

Bill Lawson, National President, Paralyzed Veterans of America

Annual Legislative Presentation

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Paralyzed Veterans of America

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Chairman Murray, Chairman Miller and members of the Committees, I appreciate the opportunity to present the legislative priorities for 2012 of Paralyzed Veterans of America (Paralyzed Veterans). Since its founding, Paralyzed Veterans has developed a worthy record of accomplishment, of which we are extremely proud. Again, this year, I come before you with our views on the current state of veterans' programs and services and recommendations for continued improvement in the services and benefits provided to veterans.

**BACKGROUND**—Paralyzed Veterans was founded in 1946 by a small group of returning World War II veterans, all of whom had experienced catastrophic spinal cord injury and who were consigned to various military hospitals throughout the country. Realizing that neither the medical profession nor government had ever confronted the needs of such a population, the returning veterans decided to become their own advocates and to do so through a national organization.

From the outset the founders recognized that other elements of society were neither willing nor prepared to address the full range of challenges facing individuals with a spinal cord injury, be they medical, social, or economic. Paralyzed Veterans' founders were determined to create an organization that would be governed by the members, themselves, and address their own unique needs. Being told that their life expectancy could be measured in weeks or months, these individuals set as their primary goal actions that would maximize the quality of life and opportunity for all veterans and individuals with spinal cord injury—it remains so today. To achieve its goal over the years, Paralyzed Veterans has established ongoing programs of research, sports, service representation to secure our members' and other veterans' benefits, advocacy in promoting the rights of all citizens with disabilities, architecture promoting accessibility, and communications to educate the public about individuals with spinal cord injury. We have also developed long-standing partnerships with other veterans' service organizations. Paralyzed Veterans, along with AMVETS, Disabled American Veterans, and the Veterans of

Foreign Wars, co-author The Independent Budget—a comprehensive budget and policy document that has been published for 26 years.

Today, Paralyzed Veterans is the only congressionally chartered veterans' service organization dedicated solely to the benefit and representation of veterans with spinal cord injury or disease.

**SUFFICIENT, TIMELY AND PREDICTABLE FUNDING FOR VA HEALTH CARE**—As the country faces a difficult and uncertain fiscal future, the Department of Veterans Affairs (VA) likewise faces significant challenges ahead. Paralyzed Veterans has serious concerns about potential reductions in VA spending. We are especially concerned about steps VA has taken in recent years in order to generate resources to meet ever-growing demand on the VA health-care system. In fact, the FY 2013 Budget Request and FY 2014 advance appropriation budget proposal released by the Administration includes “management improvements,” a popular gimmick used by previous Administrations to generate savings and offset the growing costs to deliver care. Unfortunately, these savings are often never realized leaving VA short of necessary funding to address ever-growing demand.

Of even greater concern to Paralyzed Veterans is the VA's claim in the FY 2013 Budget Request that it was provided nearly \$3.0 billion in excess resources in FY 2012 and more than \$2.0 billion in excess resources in FY 2013. We question how the VA can make such a claim, particularly about FY 2012, when there remains fully six months in this current fiscal year (FY 2012). The claim of excess resources does not seem to match the all-too-common reports that we receive of understaffed facilities and unavailability of services.

Additionally, with regards to the FY 2013 Budget Request, Paralyzed Veterans has serious concerns about funding provided for Major Construction and non-recurring maintenance. While The Independent Budget recommends approximately \$2.7 billion for Major Construction for FY 2013, the Administration proposes to actually reduce funding from FY 2012 to FY 2013. For FY 2013, the Administration recommends approximately \$532 million, \$58 million less than the amount appropriated for in FY 2012. We also believe that the Administration continues to insufficiently fund non-recurring maintenance needs. By underfunding the infrastructure needs of the VA, the actual ability of the VA health care system to provide timely, quality health care is jeopardized thereby placing the health of veterans themselves at risk. It is time for the Administration and Congress to get serious about funding the construction and maintenance needs of the VA.

For FY 2013, the Administration recommends \$55.7 billion for total Medical Care spending. The Independent Budget recommends approximately \$57.2 billion for total medical care. In light of the VA's claims of excess resources, we urge Congress to remain vigilant to ensure that the proposed funding levels for FY 2013 are in fact sufficient to meet the continued growth in demand on the health care system.

As for the specific recommendations for advance appropriations for FY 2014 offered by the Administration, considering our concerns about the funding levels provided for FY 2012 and FY 2013, we believe that those estimates may be insufficient to meet the continuing increase in demand for health care services. We are also skeptical of the substantial increase in funding that the Administration calls for in the Medical Support and Compliance account for FY 2014. Given

the scrutiny on funding for administrative functions within the VA health care system, we are not certain that this projected increase truly reflects a wise investment in resources.

Moreover, we have serious concerns about the significant reduction in funding projected for Medical Facilities in FY 2014. While we understand that the Administration intends to transfer approximately \$320 million in resources and 1,080 FTE from Medical Facilities to Medical Services in FY 2014, this does not fully account for the reduction in funding. The Administration's proposal also reflects a plan to reduce funding for Non-Recurring Maintenance (NRM) by nearly \$300 million as well. This substantial decrease in NRM funding certainly cannot be justified given the massive backlog of maintenance and construction projects that currently exists. This fact is even more troubling given the Government Accountability Offices (GAO) findings in its report released last year on advance appropriations that identified deficiencies in NRM funding. We encourage the Committee to conduct aggressive oversight to ensure that the Administration is not cutting funding in these critical areas simply as a way to drive down its spending projections.

Finally, in light of the Administration's continued inability to determine its position with regards to sequestration, we have serious concerns about the fact that the VA claims to have nearly five percent in excess resources when it faces the prospect of up to a two percent reduction in funding under the rules of sequestration. We cannot emphasize enough the need for VA to state unequivocally that its programs will not be cut through sequestration. Otherwise, it is imperative that the Senate and House approve S. 2128 and H.R. 3895 respectively to ensure that VA health care programs are protected from consideration for spending reductions.

**PROTECTION OF THE VA HEALTH CARE SYSTEM, WITH A FOCUS ON SPECIALIZED SERVICES**—The VA is the best health care provider for veterans. Providing primary care and specialized health services is an integral component of VA's core mission and responsibility to veterans. Across the nation, VA is a model health care provider that has led the way in various areas of medical research, specialized services, and health care technology. In fact, the VA's specialized services are incomparable resources that often cannot be duplicated in the private sector. However, these services are often expensive, and are severely threatened by cost-cutting measures and the drive toward achieving management efficiencies.

Over the years, the VA has earned a reputation as a leader in the medical field for its quality of care and innovation in both the health care and medical research fields. However, even with VA's advances as a health care provider, some political leaders and policy makers continue to advocate for VA enrollment restrictions, use of vouchers, or increased fee basis care. Such changes to the Veterans Health Administration (VHA) would result in moving veterans from "veteran-specific" care within VA and into the private health care industry. Ultimately, these proposals would lead to diminution of VA health care services, and increased health care costs in the federal budget. Despite these recent calls for providing veterans with vouchers for private care or the expansion of fee basis care, Paralyzed Veterans strongly believes that VA remains the best option available for veterans seeking health care services.

The VA's unique system of care is one of the nation's only health care systems that provide developed expertise in a broad continuum of care. Currently, VHA serves more than 8 million veterans, and provides specialized health care services that include program specific centers for

care in the areas of spinal cord injury/disease, blind rehabilitation, traumatic brain injury, prosthetic services, mental health, and war-related poly-traumatic injuries. Such quality and expertise on veterans' health care cannot be adequately duplicated in the private sector.

Specialized services, such as spinal cord injury care, are part of the core mission and responsibility of the VA. These services were initially developed to care for the unique health care needs of veterans. The provision of specialized services is vital to maintaining a viable VA health care system. Specialized services are part of the primary mission of the VA. The erosion of these services would lead to the degradation of the larger VA health care mission. Reductions in beds and staff in both VA's acute and extended care settings have been reported, even though Public Law 104-262, "The Veterans' Health Care Eligibility Reform Act of 1996," mandated that VA maintain its capacity to provide for the special treatment and rehabilitative needs of veterans. In addition, Congress required that VA provide an annual capacity reporting requirement, to be certified or commented upon, by the Inspector General of the Department. Unfortunately, this basic reporting requirement expired in 2004.

Furthermore, restructuring plans and moves by some to begin moving down the path of privatization heighten the risk not only to specialized services, but to the entire VA health care system. With growing pressure to allow veterans to seek care outside of the VA, the VA faces the possibility that the critical mass of patients needed to keep all services viable could significantly decline. All of the primary care support services are critical to the broader specialized care programs provided to veterans. If primary care services decline, then specialized care is also diminished.

As VA services are catered to the needs of veterans, VHA has received excellent ratings from patient satisfaction surveys, and garnered much recognition for its national safety program. The VA's system of patient-centered and coordinated care helps to ensure safe and consistent delivery of services. Additionally, independent research organizations have also found VA to be the lowest cost provider when compared to private health care systems. Paralyzed Veterans will continue to oppose any efforts that place the VA health care system at risk of being unable to properly meet the health care demands of veterans, particularly veterans with spinal cord injury or dysfunction.

**LONG-TERM CARE**—Paralyzed Veterans continues to be concerned about the lack of VA's long-term care services for veterans with spinal cord injury or dysfunction (SCI/D). Approximately 6,000 of our members are now over 65 years of age and another 7,000 are currently between 55 and 64. These aging veterans are experiencing an increasing need for VA's home and community-based services and VA's specialized SCI/D nursing home care.

The ability to remain in the home for many of these veterans is based on their ability to receive VA home and community-based services such as hospital based home care or respite services. For others, their living status and independence is based on the health of a primary caregiver, usually a spouse, who is also aging and may no longer be able to provide the level of support they once could. VA's non-institutional long-term care services are keys to supporting aging SCI/D veterans and their caregivers and their desires to remain home as they grow older.

Unfortunately, the ability of veterans with SCI/D to access a full range of VA home and community-based care varies across the country. Waiting lists exist at almost all VA facility locations and many other VA facilities don't offer the full range of services mandated by the "Millennium Health Care Act." Additionally, VA program geographic boundaries often limit access to long-term care services provided by a regional VA SCI center.

The availability of these services is necessary to support veterans with SCI/D and their aging caregivers in their own homes, where they most want to be, and at a dramatically lower cost of care to VA. Paralyzed Veterans requests that your Committees encourage VA to provide the full range of home and community-based long-term care services, as mandated by P.L. 106-117, the "Veterans Millennium Health Care and Benefits Act of 1999," at each and every VA facility within the system.

Regarding specialized SCI/D nursing home care, VA currently only provides specialized nursing home care services for veterans with SCI/D in four locations. Combined these four locations only provide 152 staffed specialized nursing home care beds and they are all located east of the Mississippi River. While the VA CARES process called for additional SCI/D nursing home care beds the VA construction process has been slow to respond. CARES called for additional beds to be located in Cleveland, Ohio; Long Beach, California and in Memphis, Tennessee. Of those recommended sites for expansion of capacity, only Cleveland has been placed into service within the VA system providing long-term care services to SCI/D veterans. Additionally, several sites are in various stages of the design process for expansion of long-term care capacity, with Dallas, Texas being included in the funding request for Major Construction for FY 2013. After almost 10 years, Paralyzed Veterans is still pushing VA to proceed with the additional recommendations.

Similarly, the provision of Special Monthly Compensation (SMC) and Aid & Attendance (A&A) benefits afford veterans with catastrophic disabilities the opportunity to access long-term care options that ordinarily may cost too much. With this in mind, we believe that the Committees need to address the well-established shortfall in the rates of Special Monthly Compensation (SMC) paid to the most severely disabled veterans that the VA serves. SMC represents payments for "quality of life" issues, such as the loss of an eye or limb, the inability to naturally control bowel and bladder function, the inability to achieve sexual satisfaction or the need to rely on others for the activities of daily life like bathing, or eating. To be clear, given the extreme nature of the disabilities incurred by most veterans in receipt of SMC, we do not believe that the impact on quality of life can be totally compensated for; however, SMC does at least offset some of the loss of quality of life.

Paralyzed Veterans believes that an increase in SMC benefits is essential for veterans with severe disabilities. Many severely injured veterans do not have the means to function independently and need intensive care on a daily basis. Many veterans spend more on daily home-based care than they are receiving in SMC benefits. This fact was supported by the testimony of numerous witnesses at a hearing conducted by the House Veterans' Affairs Subcommittee on Disability Assistance and Memorial Affairs in July 2009.

Additionally, one of the most important SMC benefits to Paralyzed Veterans is Aid and Attendance (A&A). Paralyzed Veterans would like to recommend that Aid and Attendance benefits should be appropriately increased. Attendant care is very expensive and often the Aid

and Attendance benefits provided to eligible veterans do not cover this cost. In fact, many Paralyzed Veterans members who pay for full-time attendant care incur costs that far exceed the amount they receive as SMC-Aid and Attendant beneficiaries at the R2 compensation level (the highest rate available). We encourage the Committees to consider legislation that specifically address increases to the R1 and R2 rates for SMC and A&A benefits soon.

**PROTECTING VETERANS BENEFITS WHILE MODERNIZING THE VA CLAIMS PROCESS**— Paralyzed Veterans believes that VA benefits have no place in deficit reduction efforts. VA disability compensation is a benefit provided because an individual became disabled in service to the country. In addition, many ancillary benefits—particularly Specially Adapted Housing benefits, adaptive automobile assistance, and vocational rehabilitation—are provided to service connected disabled veterans. Moreover, education benefits, such as the Post-9/11 GI Bill, are earned through service. These benefits reflect the debt of gratitude this nation owes the men and women who served in uniform and recognize the challenges they face every day as a result of their service. Any attempt to reduce or modify eligibility criteria would be considered an abrogation of the responsibility that this nation has to veterans and would be wholly unacceptable. Additionally, reduction in funding for VA pension programs would place veterans who live on the financial margins to face the prospect of poverty and homelessness.

At the same time, we must remain engaged as the VA claims process evolves and as the VA continues an extensive revision of the VA schedule of rating disabilities (VASRD) even as Congress begins to express interest in leaving its own mark on how the VASRD should be rewritten. The Veterans Benefits Administration (VBA) is currently engaged in the process of updating all 15 of the body systems governed by the VASRD. Additionally, it has committed to regularly updating the entire VASRD every five years. VBA indicated in testimony earlier this year that the review process for all 15 body systems is in various stages of completion, ranging from interim final rules being written to already having been posted for public review in the Federal Register.

As this review process continues, Paralyzed Veterans must emphasize what we believe is one of the most important aspects of a revision to the ratings schedule—the consideration of quality of life as a component of a new ratings schedule. Members of Congress, the VA, and various stakeholders including the veterans’ service organization community have expressed support for this idea as well. The schedule for rating disabilities is meant to reflect not just the average economic impairment but the impact of a lifetime of living with a disability and the everyday challenges associated with that disability.

Paralyzed Veterans also appreciates the interest and effort that has been given to updating and modernizing the VA disability system in recent years. However, it is important to note that success in reforming the VA claims processing system will require the Veterans Benefits Administration (VBA) to institutionalize the ongoing transformation process at all levels to develop a work culture that values, measures, reports and rewards quality and accuracy over speed and production.

The VBA is entering its third year of its most recent effort to transform an outdated, inefficient, and inadequate claims-processing system into a modern, automated, rules-based and paperless system. VBA has struggled for decades to provide timely and accurate decisions on claims for

veterans' benefits, especially disability compensation. However, despite repeated prior attempts to reform the system, VBA has never been able to reach the goals it has set for itself. Whether VBA can be successful this time depends to a large extent on whether it can complete a cultural shift away from focusing on speed and production to a business culture of quality and accuracy.

There have been some encouraging steps towards such a cultural shift over the past two years; however, this early progress must be institutionalized in order to create the long term stability needed to eliminate the current backlog of claims, and more importantly, prevent such a backlog from returning in the future. VBA must change the way it measures and reports the work it performs as well as the way in which employees are rewarded, in order to reflect the principle that quality and accuracy are at least as important as speed and production. Ensuring that decisions are correct the first time will, over time, increase public confidence in the VA and decrease appeals.

One of the more positive steps that has occurred as a part of VBA's transformation has been the open and candid attitude of VBA's leadership over the past several years, particularly progress towards developing a new partnership between VBA and veterans' service organizations who assist veterans in filing claims. Veterans' service organizations have vast experience and expertise in claims processing, with local and national service officers holding power of attorney (POA) for hundreds of thousands of veterans and their families. We can make VBA's job easier by helping veterans prepare and submit better claims, thereby requiring less time and resources to develop and adjudicate them. Veterans' service organizations have been increasingly consulted on a number of the new initiatives underway at VBA, including Disability Benefit Questionnaires (DBQs), the Veterans Benefit Management System (VBMS), and many, but not all business process pilots, including the I-LAB at the Indianapolis VA Regional Office. Building upon these efforts, VBA must continue to reach out to its veterans' service organization partners, not just at central office, but also at each of the 57 Regional Offices.

Ultimately, we remain hopeful that the VA may finally be making real progress towards meaningful reform to the claims process that will ensure veterans receive accurate decisions the first time. However, it will be incumbent upon the Committees to conduct substantive oversight on VBA's activities to ensure that the primary objective—accurate decisions the first time—is being achieved.

**INCREASE IN CHAMPVA BENEFICIARY AGE**—The Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) is a comprehensive health care program in which the VA shares the cost of covered health care services for eligible beneficiaries, including children up to age 21. Due to the similarity between CHAMPVA and the Department of Defense (DOD) TRICARE program the two are often mistaken for each other. However, CHAMPVA is a VA managed program whereas TRICARE is a health care program for active duty service members, military retirees and their families and survivors.

All commercial health insurance coverage along with TRICARE has increased the age for covered dependents from 21 years of age to 26 years, in accordance with the provisions of P.L. 111-148, the "Patient Protection and Affordable Care Act." At this time the only qualified dependents that are not covered under a parent's health insurance policy up to age 26 are those of 100 percent service-connected disabled veterans covered under CHAMPVA.

To address this issue legislation has been introduced in the 112th Congress that would increase the age for dependents covered by CHAMPVA to 26 years old. The House bill is H.R. 115, and its Senate companion is S. 490. We believe that these bills should be passed by Congress and quickly enacted into law to ensure that dependent children of severely disabled veterans are afforded the same health care protection as all other children.

#### IMPROVE TRAVEL BENEFITS FOR CATASTROPHICALLY DISABLED VETERANS—

Currently the VA does not provide travel reimbursement for catastrophically disabled non-service connected veterans who are seeking inpatient medical care. Expanding VA's beneficiary travel benefit to this population of severely disabled veterans will lead to an increasing number of catastrophically disabled veterans receiving quality comprehensive care, and result in long-term cost savings for the VA.

Too often, catastrophically disabled veterans choose not to travel to VA medical centers for care due to significant costs associated with their travel. When these veterans do not receive the necessary care, the result is often the development of far worse health conditions and higher medical costs. For veterans who have sustained a catastrophic injury like a spinal cord injury or disorder, timely and appropriate medical care is vital to their overall health and well-being. When these veterans do not receive the prescribed care, associated illnesses quickly manifest and create complications that often result in reoccurring hospitalizations and long-term, if not permanent, medical conditions that diminish veterans' overall quality of life and independence.

It is for this reason that legislation in both the House and Senate Committees on Veterans' Affairs, H.R. 3687 and S. 1755, respectively, proposes to change Section 111 of title 38 U.S. Code to extend travel reimbursements for inpatient care to catastrophically disabled non-service connected veterans who have incurred a spinal cord injury or disorder, visual impairment, or multiple amputations. For this particular population of veterans, their routine annual examinations often require inpatient stays, and as a result, significant travel costs are incurred by these veterans. Eliminating the burden of transportation costs as a barrier to inpatient care, will improve veterans' overall health and well being, as well as decrease, if not prevent, future costs associated with both primary and long-term chronic acute care. Most importantly, extending VA's travel reimbursement benefit to catastrophically disabled, non-service connected veterans will improve their access to health care and help support full rehabilitation.

Paralyzed Veterans of America appreciates the opportunity to present our legislative priorities and concerns for the second session of the 112th Congress. We look forward to working with the Committees to ensure that sufficient, timely, and predictable resources are provided to the VA health care system so that eligible veterans can receive the care that they have earned and deserve. We also hope that the Committees will take the opportunity to make meaningful improvements to the benefits that veterans rely on.

Chairmen Murray and Miller, I would like to thank you again for the opportunity to testify. I would be happy to answer any questions you have.