JOSEPH A. VIOLANTE NATIONAL LEGISLATIVE DIRECTOR OF THE DISABLED AMERICAN VETERANS ON BEHALF OF THE PARTNERSHIP FOR VETERANS HEALTH CARE BUDGET REFORM

STATEMENT OF
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N ATION AL LEGISLATIVE D IRECTOR
OF THE
DISABLED AM ERICAN VETERANS
ON BEH ALF OF THE
PARTNERSH IP FOR VETERANS H EALTH CARE BUDGET REFORM
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SEN ATE
JULY 25, 2007

M r. Chairman and Members of the Committee:

We appreciate the opportunity to testify today about the funding process for the Department of Veterans Affairs (VA) health care system. I am testifying not only on behalf of Disabled American Veterans (DAV), but also the eight other national veterans service organizations along with DAV that make up the Partnership for Veterans Health Care Budget Reform (hereinafter, the Partnership): The American Legion; AM VETS; Blinded Veterans Association; Jewish War Veterans of the USA; Military Order of Purple Heart of the U.S.A.; Paralyzed Veterans of America; Veterans of Foreign Wars of the United States; and, Vietnam Veterans of America.

I would like to begin by thanking Chairman Akaka and Ranking Member Craig for holding this critical, and even historic, hearing. For more than a decade the Partnership has urged Congress to address and reform the basic discretionary appropriations system of funding VA health care. The VA health care system must be protected for millions of veterans who depend on it now as their only health care resource and will do so for many decades. This hearing is a key moment for Congress. There is an opportunity to create an enduring legacy of commitment to the long-term viability of the health care system dedicated to meeting the unique needs of our nation's veterans.

While we have waited a long time for today's hearing, the Partnership acknowledges and applauds the support of this Committee and your A ppropriations Committee colleagues who have elevated VA discretionary health care funding over the past several budget cycles and in particular this year's prospective increase of $6 billion in additional health care funding. Nevertheless, I hope to make clear to the Committee why funding problems persist and how Congress can solve this issue by enacting a reform that results in sufficiency, predictability and timeliness of VA health care funding.

Each year the President proposes a prospective budget and accompanying policies for the federal government. Based on the Views and Estimates reports from authorizing committees, including this Committee in the case of Budget Function 700, Veterans Benefits and Services, the Budget Committees create a Concurrent Resolution as a blueprint to execute that budget. The A ppropriations Committees allocate funds to carry out the purposes of that budget, guided by the Concurrent Resolution. The whole Congress and the President underwrite this system.

Executive Branch agencies carry out policies approved by Congress by spending the funds Congress appropriates for those purposes, approved through that process. It is intended to be a

balanced system, but for a variety of reasons that we will discuss in our testimony today, it does not work in the case of veterans health care.

No matter how accurate and precise the formulation methodology for the budget may be, the budget process itself impacts the appropriateness of the final resource outcome. For example, although the budget process is designed to accommodate multiple reviews and approvals it is often too cumbersome and long requiring seven review levels (the Veterans Health Administration; VA; the Office of Management and Budget; Congressional Authorizing Committees (H ouse and Senate) and Congressional A ppropriations Committees (H ouse and Senate); and 21 months (at a minimum) from initial formulation to the beginning of the budgeted fiscal year. The resultant budget, after multiple tactical adjustments, often lacks a clear strategic direction. Updates in estimates (during the 21 month span) are not encouraged after review officials lock-in to their approved levels. Review adjustments often lack precise calculations. Finally, the resultant budget is subject to delays in appropriations enactment often unrelated to veteran policy issues.

All veterans' programs, including its health care system, are dependent upon sufficient funding for the benefits and services provided by Congressional authorization. If Congress awards a benefit to veterans, that benefit or service should be appropriately funded by Congress. Finally, a level of funding should be provided to guarantee that benefits or services are actually available to a veteran in need. Unfortunately, the VA discretionary appropriations process often fails against that standard.

VA has been unable to manage or plan the delivery of care as effectively as it could have, as a result of perennially inadequate budget submissions from Presidents of both political parties; annual Continuing Resolutions in lieu of approved appropriations; late arriving final appropriations; offsets and across-the-board reductions; plus the injection of supplemental and even "emergency supplemental" appropriations to fill gaps. W e challenge this Co m m i ttee to identify an American business that could operate successfully and remain viable if, in 12 of 13 consecutive years, it had no advance confidence about the level of its projected revenues or the resources it needed to bring a product or service to market, no ability to plan beyond the immediate needs of the institution day-to-day, and no freedom to operate on the basis of known or expected need in the future. In fact this has been the situation in VA, with 12 out of 13 fiscal years beginning with Continuing Resolutions, creating a number of challenging conditions that are preventable and avoidable with basic reforms in funding. We believe that no commercial business in A merica could have withstood the degree of financial insecurity and instability VA has endured over a decade. The Partnership believes this situation needn't exist, and that Congress can m ake vast im provem ents w ith f unding ref orm legislation.

The Partnership is especially concerned about maintaining a stable and viable health care system to meet the unique medical needs of our nation's veterans now and in the future. The wars in Iraq and Afghanistan are producing a new generation of wounded, sick and disabled veterans, and some severe types at a poly-trauma level never seen before in warfare. A young American wounded in Central Asia today with brain injury, limb loss, or blindness will need the

VA health care system for the remainder of their lives. The goal of the Partnership is to see a long-term solution formed for funding VA health care to guarantee these veterans will have a dependable system for the foreseeable future, not simply next year. Reformation of the whole funding system is essential so federal funds can be secured on a timely basis, allowing VA to manage the delivery of care, and to plan effectively to meet known and predictable needs. In our

judgment a change is warranted and long overdue. To establish a stable and viable health care system, any reform must include suficiency, predictability, and timeliness of VA health care funding.

In past Congresses we have worked with both Veterans Affairs Committees to craft legislation that we believe would solve this problem if enacted. The current version of that bill is a House measure, the Assured Funding for Veterans Health Care Act, H.R. 2514, introduced on May 24, 2007, by Representative Phil Hare of Illinois with 77 original cosponsors and the Partnership's full endorsement. We note for the record that no Senate companion measure has been introduced in this Congress due to the illness of the expected chief sponsor, Senator Tim Johnson of South Dakota, a Member of this Committee. A number of public criticisms have been made of this bill and its predecessors, and I will address those concerns later in this statement. Suffice it to say that the Partnership believes even if each of those assertions about the bill were literally true, veterans still would have an improved funding system were that bill enacted than the one they have today under the current discretionary appropriations system.

We ask the Committee to consider all the actions Congress has had to take over only the past three years to find and appropriate "extra" funding to fill gaps left from the normal appropriations system. Please also consider the Administration's efforts to explain to Congress why VA was shortchanged by billions of dollars each year. These admissions were often very reluctantly made. In one case, the President was reduced to formally requesting two budget amendments from Congress within only a few days of each other.

Some members have opposed mandatory funding because it would cost too much; however, the recent Congressional Research Service report to Congress detailing the running expenditures for the global war on terror since September 11, 2001, revealed that veterans affairs-related spending constitutes one percent of the government's total expenditure. W ithout question, there is a high cost for war and caring for our nation's sick and disabled veterans is part of that continued cost. A report by a researcher at Harvard's Kennedy School predicted that federal outlays for veterans of the wars in Afghanistan and Iraq will arc between $350 billion and $700 billion over their life expectancies following military service[2]an amount in addition to what the nation already spends for previous generations of veterans. Thus, it is clear the government will be spending vast sums in the future to care for veterans, to compensate them for their service and sacrifice, but these funds will still only constitute a minute fraction of total homeland security and war spending. We believe funding VA health care is a cost of defense and war no less important than the weapons systems Congress authorizes in direct prosecution of the nation's defense.

From this hearing, after considering the testimony of witnesses and based thereon, we ask the Committee, in your fiscal year 2009 Views and Estimates to the Budget Committee that you inform them of your intention to report legislation creating a mandatory and guaranteed funding

system for VA health care in 2009, and that you recommend that they reserve sufficient funds to make that seminal change. If the Committee chooses a different method than offered in H .R. 2514 or a future Senate companion bill that is similar, we will examine that proposal to determine whether it meets our three essential standards for reform: suficiency, predictability, and timeliness of funding for VA health care. If that alternative fully meets those standards, our organizations will enthusiastically support it.

HISTORICAL PERSPECTIVE AND FURTHER JUSTIFICATION FOR REFORM

In 1996, Congress passed the Veterans' Health Care Eligibility Reform Act of 1996, Public Law 104-262, which changed eligibility requirements and the way health care was provided to

veterans. Greater numbers of veterans became eligible for health care benefits as a result of this act. As P.L. 104-262 was moving through Congress, Dr. Kenneth W. K izer, the then-Under Secretary of Health of the Veterans Heath Administration (VHA), submitted a major administrative reorganization plan to Congress under Title 38 United States Code, Chapter 5, Section 510(b). Since Congress expressed no disapproval of this proposal, this plan created 22 Veterans Integrated Service Networks (VISNs) 1 to replace the VA's four regional management divisions.

The decentralization of operations was seen as essential to prepare VA to function more effectively in manageable and integrated delivery networks²networks that would be more patient-centric and would rely on primary and preventive care rather than more intensive modes. Accentuated by authorities provided by P.L. 104-262, the VA health care system thereabout underwent significant reforms from an episodic and bed-reliant system of care to one in which veterans were enrolled and could expect continuity of care and health maintenance, including preventive services. The shift in focus from medical intervention in diseases afflicting veterans, to primary care to maintain their health, reflected a broader trend co-occurring in America's private health care sector. The shift allowed VA to close thousands of unnecessary hospital beds while establishing new facilities called Community-Based Outpatient Clinics (CBOCs) to provide more veterans more convenient access to care.

With encouragement from many Members of Congress as well as your Committee and national veterans service organizations, the VISNs outreached to veterans to enroll in a reformed V A health care system. As a result millions of veterans enrolled in V A health care for the first time in their lives. A decade later, VA health care is a remarkable success story of how to transform a troubled and overburdened system into a state-of-the-art provider. H arvard University's School of Public Health and the National Quality Research Center at the U n iv ersi ty of Michigan have both scored VA at the very top of American health care systems in terms of patient safety and medical outcomes. M ainstream publications, including Time, Newsweek, US News and World Report, Business Week, The Wall Street Journal, New York Times, Washington Post, Fortune, and the Washington Monthly, have all written major stories detailing VA's transformation over the past decade. Their investigations have confirmed that VA today is the highest quality, lowest cost health care system in the Nation.

1 The creation of the new VISN's began in 1995 in anticipation of the passage of the Act.

While Congress intended veterans to be able to secure an improved continuum of care, P.L. 104-262 underscored that VA health care operations would still be dependent upon appropriated resources.2 As early as 1993, the Partnership urged Congress to "guarantee" funding for VA health care if Congress decided to reform eligibility for that care. Unlike other health care benefits available to non-VA beneficiaries, this VA benefit is not "guaranteed." This has probably been the single most significant problem for VA during the past decade and the reason we appear here today. In sum, as a result of eligibility reform veterans have been rewarded with a more integrated VA health care system, a more comprehensive health care benefit and high quality, safe health care services. However, gaining and keeping access to that system is a continuing dilemma due to the uncertainty of duration of an individual's enrollment, VA's hobbled planning from lack of secured and predictable funding; budgetary gimmicks employed by VA and Office of Management and Budget (OM B) officials. Additionally, because of the Administration's policies, VA is constrained from publicly stat i n g their true fund i n g requirements.

Most importantly, eligibility reform eliminated fragmented care provisions in the statute and

enabled VA to appropriately streamline care for its veteran patients. It eliminated a tangled web of rules and internal VA policies that made individual health care eligibility decisions bureaucratic, complicated, confusing, and harmful to the health of veterans who depended on VA to meet their needs. Reforming eligibility corrected the artificial inefficiencies of the system, allowed it to treat more veterans, and enabled it to preserve the system, primarily for service-connected veterans, low income veterans and veterans with special needs. We believe that goal was, and still is, a sound one. Without question VA's success has led to unprecedented growth i n the system but we disagree with some who allege that eligibility reform created "the current funding problem" by enticing too many veterans to enroll. In our judgment the problem is not eligibility reform, but inadequate funding through the discretionary appropriations process.

PRESSURE BUILDS ON THE SYSTEM

In 2002 VA placed a moratorium on its facilities' marketing and outreach activities to veterans and determined there was a need to give the most severely service-connected disabled veterans a priority for care. This was necessitated by VA's realization that demand was seriously out-pacing available funding and other resources, and service-connected veterans were being pushed aside as VA's highest priority. On January 17, 2003, the Secretary announced a "temporary" exclusion from enrollment of veterans whose income exceeds geographically determined thresholds and who were not enrolled before that date. This directive denied health care access to 164,000 so-called "Priority Group 8" (PG8) veterans in the first year alone following that decision. To date over one million veterans have been denied access to VA health care under that policy. The then-Ranking Member of the House Veterans Affairs Committee was correct when, in response to the Secretary's decision to restrict enroll m ents of these veterans he stated, "The problem isn't that veterans are seeking health care from their health care system ²it's that the federal government is not making the resources available to address their needs." We agree.

2 "the extent and in the amount provided in advance in appropriations Acts for these purposes. Such lang uage is intended to clarify that these services would continue to depend upon discretionary appropriations." Taken from the Committee Report (H.Report 104-690) of the P.L. 104-262.)

M r. Chairman, the decision to exclude PG8 veterans from VA health care enrollment at the beginning of 2003 also must be taken into historical context. While VA was in the midst of unprecedented systemic²even revolutionary, change, Congress passed the Balanced Budget Act (BBA) of 1997, Public Law 105-33. That Act was intended to flat-line domestic discretionary federal spending, across the board, including funding for VA health care. As the effects of the BBA took hold during the three-year life of that law, VA's financial situation shifted from challenging to that of crisis. In 2000, at the urgings of both this Committee and your House counterpart, Congress relented and provided VA health care a supplemental appropriation of $1.7 billion. Nevertheless, a three-year funding drought built up conditions that could not easily be surmounted by one infusion of new funding. VA began queuing new veteran enrollees, the waiting list lengthened and rationing of care was commonly reported. Eventually, by 2002, the list of veterans waiting more than six months for their first primary care appointment inched toward 300,000 nationwide. Given an Administration that would not permit additional funding to stem the waiting list buildup, then-VA Secretary Principi, using the policy available to him, closed new enrollments of PG8 veterans and set about a plan to get the waiting list under control. Another consideration important to this discussion is that the BBA also authorized a ten-site "Medicare subvention" demonstration project within the Department of Defense (DoD) health

care system as a precursor to the advent of Medicare subvention in VA. This program eventually failed in DoD and, later known as "VA+Choice Medicare" and later still, "VAAdvantage," never got off the ground due to opposition from the Office of Management and Budget (OM B) and the Department of Health and Human Services. This failure meant that no Medicare funds would ever be received by VA for the care it had been providing (and is still providing) to fully Medicare-eligible veterans receiving care as enrolled VA patients, at a huge cost avoidance savings to the Medicare trust fund. At least 55 percent of VA's enrolled population is concurrently eligible for M edicare coverage. M any PG8 veterans, in and out of VA, would be Medicare eligible as well.

PRESIDENT'S TASK FO

An additional perspective to consider with respect to addressing funding reform is that of the President's Task Force to Improve Health Care Delivery for Our Nation's Veterans (PTF). Dr. Gail Wilensky, Co-Chair of that task force, testified before the House Committee on Veterans' Affairs on March 26, 2003, two months following the exclusion of PG8 veterans from VA enrollment. She stated:

"As I noted earlier, as the Task Force addressed issues set out directly in our charge, we invariably kept coming up against concerns relating to the current situation in VA in which there is such a mismatch between the demand for VA services and the funding available to meet that demand. It was clear to us that, although there has been a historical gap between demand for VA care and the funding available in any given year to meet that demand, the current mismatch is far greater, for a variety of reasons, and its impact potentially far more detrimental, both to VA's ability to furnish high quality care and to the support that the system needs from those it serves and their elected representatives.

The PTF members were very concerned about this situation, both because of its direct impact on VA care as well on how it impacted overall collaboration [w it h D oD]. Our discussion on the mismatch issue stretched over many months and, as anyone following the work of the Task Forces already knows, it was the area of the greatest diference of opinion among the members. Although we did not reach agreement on one issue in the mismatch area - that is, the status of veterans in Category 8, those veterans with no service-connected conditions with incomes above the geographically adjusted means test threshold - we were unanimous as to what should be the situation for veterans in Categories 1 through 7, those veterans with service-connected conditions or with incomes below the income threshold."

While the Partnership supports opening the system to new PG8 veterans who need care, we must surmise based on the above historical recounting and our analysis that the readmission of PG8 veterans to VA, absent a major reformation of VA's funding system, could stimulate and trigger a new funding crisis in VA health care. While Congress is poised to add a significant new discretionary funding increase to VA medical accounts for fiscal year 2008²one that we deeply appreciate²we are uncertain that even that generous increase will be sufficient to offset all of VA's financial shortfalls. Also, it should be pointed out that the needs of re-admitted veterans would be challenging for VA's human resources and capital programs. We are concerned whether sufficient health professional manpower could be recruited to enable VA to put them i n to place in an orderly fashion to meet this new demand. Also, VA's physical space may be insufficient to accommodate the new outpatient visits that PG8 patients would likely generate. These practical problems are but additional proof that funding reform should accompany readmission of PG8 veterans into the system.

The question about PG8 veterans reenrolling in VA health care is not a question only about them and their needs for health care. It is also a larger question about the sufficiency, reliability and dependability of the current system of funding VA health care through the domestic discretionary appropriations process. Until those reforms are enacted to guarantee that on October 1 of each year, VA will have a known budget in hand, will have the means and methods to spend those funds in accordance with need, and that VA's budget will be based on a stable, predictable and sufficient methodology, we are concerned about immediate readmission of PG8 veterans.

FACTS ON ASSURED FUNDING FOR VA HEALTH CARE

Mr. Chairman, in recent years we have heard a number of reasons put forward as to why converting VA health care to mandatory funding would fail, whether from the bill we recommend or through other models to achieve that purpose. We summarize those concerns here and ask the Committee to consider them and our responses.

MYTHS and REALITY

M Y T H: Congress would lose oversight over the VA health care system if VA shifted from discretionary to mandatory funding.

REALITY: While funding would be removed from the direct politics, uncertainties, and capriciousness of the annual budget-appropriations process, Congress would retain oversight of VA programs and health care services[2]as it does with other federal mandatory programs. Guaranteed funding for VA health care would free members of Congress from their annual budgetary battles to provide more time for them to concentrate on oversight of VA programs and services.

M Y T H: Mandatory funding creates an individual entitlement to health care.

REALITY: The Assured Funding for Veterans Health Care Act would shift the current funding for VA health care from discretionary appropriations to mandatory budget status. The Act makes no other changes. It does not expand eligibility for an individual veteran, make changes to the benefits package, or alter VA's mission.

M Y T H: Guaranteed funding would open the VA health care system to all veterans.

REALITY: The Health Care Eligibility Reform Act of 1996 theoretically opened the VA health care system to all 27 million veterans; however, it was never anticipated that all veterans would seek or need VA health care. Most veterans have private health insurance and will likely never elect to use the system. The Secretary is required by law to make an annual enrollment decision based on available resources. This bill would not affect the Secretary's authority to manage enrollment, but would only ensure the Secretary has sufficient funds to treat those veterans enrolled for VA health care.

M Y T H: Guaranteed funding for VA health care would cost too much.

REALITY: Guaranteed funding under the Act would utilize a formula based on the number of enrolled veterans multiplied by the cost per patient, with an annual adjustment for medical inflation to keep pace with costs for medical equipment, supplies, pharmaceuticals and uncontrollable costs such as energy. The Act would ensure that VA receives suficient resources to treat veterans actually using the system.

M Y T H: Veterans in Priority Group 7 and 8 are using up all of VA's health care resources; and it therefore costs too much to continue to treat these veterans.

REALITY: Among the 7.9 million enrollees in the VA health care system, 2.4 million veterans from Priority Groups 7 and 8 account for only 30 percent of the total enrolled population but use only 11 percent of VA's expenditure for all priority groups.

M Y T H: The viability of the VA health care system can be maintained even if VA only treats service-connected veterans or the so- called "core group," Priority Groups 1-6.

REALITY: VA health care should be maintained and priority given to treat these veterans, since many of the specialized services they need are not available in the private sector. However, to maintain VA, a proper patient case mix and a sufficient number of veterans are needed to ensure the viability of the system for its so-called core users and to preserve specialized programs, while remaining cost effective.

M YT H : Providing guaranteed funding f or VA health care will not solve VA's problems.

REALITY: With guaranteed funding, VA can strategically plan for the short- , medium- and long-term, optimize its assets, achieve greater efficiency and realize savings. VA continues to struggle to provide timely health care services to all veterans seeking care due to insufficient funding, and always uncertain funding beyond the operational year. The guaranteed funding formula in the bill provides a standardized approach in solving the access issue and permitting more rational planning.

M YTH: Veterans health care should be privatized because the system is too big, ineficient, and unresponsive to veterans.

REALITY: VA patients are often elderly, have multiple disabilities, and are chronically ill. They are generally unattractive to the private sector. A lso, such patients pose too great an underwriting risk for private insurers and health maintenance or preferred provider organizations. While private sector hospitals have lower administrative costs and operate with profit motives, a number of studies have shown that VA provides high quality care and is more cost-effective care than comparable private sector health care. VA provides a wide range of specialized services, including spinal cord injury and dysfunction care, blind rehabilitation, prosthetics, advanced rehabilitation, post-traumatic stress disorder, mental health, and long-term care. These are at the very heart of VA's mission. Additionally, VA supplies one-third of all care provided for the chronically mentally ill, and is the largest single source of care for patients with A IDS. Without VA, millions of veterans would be forced to rely on Medicare and Medicaid at substantially greater federal and state expense.

M YTH: Under a mandatory funding program, VA would no longer have an incentive to find eficiencies and to supplement its appropriation with third-party collections.

REALITY: Mandatory funding will provide sufficient resources to ensure high quality health care services when veterans need it. It is not intended to provide excess funding for veterans health care. VA Central Office (VACO) would still be responsible for ensuring local managers are using funds appropriately and efficiently. Network and medical center directors and others would still be required to meet performance standards and third-party collections goals. These checks and balances will help ensure accountability.

DECISION POINT: A CALL FOR ACTION

In closing, Mr. Chairman and Members of the Committee, we ask for your leadership, support and commitment to resolve this keystone issue in veterans' affairs. Only strong leadership from the Committee can address the current workload and resource imbalance reported to the Administration and Congress in 2003 by the President's Task Force, a mism atch confirmed nearly every day since in media accounts, learned reviews and research studies that are readily available to the Committee. We urge you to guide the Department out of this unnecessary but real and continuing dilemma. We hope, as leaders on veterans' issues, the Members of this

Committee will remember the needs of America's veterans and take action to remedy this serious problem.

This Committee knows best the enormous fiscal distress that VA has faced and still faces. We hope that Congress in a bipartisan manner will be willing to break the vicious cycle that has undermined the veterans' health care system. Your action on this issue will determine what level of health care is available to meet the needs of current and future generations of A merican veterans. We believe guaranteed funding through a mandatory formula would provide the most comprehensive solution to VA's chronic health-care funding problem. It would ensure the viability of the system. The hopes of the entire veterans' community for a more stable future were rekindled when you, Mr. Chairman, scheduled this important Committee hearing. We trust it represents the beginning of the end of these annual budget battles we all have to fight.

M r. Chairman, attached to this statement are legislative statements or resolutions adopted by member organizations of the Partnership urging funding reform in VA health care. We hope as you debate this crucial matter the Committee will recognize that our organizations are unified in our interests in calling for budget reform.

This concludes my testimony. A gain, I appreciate the opportunity to present testimony on behalf of the Partnership, and I thank the Committee for its continuing support for veterans, especially those who are sick and disabled as a result of serving the nation.

A ttachm ents

EIGHTY-EIGHTH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
SALT LAKE CITY, UTAH
AUGUST 29, 30, 31, 2006
RESOLUTION NO.: 254
SUBJECT: The American Legion Policy on Assured Funding for VA Medical Care
Origin: California
Submitted by: Veterans Affairs and Rehabilitation

WHEREAS, The Department of Veterans Affairs (VA) annual budget consists of both mandatory and discretionary funding; and

WHEREAS, Mandatory funding refers to a process where the level of funding is governed by formulas or criteria set forth in authorizing legislation rather than by appropriations; and

WHEREAS, Under budget law, a mandatory program is one that requires provision of benefits to all who meet the eligibility requirements of the law; and

WHEREAS, Mandatory funding is provided for programs such as Social Security, Medicare, and VA compensation and pension; and

WHEREAS, In contrast, discretionary funding is "all other" funding subject to the annual appropriations process; and

WHEREAS, Discretionary funding in VA's current annual budget provides for programs such as medical care, major and minor construction, National Cemetery Administration, State Extended Care Facility Grants, and State Cemetery Grants; and

WHEREAS, There have been annual struggles to obtain sufficient funding to provide access to quality care for eligible veterans seeking care in VA facilities; and

WHEREAS, A method to provide dependable, stable and sustained funding for veterans health care is needed; and

WHEREAS, Assured (mandated) funding is one component of a combination of funding mechanisms to ensure adequate Veterans Health Administration (VHA7 funding; now, therefore, be it
RESOLVED, By The American Legion in National Convention assembled in Salt Lake City, Utah, August 29, 30, 31, 2006, That Congress designate assured funding for VA medical care; and, be it further
1
RESOLVED, That Congress continue to provide discretionary funding required to fully operate other programs within the Veterans Health Administration's budgetary jurisdiction; and, be it finally
RESOLVED, That Congress provide, if necessary, supplemental appropriations for budgetary shortfalls in VHA's mandated and discretionary appropriations to meet the health care needs of America's veterans.

RESOLUTION 08.01
SUBJECT: Assured Funding for VA Health Care
SOURCE: National Headquarters
WHEREAS, each year, veterans service organizations fight for sufficient funding for VA health care and a budget that is reflective of the rising cost of health care and increasing need for medical services; and
WHEREAS, our nation's veterans are continuing to suffer because the system they depend on has been routinely under funded; and
WHEREAS, the fiscal year 2006 funding shortfall of more than $1 billion in health care services for sick and disabled veterans requires a long term fix; and
WHEREAS, the current discretionary funding method for veterans' heath care is broken and the needs of our nation's sick and disabled veterans are not being met; and
WHEREAS, without assured funding, VA will continue to remain under funded and unable to provide timely access to quality health care to many of our Nation's veterans; and
WHEREAS, taking VA's budget out of the discretionary budget would eliminate the year-to-year uncertainty about funding levels that have prevented VA from being able to adequately plan for and meet the constantly growing number of veterans seeking treatment: Now, therefore, be it
RESOLVED, That Congress enact legislation to make VA health care funding mandatory, thereby guaranteeing sufficient resources to cover expenses of the veterans health care system.
Legislative Director
AM VETS National Headquarters

Blinded Veterans Association resolution on Mandatory Funding for VHA
approved at our convention 2006.
RESOLUTION 60-02
WHEREAS, veterans health care is funded annually by discretionary appropriations decided by the House and Senate Appropriations Committees, AND
WHEREAS, each year the Department of Veterans Affairs fails to receive adequate funding for Veterans Medical Care from Congressional appropriations, AND
WHEREAS, this lack of adequate funding causes veterans of all categories, delays and denials of critical medical care services, THEREFORE BE IT
RESOLVED, that the Blinded Veterans Association, in convention assembled in Buffalo, NY on

this 19th day of August, 2006, hereby support HR 515, Assured Funding for Veterans Health Care Act of 2005

RESOLUTION NO. 074
SUPPORT LEGISLATION TO MAKE DEPARTMENT OF VETERANS AFFAIRS HEALTH CARE FUNDING MANDATORY

WHEREAS, the funding for Department of Veterans Affairs (VA) health care under the Federal budget is a discretionary program, meaning that it is within the discretion of Congress to determine how much money it will allocate each year for veterans' medical care; and

WHEREAS, title 38, United States Code, section 1710(a), provides that the Secretary of Veterans Affairs "shall" furnish hospital care and medical services, but only to the extent Congress has provided money to cover the costs of the care; and

WHEREAS, the Disabled American Veterans firmly believes that service-connected disabled veterans have earned the right to VA medical care through their extraordinary sacrifices and service to this Nation; and

WHEREAS, the Disabled American Veterans, along with the other Independent Budget service organizations, has fought for sufficient funding for VA health care and a budget that is reflective of the rising cost of health care and increasing need for medical services; and

WHEREAS, despite our continued efforts, the cumulative effects of insufficient health care funding have now resulted in the rationing of health care; and

WHEREAS, VA reports that it has now reached capacity at many of its health care facilities; and

WHEREAS, VA is unable to provide timely access to quality health care to many of our Nation's most severely disabled service-connected veterans; and

WHEREAS, it is disingenuous for our government to promise health care to veterans but then make it unattainable because of inadequate funding; and

WHEREAS, making veterans' health care funding mandatory would ensure the government meets its obligation to provide health care to service-connected disabled veterans and ensure all veterans eligible for care in the VA health care system have access to timely quality health care; and

WHEREAS, making veterans' health care funding mandatory would eliminate the year-to-year uncertainties about funding levels that have prevented VA from being able to adequately plan for and meet the constantly growing number of veterans seeking treatment; and

WHEREAS, by including all veterans currently eligible and enrolled for care in the mandatory health care funding proposal, we protect the overall viability of the system and the specialized programs VA has developed to improve the health and well-being of our nation's service-connected disabled veterans; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in Chicago, Illinois, August 12-15, 2006, supports legislation to make VA health care funding mandatory thereby guaranteeing Congress provide sufficient resources to cover the expenses of the veterans' health care program.

Jewish war veterans Resolution on mandatory Funding.

Mandatory Funding

The Jewish War Veterans of the USA strongly endorses and supports the efforts of several members of Congress to provide required funding for veterans' health needs through the

introduction
of H.R. 515, the Assured Funding for Veterans Health Care Act of 2005.
The Jewish War Veterans of the USA agrees in the strongest possible terms with these friends of the veterans' contention that "We can no longer allow the VA to be hostage to the administration's misplaced priorities and the follies of the Congressional budget process. This bill would place veterans'
health care on par with all major federal health care programs by determining resources bases on programmatic need rather than politics and budgetary gimmicks."
Under the current system, funding for veterans' health care is subject to reduction at any time due to political and programmatic pressures to take money earmarked for the care of those who have
served the country, many on the field of battle, and divert those funds to other programs. In this way,
the most deserving among us, those who have fought to defend our basic freedoms, are often denied
the care which they have earned, which they have been promised, and which they deserve.
The lack of prompt access to the care they deserve and have earned is not acceptable. As the wounded come home in ever-increasing numbers from the battlefields of Iraq and Afghanistan, the
problem will only worsen in the years to come. Therefore, it is imperative that all those who honor our
brave fighting men and women come together to support Rep. Lane Evans' bill.
It is not enough to mouth support for our current troops and those who fought the brave fight before them. We must all support mandatory funding to ensure their future needs as set out in the legislation proposed by our friends. The Jewish War Veterans of the USA urges everyone to contact
his/her senators and representatives to urge their support for this bill and corresponding legislation in
the Senate. Our country owes health care to our veterans who must not be dependent on the whims of
the political process to get the benefits they have earned. We must remove funding for veterans' health
care from the vagaries of political maneuvering.

MILITARY ORDER
OF THE PURPLE HEART
TOM POULTER, NATIONAL COMMANDER March 29, 2007
TESTIMONY
BEFORE THE JOINT SENATE AND HOUSE COMMITTEES ON VETERANS AFFAIRS
Chairman Akaka, Chairman Filner, members of the committee, ladies and gentlemen.
ADEQUATE FUNDING FOR THE VA HEALTH ADMINISTRATION
The Military Order of the Purple Heart (MOPH) is on record as supporting the Independent Budget, which is developed and submitted to Congress by the Veterans of Foreign Wars (VFW), Disabled American Veterans (DAV), Paralyzed Veterans of America (PVA) and American Veterans (AMVETS).
I am the fourth MOPH National Commander in a row to present as our number one priority

Adequate /Assured funding for the VA Health
Administration. MOPH joins our fellow VSOs in urging Congress to find a long-term solution to the annual funding crisis at the VA. The VA deserves a system that delivers funds on time to allow for long-term planning. With the
on-going War on Terror and our service members returning home from war with medical conditions requiring treatment at VA hospitals, the VA needs the capability to meet their needs. Demand for VA healthcare still outpaces the capacity to deliver care in a timely manner. Within the priority system established by law, Congress
should appropriate sufficient funds for all veterans the VA has agreed to
treat through the enrollment process. This is not happening today as more and more veterans are triaged for care on waiting lists. A Presidential Task Force (May 2003) strongly recommended full funding for all veterans enrolled in the VA health care system. Thus far, the Administration and Congress have ignored this recommendation.
Each year the VA is to receive funding for the next fiscal year by October 1 so that they may plan for personnel and programs. Over the last several years this has not occurred and the Appropriations Act has not passed until well into the fiscal year. The 2007 Appropriations Act has not passed and
the VA is currently operating on a Continuing Resolution. While MOPH appreciates the fact that Congress mandated that the VA received a 3.6 billion dollar increase in the Continuing Resolution, for which we commend Congress, this is a perfect example of why the funding of the VA health system needs to be changed.
MOPH urges Congress to pass legislation which will fully fund the VA health care system through modifications to the current budget and appropriations process, either by using a mandatory funding mechanism, or by some other changes in the process in order to achieve the desired goal of providing care to those veterans who are enrolled in the VA health care system.
On another health care note, MOPH, like the majority of Americans is appalled by the conditions that those heroes returning from the on-going conflicts had to endure at Walter Reed Army Hospital. There is no excuse for this episode. When our country commits its military to a mission then it must be ready to see to the needs of those warriors when they return home. We must never accept less than the best health care and treatment for these men and women. MOPH will not "pile on" this issue as it seems that Congress and the Administration are trying to correct the problems. We will closely monitor the process.

Resolution No. 610
ASSURED FUNDING FOR VETERANS HEALTH CARE
WHEREAS, there must be continued and sustained investment by Congress and the Administration in the national resource of the VA health care system, including improving veterans access to timely care, protecting and strengthening specialized services, and ensuring that the infrastructure is functional; and
WHEREAS, while the Secretary of Veterans Affairs sets standards for quality, access to health care is often constrained by the level of appropriated funding; and
WHEREAS, the amount of annual funding, and not the demand for services, defines overall access to VA health care; and
WHEREAS, without a statutory veterans' entitlement to VA health care, the Secretary of Veterans Affairs has no clear obligation to deliver a defined amount of health care nor estimate the physical capacity in response to the demand; and

WHEREAS, the lack of adequate and inconsistent appropriated funding has now resulted in the actual denial of mandated VA health care to veterans, leaving the VA also unable to justify reciprocal capital investments sorely needed to support the efficient access to health care; and
WHEREAS, the Secretary of Veterans Affairs is accordingly limited to enhancing quality of health care for some veterans by reducing access for other veterans; and
WHEREAS, as long as the annual appropriation is the statutory determinant of access to quality health care, inconvenience, delay and denial remain the de facto cost control mechanisms restricting any initiative to improve performance; and
WHEREAS, it is now obvious that veterans need a dependable entitlement to high quality health care not only for a basis of proper fiscal and economical planning but also to fulfill the moral mandate to "care for those who have borne the battle"; now, therefore
BE IT RESOLVED, by the Veterans of Foreign Wars of the United States,
that we urge Congress to establish a statutory entitlement for veterans health care as a means to assure veterans receive the care they justly deserve, obviate diminished access as the current primary method of cost control, and provide a basis for justification of those capital investments needed to streamline processes for efficiency improvements.
Submitted by Commander-in-Chief
To Committee on VETERANS SERVICE RESOLUTIONS
The intent of this resolution is:
To have Congress establish the funding for entitlement to veterans health care as insured rather than discretionary appropriations.
APPROVED by the 107th National Convention of the Veterans of Foreign Wars of the United States.

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In S.nk

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

VETERANS HEALTH CARE
(V-1-05)
Issue:
The Department of Veterans Affairs (DVA) Veterans Health Care Administration, Veterans Integrated System NetworkJVISN is responsible for providing health care to veterans with service-connected disabilities and others as determined by eligibility rules established by Congress. Concerns continue regarding quality of health care, access, and eligibility for services.
Background:

Many veterans have been adversely affected by what has been described as a health-care system "in crisis." This, in part, is due to budget and resource limitations. Other significant factors are directly related to the massive size of the centralized DVA health-care system, its bureaucratic inertia, and its inability to organize itself into an effective instrument to meet the changing health-care needs of all veterans under its care. Both service-connected and non-service-connected veterans have experienced a consistent unavailability of access to DVA health care, including mental health, outpatient contract, and inpatient cares.
Issues of access involve the need for many veterans to travel long distances to obtain care, as occurs with veterans living in rural communities or on island communities in Puerto Rico, the U.S. Virgin Islands, and Hawaii. Non-U.S. citizen veterans of the U.S. Armed Forces may receive DVA treatment for service-connected disabilities only if residing in the U.S. the statute allows payment for the treatment of service-connected disabilities outside the U.S. for veterans of the U.S. Armed Forces, only if such veterans are U.S. citizens, reside in the Republic of the Philippines, or are Canadian nationals.
The quality of health care in DVA remains suspect as revelations of questionable practices and adverse outcomes continue to emerge. DVA has lost sight of its obligation to provide quality health care as defined by veterans and there families, opting instead for quality as defined by health administrators and medical school affiliations.
This resolution amends V-I-95
Resolved, That:
Vietnam Veterans of America maintains that:

1. Veterans who have sustained injuries or illnesses during and/or as a result of their military service have the right to the highest quality medical and psychological services for treatment of those injuries and illnesses.
2. The first priority of the DVA must be to provide the highest quality medical and psychological treatment at no cost to veterans for illnesses and injuries incurred during and/or as a result of military service.
3. DVA must insure the highest quality of care provided in DVA health-care facilities. Monitoring activities conducted by Quality Assurance Programs must be scientifically based and include regular and consistent review by the director and chief of staff of the institution.
4. When DVA cannot provide the highest quality care within a reasonable distance or travel time from the veterans home (fifty miles) and in a timely manner (thirty days). DVA must provide care via fee-basis provider of choice for service-disabled veterans. Additionally DVA must provide beneficiary travel reimbursement at the government rate.
5. Restrictions against providing DVA medical care to non-citizen, service-connected disabled veterans of the U.S. Armed Forces must be removed in order to treat equitably all those who served in the U.S. Armed Forces regardless of their country of origin, citizenship, or current country of residence.
6. DVA health-care policies must allow the veteran client to have input in DVA Medical Center/ Outpatient Clinic operations. This should include establishment of veteran's advisory boards at the local level.
7. DVA health-care policies must be based on veteran patient needs. Health-care implementation should be decentralized to the local level, and budgeting should allow local facilities to plan for their own needs with significant consultation by the local veterans advisory board.
8. The Congress must enact and the President must sign into law legislation that creates an

assured reliable funding stream for the DVA health are programs, indexed to medical inflation and the per capita use of the VA Health Care System.
9. VVA questions the philosophy and the language that limits the delivery of the VA healthcare treatment and services to a "core constituency". VVA is committed to protecting the rights of veterans and access to VA programs and services as defined in Title 38 US code.
Financial Impact Statement: In accordance with motion 8 passed at VVA January 2002 National Board of Directors meeting which charges this committee with the reviewing its relevant Resolutions and determining an expenditure estimate required to implement the Resolution, presented for consideration at the 2003 National Convention; this committee submits that implementation of the foregoing Resolution be at no additional cost to the organization. This resolution states in effect what has been a long standing part of VVA's advocacy and legislative programs.
Adopted at Vietnam Veterans of America 12th National Convention in Reno, Nevada August 9-14, 2005