

John Rowan, National President, Vietnam Veterans of America

TESTIMONY

OF

Vietnam Veterans of America

Presented By

John Rowan  
National President

Before the

Committee on Veterans Affairs  
United States Senate

Regarding

The Department of Veterans' Affairs  
Fiscal Year '09 Budget Request

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Chairman Akaka, Ranking Member Burr and distinguished Members of the Committee, on behalf of the Board of Directors, and members, I thank you for giving Vietnam Veterans of America (VVA) the opportunity to testify today regarding the President's fiscal year 2009 budget request for the Department of Veterans Affairs. VVA thanks each of you on this distinguished panel, on both sides of the aisle, for your strong leadership on issues and concerns of vital concern to veterans and their families.

I want to thank you for recognizing that caring for those who have donned the uniform in our name is part of the continuing cost of the national defense. Caring for veterans, the essential role of the VA and, for specific services other federal entities such as the Department of Labor, the Small Business Administration, and the Department of Health and Human Services, must be a national priority. This is poignantly clear when we visit the combat-wounded troops at Walter Reed Army Medical Center and Bethesda Naval Hospital.

VVA wishes to note at the outset that the annual exercise of debating the merits of the President's proposed budget is flawed. Medical Center directors should not have to be held in limbo as Congress reworks and adjusts this budget and perhaps misses, yet again, the start of the next federal fiscal year. These public servants can be more effective, more efficient, and better

managers of the public trust if they can properly plan for the funding they need to carry out their mission of caring for their patients. We hope that this can be avoided this year and ask that you seriously consider an immediate alternative to the broken system we currently have and reaching our goal of assured funding.

To rectify this situation, VVA and the other members of The Partnership for Veterans' Health Care Budget Reform are developing a proposal that would give the VA leeway its managers need to properly plan for the requisites of their patient load. We will have more for you as this proposal is tightened up.

## Overview

Concerning the proposal at hand, the President's FY'09 budget for the VA, we must again take exception to the attempt by the Administration to tax Priority 7 and 8 veterans with an annual fee just for signing into the VA health care system; and for almost doubling the co-payment for prescription pharmaceuticals. To us this is further evidence of the attempt to rid the system of as many "higher income" veterans as possible. We trust that you will see the folly in this, and will reject outright any attempt to enact these measures into the law of the land.

We are pleased, however, that the Administration has again refrained from citing phantom "management efficiencies" in the numbers in this budget proposal. Managers are in general well-paid. Effective, caring managers should take rightful pride in the jobs they do. Inefficient managers need to be sanctioned and, if necessary, transferred or removed.

We are less than sanguine, however, about the claim that "one of VA's highest priorities in 2009 will be to continue an aggressive research program to improve the lives of veterans returning from service in [Iraq and Afghanistan by devoting \$252 million] to research projects focused specifically on veterans returning" from service in these two hot spots. It is our understanding that data collecting on maladies and diseases troops are returning with is not happening. It's almost as if our government does not want to know about these ailments so that it won't be burdened with Dependency Indemnity Compensation (DIC) payments.

We are pleased that the spirit of cooperation between the VA and the Department of Defense may actually be bearing fruit. In 2009, VA and DOD will complete the pilot of a new disability evaluation system for wounded returnees at major medical facilities in the Washington, D.C. area. We hope that what results from this effort "to eliminate the duplicative and often confusing elements of the current disability process of the two departments" will lead to less confusion and a single, viable disability rating determined by the VA.

We are concerned, however, that there still will not be enough resources to deal with the flood of troops and veterans returning to our shores and presenting with a range of mental health issues. The VA ramped down for several years the numbers of mental health professionals it employed. Now, seeing the error of its ways, it is hurriedly hiring clinicians. The question is: Will there be enough of them to meet the challenge?

We are more than a little skeptical that, at the VA touts, the budget will provide resources "to virtually eliminate the patient waiting list by the end of 2009." When have we heard this before?

On the benefits side of the ledger, we find it ludicrous to believe that this budget "will allow VA to improve the timeliness with which compensation and pension claims are processed." Are VA planners perhaps a bit overly optimistic that they can reduce the average time it takes to process a claim to 145 days, 32 days quicker than the average 177 days it currently takes? No, the Veterans Benefits Administration requires a complete overhaul, one that introduces a new way of thinking about vetting veterans who make claims for Compensation & Pension benefits.

On the whole, this budget proposal is a better start than we have had in many a year, but the overall request for additional resources are just too low. With concerted work however it can be the most viable budget and appropriations document we have had in many years, of which we all can be proud.

### Veterans Health Administration

Last year, VVA recommended an increase of \$6.9 billion to the expected fiscal year 2007 appropriation for the medical care business line. Congress was very generous and we actually came close to that figure if one includes the supplemental funding of about \$1.8 billion for veterans' health care. We recognize that the budget recommendation VVA is making again this year is also extraordinary, but with troops still in the field, years of under-funding of health care organizational capacity, renovation of an archaic and dilapidated infrastructure, updating capital equipment, and several cohorts of war veterans reaching ages of peak health care utilization, these are extraordinary times.

VVA asks that you continue ramping up the resources available to rebuild the organizational capacity to the point where the VA can really meet the needs of an increasing workload. Frankly, we believe that VA has (again) underestimated the projected workload for the next fiscal year. Instead of a growth of about 40,000 new veterans of the Global War on Terror (GWOT), VVA estimates that the increase will be at least equal to last year's increase of 90,000 new veterans entering the system, and probably will be in excess of 100,000 new GWOT veterans, particularly if the VA starts doing a better job of outreach, reduces wait times as called for in their plan, and continues to make gains in adding needed staff capacity.

In contrast to what is clearly needed, we believe the Administration's fiscal year 2009 request for \$2.34 billion more than the FY 2008 appropriation is not adequate.

The increase the Administration has requested for medical care does not quite keep pace with inflation (due to increased energy costs, rising pharmaceutical costs, and other costs VA cannot control), but it will not allow VA to continue the needed pace of enhancing its health care and mental health care services for returning veterans, restore needed long-term care programs for aging veterans, or allow working-class veterans to return to their health care system. VVA's recommendation of a \$5.24 Billion increase over FY 2008 would accommodate these goals.

The advances of VA in recent years in improving the veterans' health care system are well known, and often elucidated by all of us, particularly VA officials. However, these advances have come with a cost. For years, the veterans' health care system has been falling behind in meeting the health care needs of some veterans. At the beginning of 2003, the former Secretary of

Veterans Affairs made the decision to bar so-called priority 8 veterans from enrolling. In most cases, these veterans are not the well-to-do-they are working class veterans or veterans living on fixed incomes who earn as little as \$28,000 a year. It is not uncommon to hear about such veterans choosing between getting their prescription drug orders filled or paying their utility bills. The decision to "temporarily" bar these veterans is still standing, and it is still troubling to thoughtful Americans. As of this week, VA officials estimated that as many as 250,000 additional veterans are shut out of the system until they become indigent or eventually are granted service connection for one or more of their conditions that originated in military service. No one knows the size of the "migration" from the wilderness of Priority 8 to a category where these veterans can enter the system at some point when they are much sicker and/or poorer, because the VA has not tried to track it (at least not in a public way that we know of). However, VVA believes that it is a significant number.

It is time to live up to the promise and obligation and to "Leave No Veteran Behind" by restoring access to so-called Priority 8 veterans who are now on the outside and looking in. Of the recommended increase, \$1.3 billion is for restoration of the Priority 8 veterans by the end of the second quarter of FY 2009. It will take VA at least three to six months to add the organizational capacity to ensure that the system is not overwhelmed all at once.

Congress is to be commended for turning back many legislative requests for enrollment fees and outpatient cost increases in the past, which would have jeopardized access to care for hundreds of thousands of veterans. Hard-fought Congressional add-ons, such as the \$3.6 billion added to veterans' health care for fiscal year 2007, and the more than \$11 billion all told in calendar year 2008, now place us at a position where it is not only feasible to re-open the system to all veterans who have earned the right to access to this care, but it would be wrong to continue to shut them out.

#### Medical Services

For medical services for fiscal year 2009, VVA recommends \$44.3 billion including collections. This is approximately \$3.1 billion more than the Administration's request for fiscal year 2009. VVA is making its budget recommendations based on re-opening access to the millions of veterans disenfranchised by the Department's policy decision of early 2003 that was supposed to be "temporary." The former ranking member of the House Committee on Veterans Affairs, Lane Evans, discovered that a quarter million priority 8 veterans had applied for care in fiscal year 2005. Similar numbers of veterans have likely applied in each of the years since their enrollment was barred. Our budget allows 1.5 million new priority 7 and 8 veterans to enroll for care in their health care system. While this may sound like too great a lift for the system, use rates for priority 7 and 8 veterans are much lower than for other priority groups. Based on our estimates, it may yield only an 8% increase in demand at a cost of about \$1.9 billion to the system for additional personnel, supplies and facilities.

#### Mental Health -Need to Restore Organizational Capacity for Substance Abuse Treatment

VVA urges that language be inserted in the Appropriations bill before Congress to express concern that substance abuse disorders among our nation's veterans is not being adequately addressed by the Veterans Health Administration (VHA). The relatively high rate of drug and

alcohol abuse among our nation's veterans (much of which is self-medication to deal with untreated PTSD), especially those returning from service in Operation Enduring Freedom and Operation Iraqi Freedom, is causing significant human suffering for veterans and their families.

These folks can and will be stronger for their experience if we only will deliver the effective care they need when they need it in a way they will accept.

Further delay in moving to restore effective mental health and substance abuse services will lead to poorer health and more acute health care utilization in the out years, not to mention economic opportunity cost to the nation and needless suffering by these veterans, and their families.

Specifically, VVA urges the Congress to direct the Secretary to make concerted efforts to reduce the overall incidence of drug and alcohol abuse and dependence among enrollees in the Veterans Health Administration by meeting the performance measurements included in "A Comprehensive VHA Strategic Plan for Mental Health Services," VA's current and adopted plan to reform its mental health programs, with the hallmark of recovery. To its credit, VA has developed a strategy to "restore VHA's ability to consistently deliver state of the art care for veterans with substance abuse disorders," as a milestone within that reform plan, but to date has yet to fulfill the promise of its commitment to recovery, and establishing the goal of every veteran being able to obtain and sustain meaningful employment at a living wage as the ultimate goal for all VA mental health programs, including its substance use disorder programs.

Further, VVA urges the Congress to direct the Secretary to provide quarterly reports beginning with a baseline report by each Veterans Integrated Service Network (VISN) on the initiatives set forth in the VHA Strategic Plan for Mental Health Services, specifically to improve VA's treatment of substance use disorders. These reports will provide an ongoing indication of VHA's progress in the implementation of its adopted Strategic Plan as described in section 1.2.8 of "A Comprehensive VHA Strategic Plan of Mental Health Services", May 2, 2005. In addition to baseline information, at minimum these reports should include: the current ranking of networks on their percentage of substance abuse treatment capacity along with plans developed by the lowest quartile of networks to bring their percentage up to the national average; and, the locations of VA facilities that provide five days or more of inpatient/residential detoxification services, either on site, at a nearby VA facility, or at a facility under contract to provide such care; and, the locations of VA health care facilities without specialized substance use disorder providers on staff, with a statement of intentions by each such facility director of plans to employ such providers or take other actions to provide such specialized care.

The decade long diminishment of VA mental health programs that we experienced in the 1990s did level out by 2001, and VA all too slowly started to rebuild capacity that has been accelerated in recent years. However, we must continue to restore capacity to deal with mental disorders, particularly with Post Traumatic stress Disorder and the often attendant co-morbidity of substance abuse. In particular, substance abuse treatment needs to be expanded greatly, and be more reliant on evidence based medicine and practices that are shown to actually be fruitful, and be held to much higher standards of accountability, as noted above. The 21 day revolving door or the old substance abuse wards is not something we should return to, but rather treatment modalities that can be proven to work, and restore veterans of working age to the point where

they can obtain and sustain meaningful employment at a living wage, and therefore re-establish their sense of self-esteem.

#### National Centers for PTSD

VVA also urges that additional resources explicitly be directed in the appropriation for FY 2009 to the National Centers for PTSD for them to add to their organizational capacity under the current fine leadership. The signature wounds of this war may well be PTSD and Traumatic Brain Injury and a complicated amalgam of both conditions. VVA believes that if we provide enough resources, and hold VA managers accountable for how well those resources are applied, that these fine young veterans suffering these wounds can become well enough again to lead a happy and productive life.

Up until recently, VA has not made enough progress in preparing for the needs of troops returning from Iraq and Afghanistan-particularly in the area of mental health care. In addition to the funds VVA is recommending elsewhere, we specifically recommend an increase of an additional \$500 million dollars over and above the \$3.9 Billion that VA now says they will allocate to assist VA in meeting the mental health care needs of all veterans. These funds should be used to develop or augment with permanent staff at VA Vet Centers (Readjustment Counseling Service or RCS), as well as PTSD teams and substance use disorder programs at VA Medical Centers and clinician who are skilled in treating both PTSD and substance abuse at the CBOC, which will be sought after as more troops (Including demobilized National Guard and Reserve members) return from ongoing deployments. VVA also urges that the Secretary be required to work much more closely with the Secretary of Health and Human Services, and the states, to provide counseling to the whole family of those returning from combat deployments by means of utilizing the community mental health centers that dot the nation. Promising work is now going on in Connecticut in and possibly elsewhere in this regard that could possibly be a model. In addition, VA should be augmenting its nursing home beds and community resources for long term care, particularly at the state veterans' homes.

To allow the staffing ratios that prevailed in 1998 for its current user population, VA would have to add more than 15,000 direct care employees-MDs, nurses, and other medical specialists-at a cost of about \$2 billion. This level, because the system can and should be more efficient now, would allow us to end the shame of leaving veterans out in the cold who want and are in vital need of health care at VA, and who often have no other option.

#### Blind and Low Vision Veterans Need Much Greater Resources and Attention

The President's request contains a significant reduction in the efforts to strengthen services for blind veterans. With the number of blind and very low vision veterans of the nation's latest wars in need of services now, VVA strongly recommends the Congress explicitly direct an additional \$30 million for FY 2009 to increase staffing and programming at the VA's Blind and Visually Impaired Service Centers, and to add at least one new center.

Further, VVA recommends that the Congress directs the Secretary to implement an employment and independent living project modeled on the highly successful "Project Amer-I-Can" that so

successfully placed blind and visually impaired veterans into work and other situations that resulted in them becoming much more autonomous and independent. That program was a cooperative venture of the New York State Department of Labor, the Veterans Employment & Training Service (VETS), and the Blind Veterans Association.

### Vet Centers

VA received an additional \$20 million dollars in the Supplemental Appropriation for the war that was signed into law on March 7, 2007 specifically to increase the number of staff in the Readjustment Counseling Service (RCS) by 250 FTEE. Whether it was VHA or OMB that held these funds back, the funds were not released to the RCS to hire additional staff for the VA Vet Centers until mid-August. The Vet Centers are the most cost effective, cost efficient program operated by VA, but which just plain does not have enough staff. Because of the late arrival of the money the RCS could not hire any new staff, but used the funds for other things, such as vehicles to do rural outreach.

The additional 250 staff members for the previously existing Vet Centers are still very much needed, over and above the 100 peer counselors and approximately 50 mental health professionals they have already hired as additional staff in the past two years.

### Medical Facilities

For medical facilities for fiscal year 2009, VVA recommends a level of commitment that is at least equal to fiscal year 2008. Maintenance of the health care system's infrastructure and equipment purchases are often overlooked as Congress and the Administration attempt to correct more glaring problems with patient care is good, but needs to be sustained and if anything increased above the FY 2008 level of resources level. We urge the Congress to continue the process of upgrading the physical plant of medical facilities at least at the rate funding at the FY 2008 level for the next several years.

In a system in which so much of the infrastructure would be deemed obsolete by the private sector (in a 1999 report GAO found that more than 60% of its buildings were more than 25 years old), this has and may again lead to serious trouble. We are recommending that Congress provide an additional \$1.5 billion to the medical facilities account to allow them to begin to address the system's current needs. We also believe that Congress should fully fund the major and minor construction accounts to allow for the remaining CARES proposals to be properly addressed by funding these accounts with a minimum of the remaining \$2.3 billion.

### Medical and Prosthetic Research

For medical and prosthetic research for fiscal year 2008, VVA recommends \$500 million. This is approximately \$50 million more than the Administration's request for fiscal year 2009. VA research has a long and distinguished portfolio as an integral part of the veterans' health care system. Research funding serves as a means to attract top medical schools into valued affiliations and allows VA to attract distinguished academics to its direct care and teaching missions.

VA's research program is distinct from that of the National Institutes of Health because it was created to respond to the unique medical needs of veterans. In this regard, it should seek to fund veterans' pressing needs for breakthroughs in addressing environmental hazard exposures, post-deployment mental health, Traumatic Brain Injury, long-term care service delivery, and prosthetics to meet the multiple needs of the latest generation of combat-wounded veterans.

Further, VVA brings to your attention that VA Medical & Prosthetic Research is not currently funding a single study on Agent Orange or other herbicides used in Vietnam, despite the fact that more than 300,000 veterans are now service-connected disabled as a direct result of such exposure in that war. This is unacceptable.

Mr. Chairman, finally I thank this Committee and the Appropriations Committee for using the power of the purse in the FY 2008 Appropriations act to compel VA to obey the law (Public Law 106-419) and conduct the long-delayed National Vietnam Veterans Longitudinal Study. VVA asks that you schedule a hearing and/or a Members briefing for the second half of March for VA to outline their plan as to how they are going to complete this much needed study for delivery of the final results to the Congress by April 1, 2010, as a comprehensive mortality and morbidity study of Vietnam veterans, the last large cohort of combat veterans prior to those now serving in OIF/OEF.

Further, VVA strongly urges the Congress to mandate and fund longitudinal studies to begin virtually immediately, using the exact same methodology as the NVVRS, for the following cohorts: a) Gulf War of 1991; b) Operation Iraqi Freedom; and, c) Operation Enduring Freedom.

Please take action now so that these young veterans are not placed into the same predicament Vietnam veterans find ourselves today.

### Homeless Veterans

Homelessness is a significant problem in the veterans' community and veterans are disproportionately represented among the homeless population. While many effective programs assist homeless veterans to become productive and self-sufficient members of their communities and Congress must ensure that the Department of Veterans Affairs has adequate funding to meet the needs of the over 194,000 homeless veterans who served this country so proudly in past wars and veterans of our modern day war. VVA recommends the following increase in VA FY09 budget for homeless programs.

### Homeless Provider Grant and Per Diem Program

The Department of Veterans Affairs Homeless Grant & Per Diem Program has been in existence since 1994. These programs address the needs of homeless veterans and support the development of transitional, community-based housing and the delivery of supportive services. Because financial resources available to HGPD are limited, the number of grants awarded and the dollars granted are restrictive and hence many geographic areas in need suffer a loss that HGPD could address.



The Consolidated Appropriations Act of 2008, Public Law 110-161 provides \$130 million, the fully authorized level, to be expended for the GPD program. Based on GAO's findings and VA's projected needs for additional GPD beds, VVA is concerned about the \$138 million authorization for FY2009 and believes a \$200 million authorization is required. An increase in the funding level for the next several years would help ensure and expedite VA's program expansion targets. It would provide critical funding for service, or drop-in, centers - the primary portal that links veterans in need with the people who can help them. It would guarantee continued declines in veteran homelessness, and provide for scaling back the funding as warranted by the VA's annual Community Homelessness Assessment, Local Education and Networking Group (CHALENG) reports

## HUD-VASH

The HUDVASH program was established as a partnership between the Departments of Veterans Affairs and Housing and Urban Development to combine permanent housing with supportive medical services. VVA supported passage of P.L. 110-161 which included \$75 million for 7,500 Section 8 vouchers for homeless and disabled programs. Under this program, VA must provide funding for supportive services to veterans receiving rental vouchers. The FY2009 VA budget must reflect a significant increase in funding these services.

VVA believes the \$7.8 million in the FY2009 VA budget proposal was agreed upon before the HUD-VASH vouchers were enacted into law. Based on historical data that shows each housing voucher requires approximately \$5,700 in supportive services - such as case management, personal development and health services, transportation, etc. - we estimate approximately \$45 million will be needed to adequately serve 7,500 or more clients in HUD-VASH housing units. Rigorous evaluation of this program indicates this approach significantly reduces the incidence of homelessness among veterans challenged by chronic mental and emotional conditions, substance abuse disorders and other disabilities.

## Veterans Benefits Administration

The Veterans Benefits Administration (VBA) continues to need additional resources and enhanced accountability measures. VVA recommends an additional 300 over and above the roughly 700 new staff members that are requested in the President's proposed budget for all of VBA.

## Compensation & Pension

VVA recommends adding one hundred staff members above the level requested by the President for the Compensation & Pension Service (C&P) specifically to be trained as adjudicators. Further, VVA strongly recommends adding an additional \$60 million dollars specifically earmarked for additional training for all of those who touch a veterans' claim, institution of a competency based examination that is reviewed by an outside body that shall be used in a verification process for all of the VA personnel, veteran service organization personnel, attorneys, county and state employees, and any others who might presume to at any point touch a veterans' claim.

## Vocational Rehabilitation

VVA recommends that you seek to add an additional two hundred specially trained vocational rehabilitation specialists to work with returning service members who are disabled to ensure their placement into jobs or training that will directly lead to meaningful employment at a living wage. It still remains clear that the system funded through the Department of Labor simply is failing these fine young men and women when they need assistance most in rebuilding their lives.

It is also unclear as to whether VA actually added several hundred of these employment placement specialists for disabled veterans specifically called for in last year's funding measure, and whether they are effective in assisting disabled veterans, particularly profoundly disabled veterans to obtain decent jobs.

VVA has always held that the ability to obtain and sustain meaningful employment at a living wage is the absolute central event of the readjustment process. Adding additional resources and much greater accountability to the VA Vocational Rehabilitation process is essential if we as a nation are to meet our obligation to these Americans who have served their country so well, and have already sacrificed so much.

## Accountability at the VA

There is no excuse for the dissembling and lack of accountability in so much of what happens at the VA. It is certainly better than it used to be, but there is a long way to go in regard to cleaning up that corporate culture to make it the kind of system that it can be with existing resources, and even largely the same personnel as they currently have on board. It can be cleaned up and done right the first time, if there is the political will to hold people accountable for doing their job properly.

Thank you again, Mr. Chairman, for allowing VVA to be heard at this forum. We look forward to working with you and this distinguished Committee to obtain an excellent budget for the VA in this fiscal year, and to ensure the next generation of veterans' well being by enacting assured funding. I will be happy to answer any questions you and your colleagues may have.