



National Association for Uniformed Services

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The Servicemember's Voice in Government

Established in 1968



Testimony

of

The National Association for Uniformed Services (NAUS)

presented by

NAUS President

Major General William M. Matz, Jr., US Army, (Retired)

before the

House Committee on Veterans' Affairs

Thursday, September 21, 2006, 10:30 a.m.
Room 334 Cannon House Office Building

Chairman Buyer, Ranking Member Evans, and members of the Committee:

On behalf of the nationwide membership of the National Association for Uniformed Services (NAUS), I am pleased to present our views on the current fiscal year and look ahead to the upcoming year on the programs and policies of the Department of Veterans Affairs (VA).

Founded in 1968, NAUS represents all ranks, branches and components of uniformed services personnel, their spouses and survivors. The Association includes all personnel of the active, retired, Reserve and National Guard, disabled veterans, veterans community and their families. We support our troops, remember our veterans and honor their service.

For the record, NAUS has not received any federal grants or contracts during the current fiscal year or during the previous two years in relation to any of the subjects discussed today.

Throughout the past year NAUS has given top focus to what is best for our military men and women and what is best for our valiant veterans who have served our country so well. As a nation, we have a solemn, moral obligation to care for our troops, their families, our veterans and survivors.

NAUS firmly believes that, despite funding increases over the recent past, our VA medical care facilities continue to face serious challenges due to medical inflation and rising numbers of veterans seeking care within the VA system. In addition, there are budget challenges facing VA's claims administration as well. Excessive wait times for claims decisions is a clear signal that VA needs additional resources to move claims forward.

NAUS believes that a major part of the answer to the budget challenge must come from consistent, well-grounded, commonsense decisions made to scour the budget and to fund our highest-priority needs.

VA Health Care

As we look back over the past year, we are pleased to see that the challenge to fund the chronically underfunded Department of Veterans Affairs (VA) did not rely on out-of-pocket health care expenses for many veterans.

The leadership on this committee and other congressional champions saw to it that we would not pay for veterans health care by increasing fees. We have recognized that asking sick and disabled veterans to pay for their own health care is not the acceptable answer for the VA funding problems. The answer to the challenge is to adequately fund the Department, so veterans will receive world-class medical care at little or no cost to them.

NAUS urges the Committee's support to ensure veterans have access to quality health care from VA. The Department's Veterans Health Administration (VHA) is a world-class leader in advanced care medicine and in the provision of primary care. In addition, VHA has consistently pioneered research initiatives in areas that have directly benefited not only veterans, but also our entire population.

While NAUS appreciates the strong concern over providing healthcare services to our veterans, we are concerned that the overall VA budget is not sufficient to meet the needs of those currently in the system and of troops returning from Iraq and Afghanistan.

Recently, VA presented information that the waiting list for first-time appointments with VA doctors had fallen to manageable levels. However, improvements in this area of concern do not tell the whole story. Veterans who have already had their first doctor's appointment are not part of the calculation. Many of these veterans tell us that they are waiting up to 9 months for some surgical procedures and specialty care. We can do better than this, and we should.

We ask that all members of the Committee give the same effort in fighting for our veterans that our veterans did fighting for us. It is the right thing to do for the men and women who have given so much in service to our country.

NAUS firmly believes that the veterans healthcare system is an irreplaceable national investment, critical to the nation and its veterans. The provision of quality, timely care is considered one of the most important benefits afforded veterans. And our citizens have benefited from the advances made in medical care through VA research and through VA innovations as well, such as the electronic medical record.

In this regard, Mr. Chairman, NAUS appreciates your work in the bipartisan push to better fund veterans health care and benefits in the coming fiscal year. Rejecting the fees and new charges for veterans and spending more on care for those returning from the battles in Iraq and Afghanistan is warmly welcomed. It will help veterans receive the kind of care they deserve for the sacrifices they made.

Prescription Drug Assistance

Mr. Chairman, we are disappointed that little consideration has been given to those veterans who have been prohibited from enrollment in VA's healthcare system under a decision made by the Secretary on January 17, 2003.

Last February, NAUS urged the Committee to review this policy and provide a measure of relief to allow Medicare-eligible veterans to gain access to VA's prescription drug program.

As a result of VA's decision to restrict new enrollments, a great number of veterans, including Medicare-eligible veterans, are denied access to VA. NAUS recognizes that VA fills and distributes more than 100 million prescriptions annually to 5 million veteran-patients. As a high-volume purchaser of prescriptions, VA is able to secure a significant discount on medication purchases.

Enrolled veterans can obtain prescriptions, paying \$8.00 for each 30-day supply. However, veterans not enrolled for care before January 2003 are denied an earned benefit that similarly situated enrolled veterans are able to use.

NAUS, again, asks the Committee to consider legislation that would allow Medicare-eligible veterans to gain a measure of relief and get a break on prescription drug pricing.

What we recommend is to give Medicare-eligible veterans, currently banned from the system and paying retail prices or using the newly established Part D program, access to the same discount provided VA in their purchase of prescriptions.

This issue is a win-win situation. Providing the discount would not cost the government a cent. Medicare-eligible patients would pay the same price VA pays. And these veterans would see value returned in the benefit each earned through military service.

Disability Claims Backlog

Mr. Chairman, last year at a full Veterans' Committee oversight hearing on claims processing, you said, "We will need to increase the staffing at both the regional compensation office level and at the Board of Veterans Appeals to attack this backlog and prepare for the anticipated increases in additional claims." You also said, "Doing more with less is not a strategy of success."

NAUS strongly supports efforts to find a solution to the rising backlog in claims processing. The provision of timely benefits to disabled veterans and their families can help the disabled veteran afford the necessities of life, so delays in the resolution of a claim is a matter of serious concern.

Veterans coming home from war deserve quick response to their claims. Unfortunately, despite VA's best efforts to deliver benefits to entitled veterans, the workload of the Veterans Benefits Administration (VBA) continues to increase. Simply stated, VBA is falling farther behind.

As of September 9, VBA had 598,338 compensation and pension claims pending decision, an increase of nearly 90,000 from this time last year. In addition, nearly 25 percent of these pending claims have been in the VBA system for more than 180 days. Rather than making headway and overcoming the chronic claims backlog and consequent protracted delays in claims disposition, VA has lost ground to the problem, with the backlog of pending claims growing substantially larger over the past year.

The accumulation of claims within the system is unacceptable. We must do all we can to ensure that veterans' claims receive timely, quality decision. Congress and the administration need to provide a stronger VBA budget for the hiring and training of claims adjudicators and the investment in appropriate technology to overcome the backlog and get the program back on track.

Montgomery GI Bill, Education for the Total Force

It is our understanding that the Committee is about to take under consideration a Total Force framework for a new GI Bill for education to include members of the National Guard and Reserves.

NAUS shares a keen interest in this matter with our fellow members of the Partnership for Veterans Education, our partners in The Military Coalition and friends in The Military/Veterans Alliance. We endorse a Total Force approach that meets the needs of all those who wear the uniform.

As the members of the Committee know, there is a growing disparity between Reserve and active duty programs, simply because, we believe, Reserve benefits are under Title 10 and are often neglected when program improvements are made in the Title 38 active duty program.

While the upgrade to a Total Force Montgomery GI Bill is complex, NAUS recommends as a start that Congress act to place Guard and Reserve educational benefits within Title 38 with other

GI Bill benefits. Taking this action would increase the visibility of these earned benefits and help move Guard and Reserve education benefits toward the equity of treatment deserved.

Seamless Transition Between the DoD and VA

Over the past year, the House Veterans' Affairs Committee has developed an excellent record of oversight of administrative efforts to improve the seamless transition of benefits and services for servicemembers as they leave military service and become veterans. Clearly, the provision of a seamless transition for recently discharged military is important for those leaving the military for medical reasons, especially for the most severely injured patients.

The President's Task Force (PTF) to Improve Health Care Delivery for Our Nation's Veterans report, released in May 2003 regarding transition of soldiers to veteran status, stated, "timely access to the full range of benefits earned by their service to the country is an obligation that deserves the attention of both VA and DoD." NAUS agrees with this assertion and believes that good communication between the two Departments means VA can better identify, locate and follow up with injured servicemembers separated from the military.

And most important in the calculus of a seamless transition is the capacity to share information at the earliest possible moment prior to separation or discharge. It is essential that surprises be reduced to a minimum to ensure that all troops receive timely, quality health care and other benefits earned in their military service.

A Government Accountability Office (GAO) report issued in July noted that DoD and VA had taken a number of positive steps to increase awareness on the medical needs of servicemembers wounded in Operation Enduring Freedom and Operation Iraqi Freedom. The report, however, also found that VA continues to have difficulties gathering real time information from DoD medical facilities.

GAO indicates that progress is being made to advance system interoperability between DoD and VA medical records but according to its report the records of a military patient transferred from

DoD to VA cannot be integrated into VA's electronic record system. In addition, x-rays, MRIs and CAT scans cannot be shared electronically. Simply stated, AHLTA, the DoD digitalized medical record system, does not allow electronic transfers to VISTA, the VA record keeping system.

As we look to the future, there remains a need to improve the system for handing over responsibility from DoD to VA for the continuance of medical care to those leaving service. To improve this exchange, the hand-off should include a detailed history of care provided and an assessment of what each patient may require in the future, including mental health services. No veteran leaving military service should fall through the bureaucratic cracks.

NAUS encourages the Committee to continue oversight hearings on DoD progress regarding congressionally directed pre- and post-deployment medical examinations. Establishing a better record would help identify and treat troops who may exhibit symptoms of undiagnosed illness or injury. Institution of such a system may be expensive, but we should recognize that the lack of such information led to so many issues and unknowns with Gulf War Syndrome.

VA Information Security

In late May, VA announced the theft from an employee's home of computer equipment containing the personal information on 26.5 million veterans, active duty and guard and reserve members. The lapses that allowed this breach of information security are deeply troubling.

NAUS applauds the FBI and law enforcement for their work to recover our veterans personal data, which occurred at the end of June, a month after the theft. It is great news that after forensic examination of the equipment, the FBI finds no compromise of the sensitive data.

While the entire incident is a reminder to all of us that we need to protect ourselves against the possibility of identity theft, NAUS remains troubled that it took two-weeks for the VA Secretary to be informed about the stolen data. According to the VA Inspector General report, though the data analyst immediately notified local police and VA officials about the theft on May 3, the VA

Secretary was not informed on the theft until May 16. The delay in action indicates a serious breakdown in the chain of command in VA.

NAUS will work with VA, members of Congress, and other veterans organizations to ensure this mess is cleaned up. Every step must be taken to see that this sort of breach never happens again. While I criticize the Department, I also want to highlight VA's success in taking the lead to hire veterans. Their goal is to have 36 percent of their workforce be veterans by the year 2008, up from the present 30.5 percent. VA calls this program "Getting the Preference They Have Earned." And as we look to the future, NAUS would like the Committee to help awaken the rest of the federal government and civilian companies to follow this example and offer employment to those who have served during challenging times.

Research

As Congress moves forward in consideration of its veterans research requirements, NAUS encourages a strong effort to see that critical funding is provided for the VA mission to conduct medical research, especially in the area of traumatic brain injury, spinal cord injuries, blindness and prosthetic research.

It is essential that research be conducted to guide treatment and rehabilitation for these individuals with polytraumatic injuries. VA medical and prosthetic research programs have played a key role in meeting the current and future health challenges facing veterans with disabling injuries. And it is well documented that VA research attracts high-caliber medical talent whose work advances care for veterans with special needs.

Clearly, VA must make research and treatment of brain injuries a high priority. NAUS agrees with members of this Committee who are working to see that VA develops resources to better screen and treat returning veterans who have brain injury.

As well, care for our troops with limb loss is a matter of national concern. The global war on terrorism in Iraq and Afghanistan has produced wounded soldiers with multiple amputations and

limb loss who in previous conflicts would have died from their injuries. Improved body armor and better advances in battlefield medicine reduce the number of fatalities, however injured soldiers are coming back oftentimes with severe, devastating physical losses.

NAUS encourages members of this Committee to authorize and pursue resources for VA's prosthetic research. To meet the challenge, VA research must be adequately funded to continue its intent on treatment of troops surviving this war with grievous injuries. The research program also requires funding for continued development of advanced prosthesis that will focus on the use of prosthetics with microprocessors that will perform more like the natural limb.

NAUS looks forward to working with you, Mr. Chairman, to see that priority is given to care for these brave men and women who return from the battlefield injured in service.

Post Traumatic Stress Disorder (PTSD)

NAUS supports a higher priority on VA care of troops demonstrating symptoms of mental health disorders and treatment for PTSD.

The mental condition known as PTSD has been well know for over a hundred years under an assortment of different names. For example more than fifty years ago, Army psychiatrists reported, "That each moment of combat imposes a strain so great that ... psychiatric casualties are as inevitable as gunshot and shrapnel wounds in warfare."

It is reported that more than one-quarter of all combat troops returning from Afghanistan and Iraq who seek care at the VA do so for mental health reasons. According to the New England Journal of Medicine, 16 percent of surveyed Marines and 17 percent of Army soldiers meet screening criteria for major depression, generalized anxiety, or PTSD. These rates are similar to those of service men and women in the Vietnam and Gulf Wars, and it is our understanding that these numbers may even underestimate the severity of the problem.

Over the past several years, VA has dedicated a higher level of attention to veterans who exhibit PTSD symptoms. NAUS applauds the extent of help provided by VA. VA assistance is essential to many of those who must deal with the debilitating effects of mental injuries.

When considering the number of new veterans seeking mental health support, VA provides treatment for some type of mental health service to more than 833,000 of the nearly 5 million veterans who received VA care in fiscal year 2004. These veterans diagnosed with mental health disorders and PTSD are receiving treatment within a network of 160 specialized programs, including an outreach program to address patients in the community.

While VA and Congressional leaders have taken important steps to move VA toward better care for veterans with mental health problems, many challenges still remain. NAUS urges the development of a consistent, seamless, and working approach that allows VA and DOD to screen returning service members and provide more effective early intervention that leads to healing.

Cost-of-living Adjustments (COLAs)

NAUS is pleased to see the House vote 408 to 0 in June to provide a COLA to 2.9 million service connected veterans and survivors. The COLA, provided every year since 1976, will prevent inflation from eroding disability compensation and dependency and indemnity compensation (DIC) to eligible survivors. Veterans whose income is limited due to service-connected disabilities rely on VA disability compensation to maintain purchasing power. And compensation and DIC rates require adjustment to keep pace with increases in living costs.

Traumatic Injury Protection under Servicemembers' Group Life Insurance (TSGLI)

NAUS is pleased with the Committee's work nearly one year ago to put in place the traumatic injury protection benefit. The benefit serves to help bridge the gap in financial assistance servicemembers and their families receive from the time of injury to the time of their rehabilitation and recovery. Although a DOD benefit, the benefit is administered by the VA.

NAUS is informed that nearly 2,700 servicemembers with traumatic injuries have received payments ranging from \$25,000 to \$100,000 under the TSGLI program. The average time for the newest claims from time of injury to receipt of money is 21 days or less.

NAUS is informed that this new and very necessary program is much appreciated by those who actually need the funds. They are now able to start getting their lives and the lives of their families back to a more normal routine much more quickly. These brave men and women deserve nothing less, and we deeply appreciate your efforts on their behalf.

Medicare Reimbursement

NAUS continues its support of legislation to authorize Medicare reimbursement for health care services provided Medicare-eligible veterans in VA facilities. Medicare subvention will benefit veterans, taxpayers and VA.

NAUS sees an all around win-win-win for establishment of Medicare subvention. VA would receive additional, non-appropriated funding. Medicare-eligible veterans would receive world-class medical treatment in the system our government provided for their care. Scarce resources would be saved because medical services can be delivered for less cost at VA than in the private sector. In addition, direct billing between VA and the Centers for Medicare and Medicaid Services (CMS) would reduce opportunities for waste, fraud and abuse losses in the Medicare system.

NAUS encourages the Committee to closely review permitting Medicare-eligible veterans to use their Medicare entitlement for care at local VA medical facilities.

Respect for Fallen Heroes Act

NAUS deeply appreciates passage of H.R. 5037 (Public Law 109-228) to stop protesters from trying to disrupt military funeral services. The legislation was prompted by a series of protests where demonstrators yelled at mourners and made harassing comments about the U.S. Military.

NAUS was pleased to support enactment of this legislation. We honor our US troops who died in the name of their country. They have given the ultimate sacrifice, and they deserve to be buried with the dignity and respect of a nation grateful for their service.

Appreciation for Opportunity to Testify

As a staunch advocate for veterans, NAUS recognizes that these brave men and women did not fail us in their service to country. They did all our country asked and more. Our responsibility is clear. We must uphold our promises and provide the benefits they *earned* through honorable military service.

Mr. Chairman, you and your Committee members are making progress. We thank you for your efforts and look forward to working with you to ensure that we continue to protect, strengthen, and improve veterans benefits and services.

Again, NAUS deeply appreciates the opportunity to review the previous actions of Congress and look ahead to the upcoming year.

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Major General William M. Matz, Jr. United States Army, Retired

General Matz became President of the National Association for Uniformed Services (NAUS) and Administrator of the Society of Military Widows (SMW) in January 2005. He joined the Association after a career as an infantryman in the Army and in various senior management positions in the defense industry.

General Matz's assignment prior to retiring from the Army in 1996 was Deputy Commanding General of First Corps and Fort Lewis. Prior to that, he served as Deputy Commanding General/Chief of Staff, US Army Pacific. In 1989-1990, he was Assistant Division Commander (ADC) of the 7th Infantry Division, where he supervised the no-notice, rapid deployment of the Division from its CONUS ports to Panama during Operation JUST CAUSE.

General Matz served in six different divisions and in the Army's Training and Doctrine Command as either a commander or staff officer. He served on the Army Staff and as Executive Secretary to the Secretary of Defense. He has extensive experience in joint assignments with the other military services, including a 2-year assignment with the Navy/Marine Corps amphibious forces in the Pacific. His combat tours include infantry company command in Vietnam where he was wounded in action during the first day of the 1968 TET Offensive, plans officer of the Pacific Fleet's Amphibious Ready Group where he participated in amphibious operations along the Vietnam coast and as an ADC in Panama during Operation JUST CAUSE.

Among his awards and decorations are the Distinguished Service Cross; Defense Distinguished Service Medal; Distinguished Service Medal; Silver Star; Defense Superior Service Medal; Legion of Merit (with three Oak Leaf Clusters); Bronze Star for Valor; Purple Heart; and the Combat Infantryman Badge.

After his retirement from the Army, General Matz worked for Raytheon Company in their Washington office as Vice President of Army Programs. Following this, he was Program General Manager for Vinnell/Northrop Grumman's Saudi Arabian National Guard Modernization Program. In this capacity, he was responsible for training/modernizing the Saudi National Guard to enable them to better combat increased terrorist activity throughout the Kingdom.

His education includes a BA degree from Gettysburg College and an MA degree from the University of San Diego. He is also a graduate of the US Army War College and the Senior Executives in Government/ Management Program at Harvard University. He is also a graduate of the Army's Airborne and Ranger Courses.

President Bush appointed General Matz to the Veterans' Disability Benefits Commission (VDDB) in September 2005. The purpose of the VDDB is to carry out a study of the benefits under the laws of the United States that are provided to compensate and assist veterans and their survivors for disabilities and deaths attributable to military service, and to produce a report on the study. General Matz was born in Drexel Hill, Pennsylvania. He and his wife, Linda, reside in Great Falls, Virginia, and are the parents of three married children.

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NAUS was founded in 1968 to support legislation to uphold the security of the United States, sustain the morale of the Armed Forces, and provide fair and equitable consideration for all members of the uniformed services: active, Reserve, National Guard, veteran, retired and their spouses, widows and widowers. The Society of Military Widows became affiliated with NAUS in 1984. NAUS is the only military association to represent all grades, ranks, components and branches of the uniformed services: Army, Air Force, Navy, Marine Corps, Coast Guard, Public Health Service, National Oceanic and Atmospheric Administration, their families and survivors.