STATEMENT OF
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OF THE
DISABLED AMERICAN VETERANS
BEFORE THE
COMMITTEES ON VETERANS' AFFAIRS
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Messrs. Chairmen and Members of the Veterans' Affairs Committees:

As National Commander of the more than 1.3 million members of the Disabled American Veterans (DAV) and its Auxiliary, I am honored and privileged to appear before you today to discuss the agenda and major concerns of our nation's wartime disabled veterans and their families.

To those of you who are returning to service on the Veterans' Affairs Committees, and to those who are embarking on such service, we in the DAV and its Auxiliary greet you with warm regards at the outset of this, the 109th Congress of the United States.

Senator Craig and Senator Akaka, I congratulate both of you on your recent leadership appointment as Chairman and Ranking Member, respectively, of the Senate Veterans' Affairs Committee. Representative Buyer, I congratulate you on your appointment as Chairman of the House Veterans' Affairs Committee. Representative Evans, I welcome you back in your leadership role as Ranking Member of the House Veterans' Affairs Committee. I wish all four of you Godspeed in your efforts on behalf of America's service-connected disabled veterans, their dependents and survivors.

In the words of Kenneth S. Wills: "[t]he real message of hope in our generation are not those to be bounced from the moon, but those to be reflected from one human heart to another."

Messrs. Chairmen, today I speak from my heart to your heart. As a severely disabled veteran of the Vietnam War, I am acutely aware of the heavy responsibility to act as a spokesman for disabled veterans at such a time in our nation's history. Once again, America's brave young men and women find themselves in harm's way in what appears to be a protracted war against terrorism, in Iraq, in Afghanistan, and around the world. Each day, new combat-injured and other casualties of our War on Terror return to America for medical care and rehabilitation of their injuries. For many, rehabilitation of their physical wounds will require years of sustained medical and rehabilitative care services.

Not since the Vietnam War has our nation had to deal with such a significant number of wartime casualties. As of November 2004, there were 208 amputees from Operations Iraqi Freedom and Enduring Freedom. These individuals have sustained the loss of an arm(s), leg(s),

hand(s), and/or foot (feet). This number includes 163 soldiers, 24 of whom have multiple amputations; 38 Marines, 5 of whom have multiple amputations; 4 sailors; 3 airmen, one of whom as multiple amputations. Of the 208 amputees, 66, or 32%, of these individuals have upper extremity amputations.

Visiting these brave men and women and talking to them about my experiences has forced me to reflect back on my life.

Thirty-six years ago, I was an Army Staff Sergeant in a reconnaissance unit in Vietnam. I had been in Vietnam about 10 months when I lost both legs and my left arm. When I was initially hospitalized for these traumatic injuries, I was not concerned with the Veterans Administration (VA) at all, beyond knowing there was a VA hospital at Fort Snelling. I was conscious for only the last eight days of a five-week stay at the hospital in Yokohama, Japan. I had been away from home for almost a year, and was excited to actually have a date to return home.

It was not until I was at the Fitzsimmons Army Hospital in Colorado that I started to ask myself, "what am I going to do?" As I first watched other patients with prosthetics, I thought it would be easy. When I realized that two prosthetic legs and a prosthetic arm were not feasible for me, I began to realize that I would spend the rest of my life in a wheelchair. I started picturing buildings in my hometown in Rochester, Minnesota, narrow doorways, no curb cuts or wheelchair ramps. I pictured my parents' house and my basement bedroom and realized living there again would be impossible. I worried that I would never find meaningful, rewarding, fulfilling employment, and I would live the rest of my life relying solely on government checks.

Instead of fulfilling my dream of playing football, I focused on what type of "desk job" I could perform. I decided I would be a Certified Public Accountant, not because it was what I wanted to do, but because it was all I thought I could do.

The environment at Fitzsimmons was such that I could not worry about these things for long. Physical and occupational therapy consumed my days, and those "a step ahead" of me in their recovery would not allow me to dwell too much on my limitations. I was seen as "normal" by my comrades there at the hospital, and it helped me to see myself that way. I was surprised that, when I went home, after nine months at Fitzsimmons, that losing that in-hospital support group was the hardest part about readjusting to home life. I could drive a car, but, as most places were not "handicapped accessible," I needed help for almost everything, even getting in and out of buildings. Winter in Minnesota became even more daunting as well because of increased risks of becoming helplessly stuck in the snow and ice.

In March 1971, I moved to Florida. I had only used the VA in Fort Snelling a couple of times over the last couple of years. In Florida, I began using the VA outpatient clinic in Orlando, and have been going there ever since. I went back to school in 1974, to Seminole Community College and finished my associate's degree. I went on to Florida Technology University, but did not finish my bachelor's degree. My schooling was interrupted by the 1976 Congressional race; I was a candidate for the U.S. House. When I lost the primary in September 1976, I began working with my original Florida mentor in his real estate office.

In 1971, the quality of VA services was not what it is today. As my health was generally good, I used the outpatient clinic for things directly related to my disability—automobile adaptive equipment, prosthetic clinic and wheelchair replacement. I ran into problems getting my wheelchair replaced because of an arbitrary rule regarding how long I had owned it. I couldn't get a new one until I had owned my current one five years; however, between working full time and being active in other ways, I was lucky if my wheelchair lasted two years. I found that prosthetics were not a priority, even for someone as severely disabled as me.

In the late 70's or early 80's, I was in need of an MRI, and found that the VA was in no hurry to get it scheduled, so I went elsewhere. I sometimes used the CHAMPUS walk-in clinic for routine care, as I worked full-time, and did not have the free time to devote to a trip to the VA. At that time, one doctor visit could frequently require a day-long investment of time.

Over the years, much has changed at VA, now the Department of Veterans Affairs. The quality of VA health care has greatly improved since Congress granted VA the authority to provide a full continuum of care to our nation's sick and disabled veterans. However, while the quality of care has improved, timely access to that care has deteriorated. The future of VA and its ability to provide quality, timely health care to our nation's disabled veterans is at risk. And this concerns me greatly, especially for the newest generation of disabled veterans.

During the last several years, I have been honored and privileged to meet with returning servicemembers being treated at Walter Reed Army Medical Center for traumatic amputations and other devastating injuries. When I visit those amputees, they look to me to find out what life has in store for them. I talk to them about the DAV and what it can do for them. I stay positive about them and about their future, and I tell them not to worry about anything, just to focus on getting better.

Today at Walter Reed, as at Fitzimmons in 1969, there are many veterans in various stages of their recovery. Newer veterans are frequently scared to death, and have that "thousand-yard stare." Support from other vets at military hospitals from joking to anger and sharing stories to sharing recovery, is crucial to morale. Some veterans may have the inclination to feel sorry for themselves, to feel "crippled" for life. The brotherhood of the military hospital makes that attitude almost impossible to sustain, however. Other veterans may continually resist the camaraderie. No one can force anyone else to recover.

The question I get asked most often is, "Were you married before you got hurt?" This poignant question reflects the insecurities of young men: Will anyone find me attractive again? Will I ever be normal again? My wife sometimes accompanies me, and can speak to the wives and sweethearts of these young men about the challenges that face them in the future. Most of all, I try to demonstrate for them that being normal is possible. Sometimes in my daily life, friends and colleagues forget that I'm in a wheelchair. This is the greatest compliment that I can get.

I can report to the members of these Committees, that these brave young Americans are receiving excellent medical care from the military and top of the line prosthetic devices. For the

most part, their morale is high. But I frequently see the "game face." Many patients put on the game face because the guy in the next bed is hurt worse. The brotherhood that exists here is essential to acceptance of amputation as permanent. It will come for all amputees, but it comes at different stages. In fact, some of these severely wounded veterans have expressed a desire to go back to their units and continue to serve with their comrades. Our nation is truly blessed to have such dedicated individuals willing to serve in the Armed Forces and protect our cherished freedoms.

Although the medical care and services they are receiving from the military today is second to none, I am concerned about their ability to receive quality health care in a timely manner from the VA in the future, if our government continues to fund VA programs at inadequate levels or undermines the "critical mass" of patients needed to provide a full continuum of quality health care to disabled veterans currently enrolled in the VA health care system and those who will enroll at some future date.

Like the founders of this great organization, we must be farsighted enough to ensure that VA remains a viable health care system for our newest generation of disabled veterans. These young brave men and women will need the full continuum of care VA provides today, well into the latter part of this century.

On December 20, 2004, I was briefed by the Under Secretaries for Health, Benefits, and Memorial Affairs on the various VA programs under their jurisdiction. I also received a briefing on VA's fiscal year (FY) 2005 budget outlook. While I was acutely aware of the fact that the FY 2005 budget approved by Congress for VA was totally inadequate, falling short by $1.5 billion to $1.7 billion, based on the recommendations of the House Veterans' Affairs Committee and *The Independent Budget*, respectively, I was shocked and dismayed to learn that the $1.2 billion increase for VA health care provided by Congress above the Administration's request, resulted in a zero net gain for the VA health care system.

According to VA officials, after factoring in adjustments, which include a reduction of $228 million as a result of the 0.8% rescission contained in the FY 2005 Omnibus Appropriations Bill; a $466 million reduction due to VA's inability to collect proposed user fees and increased co-payments from certain veterans, which was proposed in the Administration's budget recommendation; "add-ons" for medical research and the Inspector General's office, totaling $26 million; authority for the Secretary to transfer up to $125 million from the medical care fund to the Veterans Benefits Administration, to increase employee levels due to shortfalls in the funding levels for benefit programs; and the cost of the unbudgeted increased cost-of-living adjustment of 2% for federal employees, the VA health care system received no additional funding as a result of Congress's efforts to increase the Administration's health care budget request.

Within a month of the passage of the FY 2005 appropriations bill, stories began to appear around the country about the shortfalls in VA health care funding and its adverse impact on VA's ability to care for our nation's sick and disabled veterans.

In a December 20, 2004 story in a Mississippi newspaper, it was noted that although the VA medical center in Jackson, Mississippi, will receive a 6% increase in its budget, it is "not enough to fully fund everything." The director reported a 44% increase in their workload during the past four years. The director noted that "the rising cost of medicine, the growing number of patients, and pay raises" would make this year "one of the biggest challenges I've seen."

"Colorado's veterans health care system is straining under unprecedented demand and a budget shortfall" as reported in a December 23, 2004 article in the *Denver Post*. According to a VA director in the VA Eastern Colorado Health Care System, "[i]t will be a very difficult budget year." The system will get $3 million less this year than expected. This 2% shortfall will mean a hiring freeze and a likely return of waiting lists for medical care, according to the VA director. Reportedly, the director said, "[w]e not only have burgeoning costs but burgeoning demand, and it goes beyond what appears to be generous increases by Congress." Actually, according to the article, the FY 2005 budget is $700,000 less than the FY 2002 funding levels—that's correct, $700,000 less than the FY 2002 spending level.

In Pennsylvania, the Van Zandt VA Medical Center faces a projected $5 million shortfall this fiscal year as reported by the *Altoona Mirror*. Reportedly, this shortfall will affect contract services, those services not available at the VA Medical Center, such as neurosurgery, orthopedics, dermatology, long-term care, and adult day health care.

In a news story out of Augusta, Maine, it was reported that there is an initial $14.2 million shortfall projected for the annual allocations at the VA Medical Center at Togus. Reportedly, the medical center could save almost $1 million by using more generic drugs and reducing expenses for contracted services. It was also noted that the annual deficit for the VISN, which includes Maine, New Hampshire, Vermont, Massachusetts, Connecticut, and Rhode Island, was pegged at $65 million; however, approximately $30 million had been found to reduce that shortfall.

We have been told that the VA facility in Boise, Idaho, has an approximate $2 million deficit in FY 2005. As a result of this deficit, no new programs will be started, there is a hiring freeze, and there will be no new growth in primary care patients.

In New Mexico, there is a $4 million budget shortfall. As a result of this budget deficit, the hospital will lose 60 employees who will not be replaced.

The Administration has proposed a fiscal year 2006 budget recommendation that is one of the most tight-fisted, miserly budgets for veterans programs in recent memory. Instead of providing adequate funds for the VA medical system, the budget proposes to shift the cost burden onto the backs of veterans, making health care more expensive and even less accessible for millions of America's defenders.

The VA medical system has been strained to the breaking point over the years because its appropriation has failed to keep pace with the skyrocketing costs of health care and increased patient loads. As a result, VA facilities across the country are cutting staff and limiting services even as the number of veterans seeking care is on the rise.

As called for in the President's budget, total VA funding for the next fiscal year would increase about 1%, from the current $67.5 billion to $68.2 billion. More than half of the budget would go for mandatory programs such as disability compensation and pensions. Medical care for veterans would rise from $27.7 billion to $27.8 billion, a mere 0.4% increase. In testimony, VA is on record as stating that it needs an annual 13% to 14% increase in medical care funding to provide current services.

The DAV and other major veterans service organizations are united in calling on Congress to provide $31.2 billion for veterans medical care, $3.4 billion more than the President has requested, and we are united in opposition to imposing new fees and higher co-payments on certain veterans who choose to get their care from the VA.

The Administration wants to impose a new $250 annual user fee on certain veterans who also would see their prescription drug co-payments more than doubled, from $7 to $15. Those veterans, some of whom are DAV members, already pay for the health care they receive from the VA. Adding to their out-of-pocket costs would force them out of the system and put even greater strain on resources needed to treat their fellow veterans. The cost of medical care for these veterans is the least costly care of any group of veterans treated by VA, and these groups bring in the highest level of collections.

A medical system that only treats the sickest of the sick and the poorest of the poor is not sustainable and would be undesirable. In the end, it would seriously erode the quality of care for today's veterans and tomorrow's.

The impact of the current budget shortfall on veterans medical care has been felt across the country as indicated by recent news reports of belt-tightening at VA hospitals. With an inadequate appropriation in the Administration's budget for next year, the situation is likely to get even worse.

This budget proposal is bad news for the nation's veterans, made even more distressing in light of the war in Iraq and military operations in Afghanistan and elsewhere.

Messrs. Chairmen, let us not forget that benefits and services for disabled veterans, in fact all veterans, remain primarily the responsibility of our government. The citizens and government of a country that sends its young sons and daughters to defend its homeland and fight its wars have a strong moral obligation to repay them for bearing such a heavy burden. Our indebtedness to veterans is more important than any other part of our national debt because, without their sacrifices, we would not exist as a nation, nor would the citizens of many foreign nations enjoy the freedoms many Americans take for granted.

While we can never fully repay those who have stood in harm's way protecting freedom, a grateful nation has established a system to provide benefits and health care services to veterans as a measure of restitution for their personal sacrifices and as a way for all citizens to share the costs of war and national defense.

Because of their extraordinary sacrifices and contributions in preserving our cherished freedoms and way of life, veterans have earned the right to VA health care as a continuing cost of national defense and security. The Health Care Eligibility Reform Act of 1996 authorized eligible veterans access to VA health care and brought us closer to meeting our moral obligation as a nation to care for veterans and generously provide them the benefits and health care they rightfully deserve. It also authorized VA to provide a full continuum of care to veterans, thereby greatly improving the quality of care VA provides.

In the mid-1990s, DAV partnered with nine other organizations to form the Partnership for Veterans Health Care Reform. At that time, the 10 organizations, representing more than nine million veterans, petitioned Congress to reinvent veterans' health care. We noted that "Byzantine eligibility rules" created haphazard access to care—some veterans received care through expensive inpatient services but were denied more efficient outpatient and preventive care. It was further noted that a VA study indicated over 40% of inpatient treatment was "non-acute" and could be more efficiently and cost effectively provided in alternative settings.

In 1991, the Commission on the Future Structure of Veterans Health Care reported that, "there are imbalances across the country in VA's delivery of health care services. They are due to eligibility rules…, the variable range of services…, and the distribution of VA resources.…" The report contained a profile of general eligibility, which demonstrated the confusing tapestry of complex eligibility rules at that time.

As a solution to the eligibility and delivery of care problems, the Partnership suggested that VA needed to offer a basic benefit package providing a full continuum of care to veterans who were currently eligible: service-connected disabled, low-income nonservice-connected disabled, and special category veterans. We recommended that higher income nonservice-connected disabled veterans should be permitted to choose VA health care by utilizing their own insurance, including Medicare.

The Partnership for Veterans Health Care Reform also discussed another problem, chronic under funding of the VA health care system. We noted that discretionary funding for VA health care failed to keep pace with medical inflation and the changing needs of the veteran population. Further, as a result of the chronic under funding of the system, VA was forced to ration care, deny services to eligible veterans, restrict needed medical treatment, and forego the modernization of facilities and the purchase of necessary state-of-the-art medical equipment.

At that time, the solution seemed rather obvious to us: "guaranteed funding." We recommended that funding must be guaranteed for the provision of a comprehensive benefit package to all eligible veterans who choose VA. The Partnership asked Congress to make VA health care accounts non-discretionary and set an at risk-adjusted capitated rate that reimbursed VA adequately for care provided.

Congress passed the Health Care Eligibility Reform Act of 1996, which authorized all veterans access to VA health care. However, within the law, Congress provided that the Secretary "shall" furnish hospital care and medical services to Priority Groups 1-6 and "may" furnish services to other veterans, but only to the extent Congress provided money to cover the

costs of health care in advance through appropriations. Thus, the funding under the Federal budget for VA health care is "discretionary." Therefore, because the level of funding to cover the costs of treating veterans is not guaranteed, and is repeatedly insufficient, VA is forced to ration medical care.

Almost 10 years after eligibility reform, DAV and other veterans organizations continue to petition Congress for meaningful action to ensure that VA has sufficient funding to care for those veterans who come to VA for their medical care needs. Guaranteed funding for VA health care is a viable solution to the current crisis in VA health care and is supported by all the major veterans service organizations. I will address this issue in more detail later in my testimony.

Although crisis is a strong word, and one that is often abused, in the case of the VA health care system, use of the term is fully justified. Unfortunately, the crisis in VA health care is not new. Due to perennially inadequate health care budgets, increased demand, and delayed appropriations, the crisis at VA has been exacerbated, and the health care system can no longer meet the needs of our nation's service-connected disabled veterans or other sick veterans.

To guarantee the viability of the VA health care system for current and future service-connected disabled veterans, it is imperative that our government provide an adequate health care budget to enable VA to serve the needs of disabled and sick veterans nationwide. To meet those needs, it is imperative that the funding for the VA health care system be guaranteed and that all service-connected disabled veterans and other enrolled veterans be able to access the system in a timely manner to receive the quality health care they have earned. By including all veterans currently eligible and enrolled for care in a guaranteed funding proposal, the system and the specialized programs VA developed to improve the health and well-being of our nation's service-connected disabled veterans will be protected, now and into the future. To exclude a large segment of currently eligible and enrolled veterans from the VA health care system, however, could undermine VA's ability to provide a full continuum of care and specialty care to disabled veterans in the future.

Recently, improvement of our nation's health care system has received much attention and debate. In the recently concluded presidential election campaign, both candidates talked about improvements to the nation's health care system, such as Medicare, Medicaid, and other public health care programs, to include bringing in more uninsured and underinsured Americans. In the fiscal year 2005 Omnibus Appropriation Bill, $3 million was earmarked for a series of town hall meetings and online surveys to allow citizens to share their views about how to improve our health care system.

While much attention has been given to improving the nation's health care system, no one has focused on how the nation's largest health care system, the Veterans Health Administration, can be a partial solution to our crisis in health care.

In general, our country is facing a monumental health care crisis. Premium costs for health care insurance keep increasing, costs for basic health care services and medications continue to skyrocket. We are facing a nursing shortage and unaffordable costs for long-term and specialized care. Millions of Americans are without health insurance or access to necessary

medical services. State sponsored Medicaid programs are beginning to collapse. These and other factors have contributed to America's health care crisis. The problem is incredibly complex and there are no easy answers.

The Center for Studying Health Care System Change and the Employee Benefit Research Institute reported that health care costs per privately insured American grew 7.5% in the first half of 2004. The center noted that, "[h]ealth care costs are likely to continue growing faster than workers' income for the foreseeable future, leading to more uninsured Americans and raising the stakes for policy makers to initiate cost-containment policies or accept the current trend of rapidly growing health costs and shrinking health coverage."

According to the Harvard /Public Citizen Study released October 19, 2004, nearly 1.7 million veterans lacked health care coverage in 2003 including U.S. troops who served in Iraq and Afghanistan, as well as veterans from the Vietnam and Persian Gulf wars. The study, based on analyses of government surveys, noted that veterans were only classified as uninsured if they neither had health insurance nor received care at VA hospitals or clinics. The study noted that many of the uninsured veterans were barred from VA care because of the 2003 decision that halted enrollment of new Priority Group 8 veterans—noncompensable 0% service-connected veterans, veterans with nonservice-connected conditions and/or annual salaries above $25,000 or higher, depending on their geographical location. Other veterans reported they were unable to access VA care due to long waiting lists for medical appointments, unaffordable co-payments for VA specialty care, or the lack of VA facilities in their communities. The study revealed that more than one in three veterans under age 25 lacked health care coverage, as did one in seven veterans age 25 to 44 and one in ten veterans age 45 to 65. Many of the uninsured veterans reported major health problems with 15.5% reporting a disabling chronic illness.

To make matters worse, state officials fear that Congress may reduce spending for entitlement programs such as Medicaid and Medicare. The executive director of the National Governors Association (NGA) noted that the long-term outlook of state budgets remains poor because Medicaid spending growth "is rapidly reaching a breaking point." According to a study conducted by the NGA and the National Association of State Budget Officers, Medicaid spending is estimated to grow as much as 12% in fiscal year 2005. The NGA noted in a letter to Congress that Medicaid programs continue to impose severe strains on state budgets and warned against shifting federal costs to states in any type of federal deficit reduction strategy. Problems in the Medicare program are also of great concern to state budget officers. Data released by the Medicare Payment Advisory Commission showed hospitals, which account for the biggest part of Medicare spending, are losing money on payments they receive from the program. Likewise, states are bearing the burden of costly long-term care services for dual-eligible Medicaid/ Medicare patients. According to the governors, Medicaid finances the care of 70% of all patients in nursing homes. And "42% of all Medicaid expenditures are spent on Medicare beneficiaries, despite the fact that they comprise a small percentage of the Medicaid caseload and already are fully insured by the Medicare program." The governors believe benefits for the dual-eligible population should be fully financed by Medicare.

Given these and other pressures on the health care industry in America, politicians are more concerned than ever with health care problems facing their constituents. As I noted

previously, during the past Congress, legislation was passed to create a national debate about the health care system and ways it could be changed to better serve all Americans. In early 2005, the Government Accountability Office will appoint 14 individuals to serve on a "Citizens' Health Care Working Group," charged with publishing a guide on how health care dollars are spent and make recommendations to both Congress and the President. Americans will have the chance to weigh in online and at town hall meetings in every state to give their views on the current state of health care in America.

But in spite of all the attention paid to this issue, the role of the veterans health care system—the nation's largest integrated health care network with some 7 million enrollees—has been largely excluded from the discussion.

When properly funded, the VA is able to provide cost-effective, quality health care services to millions of sick and disabled veterans each year. Additionally, treating veterans at VA rather than state-sponsored programs helps to relieve the stress on states, which routinely pick up the cost of caring for the poor. For example, an analysis conducted by Missouri's state auditor in 2004 found the state could have saved at least $5.5 million if veterans who received benefits through Medicaid had instead received care from the VA. Missouri is home to more than 562,000 veterans. In 2003 some 116,322 veterans received care in the state's VA facilities. The specialized services provided by VA, such as acute and long-term care, actually subsidize Medicare and Medicaid programs at great savings to the Medicare Trust Fund and to taxpayers, since VA health care is less costly than the cost of services provided by either Medicare or Medicaid. It makes fiscal sense to treat veterans in the VA health care system, instead of more costly care elsewhere.

VA is the largest integrated health care system in the United States with 7.6 million enrollees, 1,300 sites of care, including 158 medical centers or hospitals, 800 outpatient clinics, 206 readjustment counseling centers, 42 residential rehabilitation treatment programs, and 133 nursing homes. VA has 196,500 health care employees and affiliations with 107 academic health systems. The veterans health care system offers an array of specialized services to meet the complex health care needs of veterans who tend to be older, sicker, and poorer than the population as a whole. Many of these specialized services in areas such as prosthetics, spinal cord injury, blind rehabilitation, post traumatic stress disorder, serious mental illness, and traumatic brain injury are not readily available in the private sector.

As the debate over national health care continues, this country cannot afford to ignore the hundreds of hospitals, clinics, nursing homes, and other facilities that care for America's veterans. In purely material terms, the nation can ill afford to lose the nearly 200,000 dedicated health care professionals and support staff who provide this high quality care and contribute to the economic stability of communities across the country. We cannot sit silently on the sidelines as the debate moves forward. The virtues and benefits of the VA health care system must be part of the debate. If we don't make our voices heard, we could be in jeopardy of losing the system designed to meet the unique health care needs of sick and disabled veterans.

In a study published in the *New England Journal of Medicine* May 29, 2003, "Effect of the Transformation of the Veterans Affairs Health Care System on the Quality of Care,"

researchers compared the quality of care in VA facilities with the Medicare fee-for-service program.

Most notably, researchers found dramatic improvements in the quality of care to veterans after the system-wide reengineering in the mid-1990s, and that care in VA was significantly better than that in the Medicare fee-for-service program.

Not only has VA been found to best the Medicare fee-for-service program in terms of quality but it is also more cost effective as well. The Nugent study, "Value for Taxpayers' Dollars: What VA Care Would Cost at Medicare Prices," published in the *Medical Care Research and Review*, December 2004, compared VA health care expenditures for all health care provided for a one-year period to hypothetical payments under Medicare rates for the same services. The analysis yielded from the multi-site study found hypothetical payments to Medicare providers would have been more than 20 percent greater than the cost of care at VA, more than $3 billion in 1999 and more than $5 billion in 2003. According to researchers, the study demonstrates the potential savings to patients and taxpayers of the VA health care system.

Researchers estimated that acute inpatient expenditures at study sites would be 15.6 percent higher at Medicare's private sector rates. According to the study, hypothetical payment from nursing home care would be 21 percent more at Medicare rates. The greatest increase would be for outpatient pharmaceuticals, rehabilitation, and partial hospitalization. For outpatient pharmacy services, the cost is 69 percent more if veterans filled their prescriptions at payment rates set according to Medicare's existing formula. The analysis compared VA's own payments for each pharmaceutical to published average wholesale prices discounted according to Medicare regulations. Similarly, in the private sector, the budget would be 70 percent higher to provide rehabilitation and partial hospitalization services and 55 percent higher for dental care. Researchers concluded overall savings demonstrate that the VA is able to provide a richer benefit package at lower cost than veterans would be able to obtain through the private sector under the Medicare fee-for-service program.

Researchers found that expanding access to care through private sector providers would cost taxpayers at least $3 billion more for current enrollees' care. Nugent also commented on the VA's 8,700 graduate medical residencies, stating that if these residencies were absorbed by private sector hospitals, Medicare payments for non-VA beneficiaries would likely rise as a result of higher indirect medical education payments under current Medicare reimbursement formulas.

Without question, VA is a leader in improved patient safety, health outcomes, patient satisfaction, and electronic health care information management. It has proven itself to be a quality driven, cost-effective health care system despite a patient base that frequently has chronic complex health care problems and are considered higher risk patients because of their age, socioeconomic status, and generally poorer health. As we begin to discuss solutions to the health care crisis in America, we can recognize the VA for leading the way to high quality cost effective health care for not only our nation's sick and disabled veterans, but for all Americans. If properly funded, VA can continue its path to health care excellence.

As service-connected disabled veterans, we are especially interested in the viability of the veterans health care system and the potential impact the system has on the overall health care picture in America. To ensure the viability of the veterans health care system, we must make our message clear to elected officials. The DAV believes that VA plays a significant role in American health care, and, when properly funded, it can also play a significant role in solving America's health care crisis.

Over the past decade, the Veterans Health Administration (VHA) has undergone an extensive transformation from a primarily hospital-based health delivery system to a community-based comprehensive health care provider. The Health Care Eligibility Reform Act of 1996 paved the way for the creation of a uniform benefits package—a standard health benefits plan that emphasizes preventative and primary care and a full range of outpatient and inpatient services to all enrolled veterans.

The change in the VA health care system due to eligibility reform has created a more cost effective and efficient health care system. The creation of community-based outpatient clinics and outreach brought record numbers of veterans into the VA health care system by making care more accessible. Enrollment in VHA increased 80% from 4.3 million to 7.7 million from fiscal year 1999 to fiscal year 2005. Federal funding for VA health has increased from $17.36 billion to $19.36 billion, an increase of only 10%, while collections have increased 250%, from $558 million in FY 1999 to almost $2 billion estimated for FY 2005. As VA began making these sweeping changes in health care delivery and seeing record numbers of veteran patients annually, it also worked to improve the quality of care it provided and address patient safety standards. Progress made as a result of these changes has made VA a world leader in the health care industry. VA consistently sets the benchmark for patients' satisfaction in inpatient and outpatient services, according to the American Customer Satisfaction Index developed by the University of Michigan Business School. The Institute of Medicine has recognized the VA as one of the best in the nation for its integrated health information system. The top-notch research done at VA facilities benefits all Americans, not just veterans. VA medical, prosthetic, and health services researchers have received Nobel Prizes and other distinguished awards for their work at VA. Major breakthroughs pioneered by the VA are invaluable to the entire health care profession. The VA also leads the nation in geriatric research, education, and training and provides long-term care for thousands of veterans each year.

In addition to these notable accomplishments, VA medical facilities are a strategically located national resource. By statute, the VA serves as a backup to the Department of Defense and the National Disaster Medical Systems in time of national emergency. This so-called fourth mission for the VA is especially important while the nation is at war and remains at risk for terrorist attacks that could injure or sicken thousands. However, this fourth mission has never been properly funded.

Even though VA is unquestionably a success story, Congress typically provides an annual discretionary appropriation for veterans health care that falls far short of actual needs. Over the years, funding needed to ensure health care programs and services are readily accessible for veterans has not kept pace with inflation, let alone the increased demand for services. As I noted previously, enrollment for VHA care increased 80% between fiscal years

1999 and 2005; however, funding, at the discretion of Congress, and collections only increased 40% during the same period.

When resources are inadequate to meet demand, VA hospital directors are forced to ration care, and VHA policymakers must make difficult decisions and set priorities for care delivery. The current discretionary funding method used to appropriate resources for VA, coupled with continued inadequate and frequently late budgets, have created a funding crisis in the system and jeopardize quality of care to America's sick and disabled veterans.

We believe funding for veterans benefits and health care services should be a top priority for Congress and the Administration as a continuing cost of our national defense. Once the guns fall silent, veterans should not have to beg for benefits they have earned and rightfully deserve for their service and sacrifice. A promise of benefits and services alone is not good enough. Approved programs must be sufficiently funded. As a nation, we must be willing to bear the costs of providing special benefits to such a unique group—those men and women who were willing, on behalf of all Americans, to serve in peace time and fight our wars to preserve our cherished freedoms and democratic values. To assure the veterans medical care system is maintained as a top government priority, its funding should be mandatory to remove it from competition with politically popular but less meritorious projects and programs.

An American servicemember injured today in Afghanistan or Iraq will need the VA health care system beyond the middle of this century. However, if the VA health care system is allowed to be significantly reduced, these brave men and women would not likely be able to replicate the special care they receive from VA in the private sector, which is currently undergoing a crisis of its own.

During this period of war, emphasis has been placed on ensuring that newly returning war wounded veterans have top priority for treatment at VA facilities. Although no one would question that this new generation of veterans deserves ready access to VA's specialized health care services, we must not forget there are previous generations of veterans who continue to rely on the VA health care system for service-related injuries incurred decades ago. As veterans with catastrophic spinal cord injury, limb loss, blindness, post traumatic stress disorder, and traumatic brain injury age, they often require more medical attention than in the past for their service-connected conditions. Likewise, other veterans dependent on VA health care services deserve timely access to care as well. Funding must be sufficient to provide timely quality health care to all enrolled veterans.

We recognize that providing full funding for VA health care will not solve all of VA's problems. However, VA, as the largest integrated health care system in the United States, must have a sufficient budget to effectively manage its health care programs and services and to hire the appropriate number of clinicians, nurses, and support staff to meet the demand for high quality medical care. VA must also have the ability to adequately prepare for the coming year well in advance. With guaranteed funding, VA can strategically plan for the future to optimize its assets, achieve greater efficiency, and realize long-term savings. The current discretionary funding mechanism for VA medical care benefits neither VA nor taxpayers, and it certainly is having a negative impact on veterans.

The President's Task Force to Improve Health Care Delivery for Our Nation's Veterans (PTF) identified the root cause of the problem in VA and offered a reasonable long-term solution in mandatory funding for VA health care. We hope the PTF's recommendation for mandatory funding for veterans health will serve as a blueprint for decisive action in the 109th Congress.

Unquestionably, VA provides the best comprehensive services for veterans with unique health care needs. Spinal cord injury medicine, blind rehabilitation, prosthetics, advanced rehabilitation, mental health care services, treatment for posttraumatic stress disorder, and long-term care are at the very heart of the VA health care mission. In addition, the VA supplies one-third of all care provided for this nation's chronically mentally ill and has developed broad-reaching programs to meet the psycho-social needs of homeless veterans. Without these specialized services many veterans who are homeless or suffer severe mental illness or substance use problems would return to the street, end up in jail, or rely on more expensive and less comprehensive state sponsored programs. The private sector is ill-equipped to provide these kinds of specialized services VA patients frequently need. Additionally, veterans who are often elderly, have multiple disabilities, or are chronically ill are not best served in more traditional health care settings. These types of patients pose too great an underwriting risk for private insurers and health maintenance organizations.

Those in government who oversee and implement public programs that serve America's veterans must provide the resources and authority necessary to carry out these highly specialized programs and primary care support services. And the best way to ensure that happens is for VA to continue as a distinct entity, directly accountable to the American people for providing high-quality, cost-effective health care services to meet the unique needs of the veteran population. Anything less than that would be to abandon this nation's sacred obligation to veterans. Studies have shown that VA provides more cost-effective care than comparable private sector health care. Without VA, millions of veterans would be forced to rely on Medicare and Medicaid at substantially greater federal and state expense.

Some critics of the veterans health care budget reform proposal have falsely argued that Congress would lose oversight of the VA health care system under mandatory funding. Although funding for veterans health care would be removed from the uncertainties and capriciousness of the annual discretionary appropriations process, Congress would still retain oversight of VA programs and health care services, as it does with other federal mandatory programs. VA would still be held accountable for how it spends its money and how well it runs its health care programs.

The VA would then be assured of receiving its health care funds in a timely manner allowing it to plan ahead to meet changing needs. Guaranteed funding would utilize a formula based on the number of enrolled veterans multiplied by the cost per patient, with an annual adjustment for medical inflation. Guaranteed funding would ensure that VA receives sufficient resources to treat veterans using the system. The annual adjustment for inflation would allow VA to keep pace with increased costs for medical equipment, supplies, and pharmaceuticals.

Much has been reported on the funding levels provided for VA medical care during the past several years. In the mid 1990's during the Clinton Administration, VA received a flat lined budget for three consecutive years as a result of the Balanced Budget Act. On the other hand the Bush Administration has claimed record increases for VA health care. However, much of the so-called increases were due to projected increased collections from veterans in the form of co-payments for medical care and prescription medication and third-party payments. Additionally, the current Administration has proposed enrollment fees and other schemes to shift more of the burden for health care costs onto veterans. As I noted previously, the $1.5 billion increase VA received for fiscal year 2005 really equated to a flat-line budget after adjustments.

One thing is clear—the shortfall in the fiscal year 2005 budget for VA medical care has had a sobering effect on local medical center directors, as I noted earlier. The Administration's budget recommendation for VA health care in fiscal year 2006 is a recipe for disaster.

As an organization we have an awesome responsibility regarding these important health care issues that impact our veterans and generations of veterans to come. Now, with our fighting men and women in battle and our veterans from past eras battling for needed care, our message is more important than it ever has been. Make the commitment now that you will stand up to be counted by supporting a change in the current VA health care budget process. By doing so we ensure the sacrifices of those who have served are recognized and honored.

Messrs. Chairmen, over the last several years, these Committees have acknowledged the inadequacies of the Administration's budget proposals for VA and have recommended substantial increases for VA health care funding in your Views and Estimates. However, actual appropriations for VA health care always fall below the recommendations of these Committees. This year, unfortunately, there were four separate Views and Estimates from these Committees, half of which essentially supported the spending levels recommended by the Administration.

Some in Congress, including some members of these Committees, and in the Administration, blame open enrollment and Priority Group 7 and 8 veterans for the imbalance in demand versus resources. From where I sit, Messrs. Chairmen, it is time to stop pointing fingers and passing blame for the crisis in VA health care and time to start looking for solutions to this crisis. For several years, we have asked for an open and frank debate on the broken budget process for VA health care; however, our requests have been largely ignored. Let us now agree that it is time for all of us, veterans, Congress, and the Administration, to solve this important crisis in the first session of this Congress. Our nation's disabled veterans cannot wait any longer for a workable solution to the budget process.

The VA reports that it has reached capacity at many health care facilities around the country, and the current budget situation, as I mentioned earlier, has hampered timely access to quality health care for our nation's veterans, including some of our most severely disabled veterans. Making VA health care funding mandatory is a reasonable solution to address this problem and meet the growing backlog for care. If veterans health care were a mandatory program, sufficient funding to treat enrolled veterans who fell under its mandatory provisions would be guaranteed for so long as the authorizing law remained in effect. Veterans would not have to fight for sufficient funding in the budget process every year as we now do.

Now is the time for decisive action. Now is the time to tackle the crisis that is preventing disabled and sick veterans from receiving timely health care services. It is not necessary to study the problem. We do not need yet another commission or another task force to attempt to enlighten us about what we already know, what we have known for years.

The problem is quite obvious. The demand for VA health care has greatly surpassed the resources available to VA. According to the PTF, there is a significant mismatch between demand for VA services and available funding which, if left unresolved, would delay veterans' access to health care and threaten the quality of care provided. The solution is equally straightforward. The best solution, really the only equitable solution, would be to provide VA with the resources necessary to match the demand for health care.

The alternative, and much less desirable choice, would be to lessen the demand for health care services by terminating enrollment and disenrolling lower priority veterans. Congress has given the Secretary of Veterans Affairs the authority to manage the enrollment system to ensure that quality health care services are provided in a timely manner. In January 2003, Secretary of Veterans Affairs Anthony J. Principi announced that VA was suspending enrollment of certain Priority Group 8 veterans. This action was made necessary because the demand for VA health care had greatly outpaced funding levels.

Mandatory health care funding would not create an individual entitlement to health care, nor change the VA's current mission. Making veterans health care funding mandatory would eliminate the year-to-year uncertainty about funding levels that have prevented the VA from being able to adequately plan for and meet the growing needs of veterans seeking treatment. Rationed health care is no way to honor America's obligation to the brave men and women who have so honorably served our nation and continue to carry the physical and mental scars of that service.

Messrs. Chairmen, we, the members of the DAV, and citizens throughout this great nation, call upon you, as DAV and other veterans service organizations did a decade ago, and continue to do, to enact guaranteed funding for VA health care to make certain that our medical needs are met, in a timely manner, now and in the future.

Your support of guaranteed funding for veterans health care would demonstrate your commitment to the men and women appearing before you today and the more than seven million veterans who have enrolled for VA health care. Again, I ask your active support of this critical legislation.

A nationwide survey conducted in February 2004 by Princeton Survey Research Associates International (PSRAI) for Paralyzed Veterans of America and the DAV shows that three out of four Americans, 75%, believe veterans health care should be a "top to high funding priority" in the federal budget. Most Americans, 87%, also support making veterans health care funding mandatory.

This survey shows that 74% of Americans surveyed believe that Congress and the President have a very big responsibility to ensure that veterans receive their health care and other benefits following their military service. Nearly all survey respondents, 95%, said veterans should not have to wait to receive their benefits.

These findings show the American people place a high value on our service and sacrifice on behalf of their country.

The survey results confirm what DAV has believed all along: that a large majority of Americans wants the government to fulfill its obligation to provide timely access to top-quality health care to veterans after they leave military service. The American public believes funding for veterans health care should be a national priority.

I now call on the members of these Committees to help us make veterans a national priority and help ensure that VA receives the resources necessary to accomplish its missions.

In August 2004, the DAV conducted a large scale mail survey of our membership, about 50,000 surveys were mailed, in an effort to better understand our members' perceptions and experiences with the overall quality of care received through VA vs. non-VA health care facilities. The survey was conducted by the Princeton Research Group, Inc., a New Jersey-based marketing research firm. Results of the recently completed study were based on more than 11,600 completed surveys, which equates to a response rate of approximately 23%. Copies of the complete survey have been made available to these Committees and can also be accessed on our web site at www.dav.org. Highlights of the study follow.

DAV members have more frequently used VA services for primary care and specialty care and non-VA provided services for inpatient care, emergency care, and urgent care. VA pharmacy benefits were utilized by more than 75% of all respondents, the vast majority of whom, 97%, have received prescriptions through the mail at least once.

The ratings for VA care are positive, on a scale of 1 to 10, our members rated VA services as follows:

- Pharmacy benefits, 8.7
- Specialty care, 8.2
- Inpatient care, 8.1
- Outpatient care, 8.0
- Emergency care, 7.8
- Urgent care, 7.8

It should be noted in every category DAV members rated the quality of care received through non-VA facilities slightly higher than that received through VA facilities.

The overall quality rating received for VA care was a respectable 8.13. The primary reasons respondents provided ratings of 4 or less were:

- Wait times, 48%
- Distance to the facility, 37%
- Poor quality of care, 25%

The average wait times for VA provided care met members' needs in 80% of the cases or better across all services. Outpatient care and specialty care rank lowest, with 22% and 19% indicating wait times of greater than 60 days for appointments, respectively.

More surveyed individuals live closer to VA outpatient clinics than they do to the VA medical centers. More than 34% live 50 or more miles from the medical center, while only 16% live 40 or more miles from the clinics.

Again, the full report can be viewed on the DAV web site at www.dav.org.

Messrs. Chairmen, I will now focus on the benefits side of VA.

A core mission of the VA is the provision of benefits to relieve the economic effects of disability upon veterans and their families. For those benefits to effectively fulfill their intended purpose, VA must promptly deliver them to veterans. The ability of disabled veterans to care for themselves and their families often depends on these benefits. The need for benefits among disabled veterans is usually urgent. While awaiting action by VA, they and their families suffer hardships; protracted delays can lead to deprivation, bankruptcies, and homelessness. Disability benefits are critical, and providing for disabled veterans should always be a top priority of the government.

VA can promptly deliver benefits to entitled veterans only if it can process and adjudicate claims in a timely and accurate fashion. However, VA has neither maintained the necessary capacity to match and meet its claims workload nor corrected systemic deficiencies that compound the problem of inadequate capacity.

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. The claims backlog has swollen, and the appellate workload is growing at an alarming rate, suggesting further degradation of quality or at least continuation of quality problems.

Insufficient resources are the result of misplaced priorities, in which the agenda is to reduce spending on veterans programs despite a need for greater resources to meet a growing workload in a time of war and a need for added resources to overcome the deficiencies and failures of the past. Instead of requesting the additional resources needed, the President has sought and Congress has provided fewer resources. Recent budgets have sought reductions in fulltime employees for the VBA in fiscal years 2003 through 2006. Since fiscal year 2003, VBA has lost about 600 employees. Such reductions in staffing are clearly at odds with the realities of VA's workload and its failure to improve quality and make gains against the claims backlog.

VA must have a long-term strategy focused principally on attaining quality and not merely achieving production numbers. It must have adequate resources, and it must invest them in that long-term strategy rather than reactively targeting them to short-term, temporary, and superficial gains. Only then can the claims backlog really be overcome. Only then will the system serve disabled veterans in a satisfactory fashion, in which their needs are addressed timely with the effects of disability alleviated by prompt delivery of benefits. Veterans who suffer disability from military service should not also have to needlessly suffer economic deprivation because of the inefficiency and indifference of their government.

This year's budget recommendations, however, fail to provide the necessary resources and, therefore, the timely adjudication of claims continues to remain at risk.

Messrs. Chairmen, major policy positions of the DAV are derived from resolutions adopted by the delegates to our annual National Conventions. Since our first National Convention in 1921, the DAV's annual legislative program has served to guide our advocacy for disabled veterans in accordance with the will of our members. Our 2005 mandates cover a broad spectrum of VA programs and services and have been made available to your Committees and to the members of your staffs. Since DAV was founded in 1920, promoting meaningful, reasonable, and responsible public policy for disabled veterans has been at the heart of who we are and what we do. Our will and commitment come from the grassroots, nurtured in the fruitful soil of veterans' sacrifices and strengthened by the vitality of our membership.

With the realization that we shall have the opportunity to more fully address those resolutions during hearings before your Committees and personally with your staffs, I shall only briefly comment upon a few of them at this time.

What I communicate to you here today echoes the hopes and desires and, in some cases, the despair of disabled veterans, who appeal to the conscience of the nation to do what is right and just. Accordingly, the members of the DAV call upon the members of these Committees to:

- Increase the face value of Service Disabled Veterans' Insurance (SDVI). The current $10,000 maximum for life insurance for veterans was first established in 1917, when most annual salaries were considerably less than $10,000. The maximum protection available under SDVI should be increased to at least $50,000 to provide adequately for the needs of our survivors.
- Authorize VA to revise its premium schedule for SDVI to reflect current mortality tables. Premium rates are still based on mortality tables from 1941, thereby costing disabled veterans more for government life insurance than is available on the commercial market.
- Support legislation to remove the prohibition against concurrent receipt of military longevity retirement pay and VA disability compensation for all affected veterans.
- Support additional increases in grants for automobiles or other conveyances available to certain disabled veterans and provide for automatic annual adjustments based on increases in the cost of living.
- Provide additional increases in the specially adapted housing grant and automatic annual adjustments based on increases in the cost of living.

- Support legislation to allow all veterans to recover amounts withheld as tax on disability severance pay. Currently, a three-year statute of limitations bars many veterans from recovering the non-taxable money withheld by the Internal Revenue Service.
- Restore protections against unwarranted awards of veterans' benefits to third parties in divorce actions by prohibiting courts from directly ordering payment of such benefits to third parties, other than dependent children.
- Support equal medical services and benefits for women veterans.
- Extend commissary and exchange privileges to service-connected disabled veterans.
- Extend space-available air travel aboard military aircraft to 100% service-connected disabled veterans.
- Support the fullest possible accounting of our POWs/MIAs from all wars and conflicts.
- Support an expansion of POW presumptions.
- Support legislation to repeal the prohibition against service connection for tobacco-related illnesses.
- Extend eligibility for Veterans Mortgage Life Insurance to service-connected veterans rated permanently and totally disabled.
- Provide educational benefits for dependents of service-connected veterans rated 80% or more disabled.

In honor of the brave men and women—our heroes who have sacrificed so much and who have contributed greatly to protect and defend our cherished freedoms—who were disabled as a result of their military service, the DAV is providing major support to the Disabled Veterans LIFE Memorial Foundation in its work to construct a memorial to disabled veterans in Washington, D.C. Congress has enacted legislation that authorizes construction of the memorial on select lands in the shadow of the U.S. Capitol. Last Congress, you had companion bills in both chambers—H.R. 2823 in the House and S. 1379, which passed the Senate—to provide for the minting of coins by the Treasury to commemorate disabled veterans and to contribute the surcharges on the coins to the fund for construction of the American Veterans Disabled for Life Memorial. I want to especially urge the members of these two veterans' committees to give their full support to similar legislation we hope to have introduced in this Congress.

I also call upon the members of these Committees to support us in our efforts to convince the U.S. Postal Service to issue a new commemorative postage stamp sheet that would recognize the dedication, hard work, sacrifice, and diversity of the nation's veterans service organizations.

Messrs. Chairmen, as you can see, our work for disabled veterans and their families continues to involve many issues and many challenges. Although we can be proud of the accomplishments made on behalf of disabled veterans in the past, much remains to be done. When it comes to justice for disabled veterans, we cannot be timid in our advocacy. These Committees and the DAV, working together with mutual cooperation, must battle for what is best for our nation's disabled veterans. Veterans have every right to expect their government to treat them fairly. We call upon you, the members of these Committees, as our advocates in Congress, to educate your colleagues about the priorities of disabled veterans.

Our nation's history of meeting our obligations to veterans has fallen short not only of its highest ideals but also of its capabilities. We simply have not always kept veterans at the top of

the list of national priorities. Our government can no longer excuse its failure to provide veterans the benefits and services they rightfully deserve by saying it cannot afford to fully honor its promises. We have the means to meet those obligations. Now our nation, a nation once again at war, must demonstrate it has the will to do so.

Messrs. Chairmen, I would be remiss in my duties if I did not discuss the DAV, particularly who we are and what we do, for the new members of your Committees.

The DAV was founded in 1920 and chartered by Congress in 1932 as the primary advocate for America's service-connected disabled veterans, their dependents and survivors. Major policy positions of the DAV and the framework of our national legislative program are derived from resolutions adopted by the delegates to our annual National Conventions. For 85 years, the DAV has been dedicated to one, single purpose: building better lives for disabled veterans and their families.

In fulfilling our mandate of service to America's service-connected disabled veterans and their families and in keeping faith with the principle on which this organization was founded, which is that this nation's first duty is to care for its wartime disabled veterans, their dependents and survivors, the DAV employs a corps of 250 National Service Officers (NSOs), located throughout the country, about half of whom are Gulf War veterans. Currently, we employ four veterans from Operations Iraqi Freedom and Enduring Freedom. Last year alone, these men and women, all wartime service-connected disabled veterans themselves, represented over 200,000 veterans and their families in their claims for VA benefits, obtaining for them more than $2.8 billion in new and retroactive benefits.

Messrs. Chairmen, the DAV continues to strive to more effectively meet veterans' needs and ensure they receive the benefits our grateful nation has authorized for them. Several years ago, DAV undertook two additional initiatives to enhance and expand benefits counseling and claims representation services to the veterans' community. The first of the two programs involves outreach to members of the Armed Forces at the location and time of their separation from active duty. The second involves services to veterans in the communities where they live.

For benefits counseling and assistance to separating servicemembers in filing initial claims, the DAV has hired and specially trained 25 Transition Service Officers (TSOs), who provide these services at military separation centers, under the direct supervision of DAV NSO Supervisors. This enhancement in assistance to those seeking veterans' benefits will contribute to the DAV's goal of maintaining its preeminent position as a provider of professional services to veterans. In 2004, our TSOs conducted 1,979 briefing presentations to groups of separating servicemembers, with 92,204 total participants. TSOs counseled 45,638 persons in individual interviews, reviewed the service medical records of 35,144 and filed benefit applications for 21,401.

The DAV's Mobile Service Office program is a part of the same goal. By putting its NSOs on the road to rural America, inner cities, and disaster areas, the DAV assists veterans where they live, which increases accessibility to the benefits our nation provides for veterans. The DAV has 10 of these specially equipped mobile offices on tour to make stops in the

communities across this country. During 2004, our Mobile Service Offices interviewed 16,215 persons at 623 different locations and accepted 15,164 claims.

In addition to the dedicated services performed by DAV's NSOs and TSOs, equally vital are the activities of the more than 17,199 DAV and Auxiliary members who selflessly volunteer their valuable time to assist America's sick and disabled veterans. Last year alone, these men and women continued to serve this nation by providing over 2.3 million hours of critical services to hospitalized veterans, saving taxpayers nearly $41 million in employee costs.

The DAV also employs 179 Hospital Service Coordinators at VA facilities across the country. The DAV's transportation program provides essential transportation to and from VA health care facilities to those veterans who could not otherwise access needed medical care. Last year, DAV's National Transportation Network logged in more than 21 million miles and transported more than 760,000 veterans to VA health care facilities. More than 9,600 volunteer drivers spent 1.8 million hours transporting veterans during 2004. Since our National Transportation Program began in 1987, more than 8.7 million veterans have been transported about 333 million miles.

In 2004, DAV presented the VA with 144 Ford vans. This year, we will be presenting VA with 119 vans. Since 1987, the DAV has donated 1,549 vans, at a cost of $31.5 million. Our commitment to this program is as strong as ever. We have vans in every state and nearly every Congressional district serving our veterans—your constituents. DAV not only advocates on behalf of our nation's veterans, but we also continue to give back to our nation and our fellow veterans.

As you can see, the DAV devotes its resources to the most needed and meaningful services for our disabled veterans. These services aid veterans directly and support and augment VA programs. We are able to do so only with the continuing support of an American public that is grateful for all that our veterans have done.

I hope I have demonstrated that America's disabled veterans, rather than being satisfied to rest on their laurels, continue to stand ready to actively and unselfishly be involved in their communities and across the nation to assist our government in meeting the needs of other service-connected disabled veterans, their dependents and survivors.

In considering the heartfelt message I have brought you today on behalf of disabled veterans and in your work on veterans' issues in the future, I ask that you, as I do, remain mindful that the freedoms and prosperities enjoyed by all citizens of our nation has been paid for with the lives and health of many brave Americans. All we ask in return for our sacrifices and our service is for this nation to honor its sacred contract with America's disabled veterans. We must, therefore, honor and care for those who distinguished themselves in defense of our freedom—whatever the cost. Disabled veterans deserve nothing less.

Messrs. Chairmen, this completes my testimony. I hope that you and your Committee members recognize and accept that my testimony, which comes from deep within my heart, is from someone who not only cares for the well-being of his fellow veterans and our nation, but

also one who deeply appreciates the men and women who volunteer their time to care for our nation's veterans and their families.

Thank you for allowing me the opportunity to appear before you on behalf of the Disabled American Veterans to share our proud record of service to veterans and our country and to discuss our agenda and our concerns for the 109th Congress. Thank you also for all that your committees have done and for all that you will do for veterans in the future.

May God bless America. And, may God bless America's soldiers, sailors, Marines, airmen, and Coast Guardsmen who have been placed in harm's way in our fight against terrorism.