STATEMENT OF
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THE AMERICAN LEGION
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNTIED STATES HOUSE OF REPRESENTATIVES
ON
HEALTH RELATED LEGISLATION

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Mr. Chairman and Members of the Committee:

The American Legion appreciates the opportunity to comment on these important health care benefits that affect the nation's veterans and the Department of Veterans Affairs (VA). The bills and draft legislation under consideration have been reviewed by The American Legion and we offer the following comments and recommendations.

H.R. 2792-Disabled Veterans Service Dog and Health Care Improvement Act of 2001

Sec 2. Authorization for Secretary of VA to provide Service Dogs for Disabled Veterans

The American Legion is aware of the vital services these animals offer in assisting persons with disabilities. The companionship and aide service dogs offer is well documented in the private sector. This level of care goes a long way to improve the quality of life for the disabled community. Veterans should be no different. VA should make every effort to assess and provide veterans requesting service dogs with that option.

Sec 3. Maintenance of Capacity for Specialized Treatment and Rehabilitative Needs of Disabled Veterans

The strength of the VA healthcare system is the experience it has in handling the unique health care concerns of the service connected and catastrophically ill veteran's population. Some maladies, such as spinal cord injury, blindness, amputation, traumatic brain injury and mental illness, are more prevalent in veterans than in the general population because of the dangerous nature of military service. The specialized treatment and rehabilitative needs of disabled veterans is critical.

The American Legion does not believe that this legislation will ensure that the maintenance of capacity for specialized treatment and rehabilitative needs of disabled veterans will be protected. VA has been measuring capacity using this formula since eligibility reform passed, and each year The American Legion and her sister veteran service organizations have testified on the lack of capacity for the special emphasis programs. This provision seems to be an attempt to circumvent the need for VA to return to its previous level of capacity. Therefore, The American Legion believes that VA should not be allowed to reduce its capacity below the October 9, 1996 level.

Sec 4. Threshold for Veterans Health Care Eligibility Means Test to Reflect Locality Cost-Of-Living Variations

Subsection (b) of section 1722, Title 38 United States Code, sets forth the income threshold used for the determination of low-income families. These thresholds are also used to determine the ability of veterans to defray the cost of medical care. Currently, the threshold is set at $17, 240 for a veteran with no dependents and $20,688 for a veteran with one dependent, plus $1,150 for each additional dependent.

The American Legion fully supports the proposed increases to $23,688 in the case of a veteran with no dependents and to $28,429 for a veteran with dependents. These threshold increases are more in keeping with today's cost of living.

Sec 5. Pilot Program for Coordination of Ambulatory Community Hospital Care

Access and timeliness of VA health care are two monumental concerns The American Legion consistently monitors and seeks to improve. When The American Legion surveyed Legionnaires this past year, it asked veterans to rate VA access by defining it as appointment availability, travel distance and waiting times. The average score for how veterans rated VA access was 78 percent. Although VA has made significant progress in these areas, there is much room for improvement. With the dramatic shift in the last several years from inpatient to outpatient care, both in VA and the private sector, a cost-effective means of providing hospital care to veterans residing in under-served areas in the country is fundamental. It is well known that there are many veterans and their families who have to drive several hours to receive hospital care in VA inpatient facility.

In a nutshell, the proposed program would allow veterans to obtain inpatient medical care at the local community hospital as opposed to a VA inpatient facility two hours away. The program would cover both service-connected and nonservice-connected conditions. VA would pay the costs for the hospital care and medical services to the community hospitals. Also, VA may cover the costs for applicable plan deductibles and coinsurance and the reasonable costs of inpatient care and medical services not covered by any applicable healthcare plan of an enrolled veteran. Eighty-five percent of the participating veterans would be required to have some type of healthcare plan. The American Legion believes this should also include Medicare and the dependents provision from the GI Bill of Health. VA would coordinate all care being given to veterans in non-Department hospitals to include the pre-approval of inpatient admissions.

In the past, the American Legion has supported VA's use of contracts to expand access into rural communities where no VA care exists. However, The American Legion through its National Field Service site visit process has learned that in some cases contracts were poorly written and resulted in additional expenses and lack of control over the quality of patient care. The American Legion passed resolution # 2, *The American Legion Policy on VA Contract Health Care Services,* at the National Executive Committee held October 18-19, 2000 in Indianapolis, IN. This was done to ensure that VA contracts were written to include pre-certification, utilization review, concurrent screening, repatriation of patients, and be negotiated by the Veterans Service Integrated Network (VISN) office. In addition, the community hospital must be accredited for the level of care it is contracted to perform and must meet the same benchmarks for performance by which a VA facility would be held accountable. Under these circumstances, The American Legion would support the proposed pilot program. Furthermore, there is no clear delineation for psychiatric services under this pilot and if VA could contract as outlined by The American Legion resolution, then patients with psychiatric diagnoses should not be discriminated against and should be offered the same type of access to inpatient care.

Sec 6. Pilot Program for Contract Hospitalization and Fee Basis Ambulatory Care

The American Legion recognizes the need to explore alternatives in the management and delivery of care to our nation's veterans. Additionally, we realize that with the shift of care from inpatient to outpatient, VA may need to rely increasingly on contracted care and services. With the rising cost of health care, delivering quality care, with the added bonus of cost savings, is a challenge. The pilot program suggested here would monitor the possible success of that challenge over the next three years.

Under this program the Secretary would provide, through a managed care coordinator contractor, contract hospitalization and fee basis for veterans already receiving such care. The managed care coordinator would be experienced and have a network of credentialed providers already in place. Veterans will be automatically enrolled for participation. Each enrolled veteran would receive a pre-approved directory of providers they could choose from to receive non-VA care or to use in emergencies. The VA would assign a primary care manager at each VA medical center who would participate in the program. The responsibilities of the primary care manager would include coordination and case management of each enrolled veteran. This manager would ensure that veterans receive appropriate care and that the veteran is returned to the VA system for any needed follow up care. The contractor would provide a 24-hour a day, seven-day a week, help line primarily for health care advice and referral information. The contractor would also establish a service telephone line that would provide veterans information on eligibility, enrollment, and provider locations.

The American Legion views this provision with trepidation. VA oversight of the contracting process has not been stellar, as previously noted in this statement. The American Legion believes each contract proposal should be evaluated based on its enhancement of services and access to care for veterans within their community and meet the VA benchmark to provide veterans with care within thirty minutes or thirty miles from their home. As outlined in American Legion resolution #2, contracted care must comply with VA standards of quality and

all contracts must include pre-certification, utilization review, concurrent screening, the ability to repatriate VA patients, and be negotiated by the network office to meet specific needs of the geographic service area.

The American Legion is also concerned with the added burden placed upon the nursing population with the assignment of a primary care manager at each VA medical center. Case managers are usually registered nurses and in previous hearings, it has been documented that there is a critical nursing shortage within VA. The addition of a new category of employment may intensify the existing recruiting and staffing problems.

Finally, The American Legion believes that the severing of long standing relationships between the veterans and their VA care providers, if the providers are not part of the managed care network, will ultimately result in the dissatisfaction of the veteran. This managed-care network is too reminiscent of the Department of Defense's Tricare system, which has left too many retirees and their families frustrated, dissatisfied, and disconnected from their healthcare providers.

Sec 7. Recodification of Bereavement Counseling Authority and Certain Other Health-Related Authorities

The American Legion has long been a proponent of allowing veteran's dependents access to VA health care and includes this very concept in its GI Bill of Health. The expansion of services to bereaved spouses and families coping with mental illness is a step in the right direction, but The American Legion strongly urges congress to consider full implementation of the GI Bill of Health component that deals with dependents access to VA care.

The American Legion also recognizes the need for VA to be able to provide humanitarian care in the event of emergencies and supports this section.

HR 1435 - Veterans' Emergency Telephone Service Act of 2001

This act would give the Secretary of Veterans Affairs the authority to award a grant to a private, nonprofit entity for the purposes of establishing a toll-free telephone number that veterans may call to inquire about, and receive assistance on, any number of issues as they relate to veterans' benefits.

The VA currently has a toll-free number for veterans to call when they need assistance on their benefits. When called, this toll free number goes through an inclusive litany of possible choices for benefits and medical care information. Whatever selection the caller makes, general information on that particular benefit is given along with suggestions to call the nearest VA medical center or regional office for more detailed information. The caller may also choose to stay on the line to talk with a representative.

Given the complex nature of veterans' benefits and its administration, The American Legion is skeptical that the establishment of such a service by a private entity would not result in chaos, especially if there were two different toll free numbers in operation. H.R. 1435, as currently understood, would duplicate VA's current toll-free outreach service.

It is the opinion of The American Legion that it would be better to expand and improve upon the VA's current telephone information system rather than trying to establish a new, expensive, and privately owned operation.

H.R. 1136 - Requires Department of Veterans Affairs Pharmacies to Dispense Medications to Veterans for Prescriptions Written by Private Practitioners.

The American Legion has carefully weighed both sides of this issue as presented by VA leadership and in the July 24, 2001 testimony given by the Honorable Richard Griffin, Inspector General (IG) before the Senate Committee on Veterans Affairs. VA leadership has expressed serious concerns over patient safety and accountability if it were to act as a "drug store" and simply fill prescriptions written by outside providers.

Currently, if a veteran does have a prescription written by a private physician and brings it to VA, the veteran is scheduled to see a VA provider who re-evaluates the veteran, sometimes duplicating lab work or x-rays done in the private sector before re-writing the prescription. There is obviously a time-delay in this process and the veteran, in the meantime, is going without a medication, which can result in intensified symptoms, worsening of a condition, and result in the need for hospitalization, longer courses of care or additional medication.

However, when the IG testified, he did not support the concerns for quality or safety VA leadership has purported. The IG did not find evidence that filling outside prescriptions would result in poorer quality of care as long as safety provisions were in place. The Department of Defense (DoD) does operate its formulary in this manner and there have been no known documented cases whereby retirees suffered because DoD filled a wrongly written prescription or there was a drug interact.

The American Legion has received numerous e-mails, letters, and phone calls about this process and veterans seem very much in favor of having their non-VA provider prescriptions filled at a VA pharmacy. In its recent VA Local User Evaluation (VALUE) survey, The American Legion documented that 88 percent of veterans use VA because of the prescription drug benefit. In responding to the survey, many veterans offered comments on expanding access to the VA formulary. This is a tremendous issue for the entire veterans' community since the cost of pharmaceutical products is skyrocketing and acts as barriers to getting them.

Many of these veterans who are trying to get VA to fill prescriptions are Medicare eligible and do not have other prescription drug benefits. They are using their Medicare coverage in the private sector to avoid the current VA $50.80 office visit co-payment, but then seek VA services to fill the expensive prescriptions they could not otherwise afford, not knowing that VA will make them see a provider. The government ends up paying twice for these Medicare/VA users since there is no coordination of care between these two systems. Medicare subvention would go along way to alleviate this replication of services and dual expenditure.

However, in the absence of Medicare Subvention and since private provider prescriptions are written for other categories of veterans, The American Legion at this time feels there is enough evidence to support expanding the VA pharmacy benefit to include outside prescriptions. This mandate would have to be funded to take into account the increase in workload this will generate for VA.

Mr. Chairman and Members of the Committee, that concludes this statement. The American Legion is available to answer any questions or concerns you may have.