

**STATEMENT OF  
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OF THE  
DISABLED AMERICAN VETERANS  
BEFORE THE  
COMMITTEES ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C.  
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Mr. Chairman and Members of the Veterans' Affairs Committee:

On behalf of the more than 1.5 million members of the Disabled American Veterans (DAV) and its Auxiliary, I am pleased to discuss the agenda and major concerns of our nation's wartime disabled veterans and their families.

However, Mr. Chairman, I must state that the DAV and its members are not pleased with the fact that our joint hearings have been cancelled. The opportunity to present testimony before joint hearings of the House and Senate Veterans' Affairs Committee has been a long-standing tradition enabling veterans service organizations (VSOs) the occasion to provide the authorizers of veterans' programs with our legislative agenda and concerns. These hearings also provided your members with the chance to address the numerous constituents who are present from their states, and it provided DAV members with the opportunity to see their elected officials respond to issues critical to them and other disabled veterans. Hundreds of DAV members make this annual pilgrimage to our nation's capital to witness this event.

It is our sincere desire that you would reconsider your decision and allow us the opportunity to again appear before a joint hearing of the Veterans' Affairs Committees. Thank you for your consideration of the matter.

Mr. Chairman, today, America's sons and daughters, grandchildren and, in some cases, great-grandchildren are serving our nation in our armed services, protecting our freedoms here and abroad. Many are fighting and dying in our War on Terror in Operations Enduring Freedom and Iraqi Freedom. These brave men and women are attempting to bring peace and democracy to an area of the world that has known neither for centuries. These brave soldiers, sailors, airmen, Marines, and coast guardsmen, whether active duty, reservists, or national guardsmen, are also serving to ensure our safety and preserve our cherished way of life.

It is because of our nation's ongoing War on Terror and the aftermath of that war on our youth that the DAV's focus on veterans' programs has been with an eye towards the future. 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 severely disabled wartime casualties. As of January 3, 2006, there were 381 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 276 soldiers, 45 of whom have multiple amputations; 87 Marines, 14 of whom have multiple amputations; 7 sailors, one of whom has multiple amputations; 6 airmen, one of whom has multiple amputations. Of the 381 amputees, 104, or 27% of these individuals have upper extremity amputations.

Although the medical care and services they are receiving from the military today is excellent, 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 in the future.

It has been stated: “To prepare for the future, examine the present. To understand the present, study the past.” The DAV has undertaken such a study.

In a recently published history of the DAV, *Wars & Scars*, DAV’s Adjutant and Chief Executive Officer, Arthur H. Wilson, noted:

This great organization was formed as our country struggled to deal with the painful effects of World War I. At this moment, our Nation is struggling once again with the impact of war—as American men and women face combat in Iraq, Afghanistan, and other nations.

A great deal has changed in the 85 years since the DAV was founded, but this much has remained the same: those who come home from war wounded and sick need the care and attention of a grateful nation....

Since its inception, the DAV, then known as Disabled American Veterans of the World War, looked to protect the interests not only of current veterans, but for those who would follow them.

The purpose those disabled veterans set for themselves in 1921 remains the same today: building better lives for all of our nation’s disabled veterans and their families.

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

Last year, in March 2005, then National Commander James E. Sursely, expressed his concerns about the VA’s ability to care for our nation’s sick and disabled veterans and reported news articles from around the country about shortfalls in health care funding to this Committee

and the Senate Veterans' Affairs Committee. These stories began appearing in the news media in December 2004.

Mr. Chairman, that was a year ago. Between then and now, Congress stepped up and provided supplemental funding for VA for fiscal year 2005, and designated \$1.2 billion as emergency funding for fiscal year 2006. The DAV was pleased when the President signed off on that emergency designation on January 28, 2006, and that money became available to VA. However, we are hearing from the field nationwide that budget woes are still present in 2006. The hiring freeze is still in place. A review of the recently submitted Administration's budget proposal demonstrates unchanged employee levels in health care for fiscal years 2005 and 2006.

It is our understanding that VA medical facilities are required to "pay back" a substantial portion of the money they received from VA Central Office for the shortfalls in funding for fiscal year 2005. Some facilities are reporting that the increase they received in the fiscal year 2006 budget will help to pay for salary increases only. Others report continued deficits and backlogs. Some are actually reducing non-VA health care. And some medical facilities are questioning how they will make it through this year.

Mr. Chairman, it is our sincere desire that Congress will not allow VA to get into another shortfall situation like the fiscal year 2005 fiasco. The DAV was grateful that Congress enacted the requirement that VA report to Congress quarterly on its state of affairs. We look forward to reviewing that first report.

Mr. Chairman, I can assure you that the DAV, along with other members of the *Independent Budget*, AMVETS, Paralyzed Veterans of America, and Veterans of Foreign Wars of the United States, does not ask for more money from VA just to help VA build a large fiefdom. Our monetary and program recommendations are based on not only discussions with the "bean counters" and program directors at VA Central Office, but also on conversations with VA employees who are on the front line of providing care and services to our nation's sick and disabled veterans. We also receive information from our members and employees about the state of affairs at VA facilities nationwide.

The time is now for all of us—Congress, the Administration, and the veterans' community—to come together to resolve the inherent problems involved in funding VA health care. It is shameful that veterans are forced each year to come to Congress to beg for necessary additional funding for VA programs.

As called for in the President's fiscal year 2007 budget submission, total VA funding for the next fiscal year would increase about 12%, from the current \$71.8 billion to \$80.6 billion. More than half of the budget would go for mandatory programs such as disability compensation and pension benefits. Medical care for veterans would rise from \$30.8 billion to \$34.3 billion, or an 11% 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. Fortunately, this year's budget proposal comes much closer to meeting the needs of our nation's sick and disabled veterans than the past several years. Although there is still a significant gap between what has been proposed and what is needed to ensure timely access to health care services and benefit decisions.

The DAV and other major veterans service organizations are united in calling on Congress to provide about \$26 billion for veterans medical services, almost \$1.3 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 almost doubled, from \$8 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.

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 health care they rightfully deserve. More importantly, it also authorized VA to provide a full continuum of care to veterans, thereby greatly improving the quality of care VA provides. Today, the quality of VA health care is recognized worldwide.

The improvement in the quality of VA health care is directly due to the changes brought about by the Health Care Eligibility Reform Act of 1996. We firmly believe this to be true and we look forward to your hearing to retrospectively review this Act.

However, ten 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.

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.

VA is the largest integrated health care system in the United States with 7.5 million enrollees, 1,300 sites of care, including 156 medical centers or hospitals, 720 outpatient clinics, 206 readjustment counseling centers, 43 residential rehabilitation treatment programs, and 134 nursing homes. VA has 197,650 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. 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.

The change in the VA health care system due to eligibility reform has created a more cost effective and efficient health care system. 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. 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.

When resources are inadequate to meet demand, VA hospital directors are forced to ration care, and Veterans Health Administration (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 age, those with catastrophic spinal cord injury, limb loss, blindness, post traumatic stress disorder, and traumatic brain injury 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.

One thing is clear—the shortfall in the fiscal year 2005 budget for VA medical care has had a sobering effect on local medical centers, as I noted earlier. The Administration’s initial budget recommendation for VA health care in fiscal year 2006 was a recipe for disaster. Backfilling these shortfalls does not have the same effect as providing VA with the proper funding levels at the beginning of each fiscal year.

Forcing VA to ration health care to veterans and then trying to play “catch-up” when much-needed funds are belatedly infused into the system is at cross purposes with providing quality health care in a timely manner. It also prohibits VA officials from adequately planning for future health care needs, such as hiring doctors, nurses, and other health care providers.

Mr. Chairman, mandatory or guaranteed 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. Again, 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.

Mr. Chairman, 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 Veterans Benefits Administration (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.

The fiscal year 2007 budget submission again fails to provide sufficient resources to VBA to handle the claims workload. Let me now turn to the President's budget request for the VBA under the General Operating Expenses account. We are pleased to see that the President finally recognizes a need to add more staffing to meet the workloads in the education benefits program and the vocational rehabilitation and employment program, though these requests still fall short of what is necessary. At the same time, we are perplexed by the budget recommendation to reduce direct program staffing for compensation claims processing, an area with the most critical and widely acknowledged need for additional adjudicators.

The President's budget requests 930 full-time employees (FTE), an increase of 46 above the fiscal year 2006 authorization, for VBA's Education Service. As a partner in *The Independent Budget* (IB), the DAV recommends 1,033 FTE for Education Service. This increased staffing is needed to make up for improvident reductions in staffing in FYs 2004 and 2005 and to meet the increased workload.

For the Vocational Rehabilitation and Employment business line, the President's budget requests 1,255 FTE, an increase of 130 FTE over the FY 2006 level. The IB recommends 1,375 FTE. This represents an additional 200 FTE as recommended by the VA Vocational Rehabilitation and Employment Task Force to improve the program, along with another 50 additional FTE for management and oversight of contract counselors and rehabilitation and employment service providers.

Based on the adverse and long-standing problems from chronic understaffing in VBA's Compensation and Pension Service (C&P), compounded by anticipated increased claims volumes, the IB recommended 10,820 FTE for C&P Service. The President's budget requests 9,445 FTE, which would reduce direct program FTE for handling compensation claims by 149 in 2007. Even with ambitious assumptions of increased production during FY 2006 and FY 2007 despite this reduction in staffing and even with unsupported projections of slowed growth in the volume of new claims in both years, the budget concedes that the already unacceptable claims backlog would grow even larger in 2006 and 2007. To knowingly request resource levels that will only make an intolerable situation worse, is indefensible, and we urge the Committee to recommend adequate staffing for C&P.

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.

Mr. Chairman, 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 2006 mandates cover a broad spectrum of VA programs and services and have been made available 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, in addition to correcting the budget process for VA health care and the problems at VBA prohibiting the timely and accurate production of claims decisions, the members of the DAV call upon the members of this Committee 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.
- Extend eligibility for Veterans Mortgage Life Insurance to service-connected veterans rated permanently and totally disabled.
- 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 remove the prohibition against concurrent receipt of military longevity retirement pay and VA disability compensation for all affected veterans.
- 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 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 an expansion of POW presumptions.
- 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. There are companion bills in both chambers—H.R. 1951 in the House and S. 633 in 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 this committee to give their full support to this legislation.

Mr. Chairman, 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. This Committee and the DAV, working together with mutual cooperation, must battle for what is best for our nation's disabled veterans—both today's and tomorrow's disabled veterans. Veterans have every right to expect their government to treat them fairly.

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.

Mr. Chairman, this completes my testimony. I'll be happy to answer any questions the members of this Committee might have.