STATEMENT OF

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BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

VETERANS EQUITABLE RESOURCE ALLOCATION PROCESS

TRENTON, NJ **APRIL 30, 2002**

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

On behalf of the 80,000 plus members of the Veterans of Foreign Wars of the United States (VFW) Department of New Jersey and our Ladies Auxiliary, I thank you for the opportunity to express our views on the Veterans Equitable Resource Allocation (VERA) process.

The present model (VERA) used by the VA for distributing funding to the 22 Veterans Integrated Service Networks (VISN) has had a direct negative affect on New Jersey's veterans, especially those being cared for in VISN 3. The funding shortfall in this network, over the last three years alone, is enough to send a loud and clear signal that the formula is inadequate to meet the needs of our veterans. Each year the New Jersey and New York Congressional delegations, led by NJ Rep. Rodney Frelinghuysen, have had to request additional funding from the VA's National Reserve Account. And each year that request was not met in its entirety and therefore compounded the problem of providing quality service and care to veterans.

The result of inadequate funding for New Jersey veterans has been longer waiting times for appointments. The VFW State Service Officer has calculated that the average wait for a first time primary care appointment is three months and six to twelve months for a specialty clinic appointment depending on the specialty care needed. The VA Outpatient Clinics in Brick, Hackensack and Elizabeth are essentially turning away veterans by directing them to other clinics with slightly shorter waiting periods.

VERA provides comparable resources for comparable workloads in each network, which is an important step to ensure equitable access to care. However, this funding formula is flawed because it doesn't take into consideration New Jersey's unique circumstances of having one of the oldest veterans populations in the nation and a high concentration of Hepatitis C and HIV infected veterans. As you well know, these veterans require more care and in most cases complex care. We are aware that the present formula adjusts for patient health care needs. But the allocation for the present fiscal year is based on the prior years workload. Each year more and more of these veterans seek VA health care for the first time and the proper resources weren't made available. The VA is more than a day late and more than a dollar short.

To further support this argument; in FY 2000 the VA's complex care workload allocation for VISN 3 fell $42.2 million short of the actual expenditures for complex care.

The problem is further exacerbated in the fact that the overwhelming majority of Priority 7 veterans who seek VA health care are not counted in the workload

computations and therefore not funded. When I mentioned this to my 14-year-old daughter, Jennifer, she said, “DUH! That’s like if I only bought 10 dollars worth of food a month for my dog when I know Toby eats 30 dollars worth of food.” The fix is fairly obvious to her. Increase the funding and distribute it fairly.

The VA’s and Veterans Service Organization’s outreach programs have been very successful in attracting veterans into the VA health care system, especially into the Priority 7 category. The Priority 7 workload now represents 20 percent of patients served nationwide and is expected to increase in the future. The highest numbers of Priority 7 veterans are in VISN 3 followed by VISN 4, both of which serve New Jersey. Once enrolled, all veterans, regardless of their priority group, share equal access to the healthcare services offered by the VA. We applaud the VA’s success and encourage their continuing efforts. It’s right to care for all veterans.

We have reviewed the February 2002 General Accounting Office Report (GAO-02-338) and a report issued by the VA Inspector General in August 2001 (Report No.: 99-00057-55). Both of which speak to the need for allocation changes. We agree with the GAO Report that recommends:

- VA improve the comparability of resource allocations with actual workload served regardless of veteran priority group (include Priority 7)
- Incorporate more categories into VERA’s case-mix adjustment (presently VA uses only three out of 44 case-mix categories available). Using more case-mix categories will increase the accuracy of allocations
- Update VERA’s case-mix weights using the best available data

I now speak on behalf of the 2.7 million members of the Veterans of Foreign Wars of the United States and our Ladies Auxiliary when I say; the VFW believes that if these steps are actively pursued and positive change initiated, along with full VA funding as outlined in the Independent Budget, a more equitable distribution of available funding will be realized, the requirement for supplemental funding through the National Reserve Account will be significantly reduced, and timely care will be provided for all categories of veterans.

Mr. Chairman, it is long overdue for the VA to move forward in implementing a formula that is truly equitable for all veterans. One that will provide them with the quality of care and service they so richly deserve. I thank you for bringing this oversight hearing to New Jersey and for elevating our concerns into action.

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

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