

Statement of
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OF
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Chairmen Sanders and Miller, Ranking Members Burr and Michaud, Members of the Senate and House Veterans Affairs Committees

It is my honor to represent more than 1.9 million members of the Veterans of Foreign Wars of the United States and our Auxiliaries. It is also my duty to advocate on behalf of our nation's 21 million veterans, her 2.3 million military service members, and all of their families—to give them a voice on Capitol Hill and inside the White House on issues that concern those who served and continue to serve and sacrifice for our nation.

Before we discuss the VFW's legislative priorities for 2014, I would like to take a moment to personally thank Ranking Member Michaud for more than a decade of service on the House Veterans Affairs Committee. You have been a true student of veterans' issues, and a strong advocate for the veterans' community. Your leadership and bipartisanship has not only had a positive impact on this Committee's work, but has also improved the lives of veterans of all generations.

What concerns the VFW and patriots everywhere is that America has forgotten that **OUR NATION IS STILL AT WAR!**

We have 38,000 men and women stationed inside Afghanistan fighting to ensure the country doesn't become a terrorist training ground again. We have another 30,000 stationed in South Korea helping to preserve a 61-year-old ceasefire that is looking more and more tenuous. We have tens of thousands more service members stationed abroad helping to bring peace and stability, and humanitarian assistance when and where it's needed.

And we have some in Washington who have opened up a new war against the very Quality of Life programs that you and your committees have fought hard to bestow on our service members, veterans and their families, as seen with the backroom deal to lower military retiree COLA by 1 percent. Some believe the cost of war ends when the last troops leave Afghanistan. We know this is not true, and that is why we need a fully funded state-of-the-art VA health care system, benefits programs and cemetery system.

Messrs. Chairmen, I pledge to you that the VFW will fight to preserve the safety and security of the United States and the continued viability of the All-Volunteer Military. We will fight attempts to force veterans, service members and their families to shoulder an unfair share of the nation's debt, and we will fight for adequate funding for the Department of Veterans Affairs and for advance appropriations for all of its accounts.

I would like to recognize and thank Senator Sanders for introducing S. 1982, the "Comprehensive Veterans Health and Benefits Act of 2013." Your bill has pushed veterans' issues to the forefront again. We look forward to working with you and your colleagues on the Senate Veterans Affairs and House Veterans Affairs Committees to ensure passage of a comprehensive veterans' health and benefits legislation this year.

Everything the VFW wants costs money, but everything the VFW wants is for someone else—someone from every city and town in every congressional district, and in every state and territory who swore an oath of allegiance to protect and defend our great country and its Constitution.

The VFW exists to serve veterans, and that includes representing them in Washington where the voice of one veteran is often overlooked and the voice of servicemen and women is prohibited. The VFW exists to ensure that a nation that creates veterans fulfills its sacred duty to care for them when they return home.

The VA also exists to serve veterans. It should be seen as a privilege and not a right to work at VA. We call on Congress to continue its oversight role and hold those accountable who hold management positions, but fail to manage.

The VFW looks to these two committees to answer those needs. Much has been done over the past 13 years of war, and still more can be done without breaking the bank. We understand fiscal realities, but we also understand commitment and sacrifice. We see it as a matter of priorities, because a nation that cares about its liberties and security can afford to do both.

VA BUDGET CONCERNS

Congress continues to constrain budgets, looking in every Department and agency for savings. The VFW understands Congress must find ways to reduce spending, but the VA cannot fall victim to underfunding. With ever-growing costs to deliver health care and the continued increase in usage of VA care and benefits, the VFW is concerned that a budget with little to no increase will not sustain the level of care and services our veterans need. Congress must provide a budget that will allow the Veterans Health Administration, Veterans Benefits Administration and National Cemetery Administration to fulfill their missions. As a partner of the *Independent Budget*, the VFW is requesting a fiscal year (FY) 2015 discretionary budget of \$72.9 billion.

The VFW remains concerned about the impact spending reductions will have on the VA. Sequestration is still a reality. VA was exempt in the first rounds of cuts, and all Departments are safe for the next two years. But after this two year reprieve, VA will be vulnerable to devastating cuts to its budget. Congress must act to repeal the current sequestration law.

To care for those who have answered our nation's call, the VFW calls on Congress to do two things:

- Fully fund all VA accounts
- Place all VA budgetary accounts under advance appropriations

The areas of highest need are medical care, construction, and Information Technology (IT). Within medical services, VA needs to be funded at a level that will allow them to provide sufficient and timely medical services. The Administration's FY 2015 advance appropriations for medical services increased only 2 percent from the FY 2014 appropriated level. This increase was not enough to cover the 1.5 percent increase in utilization and the 3 percent increase in basic medical care inflation.

The Administration has also underfunded VA's construction and non-recurring maintenance budget lines. For years, VA's capital infrastructure has been eroding and efforts to maintain existing structures and build new facilities have fallen far short of what is needed. The VA has projected that to close all capital infrastructure gaps, more than \$60 billion will need to be invested. The Administration must submit a budget request – and call on Congress to pass a capital infrastructure budget – that will allow VA to maintain their facilities so they are safe and efficient. Included in its overall capital planning needs, Congress must solve its capital leasing issue so VA can continue to enter into long-term Community-Based Outpatient Clinics (CBOC) and other long-term leases.

As VA moves forward with their capital planning, frank and open conversations must be had that will focus on identifying new and innovative ways to close the gaps in existing infrastructure so VA will have the resources it needs to continue to provide the care veterans need, when and where they need it.

To adequately cover all medical care accounts Congress will need to appropriate \$61.1 billion, not including VA's medical care collections. This funding will cover medical services, medical support and compliance, and medical facilities, which includes non-recurring maintenance. Congress must also appropriate \$3.9 billion to cover VA's construction programs to close the access and safety gaps that continue to grow.

As VA continues to modernize, it is important to ensure adequate funding for IT. These accounts have seen considerable increases over the past few to meet the demand of developing computer programs which support claims processing, customer service and health care delivery such as electronic health care records, eBenefits and VBMS. It is critical that these accounts continue to receive the funding they need to ensure continued development and success.

The VFW continues to strongly support H.R. 813, the "Putting Veterans Funding First Act of 2013," a bill that places all VA budget accounts under Advance Appropriations. The importance of this bill can be highlighted by the recent government shutdown. Veterans and surviving spouses were days away from not receiving their disability, pension and survivor payments, and veterans and dependents enrolled in school would not have received their living stipends. During the shutdown, veterans couldn't access vocational rehabilitation services and disability claims that were filed during the shutdown were not processed, adding more pressure to the claims

backlog. Advance Appropriations for VA medical care accounts is widely viewed as a success. It is time to include all VA budget accounts under this model; to ensure veterans will receive all their care and benefits without interruption.

VA has made vast improvements in its collection of third-party billing, but VA must continue to focus on ways to recover every dollar owed to them for services provided for non-service connected care. VA's lack of proper billing – and the failure to respond to insurance companies leaves millions of dollars on the table that VA could use to provide additional care and services.

The VFW believes that legislation must be introduced that would allow VA to collect funds from Medicare for medical services VA provides to veterans for non-service connected conditions. Medicare collection will allow VA to collect funds for the care they provide, while providing that care at a reduced cost to Medicare. Congress must act now; this is a simple solution that will be a win-win for VA and the Medicare Trust Fund, as well as allowing Medicare-eligible veterans to receive their full continuum of care through VA.

BENEFITS DELIVERY

Over the past 10 years, Congress has worked diligently to increase funding to meet the growing needs of America's veteran population. While Congress increased veterans funding, the need for veterans' services has only increased. Since 1996 The Department of Veterans Affairs' enrolled population has grown three times faster than appropriations levels for that same period. This resulted in an overwhelmed Department that could not respond to the needs of veterans.

Secretary Shinseki is working to tackle the systematic problems which slow claims processing by enabling historic changes in IT modernization, which we believe will enable VA to process claims more quickly and with higher accuracy. The Secretary has set the bold goal to break the backlog in 2015. He has also redefined what constitutes a backlogged claim from 180 days to 125 days, while at the same time setting higher accuracy standards for claim decisions. This is a laudable goal – and the Secretary is making progress on this goal – but achieving that goal should not be the single focus.

As the VBA transforms from paper-based to an all-electronic system, care must be taken to ensure the laws that are in place to protect veterans' rights stay intact. Below are specific areas of concern for the VFW.

VBA TRANSFORMATION

Accountability: One of the most difficult things to do in any large organization is to ensure that employees – both rank and file workers and supervisors – are held accountable for their performance.

In recent years VBA refined training and instituted testing of some positions to gauge job knowledge. While performance appraisals address both production and quality, failure to produce at required levels garners more attention than poor quality. In our view this is exactly backwards.

VBA needs to continue to utilize the data it gathers through its Quality Review Teams to identify employees with weak skills and focus training on improving them. Employees who cannot improve sufficiently should be replaced at the earliest opportunity. Quality should be the first priority; production will improve once an employee knows what to do. Working at VA is not a right, it is a privilege. Employees must understand their mission, and be given the training and equipment to accomplish that mission, and they must be held accountable for their actions. Managers who don't hold employees accountable must be reprimanded and relieved of their duties. Managers must manage.

Quality: VBA is under a lot of pressure to reduce the number of backlogged disability claims. But as we continually state, quality cannot suffer in the effort to move more claims through the system. Claims must be done correctly the first time. Over the past year VA has made claims that the quality of rating decisions has increased substantially. While it appears quality has improved in most Regional Offices (RO), some of the improvements appear to be based on new measurement standards, and others on quality reviews that do not identify all of the errors.

VBA has changed its quality metric from a claim-based error to an issue-based error. Under the old metric, if a claim had a substantive error, the whole claim was found in error, regardless of how many issues were in the claim. Now, under the issue-based metric, if a claim has 10 issues but only one of the 10 issues is in error, then the claim is considered 90 percent accurate. By using the issue-based error rate, VA can inflate its accuracy rate without actually improving accuracy. This new metric does, however, allow VA to more accurately mine data to understand what the most common errors are and what type of training employees need.

Most veterans view problems with their claims in the same manner as they would a problem with their car. If their car doesn't run, they don't care if 10 parts are broken or only one. The problem is that the car doesn't run. With a VA decision, if one part of the decision is wrong then the decision is wrong.

The VFW recently completed a site visit to the VA regional office in St. Petersburg, Fla. Our staff reviewed 79 paper and electronic claim files with rating decisions. We found that 21 cases had problems or errors. That represented 26.6 percent of the cases reviewed. VA reports that ratings in St. Petersburg are, on average, wrong 10 percent of the time. While not all of the errors we found involved ratings, we did find errors in 17.7 percent of the ratings we reviewed. This is significantly higher than what VA reports.

Further, we identified three clear and unmistakable errors in earlier ratings. One of these decisions, when corrected, should provide an award of benefits to a veteran back to 1985.

In addition, we found that raters accepted a number of inadequate VA examinations for rating rather than return them for additional data or correction. Based on this review, it appears that some rating specialists would rather rate a case using inadequate – and often negative – evidence rather than return an examination to be completed correctly. This simply confirms what other service officers have been telling us: that rating personnel are under intense pressure to complete ratings, and that some may take shortcuts to comply.

The VFW plans to make more site visits to audit VA's accuracy claims. It is important that your committees continue to use its oversight role to ensure that quality does not suffer while VA races to eliminate the backlog in disability claims.

The Veterans Benefits Management System (VBMS): VBMS has the potential to allow VA to employees to work efficiently and effectively in an all-electronic environment. If implemented correctly, it will enable VA to obtain and utilize computable data, expand rules-based decision making tools to improve quality in claims decision actions for disabilities evaluated primarily by numeric data, and allow the processing of claims, either in whole or in part, anywhere in the country.

While VA has rapidly moved to develop and deploy VBMS, it continues to suffer from significant processing delays and unpredictable and frequent periods of downtime. Further, VBA has largely neglected to institute improvements in veteran service organization workload management tools. This inattention has caused frustration and exacerbated inefficiencies among service officers who are helping veterans with their benefits claim. VA must be reminded that VSOs relieve a large burden from VA's claims processors. Implementing these improvements will make our service officers more efficient, and in turn, make VA more efficient.

Though VBMS has the potential to bring efficiency to the claims process, VA's automation will only go so far, if VA and DOD fail to make the change to a single, interchangeable health record. The lack of progress has exacerbated the claims backlog as VA waits for DOD to scan and send military treatment records to VA. Congress has provided the funding to make a single record, but a solution still isn't in place. The VFW supports the idea of DOD adopting the VA's VISTA record system, and we further suggest that the Appropriations Committee withhold funding of DOD's IT accounts if a solution isn't in place before the beginning of fiscal year 2016.

The VFW urges Congress to continue its oversight of the development of VBMS and other critical IT programs, to include the implementation of a single health record system for VA and DOD.

Proposed Rule AO81: As part of their effort to reduce the claims backlog, VA published a proposed rule in October 2013 that would require claimants to complete standardized forms before starting the claims process. Under current law, a veteran can start a claim by sending any communication – such as a handwritten note – to indicate their intent to file a claim. Veterans then have up to one year to complete whatever standard forms VA requires. If VA approves the claim and awards benefits, the veteran receives back pay to the date when the veteran first submitted a claim.

If the proposed rule goes into effect, an informal communication would no longer serve as the veteran's date of claim, unless the veteran chooses to file their claim electronically. This will cause veterans to lose months' worth of compensation.

While the rule may seem benign to the casual observer, the VFW believes this rule will make it harder for thousands of veterans who do not have access to or the confidence to use a computer to receive the same benefits they have under existing law. The change could result in substantial

delays in veterans being able to file a “complete claim,” as well as a substantial reduction of benefits because the date of claim is delayed by months while veterans are forced to meet the bureaucratic requirements imposed by VA.

The elimination of the ability to file an informal claim will negate the one incentive veterans have to file a Fully Developed Claim (FDC). Today, veterans can notify the VA that they are filing a claim under the FDC program. VA accepts the written notification but does nothing until the rest of the claim is submitted. If VA awards benefits, it may use the date of receipt of the informal claim as the effective date of the award. However, elimination of informal claims removes the one incentive veterans have to file a FDC claim. Without the ability to file an informal claim, veterans will simply file a claim, leaving it to VA to develop the claim as it did in the past.

VA has touted the rule change as an incentive for filing electronic claims and to reduce the backlog. The VFW considers it a punishment to veterans who either do not have access to computers, or do not wish to send highly sensitive personal information over the internet. Any reduction in the backlog will result from forcing veterans to comply with tedious and complex application requirements before they can file a claim. The VFW urges Congress to protect the ability of claimants to file informal claims, whether electronically or on paper.

Priority of Workload: In response to the public outcry about the number of veterans waiting seemingly forever to receive their benefits, the VA has triaged their case load to focus on the backlog of disability claims, – specifically, the initiative to process all one and two-year-old claims first – neglecting dependent claims and appeals as well as other categories of claims. The VFW knows that since VBA does not consider appeals as part of its total claims backlog, it has consistently diverted appeals staff to work disability claims. Even when Decision Review Officers were allowed to work appeals, they had huge caseloads and insufficient support staff to handle the work. Data shows that appeals have increased from 252,000 to over 272,000 over the past few years. In its annual reports for FY 2012, released in February 2013, the Board of Veterans Appeals (BVA) said that it took, on average, 1,040 days for a veteran to receive a BVA decision after filing a substantive appeal. At least two-thirds of all time is spent awaiting processing in VA regional offices. The VFW believes that the due process rights of veterans are threatened by the lack of resources spent on adjudicating appeals claims.

Some VA officials argue that the unique set of veteran-friendly laws creates obstacles to efficient appeals processing. It is true that Congress has enacted a unique set of pro-veteran policies dealing with veterans benefits, uncommon in other areas of the law. The VFW believes that veterans who have made uncommon sacrifices for our country should be entitled to unique treatment by the government. More importantly, while laws may create challenges for the VA, they are not insurmountable challenges. For example, last year VBA concluded a one-year appeals pilot at the Houston Regional Office which focused on eliminating processes inefficiencies, ineffective training, and poor oversight. VA reports that during this pilot they were able to shave 1,000 days off the average time it took the Houston staff to process appeals. While the VFW needs to study the process more closely to ensure that veterans were not harmed during this project, we are encouraged by the pilot’s results.

Veteran dependency claims are another area left virtually untouched due to the heavy focus on the disability claims backlog. Veterans with service-connected disabilities, evaluated at 30 percent or more, are entitled to an additional allowance for their dependent spouse and children. Under existing policy, if a veteran submits a claim for compensation and supplies dependency information, VA policy requires that these dependents be added at the same time it awards the veteran basic compensation benefits. In the past three-and-a-half years, dependency claims have increased from about 40,000 to nearly 240,000 – clear evidence that VA’s policy isn’t being followed. Now they delay adjudicating dependency claims until someone can find the time to do it. The VFW and other VSOs have asked VA to process these dependent claims when it awards compensation and pension to a veteran. Now we urge Congress to hold VA accountable for the increase of backlogged dependency claims.

Brokering: VBA is increasingly transferring its authority to work on a claim to an office other than the one that has original jurisdiction. This has decreased the time it takes VA to fully adjudicate a claim, which is a good thing, but when claims are brokered it can leave the VSO service officer in the dark on the status of the claim, often times preventing them from being able to comment on decisions prior to promulgation.

VA needs to enhance its system so when claims are brokered three things will occur to give allow VFW service officers and other advocates a chance to comment on the rating prior to promulgation.

First, VA needs to notify the service officer when a claim for disability they hold a power-of-attorney for is brokered. This will let the service officer know the claim is no longer in the Regional Office where they work. Second, the service officer needs to be notified when the claim has been rated. This will provide the service officer the 48-hour window of time to review the case for comment. Lastly, VA needs to provide the service officer with a point of contact, usually the rating officer, so the comments can be returned and taken into consideration before the decision is promulgated.

Fully Developed Claim (FDC): The FDC program is simply the formalization of a local VA regional office practice that has existed for decades. Historically, many of VA’s Veteran Service Center Managers agreed to quickly work fully developed claims submitted by VSOs. This program was regularized by VBA in 2009 and rolled out to all VA regional offices in 2010. Since then, VBA has refined the FDC program and increasingly encouraged veterans and VSOs to submit claims which do not require development of non-governmental evidence.

The FDC program shifts much of the burden of collecting the evidence necessary to adjudicate a claim from VA to veterans and other claimants. Essentially, in exchange for a promise to process a claim more quickly, VA requires claimants to locate, obtain and submit all non-government held records necessary to their claim at the time they submit an application to VA.

The FDC program can be a win-win for the veteran and VA. Veterans who successfully provide all necessary evidence to rate his or her claim are often rewarded with a decision frequently within 90-120 days of submission, rather than the more common 240-360 days VA takes to work non-FDCs. With FDC claims, VA is relieved of the need to develop a claim. This reduces the number of employees necessary to perform this work, which allows VA to assign them to other

tasks. In addition, because the bulk of the development is done by the claimant and not VA, traditional measures of claims processing timeliness (average days pending, average days to complete) are reduced. This allows VA to assert that it is processing claims more quickly.

This can only be a win if the veteran is focused, knowledgeable and efficient, or has sought the assistance of a trained VSO representative, only then can he or she can accomplish the development more quickly than VA. However, if the claimant lacks full understanding of what is necessary to successfully complete his or her claim, it may take longer to complete the application package.

We believe that for many veterans, the total time to gather evidence, submit a claim to VA and receive a decision, is little different under the FDC program than under the non-FDC model, and if the veteran does not know to submit an informal claim, he or she can lose months of compensation and benefits. In addition to the time factor involved in veteran development, there are also some hidden costs inherent in the pre-filing development undertaken by veterans. For example, many private health care providers are reluctant to provide records directly to the claimant or charge significant fees which must be paid, while those same records may be provided to the VA upon official request without cost. As part of the FDC program, the VA encourages that the veteran submit a completed Disability Benefit Questionnaire (DBQ); however, many VA treatment providers are reluctant to assist the veteran in this regard. Worse still, we have many reports of VA health care providers refusing to complete DBQs despite VA directives to do so. Finally, private health care providers find DBQ instructions to be confusing, and they often charge veterans a fee to have them completed. VA must ensure that all of its health care providers comply with requests to complete DBQs.

The VFW supports the FDC program. As reported by VA for the first quarter of 2014, 30.7 percent of all claims submitted by VFW service officers are fully developed, and we will continue to work with VA to make improvements to the program and increase the number of veterans who file FDCs.

However, as mentioned above, adoption of the regulation changes proposed in AO 81 to eliminate informal claims will eliminate the FDC program because veterans will not be able to submit an informal claim to hold a date of claim while they develop their claim.

Quality Review Teams: The VFW wants to acknowledge VA's Quality Review Teams (QTR). These teams, composed of subject matter experts, are charged with reviewing a sampling of work from all employees each month. The idea is to provide immediate feedback when problems are identified so corrections can be made in near real time. An added bonus, is that data can be quickly gathered, which allows management to identify problems, which can be used to focus training and remediate employees with quality problems as well as identify employees who produce at a high level of quality. Over time it also provides sufficient information to identify error trends at a very granular level. Both sets of data allow VA to really focus training where it is needed. These are good things.

VA MEDICAL CARE

As the nation's largest integrated health care provider, the Veterans Health Administration (VHA) has four primary missions: to provide health care and services to America's sick and disabled veterans; to train and educate doctors, nurses and other health care professionals; to conduct world-class research on medical issues including prosthetics; and to serve as the nation's primary health care backup in times of war or domestic emergency.

VA anticipates veteran enrollment to grow beyond 9 million veterans in this fiscal year, with more than 6.5 million unique veterans receiving some type of care. This number has doubled over the last decade and will continue to rise. The increase is due to both improved access and quality of care that is being provided, as well as specialized care for war-related disabilities. It is predicted that these increases will continue as the current conflict comes to a close, the military begins its aggressive drawdown of troops, our Vietnam era veterans begin needing long-term care, and our women veterans continue to access VA health care at unprecedented levels.

According to VA statistics from the third quarter of FY 2013, more than 965,000 Iraq and Afghanistan veterans have sought VA care out of a pool of more than 1.6 million. The VFW and the *Independent Budget* (IB) expect this number to continue increasing. The VFW continues to hear of delays in appointment times, especially for specialty care. We must not fail to provide the care these heroes have earned in a timely manner.

Accordingly, as part of the IB, the VFW recommends a funding level of \$61.1 billion for total medical care, an increase of \$3.4 billion over the FY 2014 operating budget level. Additionally, the Administration recommended an advance appropriation for FY 2015 of approximately \$55.6 billion in discretionary funding for VA medical care. When combined with the \$3.2 billion projection for medical care collections, the total available operating budget recommended for FY 2015 is approximately \$58.8 billion. Full funding will be absolutely necessary for VA to successfully provide care to an increasing number of veterans while continuing to maintain high quality and access standards.

Accountability: Although the vast majority of medical care provided at VA facilities is exemplary, VA must do a better job of holding its employees accountable when negligence is identified. The VFW is concerned that an overall lack of accountability across VHA is directly to blame for incidents of diminished standards at certain facilities, leading to tragic results for veterans.

This year, OIG released a report detailing the improper handling of cases where veterans have died. The VFW finds it absolutely unacceptable that veterans are dying from preventable causes at VA facilities while seemingly no one is held accountable. VA must be more proactive in developing and enforcing a uniform standard of care in every VISN and at every VAMC to prevent these tragic events before they happen, and to hold those who are directly responsible accountable. The VFW strongly believes that the only way to achieve this is through meaningful accountability of local and regional leadership.

WOUNDED WARRIORS

More than 51,800 service members have been wounded in action since the current conflicts began. This does not take into account those service members who are suffering from Traumatic Brain Injury (TBI), Post-Traumatic Stress Disorder (PTSD), or were exposed to harmful environmental toxins, or the invisible psychological wounds of war that may not manifest themselves for years. We must all realize and account for the hundreds of thousands of veterans who never needed a corpsman or medic's assistance on the battlefield, or went to sick call while in garrison, but in the months and years after their service could suffer from the demands that training and fighting wars has on the body and mind.

Mental Health: The most recent data available from VA shows that more than half of all OIF/OEF patients treated by VA have suffered some mental trauma, and about a fourth of them have been specifically diagnosed with PTSD. However, other research indicates that the number could be even higher. These numbers are staggering, and our efforts to address the problem cannot be cost driven.

As we seek to provide the best possible care for our newest war veterans, we cannot forget the men and women who have served in previous conflicts. No matter what era they served, all who are sent in harm's way are forever changed by their experiences. We must fully resolve to bring new advancements to bear in the lives of veterans of previous conflicts that still struggle with PTSD or other mental health challenges, while addressing barriers to quality, accessible care.

Over the past year, VA has hired more than 2,000 new health care providers and administrative staff. Additionally, VA began its peer support program, hiring over 1,000 veterans who act as peer-support specialists. This program has proven to be a success, and should be considered for further expansion. However, there is no indication that this hiring initiative was sufficient to ensure timely and quality mental health care. Congress and VA must ensure enough mental health care providers are hired to ensure VA can meet the established 14-day wait time policy. Proper oversight will be necessary in the coming year to determine if still more providers and staff are needed and if so, VA must be prepared to recruit, hire and retain them.

VA must continue to improve in scheduling and following up with missed mental health appointments. In the most recent GAO report, appointment scheduling recommendations were provided to VA. VA is working to implement these recommendations, which included improving the way that wait times are measured, consistent enforcement of scheduling policies across VHA, better allocation of scheduling staff resources, and improving telephone service access for veterans. Congress must ensure these policies are fully developed and implemented, staff is trained in new procedures, and accurate follow-up reporting is done to ensure veterans' appointment needs are being met in a timely manner.

The VA must continue to promote and expand the use of Vet Centers. There are currently over 300 Vet Centers and 70 Mobile Vet Centers nationwide that provide confidential individual and group, family and bereavement counseling for combat veterans and their families. The Vet Center model of care is a proven success. As Congress and VA move forward with expanding access to mental health care service, Vet Centers are a commonsense, cost effective way to reach veterans in their communities, and must be at the top of the list to receive increased funding and expansion.

Suicide: Suicide among military personnel and veterans presents the most serious challenge to VA, the Department of Defense and the nation. A January 2014 update of the VA Suicide Data Report provided more detailed and telling demographic data on which veterans are taking their own lives at the highest rates. Although suicide rates fell significantly among male veterans aged 35 to 64 from 1999 to 2010, suicide rates among younger male veterans and all female veterans increased during that time. During this time, suicide rates, have remained constant at about 22 veterans per day. This data includes veteran who are receiving care and those who are not receiving care through VA. While this indicates that VA suicide prevention efforts have produced positive outcomes for some groups, it also highlights the groups that are at the highest risk. In light of this new information, VA and DOD must refine their message and outreach to young veterans to ensure a total decline in veteran suicide.

Equally as troubling is the suicide rate in our armed forces, which steadily increased through 2012. Suicides in the U.S. military surged to 349 that year, meaning there were more suicides among active duty service members than there were combat deaths. In response, DOD aggressively expanded its suicide prevention programs, and the most recent data from the Army indicates that these efforts are having a positive effect. Suicides among active duty soldiers fell from 185 in 2012 to 150 in 2013; a 19-percent drop. The VFW is relieved to learn of this declining trend, but believes that the numbers are still far too high, recognizing that even one military death from suicide is one too many. We must continue to do everything we can in the coming year to ensure that DOD is providing adequate behavioral health counseling programs, and is actively engaged in reversing the negative stigma associated with seeking help to finally end this horrible epidemic.

The VFW believes the pre- and post-deployment evaluations have been a much-needed tool in detecting mental health issues. As an added measure of protection, and to increase awareness about the importance of early detection, DOD and VA must continue to educate family members on how to detect signs of stress. Spousal and parental involvement and education is absolutely essential to this effort. It is all too common for veterans to dismiss or delay treatment options, and family members are often unsure how to respond to an episode or personality change. Educating those closest to veterans about warning signs is a common-sense way to equip family and friends with coping skills to assist veterans suffering from PTSD.

One VA initiative that has proven effective in combating veterans' suicide is the Veterans Crisis Line. As of January 2014, VA estimates that Veterans Crisis Line has responded to over 1.1 million calls, resulting in the prevention of over 35,000 traumatic events. The VFW believes that it is critical to ensure that VA continues to maintain an aggressive outreach campaign to veterans and their families of all eras, with proper funding to expand this effective program as necessary.

Veterans' suicide is a crisis which communities around the nation are aware of and are admirably working to address, and VA has recognized that community collaboration is an important component to finding effective solutions. In 2013, VA held Mental Health Summits at all 152 VAMCs to build partnerships and connect veterans and their families with local mental health resources unique to their communities. This initiative was a positive first step for VA toward community collaboration, but the VFW has been informed that there are currently no plans to hold similar events in the future.

We believe that Mental Health Summits should be held at each VAMC on a regular basis. The effort to truly build community awareness and partnerships must be ongoing in order to succeed. VA must remain engaged in every community to collaborate with new resources as they emerge. Regular Mental Health Summits would ensure that VA is able to identify mental health and suicide prevention programs that show success in communities around the nation, support them where they already exist and expand them into areas where there is a need.

Traumatic Brain Injuries (TBI): VA must continue to aggressively research the effects of TBI on cognitive and behavioral function. Currently, VA is conducting seven unique areas of research to better understand and treat, and to provide adaptive assistance and family support for veterans who suffer from TBI. In an effort to take the next steps in TBI research, VA held a conference entitled "Research to Improve the Lives of Veterans: Approaches to Traumatic Brain Injury Screening, Treatment, Management, and Rehabilitation." The recommendations from this conference include creating a centralized TBI database, to recruit and hire additional TBI researchers, and to increase the number of clinical trials within VA Research and Development. VA has a plan to move forward in improving the lives of veterans who have suffered a TBI. The Administration and Congress must provide the funding necessary to achieve these goals. In partnership with the Independent Budget, the VFW calls on Congress to appropriate \$611 million for FY 2015 for VA's Medical and Prosthetic Research accounts.

Women Veterans Health Care: The number of women utilizing VA healthcare services has grown steadily over the last decade to coincide with the increasing number of women entering and leaving the military. Of those who have served, VA estimates that in FY 2012, 583,580 women veterans were enrolled in the VHA. The number of women veterans who have received care within VA has more than doubled over the past decade, and the number is expected to continue to grow over the next two to four years.

Because of the significant increase of women veterans turning to VA for services, VA created coordinated models of service delivery with specialized programs developed to meet their unique post deployment needs. This includes Women Veteran Program Managers, who can be found at each VA medical center and Regional Office. With all these new resources available, VA must ensure that women veterans' health programs are enhanced so that access, quality, safety and satisfaction with care become equal between men and women. VA must also continue its aggressive outreach services utilizing TV, radio, print, and social media outlets to remind women veterans that they are eligible and that VA is there to serve them.

Research from the VA Health Services Research & Development Service concluded that the effects of deployment among OEF/OIF women included higher rates of moderate to severe pain, higher distress after the first deployment, and when involving combat exposure, high rates of eating disorders and extreme weight loss. VA researchers must continue to study the impact of war and gender differences on medical and mental health post deployment to determine the best models of care, rehabilitation, and new treatments to address the needs of women veterans.

The VFW wants to ensure that access to care for women veterans is all-inclusive and takes into account their specialized needs. VA has made progress expanding female health care services, but much more needs to be done. Congress must continue to provide oversight and demand progress reports from VA, and to gain greater insight from women veterans themselves about

access to VA services and programs, satisfaction with care, and perceived barriers or gaps in services.

VA Services for Military Sexual Trauma Victims: VA began screening all enrolled patients for MST in 2013, and all veterans who screen positive are offered a referral for MST-related treatment. They have also recently developed a Military Sexual Trauma Support Team and MST program under the Office of Mental Health Services.

VA is training clinicians in a number of evidence-based practices for mental health treatment. Because PTSD, depression and anxiety are commonly associated with MST, these national initiatives have been significant in expanding access to cutting-edge treatments for those who have experienced MST.

Veterans who experienced MST may also receive assessment counseling and referral services through VHA's Readjustment Counseling Service, and have access to new initiatives that are being used for PTSD-like Cognitive Processing Therapy and Prolonged Exposure. There are also national training initiatives for anxiety and depression, Acceptance and Commitment Therapy, and Cognitive Behavioral Therapy, which are being utilized by clinicians as treatments.

Strides have been made in the field of MST health care; however, sexual assault victims still face challenges within the VA claims process.

Currently, rating personnel are instructed to consider evidence showing a sudden change in behavior, a request for transfer from a unit, and correspondence as secondary evidence that could be used to support the assertion of an assault during military service. Unfortunately, in many of these cases, this type of evidence is not available, leading to the claim being denied.

The Senate must pass S. 294, the "Ruth Moore Act," the companion bill to H.R. 671, which passed the House in June. If signed into law, the provision will afford the same relaxed evidentiary burden that is given to soldiers engaged in combat – that if a veteran states that he or she experienced military sexual trauma, and a qualified mental health professional confirms that the claimed stressor is adequate to support the diagnosis of post-traumatic stress disorder, and that the victims symptoms are related to the claimed stressor, then the veterans statement alone is sufficient evidence to establish the stressor.

Burn Pits: The use of open air burn pits in combat zones has caused invisible, but grave health complications for many service members, past and present. Particulate matter, polycyclic aromatic hydrocarbons, volatile organic compounds and dioxins – the destructive compound found in Agent Orange – and other harmful materials are all present in burn pits, creating clouds of hazardous chemical compounds that are unavoidable to those in close proximity. Burn pit exposure is clearly related to military service, and any resulting negative health effects must be considered for service-connected disability compensation and VA health care eligibility – to include those veterans who report being healthy at discharge, but later develop skin and pulmonary issues.

On February 4, 2014, VA published the proposed rules for initiating a burn pit registry with the intent of conducting a longitudinal cohort study of adverse health effects related to airborne hazards and burn pit exposure in Iraq and Afghanistan. We ask Congress to provide oversight ensuring that the burn pit registry becomes operational this year without undue delay so VA can begin gathering a veteran cohort to produce the longitudinal study.

Centers of Excellence: Many of the events causing TBI on the battlefield are also leaving an alarming number of our service members with serious auditory and vision impairments. According to the Defense Hearing Center of Excellence (DCOE), 350,000 veterans of the current conflicts have reported suffering from Tinnitus, and more than 250,000 veterans from these conflicts report having hearing loss.

DCOE also estimates that around half of those suffering with TBI also experienced some level of vision impairment. Over 46,000 veterans of Iraq and Afghanistan have reported an eye injury, and VA Polytrauma Centers report that 80 percent of all TBI-injured patients complain about some level of visual dysfunction. While these afflictions affecting the visual and auditory systems are obviously pervasive, they are not getting the attention they deserve.

The VFW is concerned that congressional intent behind creating the DCOE system is not being realized. A pronounced lack of funding, and a possible lack of cooperation between agencies, is resulting in a lack of progress and a diminished contribution. Exacerbating the problem is the fact that Congress reduced funding for this research last year, making what were already difficult choices even more complicated. According to DCOE, many serious opportunities for valuable research are available to them, but they do not have available resources to pursue them. DCOE should have adequate funding for research initiatives that have a high degree of promise. We urge your respective committees will work to ensure the best possible outcomes for our service members suffering with the problems these centers were created to address.

Caregivers: As of May 2013, over 10,000 family caregivers were participating in the program, with approximately 500 new caregivers being approved for the program each month. One of the requirements of the Caregiver Act was for VA to submit a report to Congress examining the feasibility of expanding eligibility for comprehensive caregiver benefits to those who care for severely injured veterans of previous eras. That report, issued in September 2013, estimated that between 32,000 and 88,000 pre-9/11 veterans would become eligible for the program at an estimated cost of \$1.8 to \$3.8 billion. VA stated that such an expansion would be operationally feasible, as long as Congress provides the necessary funding to administer the programs and hire the required additional staff. The VFW strongly encourages Congress to provide VA with the necessary resources to fully expand the caregiver program to all eras, because all have borne the cost of caring for their loved ones for many years.

Another caregiver issue that must be corrected is that caregivers of veterans who were disabled by service-connected illnesses are currently excluded from eligibility for VA caregiver benefits. The Department of Defense provides support to family caregivers of members of the armed forces who are catastrophically disabled through its Special Compensation for Assistance with Activities of Daily Living (SCAADL) program, which includes disabilities caused by illnesses in its eligibility requirements. The VFW believes that it is necessary to fully align VA caregiver benefits with the SCAADL program, to create a more seamless transition for the most severely disabled veterans, and to ensure that those who care for them receive the support they need.

Non-VA Purchased Care: Non-VA purchased care is provided to enrolled veterans when direct care is not readily available to them due lack of available specialists, unreasonably long wait times, or geographic inaccessibility. Although purchased care is necessary in some cases to ensure proper access, the VFW believes that it must be used judiciously so that VA is able to maintain its full range of specialized in and outpatient services in a cost effective manner. In the past, the VFW has been critical of the fragmented fee basis system of purchased care due to its total lack of care coordination and susceptibility to improper payments.

The VFW believes that VA has taken a large step forward in solving the problems associated with the fee basis system with its new Patient-Centered Community Care (PC3) model, a program which is currently being implemented and is scheduled to be fully operational next month. Late last year, VA awarded contracts to Health Net Federal Services and TriWest Healthcare Alliance to develop networks of providers across the country to deliver non-VA health care. The advantages to the PC3 contracts include convenience due to required commute time standards, efficiency due to pre-negotiated payments rates, and care coordination due to the requirement that medical records are returned to VA before payments are issued.

Under PC3, contracted networks will be authorized to provide most specialty care services – to include mental health services and newborn care for female veterans, as well as limited emergency care. Primary care services will remain exclusively with VA, along with nursing home care, dental care and dialysis. On January 1, 2014, TriWest partially stood up its networks ahead of schedule and began health care delivery in Region 5, which includes the West Coast, Hawaii, Arizona, New Mexico, and parts of Idaho, Nevada and Texas. In the first month alone, they received 1,400 authorizations from 18 different VA Medical Centers in Region 5, and have already scheduled over 650 appointments.

Although we are hopeful that PC3 will be successful in filling access gaps in a well-coordinated manner, the VFW will be monitoring its effectiveness closely in the coming year and we urge active Congressional oversight of the program. The uniform application of PC3 across different VA Medical Centers and VISNs will be essential to ensure the intent of the program is met, and non-VA care coordination staff must be properly trained. VA must maintain oversight of this program to ensure its use doesn't become fragmented or misused – with particular emphasis on highly rural areas where unreasonable travel times and lack of specialists pose the largest challenges.

Telehealth: VA is the largest and most comprehensive provider of telehealth services in the nation. Telehealth provides opportunities to save money, provide better health outcomes, and improve customer satisfaction by providing many services nearer and in some cases in the home. While the VFW recognizes the limitations of broadband and mobile infrastructure in many rural areas, we strongly believe VA must continue to be the leader in developing practical telehealth options that will benefit veterans and the larger medical community.

Today, many CBOCs are linked to larger VA facilities and their medical experts through teleconferencing, allowing for consultations and diagnostic testing. These services must continue to be expanded. Telehealth also allows for veterans to receive care while at home for mental health follow-ups, diabetes maintenance, post-surgical updates, and many other services. According to VA, the number of enrollees utilizing telehealth services grew from 9 to 11 percent in 2013, with over 600,000 veterans receiving almost 1.8 million telehealth-based episodes of

care. VA believes, however, that the percentage of veterans who could potentially benefit from some form of telehealth is far greater and, according to the 2013 VA Performance and Accountability Report, has set a long-term strategic goal of eventually providing telehealth services to 75 percent of all enrolled veterans.

In an effort to make telehealth services even more convenient, VA is also currently piloting 10 mobile apps. These and other new technologies, including telemental health, are improving the lives of veterans in a cost effective way. VA is the national leader in telehealth, and we hope they will keep their finger on the pulse of technological advancements with the intent to roll out new methods of diagnosing and treating veterans wherever possible.

CONSTRUCTION PROGRAMS

The vastness of VA's capital infrastructure is rarely fully visualized or understood. VA currently manages and maintains more than 5,600 buildings on almost 34,000 acres of land with a plant replacement value (PRV) of approximately \$45 billion. Although VA has decreased the number of critical infrastructure gaps, there remain more than 3,900 gaps that will cost between \$54 and \$66 billion to close, including \$10 billion in activation costs.

With shrinking requests and appropriations from the Administration and Congress, VA is slipping further behind in closing known safety, utilization and access gaps, and continues to fail to prevent future gaps from arising. To *only maintain* VA infrastructure in its current condition, VA's Non-Recurring Maintenance (NRM) account would justify \$1.35 billion per year, based on the estimated plant replacement value *The Independent Budget* veterans service organizations (IBVSOs) have calculated. The account is currently being funded at \$712 million. More funds will need to be invested to prevent the documented NRM backlog of \$19 billion to \$23.3 billion from growing even larger. To close the gaps in safety, access and utilization, VA will need to invest between \$27 and \$33 billion dollars in major and minor construction and leasing. VA capital infrastructure will never close all its safety and utilization gaps if they continue to conduct business as usual. It is time to have a serious discussion on what VA infrastructure will look like in the future. This discussion must be held in the public eye with a broad scope of voices – especially the voice of veterans. This discussion must include the idea of a public-private partnership, disposal of unutilized and underutilized properties, and forecasting of veterans populations.

Major Construction Accounts: To finish existing projects and to close current and future gaps, VA will need to invest at least \$23.2 billion over the next 10 years. At current requested funding levels, it will take more than 67 years to complete VA's 10-year plan.

In the short-term, VA must start requesting and Congress must start funding major construction at a level that begins to reduce the backlog. The IBVSOs recommend providing VA with \$2.8 billion in major construction funding in FY 2015. This will allow funding to close the most severe safety gaps and complete funding on the longest standing projects. VA must also begin presenting long-term proposals that will outline how the Department will address closing all major construction gaps.

Minor Construction Accounts: The VFW believes that minor construction accounts can be brought back on track by investing approximately \$832 million per year over the next decade to close existing gaps and to help prevent unmanageable future gaps.

Nonrecurring Maintenance Accounts: VA is moving further from closing current NRM safety, utilization and access gaps, and continues to fall behind on preventing future gaps from occurring. Just to maintain what they have in its current condition VA's Non-Recurring Maintenance (NRM) account must be funded at \$1.38 billion per year, based on *The Independent Budget* veterans service organizations estimated Plant Replacement Value. It is currently being funded at \$712 million per year. More will need to be invested to prevent the \$22.4 billion NRM backlog from growing larger.

Capital Leasing: The fourth cornerstone to VA's capital planning is leasing. The current lease plan calls for little more than \$2 billion over the next 10 years. VA leases properties, ranging from CBOC and medical centers to research and warehouse space. These leases do not fall under the larger construction accounts, but under each VA agencies and staff office operating accounts.

Since the 1990s, Congress has helped improve VA health care access and patient satisfaction by authorizing and funding nearly 900 VA CBOCs. These facilities have provided local, convenient and cost-effective primary care for millions of veterans. In a 2012 policy shift, the Congressional Budget Office changed its accounting practice on how major capital leases are to be funded, effectively halting congressional authorization of future leases. Currently, there are 28 major capital leases, totaling nearly \$247 million, for which VA has requested congressional authorization. These leases are now in limbo. This backlog of leases will only grow as existing leases expire. Lack of reauthorization could result in closures of current clinics, and newly proposed clinics cannot be activated without authorization. Inaction will lead to increased costs associated with longer travel times or the need for fee-based care that otherwise would be provided through CBOCs. Access to care will also decline as veterans will be forced to travel further and wait longer for the care they need.

ECONOMIC OPPORTUNITY

Congress deserves recognition for its concerted efforts to reduce veteran unemployment. Over the last four years we have watched the unemployment rate drop from well over 12 percent for Iraq and Afghanistan-era veterans to now slightly over 7 percent. Unfortunately, while the situation has improved, job prospects for our newest generation of veterans remain grim when compared to their non-veteran counterparts. Unemployment among post-9/11-era veterans continues to be unacceptably high. Our troops are already home from Iraq and by the end of this year, most troops will be brought home from Afghanistan. In a difficult budget climate, the military has already started to draw down its active duty force, and the Department of Labor estimates that more than 1 million veterans will enter the workforce in the next three years. This means that we must remain ever vigilant in ensuring our veterans have the tools necessary to succeed in the civilian economy after military service.

Historically, veterans have always performed better than their non-veteran peers in the civilian job market. So where is the disconnect?

The VFW believes that improving skills transferability, skills acquisition, accessibility to higher education, and paths to entrepreneurship, as well as bridging the civilian-military divide will allow our nation to ensure that veterans have the opportunities to contribute to the civilian economy long after military service.

Over the last few years, the VFW has worked very closely with both of these committees and other committees in Congress to commission new programs and improve existing programs to better serve veterans in the workforce. Whether through veteran hiring tax credits, small business incentives, public-private hiring partnerships, robust education benefits, or modernized transitional resources, we have opportunities to better prepare our newest veterans for what lies ahead.

We must also always consider the needs of those who came before. Though young veterans are more likely to be unemployed, older veterans are the largest cohort of unemployed veterans. Over the years, industries have evolved and jobs have gone away. This is why services like Vocational Rehabilitation, the Veterans Retraining Assistance Program, and veteran priority services at American Jobs Centers remain so critical. Our nation must have a national strategy to address overall veteran unemployment, and the VFW is honored to offer our recommendations on how to make this happen.

Vocational Rehabilitation and Employment (VR&E): VA must conduct a work measurement study to identify proper staffing levels, and the critical skills and competency needs that are truly necessary to provide quality assistance for veterans within the VR&E program. As the wars in Iraq and Afghanistan draw to a close and more veterans file claims for disabilities incurred in the line of duty, VR&E will need to adapt to meet this evolving need for rehabilitation services.

Recent figures indicate that the workload for VR&E counselors is 145 veterans to every counselor – far in excess of VA’s 125:1 standard. VA has an obligation to ensure that all veterans who need reemployment services due to their service-connected disabilities must have the proper guidance and resources to complete their individualized rehabilitation program. VR&E must focus on building careers for veterans – not just placement into jobs – and funding for VR&E must reflect that commitment. The VFW recommends congressional oversight of VR&E to ensure veterans are receiving the highest level of assistance.

VA must also increase oversight of VR&E service contracts to ensure quality services are provided, and that reimbursement is at an appropriate level. The VFW believes that VA should provide a clearer picture of success rates in the survey and performance data to ensure proper funding and training levels can be achieved. Currently, veterans who are only using VR&E for employment services do not receive a monthly living stipend while seeking employment, but veterans using VR&E more comprehensively receive living stipends for up to two months past the completion of their rehabilitation plan. The VFW believes these incentives should be realigned to more fairly assist veterans regardless of the services they are receiving. It is also important to extend success tracking from 60 days to the end of the veteran’s probationary period in employment. This will provide better assurances that veterans are succeeding in their new careers.

The VFW strongly supports Vocational Rehabilitation for Life now more than ever. The VFW has long believed that any time restrictions on utilizing such an important program prevent independence and an enhanced quality of life for veterans. Recent economic conditions have demonstrated exactly why our disabled veterans must always have access to this critical program. Industries evolve and some jobs go away. The VFW believes that America has an obligation to ensure that service-disabled veterans can secure meaningful careers regardless of how long they have been out of the military. Eliminating the current 12-year delimiting date and offering Vocational Rehabilitation for Life will ensure VA can uphold this obligation.

Transition Assistance Program (TAP): The military TAP is the first gateway to ensuring a veteran can succeed in the civilian workforce after military service. Unfortunately, for years the curriculum was stale; transitioning service members chose not to participate; and once the uniform came off, the information was no longer available. Thanks largely to Chairman Miller and Senator Murray, and the hard work of these Committees and the VOW to Hire Heroes Act, all of this has changed over the last few years. TAP is now mandatory for all transitioning service members, meaning all will have a quality baseline of information before and after leaving the military. Moreover, the departments of Defense, Labor, VA and other partner administrations have completely overhauled the curriculum to make it more relevant to today's workforce. Finally, Labor has made all of the new TAP modules readily available on its website and Congress commissioned pilot programs to deliver TAP modules to veterans in five communities around the country.

Unfortunately, the VFW remains concerned about the definition of "mandatory TAP," since TAP only mandates participation in the first week of service-specific counseling, Labor's employment workshop and the VA benefits briefing. It excludes the individualized curriculum for education, entrepreneurship, and vocational/technical employment. The VFW believes that all service members must have access to these individualized tracks to ensure they are prepared for post-military life.

The VFW also believes that curriculum must be continually audited and updated for relevance, and that the pilot program on post-service TAP should be extended to support large military and veterans' communities across the country.

Licensing and Credentialing: When we recruit American men and women to serve in the military, we promise them highly technical skills and experience that employers will value. With this in mind, it seems incomprehensible that our veterans continue to struggle to find comparable civilian careers after leaving the military.

Thankfully, Congress and many states have taken steps over the last few years to improve the situation. In federally-licensed fields like aviation, military credentials easily transfer into federal licenses, and in fields like transportation and health care, the states are starting to fill in the gaps. More than 27 states recognize military training and experience when considering veterans for certain professional licenses.

A recent Department of Defense pilot program on civilian licensing and credentialing has also succeeded in better training military professionals to civilian standards. However, the Pentagon acknowledges that this pilot program needs to be expanded to include other fields, like information technology (IT), and it needs a sustainability plan. The VFW will continue to work

at the state level to advance the acceptance of military training and experience. The VFW encourages Congress to look at any and all options to expand and sustain civilian licensing and credentialing programs for service members while in uniform, as we work at the state level to advance the recognition of military training and experience in lieu of civilian recertification. At a time when the government spends nearly \$2 billion each year to finance veteran unemployment benefits, exposing service members to relevant credentialing opportunities while in uniform not only creates better trained military professionals, but it also allows these highly trained professionals to more easily find jobs after leaving the military.

Veteran Hiring Priority: The VFW believes we must continually encourage civilian employers to proactively recruit, hire and retain veterans. Through their military service, our veterans have gained leadership and teamwork skills unparalleled in the civilian sector. Veterans have also received world class training and real-world experience that should easily translate into any work environment. Recent reports from both the University of Syracuse Institute on Veterans and Military Families, and the Center for a New American Security, have confirmed this by talking directly with employers who hire veterans.

Unfortunately, these same reports reiterate that a cultural divide persists between the military and potential civilian employers, leading to misconceptions that prevent companies from recruiting, hiring and retaining skilled veteran employees.

Recently, the House Veterans Affairs Committee hosted a hearing to listen to private industry employers who have made a concerted effort to bring veterans into their workforce. Each witness agreed that veterans brought immeasurable skills, but called for improved public/private partnerships to prepare veterans for new civilian careers.

Despite some recent examples of success, the VFW believes that more companies in the private sector must step up to hire veterans. The VFW has long advocated for a national “Hire a Vet” public relations campaign to change the mindset in the private sector, but we must also work to ensure that potential employers fully understand how to reach and recruit quality employees from the veterans’ community.

Veterans Small Business: The VFW also recognizes that veterans are more likely to pursue business-ownership than their civilian counterparts. After World War II, 49 percent of all small businesses in the United States were owned by veterans. We must continue to cultivate this entrepreneurial spirit. We applaud the Small Business Administration for its work to improve entrepreneurial resources for our veterans, but more can be done to help veterans access capital to get a business off the ground.

The federal government has an obligation to do business with veteran-owned small businesses (VOSBs), service-disabled veteran-owned small businesses (SDVOSBs) and contractors who employ veterans. Unfortunately, many agencies still fail to meet the three-percent acquisitions threshold to contract with SDVOSBs, and tools are not in place to enforce veteran-hiring mandates for contractors. To further exacerbate this shortfall, VA’s Center for Veterans Enterprise continues to put up roadblocks to veteran entrepreneurs who wish to do business with VA. The House Veterans Affairs Committee called attention to this issue last session, and we encourage Congress to hold VA accountable for unreasonable vetting policies that have prevented some long-established VOSBs and SDVOSBs from doing business with VA.

Many communities around the country lack sufficient entrepreneurial support for veterans. The VFW advocates for effective outreach to all potential veteran business owners so that they may seek opportunities in establishing and developing businesses. In order to receive the adequate knowledge to pursue their goals in business and entrepreneurship, the VFW encourages Congress to pass legislation to sustain and expand Veterans Business Outreach Centers to provide financial, management and marketing advice, as well as training and counseling to potential veteran entrepreneurs.

The VFW supports equal benefits for all veterans alike. Today, women veterans are the fastest growing segment within the veterans' population, meaning we must afford our women veterans with mentorship and resources to succeed as business owners. The VFW supports the Veteran Women Igniting the Spirit of Entrepreneurship (V-WISE) program and its objectives to help women veterans start their own businesses. Education will be one of the tools used to assist V-WISE participants in acquiring the basic skills of entrepreneurship, to receive mentoring from currently accomplished entrepreneurs, and to build partnerships within the business community.

The VFW also fully supports business development programs to assist veterans with service-connected disabilities. The Entrepreneurship Bootcamp for Veterans with Disabilities Program (EBV) offers exceptional training to veterans with disabilities. Much like other successful business programs for veterans, EBV provides consistent education, mentorship and training, and exposure to build successful entrepreneurs.

USERRA: Members of the Guard, Reserve and the veterans' community have employment and discrimination protections through the Uniformed Servicemembers Employment and Reemployment Rights Act (USERRA), but enforcement is difficult and the federal government continues to be one of the worst offenders.

The VFW has learned that many service members, veterans and their employers fail to understand their most basic rights and responsibilities under USERRA, which causes many service members to unknowingly waive those rights by signing binding, pre-dispute arbitration agreements upon employment. To change this, Congress must first create a USERRA exemption for such agreements. We must also better educate veterans on their rights, and equip both service members and employers to understand USERRA.

Finally, the VFW has long supported veterans' hiring preferences within the federal workforce. At a time of federal hiring freezes and budget constraints, the VFW believes that Congress must ensure the federal government serves as a model employer of veterans, working proactively to recruit, hire and retain the best possible veteran recruits.

Education: In 2008, Congress passed the Post-9/11 GI Bill offering unprecedented educational opportunities for our most recent veterans. However, history shows that as a conflict ends, Congress tends to scale back education benefits. As a result, the VFW's top priority is to preserve this benefit at all costs. To do so, we must have accurate data on student veteran outcomes in higher education.

Over the years, some on Capitol Hill have pointed to incomplete and largely irrelevant data from the Department of Education as an indicator that veterans do not succeed in college. Thankfully, in the last year, veterans' advocates have stepped up to fill this void. This is why the VFW

applauds the recent collaboration among VA, Student Veterans of America and the National Student Clearinghouse to compile student veteran outcome data on nearly 1 million veterans who served after 9/11. We anticipate this report in the coming months, and we look forward to finally having reliable data with which we can demonstrate student veteran success. However, this is just the beginning. We hope this project will serve as a demonstration for the kinds of information VA and the Department of Education should collect on student veterans.

Over the past year we have also seen significant improvement in the consumer resources available to college-bound veterans. Last year we applauded Congress for passing the *Improving Transparency in Education for Veterans Act of 2013*, commissioning a centralized feedback system and consumer comparison tool for student veterans. The VFW is proud to report that both of these systems are now up and running. VA can finally process student veteran complaints in a responsible manner, and college-bound veterans need only to navigate one website to learn about potential colleges. However, VA and its partners must have the resources to maintain these tools through IT collaboration and maintenance of the VA/ED institutional crosswalk.

The Post-9/11 GI Bill was intended to pay the full cost of in-state tuition at a public institution. Unfortunately, strict in-state residency requirements at public schools prevent many veterans from receiving equitable benefits because of past military service obligations. The VFW believes that no veteran should be disqualified from in-state tuition because of past military service. For the past year, the VFW has worked diligently alongside our VSO partners to change the national discourse on veterans' in-state tuition with tremendous success. Each day we learn that more states are extending in-state tuition to their veterans, but we maintain that the federal government has an obligation to ensure veterans have a baseline of protection – particularly from states that continually refuse to properly serve their student veterans. The VFW applauds the House's overwhelming passage of the in-state protections included in H.R. 357, and we encourage the Senate to quickly pass its in-state reform bill as well.

The VFW was proud to support Congress in its commissioning of the Veterans Retraining Assistance Program, or VRAP, through the VOW to Hire Heroes Act. We believe that this benefit for older unemployed veterans provided critical gap education and training to help make veterans more competitive in the job market. Unfortunately, VRAP is set to expire this month, and many veterans were precluded from participating because of administrative hurdles. The VFW encourages Congress to first extend VRAP to allow all current participants to complete their programs. Next, the VFW wants Congress extend the program to additional trainees, with relaxed standards allowing four-year colleges to participate, and allow trainees to drop below full time status. These changes will allow more eligible veterans to enroll in training programs and complete any remediation or part-time work necessary to their program success.

The VFW urges Congress to close two substantial loopholes for survivors with regard to accessing Post-9/11 GI Bill benefits. First, surviving spouses must be afforded the opportunity to receive the Gunnery Sgt. John David Fry Scholarship. Military spouses sacrifice civilian career growth and professional development due to the rigors of military family life. As a nation, we have an obligation to provide our surviving spouses with the tools necessary to rebuild their lives after suffering such a tragic loss. While the Dependents Education Assistance program may have been sufficient in the past, today the benefit is largely irrelevant when compared to the cost of higher education. Opening up the Fry Scholarship to surviving spouses fixes this inequity.

Also current Fry-eligible dependent children are excluded from enhanced tuition reimbursement available through the Yellow Ribbon Program, meaning they may incur significant unforeseen out-of-pocket costs for higher education. The VFW believes survivor GI Bill benefits should be comparable to veterans' benefits. A simple legislative fix will provide Fry Scholarship recipients with the same benefits as other Chapter 33-eligible beneficiaries, and the VFW encourages Congress to quickly pass legislation to close this loophole.

Finally, the VFW continues to call on Congress to review the modern role of the State Approving Agencies (SAAs) through which VA assesses academic programs for GI Bill eligibility. The VFW believes that SAAs must still play a critical role in ensuring the academic success of student veterans, but we also believe they are in need of modernization. We continue to encourage these committees to host hearings on the SAAs to offer modernization opportunities and clarification of their evolving role in the 21st century.

OTHER BENEFITS

Survivor Benefit Plan-Dependency and Indemnity Compensation: The VFW calls on Congress to repeal the egregious "Widow's Tax" survivor penalty. The Survivor's Benefit Plan (SBP)/ Dependency and Indemnity Compensation (DIC) offset can be fixed by passing H.R. 32. This survivor penalty affects over 61,000 military surviving spouses.

SBP is a purchased insurance that pays a percentage of military retiree pay to a surviving spouse, and a benefit conferred in line-of-duty deaths for active duty service members. The amount of SBP paid to the survivor whoever, is offset dollar-for-dollar by any DIC payment received.

Congress has recognized the offset as unfair and has created a Special Survivor Indemnity Allowance (SSIA) to offset the offset. SSIA is a monthly payment that started at \$50 in FY 2008 and will be raised yearly up to \$310 through FY 2016. However, SSIA is only a temporary fix in that it is only authorized through FY 2016.

Other federal programs do not have an offset of this kind. We believe those who give their lives for their country deserve equal compensation for their surviving spouses and children. Our service members died believing that their sacrifice would enable a decent quality of life for their spouses and children. The elimination of this survivor benefit inequity is a top legislative goal for VFW.

Concurrent Receipt: The VFW continues to support legislation which calls for full concurrent receipt of military retirement pay and VA disability compensation without offset, and regardless of the rating percentage. Current law will allow military retirees with 20 or more years of service and a disability rating of 50 percent or higher to receive both their military retirement pay and their VA disability compensation without offset by the end of the 2014. Now it is time to include those service-connected disabled military retirees with VA ratings of 40 percent and below, and Chapter 61 retirees, who were medically retired with less than 20 years. No other federal employees are penalized for retiring and having a disability.

The VFW calls on Congress to pass legislation to allow all military retirees, especially those who are medically retired, to receive their retirement pay and VA disability without offset.

Veterans Homelessness: Ending homelessness among veterans by 2015 is a top priority for the VFW and the Administration. Encouraging data has been released by VA and the Department of Housing and Urban Development (HUD) showing the number of homeless veterans declining. A 2013 Annual Homeless Assessment Report, prepared by HUD, estimates there were 57,849 homeless veterans on a single night in January in the United States, an 8 percent decline since 2012 and a 24 percent decline between 2009 and 2013. In 2012, VA provided care and services to more than 240,000 veterans who were homeless or at-risk of homelessness. VA's homeless initiatives constitute the largest integrated network of programs in the country. VA has also increasingly recognized that the problem cannot be fixed without partnerships with local and state entities. Highly effective programs like VA's Supportive Services for Veterans Families (SSVF) and the HUD-VASH program are critical in finding solutions for veterans transitioning and to prevent at-risk families from becoming homeless.

VA announced the availability of \$600 million in grants as part of the SSVF program for community organizations – more than double what was provided in FY 2013. The community organizations receiving the grants are estimated to serve over 65,000 veterans and their family members facing homelessness. VFW encourages Congress to continue providing the sufficient funding for these services. To include 10,000 in new vouchers in FY 2015 for HUD-VASH, and funding for the necessary case management services to support this important program.

VA must continue its outreach efforts to help ensure homeless veterans gain access to the necessary health and benefit programs. They must also take the lead in addressing specific needs of homeless veterans by evaluating and improving its strategies of local and government cooperation in order to be successful. VFW continues to stress that ending homelessness requires a firm understanding that the problem must be solved at every level of government not just Washington, DC.

VA Adaptive Grants: Adaptive grants for eligible service-connected veterans provide independence and allow veterans with severe disabilities to regain confidence and freedom of movement in a challenging environment. Currently, VA provides adapted-housing grants only once regardless of any change in circumstances like locality to employment, family size, or access to medical care. Once the housing grant is used, veterans with service-incurred disabilities must bear the cost of continued accessible living should they move or modify a home. Veterans should not be forced to choose between surrendering their independence by moving into an inaccessible house, or staying in a home that no longer fits their families' needs.

VA Insurance Programs: VA insurance programs are designed to provide coverage to veterans and service members who may have difficulty obtaining affordable coverage in the private sector due to service-connected disabilities. The Service Disabled Veterans Insurance (SDVI) program has not been updated to reflect changes in life expectancy since the program started in 1951. Since that time, reductions in commercial mortality rates reflect an improved life expectancy as shown in updated mortality tables. The use of outdated tables results in rates and premiums that are no longer competitive with private industry, and; therefore, no longer provide the intended benefit for eligible veterans. Congress should pass legislation that authorizes VA to revise and update its premium schedule for SDVI based on current mortality tables.

VFW encourages Congress to pass legislation that will exempt the cash value of VA life insurance policies and all dividends and proceeds from being considered as income when

determining eligibility for other government programs like a veterans' entitlement to health care under Medicaid.

DOD RETIREMENT AND QUALITY OF LIFE

Although the following issues fall under the purview of the Armed Services Committees, the VFW must take the time to express our concerns with issues concerning military retirees and service member quality of life.

TRICARE: The TRICARE program has afforded active duty military personnel, retirees, and their families a high quality benefit that we believe keeps faith with the unique service they have provided to the nation. Unfortunately, this benefit is continually the target for budget savings.

The most recent attempt to save money through the erosion of retiree medical benefits came in the form of the January 2013 announcement by DOD that those who live more than 40 miles away from a Military Treatment facility or base closure site would be involuntarily switched from TRICARE Prime to the more expensive fee-for-service option, TRICARE Standard. The VFW vehemently opposed this change, viewing it as an act of breaking faith with military retirees, and we are grateful that Congress included a grandfather clause in the FY 2014 NDAA allowing all those who are currently on TRICARE Prime to remain so as long as they continue to reside in the same zip code. Although this issue was successfully resolved, it stands as proof that TRICARE benefits will remain under constant scrutiny and the VFW will continue to work with Congress to ensure that those who earned those benefits get to keep them.

Protection of Military Retirement System: There continues to be a push from the Pentagon to control costs by reducing pay and benefits to our service members, retirees and their families. There have been recent conversations that lead the VFW to believe DOD once again is looking to suggest fee increases for pharmaceutical co-pays, charging an enrollment fee for TRICARE for life, reduce basic allowance for housing, and end the subsidy to the commissary system. These suggestions cannot be acted on. Congress established a commission to review the military's pay and benefits system. Let the commission do its job. The VFW fears any changes will undermine the incentive to serve 20-plus years in uniform, and fail to recognize the physical, personal and financial sacrifice service members and their families endure during a full military career.

Equity that non-military cohorts earn in home ownership is lost for service members who move every three to four years. Spouses lose career longevity, precluding them from raises and promotions associated with staying with an employer long-term.

Not included in the financial hardships are the years away from family, the physical toll military training and war have on service members, or the internal turmoil caused from uprooting children from schools every few years. Comparing civilian careers to military service in an effort to justify reducing the military retirement plan is disingenuous and an insult to all who wear the uniform. To maintain a high quality, all-volunteer force, it is important to keep personnel benefits, particularly the current retirement system intact.

Military Sexual Trauma (MST): The FY 2014 National Defense Authorization Act (NDAA) and other noted legislation included provisions to strengthen sexual assault prevention and response programs and amend the Uniform Code of Military Justice (UCMJ). We applaud programs like DOD's Sexual Assault Prevention and Response Office (SAPRO) which is tasked with ensuring that all military service programs handling sexual assault complies with DOD policy. VFW is encouraged by the many collaborating efforts between DOD and VA to ensure proper reporting, screening, treatment and compensation for conditions resulting from MST.

We urge Congress to continue holding oversight hearings on the progress DOD is making towards the reforms and goals of combatting sexual assault. Protecting those who are victims of military sexual assault by improving policies and practices as well as providing proper health care and benefits is the key to recovery.

POW/MIA FULL ACCOUNTING ISSUE

No organization does more for the POW/MIA mission than the VFW. We have sent senior leaders into Vietnam every year since 1991, to Russia since 2004, and now into the People's Republic of China in an effort to help U.S. researchers gain deeper access inside foreign military archives and to potential eyewitnesses. This is because we who have been to war have an unwavering commitment to those who never returned. This is the most sacred of missions, and none of our members will truly rest until we know the whereabouts of everyone who did not return home from war, to include Army Sgt. Bowe Bergdahl, the only known American service member being held against his will.

The FY 2010 National Defense Authorization Act requires the Joint POW/MIA Accounting Command (JPAC) to identify at least 200 missing servicemen annually by 2015. The new requirement did not initially come with increases in personnel or funding, and whether or not programmed budget increases through FY 2016 come to fruition remains to be determined, especially since it appears the two largest accounting organizations – JPAC and the Defense POW/Missing Personnel Office (DPMO) – might merge into one organization.

Mission accomplishment is what's important to the VFW, not organizational structure. We are concerned, however, that new mission requirements – such as the resumption of recovery operations in North Korea – might become unfunded mandates. We cannot eliminate or reduce the level of commitment to recover our missing from other wars and conflicts. Shifting resources elsewhere will only make current work more complicated. Witnesses will be harder to find, and acidic soil conditions will continue to destroy the remains that are left.

We urge full mission funding for every organization involved in America's Full Accounting Mission, to include the U.S.-Russia Joint Commission on POW/MIAs, and a waiver be granted for the current hiring freeze that is preventing additional scientists from being hired to help meet and exceed the 200 identifications a year requirement that Congress mandated.

America must always live up to her commitment to never leave a fellow service member behind.

Thank you for the opportunity to testify before you today. I am happy to answer any questions the Committees may have.