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of the
COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES
ONE HUNDRED SIXTH CONGRESS

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LETTER OF SUBMITTAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, January 2, 2001

Hon. JEFF TRANDAHL,
Clerk, House of Representatives,
Washington, D.C.

DEAR MR. TRANDAHL:

In accordance with Clause 1(d) of Rule XI of the Rules of the House of Representatives, I submit herewith the report of the Committee on Veterans' Affairs setting forth its activities in reviewing and studying the application, administration, and execution of those laws, the subject matter of which is within the jurisdiction of our committee.

BOB STUMP,
Chairman

FOREWORD

The 106th Congress made far-reaching improvements to the benefit programs serving our Nation's 24 million veterans. An increased focus on meeting veterans' requests for authorized benefits and services resulted in record numbers of veterans drawing disability compensation or using the VA health care system. Looking toward the future, Congress initiated laws authorizing an expansion of VA's long-term health care system and making the Montgomery GI Bill (MGIB) educational assistance program more meaningful to entitled veterans seeking broader knowledge or advanced skills. Although much remains to be done, the American people can take pride that important issues have been identified and addressed by the 106th Congress, and that the groundwork has been laid for even greater progress in future Congresses.

Almost as important as the design and authorization of programs is the need to examine them and provide the necessary resources to ensure that veterans are served as the Congress intended. While continuing the vigorous oversight that it began by establishing the Subcommittee on Oversight and Investigations in the 105th Congress, the VA Committee in the 106th Congress took unprecedented action to advocate increased funding for veterans programs.

At the beginning of the 106th Congress, the Administration submitted a VA budget that proposed to fund veterans medical care at the previous year's level. After examining the funding needs and shortfalls in the Administration's budget, the VA Committee recommended a \$1.7 billion (9.6 percent) increase in veterans medical care funding for fiscal year 2000 that the Congress ultimately provided. In the second session, Congress approved a further increase of \$1.4 billion, so that budget authority for veterans medical care increased by a total of \$3.1 billion from \$17.8 to \$20.9 billion. Outlays for spending for disability compensation, educational assistance and other benefit programs rose by more than \$2.3 billion (10 percent) during this Congress. Outlays for veterans medical care spending are projected to rise by another \$1.5 billion in fiscal year 2001, for a three-year increase of \$3.9 billion (22 percent). The increased spending will help to meet the increased demand for VA health care by veterans with service-connected disabilities and those who cannot afford to obtain health care through other means. These amounts would also provide funds requested to implement the health care expansions authorized in the Veterans Millennium Health Care and Benefits Act, Public Law 106-117.

The 106th Congress was also confronted with a VA health care system that was attempting to shed its historic role as a provider of long-term care at a time when World War II veterans' demand for such care is expected to peak. Despite significant improvements

in delivering care on an ambulatory basis, and despite its own pioneering work in caring for chronically ill, elderly and disabled veterans, a long-awaited federal advisory committee report on the future of VA long-term care failed to address several of the major issues on access and equity which the advisory committee had been charged to study. As a result of the advisory committee's failure to recommend how to establish priorities and reasonable cost-sharing mechanisms, it fell to Congress to set out fundamental principles for VA long-term care policy. It did so with the enactment of the Veterans Millennium Health Care and Benefits Act.

This Act:

- Requires the Secretary of Veterans Affairs to operate and maintain extended care programs, to include geriatric evaluations, VA and community-based nursing home care, domiciliary care, adult day health care, respite care, and such alternatives to institutional care as the Secretary considers reasonable and appropriate.
- Requires the Secretary of Veterans Affairs to maintain nationally the level of "in-house" extended care services provided as of September 30, 1998.
- Requires the Secretary of Veterans Affairs, through 2003, to provide: (a) needed nursing home care for veterans who are 70 percent service-connected or in need of such care for a service-connected condition; and (b) veterans who are enrolled for VA care with alternatives to institutionalized care.
- Requires the Secretary of Veterans Affairs to establish a co-payment policy applicable to extended care of more than 21 days in a year in the case of care furnished to a veteran who has no compensable service-connected disability, and whose income is above the pension level.

Additionally, this Act contained a number of other health care policy enhancements, benefit improvements, authorizations and requirements. These provisions:

- Authorize the Secretary of Veterans Affairs to make payments for emergency care on behalf of uninsured enrolled veterans and to require that a veteran has received VA care within a two-year period of a medical emergency to be eligible.
- Establish a specific eligibility for VA health care for a veteran who was awarded the Purple Heart.
- Establish a specific eligibility, subject to the terms of a memorandum of understanding between the Department of Defense and Department of Veterans Affairs, for a veteran who has retired from military service, is eligible for care under the TRICARE program, and is not otherwise eligible for priority VA care.
- Require the Secretary of Veterans Affairs to establish a mechanism for augmenting the provision of specialized mental health services, with particular emphasis on programs for the treatment of post-traumatic stress disorder and substance-use disorder.
- Authorize the Secretary of Veterans Affairs to: (1) increase the \$2 drug co-payment amount; (2) establish a maximum annual and monthly payment applicable to veterans with mul-

multiple outpatient prescriptions; and (3) revise co-payments on outpatient care for “higher-income” veterans.

- Authorize the establishment of non-profit corporations at any VA medical center to facilitate education and training as well as research.

- Revise the priority system for the award of grants under the State home construction program to: (1) provide a higher priority for renovation projects than accorded under current law (with highest priority for projects to remedy life-safety problems); and (2) in the case of applications for bed-producing projects, provide priority based on the relative need for adding new beds (with higher priority to States with great need vs. those with moderate or limited need, and taking into account existing VA and community nursing home beds).

- Expand VA’s authority to enter into enhanced-use leases by: (1) authorizing VA to enter into a long-term lease of property when that would enable it to apply the proceeds of the lease to demonstrably improve services in that geographic area; (2) extending the duration of such a lease term for up to 75 years; and (3) providing that funds from enhanced-use leases shall be deposited in a new Health Services Improvement Fund.

- Authorize reprogramming to provide a domiciliary in Orlando, Florida, using previously appropriated funds and construction of a surgical addition at the Kansas City, Missouri, VA Medical Center; a long-term care facility at the Lebanon, Pennsylvania, VA Medical Center; renovations at VA medical centers in both Fargo, North Dakota, and Atlanta, Georgia; and demolition of buildings at the Leavenworth, Kansas, VA Medical Center.

- Authorize leases of an outpatient clinic in Lubbock, Texas, and of a research building in San Diego, California.

- Authorize the payment of dependency and indemnity compensation to the surviving spouses of certain former prisoners of war who were rated totally disabled due to any service-connected cause for a period of one or more years immediately prior to death.

- Restore, following termination of a remarriage, eligibility for CHAMPVA medical care, education, and housing loans to surviving spouses who lost eligibility for these benefits as the result of a remarriage. These same spouses regained dependency and indemnity compensation eligibility, but not these related benefits, as the result of legislation enacted in 1998.

- Expand the fundraising authorities of the American Battle Monuments Commission (ABMC) to expedite the establishment of the World War II Memorial in the District of Columbia and ensure that adequate funds are available for the repair and long-term maintenance of the Memorial. To assure that groundbreaking, construction, and dedication of the Memorial are completed on a timely basis, the ABMC would be authorized to borrow up to \$65 million from the U.S. Treasury.

- Direct the Secretary of Veterans Affairs to obligate Advance Planning Funds during fiscal year 2000 to establish six additional national cemeteries for veterans.

- Extend authorization for VA and Department of Labor programs which assist homeless veterans.

In the 2nd Session of the 106th Congress, the VA Committee devised a plan in compliance with Congressional Budget Act requirements to make a number of improvements in the educational assistance programs (Montgomery GI Bill and the Survivors' and Dependents' Educational Assistance program). Major provisions of the Veterans Benefits and Health Care Improvement Act of 2000 (Public Law 106-419) would:

- Increase, effective November 1, 2000, the All-Volunteer Force Educational Assistance Program basic benefit (commonly referred to as the Montgomery GI Bill or MGIB) to \$650 per month for a three-year period of service and \$528 per month for a two-year period of service.
- Permit certain Post-Vietnam Era Veterans' Educational Assistance program (VEAP) participants to enroll in the Montgomery GI Bill program.
- Permit servicemembers to "buy up" their MGIB basic benefit by making an after-tax contribution of up to \$600 which would provide up to \$5,400 in additional benefits over 36 months of entitlement, or an additional \$150 per month.
- Increase, effective November 1, 2000, the basic educational allowance for survivors and dependents to \$588 per month, with annual cost-of-living adjustments.
- Allow monthly educational assistance benefits to be paid between term, quarter, or semester intervals of up to eight weeks.
- Allow veterans', survivors' and dependents' educational assistance to be used to pay for up to \$2,000 in fees for civilian occupational licensing or certification examinations.

The Veterans Benefits and Health Care Improvement Act of 2000 would also:

- Authorize annual "national" comparability pay raises for VA nurses on par with that of other federal employees.
- Revise the annual nurses locality pay survey process.
- Provide for nurse participation in policy and decision-making at network and medical center levels.
- Revise and increase rates of special pay provided to dentists employed by the Veterans Health Administration.
- Authorize increased salaries for VA pharmacists and increase the role of physician assistants on all matters relating to employment and utilization of physician assistants within VA.
- Require that VA enter into a contract with an appropriate entity to carry out a new study on post-traumatic stress disorder independent of VA, to follow up the study conducted under section 102 of Public Law 98-160.
- Authorize VA to furnish veterans and others accompanying veterans with temporary lodging (such as "Fisher Houses") in connection with treatment or other services.
- Provide for transfer of land at four current or former VA medical centers (Allen Park, Michigan; Fort Lyon, Colorado;

Dublin, Georgia; and Miles City, Montana) to local authorities or land owners for redevelopment.

- Provide that a stroke or heart attack that is incurred or aggravated during inactive duty training by a member of a reserve component in the performance of duty while performing inactive duty training shall be considered to be service-connected for purposes of benefits under laws administered by the Secretary of Veterans Affairs.

- Make women veterans eligible for special monthly compensation due to the service-connected loss of one or both breasts, including loss by mastectomy.

- Increase the amount of resources an incompetent veteran with no dependents being provided institutional care without charge by VA or a state may retain and still qualify for payment of benefits, from \$1,500 to five times the benefit amount payable to a service-disabled veteran.

- Increase the maximum amount of coverage available through the Servicemembers' Group Life Insurance program and the Veterans' Group Life Insurance program from \$200,000 to \$250,000.

- Add recently separated veterans (veterans who have been discharged or released from active duty within a one-year period) to the definition of veterans to whom federal contractors and subcontractors must extend affirmative action to employ and advance.

- Extend eligibility for benefits normally provided only to veterans of the United States armed forces to Philippine Commonwealth Army veterans who reside in the United States who have either become citizens of the United States or have been lawfully admitted for permanent residence in the United States.

- Provide health care, vocational training, and monetary allowances to the children of women Vietnam veterans who suffer from certain birth defects.

The VA Committee has a long tradition of actively overseeing the programs which it authorizes and obtaining the views of affected veterans and their representatives on needed legislative changes. During the 106th Congress, it became apparent that a line of decisions by the United States Court of Appeals for Veterans Claims was resulting in fundamental changes to the informal nature of the system for adjudicating claims for veterans benefits. Although the Department of Veterans Affairs proposed to address the issues raised by this line of decisions through a regulatory proposal, the VA Committee decided that a legislative pronouncement would provide a more acceptable solution.

Following public hearings and meetings with veterans service organization representatives and VA officials, the leadership of the VA Committee introduced H.R. 4864, a bill entitled the "Veterans Claims Assistance Act of 2000". A compromise version of this measure was considered and adopted by both the House and Senate at the close of the 106th Congress (Public Law 106-475). In brief, the Act would require the Secretary of Veterans Affairs to make reasonable efforts to assist veterans in obtaining evidence and information needed to substantiate their claims for benefits. A veteran

would still have the responsibility to present and support a claim for benefits with information or evidence in the veteran's possession or which the Secretary determines the veteran should obtain. However, the Secretary would be required to obtain relevant information in the government's possession and to provide a medical opinion or examination in certain circumstances.

The VA Committee's Ranking Minority Member during the 106th Congress was the Honorable Lane Evans. I wish to thank him for his leadership and bipartisan cooperation in accomplishing our objectives in both sessions. I also wish to thank the subcommittee chairmen and ranking minority members for their essential legislative and oversight activities. Our subcommittee leaders were: for the Subcommittee on Health, the Honorable Cliff Stearns, Chairman, and the Honorable Luis Gutierrez, Ranking Minority Member; for the Subcommittee on Benefits, the Honorable Jack Quinn, Chairman, and the Honorable Bob Filner, Ranking Minority Member; and for the Subcommittee on Oversight and Investigations, the Honorable Terry Everett, Chairman, and the Honorable Corrine Brown, Ranking Minority Member.

During the 106th Congress, the House and Senate Committees on Veterans' Affairs continued their long tradition of working together on behalf of veterans. We added the important provisions described above to the body of veterans law. Therefore, I thank our Senate Committee on Veterans' Affairs counterparts, the Honorable Alan Specter, Chairman, and the Honorable John D. Rockefeller, Ranking Minority Member, for their hard work on so much legislation.

I also appreciate the yeoman's work the Committee staff has done in ensuring smooth day-to-day operations and effective support for Members.

Having the opportunity to help fulfill America's obligation to the courageous men and women who served in the Armed Forces was truly a special privilege for me. As Chairman of the House Committee on Veterans' Affairs, I endeavored to uphold the VA Committee's tradition of bipartisan accomplishment on behalf of veterans. While new rules adopted in 1994 limited my tenure as chairman to six years, I believe we made significant progress on many fronts. Everyone involved with the legislative process can be proud of the success we had, including but not limited to, the veterans service organizations, Members of Congress who introduced legislation affecting veterans benefits, Department of Veterans Affairs officials, various VA employee groups and representatives, and individual veterans who took the time to contact the Committee and Members' offices about their concerns.

BOB STUMP,
Chairman

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JANUARY 2, 2001—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. STUMP, from the Committee on Veterans' Affairs, pursuant to
Clause 1(d) of Rule XI, submitted the following

REPORT

JURISDICTION

Rule X of the Rules of the House of Representatives establishes the standing committees of the House and their jurisdiction. Under that rule, all bills, resolutions, and other matters relating to the subjects within the jurisdiction of any standing committee shall be referred to such committee. Clause 1(r) of Rule X establishes the jurisdiction of the Committee on Veterans' Affairs as follows:

- (1) Veterans' measures generally.
- (2) Cemeteries of the United States in which veterans of any war or conflict are or may be buried, whether in the United States or abroad (except cemeteries administered by the Secretary of the Interior).
- (3) Compensation, vocational rehabilitation, and education of veterans.
- (4) Life insurance issued by the Government on account of service in the Armed Forces.
- (5) Pensions of all the wars of the United States, general and special.
- (6) Readjustment of servicemen to civil life.
- (7) Soldiers' and sailors' civil relief.
- (8) Veterans' hospitals, medical care, and treatment of veterans.

This Committee was established January 2, 1947, as a part of the Legislative Reorganization Act of 1946 (60 Stat. 812), and was vested with jurisdiction formerly exercised by the Committee on World War Veterans' Legislation, Invalid Pensions, and Pensions. Jurisdiction over veterans' cemeteries administered by the Department of Defense was transferred from the Committee on Interior and Insular Affairs on October 20, 1967, by H. Res. 241, 90th Congress.

Veterans Programs

DEPARTMENT OF VETERANS AFFAIRS

President Herbert Hoover issued an executive order on July 21, 1930 creating the Veterans Administration. At that time, VA had 54 hospitals and 31,600 employees. There were 4.7 million veterans. President Ronald Reagan signed legislation on October 25, 1988 creating the Department of Veterans Affairs (VA), which assumed responsibility from the Veterans Administration for the mission of providing federal benefits to veterans and their dependents.

VA carries out its missions nationwide in three administrations. The Veterans Health Administration (VHA) is responsible for veterans' health care programs. The Veterans Benefits Administration (VBA) is responsible for the compensation, pension, vocational rehabilitation, education assistance, home loan guaranty and insurance programs. The National Cemetery Administration (NCA) is responsible for all national cemeteries, except Arlington National Cemetery. A Board of Veterans' Appeals (BVA) provides final decisions for the Secretary on appeals of veterans benefits claims.

As of September 30, 2000, VA had 219,547 employees. Among all the departments and agencies of the federal government, only the Department of Defense has a larger work force. Of the total number of VA employees, the Veterans Health Administration has 198,941, the Veterans Benefits Administration has 11,932, the National Cemetery System has 1,458, and the Veterans Canteen Service has 3,285. The remaining 3,931 employees are in various staff offices. About 27 percent of VA's employees are veterans, which makes VA a leading employer of veterans. Since the formation of the Department, the Secretaries of Veterans Affairs have been: Hon. Edward J. Derwinski, 1989–1992; Hon. Jesse Brown, 1993–1997; and Hon. Togo D. West, Jr. 1998–2000.

In its current five-year strategic plan issued September 29, 2000, VA's vision for the future is stated as follows:

As the Department of Veterans Affairs heads into the 21st century, we will strive to meet the needs of the Nation's veterans and their families today and tomorrow. We will become an even more veteran-focused organization, functioning as a single, comprehensive provider of seamless service to the men and women who have served our Nation. We will continuously benchmark the quality and delivery of our service with the best in business and use innovative means and high technology to deliver world-class service. We will foster partnerships with veterans organizations and other stakeholders making them part of the decisionmaking process. We will cultivate a dedicated

VA workforce of highly skilled employees who understand, believe in, and take pride in our vitally important mission.

The veteran population was approximately 24.4 million on July 1, 2000. About 76 of every 100 veterans served during defined periods of armed hostilities. Altogether, approximately 70 million veterans, dependents and survivors of deceased veterans—more than one-fourth of the nation's population—are potentially eligible for VA benefits and services.

VETERANS HEALTH ADMINISTRATION

VA's largest and most visible component is its direct health care system. The system today has 174 medical centers, with at least one in each of the 48 contiguous states, Puerto Rico, and the District of Columbia, and with small VA inpatient bed complements in Alaska and Hawaii at military treatment facilities. In recent years, a concerted effort has been made to move veterans health care away from the traditional "bricks and mortar" approach to health care. Accordingly, only one new VA hospital—in West Palm Beach, Florida—has been constructed since the mid-1990s.

In addition to its medical centers, VA now operates 599 community-based outpatient clinics, with more than 100 new ones in various stages of planning. Efforts to streamline and simplify care and to revise facility missions accordingly have led to integration of a number of medical centers in common proximity. Twenty-six "systems of care" (several medical centers and clinics under one management group) have been organized from 54 of these VA medical centers and their clinics. With the advent of VA's "Capital Assets Realignment for Enhanced Services" (CARES) initiative, the Committee expects restructuring and reorienting of VA health systems to continue unabated, improving veterans' access by making VA more convenient to veterans and by promoting more efficient health care services.

Medical Care

In 1999, with less than 25,000 average operating acute hospital beds VA treated 662,574 inpatients, 89,217 veterans in nursing home care units or in community nursing facilities, and 21,371 veterans in home and other community care programs. VA's outpatient clinics registered nearly 37 million visits by veterans in 1999. Altogether, 3.61 million veterans received care under VA auspices in 1999.

Across the nation, VA is currently affiliated with 107 medical schools, 55 dental schools, and over 1,000 other schools offering students allied and associated education degrees or certificates in 40 health professions disciplines. More than one-half of all practicing physicians in the United States receive at least part of their clinical educational experiences in the VA health care system. In 1999, approximately 90,000 health care professionals received training in VA medical centers.

Since 1979, through its Readjustment Counseling Service, VA has operated Vietnam Veteran Outreach Centers (Vet Centers) that provide readjustment counseling services to Vietnam-era veterans. After the experience of the Persian Gulf War, and reflecting on the aftermath of Vietnam, Congress extended eligibility for Vet

Center counseling to Gulf War veterans and to veterans who served during other periods of U.S. armed forces action following the Vietnam era, principally in Lebanon, Grenada and Panama. Additionally, Public Law 104–262 expands eligibility for Vet Center counseling to combat veterans of conflicts prior to the Vietnam era. However, Public Law 106–117 establishes a deadline of January 1, 2004 for non-theater, Vietnam-era veterans seeking VA readjustment counseling.

Currently, there are 206 Vet Centers nationwide. Approximately 1.5 million veterans have visited Vet Centers since the program began. Counseling is provided for a variety of reasons, including adjustment and employment problems, domestic difficulties, and post-traumatic stress disorder (PTSD). VA also conducts a variety of specialized programs including compensated work therapy to provide veterans with job skills and training and rehabilitative residencies to assist homeless veterans. Both substance-use disorder rehabilitation and PTSD outreach programs continue to be expanded.

In operating its health care facilities, VA benefits from the contributions of time and energy of volunteers from all walks of life. More than 104,000 volunteers through VA's Voluntary Service donate more than 13 million hours of service each year to bring companionship, comfort and concern to hospitalized veterans and the millions of veterans who utilize VA outpatient clinics.

Medical and Prosthetic Research

In concert with operating a nationwide health care system, VA carries out an extensive array of research targeted to the special needs of veterans but relevant as well to defining the medical standard of care in general. Among VA's major emphases are research into aging, chronic diseases, mental illnesses, substance-use disorders, sensory losses, and trauma-related illnesses. Its research programs are nationally recognized and have made important contributions in virtually every area of medicine and health.

Historically, VA researchers played key roles in innovating and improving artificial limbs, eradicating tuberculosis, and in developing the cardiac pacemaker, the Computerized Tomographic (CT) scanner and magnetic resonance imager (MRI). The first kidney transplant in the United States was performed at a VA medical facility, and VA researchers pioneered the first successful drug treatments for high blood pressure and schizophrenia. The "Seattle Foot" was created by a VA researcher to give below-the-knee amputees the adaptive ability to walk, run and even jump. VA contributions to medical knowledge have won VA scientists many prestigious awards, including six Lasker Awards and three Nobel Prizes.

Advances by VA researchers in the past two years include findings from several major clinical trials. One VA study found that colon cancer screening with colonoscopy is more effective than the more widely used sigmoidoscopy. Another found that raising levels of high-density lipoproteins—so-called "good cholesterol"—lowers the risk of heart disease. Results of another VA study may significantly reduce costs of treating anemia in patients with kidney failure. A new VA study to be conducted with the Department of De-

fense is testing a cognitive behavioral treatment for post-traumatic stress disorder in women veterans.

Also, VA researchers are assessing the prevalence of amyotrophic lateral sclerosis (“Lou Gehrig’s Disease”) among Persian Gulf War veterans. Two other studies underway are testing the effectiveness of treatments for fatigue, muscle and joint pain, and memory and thinking problems reported by some veterans of the Gulf War. VA scientists are also assessing a vaccine for shingles, a painful skin infection that occurs in over 500,000 Americans each year.

VA research has led to new strategies for treating chronic pain and diabetes. VA scientists discovered new information about the area of the brain that controls muscle movement, offering hope for spinal cord injury and stroke care. VA research has revealed the cause of narcolepsy. Other recent advances by VA scientists include the identification of a cellular pathway that may serve to help people with liver diseases; the discovery of a gene that works as an “on-off” switch for insulin production; the development of more effective AIDS drugs, including an international trial with Canadian and British researchers, and the successful use of a synthetic hormone to reverse the growth of kidney tumors.

VETERANS BENEFITS ADMINISTRATION

The Veterans Benefits Administration (VBA) is responsible for administering and delivering benefits and services to eligible veterans and certain survivors and dependents. VBA operates 57 regional offices throughout the United States, Puerto Rico and the Republic of the Philippines. The regional offices have been realigned into nine Service Delivery Networks, which manage goals, performance measures, and share responsibility for mission accomplishment within their geographic area. VBA programs include disability compensation and pension, education, life insurance, home loan guaranty, and vocational rehabilitation and counseling.

Compensation and Pension

More than 2.6 million veterans receive disability compensation or pension payments from VBA. Some 598,534 surviving spouses, children and parents of deceased veterans are being paid survivor compensation or death pension benefits. Their disability and death compensation and pension payments were more than \$20 billion for fiscal year 2000.

Insurance

VA operates one of the largest life insurance programs in the world and the seventh largest in the United States. VA administers seven life insurance programs under which 2.2 million policies with a value of \$23.4 billion remained in force at the end of fiscal year 1998. In addition, VA supervises the Servicemembers’ Group Life Insurance and Veterans’ Group Life Insurance programs, which provide some \$465 billion in insurance coverage to approximately 2.7 million veterans and members of the uniformed services. The 2000 GI life insurance dividend will return almost \$712 million to more than 1.8 million policyholders.

Education

Since 1944, when the first GI Bill became law, more than 20 million beneficiaries have participated in GI Bill education and training programs. This includes 7.8 million World War II veterans, 2.3 million Korean War veterans, and 8.2 million post-Korean and Vietnam era veterans, and active duty personnel. Proportionally, Vietnam era veterans were the greatest participants in GI Bill training. Approximately 76 percent of those eligible took training, compared with 50.5 percent for World War II veterans and 48.4 percent for Korean era veterans. The All-Volunteer Force Educational Assistance Program provides benefits for veterans, service personnel, and members of the Selected Reserve who train under the Montgomery GI Bill. In fiscal year 2000, 265,940 veterans, 72,375 service personnel and 71,300 reservists received those benefits. Since the enactment of the Servicemen's Readjustment Act of 1944, the cost of educational benefits has totaled more than \$73 billion.

Home Loan Assistance

VA's loan guaranty program has benefited more than 16 million veterans and their dependents. From this program's establishment as part of the original GI Bill in 1944 through the end of fiscal year 1999, VA home loan guaranties totaled more than \$653 billion. In 2000, VA guaranteed 199,160 loans valued at \$23.3 billion and assisted 469 disabled veterans with grants totaling more than \$18.1 million for specially adapted housing.

State Cemetery Grants Program

The Department of Veterans Affairs State Cemetery Grants Program (SCGP) was established in 1978 to complement VA's National Cemetery Administration. The program assists states in providing gravesites for veterans in those areas where VA's national cemeteries cannot fully satisfy their burial needs. Grants may be used only for the purpose of establishing, expanding, or improving veterans cemeteries that are owned and operated by a state or U.S. territory. Aid can be granted only to states or U.S. territories. VA cannot provide grants to private organizations, counties, cities or other government agencies.

During fiscal year 2000, the SCGP awarded seven new grants and seven grant increases for a total amount of \$20,251,638, a record amount for one year. Currently, 27 states and territories have been awarded grants through the SCGP. Currently, states operate 42 cemeteries that the program has assisted.

NATIONAL CEMETERY ADMINISTRATION

Since 1973, when VA assumed responsibility for the National Cemetery Administration (NCA), 17 new cemeteries have been established. Today the system comprises 119 cemeteries in 39 states and Puerto Rico. Of these, 61 have available, unassigned gravesites for the burial of both casketed and cremated remains; 31 will only accept cremated remains and the remains of family members for interment in the same gravesite as a previously deceased family member; and 27 will only perform interments of family members in the same gravesite as a previously deceased family member. Ad-

ditionally, NCA oversees 33 soldiers' lots, monument sites and confederate cemeteries.

During the period 1997 to 2000, VA opened five new national cemeteries: Tacoma National Cemetery in the Seattle/Tacoma, Washington area; Saratoga National Cemetery, near Albany, New York; Abraham Lincoln National Cemetery near Chicago, Illinois; Dallas-Ft. Worth National Cemetery to serve veterans in north and central Texas; and Ohio Western Reserve National Cemetery, near Cleveland, Ohio. The opening of five new national cemeteries within four years is unprecedented since the Civil War.

In response to section 611(c) of the Veterans Millennium Health Care and Benefits Act of 1999, Public Law 106-117, VA is continuing to actively pursue the development of new cemeteries in those metropolitan areas that are presently not served by a national cemetery. VA has identified six areas for the establishment of a new national cemetery. These areas are: Atlanta, Georgia; Detroit, Michigan; Fort Sill, Oklahoma; Miami, Florida; Pittsburgh, Pennsylvania; and Sacramento, California.

As required by the Millennium Act of 1999, an independent study will be conducted to identify the other geographic areas with the greatest concentration of veterans whose burial needs are not served by a national or state veterans cemetery, as well as the number of additional cemeteries required through 2020. Interments in national cemeteries are expected to increase from 82,700 in fiscal year 2000 to more than 117,000 in 2008.

Since July 30, 1973, total acreage in the National Cemetery Administration has increased from 4,139 acres to over 13,000 acres. The number of occupied graves maintained is projected to increase from 2,380,500 in fiscal year 2000 to over 2,998,100 in 2008. In fiscal year 2000, VA provided over 336,000 headstones and markers to mark the graves of veterans buried in private, state veterans, military/post, and national cemeteries.

DEPARTMENT OF LABOR

VETERANS' EMPLOYMENT AND TRAINING SERVICE

The Department of Labor (DOL) engages in a variety of activities to assist veterans obtain a job or the training and other employment development services they need to become employable. In accordance with Chapter 41 of title 38, United States Code, the highest priority is given to disabled veterans and veterans of the Vietnam era.

The Assistant Secretary for Veterans' Employment and Training (ASVET) is the principal advisor to the Secretary of Labor regarding DOL policies and programs to meet the employment and training needs of veterans, to protect the reemployment rights of protected individuals in the uniformed services, and to facilitate the transition of military servicemembers to the civilian work force. The Office of the ASVET, through the Veterans' Employment and Training Service (VETS), administers grants to states and local government entities primarily to support veterans' employment specialist staffing, provides reemployment rights complaint investigation and mediation services, formulates and implements inter-agency agreements to ensure the seamless provision of services to veterans, provides technical assistance and training to veterans

services providers' staff, monitors the performance of state job service agencies for veterans, conducts pilot projects to develop and test new approaches to serving veterans, and conducts pilot projects for veterans' hiring by public and private sector employers.

The field staff of the VETS is stationed in a nationwide network of regional, state and area offices. There is at least one VETS representative in every state and DOL Regional Office (Boston, New York, Philadelphia, Atlanta, Chicago, Dallas, Kansas City, Denver, San Francisco, and Seattle). Other than the regional office staff, most VETS staff are located in state job service agency offices.

The major activities and programs for veterans, Reservists, National Guard members, and transitioners conducted by the Office of the ASVET are: the Job Service and One Stop Service Centers, the Disabled Veterans Outreach Program, the Transition Assistance Program, Unemployment Compensation for Ex-servicemembers, Veterans Affirmative Action, training under the Job Training Partnership Act, Reemployment Rights, Veterans' Preference and Federal Contractor Non-Compliance Complaints, and the National Veterans' Training Institute.

AMERICAN BATTLE MONUMENTS COMMISSION

The American Battle Monuments Commission (ABMC), created by an Act of Congress in 1923 (title 36, section 2102, U.S. Code) is a federal agency responsible for the construction and permanent maintenance of military cemeteries and memorials on foreign soil, as well as for certain memorials in the United States. Its principal functions are to commemorate, through the erection and maintenance of suitable memorial shrines, the sacrifices and achievements of the American armed forces where they have served since April 6, 1917; to design, construct, operate, and maintain permanent American military burial grounds and memorials in foreign countries; to control the design and construction on foreign soil of U.S. military monuments and markers by other U.S. citizens and organizations, both public and private; and to encourage U.S. governmental agencies and private individuals and organizations to maintain adequately the monuments and markers erected by them on foreign soils.

In performance of these functions, ABMC administers, operates and maintains 24 permanent American military cemetery memorials and 52 monuments, memorials, markers and separate chapels in fourteen foreign countries, the Commonwealth of the Northern Mariana Islands, Gibraltar, and four memorials in the United States. When directed by Congress, the Commission develops and erects national military monuments in the United States, such as the Korean War Veterans Memorial and the World War II Memorial. ABMC also provides information and assistance, on request, to relatives and friends of the war dead interred or commemorated at its facilities.

Interred in the cemeteries are 124,914 U.S. war dead—750 from the Mexican War, 30,921 from World War I, and 93,243 from World War II. Additionally, 6,573 American veterans and others are interred in the Mexico City and Corozal cemeteries. The Mexico City cemetery and those of the World Wars are closed to future burials except for the remains of U.S. war dead yet to be found in the battle areas of World Wars I and II. In addition to burials at the ceme-

teries overseas, 94,132 U.S. servicemembers of the World Wars, Korea, and Vietnam are commemorated individually by name on the Tablets of the Missing at cemetery memorials and at three memorials on U.S. soil.

MESSAGES FROM THE PRESIDENT AND EXECUTIVE
COMMUNICATIONS

Feb. 2, 1999:

A letter from the Director, National Legislative Commission, the American Legion, transmitting the proceedings of the 79th National Convention of the American Legion, held in Orlando, Florida from September 2, 3 and 4, 1997 as well as a financial statement and independent audit, pursuant to 36 U.S.C. 49.

Feb. 2, 1999:

A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Additional Disability or Death Due to Hospital Care, Medical or Surgical Treatment, Examination, or Training and Rehabilitation Services (RIN: 2900-AJ04) Received January 11, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

Feb. 9, 1999:

A communication from the President of the United States, transmitting a report entitled the "1999 National Drug Control Strategy"

Feb. 23, 1999:

A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Board of Veterans' Appeals: Rules of Practice Revision of Decisions on Grounds of Clear and Unmistakable Error (RIN: 2900-AJ15) Received January 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

Mar. 3, 1999:

A letter from the Director, Office of Regulations Management, Office of General Counsel, Department of Veterans Affairs, transmitting the Department's final rule—Board of Veterans' Appeals: Rules of Practice—Notification of Representatives in Connection with Motions for Revision of Decisions on Grounds of Clear and Unmistakable Error (RIN: 2900-AJ75) Received February 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

Apr. 19, 1999:

A letter from the Assistant Secretary of Defense, for Health Affairs, Department of Defense, transmitting an annual report to Congress on outreach to Gulf War veterans, revision of Physical Evaluation Board criteria, and review of records and reevaluation of the ratings of previously discharged Gulf War veterans.

Apr. 20, 1999:

A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize appropriations for fiscal years 2000 and 2001 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 2000 and 2001, and for other purposes.

May 3, 1999:

A letter from the Principal Deputy Assistant Secretary for Congressional Affairs, Department of Veterans Affairs, transmitting a

draft of proposed legislation to amend title 38, United States Code, to authorize VA to furnish the Department of Defense with drug and alcohol treatment resources.

May 10, 1999:

A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Loan Guaranty: Requirements for Interest Rate Reduction Refinancing Loans (RIN: 2900–A192) Received April 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

May 10, 1999:

A letter from the Secretary of Labor, transmitting the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) Annual Report to Congress for Fiscal Year 1998.

May 12, 1999:

A letter from the Principal Deputy Assistant Secretary for Congressional Affairs, Department of Veterans Affairs, transmitting a draft of proposed legislation to provide a temporary authority for the use of voluntary separation incentives by the Department of Veterans Affairs to reduce employment levels, restructure staff, and for other purposes.

May 13, 1999:

A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Claims and Effective Dates for the Award of Educational Assistance (RIN: 2900–AH76) Received May 4, 1999, pursuant to 5 U.S.C. 801 (a)(1)(A).

May 13, 1999:

A letter from the Director, Office of Regulations Management (02D), Department of Veterans Affairs, transmitting the Department's final rule—Estimated Economic Impact Due to Implementation of Reasonable Charges—Received April 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

June 7, 1999:

A letter from the Veterans Benefits Administration, Veterans Affairs, transmitting the Department's final rule—Reservists Education: Increase in Educational Assistance Rates (RIN: 2900–AJ38) Received May 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

June 7, 1999:

A letter from the Secretary of Defense, transmitting a report on the results of research conducted and the plan addressing the health consequences of military service in the Gulf War.

June 8, 1999:

A letter from the Principal Deputy Assistant Secretary for Congressional Affairs, Department of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and dependency and indemnity compensation for survivors of such veterans, to authorize payment of these benefits at full rates for cer-

tain Filipinos who reside in the United States, to make improvements in veterans home loan guaranty programs, to make permanent certain temporary authorities.

June 14, 1999:

A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Service Connection of Dental Conditions for Treatment Purposes (RIN: 2900-AH41) Received June 3, 1999, pursuant to 5 U.S.C 801 (a)(1)(A).

June 14, 1999:

A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting Department's final rule—Surviving spouse's benefit for month of veteran's death (RIN: 2900-AJ64) Received June 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

June 23, 1999:

A letter from the Director, Office of Regulations Management, National Cemetery Administration, Department of Veterans Affairs, transmitting the Department's final rule—National Cemetery Administration; Title Changes (RIN: 2900-AJ79) Received June 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

June 24, 1999:

A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Schedule for Rating Disabilities; Diseases of the Ear and Other Sense Organs (RIN: 2900-AF22) Received May 11, 1999, pursuant to 5 U.S.C. 801 (a)(1)(A).

July 12, 1999:

A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—VA Acquisition Regulation: Improper Business Practices and Personal Conflicts of Interest and Solicitation Provisions and Contract Clauses (RIN: 2900-AJ06) Received June 1, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

July 12, 1999:

A letter from the Director, Office of Regulations Management, Veterans Benefits, Department of Veterans Affairs, transmitting the Department's final rule—Reinstatement of Benefits Eligibility Based Upon Terminated Marital Relationships (RIN: 2900-AJ53) Received June 7, 1999, pursuant to 5 U.S.C. 801 (a)(1)(A).

July 12, 1999:

A letter from the Secretary of Health and Human Services, transmitting a Memorandum which serves as the "Implementation Plan for Veterans Subvention".

July 19, 1999:

A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Veterans Education: Increase in Educational Assistance

Rates (RIN: 2900-AJ37) Received June 14, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

July 29, 1999:

A letter from the Secretary of Education, Secretary of Veterans Affairs, transmitting a report on the progress of developing and implementing procedures for cancellations and deferments of federal student loans for eligible disabled veterans.

Aug. 3, 1999:

A letter from the Secretary of Veterans Affairs, transmitting a response to the Report of the Congressional Commission on Servicemembers and Veterans Transition Assistance.

Aug. 4, 1999:

A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Veterans Education: Effective Date for Reducing Educational Assistance (RIN: 2900-AJ39) Received July 20, 1999, pursuant to 5 U.S.C. 801 (a)(1)(A).

Aug. 4, 1999:

A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—VA Acquisition Regulation: Taxes (RIN: 2900-AJ32) Received July 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

Aug. 5, 1999:

A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Pension Benefits (RIN: 2900-AJ50) Received June 21, 1999, pursuant to 5 U.S.C. 801 (a)(1)(A).

Aug. 5, 1999:

A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Direct Service Connection (Post-traumatic Stress Disorder) (RIN: 2900-A197) Received June 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

Aug. 5, 1999:

A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—VA Acquisition Regulation: Bonds and Insurance (RIN: 2900-AJ47) Received July 27, 1999, pursuant to 5 U.S.C. 801 (a)(1)(A).

Aug. 5, 1999:

A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Schedule for Rating Disabilities; Fibromyalgia (RIN: 2900-AH05) Received June 17, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

Sept. 8, 1999:

A letter from the Director, Office of Regulations Management, Veterans Health Administration, Department of Veterans Affairs,

transmitting the Department's final rule—Reconsideration of Denied Claims (RIN: 2900-AJ03) Received August 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

Sept. 8, 1999:

A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Veterans Education: Increased Allowances for the Educational Assistance Test Program (RIN: 2900-AJ40) Received August 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

Sept. 13, 1999:

A letter from the Director, Office of Regulations Management, Office of General Counsel, Department of Veterans Affairs, transmitting the Department's final rule—Delegations of Authority; Tort Claims (RIN: 2900-AJ31) Received September 3, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

Sept. 29, 1999:

A letter from the Secretary of Labor, transmitting the Secretary's annual report on employment and training programs, pursuant to 29 U.S.C. 1579(d).

Sept. 29, 1999:

A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Veterans Education: Montgomery GI Bill—Active Duty; Administrative Error (RIN: 2900-AJ70) Received September 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

Oct. 1, 1999:

A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Advance Payments and Lump-Sum Payments of Educational Assistance; Miscellaneous Nonsubstantive Changes (RIN: 2900-A131) Received September 28, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

Oct. 6, 1999:

A letter from the Principal Deputy Assistant Secretary for Congressional Affairs, Department of Veterans Affairs, transmitting a draft bill to authorize major facility projects and lease programs for Fiscal Year 2000.

Oct. 12, 1999:

A letter from the Director, Office of Regulations Management, Veterans Health Administration, Department of Veterans Affairs, transmitting the Department's final rule—Enrollment-Provision of Hospital and Outpatient Care to Veterans (RIN: 2900-AJ18) Received October 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

Oct. 12, 1999:

A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Returned and Canceled

Checks (RIN: 2900–AJ61) Received October 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A).

Oct. 18, 1999:

A letter from the Health Affairs, Assistant Secretary of Defense, transmitting a report regarding the appropriate health care for Gulf War veterans who suffer from a Gulf War illness.

Oct. 20, 1999:

A letter from the Principal Deputy Assistant Secretary for Congressional Affairs, Department of Veterans Affairs, transmitting a draft of proposed legislation entitled, “Veterans Programs Improvement Act of 1999”.

Jan. 27, 2000:

A letter from the the Executive Secretary, the Disabled American Veterans, transmitting the 1999 National Convention proceedings of the Disabled American Veterans, pursuant to 36 U.S.C. 90i and 44 U.S.C. 1332.

Jan. 27, 2000:

A letter from the Director, Office of Regulations Management, Veterans Health Administration, Department of Veterans Affairs, transmitting the Department’s final rule—Per Diem for Nursing Home Care of Veterans in State Homes (RIN: 2900–AE87) Received January 3, 2000, pursuant to 5 U.S.C. 801(a)(1)(A).

Jan. 27, 2000:

A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department’s final rule—VA Acquisition Regulation: Simplified Acquisition Procedures (RIN: 2900–AJ16) Received December 13, 1999, pursuant to 5 U.S.C. 801 (a)(1)(A).

Jan. 27, 2000:

A letter from the Director, Office of Regulations Management, Board of Veterans’ Appeals, Department of Veterans Affairs, transmitting the Department’s final rule—Rules of Practice: Title Change (RIN: 2900–AJ57) Received January 7, 2000, pursuant to 5 U.S.C. 801(a)(1)(A).

Feb. 1, 2000:

A letter from the The American Legion, transmitting the proceedings of the 81st National Convention of the American Legion, held in Anaheim, California from September 7, 8 and 9, 1999 as well as a report on the Organization’s activities for the year preceding the Convention, pursuant to 36 U.S.C. 49.

Feb. 14, 2000:

A letter from the Director, Office of Regulations Management, Board of Veterans’ Appeals, Department of Veterans Affairs, transmitting the Department’s final rule—Board of Veterans’ Appeals: Rules of Practice—Revision of Decisions on Grounds of Clear and Unmistakeable Error; Clarification (RIN: 2900–AJ98) Received January 5, 2000, pursuant to 5 U.S.C. 801 (a)(1)(A).

Feb. 29, 2000:

A letter from the Secretaries of Defense and Veterans Affairs, Departments of Defense and Veterans Affairs, transmitting a report on the implementation of the health resources sharing portion of the “Department of Veterans Affairs and Department of Defense Health Resources Sharing and Emergency Operations Act”. pursuant to 38 U.S.C. 8111(f).

Feb. 29, 2000:

A letter from the Secretary of Veterans Affairs and Secretary of Defense, transmitting the report for Fiscal Year 1998 regarding the implementation of the health resources sharing portion of the “Department of Veterans Affairs and Department of Defense Health Resources Sharing and Emergency Operations Act”.

Mar. 13, 2000:

A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department’s final rule—National Service Life Insurance (RIN: 2900–AJ78) Received February 14, 2000, pursuant to 5 U.S.C. 801 (a)(1)(A).

Mar. 14, 2000:

A letter from the Secretary of Veterans Affairs, transmitting the FY 1998 annual report, pursuant to 31 U.S.C. 3512(c)(3).

Mar. 15, 2000:

A letter from the Director, Office of Personnel Management, transmitting the annual report on employment and training programs for veterans during program year 1998 (October 1, 1997 through September 1, 1998), pursuant to 38 U.S.C. 2009(b).

Mar. 20, 2000:

A letter from the Acting General Counsel, Department of Defense, transmitting a proposal of draft legislation, “To authorize appropriations for fiscal year 2001 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2001, and for other purposes.”.

Mar. 21, 2000:

A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department’s final rule—DIC Benefits for Survivors of Certain Veterans Rated Totally Disabled at Death (RIN: 2900–AJ65) Received January 20, 2000, pursuant to 5 U.S.C. 801(a)(1)(A).

Mar. 28, 2000:

A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department’s final rule—Child; Educational Institution (RIN: 2900–AJ54) Received March 6, 2000, pursuant to 5 U.S.C. 801 (a)(1)(A).

Apr. 4, 2000:

A letter from the Under Secretary, Personnel and Readiness, Department of Defense, transmitting the response to the Report of the Congressional Commission on Servicemembers and Veterans Transitions Assistance.

Apr. 4, 2000:

A letter from the Secretary of Defense, transmitting the report entitled, "Outreach to Gulf War Veterans".

Apr. 6, 2000:

A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Eligibility Criteria for the Montgomery GI Bill—Active Duty and Other Miscellaneous Issues (RIN: 2900–A163) Received February 8, 2000, pursuant to 5 U.S.C. 801(a)(1)(A).

Apr. 12, 2000:

A letter from the Assistant Secretary for Planning and Analysis, Department of Veterans Affairs, transmitting a draft bill entitled, "Veterans' Compensation Cost-of-Living Adjustment Act of 2000".

May 2, 2000:

A letter from the Director, Office of Management and Budget, Department of Veterans Affairs, transmitting the Department's final rule—Appeals Regulations and Rules of Practice—Case Docketing (RIN: 2900–AJ72) Received March 16, 2000, pursuant to 5 U.S.C. 801(a)(1)(A).

May 2, 2000:

A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Veterans Education: Increased Allowances for the Educational Assistance Test Program (RIN: 2900–AJ87) Received March 16, 2000, pursuant to 5 U.S.C. 801(a)(1)(A).

May 2, 2000:

A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Eligibility Reporting Requirements (RIN: 2900–AJ09) Received March 24, 2000, pursuant to 5 U.S.C. 801(a)(1)(A).

May 4, 2000:

A letter from the Director, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Criteria for Approving Flight Courses for Educational Assistance Programs (RIN: 2900–A176) Received March 7, 2000, pursuant to 5 U.S.C. 801 (a)(1)(A).

May 17, 2000:

A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Modified Eligibility Criteria for the Montgomery G.I. Bill—Active Duty (RIN: 2900–AJ69) Received April 17, 2000, pursuant to 5 U.S.C. 801 (a)(1)(A).

May 18, 2000:

A letter from the the Legislative Special Assistant, the Veterans of Foreign Wars of the U.S., transmitting proceedings of the 100th National Convention of the Veterans of Foreign Wars of the United

States, held in Kansas City, Missouri, August 15–20, 1999, pursuant to 36 U.S.C. 118 and 44 U.S.C. 1332.

May 23, 2000:

A letter from the the Legislative Special Assistant, the Veterans of Foreign Wars of the U.S., transmitting proceedings of the 99th National Convention of the Veterans of Foreign Wars of the United States, held in San Antonio, Texas, August 29–September 4, 199B, pursuant to 36 U.S.C. 118 and 44 U.S.C. 1332.

May 25, 2000:

A letter from the Assistant Secretary for Planning and Analysis, Department of Veterans Affairs, transmitting a draft bill to amend title 38, United States Code, to designate members of the Board of Veterans' Appeals (Board) as veterans law judges and to clarify the beginning of the period in which Board decisions can be appealed to the United States Court of Appeals for Veterans Claims (Court).

June 6, 2000:

A letter from the Secretary of Labor, transmitting a report entitled, "Uniformed Services Employment and Reemployment Rights Act of 1994 (USERA) Annual Report to Congress For Fiscal Year 1999".

June 28, 2000:

A letter from the Assistant Secretary for Planning and Analysis, Department of Veterans Affairs, transmitting the Fiscal Year 2000 Veterans Equitable Resource Allocation (VERA).

July 11, 2000:

A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Children suffering from Spina Bifida who are Children of Vietnam Veterans (RIN: 2900–AJ25) Received June 2, 2000, pursuant to 5 U.S.C. 801 (a)(1)(A).

July 11, 2000:

A letter from the Assistant Secretary for Planning and Analysis, Department of Veterans Affairs, transmitting a draft bill, "To amend chapter 37 of title 38, United States Code, to extend the program for making direct housing loans to Native American Veterans, to repeal little-used loan authorities, to make technical amendments to the guaranteed housing loan program for veterans. and for other purposes".

July 11, 2000:

A letter from the Assistant Secretary for Planning and Analysis, Department of Veterans Affairs, transmitting a draft bill, "To authorize major medical facility projects for the Department of Veterans Affairs for Fiscal Year 2001 and for other purposes".

July 11, 2000:

A letter from the Assistant Secretary for Planning and Analysis, Department of Veterans Affairs, transmitting a draft bill entitled, "Enhanced Veterans' Education Benefits Act of 2000".

July 19, 2000:

A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—The Veterans Millennium Health Care and Benefits Act (RIN: 2900–AK04) Received July 7, 2000, pursuant to 5 U.S.C. 801(a)(1)(A).

July 24, 2000:

A letter from the Secretary of Veterans Affairs, transmitting a report covering the disposition of cases granted relief from administrative error, overpayment and forfeiture by the Administrator in 1999, pursuant to 38 U.S.C. 210(c)(3)(B).

July 25, 2000:

A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Increase in Rates Payable Under the Montgomery GI Bill—Active Duty (RIN: 2900–AJ89) Received July 19, 2000, pursuant to 5 U.S.C. 801(a)(1)(A).

July 25, 2000:

A letter from the Commissioner of Social Security, transmitting a draft bill to make amendments to the Supplemental Security Income (SSI) program in support of the President's fiscal year 2001 budget with respect to the Social Security Administration.

Sept. 6, 2000:

A letter from the Secretary of Labor, transmitting the annual report on employment and training programs for veterans during program year 1998 (July 1, 1998 through June 30, 1998) and fiscal year 1999 (October 1, 1998 through September 30, 1999), pursuant to 38 U.S.C. 2009(b).

Sept. 6, 2000:

A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Veterans Training: Vocational Rehabilitation Subsistence Allowance Rates (RIN: 2900–A174) Received August 23, 2000, pursuant to 5 U.S.C. 801(a)(1)(A).

Sept. 14, 2000:

A letter from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Increase in Rates Payable Under the Montgomery GI Bill—Active Duty (RIN: 2900–A189) Received September 8, 2000, pursuant to 5 U.S.C. 801(a)(1)(A).

Sept. 18, 2000:

A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Appeals Regulations: Title for Members of the Board of Veterans' Appeals (RIN: 2900–AK14) Received September 11, 2000, pursuant to 5 U.S.C. 801(a)(1)(A).

Sept. 19, 2000:

A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's

final rule—Cash Values for National Service Life Insurance (NSLI) and Veterans Special Life Insurance Term-Capped Policies (RIN: 2900-AJ35) Received September 11, 2000, pursuant to 5 U.S.C. 801(a)(1)(A).

**SUMMARY OF VETERANS' AFFAIRS COMMITTEE ACTION
BILLS AND RESOLUTIONS REFERRED AND HEARINGS/EXECUTIVE SESSIONS CONDUCTED**

	Congress																		
	88th	89th	90th	91st	92d	93d	94th	95th	96th	97th	98th	99th	100th	101st	102d	103d	104th	105th	106th
Bills and resolutions referred	508	791	685	740	693	839	719	709	339	273	229	198	147	194	215	174	128	134	147
Hearing sessions	50	71	46	43	37	44	58	72	84	89	71	76	44	72	67	71	39	56	65
Meetings and mark-up sessions	21	32	13	27	21	16	30	26	19	18	16	20	16	26	20	23	19	18	13
Bills reported	41	47	⁸ 19	34	26	⁹ 14	23	32	11	16	15	17	14	33	21	25	15	15	10
Bills in House	⁵ 5	⁶ 4	4	1	4	1	.....	1	1	1	3	3	1	4	3	11	.....	.....	1
Pending in Senate committees	7	⁷ 12	3	9	7	2	¹⁰ 9	17	3	6	6	8	9	23	7	11	10	1	1
Bills on Senate Calendar or in Senate ..	.....	1	.....	.....	.....	.....	.....	1	1	1	.....	1	3	1	3	3	.....	.....	.....
Recommitted .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bills vetoed .....	.....	.....	.....	.....	2	1	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bills passed over veto .....	.....	.....	.....	.....	.....	1	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Laws enacted	29	30	15	24	15	15	15	13	6	8	8	6	4	8	24	15	6	6	10

¹ Including 4 bills enacted as amendment in other legislation; 1 left in House when similar Senate bill returned to Senate; and 1 similar to another bill enacted (Public Law 87-645).

² Includes 2 bills enacted as amendments to other bills.

³ Includes 1 bill enacted as amendment to another bill.

⁴ Some laws include the substance of more than 1 bill reported separately. 39 separately reported bills were enacted, 7 as amendments to other legislation.

⁵ Provisions of 3 of these bills were passed by the House as separate bills, and the provisions of 1 bill were included as an amendment to another bill which became public law.

⁶ One bill in a Senate committee had purpose accomplished administratively; 5 other were enacted as sections of another bill; and portions of 1 bill left in the House were enacted as part of another bill.

⁷ Includes S.J. Res. 197 making technical correction to law, which was brought to House floor for immediate consideration and passage by unanimous consent.

⁸ The difference in number of bills reported (14) and laws enacted (15) is due to the fact that S. 3705 did not go to the House Committee. However, the subject matter was included in H.R. 12628.

⁹ Includes H.R. 9576 subject matter of which was contained in S. 969, passed in lieu.

HEARINGS AND EXECUTIVE SESSIONS

(All hearings and executive sessions of the Committee are held in the Committee hearing room, Room 334, Cannon House Office Building unless otherwise designated.)

February 3, 1999. OPEN. 4:00 p.m. Full Committee. Meeting. Organizational and Oversight Plan.

February 11, 1999. OPEN. 9:30 a.m. Full Committee. Hearing. Department of Veterans Affairs Budget Request for Fiscal Year 2000. (Serial No. 106-1)

February 23, 1999. OPEN. 11:00 a.m. Full Committee. Hearing. To Receive the Report of the Congressional Commission on Servicemembers and Veterans Transition Assistance. (Serial No. 106-2)

February 24, 1999. OPEN. 10:00 a.m. Subcommittee on Health. Hearing. VA Medical Care Budget for FY 2000. (Serial No. 106-3)

February 24, 1999. OPEN. 10:00 a.m. Subcommittee on Benefits. Hearing. Fiscal Year 2000 Budget for the Department of Labor Veterans' Employment and Training Service (VETS). (Serial No. 106-4)

February 25, 1999. OPEN. 9:30 a.m. House and Senate Veterans' Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The 1999 legislative priorities of the Military Order of the Purple Heart, Fleet Reserve Association, The Retired Enlisted Association, Gold Star Wives of America and Air Force Sergeants Association.

March 2, 1999. OPEN. 9:30 a.m. House and Senate Veterans' Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The 1999 legislative priorities of the Veterans of Foreign Wars.

March 4, 1999. OPEN. 9:30 a.m. House and Senate Veterans' Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The 1999 legislative priorities of the Veterans of World War 1, Jewish War Veterans, Paralyzed Veterans of America, Blinded Veterans Association and Non Commissioned Officers Association.

March 10, 1999. OPEN. 10:00 a.m. Subcommittee on Health. Hearing. VHA Capital Asset Management. (Serial No. 106-5)

March 11, 1999. OPEN. 1:30 p.m. Full Committee. Meeting. Approve the Committee's View and Estimates of the Administration's Fiscal Year 2000 Budget.

March 11, 1999. OPEN. 9:30 a.m. Subcommittee on Oversight and Investigations. Hearing. Whistleblowing and Retaliation in the Department of Veterans Affairs. (Serial No. 106-6)

March 17, 1999. OPEN. 10:00 a.m. House and Senate Veterans' Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The 1999 legislative priorities of the Disabled American Veterans.

March 18, 1999. OPEN. 2:30 p.m. Full Committee. Markup. H.R. 70.

March 24, 1999. OPEN. 10:00 a.m. House and Senate Veterans' Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The 1999 legislative priorities of the AMVETS, American ExPrisoners

of War, Vietnam Veterans of America and The Retired Officers Association.

March 25, 1999. OPEN. 9:30 a.m. Subcommittee on Oversight and Investigations. Hearing. Management of the Federal Employees' Compensation Act Program at the Department of Veterans Affairs. (Serial No. 106-7)

March 25, 1999. OPEN. 10:00 a.m. Subcommittee on Benefits. Hearing. Room 340 Cannon HOB. Oversight on the Veterans Benefits Administration. (Serial No. 106-8)

April 15, 1999. OPEN. 9:30 a.m. Subcommittee on Oversight and Investigations. Hearing. Department of Veterans Affairs Year 2000 (Y2K) Readiness. (Serial No. 106-9)

April 21, 1999. OPEN. 10:00 a.m. Subcommittee on Oversight and investigations and Subcommittee on Health. Joint Hearing. Suspension of Medical Research at West Los Angeles and Sepulveda VA Medical Facilities and Informed Consent and Patient Safety in VA Medical Research. (Serial No. 106-10)

April 21 and May 20, 1999. OPEN. 10:00 a.m. Subcommittee on Benefits. Hearing. Room 340 Cannon HOB. H.R. 1071, the Montgomery GI Bill Improvements Act of 1999, and H.R. 1182, the Servicemembers Educational Opportunity Act of 1999. (Serial No. 106-11)

April 22, 1999. OPEN. 9:30 a.m. Subcommittee on Health. Hearing. VA Long-Term Care. (Serial No. 106-12)

May 19, 1999. OPEN. 10:00 a.m. Subcommittee on Health. Hearing. Veterans' Millennium Health Care Act. (Serial No. 106-13)

May 20, 1999. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Room 340 Cannon HOB. National and State Veterans' Cemeteries. (Serial No. 106-14)

June 9, 1999. OPEN. 10:00 a.m. Subcommittee on Health. Markup. Draft Veterans' Millennium Health Care Act.

June 10, 1999. OPEN. 10:00 a.m. Subcommittee on Benefits. Hearing. H.R. 605, Court of Appeals for Veterans Claims Act of 1999; H.R. 690, Relating to Bronchiolo-alveolar Carcinoma; H.R. 708, Surviving Spouses Benefit Restoration Act; H.R. 784, Regarding Dependency and Indemnity Compensation for Surviving Spouses of Certain Former Prisoners of War; H.R. 1214, Veterans' Claims Adjudication Improvement Act of 1999; and H.R. 1765, Veterans' Compensation Cost-of-Living Adjustment Act of 1999. (Serial No. 106-15)

June 16, 1999. OPEN. 10:30 a.m. Subcommittee on Benefits. Hearing. H.R. 1247, the World War 11 Memorial; H.R.1476, the National Cemetery Act of 1999; H.R. 1484, Authorization of Appropriations for Homeless Veterans Projects; H.R. 1603, the Selected Reserve Housing Loan Fairness Act of 1999; H.R. 1663, the Medal of Honor Memorial Act; and H.R. 2040, the Veterans' Cemetery Assessment Act of 1999. (Serial No. 106-16)

June 17, 1999. OPEN. 10:00 a.m. Subcommittee on Benefits. Markup. Draft Veterans Benefits improvement Act of 1999.

June 23, 1999. OPEN. 10:00 a.m. Full Committee. Markup. H.R. 2116, H.R. 2280 and H.J. Res. 34.

June 24, 1999. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Effectiveness of Federal Homeless Veterans Programs. (Serial No. 106-17)

June 30, 1999. OPEN. 10:00 a.m. Subcommittee on Health. Hearing. Cost Estimates for H.R. 2116, the Veterans' Millennium Health Care Act. (Serial No. 106-18)

July 15, 1999. OPEN. 9:30 a.m. Subcommittee on Health. Hearing. VA's Experience in Implementing Patient Enrollment Under Public Law 104-262. (Serial No. 106-19)

July 15, 1999. OPEN. 1:00 p.m. Full Committee. Markup. H.R. 2116.

July 22, 1999. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. VA's Capital Assets Realignment Plan for Enhancing Services to Veterans. (Serial No. 106-20)

July 29, 1999. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Effectiveness and Strategic Planning of Veterans' Employment and Training Service Program. (Serial No. 106-21)

September 9, 1999. OPEN. 10:00 a.m. Subcommittee on Benefits. Hearing. Veterans' Employment regarding Civilian Deconditioning Requirements for Military Job Skills. (Serial No. 106-22)

September 22, 1999. OPEN. 10:00 a.m. Full Committee. Markup. H.J. Res. 65 and H.R. 1663.

September 23, 1999. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. VA Financial Management: Reducing Fraud and Increasing Collections. (Serial No. 106-23)

September 28, 1999. OPEN. 9:30 a.m. House and Senate Veterans Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The 1999 legislative priorities of The American Legion.

September 30, 1999. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Department of Veterans Affairs Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication. (Serial No. 106-24)

October 26, 1999. OPEN. 10:00 a.m. Subcommittee on Benefits. Hearing. Persian Gulf War Veterans Issues. (Serial No. 106-25)

October 28, 1999. OPEN. 9:00 a.m. Subcommittee on Benefits. Hearing. Draft Legislative Concepts for 21st Century Veterans' Employment and Training Legislation, H.R. 364, Draft Legislative Concepts for Miscellaneous VA Education Programs, and H.R. 625. (Serial No. 106-26)

October 28, 1999. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Hearing V on Year 2000 Readiness in the Department of Veterans Affairs. (Serial No. 106-27)

November 16, 1999. OPEN. 2:00 p.m. Subcommittee on Health and Subcommittee on Oversight and Investigations. Joint Hearing.

Possible Health Effects of Pyridostigmine Bromide on Persian Gulf War Veterans. (Serial No. 106–28)

February 9, 2000. OPEN. 10:20 a.m. Subcommittee on Health and Subcommittee on Health and the Environment and Subcommittee on Oversight and Investigations, Committee on Commerce. Joint Hearing. Room 2123 Rayburn HOB. Medical Errors: Improving Quality of Care and Consumer Information. (Serial No. 106–29)

February 17, 2000. OPEN. 9:30 a.m. Full Committee. Hearing. The Department of Veterans Affairs Budget Request for Fiscal Year 2001. (Serial No. 106–30)

March 1, 2000. OPEN. 10:00 a.m. House and Senate Veterans Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The 2000 legislative priorities of the Disabled American Veterans.

March 2, 2000. OPEN. 10:00 a.m. House and Senate Veterans Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The 2000 legislative priorities of the Non Commissioned Officers Association, Jewish War Veterans, Paralyzed Veterans of America, and Blinded Veterans Association.

March 7, 2000. OPEN. 9:30 a.m. House and Senate Veterans Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The 2000 legislative priorities of The Retired Enlisted Association, Gold Star Wives of America, Military Order of the Purple Heart, Air Force Sergeants Association and Fleet Reserve Association.

March 9, 2000. OPEN. 10:00 a.m. Subcommittee on Benefits and Subcommittee on Health. Joint Hearing. Room 345 Cannon HOB. Homeless Veterans' Issues. (Serial No. 106–31)

March 14, 2000. OPEN. 10:00 a.m. Subcommittee on Benefits and Subcommittee on Government Programs and Oversight, Committee on Small Business. Hearing. B363 Rayburn HOB. Implementation of Public Law 106–50, the Veterans Entrepreneurship and Small Business Development Act of 1999.

March 15, 2000. OPEN. 10:00 a.m. House and Senate Veterans Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The 2000 legislative priorities of the Veterans of Foreign Wars.

March 16, 2000. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Department of Veterans Affairs Loan Guaranty Service. (Serial No. 106–33)

March 22, 2000. OPEN. 10:00 a.m. House and Senate Veterans Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The 2000 legislative priorities of the National Association of State Directors of Veterans Affairs, the Vietnam Veterans of America, The Retired Officers Association, American ExPrisoners of War and AMVETS.

March 23, 2000. OPEN. 9:30 a.m. Subcommittee on Benefits. Hearing. Well-Founded Claims and H.R. 3193, the Duty to Assist Veterans Act of 1999. (Serial No. 106–34)

April 5, 2000. OPEN. 10:00 a.m. Subcommittee on Health. Hearing. VA Capital Asset Planning. (Serial No. 106–35)

April 12, 2000. OPEN. 10:00 a.m. Subcommittee on health. Hearing. The Status of Recruitment, Retention and Compensation of the VA Health Care Workforce. (Serial No. 106-36)

April 13, 2000. OPEN. 10:00 a.m. Subcommittee on Benefits. Hearing. VA Adjudication of Hepatitis C Claims, and H.R. 1020, H.R. 3816, H.R. 3998 and H.R. 4131. (Serial No. 106-37)

May 11, 2000. OPEN. 10:00 a.m. Full Committee. Markup. H.R. 4268, Veterans and Dependents Millennium Education Act.

May 11, 2000. OPEN. 11:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Department of Veterans Affairs Information Technology Program. (Serial No. 106-38)

May 17, 2000. OPEN. 10:00 a.m. Subcommittee on Health. Hearing. Department of Veterans Affairs/Department of Defense Health Care Sharing. (Serial No. 106-39)

May 18, 2000. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Department of Veterans Affairs Disability Claims Processing. (Serial No. 106-40)

May 25, 2000. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Joint Procurement of Pharmaceuticals by the Department of Veterans Affairs and the Department of Defense.

June 1, 2000. OPEN. 10:00 a.m. Marion, Indiana. Subcommittee on Oversight and Investigations. Field Hearing. Hearing on Quality of Care, Patient and Employee Safety, and Management Effectiveness at the Marion VA Medical Center.

June 8, 2000. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Women Veterans Issues.

July 12, 2000. OPEN. 10:00 a.m. Subcommittee on Benefits. Hearing. H.R. 4765, the 21st Century Veterans Employment and Training Act and H.R. 3256, Veterans' Right to Know Act.

July 13, 2000. OPEN. 9:00 a.m. Subcommittee on Benefits. Hearing. H.R. 4765, 21st Century Veterans Employment and Training Act and H.R. 3256, Veterans' Right to Know Act.

July 18, 2000. OPEN. 10:00 a.m. Subcommittee on Benefits. Markup. H.R. 4850, Veterans Benefits Act of 2000; and H.R. 4864, Veterans Claims Assistance Act of 2000.

July 20, 2000. OPEN. 10:00 a.m. Full Committee. Markup. H.R. 4850, Veterans Benefits Act of 2000; and H.R. 4864, Veterans Claims Assistance Act of 2000.

July 25, 2000. OPEN. 10:00 a.m. Subcommittee on Health. Hearing. VA Pharmaceutical Procurement Policy.

July 27, 2000. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Patient Safety and Quality Management in the Department of Veterans Affairs.

September 7, 2000. OPEN. 10:00 a.m. Subcommittee on Health. Markup. H.R. 5109, Department of Veterans Affairs Health Care Personnel Act of 2000.

September 13, 2000. OPEN. 10:30 a.m. Full Committee Markup. H.R. 5109, Department of Veterans Affairs Health Care Personnel Act of 2000.

September 21, 2000. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Follow-up Hearing on VA's Information Technology Program.

September 26, 2000. OPEN. 9:30 a.m. House and Senate Veterans Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The 2000 legislative priorities of The American Legion.

September 27, 2000. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. 340 Cannon. Hearing on Veterans Employment and Training Service (VETS) Program Effectiveness and Strategic Planning.

September 27, 2000. OPEN. 10:00 a.m. Subcommittee on Benefits. Hearing. Hearing on Licensing and Credentialing of Military Job Skills for Civilian Employment.

September 28, 2000. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing on Human Subjects Protections in VA Medical Research.

October 3, 2000. OPEN. 9:30 a.m. Subcommittee on Health. Hearing on Chiropractic Services in the VA.

LEGISLATION ENACTED INTO LAW

Public Law 106-83

(H.R. 1663, AS AMENDED)

Title: A Act to recognize National Medal of Honor sites in California, Indiana, and South Carolina.

Summary: H.R. 1663, as amended, would:

1. Recognize the following sites to honor recipients of the Medal of Honor as National Medal of Honor sites: (1) Riverside California—The memorial under construction at the Riverside National Cemetery in Riverside, California, to be dedicated on November 5, 1999; (2) Indianapolis, Indiana.—The memorial at the White River State Park in Indianapolis, Indiana, dedicated on May 28, 1999; (3) Mount Pleasant, South Carolina.—The Congressional Medal of Honor Museum at Patriots Point in Mount Pleasant, South Carolina, currently situated on the ex-U.S.S. *Yorktown* (CV-6).

Effective date: Date of enactment.

Cost: The Congressional Budget Office estimates that the cost of H.R. 1663 would have no effect on the federal budget and would not affect direct spending or receipts. H.R. 1663 contains no inter-governmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 and would not affect the budget of state, local, or tribal government. Any costs to state or local governments as a result of enactment of this bill would be incurred voluntarily.

Legislative history

Sep. 22, 1999: H.R.1663 ordered reported amended favorably by the Committee on Veterans' Affairs.

Sep. 30, 1999: H.R.1663 reported amended by Committee on Veterans' Affairs. H.Rept. 106-351.

Oct. 5, 1999: Passed the House amended under suspension by vote of 424-0 (Roll No. 474).

Oct. 6, 1999: Referred to the Senate Committee on Armed Services.

Oct. 20, 1999: Passed the Senate by unanimous consent.

Oct. 28, 1999: Signed by the President, Public Law 106-83.

Public Law 106-117

VETERANS MILLENNIUM HEALTH CARE AND BENEFITS ACT

(H.R. 2116, AS AMENDED)

Title: An Act to amend title 38, United States Code, to establish a program of extended care services for veterans, to make other improvements in health care programs of the Department of Veterans Affairs, to enhance compensation, memorial affairs, and housing programs of the Department of Veterans Affairs, to improve retirement authorities applicable to judges of the United States Court of Appeals for Veterans Claims, and for other purposes.

Summary: H.R. 2116, as amended, would provide for the following:

Title I—Access to Care

Subtitle A—Long-term Care

1. Require the Secretary of Veterans Affairs to operate and maintain extended care programs, to include geriatric evaluations, VA and community-based nursing home care, domiciliary care, adult day health care, respite care, and such alternatives to institutional care as the Secretary considers reasonable and appropriate.
2. Require the Secretary of Veterans Affairs to maintain nationally the level of “in-house” extended care services provided as of September 30, 1998.
3. Require the Secretary of Veterans Affairs, through 2003, to provide: (a) needed nursing home care for veterans who are 70 percent service-connected or in need of such care for a service-connected condition; and (b) veterans who are enrolled for VA care with alternatives to institutionalized care.
4. Require the Secretary of Veterans Affairs to establish a copayment policy applicable to extended care of more than 21 days in a year in the case of care furnished to a veteran who has no compensable service-connected disability, and whose income is above the pension level.
5. Require establishment of a revolving fund in the Treasury in which to deposit copayments to be used to expand extended care services.
6. Lift the six-month limit on VA providing adult day health care, and authorize VA to furnish respite care services under contract in veterans’ homes or in any other setting.
7. Authorize VA to expand the scope of the State home program to encompass all extended care services.
8. Require the Secretary of Veterans Affairs to conduct pilot programs to determine the effectiveness of different models of providing all-inclusive care to reduce the need for institutionalizing patients.
9. Establish a pilot program, that would authorize the Secretary of Veterans Affairs to provide assisted living services through contract arrangements.

Subtitle B—Other Access-to-care Matters

1. Authorize the Secretary of Veterans Affairs to make payments for emergency care on behalf of uninsured enrolled veterans and require that a veteran has received VA care within a two-year period of a medical emergency to be eligible.
2. Establish a specific eligibility for VA health care for a veteran who was awarded the Purple Heart.
3. Establish a specific eligibility, subject to the terms of a memorandum of understanding between the Department of Defense and Department of Veterans Affairs, for a veteran who has retired from military service, is eligible for care under the TRICARE program, and is not otherwise eligible for priority VA care.

4. Lift the restriction in law on VA's treating (under appropriate reimbursement arrangements) military members for substance-use disorders other than during the last 30 days of the member's period of service.
5. Require the Secretary of Veterans Affairs to operate a sexual trauma program through December 31, 2004.
6. Require the Secretary of Veterans Affairs to establish a mechanism for augmenting the provision of specialized mental health services, with particular emphasis on programs for the treatment of post-traumatic stress disorder and substance use disorder.

Title II—Medical Program Administration

1. Authorize the Secretary of Veterans Affairs to: (1) increase the \$2 drug copayment amount; (2) establish a maximum annual and monthly payment applicable to veterans with multiple outpatient prescriptions; and (3) revise copayments on outpatient care for "higher-income" veterans.
2. Establish a new fund in the Treasury in which VA is to deposit receipts and collections under the new authorities in the bill.
3. Provide that, of the monies collected and recovered by VA, each facility is to receive that amount collected or recovered on behalf of that facility.
4. Authorize the establishment of non-profit corporations at any VA medical center to facilitate education and training as well as research.
5. Extend the date by which Vietnam-era veterans must apply to be eligible for readjustment counseling services through December 31, 2003.
6. Extend for four years the requirement that VA operate a program to evaluate the health status of Gulf War veterans' dependents and continue to provide outreach to these veterans through a newsletter.
7. Reestablish a VA Committee on post-traumatic stress disorder.
8. Revise the priority system for the award of grants under the State home construction program: (a) to provide a higher priority for renovation projects than accorded under current law (with highest priority for projects to remedy life-safety problems); and (b) in the case of applications for bed-producing projects, priority based on the relative need for adding new beds (with higher priority to States with great need vs. those with moderate or limited need, and taking into account existing VA and community nursing home beds).
9. Expand VA's authority to enter into enhanced-use leases by: (a) authorizing VA to enter into a long-term lease of property when that would enable it to apply the proceeds of the lease to demonstrably improve services in that geographic area; (b) extending the duration of such a lease term for up to 75 years; and (c) providing that funds from enhanced-use leases shall be deposited in a new Health Services Improvement Fund.

10. Provide that VA may not employ a health care professional if a State has terminated for cause that individual's license, registration, or certification.
11. Require the Secretaries of the Departments of Veterans Affairs and Defense to submit to Congress a report on cooperation between the Departments on procurement of pharmaceuticals and medical supplies.
12. Require that for one year VA, in making payments under section 1728 of title 38, United States Code, use the payment schedule in effect for such purposes as of July 31, 1999, rather than the Participating Physician Fee Schedule under the Medicare program.

Title III – Miscellaneous Medical Provisions

1. Require the Secretary of Veterans Affairs to report and provide justification to Congress on, and defer for a period, plans to close within any fiscal year more than one-half the beds within certain bed sections of VA medical centers.
2. Lift the restrictions on VA's canteen service relating to sales for off-premises consumption and use.
3. Require the VA Under Secretary for Health, in consultation with chiropractors, to establish a policy regarding chiropractic treatment.
4. Designate the hospital replacement building under construction at the Reno, Nevada Veterans Affairs Medical Center as the "Jack Streeter Building".

Title IV – Construction and Facilities Matters

1. Authorize renovation to provide a domiciliary in Orlando, Florida, using previously appropriated funds and construction of a surgical addition at the Kansas City, Missouri, VA Medical Center; a long-term care facility at the Lebanon, Pennsylvania, VA Medical Center; renovations at VA medical centers in both Fargo, North Dakota, and Atlanta, Georgia; and demolition of buildings at the Leavenworth, Kansas, Veterans Affairs Medical Center.
2. Authorize leases of an outpatient clinic in Lubbock, Texas, and of a research building in San Diego, California.
3. Authorize appropriations for fiscal years 2000 and 2001 of \$57.5 million for construction, and \$2,178,500 for the leases.

Title V – Benefits and Employment Matters

Subtitle A – Compensation and DIC

1. Authorize the payment of dependency and indemnity compensation to the surviving spouses of certain former prisoners of war who were rated totally disabled due to any service-connected cause for a period of one or more years immediately prior to death.
2. Restore, following termination of a remarriage, eligibility for CHAMPVA medical care, education, and housing loans to surviving spouses who lost eligibility for these benefits as the result of remarriage. These same spouses regained depend-

- ency and indemnity compensation eligibility, but not these related benefits, as the result of legislation enacted in 1998.
3. Add bronchiolo-alveolar carcinoma, a rare form of lung cancer not associated with tobacco use, to the list of diseases presumed to be service-connected and thus compensable for certain radiation-exposed veterans.

Subtitle B—Employment

1. Clarify certain changes to the “Veterans Employment Opportunities Act of 1998” (Public Law 105–338), to confer competitive status on veterans hired under the Act, thereby allowing them the opportunity to compete for internal vacancies.

Title VI—Memorial Matters

Subtitle A—American Battle Monuments Commission

1. Expand the fundraising authorities of the American Battle Monuments Commission (ABMC) to expedite the establishment of the World War II Memorial in the District of Columbia and ensure that adequate funds are available for the repair and long-term maintenance of the Memorial. To assure that groundbreaking, construction, and dedication of the Memorial are completed on a timely basis, the ABMC would be authorized to borrow up to \$65 million from the U.S. Treasury.

Subtitle B—National Cemeteries

1. Direct the Secretary of Veterans Affairs to obligate Advance Planning Funds during fiscal year 2000 to establish six additional national cemeteries for veterans.
2. Authorize the Secretary of Veterans Affairs to use flat grave markers at the Santa Fe National Cemetery in New Mexico.
3. Require the Secretary of Veterans Affairs to conduct an independent study on improvements to veterans’ cemeteries.

Subtitle C—Burial Benefits

1. Require the Secretary of Veterans Affairs to conduct an independent study on burial benefits.

Title VII—Education and Housing Matters

Subtitle A—Education Matters

1. Extend Montgomery GI Bill education benefits eligibility for preparatory courses for college and graduate school entrance examinations.
2. Extend Montgomery GI Bill eligibility to individuals whose obligated period of service is interrupted in order to accept a commission following successful completion of Officer Training School.
3. Require the Secretary of Veterans Affairs, in consultation with the Departments of Defense, Education, and Labor, to

provide a report to Congress on veterans' education and vocational training benefits provided by the States.

Subtitle B—Housing Matters

1. Extend VA's authority to provide eligibility for members of the Selected Reserve for veterans housing loan guaranties through 2007.

Title VIII—Department of Veterans Affairs

Administrative Matters

1. Require the Veterans Benefits Administration to implement a quality assurance program that meets governmental standards for internal control, separation of duties and organizational independence.
2. Extend the authority of the Secretary of Veterans Affairs to operate a Veterans Benefits Administration regional office in the Republic of the Philippines through December 31, 2003.
3. Extend the Advisory Committee on Minority Veterans through December 31, 2003.

Title IX—Homeless Veterans Programs

1. Authorize appropriations to the Department of Labor of \$10 million for fiscal year 2000, \$15 million for fiscal year 2001, \$20 million for fiscal year 2002, and \$20 million for fiscal year 2003, for the Homeless Veterans Reintegration Program.
2. Extend VA's authority to furnish assistance to homeless veterans through December 31, 2003.
3. Extend through September 30, 2003, VA's authority to make grants (under the Homeless Veterans Comprehensive Service Program Act of 1992, as amended) for new programs to combat veteran homelessness, authorize grants to assist in expanding existing programs, eliminate the limitation on grant support for programs involving van procurement, and authorize annual appropriations of \$50 million to carry out the Act.
4. Direct the Secretary of Veterans Affairs, in consultation with the Secretaries of Labor and Housing and Urban Development, to submit a plan to evaluate the effectiveness of programs to assist homeless veterans.

Title X—United States Court of Appeals for Veterans Claims

1. Make various modifications to the retirement and survivor annuity programs applicable to judges of the United States Court of Appeals for Veterans Claims, so as to encourage staggered retirement and to be more consistent with those of other federal judges.

Title XI—Voluntary Separation Incentive Program

1. Authorize the Secretary of Veterans Affairs to offer employees voluntary separation incentives ("buyouts") of up to \$25,000 in order to restructure or reduce positions and func-

tions identified in a plan designed to improve operating efficiency.

Effective date: Date of Enactment.

Legislative history

July 15, 1999: H.R. 2116 ordered reported amended favorably by the Committee on Veterans' Affairs.

July 16, 1999: H.R. 2116 reported amended by the Committee on Veterans' Affairs H. Rept. 106-237.

Sep. 21, 1999: Passed the House amended under suspension by vote of 369-46 (Roll No. 427).

Sep. 22, 1999: Referred to the Senate Committee on Veterans' Affairs.

Nov. 5, 1999: Senate Committee on Veterans' Affairs discharged by unanimous consent.

Nov. 5, 1999: Passed the Senate amended by unanimous consent.

Nov. 5, 1999: Senate requested a Conference. Conferees appointed: Specter, Thurmond and Rockefeller.

Nov. 8, 1999: Informal Conference meeting held.

Nov. 8, 1999: House disagreed to the Senate Amendments by unanimous consent.

Nov. 8, 1999: House agreed to a Conference. Conferees appointed: Stump, Smith (NJ), Quinn, Stearns, Evans, Brown (FL) and Doyle.

Nov. 10, 1999: Conference meeting held. Conferees agreed to file conference report.

Nov. 16, 1999: Conference report filed. H. Rept. 106-470.

Nov. 16, 1999: House agreed to the Conference report under suspension by voice vote.

Nov. 19, 1999: Senate agreed to Conference report by unanimous consent.

Nov. 30, 1999: Signed by the President, Public Law 106-117.

Public Law 106-118

VETERANS' COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 1999

(H.R. 2280, AS AMENDED)

Title: An Act to amend title 38, United States Code, to provide a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans.

Summary: H.R. 2280, as amended, would:

Authorize a cost-of-living adjustment in the rates of service-connected disability compensation and dependency and indemnity compensation of 2.4 percent effective December 1, 1999 for:

- (1) Veterans receiving compensation benefits for service-connected disabilities;
- (2) Surviving spouses and children of veterans who died of service-connected causes in receipt of dependency and indemnity compensation (DIC);
- (3) Eligible veterans and surviving spouses who require the regular aid and attendance of another person in their day-to-day activities;
- (4) Eligible veterans in receipt of the housebound allowance;

- (5) Certain veterans paid additional amounts for dependents;
 (6) Veterans whose service-connected disabilities require the wearing or use of a prosthetic or orthopedic appliance which tends to wear or tear the clothing (from \$534 to \$546); and,
 (7) Spouses' housebound rate (from \$105 to \$107) monthly.

COMPENSATION AND DIC RATES EFFECTIVE DECEMBER 1, 1999

	Increase (monthly rate)	
	From	To
Percentage of disability or subsection under which payment is authorized:		
(a) 10 percent	\$96	\$98
(b) 20 percent	184	188
(c) 30 percent	282	288
(d) 40 percent	404	413
(e) 50 percent	576	589
(f) 60 percent	726	743
(g) 70 percent	916	937
(h) 80 percent	1,062	1,087
(i) 90 percent	1,196	1,224
(j) 100 percent	1,989	2,036
Higher statutory awards for certain multiple disabilities:		
(k) (1) Additional monthly payment for anatomical loss, or loss of use of, any of the following: one foot, one hand, blindness in one eye (having light perception only), one or more creative organs, both buttocks, organic aphonia (with constant inability to communicate by speech), deafness of both ears (having absence of air and bone conduction)—for each loss..	75	76
(2) Limit for veterans receiving payments under (a) to (j) above.	2,474	2,533
(3) Limit for veterans receiving benefits under (l) below.	2,474	2,533
(4) Limit for veterans receiving benefits under (m).	2,729	2,794
(5) Limit for veterans receiving benefits under (n).	3,105	3,179
(l) Anatomical loss or loss of use of both feet, one foot and one hand, blindness in both eyes (5/200) visual acuity or less), permanently bedridden or so helpless as to require aid and attendance..	2,474	2,533
(m) Anatomical loss or loss of use of both hands, or of both legs, at a level preventing natural knee action with prosthesis in place or of 1 arm and 1 leg at a level preventing natural knee or elbow action with prosthesis in place or blind in both eyes, either with light perception only or rendering veteran so helpless as to require aid and attendance..	2,729	2,794
Percentage of disability or subsection under which payment is authorized:		
(n) Anatomical loss of both eyes or blindness with no light perception or loss of use of both arms at a level preventing natural elbow action with prosthesis in place or anatomical loss of both legs so near hip as to prevent use of prosthesis, or anatomical loss of 1 arm and 1 leg so near shoulder and hip to prevent use of prosthesis..	3,105	3,179

COMPENSATION AND DIC RATES EFFECTIVE DECEMBER 1, 1999—Continued

		Increase (monthly rate)	
		From	To
(o)	Disability under conditions entitling veterans to two or more of the rates provided in (1) through (n), no condition being considered twice in the determination, or deafness rated at 60 percent or more (impairment of either or both ears service-connected) in combination with total blindness (5/200 visual acuity or less) or deafness rated at 40 percent or total deafness in one ear (impairment of either or both ears service-connected) in combination with blindness having light perception only or anatomical loss of both arms so near the shoulder as to prevent use of prosthesis..	3,470	3,553
(p)	(1) If disabilities exceed requirements of any rates prescribed, Secretary of Veterans Affairs may allow next higher rate or an intermediate rate, but in no case may compensation exceed.	3,470	3,553
	(2) Blindness in both eyes (with 5/200 visual acuity or less) together with (a) bilateral deafness rated at 30 percent or more disabling (impairment of either or both ears service-connected) next higher rate is payable, or (b) service-connected total deafness of one ear or service-connected loss or loss of use of an extremity the next intermediate rate is payable, but in no event may compensation exceed.	3,470	3,553
(3)	Blindness with only light perception or less with bilateral deafness (hearing impairment in either one or both ears is service-connected) rated at 10 or 20 percent disabling, the next intermediate rate is payable, but in no event may compensation exceed.	3,470	3,553
(4)	Anatomical loss or loss of use of three extremities, the next higher rate in paragraphs (1) to (n) but in no event in excess of.	3,470	3,553
(q)	[This subsection repealed by Public Law 90-493.]		
(r)	(1) If veteran entitled to compensation under (o) or to the maximum rate under (p); or at the rate between subsections (n) and (o) and under subsection (k), and is in need of regular aid and attendance, he shall receive a special allowance of the amount indicated at right for aid and attendance in addition to such rates..	1,490	1,525
	(2) If the veteran, in addition to need for regular aid and attendance is in need of a higher level of care, a special allowance of the amount indicated at right is payable in addition to (o) or (p) rate.	2,218	2,271
(s)	Disability rated as total, plus additional disability independently ratable at 60 percent or over, or permanently housebound.	2,227	2,280
(t)	[This subsection repealed by Public Law 99-576.]		

In addition to basic compensation rates and/or statutory awards to which the veteran may be entitled, dependency allowances are payable to veterans who are rated at not less than 30 percent disabled. The rates which follow are those payable to veterans while rated totally disabled. If the veteran is rated 30, 40, 50, 60, 70, 80 or 90 percent disabled, dependency allowances are payable in an amount bearing the same ratio to the amount specified below as the degree of disability bears to total disability. For example, a veteran who is 50 percent disabled receives 50 percent of the amounts which appear below.

COMPENSATION AND DIC RATES EFFECTIVE DECEMBER 1, 1999—Continued

	Increase (monthly rate)	
	From	To
If and while veteran is rated totally disabled and—		
Has a spouse	\$115	\$117
Has a spouse and child	197	201
Has no spouse, 1 child	79	80
For each additional child	60	61
For each dependent parent	93	95
For each child age 18–22 attending school	182	186
Has a spouse in nursing home or severely disabled	217	222
Has disabled, dependent adult child	217	222

DEPENDENCY AND INDEMNITY COMPENSATION

The rates of dependency and indemnity compensation payable with respect to service-related deaths occurring on and after January 1, 1998, (and payable with respect to any service-connected death if payments based on a veteran's rank would result in a lesser payment) would be increased by 2.4 percent, from \$861 to \$881 for the base rate, and from \$187 to \$191 for the additional amount or "kicker" payable if the veteran suffered from a service-connected disability rated as totally disabling for a period of at least eight years immediately preceding death.

The following table reflects increases provided for surviving spouses of deceased veterans whose service-connected deaths occurred prior to January 1, 1998, and who are not receiving dependency and (DIC) payments under the new rate structure at a higher rate:

Pay grade	Increase (monthly rate)	
	From	To
E-1-E6	861	881
E-7	890	911
E-8	940	962
E-9	1,980	11,003
W-1	909	930
W-2	946	968
W-3	974	997
W-4	1,030	1,054
O-1	909	930
O-2	940	962
O-3	1,004	1,028
O-4	1,062	1,087

Pay grade	Increase (monthly rate)	
	From	To
O-5	1,170	1,198
O-6	1,318	1,349
O-7	1,424	1,458
O-8	1,561	1,598
O-9	1,672	1,712
O-10	² 1,834	² 1,878

¹If the veteran served as Sergeant Major of the Army, Senior Enlisted Advisor of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse's rate shall be \$1,082.

²If the veteran served as Chairman or Vice-Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps or Commandant of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse's rate shall be \$2,013.

When there is no surviving spouse receiving dependency and indemnity compensation, payment is made in equal shares to the children of the deceased veteran. These rates are increased as follows.

	Increase (monthly rate)	
	From	To
One child	\$365	\$373
Two children	526	538
Three children	683	699
Each additional child	133	136

Effective date: December 1, 1999.

Cost: The Congressional Budget Office estimates that H.R. 2280, as amended, will add about \$314 million to outlays in 2000 and about \$377 million a year to outlays thereafter. However, a cost of living adjustment equal to that payable to Social Security recipients is assumed in the budget resolution baseline, pursuant to section 257 of the Balanced Budget and Emergency Act of 1997 (Public Law 105-33). As a result, the act will have no budgetary effect relative to the baseline and would have no pay-as-you-go impact.

Legislative history: Congressional Record, Vol. 145 (1999).

June 23, 1999: H.R. 2280 ordered reported amended favorably by the Committee on Veterans' Affairs.

June 25, 1999: H.R. 2280 reported amended by the Committee on Veterans' Affairs. H. Rept. 106-202.

June 29, 1999: Passed the House amended under suspension by vote of 424-0 (Roll No. 257).

June 30, 1999: Referred to the Senate Committee on Veterans' Affairs.

July 26, 1999: Senate Committee on Veterans' Affairs discharged by unanimous consent.

July 26, 1999: Passed Senate in lieu of S. 1393 with an amendment by unanimous consent.

Nov. 9, 1999: House agreed to Senate amendment with amendments pursuant to H. Res. 368.

Nov. 19, 1999: Senate agreed to the House amendments to the Senate amendment by unanimous consent.

Nov. 30, 1999: Signed by the President, Public Law 106–118.

Public Law 106–142

COMMENDING THE WORLD WAR II VETERANS WHO FOUGHT IN THE BATTLE OF THE BULGE

(H.J. RES. 65, AS AMENDED)

Title: A Act to Commend the World War II Veterans who fought in the Battle of the Bulge, and for other purposes.

Summary: H.J. Res. 65, as amended, would:

1. Commend the veterans of service in the United States Army who fought during World War II in the German Ardennes offensive known as the Battle of the Bulge.
2. Honor those who gave their lives during that battle.
3. Authorize the President to issue a proclamation calling upon the people of the United States to honor the veterans of the Battle of the Bulge with appropriate programs, ceremonies, and activities.
4. Call upon the President to reaffirm the bond of friendship between the United States and both Belgium and Luxembourg.

Effective date: Date of enactment.

Cost: The Congressional Budget Office estimates that the cost of H.J. Res. 65 would have no effect on the federal budget and would not affect direct spending or receipts. H.J. Res. 65 contains no intergovernmental or private sector mandates as defined in the Unfunded Mandates Reform Act of 1995 and would not affect the budget of state, local, or tribal governments.

Legislative history

Sep. 22, 1999: H.J. Res. 65 ordered reported amended favorably by the Committee on Veterans' Affairs.

Sep. 30, 1999: H.J. Res. 65 reported amended by the Committee on Veterans' Affairs. H. Rept. 106–352, Part I.

Oct. 5, 1999: Passed the House amended under suspension by vote of 422–0. (Roll No. 475).

Oct. 6, 1999: Referred to the Senate Committee on the Judiciary.

Nov. 2, 1999: Reported to the Senate by Senate Committee on the Judiciary.

Nov. 19, 1999: Passed the Senate without amendments and with a preamble by unanimous consent.

Dec. 7, 1999: Signed by the President, Public Law 106–142.

Public Law 106–413

VETERANS COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 2000

(H.R. 4850, AS AMENDED)

Title: To provide a cost-of-living adjustment in rates of compensation paid to veterans with service-connected disabilities.

Summary: H.R. 4850, as amended, would:

1. Increase the rates, effective December 1, 2000, of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of certain disabled veterans.
2. Round down, to the next lower dollar amount, all compensation and DIC benefits when the amount is not a whole dollar amount.

Effective date: December 1, 2000.

Cost: The bill would have no budgetary effect relative to the baseline as modified by the Balanced Budget Act of 1997.

Legislative history

July 20, 2000: H.R. 4850 ordered reported favorably by the Committee on Veterans' Affairs.

July 24, 2000: H.R. 4850 reported by the Committee on Veterans' Affairs. H. Rept. 106-783.

July 25, 2000: Passed the House under suspension by voice vote.

July 25, 2000: Referred to the Senate Committee on Veterans' Affairs.

Oct. 12, 2000: Senate Committee on Veterans' Affairs discharged by unanimous consent.

Oct. 12, 2000: Passed the Senate with amendments and an amendment to the Title by unanimous consent.

Oct. 12, 2000: Certain provisions incorporated. See. S. 1402, Title III, Subtitle A, Sections 301 and 302; and Subtitle B, Section 313.

Oct. 17, 2000: House agreed to the Senate amendments under suspension by voice vote.

Nov. 1, 2000: Signed by the President, Public Law 106-413.

Public Law 106-419

VETERANS BENEFITS AND HEALTH CARE IMPROVEMENT ACT OF 2000

(S. 1402, AS AMENDED)

Title: To amend title 38, United States Code, to increase the rates of educational assistance under the Montgomery GI Bill, to improve procedures for the adjustment of rates of pay for nurses employed by the Department of Veterans Affairs, and to make other improvements in veterans educational assistance, health care, and benefits programs, and for other purposes.

Summary: S. 1402, as amended would:

Title I—Educational Assistance Provisions

Subtitle A—Montgomery GI Bill Educational Assistance

1. Increase, effective November 1, the All-Volunteer Force Educational Assistance Program basic benefit (commonly referred to as the Montgomery GI Bill or MGIB) to \$650 per month for a three-year period of service and \$528 per month for a two-year period of service.
2. Repeal the requirement that a servicemember obtain a high school diploma or equivalency certificate prior to the completion of the initial period of active duty as a condition of eligibility for MGIB benefits.

3. Repeal the requirement that Montgomery GI Bill entitlement is predicated on completing an initial obligated period of service so that eligibility can be based on any subsequent period of service.
4. Permit certain Post-Vietnam Era Veterans' Educational Assistance program (VEAP) participants to enroll in the Montgomery GI Bill program.
5. Permit servicemembers to "buy up" their MGIB basic benefit by making an after-tax contribution of up to \$600 which would provide up to \$5,400 in additional benefits over 36 months of entitlement, or an additional \$150 per month.

Subtitle B—Survivors' and Dependents' Educational Assistance

1. Increase, effective November 1, the basic educational allowance for survivors and dependents to \$588 per month, with annual cost-of-living adjustments.
2. Allow children eligible for survivors' and dependents' educational assistance to choose the beginning date of their eligibility period between the date on which a rating decision is signed or the date of death and the date on which the Secretary first finds the death service connected.
3. Permit the award of survivors' and dependents' educational assistance payments to be retroactive to the date of the entitling event, that is, the service-connected death or award of a total and permanent disability rating.
4. Allow use of the survivors' and dependents' educational assistance for preparatory courses for college and graduate school entrance examination requirements.

Subtitle C—General Educational Assistance

1. Allow monthly educational assistance benefits to be paid between term, quarter, or semester intervals of up to 8 weeks.
2. Allow veterans', survivors' and dependents' educational assistance to be used to pay for up to \$2,000 in fees for civilian occupational licensing or certification examinations; establish requirements regarding the use of such entitlement and requirements for organizations or entities offering licensing or certification tests; and establish a seven-member VA Professional Certification and Licensing Advisory Committee.
3. Increase the amount available for State Approving Agencies for fiscal years 2001 and 2002 from \$13 million to \$14 million.

Title II—Health Provisions

Subtitle A—Personnel Matters

1. Authorize annual "national" comparability pay raises for VA nurses on par with that of other federal employees.
2. Make optional annual locality survey processes for VA nurse pay. Define "triggers" that indicate the need for Directors to perform locality pay surveys for nurses such as turnover, lag time, looming nurse shortage, to be defined in criteria of Sec-

- retary; require communication to peer and senior management of intent to survey; and report to Congress.
3. Eliminate sole discretion vested in facility directors to make pay decisions; clarify that absence of nurse recruitment or retention problem not be a basis for failure to provide pay increases; prohibit “negative pay adjustments”; authorize use of independent survey results; and provide, to extent practicable, for pay surveys to collect actual salary and benefits data.
 4. Provide for nurse participation in policy and decision-making at network and medical center levels.
 5. Revise and increase rates of special pay provided to dentists employed by the Veterans Health Administration.
 6. Add pharmacists to occupations that are exempt from statutory caps on special salary rates.
 7. Require the Under Secretary for Health to designate physician assistants (PAs) to serve as consultants to the Under Secretary and seek advice of PA consultants on all matters relating to employment and utilization of PAs within VA.
 8. Authorize temporary appointments of up to two years for PAs who have successfully completed full course of training and are pending certification.
 9. Authorize temporary extensions of term appointments for medical support personnel in VA-funded research.
 10. Authorize the Secretary to waive state licensure requirements for VA social workers while completing training.
 11. Extend and modify employee “buyout” legislation through December 31, 2002.

Subtitle B—Military Service Issues

1. Provide a Sense of Congress Resolution urging VA to document pertinent military experiences and exposures that may contribute to a veterans’ health status.
2. Require that VA enter into a contract with an appropriate entity to carry out a new study on post-traumatic stress disorder independent of VA, to follow up the study conducted under section 102 of Public Law 98–160.

Subtitle C—Medical Administration

1. Authorize VA to furnish veterans and others accompanying veterans with temporary lodging (such as “Fisher Houses”) in connection with treatment or other services.
2. Clarify VA establishment of VA outpatient clinics in State veterans’ homes.
3. Provide a Sense of Congress Resolution encouraging expanded joint procurement of medical items to include prescription drugs.
4. Facilitate enactment of the Veterans Millennium Health Care and Benefits Act with technical and conforming changes.

Subtitle D—Construction Authorization

1. Authorize the Secretary to construct and authorize appropriations of \$120.9 million in fiscal year 2001 or 2002 for major

construction (gero-psychiatric care building at the Palo Alto, CA VA Medical Center [\$26.6 million]; nursing home at the Beckley, WV VA Medical Center [\$9.5 million]; utility plant at the Miami, FL VA Medical Center [\$23.6 million—for 2001 only]; and seismic improvements project at the Long Beach, CA VA Medical Center [\$51.7 million]).

2. Authorize a previously appropriated [\$14 million], but not authorized, long-term psychiatric care facility at Murfreesboro, TN VA Medical Center; and extend through 2002 a previously authorized long-term care project at Lebanon, PA VA Medical Center [\$14.5million].

Subtitle E—Real Property Matters

1. Change the enhanced-use lease Congressional notification period from 60 “legislative” days, to 90 “calendar” days. It would also shorten the length of time VA waits before entering into enhanced-use lease.
2. Release reversionary interest to State of Tennessee in Johnson City (Mountain Home VA Medical Center) property previously conveyed to Tennessee. (State has committed to transfer the land for public park and recreation but cannot do so without recision of government’s reversionary interest.)
3. Transfer land at the former Allen Park, MI VA Medical Center to Ford Motor Land Development Corporation. It would also allow for environmental cleanup by VA (remediation of hazardous material, etc.), and restoration of property to precede transfer.
4. Transfer land at the Carl Vinson VA Medical Center, Dublin, GA, to the State of Georgia.
5. Permit the land conveyance of Miles City, MT VA Medical Center to Custer County, Montana. (Transfer will save VA \$500,000 for maintenance of facility, and provide funds to expand veterans’ access to care.)
6. Permit transfer of Fort Lyon, CO, VA Medical Center to State of Colorado for use as state prison. (Conveyance to take place only when arrangements made to protect interests of patients and employees. Patients to be provided private or other public care on same basis that care was provided by Ft. Lyon. VA to maintain capacity for long term care as required by law.)

Title III—Compensation, Insurance, Housing, Employment, and
Memorial Affairs Provisions

Subtitle A—Compensation Program Changes

1. Provide that a stroke or heart attack that is incurred or aggravated by a member of a reserve component in the performance of duty while performing inactive duty training shall be considered to be service connected for purposes of benefits under laws administered by the Secretary of Veterans Affairs.
2. Make women veterans eligible for special monthly compensation under section 1114(k) of title 38, United States Code,

- due to the service-connected loss of one or both breasts, including loss by mastectomy.
3. Provide compensation and health care benefits to veterans injured as a result of participation in a VA compensated work therapy program.
 4. Increase the amount of resources an incompetent veteran with no dependents may retain and still qualify for payment of benefits from \$1,500, to five times the benefit amount payable to a service-disabled veteran rated as totally disabled while being provided institutional care without charge at VA's expense.
 5. Require the Department of Defense to contract with the National Academy of Sciences (NAS) to carry out periodic reviews of the dose reconstruction program of the Defense Threat Reduction Agency. The review would last 24 months and culminate in a report detailing NAS' findings and recommendations, if any, for a permanent review program.

Subtitle B—Life Insurance Matters

1. Cap Service Disabled Veterans' Life Insurance (SDVI) premiums at the age 70 renewal rate; require VA to report to Congress, not later than September 30, 2001, on plans to liquidate unfunded liability in the SDVI program over the next ten years.
2. Increase the maximum amount of coverage available through the Servicemembers' Group Life Insurance program and the Veterans' Group Life Insurance program from \$200,000 to \$250,000.
3. Allow members of the Individual Ready Reserve who are subject to involuntary call-up authority to enroll in the Servicemembers' Group Life Insurance program.

Subtitle C—Housing and Employment Programs

1. Allow VA to make the maximum grant for specially adapted housing in cases where title to the housing unit is not vested solely in the veteran, if the veteran resides in the housing unit.
2. Add recently separated veterans (veterans who have been discharged or released from active duty within a one-year period) to the definition of veterans to whom Federal contractors and subcontractors must extend affirmative action to employment and advance.
3. Require employers to grant an authorized leave of absence for employees who are members of a reserve component to participate in honor guards for funerals of veterans.

Subtitle D—Cemeteries and Memorial Affairs

1. Extend eligibility for burial in national cemeteries to those Philippine Commonwealth Army veterans who die after enactment of section 331 of this legislation who 1) have either become citizens of the United States or have been lawfully admitted for permanent residence, and 2) who reside in the United States.

2. Provide a full-rate burial benefit and plot allowance to Philippine Commonwealth Army veterans who, at the time of death, 1) are citizens of the United States or have been lawfully admitted for permanent residence and are residing in the U.S. and 2) are receiving compensation for a service connected disability or would have been eligible for VA pension benefits had their service been deemed to have been active military, naval, or air service.
3. Authorize VA to pay a plot allowance for burial of veterans in State veterans' cemeteries even though the cemetery allows burials of reservists who are not eligible for burial in national cemeteries.

Title IV—Other Matters

1. Provide health care, vocational training, and monetary allowances to the children of women Vietnam veterans who suffer from certain birth defects.
2. Extend temporary authorities through fiscal year 2008 that would otherwise expire on September 30, 2002, including: VA-enhanced loan asset authority guaranteeing the payment of principal and interest on VA-issued certificates or other securities; VA home loan fees of $\frac{3}{4}$ of one percent of the total loan amount; procedures applicable to liquidation sales on defaulted home loans guaranteed by VA; VA/Department of Health and Human Services income verification authority through which VA verifies the eligibility for, VA needs-based benefits and VA means-tested medical care by gaining access to income records of the Department of Health and Human Services/Social Security Administration and the Internal Revenue Service; limitation on payment of VA pension to veterans without dependents who are receiving Medicaid-covered nursing home care; VA's special committee relating to the care of the seriously chronically mentally ill; and extend through 2005 VA's authority to establish nonprofit foundations to foster research, education, or both, in VA medical centers.
3. Reinstate the requirements that the Secretary provide periodic reports concerning equitable relief granted by the Secretary to an individual beneficiary (expires December 31, 2004); work and activities of the Department; programs and activities examined by the Advisory Committees on (1) former prisoners of war and (2) women veterans (expires after biennial reports submitted in 2003); operation of the Montgomery GI Bill educational assistance program (expires December 31, 2004); and activities of the Secretary's special medical advisory group (expires December 31, 2004). The Secretary shall include with any report that is required by law or by a joint explanatory statement of a Congressional conference committee an estimate of the cost of preparing the report.

Effective date: Date of enactment except the following sections:

Sec. 101(a): November 1, 2000 and shall apply with respect to educational assistance allowances paid under chapter 30 for months after October 2000.

Section 102(a) through (d): November 1, 2000 and shall apply with respect to educational assistance allowances paid under chapter 35 for months after October 2000.

Section 102(f): Sections 3654 and 3687(d) as added by amendments made by this section shall take effect with respect to Fiscal Year 2002.

Section 105: May 1, 2001, with retroactive eligibility to “buy up” until July 31, 2001, for servicemembers separated after enactment but prior to May 1, 2001.

Section 106: March 1, 2001

Section 107: January 1, 2000.

Section 301: December 1, 2000.

Section 322: First day of the first month that begins more than 120 days after the date of enactment.

Section 401: First day of the first month beginning more than one year after date of enactment, except as provided in paragraph (2).

Section 405: Shall take effect with respect to funds appropriated for Fiscal Year 2002.

Legislative history

July 20, 1999: Reported to the Senate. S. Rept. 106–114

July 26, 1999: Passed the Senate by unanimous consent.

July 27, 1999: Referred to the House Committee on Veterans’ Affairs, and in addition to the House Committee on Armed Services.

May 23, 2000: Passed the House amended under suspension by vote of 417–0 (Roll No. 220). [The House amendment consisted of the text of H.R. 4268 as reported.]

May 24, 2000: Message on House action received in the Senate and at the desk: House amendments to Senate bill.

Oct. 12, 2000: Senate concurred in the House amendments with an amendment (SA 4314) and an amendment to the Title by unanimous consent. (Note: Consists of certain provisions from H.R. 284, H.R. 4268, H.R. 4850, H.R. 5109, S. 1076, S. 1810 and S. 3011.)

Oct. 17, 2000: House agreed to the Senate amendments to the House amendments under suspension by voice vote.

Nov. 1, 2000: Signed by the President, Public Law 106–419.

Public Law 106–475

VETERANS CLAIMS ASSISTANCE ACT OF 2000

(H.R. 4864, AS AMENDED)

Title: To amend title 38, United States Code, to reaffirm and clarify the duty of the Secretary of Veterans Affairs to assist claimants for benefits under laws administered by the Secretary, and for other purposes.

Summary: H.R. 4864, as amended, would:

1. Define a “claimant” who would be eligible to receive assistance from the Secretary as any person seeking veterans’ benefits.
2. Require the Secretary to furnish all instructions and forms necessary when a request is made, or intent expressed, by any person applying for veterans benefits.

3. Require the Secretary to notify the veteran of any information or evidence needed in order to substantiate the claim.
4. Eliminate the requirement that a claimant submit a “well-grounded” claim before the Secretary can assist in obtaining evidence. (In the context of claims for service-connected disability benefits, a “well-grounded” claim is one that has evidence of in-service injury or disease, a diagnosis of a current disability or disease, and a medical opinion that the current disability or disease is related to the in-service injury or disease).
5. Require the Secretary to make reasonable efforts to assist a claimant and obtain evidence and relevant records that the claimant identifies and authorizes the Secretary to obtain, unless there is no reasonable possibility that assistance would aid in substantiating the claim.
6. For service-connected disability compensation claims, require the Secretary to 1) obtain existing service medical records and other relevant records pertaining to the claimant’s active military, naval, or air service that are maintained by a governmental entity if the claimant provides sufficient information to locate them, and 2) provide a medical examination or obtain a medical opinion when such an examination (or opinion) is necessary to make a decision on the claim.
7. Require other Federal agencies to furnish relevant records to the Department at no cost to the claimant.
8. Require the Secretary to consider all information and lay and medical evidence of record. The Secretary would be required to give the benefit of the doubt to the claimant when there is an approximate balance of positive and negative evidence regarding an issue material to the determination of a matter.

Effective date:

The changes made by the bill would apply to any claim filed 1) on or after date of enactment or 2) filed before date of enactment and not final as of date of enactment. Also, any claim decided on or after July 14, 1999, can be readjudicated at the request of the claimant or on the Secretary’s own motion made within two years of enactment.

Cost: The Congressional Budget Office estimates that implementing the bill would cost \$4 million in 2001 and \$7 million to \$8 million annually thereafter. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

Legislative history

July 20, 2000: H.R. 4864 ordered reported favorably, as amended, by the Committee on Veterans’ Affairs.

July 24, 2000: H.R. 4864 reported, as amended, by the Committee on Veterans’ Affairs. H. Rept. 106–781.

July 25, 2000: Passed the House, as amended, under suspension by vote of 414–0 (Roll No. 432).

July 25, 2000: Referred to the Senate Committee on Veterans’ Affairs.

Sep. 25, 2000: Senate Committee on Veterans’ Affairs discharged by unanimous consent.

Sep. 25, 2000: Passed the Senate with an amendment by unanimous consent.

Oct. 17, 2000: House agreed to the Senate amendment under suspension by voice vote.

Nov. 9, 2000: Signed by the President, Public Law 106–475.

ACTIVITIES OF THE SUBCOMMITTEES

SUBCOMMITTEE ON HEALTH

The Subcommittee on Health has legislative and oversight jurisdiction over the Department of Veterans Affairs' health care programs and the VA's health care delivery system (see Oversight Plan for 106th Congress, p. 83).

LEGISLATIVE ACTIVITIES

First Session

On June 9, 1999, H.R. 2116, the Veterans Millennium Health Care Act, was introduced in the House and marked up in the Subcommittee on Health. Four years ago, this Committee developed and held hearings on legislation to reform VA rules governing eligibility for care. That eligibility reform legislation, Public Law 104–262, paved the way for a major shift from primary use of hospital-focused services to less costly outpatient care. It also resulted in vastly improved access to care for many veterans, particularly with respect to VA's establishment of hundreds of community-based clinics.

Eligibility legislation was intended as an initial step on a path to reform of the VA health care system. With H.R. 2116, the VA Committee took another significant step in addressing some major challenges for VA. This legislation tackled many of the key issues discussed in hearings in the 105th Congress, and offered a blueprint to better position VA to meet the pressing needs of aging veterans in the new millennium. The bill had four central themes: (1) to provide new direction to address veterans' long-term care needs; (2) to expand veterans' access to care; (3) to close gaps in current eligibility law; and (4) to establish needed reforms to improve the VA health care system. The legislation also included long-term care reforms that would mandate VA to operate and maintain a national program of extended care services including needed services for 50 percent service-connected veterans or extended care for veterans in need of care for a service-connected condition. Other provisions included improving access through facility realignments, providing specific authority for VA care and treatment of veterans who sustained injuries in combat recognized by the award of the Purple Heart, and directing the Secretary to establish more rational copayments for Category C, "higher income" veterans. The measure also would authorize VA to reimburse uninsured veterans their emergency care costs in private facilities, provided they were VA-enrolled, Category A (Priority 1 through 6) veterans who had received VA care within the previous 12 months.

A major provision of the "Millennium Bill" would require VA to establish enhanced services programs to improve access and quality of service provided at medical centers that no longer can pro-

vide high quality, efficient care due to current or projected need for service, an aging physical plant, or the availability of convenient contract services in the community. This provision would set the stage for major restructuring of some unneeded facilities to enable VA to accelerate restructuring for better quality, more convenient and more accessible care for veterans.

This legislation also provided that if the United States were successful in recouping costs incurred by the Government attributable to tobacco-related illnesses, the VA would retain the proportional amount of the funds attributable to VA for providing care to veterans for tobacco-related illnesses. These funds would be deposited in a trust fund in the U.S. Treasury to be used after fiscal year 2004 for providing medical care and conducting VA medical and prosthetic research.

On June 23, 1999, the full Committee approved the bill and ordered it to be reported to the full House.

The Subcommittee on Health heard testimony at a hearing on June 30, 1999, concerning cost estimates for H.R. 2116. The principal witnesses were Mr. Paul N. Van de Water, Assistant Director for Budget Analysis, Congressional Budget Office; and Dr. Thomas L. Garthwaite, VA Deputy Under Secretary for Health. Testimony indicated a discrepancy between the budget estimates for long-term care from the Congressional Budget Office (CBO), and from VA. VA's estimate, based on experience and trends in long-term care, was between \$115–\$184 million during the first year with offsets from co-payment collections, while CBO's estimate of VA's resource requirements, more theoretical in nature, was \$1 billion per year.

Based on cost concerns, the extended care provision was later changed from a required 50 percent service-connection to a 70 percent service-connection. The emergency care provision was changed in the compromise language to a two-year (rather than 12 month) requirement for VA care prior to emergency services being reimbursed by VA, but eligibility was extended to veterans of any priority group who were enrolled in the VA health care system. Conference language for H.R. 2116 did not include the tobacco illness provision. The enhanced services program was dropped in conference, but the idea was taken up by VA in its "Capital Assets Realignment for Enhanced Services" (CARES) program.

As agreed by conferees, a new provision was added to the Millennium Bill to authorize a voluntary separation incentive program in which VA could offer up to 4,770 "buyouts" to selected VA employees and various staff offices. The program was intended to address VA's management needs but not to serve as a means for VA to "downsize" its workforce. The Committee closely observed VA's actions under this authority throughout the second session of the 106th Congress to ensure that buyouts were offered when these employment shifts were in VA's best interest; to restructure health care programs to enhance the quality of care for veterans; and to improve access to care for aging veterans.

H.R. 2116, the Veterans Millennium Health Care and Benefits Act, was signed into law on November 30, 1999 (See summary of Public Law 106–117, p. 29).

Second Session

During the second session of the 106th Congress, VA personnel issues and coordination of hospital benefits for veterans became issues forming the backbone for legislative development proposed by Members. Their ideas were incorporated in H.R. 4759, the "VA Health Care Personnel Act of 2000." VA personnel issues were the focus of a hearing on recruitment, retention, and compensation of the VA health care workforce on April 12, 2000.

Testimony at the hearing documented that nurses were not receiving locality pay increases that Congress had intended with legislation enacted in 1990. For example, if a medical center director decided that nurse locality pay increases were cost-prohibitive, pay remained at pre-survey levels, and in a few cases, pay rates were actually reduced. Also, the locality system itself was flawed in that sometimes needed pay raises were prevented from being approved.

With a large percentage of the VA dental workforce becoming eligible for retirement or expected to retire in the next several years, witnesses testified that renewed pay incentives for VA's dental workforce would be necessary to keep many dental services viable at medical centers. Legislation in 1991 had authorized VA to pay physicians and dentists supplementary amounts of pay (above base pay rates) in exchange for their agreements to work for additional specified terms. This special pay authority was intended to give the agency flexibility to respond to local labor market conditions. At the time in 1991, recruitment and retention of dentists did not pose as significant a problem for VA as it did for physicians and, accordingly, the Act provided lesser amounts of special pay in most categories for VA dentists than for VA physicians. Prior to the hearing, Representative Bob Filner of California had introduced legislation, H.R. 2660, which spurred the Committee's interest and action in addressing inequities in dental pay.

During the VA capital asset planning hearing on April 5, 2000, Representative Dave Weldon of Florida spoke of the success of a pilot project in his Congressional district in which veterans who were treated at the Viera Beach VA Outpatient Clinic were hospitalized in local hospitals for routine inpatient care, with VA coordinating their hospital benefits. Veterans who were approved for this program did not travel great distances to a VA medical center for these hospital episodes. Mr. Weldon had proposed legislation, H.R. 4575, that would allow for several pilot programs throughout the country to provide veterans enrolled in VA outpatient care, but living distant from a VA medical center, to receive care at local hospitals for general medical-surgical hospitalizations. This provision was included in H.R. 4759 and then, later in the session, with significant changes to clarify intent and limit expenditures, in H.R. 5109. During negotiations with the Senate, the pilot proposal was dropped from the language in S. 1402.

Many of the provisions of H.R. 4759 were subsequently incorporated into a bipartisan bill, H.R. 5109, the Department of Veterans Affairs Health Care Personnel Act of 2000, a bill that was marked up by the Subcommittee on Health on September 7, 2000 and unanimously approved by the full Committee on September 13, 2000.

Section 101 of H.R. 5109 would reform the local labor market survey process and replace it with a discretionary survey technique. The bill would provide more flexibility to VA medical center directors to obtain the data needed to complete necessary surveys and also restrict their authority to withhold indicated rate increases. Directors would be prohibited from reducing nurse pay. In addition, the House bill would also guarantee VA nurses a national comparability increase equivalent to the amount provided to other federal employees. The bill also would require Veterans Health Administration network directors to consult with nurses on questions of policy affecting the work of VA nurses, and would provide for registered nurses' required participation on medical center committees considering clinical care, budget matters, or resource allocation involving the care and treatment of veteran patients. The Senate had no comparable provision in its legislation, so these provisions became part of S.1402.

With respect to VA dentist pay levels, the compromise agreement between the Houses included the House language in which the Committees urge medical center directors to utilize the full range of pay increases authorized, including increases in the higher range, to optimize dentist recruitment and retention efforts.

Under this legislation, the Under Secretary would be required to designate physician assistants (PAs) to serve as consultants to the Under Secretary to provide advice on all matters related to employment and utilization of PAs in the Department of Veterans Affairs.

Other major health provisions in S. 1402 included construction authorization in Palo Alto, Beckley, Miami, and Long Beach, authorizing a long-term care psychiatric facility at the Murfreesboro VA Medical Center, and extending authorization for a long-term care project at the Lebanon VA Medical Center.

Real property matters in S. 1402 included changing the enhanced-use lease Congressional notification period from 60 "legislative" days to 90 "calendar" days. The bill transfers parcels of land from Carl Vinson VA Medical Center to the State of Georgia; from Allen Park VA Medical Center to Ford Motor Land Development Corporation; from Miles City VA Medical Center to Custer County, Montana; and from Fort Lyon VA Medical Center to the State of Colorado; with conditions. The Miles City and Fort Lyon matters were proposed in a Senate bill. This language was adopted in the compromise agreement.

S. 1402, the Veterans Benefits and Health Care Improvement Act of 2000, passed the Senate on October 12, 2000, passed the House on October 17, 2000, and became Public Law 106-419.

OVERSIGHT ACTIVITIES

First Session

The Subcommittee on Health held a hearing on February 24, 1999 to give the Department of Veterans Affairs an opportunity to justify its budget request for VA medical care for FY 2000. The principal VA witness appearing at this hearing was Dr. Thomas L. Garthwaite, Deputy Under Secretary for Health. A panel of national veterans organizations also presented their views, including Mr. Dennis Cullinan, Executive Director, Veterans of Foreign

Wars; Ms. Jacqueline Garrick, Deputy Director, National Veterans Affairs and Rehabilitation, The American Legion; Mr. Richard Wannemacher, Jr., Associate National Legislative Director, Disabled American Veterans; Mr. Harley Thomas, Associate Legislative Director, Paralyzed Veterans of America; Ms. Veronica A'zera, Legislative Director, AMVETS; Mr. George C. Duggins, National President, Vietnam Veterans of America; and Mr. Nick Bacon, Director, Arkansas Department of Veterans Affairs.

Testimony was submitted for the record by Mr. Bobby L. Harnage, Sr., National President, American Federation of Government Employees. These individuals and organizations offered testimony on the President's budget request for veterans health care programs. A number of subcommittee Members expressed concerns about the adequacy of the budget request to maintain quality of care for an aging veteran population, given the Administration's apparent objective of holding VA's medical care spending to a fixed level in the face of obvious and persistent financial difficulties, especially in the northern, central and eastern parts of the national system. These concerns were not assuaged as a result of this hearing, and the Committee subsequently made strong recommendations to the Budget and Appropriations Committees to significantly increase the Veterans Benefits and Services allotment and Medical Care appropriation, respectively, for the fiscal year 2000 period.

On March 10, 1999, the Subcommittee on Health held a hearing on VHA capital asset management. This hearing was motivated by the subcommittee's concerns about the state of VA's infrastructure, 4,700 aging and increasingly unused buildings. Appearing as GAO's lead witness was Mr. Stephen Backhus, Director of Veterans' Affairs and Military Health Care Issues. Also testifying at this hearing was Dr. Daniel H. Winship, Dean of the Loyola University Chicago Stritch School of Medicine and former VHA Associate Deputy Chief Medical Director. Dr. Thomas Garthwaite, Deputy Under Secretary for Health, appeared as the VA's lead witness.

GAO testified that VA could enhance veterans' health care benefits if it reduced the level of resources spent on underused, inefficient, and obsolete buildings and instead reinvested these savings in providing health care more efficiently in modern facilities at existing locations or in new locations closer to where veterans live. GAO expressed concern at VA's slow progress in addressing the need to deal with its unneeded capital infrastructure. VA's witnesses expressed agreement in principle with GAO's critique, but asserted that VA's new approach was designed to address many of these concerns and would render overall improvements in VA's capital assets management practices (see Subcommittee on Oversight and Investigations follow-up hearing, July 22, 1999, p. 71).

As a result of the March 10, 1999 and July 22, 1999 hearings, the Committee included in Title II of its initial 1999 health care bill, H.R. 2116, a statutory system to authorize VA to probe alternative uses and enhanced services to veterans from proceeds realized by disposals through out-leasing, sale or donation of unneeded VA capital facilities. This statutory language was eventually dropped in conference with the Senate, but some of its objectives were subsequently realized in the previously discussed CARES initiative, currently underway.

On April 21, 1999, the Subcommittee on Oversight and Investigations and the Subcommittee on Health held a joint hearing on suspension of medical research at the West Los Angeles and Sepulveda VA medical facilities, and on the status of informed consent and patient safety in VA medical research. The principal witnesses were Dr. J. Thomas Puglisi, Director, Division of Human Subject Protections, Office for Protection from Research Risks, National Institutes of Health, Department of Health and Human Services; Dr. Dean C. Norman, Acting Chief of Staff, West Los Angeles VAMC; Dr. Stephen Pandol, Former Director, Research and Development, West Los Angeles VAMC; Mr. Kenneth Clark, Chief Network Officer and Former Director, West Los Angeles VAMC; and Mr. Ronald Norby, Clinical Manager and Deputy Network Director, VISN 22. Also testifying were the Honorable Kenneth Kizer, VA Under Secretary for Health; Dr. Eric M. Meslin, Executive Director, National Bioethics Advisory Commission; Dr. Paul Appelbaum, Chair, Department of Psychiatry, University of Massachusetts Medical School, and Chair, American Psychiatric Association Ethics Appeals Board; and Dr. Adil E. Shamoo, Professor, Department of Biochemical and Molecular Biology, University of Maryland, Baltimore.

While VA in its testimony attempted to reassure the subcommittees regarding its research program at West Los Angeles, other witnesses did not provide a basis for the subcommittees to be confident that human subject protections throughout the VA were thorough and rigorous. Therefore, the subcommittees subsequently requested GAO to conduct a comprehensive review of VA's human subject research programs (see Subcommittee on Oversight and Investigations follow-up hearing, September 28, 2000, p. 79).

The Subcommittee on Health held a hearing on VA long-term care on April 22, 1999 to examine VA actions in the wake of the Report of the Federal Advisory Committee on VA long-term care. The VA's lead witness was the Honorable Kenneth W. Kizer, Under Secretary for Health. Other witnesses were Dr. John W. Rowe, Chairman, Federal Advisory Committee on the Future of VA Long-Term Care; Mr. Robert Shaw, President, National Association of State Veterans Homes; Ms. Pamela Zingesser, Principal, Birch and Davis Associates, Inc.; Ms. Kathleen Greve, Chief, VA State Home Construction; Mr. Steve Watson, Administrator, Ocala Harborside Healthcare Nursing Home, Ocala, Florida; and Mr. Richard Jelinek, Senior Vice President, Managed Care Solutions.

The advisory committee concluded that VA needed to launch more alternatives to the traditional approach of building and staffing VA nursing home beds to meet the needs of an aging veteran population. Among its recommendations were those to encourage VA to expand and enhance adult day care, assisted living, respite care and hospice care, and to rely more on community-based programs rather than VA institutional programs in attempting to meet these needs. VA testified that it was making progress on some of these initiatives but needed statutory clarification in order to proceed with some of the recommendations of the advisory committee. The Committee subsequently enacted expansions of a variety of VA long-term care programs in Public Law 106-117, the Veterans Millennium Health Care and Benefits Act of 1999.

On July 15, 1999, the Subcommittee on Health conducted a hearing on VA's experience in implementing patient enrollment under Public Law 104-262. The principal witnesses were Mr. Stephen P. Backhus, Director, Veterans' Affairs and Military Health Care Issues, GAO; and Dr. Thomas L. Garthwaite, VA Acting Under Secretary for Health.

This hearing concentrated on the issue of "Priority 7" veterans—those whose incomes are higher than the means test threshold and who must therefore agree to make co-payments to VA as a condition of eligibility. The Committee was concerned about the manner in which the VA Secretary had been managing the policy of annual enrollments as it affected these Priority 7 veterans. The purpose of the hearing was to review whether VA was implementing correctly the statutory policy. In addition, the Committee focused on the level of funding available for VA health care—principally whether the management of eligibility policy and allocation of available resources were consistent and rational.

On November 16, 1999, the Subcommittee on Health and Subcommittee on Oversight and Investigations conducted a joint hearing on the issue of the Department of Defense's use of the substance pyridostigmine bromide (PB) as a pre-treatment to protect against possible chemical nerve agent attacks in 250,000 U.S. military service members in the Persian Gulf War. The witnesses included Dr. Beatrice Alexandra Golomb, Consultant, RAND Center for Military Health Policy Research, accompanied by Dr. C. Ross Anthony, Director; and Dr. Joseph S. Cassells, Project Director, Institute of Medicine, National Academy of Sciences. Other participants included the Honorable Sue B. Bailey, Assistant Secretary of Defense for Health Affairs; and Dr. Bernard D. Rostker, Special Assistant to the Deputy Secretary of Defense for Gulf War Illnesses. The VA's lead witness was Dr. Frances Murphy, Acting Deputy Under Secretary for Health. Service organizations were represented by Mr. Matthew L. Puglisi, Director of Veterans Affairs and Rehabilitation, The American Legion; Mr. Paul Sullivan, Executive Director, National Gulf War Resource Center; and Persian Gulf veteran nurse, Denise Nichols, Vice-Chairman, National Vietnam and Gulf War Veterans Coalition. The testimonies of witnesses explored the use of PB in the war, the possibility of toxic effects in human beings, and any potential relationship of PB exposure to the maladies often referred to as "Gulf War illnesses."

Second Session

The House Committee on Commerce Subcommittee on Health and Environment and the Veterans' Affairs Subcommittee on Health conducted a joint hearing on medical errors and improving the quality of care on February 9, 2000. Witnesses included Dr. Donald M. Berwick, President and CEO, Institute of Healthcare Improvement, testifying for the Institute of Medicine; Mr. Randall Bovbjerg, Principal Research Associate, The Urban Institute; and Dr. Kenneth Kizer, President and Chief Executive Officer, The National Quality Forum and former VA Under Secretary for Health; Dr. Thomas Garthwaite, Deputy Under Secretary for Health, VHA; Ms. Janet Heinrich, Associate Director, Health Financing and Public Health Issues, GAO; Dr. Audrey Nelson, Director of Patient

Safety Center of Inquiry, James A. Haley VAMC; Ms. Diane Cousins, Vice President, Practitioner and Product Experience Division, United States Pharmacopeia. Other witnesses included Mr. Daniel Perry, Executive Director, Alliance for Aging Research, testifying on behalf of the Foundation for Accountability; Dr. William Golden, President, American Health Quality Association; Ms. Mary Foley, President, American Nurses Association; Dr. Dennis S. O'Leary, President, Joint Commission on Accreditation of Healthcare Organizations; and Dr. Michael L. Lanberg, Senior Vice President, Medical Affairs, Chief Medical Officer, Cedars-Sinai Health System, testifying on behalf of the American Hospital Association.

This hearing was the result of concerns expressed in a landmark report by the Institute of Medicine of the National Academy of Sciences. The report concluded that preventable patient injuries from a wide range of medical mistakes were jeopardizing patient safety across all facets of American health care. IOM's report, however, noted VA's policies and practices are designed to protect VA patient safety by using a systems approach to reducing medical errors. The hearing explored these issues in depth.

The Subcommittee on Benefits and Subcommittee on Health conducted a joint hearing March 9, 2000 on homeless veterans issues with Miss Heather French of Kentucky, Miss America 2000, as keynote witness. Miss French was joined in testimony by a number of VA officials, including clinicians working in various aspects of veterans programs for the homeless, as well as representatives from the veterans service organizations. Their testimony indicated that VA's programs are effective in meeting the needs of the homeless veterans VA actually serves, that a significant number of veterans in the United States still remain or will become homeless, and that VA is not reaching these veterans with the level of resources available to these programs.

On April 5, 2000, the subcommittee held a hearing on capital asset planning in the VA health care system. Representative Dave Weldon of Florida presented his proposal for a pilot program for veterans health benefits coordination of VA-enrolled veterans through other insurers, including Medicare and indemnity insurers, in four VA community-based clinic sites. Mr. Weldon subsequently introduced his legislation on May 25, 2000, as H.R. 4575. The proposal authorized program participants to use local community hospitals for basic acute inpatient care. The subcommittee also heard testimony from VA, GAO and veterans service organizations. Two VA network directors testified on their local plans for restructuring VA facilities within their jurisdictions. Following the hearing, the Committee developed legislation that would authorize the pilot program of coordinating benefits envisioned by Dr. Weldon. This legislation was incorporated in H.R. 5109 (see Legislative Activities, pp. 51-52).

Recruitment, retention, and compensation of the VA health care workforce were examined in a hearing on April 12, 2000 by the Subcommittee on Health. Witnesses for this hearing were Mr. Kenneth J. Clark, VA Chief Network Officer; Dr. John F. Burton, Jr., National Association of VA Physicians and Dentists; Dr. Robert M. Anderton, American Dental Association; Ms. Margaret Kruckemeyer, President, Nurses Organization of Veterans Affairs;

and Mr. Bobby Harnage, Sr., President, American Federation of Government Employees.

The subcommittee focused on the pay rates and systems for VA nurses and dentists, especially their impact on recruitment, retention and professional employee morale issues. Subsequently, the full Committee incorporated measures to reform VA nurse pay and to update VA dentist pay in its major health care legislation for 2000, H.R. 5109 (see also p. 52).

The subcommittee's hearing on May 17, 2000 examined health resource sharing between the Departments of Veterans Affairs and Defense. Witnesses included Mr. Anthony J. Principi, Chairman, Congressional Commission on Servicemembers and Veterans Transition Assistance and former VA Deputy Secretary; Mr. Stephen P. Backhus, Director, Veterans' Affairs and Military Health Care Issues, GAO; Dr. Thomas L. Garthwaite, VA Deputy Under Secretary for Health, Ms. Gwendolyn A. Brown, Deputy Assistant Secretary of Defense, Health Budgets and Financial Policy, and Lt. Gen. Paul K. Carlton, Jr., Surgeon General, USAF.

From testimony given at this hearing, the subcommittee concluded that while sharing has been a worthwhile effort on the part of both Departments, a number of barriers have prevented additional sharing and should be addressed (see also Subcommittee on Oversight and Investigations hearing, May 25, 2000, on VA-DOD joint pharmaceutical procurement, p. 76).

Pharmaceutical procurement policy was also examined in a subcommittee hearing on July 25, 2000 with Mr. William Flynn, Director, Retirement and Insurance Programs, Office of Personnel Management; the Honorable Edward A. Powell, VA Assistant Secretary for Management; Mr. Richard A. Wannemacher, Jr., Assistant National Legislative Director, Disabled American Veterans; and Dr. Robert B. Betz, Executive Director, Health Industry Group Purchasing Association; as the principal witnesses.

The Office of Personnel Management and the VA were at the time of the hearing in negotiation to jointly sponsor an experiment in pharmaceutical procurements involving the use of the Federal Supply Schedule (FSS) by a participating organization of the Federal Employee Health Benefits Program. The experiment was intended to test whether this method of procurement through the FSS might offer a significant price advantage to this initial group of federal employees, and whether a price advantage could be gained by future expansion to other health plans used by federal workforce and federal retiree groups.

The subcommittee was concerned about the implications of this initiative on the prices VA's pharmaceutical procurement programs are able to obtain under current law. Several weeks after the hearing, OPM announced that the pilot project had been cancelled due to lack of cooperation by pharmaceutical manufacturers.

The subcommittee's final hearing of the 106th Congress was conducted on October 3, 2000 on the issue of chiropractic services in the Department of Veterans Affairs. Testifying as VA's principal witness was Dr. Frances M. Murphy, Acting Deputy Under Secretary for Health. Other witnesses were Dr. Rick A. McMichael, American Chiropractic Association; Dr. Michael S. McLean, International Chiropractors Association, accompanied by Mr. Ronald M.

Hendrickson, Executive Director, International Chiropractors Association; Dr. George Goodman, President, Logan College of Chiropractic, and Immediate Past President, Association of Chiropractic Colleges, accompanied by Dr. Reed Phillips, President, Los Angeles College of Chiropractic and Past President, Association of Chiropractic Colleges. The principal witness for the Department of Defense was RADM Michael L. Cowan, USN, Deputy Executive Director and Chief Operating Officer, TRICARE Management Activity, Office of the Assistant Secretary of Defense for Health Affairs.

Chiropractors had expressed concerns about their perceptions of barriers to their profession's effective utilization within the VA. Specifically, the professional organizations advocated for an increased role in direct health care delivery to veterans under the Department's care. VA opposed involving chiropractors as primary care providers within the VHA and instead relied upon policy VA published on May 5, 2000.

Under this policy, Veterans Integrated Service Networks (VISNs) or medical centers were required to establish local policies consistent with the broader guidance of the national directive which significantly limited chiropractors' scope of practice. The chiropractic organizations testified in opposition to VA's approach and requested Congress consider legislation to create a more workable policy on the use of chiropractors in VA health care. The subcommittee has informed VA of its concerns about current policy and asked VA to re-engage with chiropractic organizations in an effort to be more accommodating to the interests of veterans in gaining access to chiropractic care as a part of the VA health benefits package.

SUBCOMMITTEE ON BENEFITS

The Subcommittee on Benefits has jurisdiction over veterans' matters affecting compensation, pension, insurance, memorial affairs, education, training, vocational rehabilitation, small business, employment and housing. In addition to overseeing programs administered by the Veterans Benefits Administration and the National Cemetery Administration, the subcommittee has oversight of Arlington National Cemetery under the jurisdiction of the U.S. Army, and overseas cemeteries under the jurisdiction of the American Battle Monuments Commission (see Oversight Plan for the 106th Congress, p. 83).

LEGISLATIVE ACTIVITIES

First Session

On March 18, 1999, the full Committee marked up H.R. 70, the Arlington National Cemetery Burial Eligibility Act. The bill was favorably reported to the House (see House Report 106-70), and passed by a vote of 428-2 on March 23, 1999.

On April 21, 1999, the subcommittee held a legislative hearing on H.R. 1071, the Montgomery GI Bill Improvements Act of 1999, and H.R. 1182, the Servicemembers Educational Opportunity Act of 1999. Witnesses were the Honorable G.V. (Sonny) Montgomery; the Honorable G. Kim Wincup, Vice Chairman, Commission on Servicemembers and Veterans Transition Assistance; SFC Thomas

R. Krech, Recruiter, USA; PO Laura D. Johnson, Recruiter, USN; SSgt. Robert A. Austin, Field Recruiter, USAF; Gunnery Sgt. Paul Jornet, Recruiter, USMC; Electricians Mate Second Class Keisha R. Gill, Recruiter, USCG, VADM Patricia A. Tracey, Deputy Assistant Secretary of Defense, Military Personnel Policy; Maj. Gen. Evan Gaddis, Commanding General, USA Recruiting Command; RADM Barbara E. McGann, Commander, USN Recruiting Command; Brig. Gen. Peter U. Sutton, Commander, USAF Recruiting Service; Maj. Gen. Gary L. Parks, Commanding General, USMC Recruiting; and RADM Thomas J. Barrett, Director of Reserve and Training, USCG. Mr. Joshua R. Krebs, Manager, Legislative Affairs, Air Force Sergeants Association; and Mr. Michael P. Cline, Executive Director, Enlisted Association of the National Guard, submitted testimony for the record.

Mr. Montgomery, Mr. Wincup, the military associations, and service branch witnesses testified in support of H.R. 1071 and H.R. 1186. The Deputy Assistant Secretary of Defense for Military Policy testified that the Montgomery GI Bill has met or exceeded the expectations of its sponsors and has been a major contributor to the All-Volunteer Force.

On May 20, 1999, the subcommittee held a second legislative hearing on H.R. 1071 and H.R. 1182. Witnesses included Ms. Nora Egan, VA Deputy Under Secretary for Management, VBA; Dr. Steven F. Kime, Chairman, Secretary of Veterans Affairs Advisory Committee on Education; Ms. Judith Lee Ladd, President, American School Counselor Association; Mr. David A. Guzman, President, National Association of Veterans Program Administrators; Mr. C. Donald Sweeney, Legislative Director, National Association of State Approving Agencies; Mr. Sid Daniels, Deputy Director, National Legislative Services, Veterans of Foreign Wars; Mr. William F. Frasure, Deputy Director, Government Relations, Vietnam Veterans of America; Mr. Peter Gaytan, Legislative Director, AMVETS; Mr. Matthew L. Puglisi, Assistant Director, National Veterans Affairs and Rehabilitation Commission, The American Legion; Mr. Harley Thomas, Associate Legislative Director, Paralyzed Veterans of America; Mr. Larry D. Rhea, Deputy Director, Legislative Affairs, Non Commissioned Officers Association; Mr. Charles L. Calkins, National Executive Secretary, Fleet Reserve Association; Mr. John J. Daly, Legislative Assistant, The Retired Enlisted Association; Mr. Benjamin H. Butler, Associate Legislative Counsel, National Association for Uniformed Services; Mr. Joshua W. Krebs, Manager, Legislative Affairs, Air Force Sergeants Association; Mr. Theodore Stroup, Vice President, Association of the U.S. Army; and Mr. Robert F. Norton, Deputy Director, Government Relations, The Retired Officers Association. The higher education, military, and veterans service organizations all supported H.R. 1071 and H.R. 1186. VA acknowledged the MGIB's role in military recruiting and access to higher education, but said more study was needed before it could formulate a position.

On June 10, 1999, the subcommittee held a legislative hearing to receive testimony on the following bills: H.R. 605, the Court of Appeals for Veterans Claims Act of 1999; H.R. 690, a bill to add bronchiolo-alveolar carcinoma to the list of diseases presumed to be service-connected for certain radiation-exposed veterans; H.R. 708,

a bill to provide for the reinstatement of certain benefits administered by the Secretary of Veterans Affairs for remarried surviving spouses upon termination of their remarriage; H.R. 784, a bill to authorize the payment of Dependency and Indemnity Compensation to the surviving spouses of certain former prisoners of war; H.R. 1214, the Veterans' Claims Adjudication Improvement Act of 1999; and H.R. 1765, the Veterans' Compensation Cost-of-Living Adjustment Act of 1999.

Representative Chris Smith of New Jersey testified in support of his bill, H.R. 690, and Representative Michael Bilirakis of Florida testified in support of H.R. 784, which he sponsored. The Honorable Joseph Thompson represented VA and opposed H.R. 690 and a portion of H.R. 605. The veterans service organization witnesses testified in support of the bills.

On June 16, 1999, the subcommittee held a legislative hearing on H.R. 1247, the World War II Memorial Completion Act; H.R. 1476, the National Cemetery Act of 1999; H.R. 1484, to authorize appropriations for homeless veterans reintegration projects under the Stewart B. McKinney Homeless Assistance Act; H.R. 1603, the Selected Reserve Housing Loan Fairness Act of 1999; H.R. 1663, the National Medal of Honor Act; and H.R. 2040, the Veterans' Cemeteries Assessment Act of 1999. The veterans service and military organizations essentially supported these measures. VA testimony varied depending on the bill or specific aspects of each bill.

On June 17, 1999, the subcommittee marked up a draft bill of the Veterans' Benefits Improvement Act of 1999, which included H.R. 605, H.R. 690, H.R. 708, H.R. 784, H.R. 1214, H.R. 1247, H.R. 1476, provisions of H.R. 1484, H.R. 1765, and H.R. 2040. The bill was reported favorably to the full Committee by voice vote. On June 23, 1999, the bill, H.R. 2280, was favorably reported to the House by the full Committee (see House Report 106-202).

On October 28, 1999, the subcommittee held a hearing on draft legislative concepts for a 21st Century Veterans' Employment and Training bill, draft legislative concepts for miscellaneous VA education programs, H.R. 364, the Veterans' Employment and Training Bill of Rights Act of 1999, and H.R. 625, the Veterans' Education Benefits Equity Act of 1999. Witnesses included Mr. Joseph Andry, Director, Veterans Service Division, Ohio Bureau of Employment Services; Ms. Effie Baldwin, Local Veterans Employment Representative, Arizona Department of Economic Security; Mr. Dennis A. Beagle, Executive Board Member, New York State Public Employees Federation; Mr. Michael Blecker, Executive Director, Swords to Plowshares, San Francisco, California; the Honorable Espiridion Borrego, Assistant Secretary for Veterans' Employment and Training, Department of Labor; Mr. Christopher J. Brennan, Dean of Business and Workforce Development and Mr. George J. Moriarity, Executive Director, The Career Place, Middlesex Community College; Ms. Celia P. Dollarhide, Director, VA Education Service; Mr. Ronald W. Drach, President, R.W. Drach Consulting; Mr. Robert C. Gross, President, Interstate Conference of Employment Security Agencies; Mr. John Hall, Disabled Veterans Outreach Program Specialist, New York Department of Labor; Mr. James H. Hartman, New York State Director of Veterans' Employment and Training, DOL; Mr. James B. Hubbard, Director, Na-

tional Economic Commission, The American Legion; Mr. James N. Magill, Director, National Employment Policy, Veterans of Foreign Wars; Mr. Woodrow C. McCutcheon, President, Association of Small Business Development Centers; Representative Robert W. Ney of Ohio, Mr. Larry D. Rhea, Director of Legislative Affairs, Non Commissioned Officers Association; Mr. Philip Wilkerson, Deputy Director, Veterans Affairs and Rehabilitation, The American Legion; MG Thomas F. Sikora, USA, Ret., Vice President and Division General Manager, Resource Consultants, Inc.; and Mr. Anthony L. Baskerville, Deputy National Service Director for Employment, Disabled American Veterans.

The purpose of this hearing was to obtain advice from witnesses regarding the feasibility of various concepts to revise policies governing the delivery of veterans employment and training in each of the states. The Department of Labor opposed most of the concepts while other witnesses supported some concepts but not others.

Second Session

On March 23, 2000, the subcommittee held a hearing on H.R. 3193, the Duty to Assist Veterans Act of 1999. Representatives from the Non Commissioned Officers Association, Vietnam Veterans of America, Disabled American Veterans, The American Legion, Paralyzed Veterans of America, and Veterans of Foreign Wars all testified in support of the bill. All the veterans service organization witnesses were opposed to the VA's proposed rules in response to the decision in *Morton v. West*, 12 Vet. App. 477, *remanded on other grounds* F.3d , 2000 U.S. App. LEXIS 22464 (Fed. Cir., August 17, 2000), which was the impetus for the introduction of H.R. 3193. The Honorable Joseph Thompson, Under Secretary for Benefits, testified on behalf of the VA. The Department recommended the subcommittee defer action on the bill until VA completed its ongoing rulemaking. As the result of this hearing and subsequent meetings with representatives from the veterans service organizations and VA officials, H.R. 4864 was introduced and passed the House on July 25, 2000.

On April 13, 2000, the subcommittee received testimony on H.R. 1020, the Veterans' Hepatitis C Benefits Act of 1999; H.R. 3816, to provide that a stroke or heart attack suffered by a member of a reserve component while performing inactive duty for training shall be considered service-connected; H.R. 3998, the Veterans' Special Monthly Compensation Gender Equity Act; and H.R. 4131, the Veterans' Compensation Cost-of-Living Act of 2000. In addition, the subcommittee received testimony on the VA's adjudication of hepatitis C claims.

Representative Vic Snyder of Arkansas testified in support of his bill, H.R. 1020, and Representative Bart Stupak of Missouri testified in support of H.R. 3816, which he sponsored. Additional witnesses included Dr. Gary Roselle, Program Director for Infectious Diseases at the VA Medical Center in Cincinnati, Ohio; Mr. Keith Snyder, Mr. Michael Shallow, a hepatitis C-positive disabled veteran; Ms. Linda Spoonster Schwartz, Chair, VA Advisory Committee on Women Veterans; Ms. Joy Ilem, Disabled American Veterans; Mr. Harley Thomas, Paralyzed Veterans of America; Mr. Peter Gayton, AMVETS; Mr. Richard Schneider, Non Commis-

sioned Officers Association; Mr. Sidney Daniels, Veterans of Foreign Wars; and Mr. Philip Wilkerson, The American Legion. Ms. Nora Egan testified on behalf of VHA.

Mr. Shallow and Mr. Snyder testified in support of making hepatitis C a presumptive disease for purposes of VA disability compensation and cited the problems VA is having in adjudicating all claims. The veterans service organization witnesses testified in support of all the bills on the hearing agenda. VA supported H.R. 3816, H.R. 3998 and H.R. 4131, but opposed H.R. 1020. VA testified that they were in the process of proposing revisions to the rating schedule that would provide a separate code for hepatitis C, and new, more appropriate criteria for evaluating the condition.

On May 11, 2000, the full Committee marked up H.R. 4268, the Veterans and Dependents Millennium Education Act. The bill was favorably reported to the House (see House Report 106-628). On May 23, 2000, the House passed S. 1402, as amended by H.R. 4268, by a vote of 417-0.

On July 12 and July 13, 2000, the subcommittee held hearings on H.R. 4765, the 21st Century Veterans Employment and Training Act. Witnesses included Miss Heather French, Miss America 2000; the Honorable Anthony J. Principi, Chairman, Congressional Commission on Servicemembers and Veterans Transition Assistance; the Honorable Espiridion Borrego, Assistant Secretary of Labor for Veterans' Employment and Training; Mr. Alan Gibson, Disabled Veterans Outreach Program Specialist (on extended disability leave from) Missouri Division of Workforce Development, Department of Labor and Industrial Relations, and President, Missouri State Council, Vietnam Veterans of America; Mr. James Hartman, Director of Veterans' Employment and Training, State of New York; Dr. Carol A. Cowan, President, Middlesex Community College; Mr. Stephen A. Horton, Manager, Employment Security Program Services, Alabama Department of Industrial Relations; Mr. Mike Sheridan, Former Executive Director, Texas Workforce Commission; Mr. Donald E. Shasteen, Former Assistant Secretary of Labor for Veterans' Employment and Training; Ms. Heather W. Whitley, Director, Division of Employment and Training, Kansas Department of Human Relations; Mr. William C. Plowden, Jr., Director for Veterans' Employment and Training, South Carolina; Mr. Peter Gaytan, Legislative Director, AMVETS; Mr. Dennis A. Beagle, Executive Board Member, New York State Employees Federation; Mr. Robert F. Gross, President of ICESA; Maj. Gen. Matthew P. Caulfield, USMC (Ret), CEO, MilitaryHub.com and Chairman of the Board, Hire Quality, Inc. and Third Rail, Inc.; Mr. Rick Weidman, Director, Government Relations, Vietnam Veterans of America; Mr. Raymond G. Boland, Secretary, Wisconsin Department of Veterans Affairs; Mr. James B. Hubbard, Director, National Economic Commission, The American Legion; Mr. Ronald W. Drach, President, R.W. Drach Consulting; Mr. James N. Magill, Director, National Employment Policy, Veterans of Foreign Wars; Mr. Geoff Hopkins, Associate Legislative Director, Paralyzed Veterans of America; and Mr. John Lopez, Chairman, Association of Service Disabled Veterans, accompanied by Mr. Joseph Forney, Assistant Coordinator, Disabled Veterans Enterprise Institute. Miss French and the Transition Commission witness strongly endorsed

this bill. The Department of Labor largely opposed this legislation, arguing that it was unnecessary. Other witnesses largely supported the legislation with selected revisions for additional improvements.

On July 18, the subcommittee marked up H.R. 4850, the Veterans Benefits Act of 2000 and H.R. 4864, the Veterans Claims Assistance Act of 2000. Both bills were reported favorably to the full Committee. On July 20, the full Committee met and marked up H.R. 4850 and H.R. 4864. Each bill was favorably reported to the House (see House Report 106-783 and 106-781, respectively). On July 25, H.R. 4850 unanimously passed the House by voice vote; and H.R. 4864 passed the House by a vote of 414-0.

OVERSIGHT ACTIVITIES

First Session

On February 23, 1999, the full Committee held a hearing to receive the Report of the Commission on Servicemembers and Veterans Transition Assistance. The Honorable Anthony Principi, Chairman of the Commission, testified on the Commission's findings and its over 100 recommendations addressing 31 separate issues. The Honorable Bob Dole, who introduced the Senate legislation that created the Commission on Servicemembers and Veterans Transition Assistance, testified in support of the Commission's efforts and urged the Congress to move forward on making the kinds of improvements necessary for servicemembers transitioning back into civilian life.

On February 24, 1999, the subcommittee held an oversight hearing on the fiscal year 2000 budget for the Department of Labor Veterans' Employment and Training Service (VETS). The Honorable Espiridion Borrego, Assistant Secretary of Labor for Veterans' Employment and Training, testified on behalf of the Department of Labor. The veterans service organizations were represented by Vietnam Veterans of America, The American Legion, Veterans of Foreign Wars, AMVETS, and Non Commissioned Officers Association. Mr. Borrego, in addition to presenting VETS' budget, noted fiscal year 1998 accomplishments and addressed some of the Department of Labor's current efforts, pilots and initiatives. While the veterans service organizations were supportive of the overall monetary funding in the budget, they pointed out various areas where they saw a funding shortfall, most notably in the Disabled Veteran Outreach Program, the Local Veteran Employment Representative program, and the Homeless Veteran Reintegration Program.

On March 25, 1999, the subcommittee held an oversight hearing on the state of the Veterans Benefits Administration. Witnesses included the Honorable Joseph Thompson, VA Under Secretary for Benefits, Ms. Cynthia Bascetta, Associate Director for Veterans Affairs and Military Health Care Issues, GAO, and representatives of veterans service organizations. Mr. Thompson testified that the Department has been working aggressively to address the areas of major concern detailed in prior hearings and meetings with all stakeholders. The six areas VBA is developing are; (1) focusing on veterans, (2) delivering exceptional service, (3) basing all areas on strong core values, (4) forming productive partnerships with stakeholders, (5) initiating change rather than responding to it, and (6)

developing ways to equip future staff to serve 21st century veterans. Ms. Bascetta of GAO testified to the long-standing challenges facing the VA in administering benefits, but noted recent progress the Department has made in major areas, including measurement of decision accuracy, accountability for performance, and training for decisionmakers. The veterans service organizations testified to the challenges VBA faces, including a system of adjudication that is process-oriented rather than results-oriented.

On September 9, 1999, the subcommittee conducted a hearing on veterans' employment regarding civilian credentialing requirements for military job skills. Witnesses included the Honorable Espiridion Borrego, Assistant Secretary of Labor for Veterans Employment and Training, Mr. Victor Vasquez, Jr., Deputy Assistant Secretary of Defense, Personnel Support, Families and Education; Mr. Julius Williams, Jr., Director, Vocational Rehabilitation and Counseling Service, VBA; Mr. James Hubbard, The American Legion; the Honorable Ruby DeMesme, Assistant Secretary of the Air Force, Manpower, Reserve Affairs, Installations and Environment; RADM Fred Ames, Assistant Commandant for Human Resources, USCG; BG Kathryn Frost, The Adjutant General, USA; RADM David Brewer, III, Vice Chief of Naval Education and Training, USN; Lt. Gen. Jack Klimp, Deputy Chief of Staff for Manpower and Reserve Affairs, USMC; Mr. Steve Halsey, The Coalition for Professional Certification; Mr. Raymond Pryor, The Ohio Military Veteran Licensing and Certification Project; Maj. Gen. (Ret.) Matthew Caulfield, Hire Quality, Inc.; and Maj. Gen. (Ret.) Thomas Sikora, Resource Consultants.

All the witnesses agreed that skilled servicemembers leaving the military may miss out on the chance to quickly move into good, high-paying, career-building jobs because they must undergo lengthy and expensive retraining in order to meet civilian licensure and certification requirements, often for the same types of jobs they held in the military. Each of the witnesses detailed what the service branches and private sectors are doing to ensure that separating servicemembers have the credentials necessary to transition into civilian employment.

On October 26, 1999, the subcommittee held a hearing on claims adjudication issues facing certain Persian Gulf War veterans, specifically a past lack of consistency in claims decisions, inadequate employee training, relatively poor outreach and less than uniform development of evidence. The veterans service organizations, including The American Legion, Disabled American Veterans, National Gulf War Resource Center, Veterans of Foreign Wars, and the Vietnam Veterans of America, testified that VA has interpreted Public Law 103-446 in an overly narrow manner, thus veterans suffering from undiagnosed illnesses are significantly disadvantaged in terms of health care and claims adjudication. Dr. Claudia Miller, Environmental and Occupational Medicine, Department of Family Practice, University of Texas Health Science Center, testified on what has been done to understand why certain veterans are sick and suggested an "unmasking" study in order to isolate what exposures are producing symptoms. Dr. Victor Gordon, staff physician at the VAMC in Manchester, New Hampshire, described his experiences in treating Persian Gulf War veterans and provided an

explanation on how physicians attribute similar signs and symptoms to a diagnosed condition. The Honorable Joseph Thompson, VA Under Secretary for Benefits, represented VBA. Mr. Thompson testified on the progress the VA has made in processing Gulf War claims, identified the Department's initiatives to aid in the processing of all claims, and detailed the interaction and coordination efforts between the VHA and the VBA in adjudicating Persian Gulf claims.

Second Session

On March 9, 2000, the subcommittee conducted a hearing on the status of public and private sector initiatives to address homeless veterans issues. Witnesses included Miss Heather French, Miss America 2000; Dr. Fran Murphy, VHA; Ms. Estella Morris, Program Manager, VA Comprehensive Homeless Center, Little Rock, Arkansas; Ms. Henrietta Fishman, VISN 3; Mr. Fred Karnas, Deputy Assistant Secretary for Special Needs Programs, Department of Housing and Urban Development; the Honorable Espiridion Borrego, Assistant Secretary of Labor for Veterans' Employment and Training; Mr. Douglas Haywood, Western New York Veterans Housing Coalition; Mr. Raymond Boland, Wisconsin Department of Veterans Affairs; Mr. Thomas Cantwell, U.S. Vets; Ms. Chris Noel, Vetsville Cease Fire House, Inc.; Ms. Lynne Heidel, Centre City Development Corporation; Mr. Harold Schultz, Disabled American Veterans; Mr. Joseph Caouette, Veterans of Foreign Wars; Mr. Richard Schneider, Non Commissioned Officers Association; and Mr. Calvin Gross, Vietnam Veterans of America.

The Administration witnesses testified about their wide range of programs and services to address homeless veterans' needs. The private sector witnesses detailed the programs and services they offer, and the need for additional funds. Many witnesses would like to see the Department of Housing and Urban Development take more of an interest in, and provide additional funding for, veteran-specific programs.

On March 14, 2000, the subcommittee held a joint oversight hearing with the Committee on Small Business' Subcommittee on Government Programs and Oversight on the implementation of Public Law 106-50, the Veterans Entrepreneurship and Small Business Development Act of 1999. Witnesses included Mr. Emil Naschinski, The American Legion; Mr. Rick Weidman, Vietnam Veterans of America; Mr. Geoffrey Hopkins, Paralyzed Veterans of America; Mr. John Lopez, Association of Service Disabled Veterans; Mr. Anthony Baskerville, Disabled American Veterans; Mr. Joseph Forney, Disabled Veteran Business Enterprise Network; Mr. Woodrow McCutchen, Association of Small Business Development Centers; Mr. W. Kenneth Yancey, National SCORE Office; and Mr. Darryl Dennis, U.S. Small Business Administration. Mr. Dennis outlined SBA's progress in implementing Public Law 106-50. Veterans organizations expressed their displeasure with what they perceived as SBA's recalcitrant implementation of the new law. The SBA disagreed, arguing that "by definition", start up of new services takes time, but it was completely committed to implementing the program.

On September 27, 2000, the subcommittee held its second hearing on licensing and credentialing of military job skills for civilian employment. Witnesses included Mr. James Hubbard, The American Legion; Mr. Peter Gaytan, AMVETS; Mr. Michael Martin, National Organization for Competency Assurance; Maj. Gen. Matthew Caufield, Hire Quality, Inc.; Mr. Steven Halsey, The Coalition for Professional Certification; RADM Fred Ames, USCG; Lt. Gen. Jack Klimp, USMC; RADM David Brewer III, USN; Ms. Mary Lou Keener, Deputy Assistant Secretary for Manpower, Reserve Affairs, Installations and Environment; USAF; BG Kathryn Frost, USA; and the Honorable Espiridion Borrego, Assistant Secretary of Labor for Veterans' Employment and Training. The representatives of the service branches testified to the efforts being made to train and certify active duty servicemembers, along with joint service efforts. The hearing built upon the testimony the subcommittee received on September 9, 1999.

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

The Subcommittee on Oversight and Investigations reviews the benefits and the health care services that the federal government provides to eligible veterans and family members. It also oversees the programs and operations of the Department of Veterans Affairs, as well as those of other federal agencies that pertain to veterans. In carrying out its responsibilities, the subcommittee conducts hearings, site visits and investigations nationwide. It also requests reports from the General Accounting Office, the Congressional Research Service and the VA's Office of the Inspector General. The subcommittee does not have legislative jurisdiction so that its resources can be solely dedicated to oversight activities (see Oversight Plan for 106th Congress, p. 83).

OVERSIGHT HEARINGS

First Session

The subcommittee held a hearing on March 11, 1999, on whistleblowing and retaliation in the VA. The principal witnesses included the Honorable Elaine Kaplan, Special Counsel, Office of Special Counsel; the Honorable Richard J. Griffin, VA Inspector General; the Honorable Eugene A. Brickhouse, VA Assistant Secretary for Human Resources and Administration; and the Honorable Leigh Bradley, VA General Counsel. Also testifying were Dr. Gordon D. Christensen, Dr. Edward H. Adelstein, Dr. Earl Dick, Mr. Donald Bumgardner, Mr. Kenneth Wilson, all VA employees, and Ms. Joan Pastor, a former VA employee.

The subcommittee examined the VA's policies and protections for its employees who have claimed or been granted whistleblower status, as well as for employees who had filed various types of complaints or claims against the Department. A GAO survey of whistleblower protection in the VA found that VA health care employees were not confident that the Department would provide effective protection to those who report wrongdoing or expose waste, fraud and mismanagement. VA officials could not identify an instance when the Department protected a whistleblower. Moreover, VA officials could not identify VA managers or supervisors held account-

able for retaliation without external pressure. In response, VA has undertaken education and training of managers, supervisors and employees, and has reaffirmed its policy of protecting whistleblowers. The subcommittee requested the OIG identify all senior managers that have had allegations of waste, fraud and mismanagement sustained against them. The OIG has not yet completed work on its response.

On March 25, 1999, the subcommittee held an oversight hearing on the Department of Veterans Affairs management of the Federal Employees Compensation Act. Principal witnesses included Mr. Shelby Hallmark, Deputy Director, Office of Workers' Compensation Programs, Department of Labor; and the Honorable Richard J. Griffin, VA Inspector General. Representing the VA were Mr. Ronald E. Cowles, Deputy Assistant Secretary for Human Resources Management; Dr. Frances M. Murphy, Chief Consultant, Occupational and Environmental Health, Strategic Health Group; Mr. John Hancock, Director, Occupational Health and Safety Staff, Office of Administration; Mr. Frederick Malphurs, Director, VISN 2; and Mr. Smith Jenkins, Jr., Director, VISN 22.

A December 21, 1999 audit report from the Office of Inspector General found that VA is still at significant risk for fraud, abuse and unnecessary costs related to its Workers' Compensation Program (WCP). The OIG concluded that VA could reduce program fraud and abuse with more effective review and oversight of WCP claims. OIG estimated VA annually pays \$17.8 million in unverified compensation claims payments. Based on these findings, the OIG projected total savings of approximately \$250 million. The OIG concluded that management of the WCP needs to be improved.

VA officials stated that 1994, the Department has implemented programs and practices to reduce workers' compensation costs. Among these initiatives is "Workers' Compensation Management Information Systems" developed in cooperation with the Department of Labor. This system provides current information to case managers from VA facilities as well as from DOL. In addition, VA is working to prevent injuries and illnesses by enhancing hazard identification and mishap prevention; promoting research into injury and illness causation; and seeking more effective methods to provide employee safety and health education opportunities.

However, DOL asserted that VA's continued lack of timeliness in submitting claims exposes VA to potential overpayments and undetected fraudulent claims. DOL also emphasized the need for increased case management of workers' compensation claims.

The subcommittee held a hearing on VA's Year 2000 (Y2K) readiness on April 15, 1999. Principal witnesses included Mr. Joel C. Willemsen, Director, Civil Agencies Information Systems, Accounting and Information Management Division, GAO; Mr. Michael Slachta, Jr., VA Deputy Assistant Inspector General For Auditing; the Honorable Hershel Gober, VA Deputy Secretary; Mr. Harold F. Gracey, Jr., VA Acting Assistant Secretary for Information and Technology; Mr. William K. Hubbard, Acting Deputy Commissioner for Policy, Food and Drug Administration (FDA); and Ms. Judy Bello, Executive Vice President for Policy and Strategic Affairs, Pharmaceutical Research and Manufacturers of America, accom-

panied by Mr. Del Persinger, Vice President, Finance and Operations.

GAO testified that VA continued to make progress in its Y2K readiness initiatives, but that key actions remained to be performed. VBA and VHA had not completed testing all mission critical systems. VHA had not completed assessments of its facility systems to ensure uninterrupted health care. Neither VA nor FDA had implemented GAO's prior recommendation to review the test results for biomedical equipment used in critical care or life support environments.

In response to VA and FDA's inability to identify to the subcommittee non-compliant biomedical equipment, both agencies partnered in developing a single data clearinghouse for biomedical equipment and its Y2K compliance status. FDA was prompted to launch much more aggressive initiatives to encourage and monitor biomedical equipment manufacturers' Y2K compliance. Pharmaceutical Research and Manufacturer of America urged its members to comply and respond to GAO's survey regarding Y2K plans and contingency plans.

The subcommittee held a joint hearing with the Subcommittee on Health on the suspension of medical research at West Los Angeles and Sepulveda VA medical facilities and on informed consent and patient safety in VA medical research on April 21, 1999. Principal witnesses included Dr. Thomas Puglisi, Director, Division of Human Subject Protections, Office for Protection from Research Risks, National Institutes of Health, Department of Health and Human Services; Mr. Dean C. Norman, Acting Chief of Staff, West Los Angeles VAMC; Dr. Stephen Pandol, Former Director, Research and Development, West Los Angeles VAMC, Mr. Kenneth Clark, VHA Chief Network Officer and Former Director, West Los Angeles VAMC; the Honorable Kenneth W. Kizer, VA Under Secretary for Health, Dr. John R. Feussner, VHA Chief Research and Development Officer; Dr. Eric M. Meslin, Executive Director, National Bioethics Advisory Commission; Dr. Paul Appelbaum, Chair, Department of Psychiatry at University of Massachusetts Medical School, and Chair, American Psychiatric Association Ethics Appeals Board; and Dr. Adil E. Shamoo, Professor, Department of Biochemical and Molecular Biology, University of Maryland, Baltimore.

The subcommittee heard testimony on the unprecedented suspension of all human and animal subject medical research at the West Los Angeles and Sepulveda VA medical facilities. It also examined informed consent issues. VA officials acknowledged many sustained allegations of research irregularities and failure to correct deficiencies of informed consent procedures. These deficiencies did not meet regulatory standards identified by the Department of Health and Human Services and were not corrected over a six-year period. There also were numerous deficiencies in the Institutional Review Board's operating procedures and record-keeping practices. The subcommittee concluded that the VA had failed in its obligation to provide adequate levels of protections to veterans volunteering for VA medical research. In response to this hearing, VA announced the creation of an Office for Research Compliance and Assurance to provide external accreditation of VA research pro-

grams. The subcommittee requested GAO to conduct an independent audit to determine if the serious deficiencies demonstrated by the West Los Angeles VAMC were systemic in VA's research programs.

On May 20, 1999, the subcommittee held an oversight hearing on maintenance and space planning at Arlington National Cemetery and the National Cemetery Administration. Witnesses included Representative Helen Chenoweth of Idaho; Mr. Philip Wilkerson, Deputy Director, Veterans Affairs and Rehabilitation, The American Legion; Ms. Joy J. Ilem, Associate National Legislative Director, Disabled American Veterans; Mr. Rick Weidman, Director, Government Relations, Vietnam Veterans of America; Col. Robert F. Norton, USA (Ret.), Deputy Director, Government Relations, The Retired Officers Association; Mr. Larry D. Rhea, Deputy Director, Legislative Affairs, Non Commissioned Officers Association; Mr. Ray Boland, Secretary, Wisconsin Department of Veterans Affairs; Mr. Charles F. Smith, Assistant Secretary, North Carolina Division of Veterans Affairs, Mr. Eli Panee, Program Manager; Lt. Col. Robin L. Higgins, USMC (Ret.), Executive Director, Florida Department of Veterans Affairs; Mr. Brian E. Burke, Principal Deputy Assistant Secretary of the Army (Civil Works), Department of the Army, Mr. John C. Metzler, Superintendent, Arlington National Cemetery (ANC); Mr. Roger R. Rapp, Acting Under Secretary, VA National Cemetery Administration (NCA); and Mr. Vincent L. Barile, NCA Director, Office of Operations Support.

The purpose of the hearing was to examine the maintenance of national cemeteries, including Arlington National Cemetery, and VA's strategic planning for future cemetery needs, including construction of new cemeteries. The average age of the veteran population is rising and World War II veterans are dying at a rate of over 1,000 per day. Yet, despite the demographic trend for the next decade, the VA seemed to have no plans for new cemetery construction. The VA testified that it would "continue to evaluate the potential establishment of new national cemeteries."

The hearing established that both national cemeteries and Arlington National Cemetery have a large backlog of deferred maintenance projects, even though all cemeteries are being maintained as much as current resources permit. Currently, many cemeteries have maintenance needs such as dirty and tilting headstones, crumbling walkways and deteriorating cemetery buildings.

The hearing also identified burial and space needs and secured additional funding for cemetery maintenance and construction. The hearing resulted in approximately \$3 million in additional funding for maintenance projects in the Arlington National Cemetery budget. In addition, the 1999 Veterans Millennium Health Care and Benefits Act, Public Law 106-117, directed the VA Secretary to use the advance planning fund for costs required to begin pre-construction planning for six new cemetery sites in the geographic areas most in need of a national cemetery. The Act further required the Secretary to contract for a study assessing one-time repairs required at each national cemetery.

The subcommittee held a hearing on the effectiveness of federal homeless veterans programs on June 24, 1999. Witnesses included Ms. Cynthia A. Bascetta, Associate Director for Veterans Affairs

and Military Health Care Issues, GAO; Ms. Linda Boone, Executive Director, National Coalition For Homeless Veterans; Mr. Thomas R. Cantwell, Jr., President, Westside Residence Hall; Col. Charles Williams, USA (Ret.), Executive Director, Maryland Center For Veterans Education & Training, Inc.; Ms. Toni Reinis, Executive Director, New Directions, Inc., accompanied by John Keaveney, Chief Operating Officer, New Directions, Inc., Dr. Lorin Linder, Program Director, New Directions, Inc.; Mr. Roosevelt Thompson, Jr., Account Associate, Xerox Business Services, Xerox Corporation, accompanied by Ms. Michele Cahn, Manager of External Affairs, Mr. Charles A. James, Jr., Manager, Business Development Private Sector, Xerox Business Services; the Honorable Espiridion A. Borrego, Assistant Secretary of Labor for Veterans' Employment and Training; Mr. Fred Karnas, Deputy Assistant Secretary For Special Needs Assistance Programs, Department of Housing and Urban and Development; Mr. Peter H. Dougherty, Director, VA Homeless Programs Office, accompanied by Dr. Robert Rosenheck, Director, VA Northeast Program Evaluation Center; Mr. Emil W. Naschinski, Assistant Director, National Economic Commission, The American Legion; Ms. Valerie Callaway, Employment Specialist, Veterans of Foreign Wars; and Mr. Rick Weidman, Director of Government Relations, Vietnam Veterans of America.

The subcommittee heard testimony from GAO, several community-based homeless programs, and a former homeless veteran who had successfully reentered mainstream society. The subcommittee also heard from the Department of Housing and Urban Development, VA and several veterans service organizations. Homelessness among veterans continues to be a serious and complex problem with no easy solutions. The estimated number of homeless veterans has been estimated to be close to a quarter-million. The 1994 count was validated last year by findings of the Urban Institute (Contractor for the Inter-Agency Council) which found 824,000 people homeless in any week (annual total is higher). Of this figure, 24 percent or 202,000 are veterans. In fiscal year 1997, VA obligated approximately \$84 million to homeless veterans programs. The entire federal government spent approximately \$1.2 billion on homeless programs. GAO testified that while the VA has developed partnerships with other federal departments, state and local agencies, and community-based organizations, it has little information about the long-term effectiveness of its homeless programs. GAO recommended VA conduct a series of program evaluations to clarify the effectiveness of VA's homeless programs and identify best practices and ways to improve those programs. GAO concluded that VA's methodological shortcomings in obtaining information on outcomes prevents it from making clear conclusions about program effectiveness. GAO recommended that VA conduct further research on program effectiveness in order to direct VA's limited resources and improve its homeless programs. Witnesses from veterans service organizations and hands-on providers testified favorably regarding the effectiveness of VA and DOL grant programs for homeless veterans through community-based organizations.

The subcommittee held a hearing on July 22, 1999 on VA's Capital Assets Realignment Plan for enhancing services to veterans. Principal witnesses included Mr. Stephen P. Backhus, Director,

Veterans' Affairs and Military Health Care Issues, GAO; Mr. D. Mark Catlett, VA Deputy Assistant Secretary for Budget; and Mr. Kenneth Clark, VHA Chief Network Officer.

VA's capital assets plan addresses how and when the Department is going to restructure its vast health care system. GAO testified that VA's hospital utilization has dropped from 49,000 to 21,000 patients in the last ten years. It also stated that the veteran population will decline by 36 percent, or nine million people, over the next 20 years. VA's progress in light of these dramatic changes in demographics and medical practices has been limited. Its planning lacks uniformed guidelines and criteria needed to conduct fair and equitable decisions. VA has not prioritized its assessments in order to maximize the return on investment. GAO concluded that VA could be spending \$1 million or more a day to operate and maintain unneeded buildings. The subcommittee will continue to conduct oversight on this subject.

On July 29, 1999, the subcommittee held an oversight hearing on the effectiveness and strategic planning of Veterans' Employment and Training Service Program (VETS) at the Department of Labor. The purpose of this hearing was to give VETS an opportunity to respond to the recent Congressional Transition Commission's report and to articulate its vision for the new century. Witnesses included Ms. Carlotta C. Joyner, Director of Operations, Health, Education, and Human Services Division, GAO; the Honorable Espiridion A. Borrego, Assistant Secretary of Labor for Veterans' Employment and Training; Mr. Ronald W. Drach, Former Commissioner, Commission On Service Members And Veterans Transition Assistance; Mr. James B. Hubbard, Director, National Economics Commission, The American Legion; Mr. Anthony L. Baskerville, Deputy National Service Director For Employment, Disabled American Veterans; Mr. James N. Magill, Director, National Employment Policy, Veterans of Foreign Wars; Mr. Calvin Gross, Chair of Employment Training And Business Opportunities Committee, Director of Government Relations, Vietnam Veterans of America;

The General Accounting Office testified that VETS' May 1999 revised strategic plan and its fiscal year 2000 performance plan "lack vision and clarity and do not clearly identify what the program is to achieve and the direction the agency intends to take."

The Transition Commission concluded that based upon data provided by VETS, only two percent of veterans go to state employment services when looking for a job. The Commission also concluded that only 12 percent of those veterans who registered with state employment services obtained permanent employment. Furthermore, nine states were able to meet VETS performance standards while placing fewer than ten percent of registered veterans. The Commission found this overall performance to be an inadequate return on annual program costs of \$183 million, and bluntly called this employment and training program "a failed and expensive system with exorbitant overhead."

Subcommittee Chairman Terry Everett recommended to Chairman Jack Quinn of the Subcommittee on Benefits, which has legislative jurisdiction over these matters, that he consider giving VETS a time certain to greatly improve its performance and planning along the lines of the Transition Commissions suggestions. If it

does not show improvement and produce a satisfactory roadmap to the future after this period, Chairman Everett stated that the program should be drastically overhauled.

The subcommittee held a hearing on September 23, 1999 on VA's financial management in the areas of reducing fraud and on increasing third-party collections. Principal witnesses included the Honorable Richard J. Griffin, VA Inspector General; Mr. Stephen P. Backhus, Director, Veterans' Affairs and Military Health Care Issues, GAO; and the Honorable Edward A. Powell, Jr., VA Assistant Secretary for Financial Management; and Mr. D. Mark Catlett, VA Deputy Assistant Secretary for Budget.

The subcommittee examined two recent cases involving VA employees from two separate VBA regional offices who stole over \$1.2 million of veterans' compensation funds. The IG conducted a vulnerability assessment of VBA's regional office operations and management and identified 18 areas of vulnerability in six general internal control categories. These vulnerabilities diminished quality control and facilitated the ability to commit system-wide fraud in VBA. Recent Office of the Inspector General (OIG) audits in areas of improper payments identified opportunities for the Department to save millions of dollars. Senior VA officials acknowledged that fraud was successful because VA's own internal controls were either lacking, circumvented, or not followed.

GAO testified that VA's third-party medical care collections are woefully inefficient, that they have declined over three consecutive years, and that they likely will continue declining. GAO verified the audits conducted by OIG, Price Waterhouse Coopers and the American Association of Retired Persons that concluded VA's billing process was "unacceptably inaccurate." Bill coding had been shown to be up to 90 percent inaccurate, compounding the poor third-party collection process.

VA has acknowledged and is addressing the deficiencies and lack of management identified by OIG and GAO. The subcommittee should continue to conduct oversight on these issues.

On September 30, 1999, the subcommittee held an oversight hearing on EEO Complaint Resolution in the Department of Veterans Affairs. The purpose of the hearing was to examine how the VA has implemented Public Law 105-114, the "Veterans Benefits Act of 1997," with respect to the EEO Complaint Resolution System. Witnesses included Ms. Kathleen Dyer, Principal, Ms. Elaine Brenner, Associate, and Ms. Jan Bayer, Associate, Booz Allen & Hamilton Inc.; Mr. Carlton Hadden, Acting Director, EEOC Office of Federal Operations, U.S. Equal Employment Opportunity Commission; the Honorable Eugene A. Brickhouse, VA Assistant Secretary for Human Resources and Administration; Ms. Ventris C. Gibson, VA Deputy Assistant Secretary for Resolution Management; Mr. Charles R. DeLobe, Director, VA Office of Employment Discrimination Complaint Adjudication.

The bill and the Public Law established within the VA the Office of Resolution Management (ORM) and the Office of Employment Discrimination Complaint Adjudication (OEDCA) which operate independently from field facilities and headquarters' offices. Each of the new organizations is headed by a director who is solely re-

sponsible for all complaints of unlawful employment discrimination and any associated complaints of reprisal.

ORM and OEDCA have been in operation for more than a year. The hearing examined VA's efforts to restore confidence in the system that is supposed to resolve employment discrimination complaints and hold transgressors accountable.

This subcommittee previously had heard concerns relating to problems with the system for resolving employment discrimination complaints. It was the perception of too many men and women of the VA that senior managers within the Department were not held accountable for their actions and too often did not take the EEO process seriously.

Under the Act, VA was required to hire an independent contractor to conduct an assessment of its programs for improving the EEO environment and its approach to processing EEO-related complaints. VA hired Booz Allen & Hamilton, Inc. to conduct this assessment. Their testimony concluded that, based on their overall assessment, the complaint resolution system at VA had made "notable strides in certain areas, such as working towards achieving its mission, providing initial training for ORM staff, and establishing administrative procedures to guide the program."

One year is not long enough to conclude that VA has corrected all the problems of the past. Employees still appear to quite concerned about reprisal from supervisors and managers if they file complaints. The subcommittee will continue to monitor the progress of these two new offices with respect to timeliness of complaint resolution and confidence and trust among VA employees.

The subcommittee held its fifth hearing on VA's Y2K readiness on October 28, 1999. Principal witnesses included Mr. Joel C. Willemsen, Director, Civil Agencies Information Systems, GAO; Mr. William K. Hubbard, Senior Associate Commissioner for Policy, Planning and Legislation, Food and Drug Administration; the Honorable Hershel W. Gober, Deputy Secretary of Veterans Affairs; and Mr. Harold F. Gracey, Jr., VA Principal Deputy Assistant Secretary for Information Technology.

The subcommittee examined VA's readiness to provide uninterrupted benefits delivery in compensation and pension checks, safe medical care and adequate pharmaceutical supplies. It also examined the testing, verification and confirmation of VA's contingency plans. GAO testified that VA continued to make progress in addressing the Y2K problem. It also noted that VBA had only tested its contingency and business continuity plan at ten percent of its 58 regional offices. GAO determined that FDA had made progress in making compliance information on biomedical equipment available to users through its Federal Y2K Biomedical Equipment web site. Prompted by this subcommittee, FDA decided to conduct surveys to determine the Y2K readiness of pharmaceutical, biological, and consumable medical product manufacturers. The subcommittee acknowledged the tremendous effort put forth by the VA and FDA and encouraged them to continue their testing and verification efforts up to the eve of the new millennium.

On March 16, 2000, the subcommittee held an oversight hearing on the VA's Home Loan Guaranty Program. The purpose of this hearing was to review the management and efficiency of the home

loan program. Principal witnesses included Representative Gary Ackerman of New York; Mr. Michael Slachta Jr., VA Assistant Inspector General for Auditing; Mr. Keith Pedigo, Director, Loan Guaranty Service, VBA; Mr. James B. Hubbard, Director, National Economic Commission, The American Legion; Mr. Peter S. Gayton, National Legislative Director, AMVETS; Mr. Benjamin H. Butler, Associate Legislative Counsel, National Association for Uniformed Services.

The program generally appears to be operating to the benefit of the veteran and the taxpayer. The VA home loan guaranty program clearly remains popular with veterans and active duty members of our military services. It provides a valuable benefit for them and their families.

However, some questions were raised by the testimony of the VA Inspector General's Office regarding the effective and aggressive oversight of lending institutions and contractors by the VA. The OIG witness stated there are material internal control weaknesses that impede timely completion of financial statements and reduce effectiveness of safeguards over program resources. The OIG witness further stated that VBA has represented that organization and system changes were underway to address the internal control weaknesses and all corrective actions should be completed by the end of fiscal year 2000.

The loan guaranty service is increasingly utilizing commercial mortgage lending practices and delegating functions to lenders, so its own oversight and accountability practices must continue to be strengthened. The subcommittee requested that the VA report back to it when, as outlined by OIG, all corrective actions have been taken. The report should include an explanation and detailed description of all actions taken to remedy the material internal control weaknesses found by OIG. Also, VA is to report to the subcommittee regarding the results of the A-76 study on contracting out property management. Finally, the subcommittee is expecting a report from VA on the situation involving the contract for servicing on direct loans.

The subcommittee held a hearing on VA's information technology (IT) programs on May 11, 2000. Principal witnesses included Mr. Joel C. Willemsen, Director, Civil Agencies Information Systems, GAO; the Honorable Richard J. Griffin, VA Inspector General; Mr. Harold F. Gracey, Jr., VA Principal Deputy Assistant Secretary for Information Technology; Mr. Dan L. Marsh, Associate Chief Information Officer for Implementation and Training, VHA; Ms. K. Adair Martinez, Chief Information Officer, VBA; Mr. Charles R. DeCoste, Director, Data Management Office, VBA; and Mr. Vincent L. Barile, Director of Operations Support, National Cemetery Administration.

The focus of the subcommittee's first hearing on VA's \$1.2 billion IT program for fiscal year 2000 was on three specific projects: the Master Veteran Record (MVR), VBA's computer modernization programs (VETSNET), and VHA's Decision Support System (DSS). The delay in integrating the MVR with VBA's compensation and pension service line has resulted in a loss of significant savings in reduced overpayments. Two of VBA's ten-year major modernization projects missed many significant milestones and currently had no

expected completion dates. A \$3 million education redesign project was finally terminated without any deliverable product. VHA has spent more than \$267 million on its DSS system. Utilization of DSS in budget formulation, resource allocation, and collecting health outcomes has been very limited. The VA IG testified that its audits this year continue to demonstrate widespread system security control weaknesses. The IG reiterated that these weaknesses were reported in 1997, 1998 and 1999 financial statements and made recommendations for the Department to implement a comprehensive security program.

The subcommittee requested the Department submit a plan within 60 days for an integrated systems architecture that includes specific completion milestones. The subcommittee held an IT hearing in the Fall to assess the Department's progress and determine which material weaknesses had been corrected.

On May 18, 2000, the subcommittee held an oversight hearing on disability claims processing at the Department of Veterans Affairs. The hearing was intended to set a base line for the VA disability claims system as it has performed over the past decade. Principal witnesses included Representative Bill McCollum of Florida; Mr. Eugene R. Birge; Mr. Johnny Nixon; Mr. Michael G. Sullivan, VA Deputy Inspector General; Ms. Cynthia Bascetta, Associate Director, Veterans' Affairs and Military Health Care Issues, GAO; the Honorable Joseph Thompson, VA Under Secretary for Benefits; Mr. Robert Epley, Director, Compensation and Pension Service, VBA; Mr. Rick Surratt, Deputy National Legislative Director, Disabled American Veterans; Mr. Geoff Hopkins, Associate Legislative Director, Paralyzed Veterans of America; Mr. Jeff Dolezal, Director, Field Services, Paralyzed Veterans of America; Mr. Paul Ivas, Associate Director of Field Services, Paralyzed Veterans of America; and Mr. Ron Abrams, Deputy Director, National Veterans Legal Services Program.

There are serious problems with the VA disability claims process. For the past decade, data has shown that the disability compensation adjudication process has experienced large claims backlogs, high error rates, and poor timeliness. In addition, some of VA's reported performance data is false or misleading, particularly for fiscal year 1997.

Disability claims adjudication is an overly complex process that gives many veterans terrible service. In 1999, at least 770 veterans died before their claims were decided.

The VA outlined what it is doing to improve. But, if past performance is any indication, the VA will continue to fail unless it makes more fundamental improvements, both in process and management. Otherwise, any gains will be marginal and temporary.

The subcommittee held a hearing on joint procurement of pharmaceuticals by VA and DOD on May 25, 2000. Principal witnesses included the Honorable G. Kim Wincup, Vice Chairman, Congressional Commission on Servicemembers and Veterans Transition Assistance; Mr. Steve P. Backhus, Director, Veterans' Affairs and Military Health Care Issues, GAO; Mr. Robert J. Lieberman, Assistant Inspector General for Auditing, DOD; Mr. Gary J. Krump, VA Deputy Assistant Secretary for Acquisitions and Materiel Management; Mr. John Ogden, Chief Consultant, Pharmacy Benefits

Management Group, VHA; BG Daniel Mongeon, USA, Commander, Defense Supply Center, DOD, and Capt. Charles Hostettler, USN, Director, DOD Pharmacy Programs, TRICARE Management Activity.

The GAO, DOD IG, and the Transition Commission testimony all agreed that increased VA/DOD joint medical purchasing could yield considerable savings. GAO estimated that the savings could amount to \$1.5 billion over five years. It further recommended that DOD consider utilizing VA's mail-order pharmacy for its 25 million prescription refills that would result in annual savings of about \$45 million. The subcommittee requested both Departments report within 90 days on the feasibility of a pilot demonstration project. The subcommittee also introduced H. Con. Res. 413. This Sense of the Congress encouraged VA and DOD to increase their joint procurement of medical items, including prescription drugs.

The subcommittee held a field hearing on quality of care, patient and employee safety, and management effectiveness at the Marion VA Medical Center on June 1, 2000, at Marion, Indiana. Full Committee Chairman Bob Stump chaired the hearing, which was requested by Representative Steve Buyer of Indiana. Principal witnesses included Mr. Alanson Schweitzer, VA Assistant Inspector General for Healthcare Inspections; Dr. Michel Calache, Marion VAMC Staff Physician; Mr. Bill Overbey, President, Local 1020, American Federation of Government Employees; Mr. Steven Stewart, Marion VAMC employee; Mr. John Hickey, Director of Rehabilitation, Indiana Department, The American Legion; Mr. William Caywood, Commander, Indiana Department, Disabled American Veterans; Mr. William Hahn, Past 5th District Commander, Veterans of Foreign Wars; Ms. Linda Belton, Director, VISN 11, VHA, accompanied by Dr. Michael Murphy, Director, Northern Indiana Health Care System, VHA; and Dr. Allen Mellow, Director, VA Network Mental Health Service Line.

VA employees, union officials, and VA and OIG officials testified about understaffing, patient and employee safety, lack of communication between employees and management, and lack of proactive management from senior leadership. The OIG Combined Assessment Program Review (CAPR) identified sixteen areas of vulnerability that included the management of long-term care, pharmaceutical control violations, patient and employee safety issues, and lack of assignment of accountability and responsibilities for these deficiencies. VA officials testified that the majority of the issues had been corrected or would be corrected when the new long-term care facility opened in the fall of 2000.

After a series of post-hearing meetings with Mr. Buyer, subcommittee staff and VA officials highlighting the funding shortfalls, low employee morale, and patient and employee safety issues, VA approved \$6.5 million in supplemental funding to address those issues.

On June 8, 2000, the subcommittee held an oversight hearing on women veterans issues. The purpose of this hearing was to review the changing needs of women veterans. The number of women serving in our military has been steadily increasing and women now comprise 15 percent of active duty military service members. Witnesses included Dr. Linda Schwartz, Chair, VA Advisory Board

on Women Veterans; Ms. Jacqueline Garrick, Deputy Director, Healthcare, National Veterans Affairs and Rehabilitation Commission, The American Legion; Ms. Joy J. Ilem, Associate National Legislative Director, Disabled American Veterans; Ms. Marsha Tansey Four, Chair, Women Veterans Committee, Vietnam Veterans of America; Ms. Joan Furey, Director, VA Center for Women Veterans, Ms. Carole Turner, Director, Women Veterans Health Program, VHA; and Mr. Robert Epley, Director, Compensation and Pension Service, VBA.

The hearing documented VA's attention to the needs of women veterans in both benefits and health care services. However, the pace of improvement could reasonably be expected to be faster. Some medical centers have lagged behind the majority of providers within the VA medical system in providing more adequate services to women veterans. Congress expects VA to provide directly or by contract the same level of services for women veterans that it does for male veterans.

On July 27, 2000, the subcommittee held a hearing on patient safety and quality management in VA. Principal witnesses included the Honorable Richard J. Griffin, VA Inspector General; Ms. Cynthia Bascetta, Associate Director, Veterans Affairs and Military Health Care, GAO; Ms. Linda Connell, Director, Aviation Safety Reporting System, NASA Ames Research Center; Dr. James Bagian, Director, National Center for Patient Safety, VHA, Dr. Jonathan Perlin, Chief Quality and Performance Officer, VHA; and Ms. Helen Cornish, Director, Lexington, KY, VAMC. Because votes on the House floor precluded the subcommittee from hearing the oral testimony of the witnesses, Chairman Terry Everett ordered that all written statements of the witnesses be submitted for the record.

The subcommittee called this hearing after receiving disturbing reports of many avoidable patient deaths and other adverse medical events. Also, the subcommittee was aware of a 1999 report by the Institute of Medicine (IOM) which estimated that 44,000 to 98,000 American deaths occurred as a result of medical errors. The subcommittee requested the GAO to determine the status of VA's initiatives to detect and prevent adverse events and to identify the obstacles and challenges VA would face in order to establish a major change in the organizational culture for safety. GAO testified that VA has developed a number of initiatives that will aid the Department in developing a culture for safety. GAO stated that VA leadership must make patient safety a priority that clearly establishes responsibilities and communicates the importance of patient safety to every VA employee. GAO also stated that VA had yet to establish outcome measures that would determine the effectiveness of its patient safety initiatives.

VA has not defined or identified an implementation plan detailing timelines and milestones of accomplishments or measurable improvement outcomes. Subcommittee continuing oversight on VA research programs has been a factor in a number of initiatives in VA's patient safety program. VA established the National Center for Patient Safety to lead and integrate the Department's patient safety efforts. VA also established an independent Office of Research Compliance and Assurance (ORCA).

The subcommittee held the second hearing on VA's information technology programs on September 21, 2000. Witnesses included Mr. Joel C. Willemsen, Director, Civil Agencies Information Systems, GAO; Mr. Michael Slachta, Jr., VA Assistant Inspector General for Auditing; Dr. Howard H. Green, retired VA employee; and Mr. Robert P. Bubniak, VA Acting Principal Deputy Assistant Secretary for Information Technology.

This hearing focused on continuing weaknesses previously identified in previous hearings of this subcommittee. GAO testified on the status of VA's efforts to: improve its process for selecting, controlling and evaluating IT investments; fill the Chief Information Officer position; develop an overall strategy for reengineering its business processes; complete a department-wide integrated systems architecture; track its IT expenditures; implement the Veterans Health Administration's Decision Support System and the Veterans Benefits Administrations compensation and pension replacement project; and improve the Department's computer security.

GAO and OIG testified on the extremely serious department-wide information security weaknesses. GAO stated that it had reported on VA's computer security weaknesses as early as September 1998. This report identified weaknesses that could place critical VA operations such as financial management, health care delivery, and benefits payments at risk for inadvertent or deliberate misuse, fraud, improper disclosure, or destruction, which could possibly occur without detection. OIG's testimony reiterated that a number of significant control weaknesses existed that made VBA systems vulnerable to unauthorized access and misuse. OIG identified the high vulnerability in the computer systems as early as 1997.

GAO was critical of the Department's plan not to develop a department-wide business process reengineering strategy. VA had yet to develop an integrated IT architecture as required by the Clinger-Cohen Act. VA lacked a uniform mechanism for tracking IT expenditures as required by its own VA Directive 6000. VHA has spent a quarter-billion dollars on its Decision Support System (DSS), yet utilization remains low. Of 140 VA medical centers, 59 were not using DSS in any capacity.

The subcommittee concluded that while VA has made some improvements, VA's IT programs have been chaotic due to weak leadership and management. VA's improvement of its serious computer security weaknesses will take sustained leadership and commitment to develop and implement a comprehensive security management program.

On September 27, 2000, the subcommittee held a second oversight hearing on the effectiveness and strategic planning of Veterans' Employment and Training Service (VETS) at the Department of Labor. The purpose of this hearing was to follow-up this subcommittee's hearing in July 1999. Witnesses included Dr. Sigurd R. Nilsen, Associate Director, Education, Workforce, and Income Security Issues, GAO; Mr. Kenneth McGill, Associate Commissioner, Employment Support Program, Social Security Administration; Mr. Rick Weidman, Director, Government Relations, Vietnam Veterans of America; Mr. Anthony Eiland, Special Assistant for Veterans Employment, Veterans of Foreign Wars; Mr. Theodore

Daywalt, President and CEO, VetJobs.com; Dr. George Boggs, President, American Association of Community Colleges; Mr. Raymond Boland, Secretary, Wisconsin Department of Veterans Affairs; and the Honorable Espiridion A. Borrego, Assistant Secretary of Labor for Veterans' Employment and Training.

GAO testified that VETS has made "some" progress and improvements with regard to its strategic and performance plans. The subcommittee expected greater progress since VETS hired an outside contractor to write these plans. However, the subcommittee is skeptical about a plan that, in GAO's opinion, lacks a vision for the future. Further, the VETS plan has not articulated how it will integrate with the Workforce Investment Act that Congress passed two years ago.

The other witnesses provided the subcommittee with suggestions for improvements in VETS and testified about new approaches being used in employment services as the result of dramatic changes over the past decade.

On September 28, 2000, the subcommittee held a follow-up hearing on how the VA had improved its protection of human subjects in VA medical research since the suspension of all medical research at West Los Angeles VA medical facilities in May 1999. Principal witnesses included Dr. Greg E. Koski, Director, Office of Human Research Protections, Office of the Secretary, Department of Health and Human Services; Mr. Victor S. Rezendes, Assistant Comptroller General, GAO; the Honorable Thomas L. Garthwaite, VA Under Secretary for Health; Dr. John R. Feussner, Chief Research and Development Officer, VHA; Dr. John H. Mather, Chief Officer, Office of Research Compliance and Assurance, VHA; and Dr. James P. Bagian, Director, National Center for Patient Safety, VHA.

This hearing was a result of the subcommittee's inquiry whether the widespread abuse and disregard of required patient protections that led to the suspension of all medical research at West Los Angeles VAMC was an anomaly in VA's vast research programs. The subcommittee requested the GAO review VA's research programs system-wide to determine if the violation of patients' protections was a systemic issue. GAO testified that the VA exhibited a disturbing pattern of non-compliance across the medical centers that were reviewed. GAO further stated, "The cumulative weight of the evidence indicated failures to consistently safeguard the rights and welfare of research subjects."

GAO identified three specific weaknesses that compromised VA's ability to protect human subjects: (1) lack of adequate guidance to medical centers about human subject protections. (2) insufficient monitoring of local protections; (3) inadequate attention to ensure those funds needed for human subject protection activities are allocated and available for those purposes. GAO concluded that while VA has begun to address these issues, progress has been slow. The subcommittee recommends another follow-up hearing in the 107th Congress.

OTHER OVERSIGHT ACTIVITIES

The Government Performance and Results Act of 1993 (Results Act) requires federal agencies to implement strategic planning, pre-

pare annual performance plans that set performance measures and targets, and report annually on actual performance. VA began preparing an annual performance plan two years before it was first required by the Results Act. The first VA Strategic Plan under the Results Act was published in September 1997. During the 106th Congress, VA continued Results Act implementation. VA has improved development of performance measurements and targets, integration of strategic planning, budget formulation and program outcomes. VA is attempting to address the Department's strategic direction from a unified departmental perspective.

A revised VA Strategic Plan was published in September 2000. Since publication of the first VA Strategic Plan in 1997, VA has developed new strategic goals and objectives that are more outcome-oriented and veteran-focused. The fiscal year 1999 Performance Report, the first required under the Results Act, was published at the end of March 2000. The Performance Report was rated the third best among the 24 agencies with chief financial officers.

VA has made progress in aligning the Strategic Plan, Annual Performance Plan, budget, and Annual Performance Report. VA has also continued joint consultation with its major stakeholder groups. In order to achieve the consultation requirement of the Results Act more efficiently in a single forum, VA implemented a series of one-day "Four Corners" planning and consultation meetings with its stakeholders. VA leadership, House and Senate Veterans' Affairs Committee staff, and representatives of the Office of Management and Budget and veterans service organizations engaged in dialogue on issues impacting the Department's strategic direction. Five such meetings were held to discuss the strategic plan, scenario-based planning for the future, and a number of important policy issues, including discussion of VA's health care enrollment policy. The final draft of the FY 2001–2006 VA Strategic Plan was reviewed at a Four Corners meeting in August 2000. Several comments received from stakeholders resulted in improvements to the quality of the document that was submitted to the Administration and Congress on September 29, 2000.

Over the past two years, VA completed its first formal program evaluation, which addressed the Montgomery GI Bill (MGIB) for active duty personnel and veterans; MGIB for selected reserves; and Survivors' and Dependents' education. In addition, VA initiated comprehensive evaluations of VA's Cardiac Care Program and Survivors Benefits Programs that include the Dependency Indemnity Compensation (DIC) and Insurance Programs. Planning has begun on evaluations of the Pension and Parent's DIC Programs and the Prosthetics and Sensory Aids Program. A key element of planning for each evaluation has been consultation with Congressional staff, veterans service organizations and other stakeholders in developing a consensus on the priorities and focus for each program evaluation. The consultations have included review of the contract Statement of Work and research questions prior to contract award. A multi-year schedule for program evaluations has been developed that includes evaluations of programs in most business lines during the period covered by the strategic plan. Better organizational and individual accountability for program results would provide improved services to veterans and greater return on

investment for taxpayers. The subcommittee recommends continued oversight of VA's Results Act compliance and implementation.

Finally, the chairman of the subcommittee requested GAO studies on VA travel expenditures, VA health care food service operations, and VA laundry services. In brief, GAO found in *VA TRAVEL: Better Budgeting and Stronger Controls Needed*, GAO/GGD-99-137 (August 1999), that VA did not report to Congress that since 1993 it had spent \$61 million in travel funds on items other than travel. GAO also found that some senior officials had approved their own travel. VA agreed to more carefully monitor travel authorizations and delegated travel authority, but asserted that travel funding reprogramming was not a major program activity and that reporting was not required. The subcommittee believes the practice of reprogramming substantial amounts of funding without reporting to Congress is undesirable and that continued monitoring of these expenditures is warranted.

GAO found in *VA LAUNDRY SERVICE: Consolidations and Competitive Sourcing Could Save Millions*, GAO/01-61 (November 2000), that VA has the opportunity to reduce costs by closing 13 of its 67 laundries serving VA health care facilities and moving their workloads to other, underused laundries. According to GAO, these consolidations would reduce operating costs by \$2 million or more annually, and would also allow about \$9 million in one-time savings. GAO also recommended VA explore greater use of competitive sourcing. VA concurred with GAO's recommendations. However, the American Federation of Government Employees opposed the recommendations because of concerns that wages of some VA workers could be reduced, or that jobs could be eliminated. During its review, GAO also conducted a special investigation of contractor practices at the Albany, NY, VA Medical Center. At Albany, GAO found inadequate management and oversight of the laundry contractor may have resulted in inflated contract costs for VA. The improper practices have been corrected.

In a second report related to VA hospital support services, *VA HEALTH CARE: Expanding Food Service Initiatives Could Save Millions*, GAO/01-64 (November 2000), GAO found that VA could save an estimated \$79 million annually—about one-quarter of its inpatient food service expenditures—by consolidating food production, shifting to Veterans Canteen Service workers, or contracting with private sector food service organizations. VA concurred in principle or concurred fully with GAO's recommendations. However, the American Federation of Government employees disagreed with the recommendations and expressed a number of concerns regarding them. The subcommittee believes that review of VA hospital support services should continue.

COMMITTEE WEB SITE

The VA Committee's web site, <http://veterans.house.gov>, is a source of information on Committee activity and a gateway to veterans' resources. Activity on the site grew from approximately 18,000 visits during the early months of the 105th Congress to a high of 113,939 visits in September 2000 during the 106th Congress. The site contains over 5,000 files, with new files being added weekly. The site was also named "One of the Best Web Sites in

Congress" by the Congressional Management Foundation (CMF) on May 3, 1999.

The site's Home Page has a table of contents, highlights of current issues, and a Committee News Section, which has digital photographs of recent hearings. The site includes a search engine and a Tour of the Site with a web index and links to other House sites. The site also consists of nine other categories of information: The Chairman's Welcome, About the Committee, Communications, Hearings, Issues, Legislation, Veterans' Information, Veterans in Congress and the Democrat's Home Page.

For the 106th Congress, the site includes the text and summaries of all veterans legislation that was enacted and the witness statements or text of all VA Committee and subcommittee hearings. Whenever possible, witness statements for each hearing are posted on the site within two hours after the hearing is concluded. On its own pages and with its links to other web sites, including the Department of Veterans Affairs, the VA Committee's web site features information for veterans that is both easy to access and the most comprehensive ever available.

OVERSIGHT PLAN FOR 106th CONGRESS

In accordance with clause 2(d)(1) of Rule X of the House of Representatives, the Committee on Veterans' Affairs has adopted by resolution of February 3, 1999, its oversight plan for the 106th Congress.

This oversight plan is directed at those matters most in need of oversight within the next two years. The Committee is cognizant of the requirement that it conduct oversight on all significant laws, programs, or agencies within its jurisdiction at least every ten years. To ensure coordination and cooperation with the other House committees having jurisdiction over the same or related laws affecting veterans, the Committee will consult as necessary with the Committee on Armed Services, the Committee on Education and the Workforce, and the Committee on Government Reform.

Oversight will be accomplished through Committee and subcommittee hearings, field and site visits by members and staff, and meetings and correspondence with interested parties. Methods of oversight will include existing and requested reports, studies, estimates, investigations and audits by the Congressional Research Service, the Congressional Budget Office, the General Accounting Office, and the Offices of the Inspectors General of the Departments of Veterans Affairs and Labor.

The Committee will seek the views of veterans' service organizations, military associations, other interest groups and private citizens. The Committee also welcomes communications from any individuals and organizations desiring to bring matters to its attention. A series of joint hearings is scheduled with the Senate Committee on Veterans' Affairs at which veterans' service organizations and military associations will present to the committees their national resolutions and agendas for veterans.

While this oversight plan describes the foreseeable areas in which the Committee expects to conduct oversight during the 106th Congress, the Committee and its subcommittees will undertake additional oversight activities as the need arises. Because the Committee generally conducts oversight through its subcommittees, the plan is organized by subcommittee.

Subcommittee on Health

VETERANS HEALTH ADMINISTRATION (VHA) BUDGET. The operation of the VA health care system, the largest integrated health care provider in the country, represents the most visible expression of the nation's commitment to America's veterans. With a medical care budget exceeding \$17 billion, VA provides care to some three million veterans annually. Through focused analyses and hearings, VHA spending choices will undergo careful scrutiny. Winter 1999 and Winter 2000.

CAPITAL ASSET PLANNING. The VA health care system encompasses an extensive facility infrastructure including thousands of buildings, some over 100 years old. Its extensive and complex infrastructure requires substantial maintenance and repair. Its need for major and minor construction and renovation has outstripped available funding. The subcommittee will examine the adequacy of

VA's capital asset planning and the manner in which the Department establishes its construction priorities and associated funding plans. Winter 1999.

HOSPITAL CONSOLIDATION AND MISSIONS CHANGES. Sweeping changes in health care delivery practice and hospital utilization have led hospitals in the private and public sectors to close beds and in some instances to cease operating. The VA health care system has closed thousands of operating beds and reduced its hospital workforce while increasing its ambulatory care capacity. As a decentralized system, the VA has employed different strategies across the country to improve operating efficiency. While hospital "merger" has been a widely used strategy, there exists no apparent national strategy to align infrastructure with patient need. In this seeming vacuum, a few networks have initiated more far-reaching steps, to include major medical center mission changes which range from ceasing to provide inpatient surgery programs to ceasing to provide acute hospital care directly. The subcommittee will review management "solutions" and the need for a national policy and appropriate realignment mechanisms. Spring 1999 and Spring 2000.

ELIGIBILITY REFORM IMPLEMENTATION. Congress enacted an "eligibility reform" law (Public Law 104-262) to eliminate statutory barriers in VA to providing veterans needed ambulatory care. In expanding access to medical care, the law called for the establishment of an enrollment system to ensure that veterans with a high priority to care would be afforded treatment. The law left VA with discretion as to the categories of veterans to be served and the specific benefits to be furnished. The subcommittee will review the VA's decisions in implementing that law. Spring and Summer 1999.

RESOURCE ALLOCATION. VA has implemented, and subsequently refined, a methodology for distributing funds so as to provide veterans similar access to care regardless of the region in which they live. The subcommittee will continue to review the extent to which the methodology meets its stated objectives. Summer 1999 and Spring 2000.

QUALITY MANAGEMENT. "Quality of Care" has long been invoked as central to VA's obligation and commitment to veterans' care. Medicine, however, has yet to develop and refine reliable, comprehensive indicators for assessing the quality of care-delivery. While VA has long had organizational structures, process requirements, and policies in place designed to assure good quality care, quality management remains an ongoing challenge for any institution. The subcommittee will continue to review the record of compliance with such policies, and the risk that budget-driven decision-making could compromise quality management efforts. Summer 1999 and Summer 2000.

VA ROLE IN LONG-TERM CARE. The VA, in response to long-standing concerns about the manner in which it would meet the needs of aging veterans, established an advisory committee on long-term care. That committee's report calls on VA to maintain, invigorate and reengineer VA-provided long-term care while expanding noninstitutional community-based care services. Through

focused analysis and a hearing, the subcommittee will review the status of VA's nursing home and long-term care programs, and will study the advisory committee's findings and recommendations, as well as the many important questions its report raises. The subcommittee will also review the state home program, the role that program can play in meeting veterans' long-term care needs, and the need for any legislative changes to the program. Spring 1999 and Summer 2000.

VA SPECIALIZED MEDICAL PROGRAMS. Public Law 104-262 requires VA to maintain its capacity to provide for the specialized needs of disabled veterans through such clinical programs as post-traumatic stress disorder care, prosthetics, and spinal cord injury care and rehabilitation. As a follow-up to the subcommittee's oversight into VA's adherence to this provision, Congress in Public Law 105-368 required VA to institute performance requirements for network directors to ensure compliance with the specialized program capacity law. The subcommittee will carry out further oversight regarding these programs, VA's establishment of such performance requirements, and their impact. Fall 1999 and Fall 2000.

VA PHARMACEUTICAL PROCUREMENT AND MANAGEMENT. With growing drug utilization in the VA, increasing numbers of VA patients, and high-cost breakthrough drugs coming to market, the Department's pharmaceutical spending is estimated to increase to \$2 billion this fiscal year. As such, pharmaceuticals represent VA's largest single cost item other than personnel. Accordingly, the subcommittee will review issues associated with pharmaceutical procurement and benefits management. This will include the role of VA's pharmacy benefit in VA health care utilization, VA's drug formulary, opportunities for joint procurement with the Department of Defense, and VA's vulnerability to further price increases through efforts to expand access to the Federal Supply Schedule. Summer 1999 and Summer 2000.

INFECTIOUS DISEASE PROGRAMS. By virtue of its size and the number of at-risk patients who rely on VA medical care services, the VA has become an important source of care for some of the major infectious disease problems affecting the nation, including AIDS and tuberculosis. Based on prevalence studies at selected VA medical centers, Department officials have cited Hepatitis C as also having particular importance for the VA health care system. The subcommittee will assess what is known about the incidence and prevalence of this disease among VA patients, likely medical consequences, the Department's response, research efforts underway on this disease, and emerging treatments. Fall 1999.

EFFECTIVENESS OF VA HEALTH CARE DELIVERY FOR PERSIAN GULF VETERANS. In response to statute, VA is conducting two important clinical trials to determine effective health care treatments for the symptoms many Persian Gulf veterans have manifested that appear to be similar to chronic fatigue syndrome or fibromyalgia which occur in the general population. The first is assessing the benefits of antibiotic therapy; the second will determine the beneficial effects of exercise and cognitive behavioral therapy for this population. The subcommittee will review the results of

these trials and ensure VA continues to identify effective strategies for improving health care delivery to Persian Gulf veterans. Summer 2000.

CONTRACTING FOR MEDICAL SERVICES. With VA's downsizing of its hospital bed capacity and ongoing efforts to establish new points of health care access, the system has increased its reliance on contracting as a means of service-delivery. The subcommittee will review the extent of such contracting, the extent to which such arrangements employ good business practices and sound quality controls, and the impact of contracting-out care. Summer 2000.

STATUS OF VA/DoD SHARING OF HEALTH RESOURCES. Although provisions of law specifically encourage coordination and sharing of health care resources between VA and DoD health care facilities, there appear to be opportunities for greater collaboration, including those identified by the Report of the Congressional Commission on Servicemembers and Veterans Transition Assistance. The subcommittee will review the extent of VA/DoD sharing, opportunities for further expansion, and factors that have encouraged or impeded such initiatives. Summer 1999.

VA RESEARCH PROGRAM. The VA research program complements the Department's medical care mission. As a national research program aimed at improving the medical care and health of veterans, the program supports medical research, outcomes and health systems research, and prosthetics research and development. The subcommittee will review the program's contributions and goals, examine the appropriateness and balance among its component elements, assess the effectiveness of its peer review and patient safety mechanisms, and review the role of VA research corporations to enhance the program. Summer 2000.

Subcommittee on Benefits

VETERANS BENEFITS ADMINISTRATION SERVICES TO VETERANS. The Veterans Benefits Administration (VBA) administers programs for compensation and pension, vocational rehabilitation, education and training, home loan, survivors, and life insurance. About 3 million veterans and dependents actively use these programs annually. Funding for such programs and administration comprises over one-half of VA's total budget. Myriad challenges exist with respect to poor quality of claims decisions, a declining workforce, a declining workforce skill level, and an outdated benefits delivery process. A hearing will examine progress in addressing such challenges. Winter 1999 and Winter 2000.

VETERANS EMPLOYMENT: MILITARY OCCUPATIONAL SPECIALTIES REQUIRING CIVILIAN LICENSING, CERTIFICATION OR APPRENTICESHIP. The civilian employment sector increasingly relies on various forms of credentialing to regulate entry into an occupation and to promote accountability for performance and public safety. More than one-third of enlisted military separatees work in military occupations that have civilian equivalents with credentialing requirements. A hearing will examine the role of the Departments of Veterans Affairs, Labor, and Defense in helping separating

servicemembers and veterans meet credentialing requirements. Spring 1999.

VETERANS' CLAIMS ADJUDICATION COMMISSION AND NATIONAL ACADEMY OF PUBLIC ADMINISTRATION REPORTS. The Commission's December 1996 and the Academy's April 1997 reports to Congress made recommendations for improving veterans' benefits claims processing. A hearing will review VA's implementation of Commission and Academy recommendations through testimony from VA, veterans' service organizations, and other interested parties. Summer 1999.

VETERANS' APPEALS OF BENEFIT CLAIMS. The Board of Veterans' Appeals is the first forum for a veteran to appeal a VA decision on a claim for benefits. Although the Board is making demonstrable progress in its productivity, major issues still exist with respect to applying U.S. Court of Appeals for Veterans Claims precedents, current law, and VA regulations in appellate decisions. In addition, on average VA regional offices require 558 days to act on BVA-remanded cases. The subcommittee will review Board and regional office appellate operations, as informed by Government Performance and Results Act principles and customer service standards. Fall 1999.

MEMORIAL AFFAIRS. VA's department-wide strategic plan covers only a 5-year period—through the year 2003. The National Cemetery Administration (NCA) projects annual interments will increase over 40 percent between 1995 and 2010, and VA has not clearly articulated how it will meet the demand for burials through 2010. The subcommittee will review NCA plans to ensure that the Department is well prepared to meet the increasing workload which will result from the declining veteran population. Summer 1999.

VETERANS ENTREPRENEURSHIP OPPORTUNITIES. Veterans should be accorded a full opportunity to participate in the economic system that their service sustains. The November 1998 report of the SBA Veterans' Affairs Task Force for Entrepreneurship and the Congressional Commission on Servicemembers and Veterans Transition Assistance each made numerous recommendations for improvements in both SBA and VA services to current and prospective veteran small business owners. The subcommittee will review SBA and VA implementations of Task Force and Commission recommendations. Spring 2000.

LONG-TERM RESIDUALS OF MUSTARD GAS AND LEWISITE EXPOSURE. During World War II, the U.S. government used 60,000 U.S. servicemen as human subjects in secret tests to develop better methods of protecting U.S. forces against the use of mustard gas by our adversaries. Some testing was conducted in full-body gas chambers and focused on the development of protective clothing, which could prevent or lessen the severe blistering effects of mustard agents and Lewisite (an arsenic-containing agent). The subcommittee will examine implementation of Department of Defense and VA policy to identify such individuals. It will further examine implementation of VA policy to assess their health status and award them disability compensation for long-term residuals on VA's presumptive list. Summer 2000.

IONIZING RADIATION. VA provides medical treatment and compensation benefits to veterans suffering from exposure to ionizing radiation. The subcommittee plans to review the problems facing this category of veterans. Summer 2000.

PERSIAN GULF WAR VETERANS BENEFITS. In the 105th Congress, two public laws identified plans to determine conditions and diseases that should be presumed service-connected for purposes of compensation. Some provisions of the two laws are contradictory and the bills have been referred to the Department of Justice for resolution. The subcommittee will monitor the Department of Justice guidance to the VA, the VA's external study into conditions for which service-connected compensation for veterans may be warranted, and how VA addresses other matters described in these laws. Winter 2000.

COMMISSION ON SERVICEMEMBERS AND VETERANS TRANSITION ASSISTANCE. In January 1999, the Commission released its findings and recommendations on the adequacy and effectiveness of benefits and programs for servicemembers and veterans in their transition and adjustment to civilian life. The Commission's review of benefits and services is the most comprehensive since the Omar Bradley Commission in 1955. A hearing will review implementation of Commission recommendations by the Departments of Veterans Affairs, Labor, and Defense, Small Business Administration, Office of Personnel Management, and state approving agencies. Summer 2000.

AIR FORCE HEALTH STUDY (RANCH HAND). The study is a 20-year prospective epidemiological study of veterans of Operation Ranch Hand, the unit responsible for the aerial spraying of Agent Orange and other herbicides in Vietnam from 1961 to 1971. Study investigators report their progress and results annually to Congress and results are further reviewed and summarized bi-annually by the National Academy of Sciences. Congress has used previous study findings as a basis to provide compensation for spina bifida in children of Vietnam veterans. A hearing will review the study's annual submission and results to date, as presented by AFHS epidemiologists. Fall 1999.

"ROADMAP TO EXCELLENCE". This May 1998 document is the Veterans Benefits Administration's plan for reforming itself, so as to regain its focus and accomplish its mission. The plan expresses VBA's commitment to important changes in its organizational structure, workflow, job design, and relationship with veterans and their representatives. The subcommittee will determine VBA's progress, as measured against VBA's published activities and milestones. Summer 2000.

Subcommittee on Oversight and Investigations

FACILITIES MANAGEMENT. The VA health care system, with its 172 hospitals, 439 outpatient clinics, 131 nursing homes and 40 domiciliaries, operates a multitude of support services for its facilities and the veterans they serve. The subcommittee will examine how efficiently and effectively the VA provides services, including the following areas: food service, institutional laundries, staff housing, biomedical equipment repair, engineering, energy savings per-

formance contracting, janitorial services, waste management, fire protection, security and training. Summer 2000.

MEDICAL RESOURCES CONTRACTS. The Veterans Health Administration (VHA) is authorized under Public Law 104-262 to non-competitively contract with affiliated medical schools for medical services such as radiological imaging, laboratory services, nursing support services, scarce medical specialty care, medical examinations and consultations. The subcommittee will review the Department's efforts to ensure that such contracts follow recently adopted pricing guidelines. Summer 1999.

REALIGNMENT OF THE VA HEALTH CARE SYSTEM. The subcommittee in conjunction with the Subcommittee on Health will review VA's long-term strategy to reorganize and restructure its health care delivery system. The subcommittee will also examine opportunities for the Departments of Defense and VA to partner in delivering health care to the men and women who serve or have served in uniform. Spring 2000.

PATIENT SAFETY. The VA health care system continues to operate without a centralized or regional reporting system to track "sentinel" events in patient care. Reports of patient deaths and serious lapses in quality health care delivery raise concerns about the adequacy of quality assurance and quality management programs to correct, reduce or prevent potentially serious incidents. The subcommittee will continue its review of the investigation and forensic laboratory work of the Federal Bureau of Investigation concerning the 1992 veteran deaths that occurred at the Harry S Truman VA Medical Center, Columbia, MO. The subcommittee will also review VHA's practices regarding autopsies. Winter 1999.

INFORMATION TECHNOLOGY. VA's information technology programs will spend over \$1 billion on software, hardware and contractor support in 1999. The subcommittee will review VA's information technology programs and VA's progress in its computer-based Decision Support System and Master Veteran Record, VETSNET, Year 2000 preparations and other computer modernization. Summer 1999.

WHISTLEBLOWING IN THE VA. The subcommittee will examine the VA's policies and protections for employees who have claimed or been granted whistleblower status as well as for employees who have filed various types of complaints or claims against the Department. The subcommittee will investigate allegations of retaliation and violations of confidentiality by the Department. Winter 1999.

CENTRAL ALABAMA VETERANS HEALTH CARE SYSTEM AND ACCOUNTABILITY WITHIN VHA. The subcommittee will continue to follow-up the Department's actions to implement corrections and hold responsible officials accountable regarding the VA Office of Inspector General's findings of serious health care deficiencies, mismanagement, misconduct and prohibited personnel practices in the Central Alabama Veterans Health Care System. The subcommittee will also review accountability of management within VHA generally. The subcommittee will continue to monitor the integration of the Montgomery and Tuskegee VA Medical Centers, and VA medical facility mergers nationwide. Spring 1999 and Fall 1999.

OFFICE OF RESOLUTION MANAGEMENT. The subcommittee will examine the effectiveness of the VA's EEO complaint resolution system administered by the newly established Office of Resolution Management. The subcommittee will review the new system for timeliness, fairness, integrity, trust and independence from VA management in handling claims and appeals. Spring 1999 and Spring 2000.

CIVILIAN HEALTH AND MEDICAL PROGRAMS OF THE DEPARTMENT OF VETERANS AFFAIRS. There are approximately 80,000 beneficiaries of the CHAMPVA program who generate over 800,000 medical claims. Current annual program expenditures are in excess of \$93 million and claims total \$85.1 million. The subcommittee will review the effectiveness of program management controls for duplicate claims payments, eligibility verification, and recovery of fraudulent claims payments. Spring 1999.

OFFICE OF INSPECTOR GENERAL. The subcommittee will review the five-year strategic plan of the Office of the Inspector General (OIG). The review will include organizational structure, staffing, investigative protocols, responsiveness to congressional inquiries and management of hotline inquiries. Summer 1999.

PROCUREMENT MANAGEMENT. The subcommittee will review VA's overall procurement process. The review will include: efficiencies of the National Acquisition Center; initiatives in electronic commerce; centralized acquisitions; pharmaceutical, medical and surgical supply procurement; performance based contracting; and other acquisition streamlining. Further, the subcommittee will review instances of vendor overcharges and contractor fraud, and departmental measures instituted to deter future incidents. The subcommittee will also review the backlog of capital medical equipment and VA's acquisition strategy for reducing the backlog. Winter 2000.

MEDICAL CARE COLLECTIONS FUND. VA collects over \$500 million per year from third party insurers for medical care provided to veterans with health care insurance. The subcommittee will review the efficiency and effectiveness of the VA's collection process. The review will focus on collection procedures, cost of collections and the adequacy of billing rates based on the quantity and cost of care provided to veterans. Spring 1999.

WORKERS COMPENSATION CLAIMS BY VA EMPLOYEES. In 1995, a pilot program was initiated by OIG and VHA to identify VA employees who were fraudulently receiving workers compensation benefits. Because of the success of the pilot program, OIG and VHA expanded their investigative and audit efforts. The subcommittee will review the incidence of such fraudulent claims at VA as well as the efforts to detect and deter their occurrence. Spring 1999.

INAPPROPRIATE BENEFITS PAYMENTS. Based on results of OIG audits, the Veterans Benefits Administration should develop and implement effective methods to identify inappropriate compensation and pension benefit payments. For example, VBA should improve procedures for offsetting disability compensation payments to active military reservists. The subcommittee will review VBA's efforts to implement procedures to timely identify deceased beneficiaries

and terminate their compensation and pension benefits in order to reduce overpayments. Spring 1999.

GOVERNMENT PERFORMANCE AND RESULTS ACT. The Government Performance and Results Act (Results Act) requires federal agencies to report performance outcomes annually to Congress. VA has numerous automated data collection systems in order to report the Results Act's objectives. Prior OIG audits have found unreliable data in VA's financial and management systems. The subcommittee will continue its oversight of the VA's compliance with the Results Act, including program evaluations, performance plans and strategic planning department-wide. Fall 1999 and Fall 2000.

VETERANS' VOCATIONAL REHABILITATION BENEFITS AND EMPLOYMENT. Subcommittee oversight activity will include review of the following programs: Transition Assistance Programs, Disabled Transition Assistance Programs, vocational rehabilitation programs at VA and veterans' employment and training programs at the Department of Labor. The extent of coordination among these programs will be part of the oversight review. Pertinent recommendations of the Commission on Servicemembers and Veterans Transition Assistance will be considered. Spring 2000.

VBA BUSINESS PROCESS REENGINEERING. Subcommittee oversight will include review of VBA's business process reengineering efforts for improving claims and appeals processing, and quality management. Government Performance and Results Act requirements, and recommendations of both the National Academy on Public Administration Analysis of Claims Processing and the Veterans' Claims Adjudication Commission will be considered. Winter 2000.

ARLINGTON NATIONAL CEMETERY BURIAL WAIVERS. The subcommittee will complete the investigation of burial waivers for Ambassador M. Larry Lawrence and Dr. C. Everett Koop which were begun in the previous Congress, and will examine administrative and eligibility issues regarding the cemetery. Spring 1999.

CASE NARRATIVES ON PERSIAN GULF WAR VETERANS. The Department of Defense Office of the Special Assistant on Gulf War Illnesses (OSAGWI) has developed a series of case narratives to ascertain the likelihood of certain biochemical and environmental exposures in the Persian Gulf. In only one of the many cases reviewed has the office deemed an exposure "likely." The subcommittee will continue to review the standards and protocols OSAGWI has implemented for these case narratives to ensure that the process is thorough and fair to veterans who may have been exposed to hazardous materials during their service in Southwest Asia. Summer 1999.

DEPARTMENTAL TRAVEL AND VIDEOCONFERENCING. The subcommittee will review the VA's travel requests and expenditures for recent budget cycles, including whether the VA has adequate internal controls for approval of official travel. The subcommittee will also examine the VA's use of videoconferencing for hearings, conferencing and training. Winter 1999 and Fall 1999.

**REPORT TO THE COMMITTEE ON THE BUDGET FROM
THE COMMITTEE ON VETERANS' AFFAIRS ON THE
BUDGET PROPOSED FOR FISCAL YEAR 2000, WITH AD-
DITIONAL AND DISSENTING VIEWS, SUBMITTED ON
MARCH 15, 1999**

BACKGROUND AND COMMITTEE RECOMMENDATIONS

DEPARTMENT OF VETERANS AFFAIRS

VETERANS HEALTH ADMINISTRATION

Medical Care

In the last four years, the VA health care system has undergone an extraordinary transformation, to include

1. reductions in the number of hospital beds (down 52 percent, or some 27,200 beds since September 1994) and a 31.7 percent decline in hospital admissions;
2. an accompanying increase of 9 million ambulatory care visits in the last four years; and
3. a reduction in the medical care workforce since 1994 of some 19,000.

As though unaware of the extraordinary savings VA has already wrung from its health care system, the architects of the President's budget propose that VA somehow continue to care for an increasing number of patients, take on costly new initiatives, and meet an acknowledged funding shortfall of more than \$1 billion through more savings. VA concedes that there is no plan to achieve management efficiencies and savings, and defers to its network directors to identify and execute them. Those directors, in both testimony before our Subcommittee on Health at a February 24, 1999 hearing and telephone surveys, have candidly stated that this budget plan would require them to close needed programs and even hospitals, forego opening new clinics, and make additional cuts which would deny veterans access to care and delay care for others. While some modest additional savings may yet be realized, no responsible VA official has identified a means to achieve savings of the magnitude proposed without having a marked adverse impact on patient care.

In capsule, this budget, which proposes to meet veterans' medical care needs at the FY 1999 level of \$17.3 billion:

- seeks no funds for the projected \$870 million in uncontrollable cost increases (including pay raises, inflation and State home payments) identified in the President's budget;
- proposes no new funds for a new medical obligation of major proportion—a nationwide hepatitis C problem, which is acknowledged to be more prevalent among VA patients than among the population at large—recognized in the President's budget;
- proposes, without seeking any new funds, expansion of several health-care priorities; and
- “plugs” the huge resultant shortfall with a staffing reduction of at least 6,949 full time positions.

Looking below the surface, this budget would have a more severe impact than the Administration's submission suggests, because its projections mask the depth of the shortfall VA would face. For example, the Administration budget fails to take account of:

- VA pharmaceutical costs—already nearly \$2 billion—escalating at a considerably higher rate (more than 10 percent annually) than the 4 percent inflation factor built into the budget. (At the Committee's budget hearing, for example, VA's Under Secretary for Health acknowledged that "the pharmaceutical budget increases are disproportionate to other elements of our budget". Network directors cited cost increases ranging from 10–15 percent despite tight pharmaceutical benefits management and implementation of a national drug formulary.) Drug costs may thus be \$110 to \$200 million higher than provided for under the budget.
- VA's prosthetics costs, now about \$500 million/year, have been increasing at a rate of approximately 18 percent/year; yet the budget provides only about 4 percent for inflation. Prosthetics costs, projected to continue at double-digit growth, are likely to be understated by some \$50 million.
- VA's failure, despite the incentive of retaining these monies, to meet its recent medical collections' goals. With FY 1998 collections more than \$139 million short, current year collections running behind target, and an FY 2000 goal \$124 million higher than this year's, VA could realistically fall as much as \$124 million short of projected revenues.
- The projection that VA would have to reduce "only" 6949 FTE to realize \$1.1 billion in savings fails to acknowledge that VA's "30–20–10 plan" (achieving a 30 percent reduction in unit costs and 20 percent increase in patients served and increasing non-appropriated revenues to 10 percent), which is the basis for this budget reduction, has broken down. As a recently retired network director testified, it would take a reduction of 20,000 employees to yield \$1 billion savings.

As VA medical administrators contemplate this very troubling budget, they must confront a unique patient population. It ranges from a growing population of aging veterans with complex medical needs to a large number of homeless patients. But VA also faces what the House Committee on Government Reform and Oversight recently characterized as a "silent epidemic". Chairman Burton, in an October report, described hepatitis C (HCV), as posing a "daunting challenge to public health":

Chronic infection can linger without symptoms for more than 20 years, then produce profound health consequences, including liver failure and cancer. There is no preventive vaccine or universally effective treatment. Up to 10,000 will die this year from the disease. That number could triple in the next two decades, according to the Centers for Disease Control and Prevention. HCV has now spread to an estimated 4 million Americans. (H. Rept. 105–820)

The budget does recognize a need for, and proposes, a national program to screen and treat VA patients at risk for hepatitis C. It

projects spending on this program of an additional \$136 million in FY 2000. These are new cost, yet the budget fails to request any funds to support such an effort. An additional concern is that the cost could be greater than projected. A combination of drugs has recently been shown to have some efficacy in treating the disease. While the cost of such drug therapy is known—in excess of \$1000/patient/month—there is limited data from which to estimate the prevalence of infection among veterans. Veterans who rely on VA for health care are expected to be at greater risk of hepatitis C than the rest of the U.S. population because of exposure to major risk factors for this infection, including blood transfusion prior to 1992 and a history of intravenous and other drug abuse. (The best evidence is from San Francisco where the rate of hepatitis C among VA patients is more than 10 times that of the U.S. adult population. The rate in San Francisco is likely to be higher than in VA settings overall because of the high prevalence of risk factors in the San Francisco area.) It is reasonable and conservative to assume that rates in San Francisco are twice as high as rates in other metropolitan settings. On this basis, it can be estimated that approximately 8.9 percent of VA users nationwide are infected with hepatitis C. The President's budget estimates a prevalence of hepatitis C in the VA user population at 5.5 percent, an estimate which seems low, given the high levels of risk factors for the disease among VA patients. On the basis of assumptions made in the budget, the Committee estimates costs for hepatitis C screening and treatment in FY 2000 of \$236 million, \$122 million above the projected spending level for FY 1999. Based on these estimates, the budget projection, which calls for an additional \$136 million for FY 2000, would appear to be a reasonable estimate of VA's needs for this program. The Committee is concerned, however, that VA may be overestimating the scope of the screening effort for this fiscal year. If medical centers are slow in starting up this effort, the numbers screened in FY 2000 may be larger than anticipated and the costs closer to the full \$236 million, resulting in a still larger shortfall.

In essence, without even reaching the merits of the new initiatives proposed in the budget, it is apparent that *VA would require an additional \$1.1 billion just to maintain the services it is now providing*. It is also clear to this Committee, in the face of what VA is now *not* providing, that shrinking VA's budget still further would have severe, irreversible repercussions. By way of illustration, this Committee has long questioned VA's planning for the needs of aging veterans. According to the June 1998 independent advisory committee report, "VA Long Term Care at the Crossroads", the number of veterans needing long-term care services is predicted to grow by 13 percent over the next five years. The report confirms this Committee's finding that in many areas to meet budget needs VA long-term care services have been downsized and the mission has been changed from long-term care to rehabilitation. The Committee's budget hearings made it clear that the FY 2000 budget would force still more network directors to make cuts of that kind. For VA to be shrinking nursing home care programs and reducing funding for other long term care programs at the very time that its population is aging is extraordinarily troubling. Such a shift in

VA's long term care mission certainly also has implications beyond the VA medical care budget, and would be felt by Medicaid, Medicare, and State home programs, for example.

Administration-proposed legislation—The Administration's budget again recommends that Congress enact legislation to authorize "a new smoking-cessation program for any honorably discharged veteran who began smoking in the military." The budget submission advises that, once this program is authorized, the Administration would submit a budget amendment requesting \$56 million for this activity.

This proposal is as ill-conceived as its predecessor last year. Notwithstanding this budget's huge funding shortfall, this recommendation calls for substantial new spending on a benefit, which as proposed, must be provided through contracts. It ignores authority under current law under which VA is already providing such services as part of the care furnished VA patients.

The Administration also requests legislation to expand VA's very limited authority to cover emergency services furnished in community hospitals when VA emergency facilities are unavailable. As discussed above, however, it is troubling in the face of a budget shortfall in excess of \$1 billion that the Administration would recommend an expansion in this or any other area, without providing needed funding to support it.

The Administration's emergency care proposal also suffers from the lack of a coherent rationale. In advocating for a Patient Bill of Rights, the Administration has argued for legislation which would require any health plan to guarantee its participants emergency care coverage. In proposing that Congress provide emergency care coverage for veterans, however, the Administration would not cover many of those veterans most in need of such a guarantee. Certainly, legislation proposing to cover all veterans' emergency care needs would relieve third parties of contractual or other obligations. Many veterans, for example, do not use VA care exclusively and, through insurance or Medicare coverage, for example, have and use other alternatives. The Committee believes, however, that uninsured veterans who have a high priority to VA care ("category A" veterans) who have relied on VA as their primary health-care provider should not incur extraordinary costs in medical emergencies where a VA facility is not reasonably accessible.

As the Congress moves forward on legislation to provide certain minimum safeguards for those in health plans (to include a right to emergency care), it must certainly ensure no less for veterans. Accordingly the Committee would propose to take up legislation under which VA would cover reasonable costs of catastrophic care furnished in a medical emergency. Such legislation would provide VA with appropriate control mechanisms to contain costs including authority to ensure adequate utilization review. The Committee estimates that enactment of such legislation would entail costs of \$500 million in fiscal year 2000.

Additional Legislation: The "Veterans' Millennium Plan"

While recognizing the huge deficiencies of the FY 2000 medical care budget, the Committee believes there is a need for legislation to help set the future of VA health care on a sounder footing and

to better position VA for *future year* budgets. Such legislation should include a framework for better matching VA's infrastructure with veterans' needs, improving access to and the quality of VA care, and calling on veterans to bear a reasonable part of the cost of nonservice-connected long term care, for example.

While this plan has several elements, the Committee strongly believes that its component parts—including a substantial increase in medical care appropriations for fiscal year 2000—are *interdependent*, both to achieve the goal of improved care and to win the support needed for enactment.

The major themes of such legislation would include the following:

- providing greater access to needed care through facility realignment;
- preservation of long-term care programs, and
- providing for enhanced revenues.

1. *Improved access through facility realignment*

Historically, VA hospitals were not consistently sited near veteran population centers. Today, occupancy rates at numbers of VA hospitals are substantially below levels needed for efficient operation and optimal quality of care. Maintaining highly inefficient hospitals, which were designed and constructed decades ago to standards no longer deemed acceptable or, in some cases, functional, substantially diminishes the availability of funds needed to strengthen care-delivery in facilities which should be retained.

While the private sector has seen widespread closure of community hospitals, VA's first hospital closure in many years came about not through the persuasiveness of health planners, but as a result of an earthquake threat. The lessons of that experience are telling, however. The closure of the Martinez, California VA Medical Center and decision not to build a replacement hospital—but instead to establish a full-service ambulatory clinic—are widely recognized as having resulted in improved access to care for many veterans. Subsequent decisions, rejecting proposed construction of hospitals in California and Florida, and relying instead on multi-site contracts for hospital care and new outpatient care sites, provide important case studies. These experiences and subsequent mission changes at other VA hospitals suggest a framework for better matching underutilized, inefficient infrastructure with veterans' needs.

Building on these experiences and VA system needs, the Committee, as one facet of its "Millennium" legislative plan, intends to develop legislation which would:

- require VA, pursuant to network-based strategic plans, to establish "enhanced service programs" at appropriate locations;
- provide that an "enhanced service program" would include
 - (1) establishing in the affected service area a state-of-the-art outpatient clinic (and/or expanded long-term care capacity),
 - (2) contracting in accordance with specific legislation for needed hospital care (with ongoing VA case-management), and

- (3) preferential re-employment assistance for dislocated VA employees in any area where VA ceases to provide direct hospital care under the terms of the bill;
- provide criteria for hospitals that might be considered for selection as “enhanced service program” sites;
 - require that VA develop a plan (that takes account of veterans’ and other interested parties’ views) for each site which must improve accessibility and service-quality and which ensures that all savings remain in the network; and
 - require that such plans could not be put into effect until Congress has had a period of time to review them.

While acknowledging the need to better align VA’s capital assets to needed missions, the Committee notes that the downsizing which has taken place in the past four years under a decentralized decisionmaking process may in some instances have gone too far. For example, as the aging veteran population has grown, budget-cutting goals have led to closure of long-term care programs in certain areas. While savings from the closure of psychiatric beds in some networks have funded new primary care clinics, intensive outpatient programs have not universally replaced the diminished hospital care capacity. With the recognition that pressures to “increase workload” may overtake statutory obligations to meet often costly patient needs, the Committee will also develop legislation to provide better oversight of significant program closures or downsizing before they are implemented. Such legislation would require VA to develop and submit to Congress detailed business plans associated with any proposed closure of a major health care services (such as the proposed closure of a hospital’s surgical service), and to defer implementation for a prescribed review period.

As envisioned, facility realignment should substantially improve veterans’ access to care. At the same time, the Committee recognizes that provisions of law governing eligibility still limit some veterans’ access. Congress in 1996 enacted legislation, the “Veterans Health Care Eligibility Reform Act of 1996”, which revised the patchwork of laws governing eligibility for VA medical care. Given its experience under that law, the Committee proposes to make further remedial changes to that “eligibility reform”. Specifically, the Committee will develop legislation to provide express medical care eligibility for veterans who have been injured in combat (Purple Heart recipients). While their combat-incurred injuries are by definition service-incurred, some of these veterans have never sought compensation and could face lengthy delays in receiving needed care because their residual disability has never been formally adjudicated.

The Committee will also seek to elevate the priority of veterans who have retired from military service. A retiree who is not service-connected disabled, has no other “special” eligibility status for VA care, and who has income in excess of VA’s statutory “means” test, has generally had limited access to VA medical services. With the closure or downsizing of many military medical facilities, many retirees have also been deprived of access to promised care in military treatment facilities. While Government-sponsored care is available to them through the TRICARE program, many retirees

reasonably question why they cannot receive care through the VA health care system. The Committee intends to pursue legislation to provide retirees such an option. Since provision of care to retirees is primarily a Department of Defense responsibility, the Committee believes such legislation should provide for that Department to reimburse VA. This legislation would also include appropriate safeguards to ensure that this proposed new treatment mission would not diminish or compromise VA's obligation to veterans already entitled to priority under law.

2. Preservation of VA long-term care programs

The Department of Veterans Affairs has long recognized the aging of America's World War II and Korean War veterans as a major challenge. Aging veterans' access to acute-care services has expanded significantly since the publication in 1984 of a VA needs-assessment entitled "Caring for the Older Veteran". In contrast, many veterans who have enjoyed markedly improved access to ambulatory or hospital care have been at relative risk with respect to needed nursing home care or alternatives to institutional care.

VA's capacity to furnish needed long-term care has actually shrunk in some areas as officials, identifying such programs as "discretionary", have closed beds or changed the mission of some nursing homes from long-term care to rehabilitation. The Committee is deeply concerned that VA network or facility directors have dismantled critically needed programs on the basis that nursing home care is costly or that Congress has somehow invited VA officials to exercise "discretion" to provide or not provide such care.

The Committee proposes to address long-term care issues by:

- making it clear that nursing home care is not a "discretionary" program, and is clearly part of the VA's health care mission;
- requiring that VA provide ongoing nursing home care in the case of a veteran (1) in need of such care for a service-connected disability or (2) who is 100-percent service-connected;
- providing, for purposes of access to VA nursing homes for care of nonservice-connected conditions, priority for specialized patient populations (such as patients with geropsychiatric disorders and Alzheimers' disease), patients for whom there are no other suitable placement options, and patients in need of rehabilitation; and
- requiring VA to augment provision of community-based long-term care services such as adult day health and home-based care (subject to maintaining current level of program effort) through the establishment of a revolving fund in the Treasury for deposit of certain new revenues

3. Enhanced revenues

Through its long years of service to America's veterans, the VA health care system has found support primarily as a system dedicated to the care and rehabilitation of veterans with service-incurred disabilities and as a "safety net" for other veterans who lack medical insurance or other health care options. Consistent with this mission, Congress has provided for VA to furnish cost-free care to both veterans needing treatment for service-connected disabil-

ities and to low-income veterans. While current law sets broadly applicable copayment requirements on outpatient prescriptions and requires higher-income veterans to bear part of the cost of their care, there is an inherent inconsistency in these policies. This Committee's recommendation for increased medical care appropriations and its companion effort to establish a legislative foundation for better meeting veterans' health care needs makes it appropriate that it re-evaluate current policy on cost-sharing. Considerations of equity support such a re-evaluation.

For example, under current law, largely arbitrary circumstances often dictate whether similarly situated veterans will receive entirely cost-free VA nursing home care or bear very substantial costs of care—either in a State veterans nursing home or indirectly through a required spend-down of assets to qualify for Medicaid. All but three States operate State veterans' nursing homes, and in all but one State veterans are required to make payments toward the cost of their care, up to a prescribed maximum and subject to ability to pay.

The severe reductions anticipated under the fiscal year 2000 budget raise the prospect that many nonservice-connected veterans who now enjoy free or nearly cost-free VA care could lose access to VA services entirely. In that regard, recent news accounts highlight that those with *other* health-care options will, for example, face managed care-plan prescription copayments of \$5 for generic drugs, \$15 to \$20 for a brand-name drug on a plan's formulary, and up to \$40 for a brand-name non-formulary drug (Wall Street Journal, January 12, 1999). Current law limits VA to charging a \$2 copayment for each 30-day supply of medications furnished on an outpatient basis for treatment of a nonservice-connected disability. (Veterans who are 50 percent or greater service-connected disabled and veterans with very limited income are exempt from this requirement.) Also in marked contrast to other health plans, VA is providing large numbers of veterans hearing aids, eyeglasses, and other devices under a liberal VA interpretation of eligibility law. Individuals seeking such services under other health plans would often incur out-of-pocket payments under copayment or deductible provisions, or be denied the service altogether. Yet most nonservice-connected veterans, receiving a benefit never before available in the VA, bear no part of its cost.

In the context of the multi-faceted legislative plan discussed above, the Committee will develop legislation on cost-sharing which would:

- remove the inherent inequity in current law by requiring VA to establish a copayment policy applicable to any episode of nursing home care for a nonservice-connected condition. Such policy would be based on a copayment methodology derived from requirements used by States for veterans' nursing home care (to include ability to pay and protection of the spouse of a veteran from financial hardship). A similar requirement would be established for extended periods of home health care;
- provide that copayments applicable to long-term care would be for deposit into a revolving fund to be used exclusively to expand long-term care programming; and

- authorize the Secretary to establish reasonable copayment increases on prescription drugs and reasonable copayments on hearing aids and similar items (subject to the exemption policy reflected in section 1722A of title 38, United States Code). For veterans with higher incomes, the Secretary could seek to recover substantially higher copayments for such items.

Medical Research

The proposed \$316 million budget for medical and prosthetic research reflects a well-balanced strategy to continue broad-based programs to expand understanding of disease and disability. The budget targets research areas of particular importance to veterans. While recognizing that this budget falls short of maintaining the level of research staffing for the current fiscal year, the Committee does not propose to increase this appropriation, given the extraordinary shortfall in medical care funding.

Major Medical Construction

As the Veterans Health Administration continues to evolve from a hospital-based network to an integrated health care system which provides services through a broad spectrum of delivery mechanisms, VA is necessarily reviewing the missions of many of its facilities. In some instances hospitals have taken on more focused missions, and even ceased to provide hospital care. At the same time, many of VA's major tertiary care facilities have only grown in the complexity of the services they provide.

VA's infrastructure is vast and has an estimated replacement cost of over \$34 billion. It is an aging infrastructure, with more than 40 percent of its building over 50 years old, an age industry would consider obsolete. Although many of its patient care facilities have undergone some renovation work over the years, few were designed and constructed to accommodate current medical practice patterns.

While VA has made significant strides in establishing community-based outpatient clinics and shifting care from inpatient beds to outpatient services, VA will undoubtedly continue to need to operate hospitals, and, in many cases, VA must bring those facilities into compliance with patient care and safety needs. There continues to be an important role, accordingly, for major medical construction.

VA has not had great success, however, in articulating where such construction should take place and how to establish priorities among competing construction needs. The Committee is disappointed with the fruits of its efforts to require the Department to employ systemwide strategic planning in answering those questions. To illustrate, the Committee has learned that seven of the 18 major construction projects identified by the Department (in its Strategic Planning Report in response to section 204 of Public Law 104-262) as its FY 1999 *highest priority* major medical construction projects were dropped from that list based on network re-evaluations. One must question the nature of this planning process when more than one-third of VA's top priorities last year are deemed "rejects" today. In that regard, it is perplexing—given the problem of

medical centers which were not designed with significant ambulatory practice in mind—that a proposed construction project for the Washington, D.C. VA Medical Center, which was identified as a priority in the FY 1999 Strategic Plan, and which was authorized by Congress last year, was not proposed for funding this year (and, in fact, is among the projects which was dropped from the priority list).

There is no question but that there is an extensive need for major medical construction in VA. Given uncertainty, however, regarding VA's own assessment of where construction should take place, and lack of a basis to understand its priority-setting, the Committee approaches the identification of needed major medical construction projects with great caution. Testimony by VA's Under Secretary for Health citing a need for additional hospital mission changes highlights the importance of such a cautious approach.

Most of the unfunded construction projects recommended by this Committee last year and authorized by the Congress appear still to be needed. Accordingly, with an eye to meeting those construction needs as an initial priority, the Committee recommends a funding level of \$140 million, a \$66 million increase above the Administration's proposal.

Minor Construction

The minor construction account funds a broad range of construction work on projects costing less than \$4 million, ranging from inpatient and outpatient renovations and improvements to upgrading electrical, ventilation, and heating and cooling systems. Operating in facilities which are often many decades old, VA requires the flexibility provided by this account to correct safety and code deficiencies, replace utility systems, improve ambulatory care space, and address other such physical plant needs.

The Committee is concerned, however, that minor construction funds are being committed to projects without any apparent connection to strategic plans. Accordingly, the Committee envisions further oversight on this area to ensure prudent allocation of the \$175 million requested for this important account.

State Home Construction

This program provides funding for up to 65 percent of the cost of construction or needed renovation to help assure that States can assist in meeting veterans' needs for nursing home and other long term care. The states have been reliable partners in this effort, and many have appropriated monies in advance to establish priority for grant funding. (States which have already made their share of funds available for a needed project have the highest priority for grant assistance.)

With VA medical centers having reduced long-term care nursing home beds, the State Veterans Home Program has become even more critical to meeting the needs of aging veterans. Increasingly, VA nursing home beds are available only to veterans in need of short-term rehabilitation. It is most troubling, accordingly, that this budget would more than cut in half, to \$40 million, appropriations for a program substantially dedicated to long-term nursing

home care. Such a cut would leave without funding support in FY 2000 more than \$75 million in pending "priority #1" projects, those for which the States have already put up the required funding.

The Committee awaits with interest the results of a consultant management study on this program, and believes its findings and recommendations will be helpful in its review of proposals for revising the rules governing prioritization for funding of grant applications. The Committee's interest in considering such legislation should in no way, however, suggest a diminution in commitment to this program. Accordingly, the Committee proposes an appropriation of \$90 million for fiscal year 2000.

Medical Administration and Miscellaneous Operating Expenses (MAMOE)

The MAMOE budget funds the headquarters' operations of the largest health care system in the country. Over the years, an ever-shrinking MAMOE budget has reduced the size of VA's headquarters' staff. Congress, however, has not reduced its expectations of VA. It looks to VA's headquarters not simply to set policy, but to manage and oversee the VA health care system. Last year, based on concerns regarding headquarters' lack of sufficient oversight of the quality of VA care, Congress increased the MAMOE budget. The proposed MAMOE budget of \$61.2 million for FY 2000 will permit VA to meet the expectations set by Congress last year.

VETERANS BENEFITS ADMINISTRATION

General Operating Expenses

The General Operating Expenses account funds full time employee equivalents (FTEE) and operating expenses for both the Veterans Benefits Administration (VBA) and VA's Central Office (headquarters). VBA administers a broad range of non-medical benefits to veterans, their dependents, and survivors through 60 regional offices or medical and regional office centers. These programs include compensation and pension, education, vocational rehabilitation, insurance, and loan guaranty (home loans). VBA is also responsible for processing applications for these programs. Headquarters includes the Secretary's staff and other VA support staff, and is located in Washington, DC.

The Department proposes to increase overall VBA staffing by creating 164 new FTEE in fiscal year 2000. Such positions would be used for adjudicating disability compensation and pension claims.

The Committee supports this proposed increase in FTEE because VBA's backlog of claims waiting to be processed is again increasing, approaching 454,000 claims. The situation is simply this: the funnel into which all the work is being poured is too small. The adverse effects of the overflow are a decline in the quality of work and employee moral. The Administration and Congress must recognize that benefit programs cannot be delivered effectively without sufficiently well-trained staff.

To illustrate the Committee's concern about the quality of work being affected by the FTEE levels, in January, 1998, VA completed the first Systematic Technical Accuracy Review (STAR). This review of a national sample of original compensation claims found

that 36 percent of the claims contained at least one serious error. In that group of claims, errors averaged over four per claim. Clearly, this error rate is substantially higher than VA had ever admitted or recognized and the VA Committee highly commends VBA for its candor and willingness to finally document what most stakeholders have been saying for years.

Benefit Program Operations

Compensation and Pension Service (C&P).—The ability of VA to provide timely and quality benefits delivery is heavily dependent on a combination of proper staffing levels, effective implementation of computer modernization initiatives, training and retention incentives, and inter-departmental cooperation between the various VA agencies and military service departments. Over the past decade the number of trained personnel in the adjudication division has declined by approximately 40 percent. The Committee commends the Department for continuing to reverse this trend—with the 140 FTEE increase it proposed for adjudication services in fiscal year 1999—and a net additional 440 FTEE for such purposes for FY 2000. The 440 FTEE increase is derived from two sources: (1) 164 new FTEE mentioned above, and (2) 276 derived largely from a redistribution of resources from general support staff, and the education, housing, and insurance programs. These additional employees are critical as VBA faces the loss of numerous highly experienced claims decisionmakers due to retirement. Further, with VA's Inspector General reporting average processing times of 150.6 days for an original compensation claim and 145.6 days for a reopened compensation claim, the Committee supports the 440 FTEE increase in the C&P Service proposed in fiscal year 2000. The Committee recommends an additional \$5 million to be used for quality assurance and staff training and development purposes.

Vocational Rehabilitation and Counseling Program (VR&C)—The goal of the Vocational Rehabilitation and Counseling Program is employment of disabled veterans and certain dependents. To accomplish that goal, VR&C is authorized to furnish all services and assistance necessary to enable service-connected disabled veterans to become employable, obtain and maintain suitable employment, or to achieve maximum independence in daily living. Additionally, VR&C is authorized to provide educational and vocational counseling services to eligible active-duty members, veterans, and dependents. Last year, about 9,000 veterans were rehabilitated, and VA projects a slight decline in program participants from 53,004 in FY 1998 to 50,726 in FY 2000. Vocational rehabilitation specialists currently carry an average caseload of 300 participants, and the small decline in overall participation will not appreciably affect the average.

The General Accounting Office issued reports in 1984, 1992, and 1996 citing significant program management problems, such as a failure to focus on employment, an inability to identify program costs, high drop-out rates, poor case management and an almost blanket use of college degree programs for rehabilitation. VA's Inspector General in 1988, VA's VR&C Design Team in 1996, and the Congressional Commission on Servicemembers and Veterans Transition Assistance in 1999 confirmed such findings, especially with

respect to a proper focus on long-term suitable employment for program participants. The Committee applauds VBA initiatives to (1) reduce the average number of days for veterans to enter suitable employment from 103 days in FY 1996 to 75 days in FY 2000, (2) improve the percentage of participants who exit the program and are successfully rehabilitated from 42 percent in FY 1999 to at least 55 percent for the years beyond FY 2000, and (3) develop and implement a joint training program with the Department of Labor's Veterans' Employment and Training Service. The Committee is supportive of the budget request of 969 FTEE for the Vocational Rehabilitation and Counseling Service. The Committee notes this request includes the establishment of the newly-created position of Employment Services Specialist in each of VBA's nine Service Delivery Networks. These are new positions that will be used to help place service-disabled veterans in long-term, suitable employment and will be funded through existing resources.

Education Service.—VA's Education Service is responsible for several programs, most notably the Montgomery GI Bill (MGIB), which provides earned education assistance benefits to 411,000 veterans, active duty, and National Guard and Reserve personnel, as well as programs for survivors of veterans who are 100 percent disabled, died of a service-connected disability or were killed on active duty.

The Committee notes that today's veteran is different from veteran-populations under previous GI Bills. For example, it has been estimated that 10–20 percent of the uniformed military population during the Vietnam era was married. Today, 68 percent of all separating soldiers and almost 40 percent of those eligible for Montgomery GI Bill benefits upon separation are married. Usage is lower for married veterans than for single veterans.

The Committee commends VA for an initial savings of 19 FTEE generated in large part by electronic data interchange technology initiatives such as electronic claims folders, electronic certification and verification of monthly enrollment, and school-generated electronic awards. The Committee encourages continued development of such initiatives for program management purposes.

NATIONAL CEMETERY ADMINISTRATION

The National Cemetery Administration (NCA) (known as the National Cemetery System from 1973 to 1998) provides national shrines honoring those who served in uniform and should be maintained as places of high honor, dignity and respect. Currently, 149 cemeteries and soldiers' lots located in 41 states, the District of Columbia and Puerto Rico comprise the NCA. Since establishment of the NCA in 1862, approximately 2.6 million veterans have been interred in national cemeteries and approximately 6.7 million headstones and markers have been furnished.

For fiscal year 2000, the Administration is proposing an increase of \$4.89 million to fund NCA. This includes funds for 23 additional FTEE to accommodate increased workloads throughout the system as well as to support operations and activation requirements at the Abraham Lincoln, Dallas/Fort Worth and Saratoga National Cemeteries, and the new national cemetery in the Cleveland, Ohio, area.

The Committee is in full support of the Administration's request for an additional \$4.89 million, including 21 FTEE, for the National Cemetery Administration.

Between fiscal years 1995 and 2010, the veteran population will decrease by six million (23 percent). Consequently, NCA faces an increasing workload because many of the remaining 6.3 million veterans of the World War II generation will seek burial in a national cemetery. The NCA's workload per FTEE will continue to grow in all areas of operations. For example, the total number of gravesites and acreage maintained will increase every year. The number of headstone and memorial certificates delivered will also increase. In fiscal year 1998, VA interred 76,718 veterans and family members. In fiscal year 2000, VA expects to inter 80,300 individuals and by the year 2004, the number of interments is projected to increase to 98,700. VA also expects to process 342,000 grave marker applications in fiscal year 2000. Similarly, the number of gravesites maintained is estimated to exceed 2.3 million in fiscal year 2000. NCA must have both human and material resources to accommodate these increases.

National Cemetery System Operating Account

The Committee is pleased that VA is proposing to increase funding by \$1.2 million for maintenance and repair, grounds maintenance and related supplies. These funds are vital to preserving the appearance of the cemeteries.

The National Cemetery Administration maintains approximately 400 buildings and 100 miles of roads. To help with that maintenance, VA has an inventory of more than 8,000 pieces of equipment with an estimated value of \$23 million, approximately \$7.2 million of which is past due for replacement. The Committee supports the Administration's proposal of \$2.2 million to replace equipment and reduce the backlog of obsolete units by \$400,000.

Cemetery Construction

VA's construction needs for new and existing cemeteries are addressed through Major and Minor Construction appropriations. NCA has focused construction planning on creating new cemeteries in areas of the country with the greatest unserved veteran population, extending the life of existing cemeteries through gravesite development and repairing and maintaining the infrastructure of the system. The Committee notes (1) there are no funds requested for additional new cemeteries beyond the four scheduled to open through 2000, and (2) VA requests only \$500,000 in Advance Planning Funds for cemetery construction.

The Committee recommends adding \$3.6 million in major construction planning funds, i.e. planning and site acquisition, to create national cemeteries in Atlanta, Georgia and Detroit, Michigan. Atlanta and Detroit appear on VA's list of the ten areas of the country having the greatest need for a national cemetery in light of veterans' burial needs, which will peak in fiscal year 2008. Prudent planning is essential as: (1) at the end of fiscal year 1998, of the 115 existing national cemeteries, only 57 contained available, unassigned gravesites for the burial of both casketed and cremated

remains, and (2) by the year 2004, only 55 VA national cemeteries will be open for both casketed and cremated remains.

The Administration's fiscal year 2000 proposal contains a \$11.9 million major construction project for gravesite and columbarium development at the Leavenworth National Cemetery. The Committee fully supports this proposal.

Minor construction projects, which are those costing less than \$3 million, total \$18.9 million for fiscal year 2000, and the Committee supports that request.

STATE CEMETERY GRANTS PROGRAM

The State Cemetery Grants Program provides grants to assist the states in establishing, expanding, and improving state-owned veterans cemeteries. Increasing the availability of state veterans' cemeteries is one way to serve veterans who do not reside near a national cemetery. State cemeteries augment—but do not supplant in any way—VA's national cemetery program. The Veterans Benefits Improvements Act of 1998 made the State Cemetery Grants Program more attractive to the States by increasing the maximum Federal share of the costs of equipment from 50 percent to 100 percent, and by making initial equipment costs eligible for grant funding. The States remain responsible for providing the land and for paying all costs related to the operation and maintenance of the state cemeteries, including the costs for subsequent equipment purchases.

The State Cemetery Grants Program is funded at \$11 million for fiscal year 2000. Since its establishment in 1980, VA has made grants of \$56.4 million through fiscal year 1998. Nearly 100 grants have been awarded to 25 states, Saipan and Guam since the program's inception. For fiscal year 2000, NCA has budgeted \$11 million for the State Cemetery Grants Program. In light of veterans' burial needs projected to peak in FY 2008, the Committee recommends an additional \$4 million for the State Cemetery Grants program to help address such needs.

ARLINGTON NATIONAL CEMETERY

Arlington National Cemetery is the nation's premier resting-place for veterans. The cemetery is currently the final resting-place for over 250,000 remains. In fiscal year 2000, Arlington Cemetery officials estimate they will add about 5,900 remains to that total, and conduct 2,800 non-funeral ceremonies.

The Administration's request is \$33,000 above the fiscal year 1999 appropriation. The Committee does not support that request and recommends an additional \$500,000 to support operations and maintenance at Arlington National Cemetery. The Committee also recommends an additional \$1.75 million to (a) design and construct a vehicle storage garage building at Arlington's facilities maintenance complex, (b) initiate a study relating to repairs needed at (1) the interior of the reception building at the Memorial Amphitheater, and (2) the Robert F. Kennedy gravesite.

BOARD OF VETERANS' APPEALS (BVA)

More than 80 percent of the Board's decisions concern contested disability compensation claims. Prior to fiscal year 1992, BVA response time—the number of days it would take BVA to render decisions on all pending certified appeals at the processing rate of the immediately preceding on-year time frame—rarely exceeded 150 days. However, as the impact of the Court of Appeals for Veterans Claims decisions began to take effect, BVA's response time climbed steadily from 139 days in FY 1991 to a peak of 781 days at the end of fiscal year 1994. By the end of fiscal year 1998, the Board reduced its response time to less than 200 days (197 days) for the first time in seven years.

A review of BVA data over the past three fiscal years provides a snapshot of the demonstrable progress BVA has made toward meeting the production levels needed to reduce the backlog of appeals pending. For example, the Board reduced the fiscal year 1996 backlog of over 60,000 appeals to under 35,000 as a result of additional resources provided over fiscal years 1997 and 1998, as well as several management initiatives. In fiscal year 1997, the BVA made over 43,000 decisions, an increase of 10,000 over the previous year. Regrettably, however, 42 percent of those decisions were remands to the regional offices, another example of the quality problems that continue to plague the regional offices. In FY 1998, BVA issued 38,886 decisions. This total represents a 10.3 percent decrease from FY 1997, when the Board issued 43,347 decisions. The decrease is primarily a result of (1) a higher percentage of final, non-remand decisions (56.7 percent) than was issued the previous year (53.3 percent), and (2) a heightened emphasis on decisional quality.

The Committee commends the Board on its recent integration into a single appeals tracking system of the formerly separate systems used by VBA and the Board. This joint system, Veterans' Appeals Control and Locator System, allows the Department to (1) monitor and process appeals in a more efficient manner, and (2) analyze appellate workload trends and appeals processing performance. The Committee also commends BVA's ongoing initiative to increase electronic exchange of information with VBA and thus improve date currency and decrease administrative handling.

The Committee supports the Administration's request of \$41.5 million for the Board.

INSPECTOR GENERAL

The VA's fiscal year 2000 request for a \$7.2 million increase in budget authority for the Office of the Inspector General (OIG) is fully justified by the office's workload and scope of activities. The requested increase includes \$4.7 million to contract out the audit of VA's consolidated financial statement, and \$2.5 million for current services. While the contract would free audit staff to address other audit issues, the budget request would not provide any funding for additional staff needed for essential investigation and inspection work. Despite the budget request's apparent misstatement that the funding would support an increase of 12 in "average employment," OIG employment for fiscal year 2000 would actually re-

main at about the fiscal year 1999 level of 360 authorized full time employees, well below the statutory floor of 417 set by 38 U.S.C. section 312.

Therefore, the Committee recommends providing the OIG with increases for fiscal year 2000 of \$4.7 million for contracting out audit of the consolidated financial statement, \$2.5 million for maintaining current services, and \$3.5 million for 35 additional employees. The Committee believes 10 of the additional employees should be assigned to the IG Hotline, which is seriously understaffed and is referring many cases back to VA rather than to the OIG. This damages VA employee confidence in the Hotline by making assurances of confidentiality problematical. The remaining additional employees should be assigned to criminal investigations and health care inspections.

U.S. COURT OF APPEALS FOR VETERANS CLAIMS

The Veterans' Judicial Review Act, Public Law 100-687, established the U.S. Court of Veterans Appeals as an executive branch court (later renamed as the U.S. Court of Appeals for Veterans Claims.) The Court is empowered to review decisions of the Board of Veterans' Appeals and may affirm, vacate, reverse or remand such decisions as appropriate. The Court has the authority to decide all relevant questions of law, to interpret constitutional, statutory, and regulatory provisions, and to determine the meaning or applicability of the terms of an action by the Secretary of Veterans Affairs. The Court also has the authority to compel actions of the Secretary that are found to have been unlawfully withheld or unreasonably delayed. The Committee supports the Court's budget request of \$11.4 million.

DEPARTMENT OF LABOR

VETERANS' EMPLOYMENT AND TRAINING SERVICE

Congress has determined that our nation has a responsibility to meet the employment and training needs of veterans. To accomplish those goals, the Assistant Secretary of Labor for Veterans' Employment and Training (ASVET) is authorized to implement training and employment programs for veterans. The ASVET also acts as the principal advisor to the Secretary of Labor with respect to the formulation and implementation of all departmental policies and procedures that affect veterans.

The Committee is aware of the significant changes in the national labor exchange system. States are changing the way they deliver employment services and adopting new service delivery models ranging from devolving state programs to the county level to privatizing some or all employment functions and instituting one-stop employment centers under the Workforce Investment Act of 1998.

Since the Veterans' Employment and Training Service and its state-based Disabled Veterans Outreach Program Specialist and Local Veterans Employment Representative system depends upon the state employment services, VETS must adopt new strategies to deliver employment services to veterans. Aggressive recommendations for doing so are made in the January 14, 1999, report of the

Congressional Commission on Servicemembers and Veterans Transition Assistance. By statute, the Secretary of Labor has until about April 19, 1999, to comment to the House and Senate Committees on Veterans' Affairs on the Commission's findings and recommendations.

Such Commission findings include: (1) fewer than two percent of veterans go to the Employment Service (ES) when looking for a job and ES data show that only 12 percent of the veterans who do go to the ES get permanent jobs following their visit, and (2) according to DOL's 1997 Annual Report, nine states met DOL performance standards while placing fewer than 10 percent of veteran registrants in jobs. Conversely, the Department of Labor states that during program year 1997 that it helped into jobs 26.5 percent of veterans registering for services.

Commission recommendations include: (1) Congress should re-engineer veterans' employment services to meet the new reality of a highly automated, integrated, and customer-focused environment; (2) Congress should replace the DVOP and LVER programs with (a) a new Veterans Case Manager program to provide job-seeking skills, job development, and referral services to disabled veterans, veterans facing employment barriers, and recently separated veterans, and (b) a new Veterans Employment Facilitator program to facilitate Transition Assistance Program (TAP) workshops and market veterans' employment to local employers; and (3) DOL should award grants for veterans employment and training services competitively on a state-by-state basis so that the most cost-effective organizations can provide the services.

The Committee wishes to note it has consistently supported the LVER program since Congress established it in 1944 as part of the original G.I. Bill of Rights. The Committee has also supported the DVOP program, including codifying it in 1980. In addition, with the 1988 enactment of Public Law 100-323, the Committee supported a statutory funding formula for both LVERs and DVOPs. Moreover, in its annual budget views and estimates, the Committee has consistently recommended full funding for DVOPs and LVERs, although such full funding has not occurred since 1989. However, in light of recent findings and recommendations of the Congressional Commission on Servicemembers and Veterans Transition Assistance, the Committee believes it should focus its efforts on re-engineering the delivery of Veterans' Employment and Training Services rather than recommending additional resources for the current program.

DISABLED VETERANS' OUTREACH PROGRAM

Under section 4103A, title 38, United States Code, the Secretary of Labor is required annually to make available sufficient funds for use in each state to support the appointment of one DVOP specialist per 6,900 veterans of the Vietnam era, veterans who entered active duty as a member of the armed forces after May 7, 1975, or service-disabled veterans. For fiscal year 1999, this formula results in 2,119 DVOPs. The Administration's budget provides funds to support 1,431 DVOP positions, 688 below the Congressionally-mandated level. The Committee supports this request.

Congress established the Disabled Veterans Outreach Program (DVOP) to provide intensive employment and training services to service-connected disabled veterans and other veterans in need of job search and placement assistance. DVOPs serve as workshop facilitators for the Transition Assistance Program (TAP), a 3-day program that provides transition counseling, job-search training and information, placement assistance and other information and services to servicemembers who are within 180 days of separation from active duty. DVOPs also develop job and job-training opportunities for veterans through contacts with employers. Additionally, DVOPs provide assistance to community-based organizations and grantees who provide services to veterans under other federal and federally-funded employment and training programs, such as the Job Training Partnership Act and the Stewart McKinney Act.

LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES

Section 4104(a)(1), title 38, United States Code, mandates that the Secretary of Labor make available funding to support the appointment of at least 1,600 full-time LVERs and the states' administrative expenses associated with the appointment of that number of LVERs. The Administration's budget provides funds to support 1,306 LVER positions. The Committee supports this request.

Congress established the LVER program to functionally supervise the provision of job counseling, testing, job development, referral and placement to veterans in local employment services offices. LVERs participate in TAP workshops and maintain regular contact with community leaders, employers, labor unions, training programs and veterans service organizations in order to keep them advised of eligible veterans available for employment and training. LVERs also provide labor exchange information to veterans, and promote and monitor participation of veterans in federally funded employment and training programs. Finally, LVERs monitor the listing of jobs by federal contractors and subsequent referrals of qualified veterans to these employment openings, refer eligible veterans to training, supportive services, and educational opportunities, and assist, through automated data processing, in securing and maintaining current information regarding available employment and training opportunities.

DOL also manages the Homeless Veterans Reintegration Program (HVRP). The program is designed to provide support services to local agencies targeting homeless veterans with employment assistance. For the past three years, the President and the Appropriations Committee have failed to support funding for the program, while the law creating this program authorizes \$10 million per year. This year the President has proposed \$5 million for HVRP. The Committee notes that the funding for HVRP veterans' employment and training initiatives has failed to keep pace with the funding for other agencies that provide transitional housing and supportive services. For example, Congress has increased funding for HUD (homeless) programs from \$72 million in FY 1988 to \$823 million in FY 1998, and also increased health care and substance abuse programs administered by the Department of Veterans Affairs from \$13 million to \$76 million during the same time period. The Committee recommends funding for HVRP at the au-

thorized level of \$10 million to increase employment services to homeless veterans.

The Committee notes that 458 DVOPs and 431 LVERs do not have personal computers or access to the Internet or America's Job Bank/Talent Bank. The employment search needs of many job-ready veterans can be met primarily through their personal access to the Internet. Nevertheless, many veterans do not have personal access to such electronic job listings and must visit a local Employment Service office for help. The Committee recommends the addition of \$1.75 million to outfit DVOPs (\$911,000) and LVERs (\$840,000) with Internet/AJP access at their workstation or their outstation location.

NATIONAL VETERANS' EMPLOYMENT AND TRAINING SERVICES
INSTITUTE

The National Veterans' Employment and Training Services Institute (NVETSI) is operated under contract by the University of Colorado at Denver and provides basic and advanced instruction in veterans employment programs and services. Because this is the only source of formal training for federal and state employees for veterans employment programs, NVETSI is vital to the success of those programs. The President has recommended \$2 million for fiscal year 2000 to train 1,500 veteran service providers. Of the current 2,700 DVOP and LVER staff, 2,400 have not attended the new Labor Employment Specialist training to provide core competencies to veteran service provider staff. An additional \$1 million would train 2,800 veteran service providers. The Committee recommends funding NVETSI at \$3 million for FY 2000.

PROPOSED LEGISLATION

Cost of Living Adjustment (COLA).—The Committee supports a cost-of-living adjustment (COLA) for compensation and dependency and indemnity compensation equal to the COLA calculation for Social Security recipients.

The Committee will not take action on the Department's proposed legislation to pay Filipino veterans and survivors full disability compensation. Prior to the Committee's July 22, 1998, oversight hearing on existing veterans' benefits for Filipinos, the Committee sent a series of questions to the Department. Because the Department will be affected by any change to existing law, the Committee requested that, among other things, VA address how it would prevent Filipino veterans not actually residing in the U.S. from using post office boxes or fictitious residences in order to qualify for compensation. History has shown a very real potential for fraud. To date, the Department has not provided the Committee with a plan for implementing the Administration's proposed legislation.

*Additional Legislative Items Which the VA Committee May Report
with Direct Spending Implications*

Montgomery GI Bill.—The Committee recommends a \$200 million addition to the President's request for improvements to vet-

erans' education benefits. This will provide improvements in the basic education benefit.

The cost of education has increased over 7 percent per year since the inception of the Montgomery GI Bill in 1985. Today, a veteran with two years of honorable military service receives a maximum of \$4,752 for a nine-month school year from the Montgomery GI Bill (MGIB). But the average annual cost in 1996 for tuition, room and board, fees, books and transportation at a public institution was \$10,759, a total increase of 109 percent since 1987. For private schools, the annual cost is now \$20,003, an increase of 84 percent since 1987. As a result, the Montgomery GI Bill falls short by \$6,007 annually for a public school and \$15,251 for a private school. The Committee notes that participation in the MGIB lags behind the Vietnam-era GI Bill. Through FY 1997, some 13 years after the 1984 enactment of the MGIB, 48.7 percent of eligible beneficiaries used the MGIB. Vietnam-era GI Bill usage for the first ten years (June 1966 to June 1976) was 63.6 percent.

The Committee notes the recent Congressional Commission on Servicemembers and Veterans Transition Assistance found that most college-bound youth and their families see a tour of military service as a detour from their college plans, not as a way to achieve that goal. Not surprisingly, each of the military services except the Marine Corps is experiencing recruiting problems in various ways. Each of the Joint Chiefs of Staff believes a rejuvenated Montgomery GI Bill would help recruitment, as evidenced by their testimony before the Senate Armed Services Committee on September 29, 1998.

Minor Revisions Requiring Direct Spending Authority.—The Committee recommends \$10 million for minor changes to the dependency and indemnity program and other limited revisions in the compensation program.

National Shrine Initiatives

The Committee recommends \$1 million for a one-time assessment, by an independent contractor, of the basic maintenance repairs needed at individual VA national cemeteries to ensure a proper and respectful setting. Such a step would serve as the first component of an on-going assessment of (1) how to make a reasonable number of VA national cemeteries more of the design/quality/stature of the American Battle Monuments Commission, and (2) the number of VA national cemeteries needed beyond 2010.

Homeless Veterans Reintegration Program

The Committee recommends a five year authorization for this program at \$10 million per year, beginning in fiscal year 2000. Such reauthorization would make the program more permanent.

HOUSE COMMITTEE ON VETERANS' AFFAIRS

March 11, 1999

[In Thousand U.S. Dollars]

	FY 1999 Enacted FTE		President's 2000 Budget Request		99/00 Budget Comparison	Committee Recommendation	Administration/Congressional Comparison
	Amount	FTE	Amount	FTE			
Benefits Programs							
Compensation and Pensions	\$21,857,058		\$21,568,364		\$(- 288,694)	\$21,568,364	0
Proposed COLA (2.4%) eff. 12/1/99			293,300		(+293,300)	303,300	\$(+10,000)
Readjustment Benefits	1,175,000		1,469,000		(+294,000)	1,469,000	0
Proposed Legislation						200,000	(+200,000)
Veterans Insurance and Indemnities	46,450		28,670		(- 17,780)	28,670	0
Veterans Housing Benefit Program Fund	746,503		282,342		(- 464,161)	282,342	0
Veterans Housing Benefit Program Fund, Current	159,121		156,958		(- 2,163)	156,958	0
Native American Veterans Housing Program	515		520		(+5)	520	0
Guaranteed Trans. Housing Loans; Homeless Veterans			9,600		(+9,600)	9,600	0
Education Loan Program	207		215		(+8)	215	0
Vocational Rehabilitation Program	455		472		(+17)	472	0
Total Benefits Program	23,985,309		23,809,441		(- 175,868)	24,019,441	(+210,000)
Medical Programs							
Medical Care	17,278,580	184,800	17,306,000	174,420	(+27,420)	18,499,000	(+1,193,000)
Proposed Legislation						500,000	(+500,000)
Transfer from Med. Care Collections Fund	625,000		749,141		(+124,141)	625,000	(- 124,141)
Subtotal Medical Care	17,903,580		18,055,141		(+151,561)	19,624,000	(+1,569,859)
Medical and Prosthetic Research	316,000	3,036	316,000	2,838	0	316,000	0
MAMOE	63,000	540	61,200	573	(- 1,800)	61,200	0
Total Medical Programs	18,282,580	188,376	18,432,341	177,831	(+149,761)	20,001,200	(+1,569,859)

HOUSE COMMITTEE ON VETERANS' AFFAIRS—Continued
March 11, 1999

[In Thousand U.S. Dollars]

	FY 1999 Enacted FTE		President's 2000 Budget Request		99/00 Budget Comparison	Committee Recommendation	Administration/Congressional Comparison
	Amount	FTE	Amount	FTE			
Construction Programs							
Construction, Major	142,300	50	60,140	50	(- 82,160)	126,140	(+66,000)
Construction, Minor	175,000		175,000	80	0	175,000	0
Parking Revolving Fund							
Grants State Extended Care Facilities	90,000		40,000		(- 50,000)	90,000	(+50,000)
Grants State Veterans Cemeteries	10,000		11,000		(+1,000)	15,000	(+4,000)
Total Construction Programs	417,300	130	286,140	130	(- 131,160)	406,140	(+120,000)
General Operation Expenses and Misc.							
GOE-VBA	654,809	11,273	706,353	11,437	(+51,544)	711,353	(+5,000)
GOE-General Administration	228,392	2,490	206,000	2,601	(- 22,392)	206,000	0
General Operating Expenses	883,201	13,763	912,353	14,039	(+29,152)	917,353	0
National Cemeteries System	91,916	1,369	97,000	1,406	(+5,048)	98,000	(+1,000)
Inspector General	35,970	374	43,200	374	(+7,230)	47,900	(+4,700)
Total GOE and MISC.	1,011,087	15,506	1,052,553	15,819	(+41,570)	1,063,253	(+10,700)
Total Appropriation	\$43,696,276	204,012	\$43,580,475	193,780	\$(- 115,801)	\$45,490,034	\$(+1,909,559)

ADDITIONAL AND DISSENTING VIEWS AND ESTIMATES

On March 11, 1999, the House Committee on Veterans' Affairs met to recommend views and estimates on the Department of Veterans Affairs fiscal year 2000 budget. On a party-line vote to move the previous question, the Ranking Democrat, the Honorable Lane Evans, was denied the opportunity to offer a Democratic alternative to the Chairman's proposal.

In the simplest terms, the Administration and the Committee majority have failed to recommend sufficient resources for fiscal year 2000 for the Department of Veterans Affairs (VA) and the Veterans Employment and Training Service (VETS) of the Department of Labor (DOL). Neither of these proposed budgets would provide the funding required to meet our national obligation to America's veterans. It is our view that, if we as a nation are to fulfill our commitment to this group of special and unique citizens, the Administration's FY 2000 budget request for VA and VETS must be increased by \$3.196 billion. In contrast, the Committee majority recommends an increase of only \$1.9 billion.

Although the Administration would require the VA to provide an increased level of benefits and services, its budget proposal does not include the resources needed for VA to fulfill the goals set for it. Similarly, although the Committee has recommended a funding level significantly above that provided by the Administration, the Majority proposal also assumes the VA can successfully fulfill its added responsibilities without providing the necessary resources.

We are concerned that, although the Committee majority has acknowledged that the resources proposed by the Administration for VA for next fiscal year are inadequate, they have underestimated the magnitude of the budget shortfall. We are also concerned that the majority appears to have embraced the Administration's overconfident assertion that increased VA management efficiencies will somehow provide the additional monies required to reduce and eliminate the funding shortfall.

As the Committee has pointed out in past years, the decision to deny needed resources and claim that unreliable management efficiencies will generate the required funding is disingenuous, at best. Some, in fact, have described this approach to budgeting as cynical. The truth is that although carefully selected and implemented efficiencies can generate needed funding, these efficiencies simply cannot provide savings of the magnitude necessary to fund the initiatives proposed by the Administration and acknowledged by the Majority. Additionally, to the degree that management efficiencies do produce savings, there are not enough of those dollars to address existing problems, such as unacceptably long waits for health care, much less restore reductions in programs which have already occurred, provide the needed expansion of current programs and fund new initiatives.

It should also be pointed out that management efficiencies are too often achieved by slashing staff and closing beds. The obvious result is that veterans must either wait longer and longer for medical care or choose another health care provider. An example of this inevitable result was illustrated in a recent edition of the Miles

City (MT) Star. The article described a local veteran who, as a result of untimely VA care, was forced to obtain private care and a stiff bill even though his 50 percent service-connected disability should have ensured him access to VA care. The Salisbury (NC) Post recently described the plight of a veteran who for months unsuccessfully sought an appointment with a VA doctor because of pain in his foot. Finally giving up in frustration, the veteran was found to have an inoperable tumor by non-VA doctors. This is not the quality of care our grateful nation has promised to provide our veterans.

We are also concerned that the majority budget, unlike the Democratic budget proposal, does not specifically include needed increases in funding for VA long-term care initiatives or mental health programs. Funding these two proposals is imperative if we are sincerely committed to meeting veterans' needs. Long-term care is virtually disappearing from the VA health care system as many facilities begin to ration this care because of budget constraints. Most facilities are now limiting what they continue to refer to as "nursing home" care to restorative care, rehabilitative care, and care for terminal illness. Lifetime placement is almost a thing of the past. Many of VA's medical centers are even discharging veterans with Alzheimer's disease.

It is apparent to us that the need for long-term care for an aging veterans' population is limitless. While we cannot afford to provide "everything to everybody", neither can we ignore the problem while growing numbers of veterans are compelled to turn to Medicare or Medicaid to meet these needs. Unfortunately, this rationing is happening at a time when World War II veterans are reaching the age when their reliance on long-term care is at a peak.

VA's Federal Advisory Committee on Long-term Care has recommended that VA double or triple its investment in home and community based extended care. The President's Budget recommended that VA commit \$106 million to begin to achieve this goal, but did not provide the funding to do so. Additionally, the Majority budget does not expressly address the growing need for long-term care for veterans. In contrast, our proposal would support a \$165 million initiative to allow VA to restore some nursing home care in its own programs, state homes, and the community.

The Democratic budget includes \$100 million in additional funding to bolster the faltering continuum of care available for chronically mentally ill veterans. The evidence that these programs are being seriously compromised, at least partially because of budget constraints, is substantial. The Northeast Program Evaluation Center (or NEPEC) says that the resources devoted to mental health programs are decreasing as a share of the budget. This is a clear indication that VA has trimmed all the "fat" and is beginning to cut into the bone. As a result, VA's mental health programs are being more adversely affected than other treatment programs. As in the private sector, which once had managed care but now has managed spending, VA is choosing to treat the "visible wounds" of our veterans over the psychic ones.

The decreasing share of the budget provided for mental health is reflected in cutbacks in mental health workloads. If plans for 2000 are implemented, VA will have eliminated $\frac{2}{3}$ of its psychiatric cen-

sus and almost ½ of its psychiatric inpatients treated since fiscal year 1995. In addition, psychiatric beds have dropped from 16,392 in 1996 to 10,285 in 1998, a 37 percent decrease.

Ambulatory mental health care is also feeling the pinch. Outpatient visits for post-traumatic stress disorder (PTSD) dropped between 1995 and 1997. VA also closed specialized outpatient PTSD and specialized inpatient and residential PTSD programs. Between FY 96 and FY 97, VA also decreased both the number of veterans treated in the Health Care for Homeless Veterans program and the number of visits per veteran treated. Between FY 93 and FY 97, the homeless veterans VA treated were less likely to have either serious psychiatric disorders or a substance abuse disorder, indicating VA may be selecting easier cases over the most chronically ill. VA is closing these programs despite evidence of their effectiveness. The NEPEC has documented improvements in alcohol and drug problems, mental illness and social or vocational problems. Despite Congressional protection and demonstrated effectiveness, VA appears to be withdrawing its support of these programs, leading us to conclude the cause is inadequate funding. To ensure that VA can maintain effective programs for the chronically mentally ill, the Democratic budget recommends adding \$100 million to restore these types of needed and effective programs. Neither the Administration budget nor the Majority proposal recommends the funding needed to strengthen these programs.

The Democratic budget proposal will support a higher level of care for aging veterans and veterans with chronic mental illness. Evidence of program erosion in both of these areas is rampant and we must give VA the resources to halt and reverse it.

As shown in the documents that follow, the Democratic budget also included increased funding levels for the Montgomery GI Bill, employment programs, burial benefits, VA staffing, and other important veterans' benefits and services. The Democratic members of the House Committee on Veterans Affairs carefully considered the needs of the veteran community and our national commitment to these special men and women. The budget we recommended was realistic, reasonable, responsible and appropriate. We are disappointed that the Republican majority refused us the opportunity to even discuss this proposal on behalf of the veterans of America.

We listened closely to the testimony of the veterans' service organizations over the past few weeks and we heard a strong sense of urgency and frustration that we have never heard before. America's veterans are telling us they have done more than their fair share—and now they expect us to be their advocates. They are telling us to speak up—to speak up and remind our colleagues that America is safe and free only because of the generations of men and women who willingly endured the hardships and sacrifices required to preserve our liberty. They are telling us to speak up and remind our colleagues that no act of citizenship is worthier of our respect than the willingness to serve in America's Armed Forces and to protect and defend our ideals.

In summary, the Democratic budget proposal is similar in magnitude to that recommended in the Independent Budget and would add \$3.196 billion to the Administration proposal. The Democratic budget would increase health care spending by \$2.17 billion over

the Administration request and \$474 million over the Chairman's recommendation. Our proposal would increase GI Bill funding by \$881 million over the Administration and \$681 million over the Chairman's proposal. The Democratic alternative would provide an additional \$61.45 million in benefits over the Administration and \$50.45 million over the Chairman. Finally, the Democratic proposal would provide \$79.9 million more than the Administration for veterans' employment services and VA general operating expenses. This is an increase of \$66.9 million over the Chairman's proposal. We deeply regret the Majority's refusal to allow full consideration of the Democratic budget proposal for fiscal year 2000. Unfortunately, it is America's veterans who have served and sacrificed to defend democracy who, ironically, will suffer as a result of this subversion of the democratic process.

Representative LANE EVANS
Representative BOB FILNER
Representative LUIS GUTIERREZ
Representative CORRINE BROWN

[Attachments follow:]

**Lane Evans Substitute
Increases to Administration FY00 Budget Proposal
Brief Summary Explanation**

\$	20,000,000	Benefits (Mandatory Spending)
\$	1,000,000	Cancer service-connection presumption
\$	100,000	Hepatitis C service-connection presumption
\$	24,600,000	DIC restoration
\$	881,000,000	Increase basic burial benefit from \$300 to \$600
\$	926,700,000	MGIB enhancements (first year cost)
		SUBTOTAL, Benefits
		General Operating Expenses (Discretionary Spending)
\$	6,250,000	250 FTEE increase VBA
\$	159,904	Two FTEE increase for VA Office of Public and Intergovernmental Affairs
\$	93,476	One FTEE increase for VA liaison with VSOs
\$	838,430	Ten FTEE increase for OIG Hotline inquiries
\$	1,463,200	Sixteen FTEE increase for OGC and alternative dispute resolution training
\$	7,300,000	Six FTEE increase for Office of Assistant Secretary for IRM and equipment
\$	16,105,010	SUBTOTAL, GOE
		Construction (Discretionary Spending)
\$	9,500,000	National cemeteries repair and advance planning
\$	91,000,000	Major Medical Construction
\$	29,000,000	Minor Medical construction
\$	50,000,000	Grant to states for extended care facilities
\$	179,500,000	SUBTOTAL, Construction
		Medical Care (Discretionary Spending)
\$	550,000,000	Emergency care
\$	135,000,000	Hepatitis C screening and treatment
\$	582,000,000	VHA payroll
\$	279,000,000	VHA uncontrollables
\$	32,000,000	State home per diem 1/3
\$	5,000,000	Oversight of contract and state home care
\$	100,000,000	Psychiatric care enhancement
\$	39,600,000	Homeless initiatives
\$	271,000,000	Long term care enhancements
\$	30,700,000	Provides health care to Filipino veterans in the U.S. and the Philippines
\$	2,004,300,000	SUBTOTAL, Medical Care
		VETS(DOL) (Discretionary Spending)
\$	5,000,000	HVRP
\$	40,201,000	DVOP to statutory formula
\$	22,604,000	LVER to statutory formula
\$	1,000,000	NVTI
\$	1,200,000	Computers for DVOP and LVER
\$	70,005,000	SUBTOTAL, VETS (DOL)
\$	926,700,000	TOTAL MANDATORY ADDITIONS
\$	2,299,910,010	TOTAL DISCRETIONARY ADDITIONS
\$	3,196,610,010	TOTAL ADDITION

EVANS' SUBSTITUTE**Additions to Administration FY 2000 Budget
for the Department of Veterans Affairs (VA) and
Department of Labor (DOL) Veterans Employment Training Service
(VETS) Budgets****BENEFITS and Veterans Benefits Administration Full-Time
Employees****\$20,000,000 Presume Service-Connection for Certain Cancers Associated with Radiation
Exposure**

Provides a presumption of service-connection for certain cancers for veterans who were involved in radiation-risk activities. There is no accurate measurement for some veterans of their exposure to ionizing radiation during military service. Cancers, which are associated with such exposure, should be service-connected.

\$1,000,000 Presume Service-Connection for Certain Veterans with Hepatitis C

Provides a presumption of service-connection for veterans who were exposed to certain Hepatitis C risk factors during military service and who now have Hepatitis C. Since Hepatitis C is usually silent at the time of infection and no reliable diagnostic blood test was available until 1992, many veterans who were exposed to Hepatitis C during military service can not demonstrate the onset of the disease by reference to their service military records.

\$100,000 Restore Benefits Eligibility to Certain Surviving Spouses

Permits surviving spouses who have Dependency Indemnity Compensation (DIC) benefits reinstated to regain eligibility for CHAMPVA (health care), housing and education benefits.

\$6,250,000 Increase Employees for Veterans Benefits Administration

Provides an additional 250 employees to adjudicate claims, reduce backlog and to insure an adequate replacement workforce for impending retirements. With a large number of adjudication personnel nearing retirement eligibility, additional personnel must be hired during the next fiscal year to begin the training to assure continuity of claims adjudication during the transition.

\$24,600,000 Increase Burial Allowance

Increases from \$300 to \$600 the basic burial allowance for veterans in receipt of compensation or pension. This benefit has not been increased since 1978 although the average cost of a funeral has more than tripled over the past 20 years from \$1522 to \$4782.

\$9,500,000 National Veterans' Cemeteries Repair and Planning

Reduces the repair backlog at national cemeteries and provides funding for advanced planning of new national cemeteries.

\$881,000,000 Enhance the Montgomery GI Bill (MGIB)

The MGIB is no longer a meaningful readjustment benefit or recruitment tool. Educational assistance of nearly equal value is widely available to individuals without serving in the Armed Forces. Benefits recommended by the Transition Commission are: full tuition and fees, elimination of \$1,200 pay reduction, authority for transferability, increase basic benefit to \$600/monthly, acceleration of benefits, and transfer of remaining active duty Veterans' Educational Assistance Program (VEAP) eligibles to MGIB. This recommendation would enhance the Transition Commission's recommendation by increasing the stipend for 4-year enlistments from \$400/month to \$800/month and increasing the basic benefit for 3-year enlistments from \$600/month to \$900/month.

VETS, DOL**\$5,000,000 Enhance Homeless Veterans' Reintegration Program**

Provides employment and training assistance to homeless veterans under the Homeless Veterans Reintegration Program, DOL. An additional 3,500 homeless veterans would be placed in jobs – studies show that 275,000 veterans are homeless on any given day.

\$40,201,000 Increase Disabled Veterans Outreach Program (DVOPs) Personnel

Provides an additional 688 DVOPs per statutory formula, DOL. An additional 70,864 veterans would receive employment assistance with this increase.

\$22,604,000 Increase Local Veterans Employment Representatives (LVERs)

Provides an additional 295 LVERs per statutory formula, DOL. An additional 33,925 veterans would receive employment assistance with this increase.

\$1,000,000 Increase National Veterans Training Institute (NVTI) Training

Provides an increase for the NVTI. NVTI provides training regarding veterans' benefits, case management, veterans' reemployment rights and other topics for individuals who assist veterans in their efforts to obtain employment and training. Under the President's budget, 1,500 veteran service providers would be trained. An increase of \$1 million would provide training for an additional 1,300 service providers.

\$1,200,000 Provides computers for Veterans Employment and Training Service, DOL

This additional funding would provide computers and Internet access for 600 DVOPs and LVERs. Because of the significant growth of America's Job Bank, other on-line job-listing sources, and additional employment-related information, it is critical that all DVOPs and LVERs have access to the internet in order to effectively assist their veteran customers.

MEDICAL CARE**\$550,000,000 Authorize Emergency Care**

Provides veterans in all categories of priority for health care enrolled in Veterans Health Administration (VHA) facilities with emergency health care when and where needed. VA would reimburse emergency care and services if veterans enrolled in VHA without Medicare, Medicaid or private insurance that covers such care.

\$135,000,000 Provides Screening and Treatment for Hepatitis C

Provides for the cost of health care screening and treatment for veterans with Hepatitis C. Veterans appear to be at a greater risk for Hepatitis C than the general population. VA statistics show an increase in the number of cases at VA medical facilities. An electronic survey conducted by the Infectious Disease Program Office from February 1997 through September 1998 of 125 VA medical centers identified over 21,000 VA patients who tested positive for Hepatitis C.

\$562,000,000 Provides Payroll and Benefits Increases for VHA Employees

Provides an increase in VHA payroll, including an increase in pay for nurses subject to locality pay provisions. This supports a 3.6% annualized pay raise in 1999 and includes a 4.4% pay raise in 2000, both of which will be applied in FY 2000. Some nurses who have been subject to locality pay have not received a pay raise for five years.

\$279,000,000 Provides for inflation, rate changes and other uncontrollable costs

Based on VA's estimate of accommodating an inflation rate of 3.9% for medical care and 1.3% for non-medical care.

\$32,000,000 Accommodates Operating Costs and Workloads in State Homes

Provides funding for VA to meet its per diem support commitment of 1/3 of the average national cost of care in state veterans' homes. Increases rates of payment and number of days of care reimbursed to state homes to 33 1/3% of VA costs. (The law holds VA's increases to these programs to its own inflation rate.)

\$5,000,000 Increases the oversight of contract and state home long-term care programs

Will allow additional employees to ensure contract compliance, focusing on the quality of care from providers with whom VA contracts. (A recent IG report criticized VA's oversight of state homes.)

\$100,000,000 Restores part of VA's continuum of care for Seriously, Chronically Mentally Ill Veterans

Reverses the trend of decreasing VA's psychiatric workload in many areas. The increase would allow VA to restore in FY 2000 approximately 10% of its patients (9,334) treated in psychiatric wards or to restore or bolster a number of effective mental programs including substance abuse treatment, Intensive Psychiatric Community Care, specialized Post-Traumatic Stress Disorder treatment, and health care for homeless veterans programs.

\$39,600,000 Provides an increase for the Homeless Providers Grant and Per Diem Program

Increase is based on VA's budget of \$39.6 million for homeless initiatives.

\$30,700,000 Provides health care access for Filipino veterans in the United States and in the Phillipines

The increase is based on extending the same priority eligibility categories to Filipino veterans as U.S. veterans. In part, this fulfills our national obligation to these individuals. Most are 70-80 years of age and need health care. Includes \$500,000 for outpatient care for Filipino veterans in the Phillipines.

\$271,000,000 Enhances home and community based extended care programs

VA estimates an increase of \$106 million in implementing its long-term care initiative and another \$165 million would allow VA to increase Average Daily Census by 10% in its operated or sponsored nursing home programs.

CONSTRUCTION, MAJOR**\$91,000,000 Increase Major Medical Construction**

\$28.7 million for an ambulatory care clinic expansion in Washington, DC; \$22.4 million for seismic corrections in Palo Alto; \$17.5 million for a replacement Spinal Cord Injury Center in Tampa; and \$22.4 million for mental health treatment enhancements in Dallas.

CONSTRUCTION, MINOR**\$29,000,000 Allow VHA to correct patient privacy deficiencies**

Women veterans' privacy in VHA has been a long-standing concern. A recent GAO report concluded that VA has made progress towards improving the health care environment to afford women patients comfort and a feeling of security. However, the report also revealed that many deficiencies still exist. The most prevalent inpatient deficiency was a lack of sufficient toilet and shower privacy, and the most prevalent outpatient deficiency was the lack of curtain tracks in various rooms.

STATE HOMES**\$50,000,000 Allow VA to Fund More Priority 1 State Home Grants**

Provides an increase for grants to States for extended care facilities. VA establishes a priority list of applications as of August 15 of each year. VA's current funding level is not adequate to support the existing priority one applications.

GENERAL OPERATING EXPENSES (GOE)**\$159,904 Add Employees for Public Affairs**

Provides two (2) additional employees for the Office of VA Public and Intergovernmental Affairs. It is important to expand public affairs outreach efforts to make veterans aware of program improvements.

\$93,476 Provide a legislative liaison for veterans service organizations (VSOs)

Includes travel for the Principal Deputy Assistant Secretary and the legislative liaison to attend major VSO conventions. VA does little work to provide VSOs an understanding of the VA's legislative efforts, and vice versa. VA could learn from this, and the VSOs' experience could be brought into legislative process more effectively.

\$838,430 Provides additional employees for the VA Office of the Inspector General Hotline

Allows 10 more employees for the OIG Hotline. The Hotline, with 22,000 annual contacts, is seriously understaffed, referring 90% of cases to VA rather than to OIG. The budget request leaves the Office of the Inspector General (OIG) 43 employees short of the requirement in section 312, of title 38 USC.

\$1,463,200 Increase FTEE and Enhance Office of General Counsel

Provides for an additional 30 employees. Funds increases in demand for legal services, alternative dispute resolution (ADR) training, and allows greater utilization of ADP technology. The demand for legal services is projected to continue increasing in the areas of benefits, business, and employment law. There have been an unprecedented number of new case filings in the Court of Veterans Appeals. VA General Counsel has been unable to keep pace with the demand for representation and has been admonished by the Court to increase its efforts or risk sanctions. Increased training of attorneys in the utilization of alternative forms of ADR will make VA General Counsel more effective and efficient. Greater use of ADP technology in legal research will improve efficiency in delivery of legal services. (NOTE: VA proposal requests only one additional FTEE, and a decrease of \$284,000 from current estimate for ADP and office equipment, supplies, and materials.)

\$7,300,000 Provides for an additional six (6) employees for the Office of the new Assistant Secretary for Information Resources Management

Adds six new employees to effectively carry out functions and funding to replace old VA Central Office network equipment and enhance capacity and security. The former office of Information Resources Management lost over 25% of its employment base over the last 5 years. The VACO office automation network provides access to all critical corporate applications and database. Department-wide communications linkage operates on old equipment with a limited capacity. VA's sensitive information has been reported as being vulnerable to attack or

misuse and is in need of heightened security. (NOTE: VA proposal is for service at the current level with no allotment for change and requests no increase in staffing. There is a proposed decrease in the funding of communications network and equipment.)

Total increases to Administration proposal: \$3,196,610,010 (\$3.2 billion)

**LETTER TO THE COMMITTEE ON THE BUDGET FROM
THE COMMITTEE ON VETERANS' AFFAIRS ON THE
VETERANS' BUDGET PROPOSED FOR FISCAL YEAR
2001**

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, February 25, 2000.

Hon. JOHN R. KASICH,
*Chairman, Committee on the Budget,
U.S. House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: We are writing in response to the Budget Committee's request that we provide our views by February 25, 2000, on the budget for fiscal year 2001 for programs in the jurisdiction of the VA Committee. Although the veteran population is declining, an unexpected record number of veterans are drawing disability compensation and using the VA's health care system. The National Cemetery System is predictably experiencing an increase in requests for burial services, a trend that will probably continue through the end of this decade.

In light of this increasing utilization of our Nation's services for veterans, there are two principles which guide our recommendations to your Committee. The first is that the general increase in productivity associated with the improved performance of businesses in the United States must be continuously examined for lessons that can be applied to the provision of veterans benefits and services. As stewards of this Nation's significant commitment to serve veterans, we can do no less. The second is that we must recognize when programs are not performing as intended, and make the necessary changes to assure that results meet Congress's and the American people's expectations. In the area of veterans health care and education, this means investing resources to provide better access to safer health care, and making sure that the Nation's most successful veterans readjustment program, the GI Bill, serves its intended purpose.

Medical Care.—The Administration's budget identifies a need for some \$1.4 billion in additional medical care funds for fiscal year 2001. Absent a good understanding of the VA health care system, one could question the rationale for this major increase in VA medical care funding on top of a record \$1.7 billion increase for this fiscal year. This is particularly so if one were only to examine current General Accounting Office (GAO) recommendations for closing VA hospitals.

However, this is a responsible budget which sets VA on a sound course. It sustains a trend of increased reliance on non-hospital

services and projects an ability to serve 3.9 million veterans, almost one million more veterans than were served in 1996. It specifically recognizes and plans for new costs to expand long-term care services to veterans residing outside of nursing homes and provide payments for emergency care for eligible veterans who have no other health coverage. At the same time, the budget also includes \$10 million in funding for independent market-based studies recommended by GAO to enable VA to develop plans for potential hospital mission changes (savings from which would not be realized in FY 2001). This budget also recognizes the ongoing needs which led Congress to increase VA medical care funding last year: increasing numbers of patients and associated delays in providing timely care, greater-than-inflationary increases in the costs of pharmaceuticals veterans need, required pay increases for VA employees, and anticipated costs of treating Hepatitis C. While providing needed funding for new requirements and unavoidable costs of operations, VA projects that it will continue to realize efficiencies in many areas of operation as well as in national procurement policies.

This is a complex budget, elements of which may exceed or fall short of projections. A significant new cost facing the Department results from enactment of legislation recommended by the Department to assist uninsured veterans who are in need of emergency care. Another new cost results from the overdue expansion of alternatives to nursing home care for older veterans. While estimating these new costs is necessarily imprecise, this budget's projections are in line with the VA Committee's estimates. It is important to recognize that many of the initiatives that the Department plans to undertake require substantial further policy development. The Department's emergency care authority, for example, requires the establishment of both a major regulatory framework and new administrative apparatus. With little progress to date in implementing these authorities, VA may not actually incur in full the costs projected for this type of care in FY 2001. On the other hand, continued growth in patient workload could contribute to both a greater increase in pharmaceutical costs than the 15 percent increase budgeted and to continued delays in providing timely care. Although workload is a key factor, it bears noting that policy changes in other governmental programs could substantially alter this budget's projections. Legislation expanding access to pharmaceuticals under the Medicare program or improving DoD's TRICARE program for military retirees, for example, would likely result in many veterans substantially diminishing their use of VA services, or foregoing VA services entirely.

The Administration has unwisely included as part of the medical care budget a proposal that Congress amend the Veterans Millennium Health Care and Benefits Act, Public Law 106-117 (the Act), to redirect new receipts to the Treasury. The VA Committee rejects this proposal. While the Administration is requesting a record level of funding for VA medical care, it also recommends requiring the deposit in the Treasury of the first \$350 million in collections authorized under the Millennium Act. The Administration's receipts target for FY 2001 must also be questioned. The Committee had anticipated that the Act's costs would ultimately be partially offset

by new receipts. But more than half of the \$350 million receipts target identified in the budget depend on Department of Defense reimbursements for care furnished to higher-income, TRICARE-eligible military retirees under section 113 of the Act. The Act, however, provides for a phased implementation of section 113, tied to the renegotiation of existing TRICARE contracts. With the first such contract renegotiation and award not occurring before the summer of 2001, there is no plausible scenario under which VA could receive any significant reimbursements for care in the coming fiscal year, let alone the projected \$180 million.

In sum, while untested assumptions and projections in this budget could heighten the challenge of meeting VA's goal of providing timely care to all veterans who seek it, a \$1.4 billion increase in medical care appropriations should meet VA's core requirements.

Medical Research.—While recognizing the need to increase medical care funding in FY 2001, the Administration budget proposes to freeze VA medical research funding. Given inflation and required salary increases, flat funding is like a 10 percent cut. The decision not to provide an increase in this account is in striking contrast to this Administration's call for "a bold course of strategic growth" for science and technology, and its proposed 6 percent increase for National Institutes of Health funding and 17 percent increase in National Science Foundation funding.

The Department acknowledges the importance of a strong research program to maintaining its medical care program. In the interests of maintaining a strong medical and research program, the VA Committee recommends the appropriation of an additional \$25 million (an 8 percent increase) for VA medical research. Of that amount, \$11 million is needed to prevent erosion of VA's current level of research activity. Another \$3 million is requested to support new centers of excellence to investigate new treatments for Parkinson's Disease, and the remainder to further VA's important work on patient safety and other high priority areas.

Construction.—There are differing views regarding VA's need for additional construction funds, but the most clear-cut instance of underfunding is in the State Veterans home construction grant program for which the Administration proposes only \$60 million—an unwise \$30 million reduction from the enacted level for fiscal year 2000. In proposing this reduction, the Administration's budget does not reflect the enactment of legislation last year (in the Millennium Act) which requires VA to fund a list of long-pending projects and to revise the priorities for the award of new grants. The proposed reduction in funding would defer for still another year up to \$17 million in Congressionally approved projects, and another \$70 million in applications submitted by states which have already appropriated the state's 35 percent share of funding. In light of the large backlog of pending projects, the VA Committee recommends that this account be increased by \$80 million to \$140 million.

The VA Committee is aware that the Department, through its own planning and review processes, has identified a number of major construction projects which were not included in the Administration's budget. The VA Committee notes the Department's plan to conduct market-based assessments of its capital asset needs, and

ventures no view at this time as to the merits or relative merits of VA's pending projects. The VA Committee does intend to hold hearings early this year to review the Department's construction priorities and capital asset plans.

Montgomery GI Bill (MGIB) and Other Educational Assistance Programs.—The recruiting success of the All-Volunteer Force and the MGIB educational assistance program are inextricably linked. Even though total Department of Defense recruiting requirements declined by 33 percent between 1989 and 1998, the Army, Navy, Air Force and Coast Guard are experiencing serious recruiting challenges. “Money for college” ranks as the major reason young men and women give for enlisting. However, many youth do not enlist because financial aid abounds for those who do not serve in the military. In addition, the purchasing power of the MGIB basic benefit has eroded dramatically for veterans who wish to use it as a transition tool. Figures furnished by the College Board show that in academic year 1998–1999 the MGIB covered only 54 percent of tuition and expenses for a commuter student at a four-year public college. Further, the VA Committee notes that Survivors' and Dependents' Educational Assistance benefits provided to the surviving spouse and dependent children of an individual who dies either on active duty or due to a service-connected cause similarly have not kept pace with college costs. Current benefits cover only 49 percent of the cost of a four-year public college education. The VA Committee will also consider a number of recommendations to make VA education programs more accessible to veterans. In light of the pressing need to improve the MGIB, the Committee recommends that the Budget Committee provide \$125 million in each of fiscal years 2001 and 2002 to fund a basic benefit increase and other improvements.

Veterans Benefits Administration.—The Department is proposing a 13 percent increase in funding for the Veterans Benefits Administration (VBA). Factors compelling this recommended increase include a high incidence of errors in decisions on disability claims (32 percent national error rate in “core rating work” in 1999) and increases in the average time it takes to process an original compensation claim (from 161 days in 1995 to 205 days in 1999). A number of training and office automation initiatives would be funded with this proposed higher level of funding, some of which are long overdue. Additional personnel will be added to the VA's “Compensation and Pension” activity to permit more intensive training of personnel and to address claims backlogs. However, even this increased level of resources will probably not have a significant effect on results because of: 1) the increasing complexity in the body of law governing disability claims; 2) the projected loss of highly experienced decisionmakers; and, 3) an increased propensity of separating servicemembers to file disability claims, many of which involve multiple claimed disabilities.

The VA Committee has supported the Department's proactive initiatives to redirect FTEE from non-compensation and pension (C&P) programs into C&P claims adjudication in light of claims “backlogs.” In FY 2000 and 2001, VA will have redirected 45 FTEE from administration of the MGIB and various other education pro-

grams to C&P claims adjudication. The VA Committee recommends caution in further transfers of FTEE from the education program at a time when average days to complete original education claims continues to increase. Further, without benefit of additional FTEE, VA's four regional processing offices have assumed responsibility from the 57 regional offices for administering a nationwide, toll-free education programs telephone service.

Veterans Employment.—With respect to the Veterans' Employment and Training Service of the U.S. Department of Labor, the VA Committee's hearings have found that the current Local Veterans Employment Representative/Disabled Veterans Outreach Program contains no incentives to reward success or penalize failure. Individual states that place small percentages of veterans in jobs year after year receive grant funds in the same manner as states that consistently place larger percentages. The VA Committee expects to examine a number of possible initiatives including: (a) an allocation system that would require states to compete among themselves for available dollars based on performance; (b) an incentive system that would authorize up to \$10 million annually for exemplary performance; and, (c) consistent with the Vice President's initiative to reduce Federal monopolies, provide the Secretary of Labor explicit authority to compete veterans' employment and training services in states that do not demonstrably improve services within two years.

A summary table of the VA Committee's recommendations follows.

Sincerely,

Bob Stump,
Chairman

Lane Evans,
Ranking Democratic Member

Enclosure.

Comparison of President's Proposed Budget, Independent Budget and VA Committee Recommendations for the Department of Veterans Affairs (Budget Authority in millions)

	FY 1999 Enacted	FY 2000 Enacted	FY 2001 Admin. Request	Admin. Request +/- 2000	Indep. Budget (IB)	IB +/- F Request
Medical Care (including receipts)	17,818	19,499	20,890	+1,391	20,766*	-124
Research	316	321	321	...	386	+65
Major Construction	142	65	62	-3	176	+114
Minor Construction	175	160	162	+2	191	+29
State Nursing Home Grants	90	90	60	-30	84	+24
Veterans Benefits Administration	809	858	999	+140	931	-68
National Cemetery Administration	92	97	110	+13	115	+5
State Cemetery Grants	10	25	25	...	19	-6
Total VA Discretionary Including MCCF Receipts*	19,786	21,459	22,971	+1,512	23,010	+39
Readjustment Benefits	1,175	1,469	1,664	+195		

*The Independent Budget (IB) advocates that all funding for medical care be provided through appropriations. Therefore the IB Medical Care amount ~~does not~~ include MCCF receipts.

**The VA Committee Recommendation assumes no change in present law regarding "Millennium Bill" receipts. Thus individual facility budgets will be augmented to the extent VA actually implements this collection authority.

ADDITIONAL VIEWS ON THE DEPARTMENT OF VETERANS AFFAIRS
BUDGET FOR FY 2001 OF HONORABLE BOB FILNER

On February 17, 2000, the House Committee on Veterans' Affairs met to conduct a hearing on the Department of Veterans Affairs fiscal year 2001 budget. I am pleased that the Administration's budget for the year 2001 recognizes that the men and women who have served in uniform deserve an adequate budget for the Department of Veterans Affairs (VA).

The \$1.4 billion increase in the health care budget will assure our aging and disabled veterans who need medical care, especially long term care, emergency care and specialized services that their needs are a high priority. I join my colleagues and the authors of the Independent Budget in objecting to the proposal that \$350 million of new resources for medical care authorized by the Veterans Millennium Health Care and Benefits Act be deposited to the Treasury. Funds collected from veterans for the provision of veterans' health care should be used to enhance the health care provided to veterans and not as a substitute for appropriated dollars.

I wish to emphasize my continuing concern that VA is not adequately meeting the benefit and health care needs of those veterans who served in the Gulf War and who now suffer from various diagnosed and undiagnosed disabilities. It has been almost ten years since the men and women of our Armed Services were sent to the Gulf. The veterans of the Gulf War are sick with illnesses whose causes and cures remain a mystery. We must not relax our efforts to fund necessary and appropriate research. I join the authors of the Independent Budget in supporting an increase in funding for VA medical research and specifically request that the medical research budget be increased by \$65 million as recommended in the Independent Budget and that at least \$30 million of that increase be directed to research involving the health of Gulf War veterans.

As our veteran population ages, the need for long-term care increases. One means of providing access to such care is through the funding of State Veterans Homes, such as we have in California. I am opposed to the proposed decrease in funding for State Homes and urge the Budget Committee to increase funding for this important program as recommended by the Full House Committee on Veterans Affairs.

I am also pleased that this Administration has recognized what Members of Congress have known for years. Additional personnel are needed if VA is to promptly and accurately adjudicate claims for compensation and pension benefits. This budget will help to provide a well-trained corps of adjudicators to replace those who are nearing retirement age. Necessary improvements to the claims adjudication system will not achieve instant results. I want to emphasize that the continued loss of experienced adjudicators over the past seven years, together with an increased workload in the number of issues which must be decided in each claim, have led to serious problems of quality and timeliness. The increased staffing in this budget is essential to stem the tide of deterioration in claims processing.

As a former college professor, I recognize the value of a quality education for our Nation's veterans. I am disappointed that no increase for the G.I. Bill is provided in the Administration's budget. Currently, the G.I. Bill provides far less than is needed to obtain an education at a public institution. I support raising the basic education benefit.

As we honor our veterans during their lives, so must we honor their remembrance in death. The Administration's increase in funding for the National Cemetery System will improve the appearance of our cemeteries by a long-overdue and much needed renovation of grounds, gravesites and grave-markers. I urge the Budget Committee to fund the National Cemetery Administration and the State Cemetery Grants at the levels recommended by the Committee.

REPRESENTATIVE BOB FILNER

STATISTICAL DATA—WAR VETERANS AND DEPENDENTS

(AS OF OCTOBER 2000)

AMERICAN REVOLUTION (1775–1783)

Total Servicemembers.....	217,000
Battle Deaths.....	4,435
Non-mortal Woundings.....	6,188
Last Veteran, Daniel F. Bakeman, died April 5, 1869,.....	109
Last Widow, Catherine S. Damon, died November, 11, 1906,	age 92
Last Dependent, Phoebe M. Palmeter, died April 25, 1911,	age 90

WAR OF 1812 (1812–1815)

Total Servicemembers.....	286,730
Battle Deaths.....	2,260
Non-mortal Woundings.....	4,505
Last Veteran, Hiram Cronk, died May 13, 1905,.....	age 105
Last Widow, Carolina King, died June 28, 1936,.....	age unknown
Last Dependent, Esther A.H. Morgan, died March 12, 1946,	age 89

INDIAN WARS (approx. 1817–1898)

Total Servicemembers.....	¹ 106,000
Battle Deaths.....	¹ 1,000
Last Veteran, Fredrak Fraske, died June 18, 1973,.....	age 101

MEXICAN WAR (1846–1848)

Total Servicemembers.....	78,718
Battle Deaths.....	1,733
Other Deaths in Service.....	11,550
Non-mortal Woundings.....	4,152
Last Veteran, Owen Thomas Edgar, died September 3, 1929,	age 98
Last Widow, Lena James Theobald, died June 20 1963,	age 89
Last Dependent, Jesse G. Bivens, died November 1, 1962,	age 94

CIVIL WAR (1861–1865)

Total Servicemembers (Union).....	2,213,363
Battle Deaths (Union).....	140,414
Other Deaths in Service (Union).....	224,097
Non-mortal Woundings (Union).....	281,881
Total Servicemembers (Confederate).....	1,050,000
Battle Deaths (Confederate).....	74,524
Other Deaths in Service (Confederate).....	² 59,297
Non-mortal Woundings (Confederate).....	Unknown
Last Union Veteran, Albert Woolson, died August 2, 1956,	age 109
Last Confederate Veteran, John Salling, died March 16, 1958,	age 112

SPANISH-AMERICAN WAR (1898–1902)

Total Servicemembers (Worldwide)	306,760
Battle Deaths	385
Other Deaths in Service	2,061
Non-mortal Woundings	1,662
Last Veteran, Nathan E. Cook, died September 10, 1992, age 106	

WORLD WAR I (1917–1918)

Total Servicemembers (Worldwide)	4,734,991
Battle Deaths	53,402
Other Deaths in Service	63,114
Non-mortal Woundings	204,002
Living Veterans	2,416

WORLD WAR II (1940–1945)

Total Servicemembers (Worldwide)	16,112,566
Battle Deaths	291,557
Other Deaths in Service	113,842
Non-mortal Woundings	671,846
Living Veterans	5,559,489

KOREAN CONFLICT (1950–1953)

Total Servicemembers (worldwide)	5,720,000
Battle Deaths	33,686
Other Deaths (In theater)	2,830
Other Deaths in Service	17,730
Non-mortal Woundings	103,284
Living veterans	3,945,801

VIETNAM ERA (1964–1975)

Total Servicemembers (Worldwide)	9,200,000
Battle Deaths	47,410
Other Deaths (In Theater)	10,788
Other Deaths in Service	est. 32,000
Non-mortal Woundings	153,303
Living Veterans	8,055,023

GULF WAR (1990–1991)

Total Servicemembers (Worldwide)	2,322,332
Battle Deaths	148
Other Deaths (In Theater)	235
Other Deaths in Service	914
Non-mortal Woundings	467
Living Veterans	¹ 1,753,530

AMERICA'S WARS TOTAL

Military Service During War	42,303,460
Battle Deaths	650,954
Other Deaths in Service (In Theater)	13,853
Other Deaths in Service (Non-Theater)	524,605
Non-mortal Woundings	1,431,290
Living War Veterans	¹ 19,316,259
Living Ex-Servicemembers	¹ 24,411,562

Veterans and Dependents on the Compensation and Pension Rolls

(As of October 2000)

	VETERANS	CHILDREN	PARENTS	SURVIVING SPOUSES
Civil War		13		1
Indian Wars		1		1
Spanish-American War		264		438
Mexican Border	12	25		206
World War I	219	6,068	1	29,195
World War II	679,426	18,981	1,639	278,851
Korean Conflict	255,430	4,127	1,675	64,512
Vietnam Era	847,326	13,713	6,448	112,746
Gulf War	322,621	8,078	347	5,875
TOTAL WARTIME	2,105,034	51,270	10,110	491,825

NOTE: Figures on the number of living veterans are projected from the final 1990 Census data and include only veterans living in the U.S. and Puerto Rico. Periods of service used in Census data may differ slightly from those of DOD. Although Gulf War figures are shown for the peak 1990–1991 period, the Gulf War period has not yet been officially terminated.

Source: Department of Defense, unless otherwise indicated.

“Other Deaths in Service” is the number of servicemembers who died while on active duty, other than those attributable to combat, regardless of the location or cause of death.

¹ VA estimate

² An estimated additional 26,000 to 31,000 died in Union prisons.

