

CARL BLAKE NATIONAL LEGISLATIVE DIRECTOR PARALYZED VETERANS OF AMERICA

STATEMENT OF
CARL BLAKE
NATIONAL LEGISLATIVE DIRECTOR
PARALYZED VETERANS OF AMERICA
BEFORE THE
SENATE COMMITTEE ON VETERANS' AFFAIRS
CONCERNING
PRIORITIES FOR THE 111TH CONGRESS

JANUARY 28, 2009

Chairman Akaka, Ranking Member Burr, and members of the Committee, on behalf of Paralyzed Veterans of America (PVA), I would like to thank you for the opportunity to present our priorities for the 111th Congress. We hope that the Senate Committee on Veterans' Affairs will take our concerns under consideration as it prepares its legislative and policy agenda this year. We appreciate the legislative successes that veterans have realized under your leadership and we look forward to continued success in the future.

PVA continues to work on issues important to our members, veterans with spinal cord injury or dysfunction, specifically, and to all veterans. With this in mind, I would like to outline our priorities for the 111th Congress. They are:

- Advance appropriations for VA health care.
 - Elimination of health care co-payments for catastrophically disabled Priority Group 4 veterans.
 - Proceeding with the construction of a free-standing, tertiary care hospital in Denver, CO that includes a spinal cord injury center in accordance with the recommendations of the CARES commission.
 - Improving recruitment and retention bonuses and incentives for nurses and allied health professionals.
 - Increase in the adaptive automobile grant and an annual index to increase the value of the grant with the cost of inflation.
- Improvements to the claims process, including through updated information systems technology, and smooth implementation of the 21st Century GI Bill.

Advance Appropriations

Chairman Akaka, we were pleased that in September of last year you introduced legislation-S. 3527, the "Veterans' Health Care Budget Reform Act"-that would reform the VA budget process by providing advance appropriations for veterans' health care. The legislation was developed in consultation with the Partnership for Veterans Health Care Budget Reform (Partnership)-a group that consists of nine major veterans service organizations, including Paralyzed Veterans of America. For more than a decade, the Partnership has worked to achieve a sensible and lasting reform of the funding process for veterans' health care. While the Partnership has long

advocated converting VA's medical care funding from discretionary to mandatory funding, there has been virtually no movement in Congress in this direction.

The Veterans Health Care Budget Reform Act would ensure that the goals of the Partnership-sufficient, timely, and predictable funding-are met. Historically, advance appropriations have been used to make a program function more effectively, better align with funding cycles of program recipients, or provide insulation from annual partisan political maneuvering. By moving to advance appropriations, veterans' health care programs would accrue all three of these benefits.

To enhance the budget process even further, the proposed legislation includes provisions to add transparency and oversight to VA's internal budget forecasting model. Due to the complex nature of VA's actuarially-based Model, S. 3527 would require GAO to conduct an annual audit and assessment of the Model to determine its validity and accuracy, as well as assess the integrity of the process and the data upon which it is based. GAO would submit public reports to Congress each year that would assess the Model and include an estimate of the budget needs for VA's medical care accounts for the next two fiscal years. Providing Congress with access to the Model and its estimates of VA health care's resource needs, would provide greater confidence in the accuracy of advance appropriations for veterans' medical care, as well as validate future requests for emergency supplemental appropriations. Once again, we appreciate your support for this proposal during the 110th Congress, and we look forward to the introduction of similar legislation and your continued support as we try to advance this legislation during the 111th Congress.

Elimination of Co-Payments for Category 4 Veterans

In 1985, Congress approved legislation which opened the VA health system to all veterans. In 1996, Congress again revised that legislation with a system of rankings establishing priority ratings for enrollment. Within that context, PVA worked hard to ensure that those veterans with catastrophic disabilities would be placed in a higher enrollment category. To protect their enrollment status, veterans with catastrophic disabilities were allowed to enroll in Priority Group Four even though their disabilities were non-service connected and regardless of their incomes. However, unlike other Category Four veterans, if they would otherwise have been in Category Seven or Eight, due to their incomes, they would still be required to pay all fees and co-payments, just as others in those categories do now for every service they receive from VA.

PVA believes this is unjust. VA recognizes their unique specialized status on the one hand by providing specialized service for them in accordance with its mission to provide for special needs. The system then makes them pay for those services. Unfortunately, these veterans are not casual users of VA health care services. Because of the nature of their disabilities they require a lot of care and a lifetime of services. In most instances, VA is the only and the best resource for a veteran with a spinal cord injury, and yet, these veterans, supposedly placed in a higher priority enrollment category, have to pay fees and co-payments for every service they receive as though they had no priority at all.

We were pleased that the House Committee on Veterans' Affairs approved and the House of Representatives eventually passed legislation-H.R. 6445-to eliminate this financial burden placed

on catastrophically disabled veterans during the 110th Congress. In fact, the House bill received unanimous support from Republicans and Democrats as well as the VA. Unfortunately, the Senate never took action on the measure and the legislation was never enacted. We hope that with your leadership, we will finally be able to resolve this issue during the 111th Congress.

Denver/Fitzsimons VA Medical Center

As you may be aware, there has been a great deal of controversy concerning the VA plan for providing health care in the Denver/Rocky Mountain region. The ongoing controversy surrounding the Department of Veterans Affairs' decision to stop construction planning for a free-standing replacement hospital in Denver, Colorado and, instead, lease space from the University of Colorado Medical Center in a tower it plans to construct continues to generate opposition. The long awaited replacement facility which was to include a thirty bed spinal cord injury center was first approved by VA in 2002 and planning and design began in 2007 once Congress had appropriated funds.

Unfortunately, in early 2008 the VA suddenly and without notice stopped all development on a free-standing medical facility and began planning to lease space in a new medical center to be built by the University of Colorado, with financing by the VA. Moreover, the VA jettisoned the plan for the recommended 30-bed spinal cord injury center in Denver as outlined by the Capital Asset Realignment for Enhanced Services (CARES) report. The VA has since made additional changes to the plan for SCI care simply as a means to ease the concerns of PVA.

However, we believe the VA will not be able to meet several important benchmarks for SCI care while leasing in the new University of Colorado tower. First, we believe the spinal cord injury unit will not be created to meet VA's own design guidelines, including first floor location in the proposed new tower and dedicated SCI/D parking. Second, we do not believe that staffing requirements for the unit will be consistent with the guidelines agreed to by VA and Paralyzed Veterans of America. Third, we believe the new leasing arrangement will prevent PVA from the same access afforded us in other VA spinal cord injury centers to both counsel veterans and conduct site visits. Finally, VA's guidelines call for the establishment of spinal cord injury centers at a tertiary care hospital to ensure that the center is supported by the full range of medical and ancillary health services. We do not believe this new leased facility will support all the necessary medical specialties and services with VA staff.

Veterans' organizations on the national level have joined with their local affiliates in opposing this action by VA. In a letter sent to the previous Secretary of Veterans Affairs, James Peake, national veterans' organizations, including Paralyzed Veterans of America and the union representing VA employees, articulated our opposition and concerns and questioned whether this change in strategy was a first step in altering how VA has historically provided care. Veterans are rightly concerned that this may well be an approach that leads to greater privatization of services and ultimately lead to a diminution of VA and, specifically, its specialized services.

It is time for the VA to return to the previous long-term plan to construct a free-standing, tertiary care hospital in Denver, CO that includes a spinal cord injury center in accordance with the recommendations of the CARES commission. In the meantime, we hope that the Committee will monitor this situation closely so as to ensure that the VA is not laying the groundwork in

Denver for a long-term health care delivery plan that could ultimately lead to lower quality of care across the entire VA health care system.

Recruitment/Retention of Nurses and Allied Health Professionals

Given the VHA's leadership position as a health system, it is imperative that VA aggressively recruit health-care professionals and work within established relationships with academic affiliates and community partners to recruit new employees. In order to make gains on these needs, VA must update and streamline its human resource processes and policies to adequately address the needs of new graduates in the health sciences, recruits, and current VA employees. Today's health-care professionals and other staff who work alongside them need improved benefits, such as competitive salaries and incentives, child care, flexible scheduling, and generous educational benefits. VA must actively address the factors known to affect current recruitment and retention, such as fair compensation, professional development and career mobility, benevolent supervision and work environment, respect and recognition, technology, and sound, consistent leadership, to make VA an employer of choice for individuals who are offered many attractive alternatives in other employment settings.

VA's ability to sustain a full complement of highly skilled and motivated personnel will require aggressive and competitive employment hiring strategies that will enable it to successfully compete in the national labor market. VA's employment success within the VHA will require constant attention by the very highest levels of VA leadership. Additionally, Members of Congress must understand the gravity of VA personnel issues and be ready to provide the necessary support and oversight required to ensure VA's success.

Adaptive Automobile Benefits

PVA believes that an increase in the adaptive automobile assistance grant to an amount commensurate with the original intent of this benefit is essential. VA provides certain severely disabled veterans and service members with grants for the purchase of automobiles or other conveyances. This grant also provides for adaptive equipment necessary for safe operation of these vehicles. When the grant was created, Congress initially fixed the amount of the automobile grant to cover the full cost of the automobile.

Because adjustments have not kept pace with increased costs, the value of the automobile allowance has been substantially eroded through the years. In 1946, the \$1,600 allowance represented 85 percent of average retail cost of a new vehicle and was sufficient to pay the full cost of automobiles in the "low-price field." For 2008, the National Automobile Dealers Association confirmed that the average price of a new car was \$28,500. The current \$11,000 automobile allowance represents only about 39 percent of the average cost of a new automobile. In accordance with the recommendations of The Independent Budget, we recommend that the grant be increased to 80 percent of the value of a new car. In order to achieve this level, the allowance should be increased to \$22,800. Furthermore, an automatic annual adjustment must be established, similar to what was provided for the Specially Adapted Housing grant in the Housing Recovery bill enacted during the 110th Congress, in order to maintain the automobile grant's purchasing power as well.

VA Claims Process and the 21st Century GI Bill

Finally, we believe that a number of issues within the claims process must be closely monitored as the VA seeks to update and modernize the process. We were particularly pleased with the fact that Congress appropriated significant increases in funding for VBA over the last couple of years. Likewise, we appreciate the emphasis placed on hiring many new claims adjudication personnel. We have long argued that the only way to give the VA a fighting chance at overcoming the rapidly growing claims backlog is to provide for adequate staffing.

However, it is important to note that simply hiring additional staff is not enough. Equally important is to ensure proper training and accountability of claims adjudication staff at all levels of the process. While it is easy to blame first-line claims staff for improper ratings decisions, much of the blame also has to fall to the management within VBA. Performance measures for all levels of adjudication staff have wrongly focused too much on quantity of claims decided rather than quality.

PVA is also concerned that VBA is not really spending the new funding Congress has provided in the last couple of years in the manner that Congress intended and the veterans service organizations (VSO) desired. Specifically, we believe that VA is spending too much of this new funding on pilot projects and special programs rather than on basic hiring and systemic needs.

Moreover, we believe that VBA must accelerate the progress toward an electronic claims record system. As long as VA continues to use a paper file shipped around the country, the claims and appeals process will be done in an expensive and antiquated manner. Under the current system, VA staff need the actual claims file to act on claims. In a paperless, environment VA staff could act on claims without having to access a claimant's actual claims file. Additionally, transition to a paperless system will permit claims work to be seamlessly transferred to any of VA's regional offices, allowing for quicker decision-making on claims. As demonstrated by the Veterans Health Administration's outstanding electronic medical record system, similar gains in access to records can be realized in the claims and appeals process. We urge Congress to accelerate funding of VA's transition to an electronic claims record.

Recent hearings have demonstrated how far behind the VBA is in using information technology in its claims adjudication process. While we believe that the entire claims process cannot be automated, there are many aspects and steps that certainly can. We have long complained to the VA that it makes no sense for severely disabled veterans to separately apply for the many ancillary benefits to which they are entitled. Their service-connected rating immediately establishes eligibility for such benefits as the Specially Adapted Housing grant, adaptive automobile equipment, and education benefits. However, they still must file separate application forms to receive these benefits.

Furthermore, certain specific disabilities require an automatic rating under the disability ratings schedule. For example, it does not take a great deal of time and effort to adjudicate a below knee single-leg amputation. An advanced information technology system can determine a benefit award for just such an injury quickly. We believe that it is time for the VA to automate consideration of ancillary benefits and specific ratings disabilities that are generally automatic.

Finally, we are very concerned about the implementation of the 21st Century GI Bill, set to become available to eligible veterans and service members in August. Progress towards an effective implementation plan began with much difficulty. While we believe that the VA is being as proactive as possible to ensure that the benefit is available accurately and on time, we remain concerned about whether the VA will actually be ready to go when the effective date arrives. The VA has continued to offer monthly updates on its progress and we believe continued oversight by the veterans service organizations and Congress will be critical throughout the spring and summer. In the end, any problems that lead to inaccurate payment of benefits or delayed payments will be unacceptable.

PVA appreciates the opportunity to provide our views on these important issues that the Senate Committee on Veterans' Affairs will address in coming months. If you need additional information on each of the topics outlined here, they will be discussed in much greater detail in the 23rd edition of The Independent Budget, which will be released within the next two weeks. In the meantime, we will be happy to provide you with any additional information that you request.

Finally, we recognize that paying for many of these improvements will be difficult. However, we believe that this is a cost burden that this country must bear as veterans who have served this nation with distinction and honor should be a top priority.

This concludes my testimony. I will be happy to answer any questions you may have.