and now: Form a bipartisan group to meet, study the issues and options, hold hearings, and recommend legislation that would fundamentally change the way in which veterans health care is funded to ensure adequate funding for veterans' health care.

VVA believes, in concert with other eight VSOs that comprise The Partnership for Veterans Health Care Budget Reform, that a fair funding formula can be arrived at, one that won't bust the budget, one that recognizes our nation's obligations to veterans and is indexed to medical inflation and the per capita use of the VA health care system.

ADJUDICATION BACKLOG

What sometimes gets lost in the debate over sufficient funding for veterans' health care is the continuing backlog in the adjudication of claims at the Veterans Benefits Administration. More than 525,000 cases have been in various stages of adjudication for far too long now. The VA projects this situation will get worse, yet only requests funding for 130 new employees for all of the VBA for fiscal year 2007. Congress needs to ensure that the new platoon of adjudicators is properly trained, supervised, and, along with their supervisors and managers, held accountable for their work.

We believe that Congress must demand an explanation from the VA as to why it takes upwards of 2½ years to adjudicate cases. Congress must demand that the VA not only develop but put into practice a real strategy for unclogging the system. 'The VA might try to triage cases, akin to what military medical personnel do as casualties are brought in from the field of battle.) There's no reason why a veteran who has all of his paperwork in order in making a claim for, say, tinnitus must wait a year or more. There should be no reason why his claim can't be adjudicated in 60 to 90 days.

GREATER ACCOUNTABILITY

We do not make the argument, however, that budget reform is an end in and of itself. It is, rather, a means to an end. It must be accomplished hand-in-hand with real changes in how VA senior managers and middle managers perform. Give "attaboys" and bonuses to those who have earned them; give warnings and sanctions to those who have not done their jobs well. Please do not get us wrong: The overwhelming number of those who work at the VA are dedicated to helping veterans, and we applaud the efforts they make every day. But better management—and training—is needed if efficiencies are to be increased.

EXPANDED OUTREACH

According to the U.S. Bureau of the Census, there are more than 25 million veterans in the United States today. Only around one-fifth of them have any real interaction with the Department of Veterans Affairs. However, many of them, particularly in-country Vietnam veterans, are eligible for compensation for several maladies incurred during their military service—and far too many remain unaware of the benefits to which their service entitles them.

These are not just veterans who have been having difficulties coping with life. As an example, in speaking with one Navy veteran, we learned that he had served in-country in Vietnam. When he mentioned that he had suffered with prostate cancer, we asked if he knew that this was service-connected compensable, presumptive to exposure to Agent Orange. This was news to him. And he is a lawyer with the IRS here in Washington, D.C.

VVA believes that the VA has an obligation to reach out to all veterans to ensure to the maximum extent possible that they know what benefits they have earned, and they know how to access these benefits. This is starting to happen as VA personnel are assigned to the bases where active-duty personnel transition to civilian life and veteran status. This, however, is hardly enough.

We commend to you legislation—S. 1342—introduced by Mr. Feingold that would require the Secretary of Veterans Affairs to establish a separate account for the funding of the outreach activities of his department—and a sub-account for the funding of the outreach activities of each element within the department. This legislation would assist states in carrying out programs that offer a high probability of improving outreach and assistance to veterans—and to their spouses, children, and parents who may be eligible to receive veterans' benefits. We urge Members of this Committee to seriously consider holding hearings on this bill.

This morning, rather than offer a laundry list of issues and priorities, VVA is focusing on specific issues that demand our best efforts to achieve and warrant your attention and support.

FEE-BASIS HEALTH CARE

Approximately 60 percent of OEF/OIF service members, particularly in the National Guard and the Reserves, come from rural areas. Despite the VA's network of clinics, too many of these returnees and other veterans do not live near a VA clinic or medical center. They are at a distinct disadvantage in accessing VA health care. When the VA cannot provide the highest quality care, within a reasonable distance or travel time from a veteran's home, the VA has a duty to provide care via a fee-basis provider of choice for service-disabled veterans. VA personnel who deal with these veterans must be aware of their duty in this regard.

This most assuredly does not mean that the VA should begin to dismantle its network of healthcare facilities and outsource, or privatize, VA services, as some might encourage. It does mean that Congress must ensure that every effort is made so that veterans—particularly our newest veterans—receive timely care from providers.

MILITARY HISTORY

The Veterans Health Administration 'VHA) must become a true "veterans health care system" instead of a general health care system that happens to be for veterans. Without taking a complete military history of its patients, this is just not possible. We cannot state emphatically enough the need for VA clinicians to take a complete military history as a matter of course for all veterans currently in or entering the VA health care system. This must be part of the automated patient treatment record, so that it can be keyed to training, be the basis of clinical reminders based on the veterans' military record, and focus the general mindset of all clinicians at VA toward being a true "veterans health care system."

What is true for VA clinicians is true as well for private clinicians. A medical professional who knows a patient is a veteran, and knows a patient's military history, should have a better idea about what that patient may have been exposed to, what emotional trauma were faced that will have ongoing physical and/or mental repercussions.

MILITARY SEXUAL TRAUMA

It has become clear in the last decade that sexual harassment and sexual abuse are far more rampant than what had been acknowledged by the military. Reported instances of sexual harassment and abuse represent only the tip of the proverbial iceberg. While we are gladdened that both the Departments of Defense and Veterans Affairs seem now to be taking this seriously, even acknowledging sexual trauma as a crime in the Defense Authorization Act of 2005, there is still a long road to travel to change the current atmosphere that conditions victims of sexual abuse to not report this abuse to authorities. We urge Congress to call for a review of the penalties for military sexual trauma under the Uniform Code of Military Justice to determine if the penalties are commensurate with the offenses, and to act to ensure uniform enforcement in all branches of the military.

VVA also shall seek, via legislation or regulation, to re-authorize the biennial report of the Advisory Committee on Women Veterans, to be submitted to the Secretary of Veterans Affairs for response and then to Members of Congress; and we shall seek as well legislation to provide contract care, for up to 14 days post-delivery, for infants born to women veterans who receive delivery benefits through the VA.

VA RESEARCH

Perhaps the coalition of Friends of VA Medical Care and Health Research endorsing a $48 million increase in appropriations for medical and prosthetics research—and $45 million for facilities improvements—did not reach the right ears yet. It should be clear to all, however, that the $13 million "hit" the VA research budget will take if the Administration's proposal is approved is unconscionable, particularly in a time of war. Research may not reap immediate benefits, but research is critical in finding answers to the unique medical problems of veterans, and treatments that ease pain and save lives. The VA research program results in discoveries that advance the fields of mental and physical rehabilitation, increase research on blast injuries and burns, study means to improve the quality of health care delivery, and continue investigation on addressing chronic diseases and their complications.

VVA urges a significant increase, not any decrease, in funding VA research. VVA also calls for a separate line item of $25 million in Research & Development funds to fund the National Vietnam Veterans Longitudinal Study 'NVVLS), with report

language compelling the rapid resumption and early completion of this vital study. (ee further explication below.)

AGENT ORANGE

Far too many in-country Vietnam veterans are afflicted with serious, life-threatening diseases at a relatively young age, diseases that we believe are borne of exposure to Agent Orange and other herbicides, defoliants, and desiccants during their tour of duty in the jungles and rice paddies of Southeast Asia. Congress must provide the funds for study by reputable scientists into the long-term health effects of dioxin, the culprit element in Agent Orange. Some of this research must focus on the intergenerational effects of exposure on the children—and on future generations—of Vietnam veterans.

Even though VVA agrees that funds should no longer be expended on the flawed Air Force Ranch Hand Study, we fully intend to work to ensure that the data gleaned from this study, as well as the tissue samples, are properly stored and accessible for legitimate scientific study.

LUNG CANCER AND VETERANS

As the VA acknowledged in 1994, there is mounting evidence of a "positive association" between exposure to herbicides—like Agent Orange—and the subsequent development of respiratory cancers. Additionally, a series of studies over the past 20 years has linked military service to higher smoking rates and smoking-related diseases and deaths. Because lung cancer is usually not diagnosed until late stage, making treatment costly and not very effective—the mortality rate for lung cancer is 85 percent—VVA urges Congress to mandate that the VA institute an early detection and screening program for all veterans—and especially Vietnam veterans—at high risk for this lethal cancer.

PROJECT 112/SHAD

VVA has been and will continue to work diligently to ensure the passage of The Veterans' Right to Know Commission Act 'H.R. 4259). This legislation, introduced by Reps. Mike Thompson 'D-California) and Denny Rehberg 'R-Montana), would empower an independent commission to delve into the history and non-disclosure of information to American service members who participated in the testing of chemical and biological substances as part of the Project 112/SHAD program.

This bill is about achieving justice for those Americans whose health may have been compromised by toxic elements to which they were exposed. Most were exposed unwittingly. The VA acknowledges that at least 70,000 service members may have been exposed in tests that go back to the end of World War II. Those still living, and the survivors of those no longer with us, should be provided with the information they need to resolve questions about their health, and to make claims for service-connected disabilities derived from their participation in these tests.

Additionally, the legislation entitling a veteran who was in one of the Project 112/SHAD tests to medical services at the VA must be reauthorized and extended; and we extend our thanks to Senator Brownback for his leadership in this realm. VVA strongly recommends that the VA be required to issue a national protocol for these physicals based on the agents, simulants, tracers, and decontaminants to which 112/SHAD veterans were potentially exposed.

PTSD AND SUBSTANCE ABUSE

VVA believes that the National Vietnam Veterans Longitudinal Study 'NVVLS), a follow-up to a study done some 20 years ago, must be funded—and the VA compelled to immediately re-initiate this statutorily mandated study and bring it to an early and proper conclusion. The NVVLS represents the last best chance we have of understanding the scope of the health of Vietnam veterans. Line-item funding for this study and strong explicit report language are needed to compel the VA to fulfill its responsibility to comply with the mandate set by Congress in Public Law 106-419, The Veterans' Benefits and Health Care Improvement Act of 2000.

Just as important, Congress must take the necessary steps to ensure that the organizational capacity and funding of the VA's mental health programs for the diagnosis and treatment of the neuro-psychiatric wounds of war are restored to at least the level of effort that existed in FY 1996. So many veterans of the fighting in Afghanistan and Iraq are returning home haunted by their experiences. We do a disservice to them if we do not provide the necessary mental health services that they require.

As all of us are aware, PTSD has been a hot topic of late. The 108th Congress authorized and funded the Veterans' Disability Benefits Commission to research and make recommendations as to how service-connected disability compensation is adjudicated, if the manner in which the VA adjudicates claims is in accord with the intent and will of Congress. The very existence of this commission, combined with the VA's ill-advised—and now revoked—decision to conduct a retrospective review of some 72,000 cases in which veterans were granted 100 percent disability compensation for PTSD, has left many veterans fearing that their benefits will somehow be reduced or taken away.

The VA is obliged to use as a guidepost for the diagnosis of PTSD the mental health standards set forth in the current edition of the Diagnostic and Statistical Manual of the American Psychiatric Association. VVA believes strongly that if VA adjudicators are properly trained and supervised, if they follow the VA's own "Best Practices" manual, the hubbub surrounding the variation in awards for PTSD would be silenced. The VA specifically and firmly refuses to utilize its own "Best Practices" for PTSD adjudication. Now, 4 years after the completion of the manual, and having refused to use it to train clinical or adjudication staff, or to issue a directive on its use—or to even distribute a copy of the manual—the VA is awaiting the results of a study by the Institute of Medicine to let VA officials know if how they adjudicate PTSD claims is the "gold standard" or if they need to do things differently. We have been monitoring this closely, and we will continue to monitor it to ensure that veterans whose lives have never been quite the same since they came home from a war—from a jungle or desert or rice paddy or metropolis—are protected from any undue or hasty changes in the rules.

EMPLOYMENT, TRAINING, AND BUSINESS OPPORTUNITIES

VVA will continue to work to ensure that all provisions of executive orders, public laws, and legislation pertaining to the employment, training, and business opportunities for all veterans, and especially for service-disabled veterans, be enforced. State, local, and Federal agencies that work diligently to meet the spirit and intent of these provisions should be rewarded; any attempts to weaken the provisions should receive appropriate sanctions.

For the Secretary of Labor to continue to implement the Jobs for Veterans Act as it has been is astonishing. A recent Government Accountability Office report is far too kind to the Department of Labor, which has made no progress in the past 3 years to put in place a system to gather information to learn if the Jobs for Veterans Act is actually working and meeting the intent of Congress. In fact, the DOL has done nothing of consequence to implement "priority of service" for veterans, particularly disabled veterans and returning service members.

In fact, there is no real national strategy to assist returning veterans, including National Guard and Reservists, who are unemployed or under-employed—and some 15 percent of our newest veterans have yet to find gainful employment. Similarly, there is no effective mechanism in place for enforcing veterans' preference, and we have an Administration that appeals a case against a disabled veteran who had finally won his case before the Merit System Protection Board pursuant to The Veterans Employment Opportunities Act of 1998.

It is imperative that re-education and work skills upgrades, including self-employment, be made a priority by those agencies of government that provide these services, especially considering the battalions of seriously and permanently disabled veterans returning from Afghanistan and Iraq.

Additionally, VVA implores Congress to begin an investigation into the disparities of the Compensated Work Therapy programs in the Veterans Health Administration, which we believe is just not doing the job they were created to do, of creating a bridge to permanent employment.

HOMELESS VETERANS

It is a national scandal that so many men—and, increasingly, women—who have served our nation now do not have a roof over their head, a place to call home. Although there are many reasons that have caused them to become homeless, they deserve our best efforts to help them salvage their lives.

Public Law 107–95, The Homeless Veterans Assistance Act of 2000, must be sufficiently funded and its provisions fully implemented—including the maximum appropriations stipulated in a variety of homeless assistance programs. Furthermore, we believe that congressional action is necessary to readdress what has emerged as a difficulty: VA Homeless Grant and Per Diem funding must be considered a payment rather than a reimbursement for expenses, an important change that will enable the community-based organizations that deliver the majority of these services to operate

effectively and to require that the Department of Housing and Urban Development comply with section 12 of P.L. 107–95 authorizing 500, additional HUD/VASH vouchers in fiscal year 2003, fiscal year 2004, fiscal year 2005 and fiscal year 2006. HUD acknowledges in a letter of December 5, that these funds have not been appropriated and that housing needs of homeless American is one of the top priorities, of the department, if this is so, then why are they leaving about 2,000 homeless veterans' without the most vial resources they need a safe and secure place to live by not asking Congress to appropriate these vouchers.

COMPENSATION AND PENSION

To promote uniform claims decisions, current policy must be changed to permit VA staff and VSO service representatives to collaborate in developing uniform training materials, programs, and competency-based re-certification exams.

VVA also seeks to secure a pension for Gold Star parents, many of whom are in dire financial straits and have lost the son or daughter who might have been able to assist them in their old age.

For currently deployed or soon-to-be deployed troops, VVA believes that greater financial protections are warranted for their security and the security of their loved ones. For the survivors of those who die in military service, we seek a permanent prohibition of offsets of Survivor's Benefit Plan and Dependency & Indemnity Compensation.

Finally, a change in the law is necessary to permit service members wounded in combat and placed on temporary disability status to be considered as remaining on active duty for the purpose of computing leave and retirement benefits.

A NEW GENERATION OF VETERANS

The force readiness plan being developed by the Pentagon at the behest of Congress must include a full medical examination, to include a blood draw and a psychosocial history by a qualified clinician, for all troops prior to their deployment overseas and upon their redeployment.

Because our newest veterans appear to be suffering the psychological stresses and disorders in far greater numbers than even we of the Vietnam generation, it is imperative that a system of acute stress counseling and PTSD counseling be emplaced, a system funded by DoD and delivered by VA personnel and private practitioners. This counseling must be made available to Reservists and members of the National Guard and their families in addition to active-duty troops.

POW/MIA

The fullest possible accounting of the fate of American service members who had been Prisoners of War or who had been declared Missing in Action has long been a keynote of Vietnam Veterans of America. To further VVA's long-standing efforts in this regard, we urge Congress to appropriate additional funds to put more teams on the ground to conduct searches for remains in Vietnam, Laos, and Cambodia.

VVA also urges that all documents relevant to the status of POW/MIAs be declassified and released to the public; and we ask Congress to pass a resolution urging the government of Vietnam to provide all relevant wartime records and to continue to repatriate the remains of American service members that have been recovered.

Finally, we seek funding for a public awareness program to inform all the families of those still listed as POW/MIA of the need to provide DNA family reference samples for potential identification of recovered remains.

To lose a son or daughter, father or sister or mother or brother is difficult enough for families to deal with. To not know the fate of their loved ones places these families in emotional limbo. We must do all that we can to bring closure to them. And to all of us.

Attach please find as an addendum the VVA 2006 Legislative Agenda & Policy Initiatives brochure.[1]

Thank You.

To conclude, the members and their families of Vietnam Veterans of America, and the Associates of Vietnam Veterans of America, thank all of you in Congress who have served our nation, and those of you who continue to serve veterans and their families as Members of this Committee. I will be more happy to answer any question you may have.

[1] The VVA 2006 Legislative Agenda & Policy Initiatives brochure can be found in the Appendix section on page 43.

Chairman CRAIG. John, thank you very much for that testimony for the record.

Now let me turn to Ed Kemp, National Commander, AMVETS. Welcome before the Committee.

STATEMENT OF EDWARD W. KEMP, NATIONAL COMMANDER, AMVETS

Mr. KEMP. Thank you, sir.

Mr. Chairman, Members of the Committee, this distinguished Committee has a fine tradition of working in a bipartisan manner and is a real example of how members of opposing parties and opposing views can work together to reach a common goal. I thank you for your support of veterans.

We are here today to speak about issues that are near and dear to us, but most importantly, we are here to let the Senate know that we mean business when we say veterans deserve the benefits they were promised when they put on the uniform. AMVETS is concerned about future veterans' benefits, so we are doing something about this.

This October, AMVETS is holding a national symposium for needs of young veterans in Chicago. The symposium's goal is to draw attention to the challenges of modernizing VA benefits specifically for younger veterans.

Just before Veterans Day this November, we will publish an action plan that will define and prioritize the steps needed to bring VA into the 21st century. We ask for your support in this endeavor. The need for this forum could not be more timely, given that we have a new generation of brave Americans deployed around the world. VA has seen more and more younger veterans, a lot of them from OEF and OIF.

I just got back from a trip to Iraq. When I talked to the troops, not one single soldier had a negative thing to say about their mission. Our soldiers are there to do a job and are confident that they will win and restore order, but they need assurance that VA is there for them. No serviceman in harm's way should ever question the Nation's commitment to veterans, but as things now stand, veterans are continuing to suffer because the system they depend on has been routinely underfunded.

Members of the Senate, you are provided with a benefit that you earned representing the people. I would imagine that you would never vote for any bill that would underfund those benefits. We ask that you do the same for veterans.

VA budget for fiscal year 2007 still falls short, and like most years, funding may be late or delayed. We feel the best way to ensure stable and dependable funding of VA is to make it mandatory. That way, there is never a question of how much or when funds will be in place. Our Nation's veterans deserve nothing less.

Mr. Chairman, you said you would want to begin a serious dialogue on how to best develop sustainable and long-term VA budgets. We are here to help you attain that mission. We appreciate your leadership and look forward to working with you on this.

Another issue that needs our immediate attention is the growing backlog of claims. Many claims processors are retiring and being replaced with less experienced ones. This type of job requires

months of training and years of experience to fully understand the system. VBA needs to hire and train additional full-time employees, not cut them, but you can only do so if the Senate does its part. We need your help in getting the funds.

AMVETS supports legislation that awards a military service medal to Cold War veterans. We were disappointed that the service metal was not passed last year. We encourage you to pass it this year.

AMVETS will not waiver on its efforts to protect the flag from being dishonored. We believe our children and grandchildren should be raised patriots full of respect for the flag and the constitutional values it represents. Senate Majority Leader Frisk promised us that the flag amendment would come before the Senate in June. We urge you to stand up and support our veterans on this important bill.

AMVETS also wants the fullest possible accounting of our missing service personnel. We ask for your support in funding and identifying the remains.

One last point concerns the Joint Session Committee on Veterans' Affairs. AMVETS feels that the tradition of the Joint Session should continue. We encourage you to talk to your counterpart in the House and ask him to re-instate the Joint Session.

I would like to invite everyone here to attend our reception tonight at 5:30 in room 369 in the Rayburn House Office Building.

This concludes my testimony, and I thank you for allowing me to testify and for your support of veterans.

[The prepared statement of Mr. Kemp follows:]

PREPARED STATEMENT OF EDWARD W. KEMP, NATIONAL COMMANDER, AMVETS

Chairman Craig, Ranking Member Akaka and Members of the Senate Veterans' Affairs Committee. I am Edward W. Kemp, national commander of AMVETS, and it is my honor to present to you our legislative agenda for 2006. On behalf of AMVETS, the AMVETS Ladies Auxiliary, the Sons of AMVETS and our other subsidiary organizations, thank you for giving us this opportunity.

I am from the great state of Iowa and proudly joined AMVETS in 1982. For more than 60 years, this organization has taken to heart the doctrine of service set forth by its founders. In so doing, we endeavor to provide our fellow veterans with the type of support they truly deserve. This outreach effort takes many forms, from the professional advice of our service officers, to our legislative efforts on Capitol Hill, to the work done by our hospital volunteers. Other AMVETS members involve themselves in a wide range of initiatives aimed at contributing to the quality of life in their local communities. These two areas—veterans service and community service—drive our commitment to make a difference in the lives of others.

Before presenting our agenda for this year, I'd like to speak for a moment about an ambitious project we are working on, and kindly ask for your support. AMVETS is hosting a National Symposium For the Needs of Young Veterans this October in Chicago, Illinois. The Symposium—the first of its kind—is designed to draw attention to the critical challenge of modernizing the VA benefits system. We will bring together a diverse array of veterans and speakers to examine what changes are needed to make the system more responsive to veterans. The Symposium will publish an action plan that will define, describe and prioritize the steps needed to provide a modern benefits program and an effective delivery system. I am very pleased that General Tommy Franks has agreed to keynote the Symposium. Given his distinguished career of military service and recent experiences in Iraq and Afghanistan, General Franks is ideally suited to talk about the need to ensure our nation keeps its promise to those who serve.

We are well underway, but I ask for your help in making the Symposium a successful endeavor. I'd also like to thank our co-chairs, former VA Secretary Anthony Principi and AMVETS Past National Commander Bill Boettcher for keeping our agenda on a straight and true course.

Mr. Chairman, the timing of this important forum could not be more relevant, given that we have a new generation of brave Americans once again deployed around the world, answering the nation's call to arms. Our soldiers are doing everything right, everything that we ask of them and much more. Our country fights, not for land or fortune, but for freedom. In past conflicts, America has fought to secure liberty, abolish slavery, and crush communism. Our cause today is equally just. We are fighting to conquer those evil forces who would rule by fear and, in the process, are helping to spread freedom and democracy around the world.

In mid-February, I had the unique opportunity to go to Iraq with my colleagues in the veterans community. It is an experience I will never forget. I met and talked with U.S. and British generals, Iraqi officers and dozens of front-line soldiers. The most amazing part of my trip was not one soldier had a negative thing to say about being there. Despite all we hear and read in the news, our soldiers are there to do a job, and are confident they will win and restore order. I am extremely proud of them. Without a doubt they are the most dedicated, courageous and passionate troops in the world, and I want each of them to know that I appreciate all they do to protect the freedoms I enjoy as an American. God bless them all.

Almost half of the military servicemen and women returning from operations overseas will need healthcare services for the physical and psychological traumas of war that may never heal. Seventeen percent of them, in fact, have been diagnosed with post-traumatic stress disorder. I encourage you to go and visit these injured soldiers. Talk with them and listen to what they have to say. You will leave with a renewed perspective of your obligations to veterans.

We are spending $6.8 billion a month for operations in Afghanistan and Iraq, yet trying to nickel and dime veterans' health care here at home. This year alone, the President is expected to request an additional $92.2 billion for the war. We certainly support additional monies to support our troops, but I can't understand why there is never enough to fully fund VA. If Congress can find nearly a hundred billion more for these operations, I believe it should be able to come up with enough money to totally care for those charged with carrying them out.

As things now stand, our veterans are continuing to suffer because the system they depend on has been routinely underfunded and is now ill equipped to handle the large influx of those waiting and wanting to use its services. I ask you to take a look at what the real needs are. These are real people with real needs. They should not be subject to political accounting games or petty disputes.

As Members of the United States Senate, you are provided with certain benefits—paid for at taxpayer expense—that you earn as representatives of the people. I would imagine that you would never vote for any proposal or initiative that would underfund or undermine the integrity of that delivery system. We ask that you do the same for veterans.

For 20 years, AMVETS—together with the Disabled American Veterans, the Paralyzed Veterans of America, and the Veterans of Foreign Wars—have co-authored The Independent Budget, our blueprint for building the kind of programs veterans deserve. Indeed, we are proud that more than 60 veteran, military and medical service organizations endorse these recommendations. We believe it is a balanced and responsible analysis of VA's funding requirements. In years past, however, budget requests fell woefully short of our recommendations, and we all know about last year's funding shortfall. If that crisis didn't do anything else, at least it validated The Independent Budget recommendations. The IB was right on target, and I ask that you follow our recommendations this fiscal year. We were right then, and we are right now.

Looking at the administration's VA request for fiscal year 2007, I must say it is much better than last year's pitiful recommended increase of $110 million. This year, thanks in large measure to the leadership and commitment of this Committee, VA fared better. The request, however, still falls short.

We recommend Congress provide $32.4 billion to fund VA medical care, approximately $1 billion over the President's request, without collections. We ask that you recognize that the VA healthcare system can only provide quality health care if it receives adequate and timely funding.

As the Senate moves forward in the budget process, we ask that you not divert precious monies already scheduled for VA medical centers, construction projects and other purposes. We understand the total devastation in Louisiana and Mississippi, and we fully support the rebuilding and reconstruction efforts there. But we do not support re-routing funds that have already been approved for VA projects. This policy is taking a step backwards. Fund the emergency with emergency funds, not VA monies.

As you understand, Mr. Chairman, it is very difficult to manage programs as complex as those within VA based solely on current fiscal-year appropriations. It is our

hope that we can work with you and the Committee to create a process that brings increased consistency to VA's budgetary requirements by recognizing the need for a more efficient fiscal plan. Frankly, the current system of funding veterans' health care is broken. It doesn't work. AMVETS will continue to pursue legislation with eight VSO partners for assured, or mandatory, funding of VA's healthcare system.

Under the current process, VA health care competes with other non-veterans priorities for adequate appropriations. Over the years, this process has proven to be unsatisfactory in adequately providing for the needs of enrolled veterans. Shifting to a mandatory funding system will provide a stable and timely system of funding for VA. Mr. Chairman, we understand your position on this issue, but we ask that you begin a serious dialogue to explore alternative ways to fund VA. Compromise is the cornerstone of this democracy, and we are certainly willing to work with you to find a way to make VA funding more stable.

While assured funding remains our core legislative goal and objective, there are several other areas we believe the Committee needs to address this year. Let me briefly discuss them.

AMVETS believes increasing TRICARE premiums and deductibles will have a negative impact on military retirees. While we understand that health care costs are on the rise, DoD health care programs are part of the on-going cost of war. Our Nation's military retirees have given so much to this country. They deserve fair treatment.

No veteran leaving military service should fall through the bureaucratic cracks. AMVETS believes DoD and VA have no greater responsibility than to properly care for returning soldiers and provide as many tools as possible to assist them in settling back into civilian life. For some war wounded and their families, navigating between these systems is pure frustration. In order to provide a seamless transition, AMVETS recommends that veterans' basic service information, as contained in the DD–214, be made available electronically—and we ask that you explore ways to make this possible.

I do not think we realize how fortunate we are as a nation to have a highly skilled veteran population able to lend its talents to the workforce. Veterans have the skills that make them assets in a variety of occupations. Leadership, integrity, and teamwork—all of which the military teaches—are universal qualities for every industry.

While the Senate has done a good job in reauthorizing training, education and job programs, I encourage you to take a look at the Transition Assistance Program 'TAP) and other related programs to ensure all our returning troops get the assistance they need. DoD discharges approximately 25,000 service members annually. Recently separated service personnel are likely to seek immediate employment or continue their formal vocational education. But they need to know all that's available to them.

The Department of Defense estimates that 68 percent of separating service members attend the full TAP seminars, but only 35 percent of the Reserve Components attend. Countless numbers of National Guard and Reserve troops return from the war only to encounter difficulties with their Federal and civilian employers at home. AMVETS encourages you to explore ways to make TAP participation mandatory for active duty military as well as for those in the Guard and Reserves.

While speaking about returning troops, we ask that you continue to adequately fund the Department of Labor's Disabled Veterans' Outreach Program 'DVOP) and the Local Veterans' Employment Representatives 'LVER) Program. Through the implementation of these programs, DOL–VETS assists, not only veterans, but also helps reservists and Guard members in securing employment and protecting their re-employment rights and benefits.

Furthermore, AMVETS asks you to closely monitor legislative attempts to consolidate and block grant the DVOP and LVER programs. We firmly believe that this type of veteran-oriented program should remain separate and distinct to ensure that these brave men and women are given the assistance their country owes them for their military service. It would be a grave error to downgrade employment services that specifically help troops returning to the country they fought to defend.

For decades, DVOPs and LVERs have been the foundation of employment services for veterans. We believe it is important that states continue to be required to hire veterans for these positions. One example of just how important it is for veterans to advocate for veterans exists within our own organization.

The AMVETS Department of Ohio developed and fully operates a 501'c)'3) career center designed to assist veterans in their career needs. The AMVETS Career Center provides a range of services to help veterans find employment in a substantial career, or assists them in refreshing and/or upgrading their skills. The Center, for instance, can help a veteran learn more about computers, business math, business grammar, business management, word processing or database management. It pro-

vides these services to veterans who are homeless, unemployed or underemployed; to those who want to prepare for a new career or better job; and to recently separated veterans making the transition to the civilian workforce. The center also provides services to non-veterans from the community for a small fee of $50.00. There is no cost to the veteran.

Regarding claims, AMVETS is very concerned about the growing backlog that leaves many veterans without due compensation. Veterans Benefits Administration 'VBA) budgets have routinely come up short and can't stretch to cover the needs. Many claims processors are retiring and being replaced by those less experienced who require years of training. This is no ordinary job. It requires months of training and years of experience to fully understand and navigate the system. If VBA is going to reduce the claims backlog to zero, VBA needs to hire and train additional fulltime employees. But it can only do this if the Senate does its part. We need your help to get the funds.

AMVETS supports legislation that would award a military service medal to members of the Armed Forces who served honorably during the Cold War Era. We are disappointed that the Cold War Service Medal did not survive the House-Senate conference on the fiscal year 2006 National Defense Authorization Act. Presidents going back to Truman have recognized the significance of the Cold War. By creating the Cold War Victory Medal, this nation would certainly demonstrate its great respect and appreciation for the men and women who carried the burden of this policy.

For veterans, though, one issue transcends all others. It involves the desecration of the United States flag. AMVETS will not waiver in its efforts to protect the flag from being dishonored. As a member of the Citizens Flag Alliance, we continue to strongly support a constitutional amendment to protect our most sacred symbol. But the flag is much more than a piece of cloth that drapes the coffins of those who died so others might live; that covers the bodies of first-responders who gave their lives in the line of duty; and that flies at half mast in recognition of honorable Americans. Indeed, the flag stands for all that is good about our country and the values on which it was founded.

All 50 state legislatures have passed resolutions asking Congress to submit the flag amendment for ratification. More than 80 percent of the American people support such an amendment. If someone desecrated the Halls of Congress, the Lincoln Memorial, or any other of our national monuments, lawful action would be taken against the offenders. We ask nothing less for our flag. We now ask you, our Senators, to stand up and be counted and bring the flag protection bill to the Senate floor as soon as possible.

Additionally, as the Committee is aware, there is a growing need for long-term care in VA. Veterans 85 years and older, who are in most need of these services, are expected to total 1.3 million over the next decade. With the sharp increase in the projected number of elderly veterans, AMVETS believes that VA's extended care services are indispensable to its overall mission in providing veteran health care.

We urge you to explore the challenge ahead for providing long-term assistance to veterans. And we seek action that will provide enrolled veterans with affordable access to a continuum of extended care services that include nursing home care and domiciliary care, as well as home and community-based extended care services. This way we can assure improved healthcare delivery and enhance the measure of care for elderly veteran patients.

I would be remiss if I did not mention and acknowledge the fine work VA nurses provide to wounded veterans. VA nurses care for more than 5 million American veterans nationwide. The Veterans Healthy Administration 'VHA) has the largest nursing workforce in the country with nearly 59,000 registered nurses, licensed practical nurses, and other nursing personnel. But VA staffing levels are so precarious that even the loss of a single nurse can result in a critical staffing shortage. Veterans are much more comfortable receiving treatment from nurses who understand their service; who speak the same language; and who know what they went through. AMVETS encourages this Committee and VA to actively address the factors known to affect recruitment and retention of VA nurses.

We also want the fullest possible accounting of our missing service personnel and ask for your support in finding and identifying their remains. This is important. It is a duty we owe the families of those still missing—and an endeavor that honors the value of an American's service to the nation.

AMVETS understands many Gulf War and younger veterans are reporting illnesses stemming from weapons containing depleted uranium 'DU). This material can remain in the human body for decades, if not life, causing cancers and other unknown illnesses. AMVETS encourages Congress to pass H.R. 4183 and H.R. 4184,

which would locate, assist, and compensate veterans affected by exposure to DU, and help them file a claim.

Lastly, just as we care for veterans when they are alive, we must not forget them when they die. We need to ensure that our national cemeteries remain dignified and respectful settings for honoring deceased veterans. We are encouraged that the administration earmarked $28 million for the National Shrine Commitment, and we are thankful for the recommended increases above that figure. The National Cemetery Administration 'NCA) has done a tremendous job of improving the character and condition of our nation's cemeteries, but we have a long way to go to get us where we need to be. AMVETS also feels it is time to review a series of burial benefits that seriously eroded in value over time. With a few modest adjustments, these benefits will make a more meaningful contribution to the burial costs for our veterans.

Our commitment to make a difference in the lives of others, though, doesn't stop there. Since its inception in the 1950s, for example, the AMVETS National Scholarship Program has awarded more than $2 million in scholarships to graduating high school students. And for the past 17 years, AMVETS has sponsored a youth leadership program in cooperation with Freedoms Foundation at Valley Forge, Pennsylvania, that has served more than 700 youth to date. At VA, AMVETS is proud to serve on the National Advisory Committee of Veterans Affairs Voluntary Service Program. Last year, more than 3,000 AMVETS, Ladies Auxiliary and Sons volunteers tallied over 200,000 hours of voluntary service at 146 VA Medical Centers. In addition, some 10,000 AMVETS from across the country invested more than 700,000 hours in helping veterans and providing an array of community services to enhance the quality of life for our nation's citizens. I am pleased to report that based on The Independent Sector statistics, AMVETS provided in excess of $23 million in voluntary service to the local community.

One last point I'll mention, Mr. Chairman, concerns the Joint Session of the Committees on Veterans' Affairs. First, we thank you for extending us the opportunity to appear before you today and we thank the Members of the House who are present here. We feel, however, that the long-standing tradition of the Joint Session should continue. We believe it is a more efficient and valuable way of presenting our agenda to Congress. A Joint Session provides you the opportunity to address the many constituents who are present from your respective States, and it provides AMVETS members with the opportunity to see their elected officials respond to issues important to them. We encourage you to talk with your counterpart in the House and ask him to reconsider his decision. Great decisions and challenges await us in the months ahead. The membership of AMVETS looks forward to working with you to establish a clear policy of national recognition for those who serve. We have much to do, but we are encouraged in knowing that our work will help the heroes who have borne the battle and lived to tell about it.

This concludes my testimony. Again, thank you for extending me the opportunity to appear before you today, and thank you for your support of veterans. I hope all of you will be able to join us tonight for our annual congressional reception and Silver Helmet presentation to The Honorable Bob Filner of California, to be held in room B–369 of the Rayburn House Office Building from 5:30 to 7:00 p.m.

Thank you.

Chairman CRAIG. Ed, thank you very much for that testimony.

I am going to ask a series of questions. I may direct it at any one of you, but if others feel they can add to it or have something to say specific to that question, please do so. Many of you have expressed your concerns about VA claim processing, and I think we all have that concern about its timeliness and its responsiveness.

George, you mentioned in your testimony that State Veterans' Affairs Departments can give help in VA claims processing. Could you please explain what types of help could be forthcoming and what efforts might be provided at the level that you are responsible for?

Mr. BASHER. Yes, sir. When the claim is processed, initially most claims are filed, and if you look at the Inspector General's report that came out last summer, claims that veterans file that are not represented by any service organization, State organization, or county organization, the average annual award totaled something

around $3,200 a year. Any representation for a veteran filing a claim resulted in an annual award of $10,500 a year. So there is a terrific spread in the level of benefits received whether or not you are represented.

The front end of the claim process, essentially the outreach, the development of the claim, the gathering of the story, and the evidentiary documents is all part and parcel of what State organizations, service organizations, and county service officers provide. Submitting that claim package in an organized logical manner to the VA and then letting them make the determination of service connection and a subsequent award seems to me to be a logical division of work, but under the current regulations and current process, essentially VA picks up that pile of paper that we have submitted, starts all over again gathering the same evidence, developing the same story, and then coming to the same conclusion again, which is to my mind a very inefficient process.

There are 4,000 people working in State and local government who are accredited to do benefits claims or support people who are accredited. VBA has got about 8,500 people processing benefit claims nationwide. So it seems to me to be sensible to leverage those State and local government employees with the Federal employees to make it a seamless process that expedites the whole deal instead of some places doing the work twice.

Yes, John.

Mr. ROWAN. Yes, Mr. Chairman. One of the other problems, quite frankly, is the antiquated structure that the VA processing is. It is still all paper, pen and paper. It's amazing the counterbalance between the VBA and the VHA. Here you have got on the health care side this wonderful computer system where I can walk into any VA hospital in the country and they can punch up my records and tell me exactly what my health care looks like, whereas the VBA can't do anything like that.

I went through a training for virtual reality of VA, a Virtual VA that they have been talking about proposing over a year and a half ago that has not even been close to seeing the light of day. They have got to get away from that paper and put it back into a scan system. Before I retired, I worked for the controller of the city of New York and I worked in contracts administration. I was able to read 1,500-page contracts in about 2 minutes using a scan system, a computer system, and a data base that I could pull up, and I can't see why the VA can't do the same. I understand it is a capital expense to try to get that system up and running, but the cost savings over time and, more importantly, the savings to the veteran of anguish of waiting for the return on their claim is worth whatever money it takes up front.

Chairman CRAIG. As all of you currently know, a veteran is not permitted to hire an attorney to assist in filing claims for VA benefits. A recent editorial in the *Washington Post* posed this question: If American soldiers are mature and responsible enough to choose to risk their lives for their country, shouldn't they be considered competent to hire an attorney where necessary? How would you answer that question? Would any of you like to respond to that?

John.

Mr. ROWAN. I will leap into the breach. Quite frankly, Mr. Chairman, lawyers are nice, but unless the lawyer is trained in the veterans' benefits field, frankly all of the people that work for all of the people sitting at this table and all of the people in the other VSOs and the county agencies and everybody else, they may not have gone to law school, but their knowledge of the system is better than any lawyer that I know of. That is the issue that needs to be done. Those people are really good at what they do.

I think George's point is well taken.

Chairman CRAIG. John, I was just going to say I am sure your comments were not taken as anti-lawyer, not that I am one, because I am not, but please comment about what George has talked about, because that is a level of expertise that if it is being relatively ignored at this moment doesn't seem to make a lot of sense.

Mr. ROWAN. I don't think it is so much ignored. I mean, George has a better viewpoint of that than I do, but the problem is, again, the structural system that the VA works in, and I guess it is a legal mandate that they have to verify everything that is handed to them, and I understand that, but I think if we had a better way of flowing the information in, if the Veterans Service Officers were able to utilize computers today to be able to do the work that they were doing, and I am sure George, I know—I happen to come from New York where George is, and I know his system and his people can utilize computers quite well. They could have all of that data and everything entered into a system that could be easily accessed by an adjudicator inside the VA if it was able to be electronically filed.

We do it for taxes. We do it for everything under the sun. Federal procurement, I know is all done that way because, again, I used to be a procurement person. If we can do that with $10 billion worth of contracts, we can do it with the VA system of filing claims.

Chairman CRAIG. Thank you. My time is up.

Let me turn to Senator Akaka. We have been joined by Senator Obama. Danny, I have got to step out and meet with folks. I will be back. Why don't you finish your round and turn it over to the Senator, if you would.

Thank you.

Senator AKAKA. Thank you, Mr. Chairman.

Mr. Rowan, I want you to know that I really appreciate your candid comments about what we need to focus on to help Vietnam veterans and all veterans. You raise an excellent point regarding staffing for VBA. I have been working to address this issue for several years now as a Member of the Homeland Security and Governmental Affairs Committee where I serve as Ranking Member on the Oversight of Government Management Subcommittee with Senator Voinovich.

You can be assured that I will continue to address this matter, and I want to say that if you have further comments regarding this matter, I welcome them.

Yes, George.

Mr. BASHER. Senator, with respect to the staffing levels at VBA, when they have retirements, it is not necessarily you are hiring to backfill those jobs. It is a three-tiered process, basically. Your sen-

ior people who leave tend to be the rating specialists who have the most knowledge and the most expertise and the most demand on them, and when they retire, those positions are backfilled by service reps who typically do development and the mid-level work, and when they get promoted, they are then backfilled by people who are doing triage and mail room work and phone unit work and essentially entry-level jobs.

So when VA has to fill a gap due to retirement, they are actually training in three different tiers simultaneously and essentially taking the best people they have left in the unit to train at all three levels. So it really is a difficult process and it should be done on a continuing basis, not just when, oh, my god; we have got a crisis and we have got to fill it today. If you hired them today, it will still take 3 to 5 years to get them up to speed.

Senator AKAKA. Well, Mr. Basher, we are talking about a growing problem in our Nation, and that is replacing people with other good personnel, and it is something that this Committee, that I mentioned that I am on, is really looking at and throughout our system, Federal system, we really have to do something about this, and all together, all of us, have to join in on trying to take care of this problem.

Commander Kemp, while I still have some time, in your testimony, you address the large numbers of returning veterans who are suffering from readjustment issues or more debilitating PTSD. Unfortunately, we know that in some cases, service members are reticent to seek help for mental health care because of the stigma, the stigma attached to mental illness. Do you or any of you other witnesses have insight on what can be done to encourage service members and veterans to seek mental health care?

Mr. KEMP. Yes, sir. AMVETS, we have in place right now for the National Garden and State personnel coming back, we have a predeployment briefing and a post-deployment, and that is to get them into the system so they are in the system. We also have outreach to the family so that they can start to recognize some of these issues that come up prior to it getting to be an emergency, and that is what AMVETS is doing for the veterans coming back.

Senator AKAKA. Mr. Rowan.

Mr. ROWAN. If I might add, I heard during our meetings with the various elected officials over the last few years that there was some talk about extending the 2-year free VA to 5 years. We believe that is an important issue because we know from the history, unfortunately, from Vietnam Vets, the first 5 years were very crucial when it came to PTSD to determine whether or not somebody committed suicide. Most of the suicides involved with the Vietnam Veterans, which were usually PTSD-related, occurred within the first 5 years of their coming home, and we all know—everybody that has been in the service—it takes you a couple of years to debrief, basically, and come back into the civilian world and just try to understand what it is you need to deal with in your life.

So if they are in the system, and that gets to the Category 8 and 7 issue to some extent, if they are in the system, they will get the information they need to come back into the system and to get the health care and help that they need when they need it.

Senator AKAKA. I just want to mention that I authored the legislation which would extend the 2-year period to 5 years, and I am so glad to hear what you just mentioned. We are finding that PTSD help really is needed within the period when they return and become veterans, at least the first 5 years. So I am glad to hear you mention it, and I will continue to work to enact this bill.

My time has expired, Mr. Chairman.

Chairman CRAIG. Senator, thank you very much.

Now let me turn to Senator Obama. Welcome.

STATEMENT OF HON. BARACK OBAMA, U.S. SENATOR FROM ILLINOIS

Senator OBAMA. Thank you very much, Mr. Chairman, and thanks to not just the panelists, but to all the veterans in the room for your outstanding service to our country. We greatly appreciate it.

You know, I have been so impressed by the work that the VSOs have done to make sure that veterans are being properly served at every level of government. I particularly appreciate the work that you have done, helping to cut through VA red tape when it comes to issues like the claims processing. Some of you are aware that in Illinois, we have had some problems with respect to disability payments, speed of claims being turned around. There has been a sense that many have been shortchanged, and so I just am grateful to all of you for the outstanding work that you have done.

I just have a couple of questions because several of my questions have already been answered. The first one—and anybody can take a stab at it—Mr. Rowan, if you want to start off, the VBA has been very active in assistance to homeless vets, many of whom served in Vietnam. We know that a lot of the problems that homeless vets face have a mental health component as well as a lack of job training and access to jobs. I understand that some community-based organizations serving homeless veterans are doing excellent work in integrated housing assistance with job training and mental health assistance and treatment. I am wondering if you could just talk a little bit about some of the programs that you have seen that have been most successful and how we can expand on those programs and scale up to meet the enormous need.

Mr. ROWAN. Yes, Senator. It is good to see you.

When we first got involved with homeless veterans, and I was involved in this very early on in 1983 when, frankly, the controller of the city of New York did a study of homelessness and found all these veterans in the system and couldn't believe it. We kind of differed from some of the homeless advocates. It wasn't just about housing. We, frankly, believed that it was about getting services, and you are correct. Many of them were PTSD people, people with problems, addiction issues which are often, again, related to PTSD amongst the Vietnam Veterans, and we have seen that, unfortunately, in the more recent veterans as well.

So it wasn't just housing them. You had to treat them with social services, rehabilitation programs, detox programs if necessary. One of the problems we have seen in the VA is the alcohol and substance abuse programs that disappeared when the budget got cut. The first thing the VISN directors cut was all the alcohol and sub-

stance abuse services. Bad move. It is what created the homeless group in the first place.

We see that today still and we see the high unemployment amongst the new veterans, which is very disturbing to us. It, again, reminds me of a flashback to the seventies when we had trouble with the Vietnam Veterans' high unemployment rate.

The key is services associated with housing, and we know that there are many transitional services programs that are run across the countries. Many of my chapters are involved with that. We have a Vietnam Veterans Assistance Fund that is our foundation. We have houses in Connecticut that we have been operating in association with the VA up there and the State of Connecticut Veterans Agency, again a transitional housing program. The idea is bring them in, bring them off the streets, because that is the first step.

We actually give them a lot of tough love though. One of the nice things about having veterans help veterans is we have the ability to say to somebody sitting across the table, "Yeah, you are a veteran, you deserve help, but that is not enough of a reason, you have got to get your own help, you have got to be willing to help yourself," and we were able to work with many of them and get them off the streets, and we believe over the years we have been very successful, but who is going to provide the programs.

We believe, first of all, that HUD needs to provide a lot more Section 8 housing programs. We need to provide a lot more per diem payment programs for the housing programs that are out there, and for all of those programs, again not just the housing, but to provide them with the services they need. Hook them up with the VA rehab centers. Get the VA to start to re-establish the inpatient PTSD programs that they wiped out years ago. There are only a few of them left scattered around the country now with only 30-day inpatient programs. Ten-day detox programs are almost all gone. Everything is outpatient. Well, it doesn't always work that way, especially when you have homeless veterans. The transitional housing facilities that the VA does operate are very successful, and I have seen several of them up close and personal because I work with a lot of the veterans that have gone through them.

It can be done, but it is going to take some direction of resources, and if we do this short term, and this is one of the things with the PTSD issue—if I could take just a second, the reason why we have 100 percent PTSD Vietnam veterans today is because we didn't treat them 35 years ago, and we are going to have 100 percent Iraq PTSD cases 20 years from now if we don't treat them today, and it is very simple. Take care of them now. The vet center program needs to be expanded into rural areas where all of these guards and reservists are coming from. We need to bring the Iraq and Afghanistan Veterans into that system as peer counselors like they did with the Vietnam Veterans program. We remember when the VA hated that program and wanted to bring it inside, and we said, "no, keep it on the streets where it belongs." It was very successful, still is to this day, and we think it is the only way we are going to succeed with the newer veterans.

The one thing about them I would say, at least they know what PTSD is. We didn't. They are still not quite sure what to do about

it, and I do agree with your earlier statements that there is still a stigma attached with mental health issues and PTSD that, unfortunately, keeps them from getting the care that they need.

Senator OBAMA. Mr. Chairman, I know that a couple of the panelists just wanted to respond. Would that be okay?

Chairman CRAIG. Sure.

Senator OBAMA. Mr. Basher and Mr. Kemp, please feel free to chime in.

Mr. BASHER. As a member of the Secretary's Advisory Committee on Homeless Veterans, and we are actually meeting up in Baltimore today and tomorrow, one of the issues that revolves around homelessness is the fact that a lot of the services are provided by community-based organizations and a lot of the support they get is a very fragmented package. You have got the Department of Labor providing homeless veteran re-integration program money. You have got the Department of Veterans' Affairs providing grant per diem money. Both programs operate under very different premises and very different sets of rules, but those CBOs are required to learn both sets and become facile with that, and none of this actually provides what the Committee is now concluding is an important element of this, and that is permanent support of housing for veterans.

VA specifically doesn't provide any of it. HVAP is going away from that, and HUD is now looking at providing only housing, but they don't want to talk about any veteran-specific programs.

Senator OBAMA. Mr. Kemp.

Mr. KEMP. Senator, as you know, we are having a symposium for the young veterans' needs in Chicago this October. So far, we have identified we have 60 work groups to look at different issues that are facing the veterans, and I would invite each and every one of you to participate so that we can come down and have a true veterans' issues forum. The veterans will be giving us the issues and trying to find the answers so that we can best serve them.

It is not funding. It is being more effective and efficient.

Senator OBAMA. Thank you, Mr. Chairman.

Chairman CRAIG. Thank you.

I have got a couple more questions, and then if any others do, we will certainly continue. We thank you again for your patience and your responses.

John, the next question I am going to ask is not intended to put you on the spot. You are a very nimble fellow. So I doubt that I could do that. But I think it is important that the record show a little bit of time and place and history in relation to where we were and where we are. At a hearing on eligibility reform before the Senate Veterans Committee 10 years ago, in unified testimony, VSOs testified regarding how eligibility reform could be accomplished so that it would be cost neutral. That was the argument of that time. Your organization suggested some veterans could contribute insurance and copay dollars to VA and that high-income non-service-connected Vietnam Veterans could bring substantial new funding streams to VA in order to sustain care for service-connected and indigent veterans, expand access to cost effective primary and preventive care, and reduce VA reliance on federally-appropriate rated dollars.

Doesn't the President's budget at a 9.6 increase in direct appropriations and additional revenue generated through fees proposals on lower priority veterans strike the kind of balance that your organization espoused 10 years ago?

Mr. ROWAN. Not exactly.

Chairman CRAIG. Okay. Please explain.

Mr. ROWAN. I am not as much of a budget expert as I would like to be and, frankly, we are working on another revised white paper that we will present to the Congress reviewing all the budgetary aspects. One of the problems with the whole Category 8 thing is this whole idea of those bringing health care into the system, their own insurance and the problem the VA seems to have with dealing with that and making that work. I guess the issue would become those wealthier veterans who don't have insurance and would have to somehow pay some copayments, and I think we could talk about that as well.

Again, I am not against sitting down and talking about working on a whole development of how we fund the VA and especially about the needs of the VA, and we call on Congress to set up a bipartisan, bi-house committee to exactly do that. We have done that for welfare reform. We have done it for Medicare reform. We have done it for all kinds of things. Perhaps it is time for you and your colleagues across the street to sit down and both parties hammer out a bipartisan proposal with the input of the Veterans Service Organization to exactly how we can look at reasonably funding the VA.

One of the disturbing things to me, however, is this idea of going after the sevens. The sevens are the zeros, the zero-service connected. The example of those people is one I had not too long ago as a client of mine. He came in with lung cancer. As a service-connected Vietnam Veteran, he got 100 disability immediately for his lung cancer. He went into chemotherapy. He went into all kinds of extensive treatment programs. Thank God, they cured him or put him in remission. I hate to even use the word "cured", but they put him into remission.

Immediately, he drops to zero, rightfully so, no cancer, no compensation, no problem; however his private health insurance, which he had, would not cover the super-MRI that he needed on an annual basis to make sure that his cancer wasn't coming back. The VA did, and thankfully he is in the system, but if he had been kicked out as a seven, he would not be in the system and would be in serious, serious harm.

We need to re-evaluate all of those nuances that go on with those sevens and, again, as I pointed out, with even the eights. Frankly, 4 years ago, I wasn't in the system until they came up with the presumption on diabetes. I had been a diabetic from 1994, but they wouldn't give it to me in my claim until 2003, I think it was. I am a 90-percent rated disabled veteran today because, unfortunately, I have got neuropathy and a few other things, as has many Vietnam Veterans. I am in the system. I am a category one. You can't touch me, but unfortunately there are many people——

Chairman CRAIG. I am not hunting for you.

Mr. ROWAN. But unfortunately there are many who if they were eights, unfortunately if they got information, might in fact turn

into ones, twos, threes, and fours, and that is what we are concerned about, again, as we point out with this outreach effort.

So, Senator, I think everybody in this room would be more than happy to sit down with you and your colleagues to hammer out a way to make sure that the veterans' health care got funded as long as it is understood exactly what that means when we talk about our health care needs, not our desires, our needs, and that is all we are looking for. I actually had somebody tell me all you are looking for is new members and more money, and it really got me annoyed. We are not.

Chairman CRAIG. That is a responsible and a legitimate request. Thank you.

Does anyone else wish to comment?

George?

Mr. BASHER. Sir, one of the problems I think we have with this whole issue is we tend to look at it as a VA issue, and if you look at it as a national health care issue, you have to design a VA system that is big enough to handle the 25 million veterans we have got in this country and you have to design a Medicare system that is a certain size, and you have to design a Medicaid system that is a certain size, and you have a private insurance program that covers a certain number of people. A lot of the people we are talking about are dual and triple eligibles. So in my mind, one or more of those systems is too big if we are truly trying to design the most efficient and effective way to do this.

I think maybe what is also needed here is to have a responsible conversation about the global issues of health care and where VA fits into that. As you are well aware, medicare is the one place—you can't spend your medicare dollars with a VA hospital, and to me, that makes no sense. Congress took a whack at solving that a number of years ago with VA Advantage, and the thing just disappeared in a morass of conflicting regulations, and people gave up. I think we should take another stab at that.

Chairman CRAIG. Good suggestion.

Gerald, you had a comment? Please.

Mr. HARVEY. One of the things that we need to remember is that anybody who has been to war, no matter when or whose side he is on, suffers from post-traumatic stress, no matter what you call it. It is built in. So when we first come back, we are young. We say don't talk to us about it. We want to forget all of that, and of course that is the biggest mistake we did, not talk about it, not work through it, not come out of it.

So some way or other, we need to think through a system so when these men come back to get out of the service, they get into the system right then so that you can say, "When you start seeing these signals, come back; you are already in the system, and it is going to happen to you; you don't think so, but it is."

Chairman CRAIG. Well, those are very valuable suggestions, yes.

Well, I appreciate this dialogue beyond the questions because it is a very important dialogue to have, and one of my frustrations, and it is a frustration that is spread nationwide at this moment, when we look at Federal spending as a whole, whether it be entitled or discretionary, and of course some are advocates that all VA spending become entitled, and of course there is a reality out there

that I and Danny have to deal with, and that is that Social Security, Medicare, and Medicaid, entitled definitions, without substantial adjustments over the next decade and a half will consume the entire Federal budget based on demographics and current movement in the system of aging Americans by the year 2028 or 2030, depending on the robustness of our economy, literally consume all of the budget, and that includes your budget, defense budget, all budgets. Those are very important issues that Congress has not just yet decided to deal with, although liberal and conservative economists and demographics and all of that argue the same argument. So it is all there and we understand it. So there is a reality check we have to deal with.

Today, those who have made a career of the military who have been in multiple theaters of war, the professional soldier, if you will, who retired out who has TRICARE are being asked to pay substantially more in their premiums. Obviously, they are concerned. They will pay some more. The question is how much more, and yet in sevens and eights, in all fairness, who may have spent 4 years in the service alone might never have seen a theater of war and may well have seen a theater of war, we are asking a little bit.

It is very important we get to a dialogue of balance and of fairness, because I want veterans to have access to the health care system. There is no question about that. That is not a question in my mind. The question is eligibility, affordability, and a concern about, as Danny has expressed, making sure that we extend out time and look for and try to deal with those coming out of our current theaters, because I agree with you, Gerald. I think anyone who has been there who spends time there and leaves the streets of America for the streets of Baghdad or Kabul is going to experience some form of adjustment to some degree, depending on his or her experience or association with that particular environment. I don't think there is any doubt about that, and how we deal with that or how we cause them or help them to deal with it in the long term is going to be tremendously more beneficial to them, their families, and to society as a whole.

So, gentlemen, thank you all very, very much.

Danny, do you have any additional questions?

Senator AKAKA. I do, Senator.

Chairman CRAIG. Please proceed.

Senator AKAKA. Thank you, Mr. Chairman. You certainly made an eloquent statement there.

I just want to add this, George, that what you mentioned is so important. We have talked about what we call seamless movements from active duty to the veteran status. We need to work on this. I feel sometimes that VA or the VSOs need to deal with this by taking all those recently separated servicemembers. We need to reach out to those people that are afraid to come forward for help.

Director Basher, as you well know, each State has its own unique populations and culture, and when I say culture, I feel each war has had its culture. The rural area is its culture. The urban area is its culture. So the culture makes a huge difference in how we deal with those problems.

My question to you is what are the State directors doing to cater their outreach efforts to reach certain cultures where coming for-

ward to seek treatment is frowned upon and what role do you play in crafting VA's outreach efforts in particular States?

Mr. BASHER. Thank you for the question, Senator. One of the things that everybody I think is aware of is that when people are returning from the theater now and being demobilized or separating from service, they are getting transition assistance programs and they are getting—everybody is meeting the planes at the tarmac and everybody is having the welcome home celebration, and what we found is that most veterans—and my fellow Vietnam Vet John and I remember what it was like when we came home—paying attention to all that benefit stuff was something that we didn't even hear when you were telling us, and it takes more than one time to deliver the message.

So what we are trying to do is push awareness of veterans and veteran issues and returning veteran issues down to State and local level, because these are going to occur over time. One letter from me or from my Governor or from the Secretary of the VA is another piece of junk mail in that veteran's mailbox, but a continued presence—veterans are real messy. They are not going to show up in the community-based clinic or in the VA hospital when they finally have an issue. They are going to come in to the community mental health clinic, the local hospital, the police station with whatever that issue is, and what State directors are doing is trying to engage State and county governments to when they get clients at intake, whether that is a prisoner, a client, a patient, or whatever you want to call it, the first question you ask them is: Were you ever in the military?, and make those local and State institutions aware of what the issues are surrounding military people.

If the answer is yes, we refer them back to some of our counselors, to the local county veteran service agency, or to the VA, and let us screen them at that point for the appropriate level of treatment and get them referred to the appropriate system, and whether that is done at the local level in Manhattan or Harlem or the Oneida Reservation up in northern New York, it is being delivered by local folks who understand the local culture and in most cases probably know the people who are affected.

So that is something that we are working very, very hard at, is to make that connection push out all the way across the State and local level of government.

Senator AKAKA. John.

Mr. ROWAN. If I might add real quick, one of the problems we have had is the VA has built a wall around itself and said we don't want anybody coming in anymore, stay away. They don't do any outreach whatsoever, none, and it is left, unfortunately, to the States and the VSOs and everybody else to try to do that, and they are doing their best efforts, but the VA needs to take some more generic national kind of outreach, an E.R. program, if you will, to try to explain some of these situations.

One of the things my organization is working on, we are trying to develop a proposal to go out to the private sector, to the medical community, to tell the doctors and nurses and health care people out there, Ask that person across the table, man or woman, because there are a lot of women today, are you a veteran, did you serve somewhere, and if they answer the first question yes, then

you have got to go up to the next laundry list, Were you in a combat theater, etc., etc., to elicit those responses to enable them to do better health care. In 30 years in a private HMO, nobody ever asked me the question are you a veteran, ever, despite the fact of what I ended up with all my disabilities.

So it is a real problem, and actually I was meeting with Congressman Buyer yesterday, and he came up with a really good issue, and I am going to run with it. That is to go to the medical schools who teach all these doctors who often also associated with VA hospitals, to teach them about veterans' medical care, what it means when you are a veteran as compared to a private citizen, and I think we can work wonders over the long term of dealing with that kind of program.

Senator AKAKA. Thank you. Thank you very much. This has been valuable for me and for the Committee, and I really thank you for your testimony, and my time has expired.

Thank you very much, Mr. Chairman.

Chairman CRAIG. Danny, thank you.

I have offered up to the challenge and, John, you have responded appropriately, and other VSOs are doing the same. I have not yet, nor have we collectively, decided how to shape an evaluation of and a method by which we bring forth proposals as it relates to the reality of VA funding and its appropriateness.

I look at the current trend lines, and it is obvious that probably during my tenure of this Committee, I will preside over the first $100 billion budget for the VA, a phenomenal amount of money. I am not disputing its need, not in any sense of the word. What I am doing is placing it up against other realities as it relates to overall funding of government and our needs, and some of the questions, some of the proposals that you just mentioned, George, are perfect examples of an effort to look at this again to see if medicare subvention and all those kinds of things fit, because back then, the reason it didn't work was because there were too many people who didn't want it to work, because the Medicare folks versus the VA and versus veterans didn't really see that as appropriate because it might be an offset and therefore it would discontinue certain funding lines, and all of that game gets played when we start breaking across these budgetary walls and lines that we may necessarily have to do if we are interested in delivering the kind of health care that is necessary and funding it appropriately.

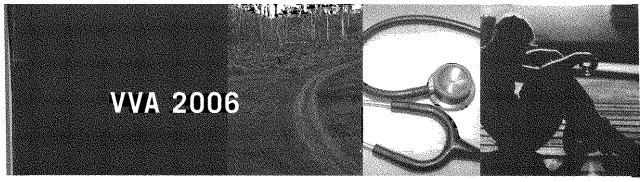
We have a good thing going. We have a quality health care system, and we have invested heavily in it, and that is appropriate and the question is how does it serve now and how does it serve in the future in a way that I think encompasses all of the needs that Danny and I are concerned about and that you have expressed. So I would suggest, but I don't have to worry about you doing it, that you stay tuned because we are going to look at this. I think we have to as a Congress and as a country to be responsible to America's veteran in a way that is appropriate and acceptable.

Gentlemen, thank you all for your testimony today. The record will remain open for any additional comment for a period of up to 5 days, and we thank you all very much for being here.

The Committee will stand adjourned.

[Whereupon, at 11:25 a.m., the Committee was adjourned.]

APPENDIX



LEGISLATIVE AGENDA
& POLICY INITIATIVES

44

The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional as to how they perceive the veterans of earlier wars were treated and appreciated by their nation.

— GEORGE WASHINGTON

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

January 2006

Dear Veterans, Families, and Friends,

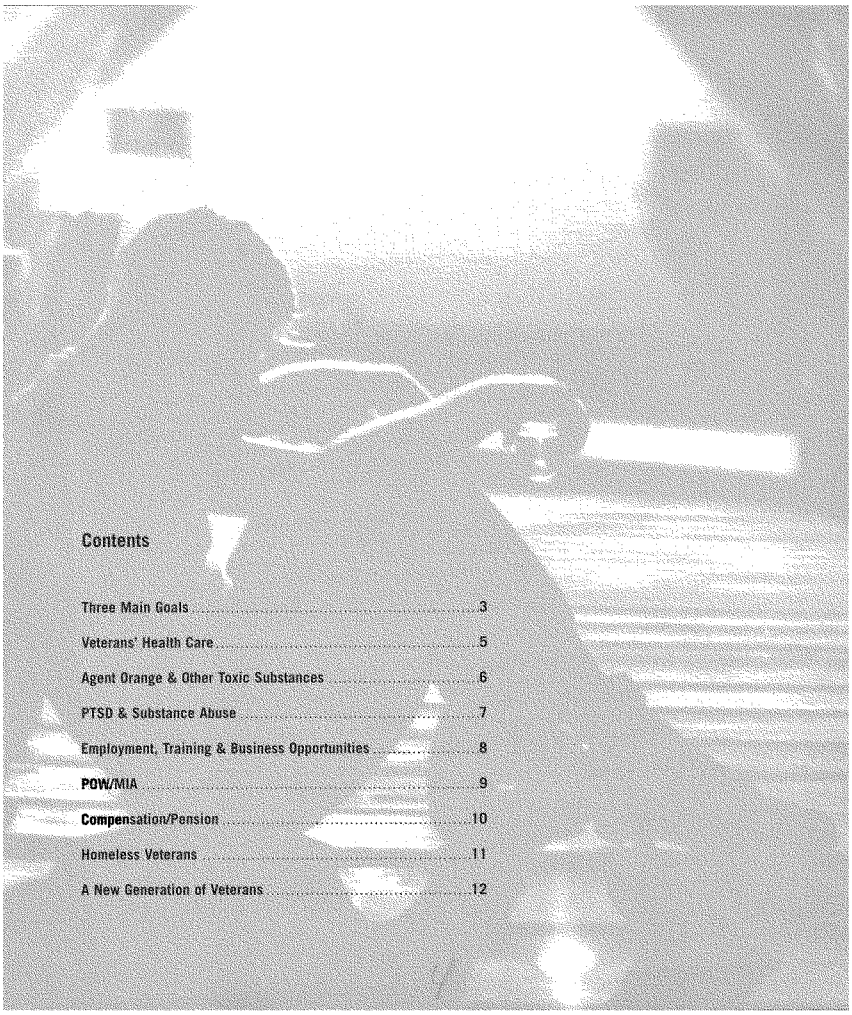
Vietnam Veterans of America has been making the case for several years that the current discretionary method of funding the health care programs of the Veterans Health Administration in the Department of Veterans Affairs (VA) just doesn't function any more. It is uncertain. It is subject annually to the whims and competing priorities of Congress to the detriment of the veterans it serves. It needs to be replaced by a new funding mechanism that is indexed to medical inflation and the per capita use of the VA health care system. This mechanism must assure the veterans health care system of a reliable, predictable funding stream.

This continues to be our highest legislative priority. We have united in this quest with other veterans' service organizations in The Partnership for Veterans Health Care Budget Reform. We believe, however, that the only way members of Congress will really listen is if they hear from their constituents – in letters and e-mails, in visits to congressional district offices, at town hall meetings, in Op/Ed columns in local news publications. We urge each of you to contact your Representative and your Senators to state the case and ask where they stand.

It is because of all the pressure brought to bear by the VSOs and by veterans across the land that the VA backed off its planned retrospective review of some 72,000 claims in which 100 percent disability ratings were given for Post-traumatic Stress Disorder (PTSD). And it will be because of the voices of veterans and their families and friends that we will succeed in changing the way in which veterans' health care is funded.

Keep up the good work.

John Rowan
National President



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There are three areas that VVA believes are critical for the effective and efficient delivery of health care services and service-connected disability benefits earned by veterans.

Funding of Veterans Health Care and . . .

Each year, VVA and the other VSOs fight for more dollars to provide the Veterans Health Administration with the resources it needs to serve eligible veterans who choose to receive their health care from the VA. We maintain that the VA health care system is grossly under-funded. As we have pointed out, had funding for the VA's medical programs not been flat-lined as the system was reaching out to admit newly eligible veterans in the wake of the eligibility reform act of 1996, the budget for VA health care would be some $10 billion more than it is currently.

We should not have to debate each and every year how many dollars go into funding VA health care. There has to be a better way than the current method of discretionary funding. We call on members of Congress to come together in a spirit of bipartisan accommodation to resolve this perennial thorn. We call on reasonable minds from both parties to work together to fashion an acceptable formula of funding the VA's medical programs. VVA stands ready to work with them to enact this much-needed legislation.

. . . Funding Veterans Benefits

The system of adjudicating veterans' claims for service-connected disability compensation is the cause of much anguish and anger among veterans. Many of the delays in awarding compensation are the result of poor training and supervision of adjudicators – and the fact that there simply are not enough adjudicators to handle the caseload. The lack of resources is one of the major culprits. The Veterans Benefits Administration cannot ask its employees to handle larger and larger caseloads while at the same time pumping out decisions faster and faster.

There are smarter ways to accomplish this task and reduce the unacceptable backlog of cases. Yet the backlog will remain, and grow ever larger, without an infusion of funding to hire and train a new generation of adjudicators. With the jobless rate of returning OEF and OIF troops hovering at 15 percent, there is certainly a pool of talent that can be tapped – but only if the dollars are there. Currently, they are not.

Accountability

It is not enough to appropriate additional resources to fund veterans' benefits and veterans' health care. Along with increased funding, Congress and the Secretary must ensure that the VA uses the right measurements of performance, focusing on quality as much as on quantity, and that the mechanisms are in place to ensure the proper utilization of these measurements. Congress must also ensure much greater accountability of senior managers. While the vast majority of the VA work force are dedicated to serving veterans, there are too many in positions of responsibility who evince little commitment to doing their jobs right. Many are rewarded at year's end with performance-based bonuses, bonuses based primarily on cost-savings, not quality of care. For those who have legitimately earned these benefits, congratulations! Those, however, whose performances leave much to be desired, need to be sanctioned, not rewarded.

VVA will help lead efforts to partner with Congress, and where possible with the Executive branch, to change the means and methods of measuring performance of units, and change laws governing Senior Executive Service and other senior levels to ensure accountability. Once this has been achieved, then VVA will work with the Congress to find ways to hold lower level employees more accountable, while restoring veterans' preference and worker rights to a meaningful status. VVA will also work with both the authorizing and the appropriations committees of Congress to insert language into VA appropriations that will spell out sanctions for poor performance.

Outreach

There are some 25 million veterans of military service in the United States today. A little more than five million actively use the VA for their health care needs. Yet tens of thousands who avoid the VA, who have their own health insurance and their own physicians and other clinicians, are eligible for benefits they don't even know about. And how many in the legion of homeless veterans know what their benefits, and their rights, are?

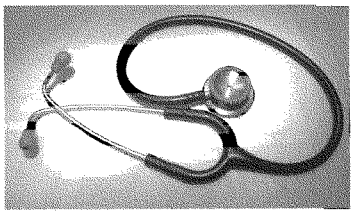
For instance, how many in-country Vietnam veterans diagnosed with prostate cancer or Type 2 diabetes know that these conditions are presumptive for exposure to Agent Orange, and are both treatable and compensable by the VA? The VA has done a woeful job of reaching out to these veterans. VVA believes that outreach must be a separate line item in the budget, and that the VA must explain to Congress and to the VSOs how the outreach is being accomplished, and improved.

There are other issues of concern that warrant the attention of Congress and the American people. What follows are VVA's legislative priorities in these areas.

Veterans' Health Care

- When the VA cannot provide the highest quality care within a reasonable distance or travel time from a veteran's home and in a timely manner, the VA has a duty to provide care via a fee-basis provider of choice for service-disabled veterans.

- VVA is committed to protecting and advancing the rights to access VA health care programs and services for all veterans who meet the definition set forth in Title 38, U.S. Code, and shall continue our efforts to ensure that clinicians at VA medical facilities take a military history as a matter of course for all veterans currently in or entering the VA health care system.



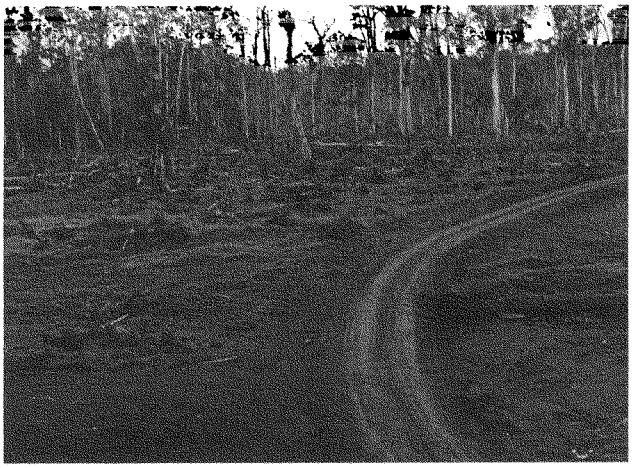
- To better provide health care for women veterans, VVA will seek legislation or regulation to re-authorize the biennial Report of the Advisory Committee on Women Veterans, with submission to the Secretary of Veterans Affairs for response, and to members of Congress; and VVA shall seek legislation to provide contract care, for up to 14 days post-delivery, for infants born to women veterans who receive delivery benefits through the VA.

Agent Orange & Other Toxic Substances

- VVA shall promote continued research by reputable scientists into the long-term health effects of dioxin; some of the research must focus on the intergenerational effects of exposure on the children and future generations of in-country Vietnam veterans.

- Even though VVA agrees that funds should no longer be expended on the Air Force Ranch Hand Study, we shall monitor and work to ensure that the data, as well as the tissue samples, are properly stored and accessible for legitimate scientific study.

- VVA shall work to ensure passage of The Veterans' Right to Know Commission Act (H.R. 4259), which would empower an independent commission to look into the history and non-disclosure of information to American service members who participated in the testing of chemical and biological substances as part of the Project 112/SHAD program.



PTSD & Substance Abuse

- VVA shall call upon the Secretary of Veterans Affairs to fund the National Vietnam Veterans Longitudinal Study (NVVLS), a follow-up study to one done 20 years ago. This will fulfill the responsibility of the VA to comply with the mandate set by Congress in Public Law 106-419, The Veterans' Benefits and Health Care Improvement Act of 2000.

- VVA shall work with Congress to take the steps necessary to ensure that the organizational capacity and funding of the VA is restored to at least the level of effort that existed in FY'96 for the effective diagnosis and treatment of the neuro-psychiatric wounds of war, particularly for Post-traumatic Stress Disorder and substance abuse.

- VVA shall encourage the VA Central Office to enforce the use of current mental health standards regarding the diagnosis of PTSD as set forth in the current edition of the *Diagnostic and Statistical Manual* published by the American Psychiatric Association.

Employment, Training & Business Opportunities

- VVA shall work to ensure that all provisions of executive orders, public laws, and legislation pertaining to the employment, training, and business opportunities for all veterans, particularly service-disabled veterans, be enforced. State and federal agencies that work diligently to meet the spirit and intent of these provisions should be rewarded; any attempts to weaken the provisions, or fail to fulfill the spirit and intent should receive appropriate sanctions.

- VVA shall seek to ensure that re-education and work skills upgrades for all veterans, including self-employment, shall be provided by the appropriate agencies of government and be accorded the highest priority.

- VVA shall seek an investigation into the disparities of the Compensated Work Therapy programs in the Veterans Health Administration, with minimum standards and quality assurance established to include rewards for outstanding performance and sanctions for not meeting set standards.

POW/MIA

- To further VVA's long-standing efforts to seek the fullest possible accounting of the status of all American service members who had been Prisoners Of War or who had been declared Missing In Action, we urge Congress to appropriate additional funds to put more teams on the ground to conduct searches for remains in Vietnam, Laos, and Cambodia.

- VVA shall urge that all documents relevant to the status of POW/MIAs be declassified and released to the public; and VVA asks Congress to pass a resolution urging the government of Vietnam to provide all relevant wartime records and to continue to repatriate the remains of American service members that have been recovered and stored.

- VVA shall urge that funding be dedicated to a public awareness program to inform families of those still listed as POW/MIA of the need to provide DNA family reference samples for potential identification of recovered remains.

Compensation/Pension

- VVA shall seek to secure a pension for Gold Star parents.
- To promote uniform claims decisions, VVA shall seek a change in current policy to permit VA staff and VSO service representatives to collaborate to develop uniform training materials, programs, and competency-based re-certification exams.
- VVA shall seek a change in the law to permit service members wounded in combat and placed on temporary disability status to be considered as remaining on active duty for the purpose of computing leave and retirement benefits.
- VVA shall seek permanent prohibition of offsets of Survivor's Benefit Plan (SBP) and Dependency & Indemnity Compensation (DIC) for the survivors of those who die in military service.
- VVA shall seek greater financial protections for deployed service members.

Homeless Veterans

- VVA shall work to ensure that Public Law 107-95, The Homeless Veterans Assistance Act of 2000, is sufficiently funded and fully implemented, to include maximum appropriations for HUD McKinney-Vento and HUD-VASH voucher programs; HHS Projects for Assistance in Transition from Homeless Programs; the VA Health Care for Homeless Veterans and the DOL Homeless Veterans Reintegration Program.

- VVA shall seek legislation or regulation to readdress the VA Homeless Grant and Per Diem funding as payment rather than a reimbursement for expenses.

A New Generation of Veterans

- VVA shall work to ensure that the Department of Defense comply with the law by giving a full health examination, to include the drawing of blood and an encounter with a clinician to take a psychosocial history, to all troops prior to their deployment overseas and upon their return to the United States.

- VVA shall work with officials to emplace a system of acute stress counseling and PTSD counseling that is funded by DoD and delivered by VA personnel and private practitioners for returning OEF/OIF service members, including Reservists and members of the National Guard and their families.

- VVA shall urge Congress to call for a review of the penalties under the Uniform Code of Military Justice to determine if penalties for military sexual trauma are commensurate with the offenses, and to act to ensure uniform enforcement in all branches of the military.

CREDITS

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JANUARY 2006

Never again will one generation of veterans abandon another.

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