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MACK FLEMING
 STAFF DIRECTOR AND CHIEF COUNSEL

CE. MELANNE

ONE HUNDRED THIRD CONGRESS

G.V. (SONNY) MONTGOMERY
 CHAIRMAN

U.S. House of Representatives

COMMITTEE ON VETERANS' AFFAIRS

335 CANNON HOUSE OFFICE BUILDING

Washington, DC 20515

April 29, 1993

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CS*

*already
answered*

FYI only

Mrs. Hillary Rodham Clinton
 The White House
 1600 Pennsylvania Avenue
 Washington, D. C. 20500

Dear Mrs. Clinton:

You were kind enough to meet recently with Senator Rockefeller, Sonny Montgomery, and me to discuss the role of the Department of Veterans Affairs health care system within national health care reform. That meeting, and your subsequent meeting with leaders of the major national veterans service organizations, were important milestones in bridging concerns about the future of an independent VA health care system.

To further the goals we share, of helping shape changes in law to realize the President's goals for both national reform and improvements in the VA health care system, our Committee yesterday held a hearing on the role of the VA under national health care reform. During this hearing, we received testimony from Senator Rockefeller, representatives of seven veterans organizations, a panel of distinguished physicians and physician-educators, and a panel of VA facility managers. Knowing that the President will not want to send legislation affecting veterans' health care to the Congress without knowing that it would win support, we aimed through this hearing to identify a set of principles which should guide policymakers in framing and evaluating any proposal on a VA role. Those findings are embodied in the enclosed paper.

I am confident, based on our recent conversation and your keen understanding of the issues affecting the VA system, that these principles will closely mirror those you may have formulated yourself. I certainly hope they prove helpful as we move forward in this process.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Roy Rowland". The signature is written in a cursive style with a large, prominent initial "J".

J. Roy Rowland, Chairman
Subcommittee on Hospitals
and Health Care

Enclosure

cc: Honorable G. V. (Sonny) Montgomery
Honorable John D. Rockefeller, IV

JRR:bpd

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Principles that should govern the development of VA's role under national health care reform:

1. Preserve the independence and viability of the VA health care system as a resource to serve the particular needs of veterans;
2. Maintain the VA health care system as a provider that offers a full range of services (rather than narrowing VA's role to providing simply long-term and specialized care, for example);
3. Recognize the strengths of the VA health care system and its ability to compete as an enrollment option for veterans;
4. Enable VA to assure core-eligible veterans (primarily service-connected and lower income veterans) a continuum of services based on a reform of eligibility;
5. Preserve the principle that those with the highest priority to VA care would continue to receive essentially cost-free care as under existing law;
6. Provide for assured, adequate financing for VA health care (to include an "investment" of monies for needed construction, modernization, and replacement equipment) that does not place VA at a disadvantage relative to entities with which it may be competing;
7. Give higher-income veterans the opportunity to choose VA as a care-provider and have their care financed through insurance and other reimbursements;
8. Assure and foster continuation of VA's education, research, and backup-to-DoD missions; and
9. Encourage needed system reforms, and commit to expanded funding support for needed improvements (such as construction to facilitate a shift in emphasis from inpatient to outpatient care, modernization of plant and equipment, and expanded information systems).

MEMORANDUM

CHCs - Community based system
- Health Dept

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Rockefeller, Montgomery, Rowland Veterans Meeting
cc: Melanne, Steve R., Lorraine M., Kim Tilley

March 10, 1993

After your meeting with the Women Senators, you are scheduled to meet with the Senate and House Chairmen of the Veterans' Affairs Committees, Senator Jay Rockefeller and Congressman Sonny Montgomery. Also in attendance at the request of Congressman Montgomery will be Congressman J. Roy Rowland, who is on the House VA Committee and is a physician.

Attending this meeting with you will be Vick Raymond, Secretary Brown's right-hand policy guy. Vick is Secretary's staff designate to the Health Task Force and is participating in the Work Groups.

BACKGROUND

One extraordinarily important political goal of any health reform proposal is to design it in such a way that a vote against the Clinton health reform initiative is a vote against veterans. The veterans represent one of the strongest lobbying forces in Washington and we need them on our side.

In the past, having the veterans on your side in health reform meant that they had to be treated separate and apart from the rest of the system. Now, there is growing recognition within the VA advocates community that the very survival of special services for veterans depends on the ability of the VA system to play an important role within the context of entire system.

Having said the above, there is great nervousness that this means that the VA and its providers will have to be totally "integrated" into the system and that veterans may not receive the type of special care to which they have become accustomed. Moreover, there are still many interest groups within the veterans community who are viscerally opposed to any significant changes from the days of old.

Senator Rockefeller shares your belief that we must the veterans' groups forward on this issue. However, since he just became Chairman this year, he wants to make certain he has the time to build enough credibility with the groups BEFORE he pushes too hard publicly. He is working on building those relationships now. One that he apparently has been very successful with is the friendship he now has with Chairman Montgomery. They are very close.

Senator Rockefeller's staff has expressed some frustration that he has not been informed of the policy pronouncements that Secretary Brown has been making before he has made them. Although this is not a major problem and can likely be solved with a meeting between the new Chairman and the new Secretary (which is now being scheduled), it is something the Secretary may be well advised to be more sensitive to.

Vick Raymond reports that he thinks that the Secretary is open to even more innovative approaches to health reform than he has been discussing with the press. Like Senator Rockefeller in many ways, Vick believes that upside of the Secretary's statements is that they serve the useful purpose of building up credibility with these sometimes difficult groups. As Vick said, Richard Nixon could go to China; perhaps Secretary Brown will be able to later raise some difficult issues.

Vick prepared a short one page background on the Secretary's position on reform, as well as a three page summary of the Department. This information is attached for your review.

Chairman Montgomery, I believe, will be somewhat deferential to Senator Rockefeller. He will want to hear how important you feel that the VA and their advocates are part of the process. Since Vick used to work for the Chairman, he is very comfortable with who is at the table. As one of the few physicians in the Congress, Congressman Rowland probably can be counted on to raise the importance of having doctors in the process. Although you addressed this at your meeting with him at Energy and Commerce, he may well raise it again.

This meeting is very important, but I would guess that it will not be difficult at all. Senator Rockefeller will make sure it goes very smoothly.