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PENDING LEGISLATION

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE

ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

JULY 29, 2003

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PENDING LEGISLATION

TUESDAY, JULY 29, 2003

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 2:10 p.m., in room SR–418, Russell Senate Office Building, Hon. Arlen Specter (chairman of the committee) presiding.

Present: Senators Specter, Rockefeller, and Murray.

OPENING STATEMENT OF HON. ARLEN SPECTER, U.S. SENATOR FROM PENNSYLVANIA

Chairman SPECTER. Our lead witness today is Mr. Tim McClain, confirmed by the Senate as general counsel for the Department of Veterans Affairs on April 6th. Mr. McClain has a very extensive resume, which we will put in the record.

[The resume of Mr. McClain follows:]

BIOGRAPHIC SUMMARY OF TIM S. MCCLAIN, ESQ.

Tim S. McClain was born in Johnstown, Pennsylvania on June 10, 1948. He earned a Bachelor of Science degree from the United States Naval Academy in 1970 and served as a Surface Warfare Officer for his first 5 years of commissioned service. During tours in the Western Pacific, Mr. McClain was awarded the Navy Commendation Medal with Combat "V" for duty in Vietnam. In 1975 Mr. McClain was selected to participate in the Navy's Law Education Program. He attended California Western School of Law in San Diego, California received his Juris Doctor degree in 1978, and began service in the Navy Judge Advocate General's Corps. He is a member of the State Bar of California.

Mr. McClain served as a military defense counsel, Head Claims Officer, and Head Legal Assistance Officer while stationed at Navy Legal Service Office, San Diego. In 1981 he served as Staff Judge Advocate for the Commanding Officer, Naval Air Station Miramar. In 1983 he was assigned as department head and instructor at the Naval Justice School, Newport, Rhode Island.

Mr. McClain attended training as a trial advocacy instructor and was instrumental in starting trial advocacy programs in the Navy patterned after the programs developed by the National Institute for Trial Advocacy (NITA). Mr. McClain was awarded the Meritorious Service Medal for his leadership at the Navy's law school. In 1986 Mr. McClain was assigned as a General Court-Martial Military Judge at Navy-Marine Trial Judiciary, Southwest and presided over hundreds of courts-martial. He received his second Meritorious Service Medal upon his retirement from the military in 1990.

Mr. McClain entered the private practice of law and joined a litigation law firm in San Diego, California. He specialized in defending professional negligence cases, especially medical and legal malpractice cases. Mr. McClain later joined an international management consulting firm and was assigned to work with mid-level managers of several Fortune 500 companies in implementing process and productivity improvements. Within 2 years he was a Director of Operations and supervising multiple projects. In 1999 Mr. McClain joined a small law partnership in La Jolla, California. He specialized in military administrative law, medical licensing matters, civil litigation and government administrative hearings.

Mr. McClain is married to the former Lynn Hollyfield of Virginia. Mrs. McClain earned a bachelor's degree in Education from James Madison University and a Master's Degree in Counseling from Providence College. They have two sons, Scott age 27, and Brendan age 24, who reside in California.

Chairman SPECTER. We are expecting to vote shortly, so we are going to have to stay on schedule with the 3-minute allocation, and I would ask all of the witnesses to focus on that, and when the red light goes on to terminate within the sentence. Mr. McClain, we start with you.

Senator MURRAY. Mr. Chairman, would it be possible to make an opening statement?

Chairman SPECTER. Of course, Senator Murray.

OPENING STATEMENT OF HON. PATTY MURRAY, U.S. SENATOR FROM THE STATE OF WASHINGTON

Senator MURRAY. Thank you, and I am sorry to interrupt, Mr. McClain, but it is a statement I really did want to get on the record.

I want to thank you for convening the committee today, and welcome all of the panelists, but this afternoon I did want to focus this committee's attention on some late-breaking developments that are threatening many of the 700,000 veterans in Washington State.

Under the CARES Initiative, the Department of Veterans Affairs asked its regional offices to study the health care needs of local veterans and to develop a plan to meet those needs, and the local experts in my region, which are Washington, Oregon, Idaho and Alaska, submitted their plans several months ago. It showed that enrollment is growing dramatically and that there are significant gaps in areas like primary care and specialty care.

The VA sat on the report for several months and then last week, just 8 days before the release of their national report, the VA called the leaders in my region with some pretty shocking news and said they did not like the recommendations in the report. VA headquarters then ordered our regional leaders to include a new and troubling recommendation to close three VA facilities in Washington State, including American Lake in Tacoma and VA facilities in Walla Walla and Vancouver.

This directive to regional VA leaders came last Wednesday in a phone call from the Secretary of Veterans Affairs, and the next day I sent a letter to Secretary Principi objecting to the VA's interference with this regional market plan and expressed my strong opposition to closing these three Washington State facilities.

Frankly, I am pretty outraged at this proposal, and I find it particularly appalling that it came just 8 days before the deadline for the VA's national plan. We just had 8 days to respond to a plan that is going to impact thousands of Washington State veterans. This directive essentially ensures that the VA will include the closure option for the three Washington facilities in its national plan, and that is just unacceptable.

Veterans in Washington State deserve more from the VA than just 8 days' notice that their facilities are in jeopardy, and we should not forget that there is a Federal law on the books since 1987 that prohibits changing the mission of the Veterans Administration Medical Center in Walla Walla.

These last-minute suggested closures are going to hurt veterans in all three areas of my State. In the Puget Sound, it means that homeless veterans, veterans with mental health problems and veterans with spinal and brain injuries will lose an important facility at American Lake, which today cares for more than 46,000 veterans annually. Closure would cause demand on the Seattle VA to skyrocket and cause further delays in care which we already have beyond belief right now.

In Vancouver, instead of the creative community-based partnerships proposed, the VA is potentially shutting this facility in the fastest-growing area of metropolitan Portland.

In Walla Walla, veterans may lose a facility that was shifting to long-term care and some contracting out of other services. At the Walla Wall VA Medical Center, it is also one of the largest employers in that community and serves a population of approximately 69,000. Closure of the Walla Walla facility would leave area veterans 180 miles from the next center, Spokane, their VA Medical Center there.

Mr. Chairman, Washington State veterans are having a terrible time getting the care they need, and instead of improving services, the VA is now exploring closing three critical facilities, and to me that is really unacceptable, and I am going to continue to speak up for the veterans that I represent. They certainly deserve better treatment than they are getting from this administration right now. So I want to raise those concerns today with Mr. McClain because I fear that the CARES process is really losing its legitimacy and that this committee needs to increase its oversight.

We have to ensure that the CARES, and the work of the Department, and the Commission are transparent and accessible to veterans. The VA's stealth effort to potentially close these facilities in Washington State, despite the regional recommendations that were given to them, is a sign that the CARES process is a growing problem for the VA and for Congress.

I am a co-sponsor of Senator Graham's legislation to allow for congressional review of the CARES recommendation. His bill will bring needed congressional input, I think, back into the CARES process.

Mr. Chairman, our veterans deserve better than they are getting in Washington State, and I am going to hold this administration responsible for the way it has been treating the veterans that I represent.

Thank you very much.

Chairman SPECTER. Thank you very much, Senator Murray.

Mr. McClain.

OPENING STATEMENT OF TIM S. MCCLAIN, GENERAL COUNSEL, U.S. DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY FRANCES M. MURPHY, M.D., DEPUTY UNDER SECRETARY FOR HEALTH POLICY COORDINATION, VETERANS HEALTH ADMINISTRATION

Mr. MCCLAIN. Good afternoon, Mr. Chairman, members of the committee. Thank you very much for inviting us here this afternoon. I am accompanied this afternoon by Dr. Frances Murphy, our Deputy Under Secretary for Health Policy Coordination.

We are also pleased to be here with the representatives from the various veterans' service organizations to address these very important issues.

I will briefly discuss the measures that you are considering, but my prepared statement has more in-depth statements, and I ask that it be made a part of the record.

Chairman SPECTER. It will be made a part of the record in full.

Mr. MCCLAIN. Before discussing the specific legislation before you, I want to mention that VA has recently transmitted to Congress an important draft bill to greatly improve our ability to recruit and retain the highest-quality physicians and dentists to treat the Nation's veterans. The bill would completely revise the physician and dentist pay system to allow us to adjust compensation according to market levels. It also contains provisions to enhance our ability to recruit and retain nurses. We desire to work with you and the committee on this very important legislation and urge passage as quickly as possible.

Mr. Chairman, I will focus my comments on your bill, S. 1156, the omnibus health care bill. The bill contains various provisions, including provisions to extend for 5 years the long-term care provisions of the Millennium Act, and to reduce, from 70 percent to 50 percent the threshold for mandatory eligibility for VA nursing home care.

We are concerned with this particular provision, since we estimate it would cost almost $2.5 billion over 5 years, and it has not been planned for in the current budget process. The provision could have serious unintended consequences, including slowing the rate of growth of non-institutional long-term care services and reducing the availability of services for non-mandatory categories of veterans because of competing priorities for limited resources.

We also believe cost-free care in State homes should be included in the options available to those severely disabled service-connected veterans. State home care should be made available to these veterans without any out-of-pocket costs. We would like to work with the committee to develop the necessary legislation.

S. 1156 would also authorize two construction projects. We support those projects, in concept, and will consider them in future budget preparations. However, we would urge that you also include authorization for other projects included in the President's budget, including a health care facility in Las Vegas. The latter is needed because VA just recently, on July 1st, vacated an outpatient clinic in Las Vegas due to structural inadequacies.

Finally, S. 1156 would broaden the authority of the Veterans Benefit Administration to contract with outside entities for disability examinations in connection with the adjudication claims for veterans' benefits. Current law allows such contracting at no more than 10 regional offices on a pilot basis. Your bill would remove the 10-office limitation.

Sir, I see that my time is up, and I would be glad to answer any questions the committee has.

[The prepared statement of Mr. McClain follows:]

PREPARED STATEMENT OF HON. TIM S. MCCLAIN, GENERAL COUNSEL, DEPARTMENT OF VETERANS AFFAIRS

Good afternoon Mr. Chairman and Members of the Committee.

I am pleased to be here to present the Administration's views on six bills that pertain primarily to the veterans' health care system.

S. 1156

Mr. Chairman, I will begin by addressing S. 1156, your omnibus health-care bill. It includes provisions pertaining to long-term health care in VA, personnel matters, authorization for construction of two major medical facilities, and permanent authorization of the Veterans Benefits Administration to obtain disability examinations on a contract basis.

LONG-TERM CARE PROVISIONS

In 1999, the Congress made significant changes in our long-term care programs through enactment of what we commonly refer to as "The Millennium Act." Among other things, that law directed that VA "shall" furnish nursing home care to any veteran needing such care for a service-connected disability and to any veteran with a service-connected disability rated at least 70 percent. It also directed that VA include various non-institutional extended care services in the medical benefits package. At the time of enactment, the impact both provisions would have on VA was uncertain, and Congress chose to limit their applicability to the 4-year period ending December 31st of this year. Section 101 of your bill would extend the provisions for an additional 5 years through December 31, 2008. That section would also extend the requirement that we furnish needed nursing home care to all veterans with service-connected disabilities rated 50 or 60 percent.

The Department's view is that it would be premature at this time to extend the two Millennium Act provisions for 5 years. As you know, we provided the Congress with a report on implementation of the Millennium Act in March. We are continuing to gather information and will provide the Congress with an additional report later this year. That report, and other actuarial analyses, will provide data that will aid VHA leaders and Congressional policymakers in determining appropriate longer-term directions for development of VA long-term care services. Accordingly, we recommend only a 1-year extension at this time.

We are also concerned about extending so-called "mandatory" nursing home eligibility to all veterans with service-connected disabilities rated at least 50 percent. We estimate that the change from 70 percent to 50 percent would cost $2.5 billion over 5 years and has not been planned for in the budget process. As a result, the provision could have serious unintended consequences including slowing the rate of growth of non-institutional long-term care services and reducing the availability of services for non-mandatory categories of veterans because of competing priorities for limited resources. We recommend that the Committee defer any such change in law until further data about VA's experience under the Millennium Act are available to better inform its decision. We also believe State homes should be included in the options available to these severely disabled service-connected veterans. State-home care should be made available to these veterans without out-of-pocket cost. We would like to work with the Committee to develop the necessary legislation.

Section 102 of your bill would amend existing law to clarify that we have authority to provide veterans with nursing home care and adult day health care in private community nursing homes and other facilities using agreements for reimbursement similar to those used under the Medicare Program. That approach would differ from our current practice of providing such care only through actual contracts with the nursing homes or providers of adult day health care. To implement the authority, the Department would have to promulgate regulations to establish a program to directly reimburse the community facilities on behalf of veterans for the care furnished. The regulations would include all of the parameters for the program, including amounts VA would pay for various types of care, and the standards that facilities would have to meet to receive VA reimbursement. In many respects, the parameters for the program could mirror those now used in the Medicare Program. We do not object to section 102 as an alternative approach to assist us in meeting the needs of veterans for nursing home care and adult day health care in non-Department facilities.

CONSTRUCTION AUTHORIZATION

Section 201 of the bill would authorize construction of a long-term care facility in Lebanon, Pennsylvania, in an amount not exceeding $14,500,000 and a long-term

care facility in Beckley, West Virginia, in an amount not to exceed $20,000,000. We would point out that the cost for the project in Beckley is now estimated to be $20,800,000. We generally support these projects in concept and we will be considering them in the context of future budget preparations.

Mr. Chairman, the President's fiscal year 2004 budget included a request for authorization for a major construction project at Chicago (West Side), Illinois for a new inpatient tower; outpatient clinic leases in Boston, Massachusetts and Pensacola, Florida; and a lease for the Health Administration Center in Denver, Colorado. In addition we requested an authorization for an outpatient lease in Charlotte, North Carolina that received an appropriation in fiscal year 2002. We ask that you act favorably on those requests, as well as those seismic projects that were listed in the President's fiscal year 2003 budget. The facilities at Palo Alto, San Francisco, and West Los Angeles remain as a critical risk to the safety of patients and staff in the case of seismic events and those projects remain a high priority for the Department. We are confident that the CARES studies will validate the continued need for these major facilities. In addition, we request authorization for a health care facility in Las Vegas to replace the existing clinic that we were required to vacate on July 1st because of structural inadequacies in the building. It is important that the Department be provided this authorization so we will be able to move forward next year.

PERSONNEL PROVISIONS

S. 1156 also contains four separate sections that address personnel matters. The first provision, section 301, would amend existing law to add a significant number of mission-critical, scarce, skilled health care positions, such as dietitians, medical technologists, and medical records administrators/specialists to the current list of Title 38 hybrid positions. We support the goals of increased flexibility in staffing these positions because of today's fierce competition for qualified candidates (particularly those who possess skills acquired in primary care settings), market-wide shortages in these health care occupations, and VA's aging health care work force. We are currently considering a similar proposal to increase flexibility in staffing these positions, and the Office of Personnel Management recently issued interim final regulations greatly expanding availability of direct hire authority for critical need or shortage situations. We are examining whether or not we need legislation given these brand new regulations, and will work with Congress to reconcile if we do.

In the past, we have not been able to quickly and efficiently recruit candidates. Our inability to consistently make timely job offers is a chief reason why the Department is experiencing hiring difficulties. These difficulties can adversely affect access to care for many of our veterans. Second, the delays cause many qualified candidates to forego consideration of VA employment. With multiple job opportunities in hand, they turn to the private sector where the hiring process is more responsive.

Section 302 of the bill would amend the law establishing the Veterans Canteen Service (VCS) to permit persons employed by VCS to be considered for competitive service appointments in the Department in the same manner that Department employees in the competitive service are considered for transfers to competitive service positions. Currently, VCS Management Program employees may be appointed to positions in the competitive service under an interchange agreement between the Department and the Office of Personnel Management (OPM). Section 302 would authorize a similar interchange agreement for non-managerial VCS employees. It would authorize all VCS employees to transfer into a competitive service position. Time served in the Canteen Service would count toward the 3-year service requirement for career civil service status.

The Administration does not support section 302 because it believes that establishing eligibility for the non-competitive conversions of VCS hourly employees into competitive service positions would provide an unfair advantage over excepted service employees from other Departments and agencies seeking appointment to competitive service positions at VA.

Section 303 of the bill would retroactively apply recently legislated changes to the method of computing retirement annuities for certain VA health-care personnel who are already retired. The Department of Veterans Affairs Health Care Programs Enhancement Act of 2001 prospectively changed the way part-time service performed before April 7, 1986, by certain VA health-care personnel is credited for annuity purposes. Section 303 would extend this change to individuals who retired before the effective date of enactment. Traditionally, retirement benefit changes have been applicable only to individuals retiring after enactment of the change. This change would recreate a very expensive precedent for governmentwide application of the

principle of retroactivity in retirement cases involving part-time service. Consequently, the Administration strongly opposes this provision, as it would impact retirement fund outlays and have a PAYGO cost not contemplated in the President's Budget.

Section 304 of S. 1156 would broaden the authority of the Veterans Benefits Administration to contract with outside entities for disability examinations in connection with the adjudication of claims for veterans' benefits. Current law allows VBA to do so at no more than 10 regional offices on a pilot basis. Section 304 would remove the 10-office limitation. The pilot has been a success, however, there are funding issues and we do not yet have cleared views and estimates on this provision. We will supply them when they are available.

S. 613

S. 613, the Veterans' New Fitzsimons Health Care Facilities Act of 2003, would authorize us to carry out major medical facility projects at the former Fitzsimons Army Medical Center in Aurora, Colorado. The bill would provide us with flexibility in selecting the projects by providing that they may include acute, sub-acute, primary, and long-term care services. It would limit project costs to an amount not to exceed $300,000,000 if a combination of direct construction and capital leasing is selected and no more than $30,000,000 per year in capital leasing costs if a leasing option is selected. In addition, the bill places certain limitations on the fiscal years from which appropriated funds can come.

Mr. Chairman, we support the intent of this provision of S. 1613. We have been involved in evaluating and planning for a facility for the Fitzsimons site and there is a potential for a joint venture with DOD to provide health care to both veterans and DOD beneficiaries. Many issues still remain including the availability of land, but VA would be able to provide the report to Congress within 120 days as required if the bill is enacted.

I also note that Section 3 of S. 613 would require the secretaries of Veterans Affairs and Air Force to undertake such joint activities as they deem appropriate to address the health care needs of veterans and active duty Air Force members. We have no objection to this provision.

S. 1213

S. 1213, a bill entitled the "Filipino Veterans' Benefits Act of 2003," is the Administration's bill that you introduced on our behalf. I want to express my sincere appreciation to you for introducing the measure. As you know, section 2 of the bill would extend health care benefits to Filipino veterans residing legally in the United States who served in the Commonwealth Army and new Philippine Scouts. I urge that you act on the bill as expeditiously as possible so we can meet the needs of these very deserving Filipino veterans.

S. 615, S. 1289 AND S. 1144

S. 615 would designate the outpatient clinic located in Horsham, Pennsylvania, as the "Victor J. Saracini Department of Veterans Affairs Outpatient Clinic". S. 1289 would designate the Minneapolis VA Medical Center as the Paul Wellstone Department of Veterans Affairs Medical Center. S. 1144 would designate the facility in Chicago now known as the West Side VA Medical Center as the "Jesse Brown Department of Veterans Affairs Medical Center". While we ordinarily defer to the views of Congress on the naming of Federal properties, in the case of former Senator Wellstone and former Secretary Jesse Brown we make an exception. Enactment of S. 1144 and S. 1289 would be an altogether fitting tribute to these two truly courageous and steadfast advocates for America's veterans.

S. 1283

S. 1283 would impose new Congressional notice-and-wait requirements on VA before we could take any action to implement our Capital Asset Realignment for Enhances Services (CARES) decisions. The bill would prohibit VA from taking a proposed action for 60 days following submission of advance written notice of the action to Congress, or before 30 days during a continuous session of Congress.

Mr. Chairman, we must object to enactment of this bill. As drafted, the bill is overly broad, unnecessary, and would significantly impede our completion of the CARES process. By stating that VA must provide prior notice of "any action," apparently including even minor actions, the measure would effectively prevent completing the CARES process in anything like a timely manner. I can assure you we will provide Congress and this Committee with our CARES plan well in advance

of undertaking significant actions to implement it. Congress will have considerable lead-time to consider our proposed actions before they are undertaken.

I would also point out that we are already subject to various existing notice-and-wait requirements that serve the same purpose as that intended by this legislation. We currently provide such advance notice under section 510 of Title 38 whenever we undertake a significant reorganization of any office or facility. Congress must also approve in advance any significant construction project, and we provide Congress with advance notice of any proposed enhanced-use leases. The additional requirements this bill would impose are therefore unnecessary.

THE ADMINISTRATION'S PHYSICIANS AND DENTISTS PAY BILL

Finally Mr. Chairman, on July 18th, we delivered to the President of the Senate and the Speaker of the House of Representatives the Administration's draft bill "to simplify and improve pay provisions for physicians and dentists, to authorize alternate work schedules and executive pay for nurses." This very important bill will greatly improve VA's ability to recruit and retain the highest quality physicians and dentists to treat the Nation's veterans. It would completely revise the VA physician and dentist pay system to allow VA to adjust compensation according to market levels. The draft bill would also reduce the potential for conflicts of interest at the Department's affiliated facilities by prohibiting senior clinician managers at the Chief of Staff level and above from receiving any compensation from the medical schools affiliated with their respective facilities. Finally, the bill would enhance the Department's ability to recruit and retain nurses by permitting the use of alternate work schedules and by authorizing special pay for VA nurse executives.

This bill is critical to the Department's ability to recruit and retain the highly skilled medical professionals we need to care for our veterans. I offer to work with you and the Committee to get this very important legislation passed as expeditiously as possible.

That concludes my prepared statement. I would be pleased to answer any questions you may have.

Chairman SPECTER. Thank you very much, Mr. McClain. We will be observing the time, and I know that everybody will submit statements or has submitted statements which detail the positions to the extent anyone wishes to take them, as to all of the legislation on the agenda.

Our next witness will be Ms. Cathleen Wiblemo, the deputy director for Health Care, Veterans Affairs and Rehabilitation Commission of The American Legion. Thank you for joining us, and we look forward to your testimony.

STATEMENT OF CATHLEEN C. WIBLEMO, DEPUTY DIRECTOR FOR HEALTH CARE, VETERANS AFFAIRS AND REHABILITATION COMMISSION, THE AMERICAN LEGION

Ms. WIBLEMO. Thank you, Mr. Chairman. It is an honor to be here to present the views of the American Legion on these important pieces of legislation before us today. For the sake of brevity, I will limit my comments and highlight only the bills of major importance to the American Legion.

S. 1156, the Department of Veterans Affairs Long-Term Care and Personnel Authorities Enhancement Act of 2003. Although the American Legion supports the provision within this bill to require VA to provide long-term care for those veterans rated 50-percent disabled and higher, it is critical that VA meet the long-term care needs of those veterans currently provided for in Title 38, those that are 70 percent and higher.

On S. 1213, Filipino Veterans' Benefit Act of 2003, the American Legion has long advocated for the recognition of the selfless contributions of these brave men and women in World War II. The American Legion fully supports this bill.

With regard to S. 613, the Veterans New Fitzsimons Health Care Facilities Act of 2003, the American Legion is again pleased to support this legislation. The VA Medical Center in Denver is operating out of a 50-year-old building with lead paint issues, among other system shortfalls. Piecemealing renovation is not an option.

On S. 1283, this legislation would require advance notification of Congress regarding any action proposed to be taken by the Secretary regarding the Capital Asset Realignment for Enhancement Services, also known as CARES Initiative.

The American Legion believes that the implementation of CARES will not be a seamless transition. There will be questions of funding, reevaluations of initiatives as the years pass, and more than likely changes will have to be made. This initiative promises to impact millions of veterans and disrupt at least for some time their medical services.

The American Legion continues to support CARES. However, we have voiced our concerns regarding the process, the implementation phase, and strategic planning into the future. The American Legion will continue to monitor the CARES process and believe it may indeed require additional congressional oversight to ensure its effective implementation.

Thank you, again, for this opportunity, and we look forward to working with you and this committee on these important issues. I will be happy to answer any questions.

[The prepared statement of Ms. Wiblemo follows:]

PREPARED STATEMENT OF CATHLEEN C. WIBLEMO, DEPUTY DIRECTOR FOR HEALTH CARE, VETERANS AFFAIRS AND REHABILITATION COMMISSION, THE AMERICAN LEGION

Mr. Chairman and Members of the Committee: Thank you for the opportunity to present The American Legion's views on S. 613, the Veterans' New Fitzsimons Health Care Facilities Act of 2003; S. 1156, the Department of Veterans Affairs Long-Term Care and Personnel Authorities Enhancement Act of 2003; S. 1213, the Filipino Veterans' Benefits Act of 2003 and S. 1283 a bill requiring advance notice of actions under VA's Capital Asset Realignment for Enhanced Services.

In the wake of the ongoing Medicare Prescription Drug Benefit debate, it is important for Congress to focus on the nation's Senior Citizens and equally important to include military veterans in that forum. While America struggles to provide comprehensive health care services for all of its citizens, Congress cannot shirk its duty to provide those services to the men and women who have served this Nation in its armed services.

S. 1156, DEPARTMENT OF VETERANS AFFAIRS LONG-TERM CARE AND PERSONNEL AUTHORITIES ENHANCEMENT ACT OF 2003

This legislation provides for certain improvements and enhancements to VA's Long-Term Care program.

Section 101 amends Title 38, USC, section 1701(a) (10) to extend authorization for non-institutional long-term care services, as part of VA "medical services," from December 31, 2003 to December 31, 2008. This bill amends section 1710A to require VA to provide nursing home care to those veterans rated 50 percent or more disabled for a service connected disability through December 31, 2008. Section 102 of the bill would provide VA with enhanced agreement authority to utilize non-VA nursing home facilities in furnishing eligible veterans' nursing home or adult day health care.

The American Legion consistently advocates the need to improve VA's ability to meet the increasing demand for long-term care. We strongly supported the enactment of P.L. 106–117, the "Veterans' Millennium Health Care and Benefits Act", which included a number of provisions that were intended to ensure veterans rated 70 percent or more disabled for a service-connected disability would be provided long-term care through VA. The American Legion is disappointed in VA's inability to meet its current mandate to provide care for veterans rated 70 percent disabled

or higher. While The American Legion supports the provision within this bill to require VA to provide long-term care for those veterans rated 50 percent disabled and higher, it is imperative that VA meet the long-term care needs of those veterans currently provided for in Title 38, USC.

Section 201 would authorize specific major medical construction projects in Lebanon, Pennsylvania and Beckley, West Virginia. The American Legion is supportive of these initiatives. They will help bring much needed improvement in the medical care and services provided by these facilities.

Section 301 would expand the list of positions within the Veterans Health Administration (VHA) that are considered necessary for the medical care of veterans in Title 38, USC, Section 7401, to include a variety of specialists and other health care professionals. It would also authorize additional pay for these individuals. The American Legion has no objection to this proposal, since it will enable VHA to recruit and retain essential medical care personnel necessary to provide high quality medical care.

Section 302 amends Title 38, USC, Section 7802 to provide that employees of the VA Canteen Service may be considered for appointment to Department positions in the same manner as Department employees are considered for transfer to such positions.

Section 303 establishes effective dates for computation of the annuity for part-time service performed by certain health care professionals, who retired after April 7, 1986, as provided by P.L. 107–135. The American Legion has no objection to this amendment.

Section 304 provides VA with permanent authority to use contract physicians to conduct disability examinations. P.L. 104–275 authorized VA to conduct a pilot program of contract disability examinations. Beginning in 1997, VA established an initial 5-year contract with QTC, a medical group analysis firm who conducted Compensation and Pension (C&P) disability examinations at 13 sites around the nation. The contract was renewed late last year. The American Legion believes that the contract exam program has proven itself to be an important adjunct to the traditional C&P exams performed at VA medical centers. QTC, up to this point, has been the only company engaged in this type of service for VA. With permanent authority, VA will have the flexibility to explore and expand the use of such contract providers and part of the overall effort to improve both the quality and timeliness of veterans' claims processing. The American Legion supports making VA's authority to establish such contracts permanent.

S. 1213, FILIPINO VETERANS' BENEFITS ACT OF 2003

This legislation provides long-needed improvements in certain benefits for former members of the Philippine Commonwealth Army and New Philippine Scouts, who are residing in the United States and are U.S. citizens or legal aliens. It authorizes VA to provide these veterans with hospital care, nursing home care, and medical services. It also equalizes rates of payment of VA disability compensation and dependency and indemnity compensation as well as providing entitlement to VA burial benefits, including burial in a National Cemetery, to those former New Philippine Scouts who reside in the United States. It also authorizes the continued operation of the VA Regional Office in Manila until 2008.

Mr. Chairman, The American Legion urges Congress to recognize the selfless contributions of these brave men during World War II and redress the longstanding inequity in the benefits provided these veterans. The American Legion fully supports this bill.

S. 613 VETERANS' NEW FITZSIMONS HEALTH CARE FACILITIES ACT OF 2003

This legislation authorizes the VA Secretary, under 38 USC, Section 8104, to carry out major medical facility projects at the site of the former Fitzsimons Army Medical Center. Projects, selected by the Secretary, may include inpatient and outpatient facilities providing acute, sub-acute, primary and long-term patient care services. Project costs shall not exceed $300 million, if a combination of direct construction by VA, and capital leasing is selected or no more than $30 million per year, if capital leasing alone is selected.

The American Legion supports the relocation of the Denver Veterans Affairs Medical Center (VAMC) to Fitzsimons. The Fitzsimons Redevelopment Authority has begun converting the site of the former Army medical center to a Bio-Science Park, with the anchor tenant to be the University of Colorado Health Science Center (UCHSC). UCHSC has begun implementing its long-range plan to relocate its existing facilities, including its hospital to Fitzsimons. The Denver VAMC has had a longstanding, synergistic relationship with UCHSC and a move to Fitzsimons would

facilitate sharing, unite the Eastern Colorado Health Care System with the university, and ultimately improve the timeliness and quality of health care provided to the enrolled veterans of the Denver area.

The core space of the current VAMC is 50 years old and undersized for its mission. Its support systems are inadequate for modern health care and it is reaching a non-recovery condition. A state-of-the-art facility would create flexible space and facilitate patient treatment in a modern day health care setting. The American Legion is pleased to support this legislation.

While the legislation we have discussed are solid efforts to address the challenges facing the Veterans Health Administration and its mission to provide health care services, they do not go far enough.

Until health care funding is provided in a consistent and timely manner, VA cannot grow to meet the future demands nor adapt to the changing face of the veterans' community. The demand and funding mismatch must be resolved in order to enhance health care delivery for the nation's veterans. The American Legion supports mandatory funding for VA's medical care.

S. 1283, ADVANCE NOTIFICATION OF CONGRESS REGARDING ANY ACTION PROPOSED TO BE TAKEN BY THE SECRETARY OF VETERANS AFFAIRS REGARDING THE CAPITAL ASSET REALIGNMENT INITIATIVE

The veterans' health care delivery system was designed when inpatient care was the primary focus, long inpatient stays were common and access was open to any veteran in need of care. As demand for services increased, budgetary constraints forced Congress and VA to take steps to restrict access to health care with the enactment of complex rules and regulations to limit both care and services.

Throughout the 1990's to the present, efforts have been made in the public and private sectors to control the cost of health care delivery through efficiencies and cost cutting. VA has changed from a hospital-based health care system into an integrated health care delivery network. In 1996, landmark legislation opened enrollment to all veterans within existing appropriations.

In 1999, a Government Accounting Office (GAO) report found that VA spent approximately $1 million a day on unused or underutilized space. GAO recommended, and VA agreed, that these funds could be better spent on improving the delivery of services and treating more veterans at more locations. In response to the GAO report, VA developed a process to provide the right care, at the right place, in the right setting.

The Capital Asset Realignment for Enhanced Services (CARES) was initiated in October 2000. The pilot program was completed in Veterans integrated Services Network (VISN) 12 in June 2001 with the Secretary announcing the final decision in February 2002. The remaining 20 VISN's were to be assessed in Phase II that began in June 2002.

During the pilot program in VISN12, stakeholders played no major role in the planning process. As a major stakeholder, The American Legion wants to ensure objectivity and inclusion of veterans' perspectives in the outcomes of CARES Phase II. To that end, The American Legion National Commander, Ronald F. Conley, authorized the creation of the Veterans Affairs Facility Advisory Committee on CARES (VAFACC). The committee's charge was to review the VISN market plans, planning initiatives and VA Facility Assessment Reports relating to the CARES process, keeping in mind VISN's were tasked to cut 10 percent of their vacant space by 2004 and 30 percent by 2005.

The committee raised the following concerns:

Funding.—Clearly, billions of dollars in discretionary appropriations will be needed to accomplish the new construction and approved renovations. CARES is an ongoing process, and incremental changes are anticipated. With the proposed consolidations and transferring of services, it is imperative that no veteran experience any delays in access to the delivery of quality health care, and patient safety must not diminish. No VA medical facilities should be closed, sold, transferred or downsized until the proposed movement of services is complete and veterans are being treated in the new locations.

Veteran's Population.—There is some concern that the projected veterans' population is underestimated. Indeed, it might be underestimated based on the war on terrorism. Certainly with regard to long-term care, mental health, domiciliary and other specialized care populations, the CARES process has yet to incorporate projections.

Long-Term Care.—A spent close to $3.3 billion on long-term care in fiscal year (FY) 2002. With the enactment of the Millennium Health Care Act, demand will most likely increase due to the aging of the veteran population over the next decade.

VA estimates that the number of veterans most in need of long-term care, those veterans 85 and older, will more than double to about 1.3 million in 2012. Yet, even with these numbers, veterans long-term care needs and projected growing demand are not included in Phase II of the CARES process.

Mental Health.—Due to several factors concerning the initial projections, the National CARES Planning Office (NCPO) and several other experts are reviewing the mental health inpatient and outpatient projections. Because of the questionable decline of demand in several markets, networks were instructed to plan for increase in mental-health services only. Stakeholders were very concerned about the mental-health projections and expressed dissatisfaction with the model.

Unutilized Space.—According to VA's office of Facilities Management (OFM), VA facility assets include 5,300 buildings; 150 million square feet of owned and leased space; 23,000 acres of land; and a total replacement value estimated at 38.3 billion. OFM assessed and graded 3,150 buildings for a total of 135 million square feet with correction costs estimated at $4.5 billion. More development is needed by the VISN's to more effectively utilize this unused space instead of just selling or demolishing these buildings. Once the buildings are gone, there will be no way of getting them back. Before any unutilized space is sold, transferred, destroyed or otherwise disposed of, the CARES process must consider alternative uses of that space to include: services for homeless veterans, long-term care and the expansion of existing services.

Contracting Care.—Throughout the VA health-care system, contracting out of care is prevalent. While contracting may be necessary in some circumstances, the wholesale use of this health care delivery tool should be used with caution. Contracting out of care was extensive in the VISN proposals. Some VISN's made the blanket statement that care would be contracted out to meet excess demand in 2012 and 2022. Considering that extensive research and cost analysis that will have to be done concerning available resources (if they are available) within each community, The American Legion does not believe that is much of a plan.

Enhanced Use Lease Agreements.—Through the use of EU leases, VA can receive cash or "in-kind" consideration (such as facilities, services, goods, or equipment). Several of the VISN's proposed enhanced-use lease agreements with the public and private sectors. VA should continue to seek opportunities in the area of enhanced use leasing. It can certainly have a positive impact on service delivery to veterans and local communities.

VA/DoD Sharing.—There are many opportunities for sharing between VA and the Department of Defense (DoD). Both VA and DoD benefit from these agreements, and every effort should be made by the VISN's to pursue this avenue in order to save money through cost avoidance, in particular pharmaceuticals, supplies and maintenance services.

The American Legion intends to remain an active partner with VA during this critical process of realigning the agency's capital assets to better serve American's veterans. Recent developments in the CARES process serve to reinforce our concerns outlined in this testimony. The Undersecretary for Health sent back the market plans to 15 VISN's and 20 facilities with instructions to develop other options and look at further consolidating inpatient services in many of the facilities. Additionally, the CARES Commission hearings, after being postponed for 60 days are due to start August 12, 2003. These hearings concern the National Cares Plan, which no one has seen yet, and won't until at least August 1, 2003. That gives no lead time for stakeholders to study the plan before written statements are due for the initial hearings. The delays have given rise to many questions and concerns on the part of the stakeholders. We will continue to be vigilant in monitoring the progress in CARES. Indeed, the CARES process may require congressional oversight given the above concerns.

I thank you again for your commitment to veterans and look forward to working with you and the Committee on these important issues.

Chairman SPECTER. Thank you very much, Ms. Wiblemo.

We will now turn to Mr. Paul Hayden, National Legislative Service of the Veterans of Foreign Wars. Thank you for joining us, Mr. Hayden. The floor is yours.

STATEMENT OF PAUL A. HAYDEN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS

Mr. HAYDEN. Thank you much, Mr. Chairman, members of the committee.

On behalf of the 2.6 million men and women of the Veterans of Foreign Wars of the United States and our Ladies Auxiliary, I would like to thank you for allowing our organization to testify at today's hearing.

Four of the bills under consideration today represent attempts to improve the delivery of health care to our Nation's veterans, while three honor and recognize individuals for their important contributions to their fellow veterans and the Nation.

We are pleased to support them all, and I would offer the following comments.

First, the VFW strongly endorses S. 615, S. 1144, and S. 1289.

Second, shifting to those bills that will improve veterans' health care delivery, we would offer our support for S. 613 that would authorize the construction or lease of a new medical facility at the site of the former Fitzsimons Medical Center. This hospital would be constructed and operated in conjunction with the University of Colorado that would also maintain facilities at the former base.

As for the implementation, we would caution the veterans must remain a priority at this facility.

Further, the VFA is a strong supporter of improving and expanding VA's statutory authority to provide long-term care services to our Nation's veterans. Therefore, we believe that S. 1156, to improve and enhance the provision of long-term health care provided for veterans by the VA is a positive step in the right direction.

Turning to S. 1213, the Filipino Veterans' Benefits Act, our comments are limited to Section 2 of this legislation, which would provide access to VA health care for certain Filipino veterans currently residing in the United States. We believe that providing these Commonwealth Army veterans and Filipino scouts with access to the hospital, nursing home care and medical services, consistent with a veteran of the U.S. Armed Forces, is the proper thing to do.

Finally, the VFA backs S. 1283 that would require advance notification of Congress of actions to be taken under VA's Capital Asset Realignment for Enhanced Services program.

With Phase II of the CARES process moving so rapidly, we appreciate the opportunity that this oversight would provide in order to ensure that what VA is proposing, under the CARES program, is truly consistent with enhancing services to this Nation's veterans.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions that you or members of the committee may have.

[The prepared statement of Mr. Hayden follows:]

PREPARED STATEMENT OF PAUL A. HAYDEN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WAR

Mr. Chairman and Members of the Committee: On behalf of the 2.6 million men and women of the Veterans of Foreign Wars of the United States (VFW) and our Ladies Auxiliary, I would like to thank you for allowing our organization to testify at today's hearing. The bills under consideration during today's hearing represent

a wide range of issues but have one thing in common: the VA health care system. Four of the bills represent attempts to improve the delivery of health care to our nation's veterans and three honor and recognize individuals for their important contributions to their fellow veterans.

S. 613, VETERANS' NEW FITZSIMONS HEALTH CARE FACILITIES ACT OF 2003

This legislation would authorize the construction or lease of a new medical facility at the site of the former Fitzsimons Medical Center. This hospital would be constructed and operated in conjunction with the University of Colorado that would also maintain facilities at the former base. The VFW supports this legislation, but we do have several concerns with the implementation.

We must be assured that veterans will remain a priority at this facility. We have raised questions about the governing board of the complex and must receive assurances that VA will be properly represented on the board and that VA retains enough independent control to ensure that veterans remain a priority. VA must be able to adapt to any changes in the veteran population, in technology, and in health care and business practices to remain able to effectively treat veterans. Without proper control and representation, the partnership may compromise this ability.

Recent statements by VA Under Secretary for Health Robert Roswell and Representative Bob Beauprez of Colorado at the June 11, 2003, hearing of the House Committee on Veterans' Affairs indicate that agreements can be reached to ensure that the partnership and governance are not a hindrance. We must make certain that these agreements do, in fact, result in quality health care and an ensured priority for Colorado's veterans.

S. 615, TO NAME THE DEPARTMENT OF VETERANS AFFAIRS OUTPATIENT CLINIC IN HORSHAM, PENNSYLVANIA, AS THE "VICTOR J. SARACINI DEPARTMENT OF VETERANS AFFAIRS OUTPATIENT CLINIC"

The VFW supports this legislation that would name the VA outpatient clinic in Horsham, Pennsylvania, after Victor J. Saracini. Captain Saracini retired from the Naval Reserve after having served on active duty in the U.S. Navy. Captain Saracini was the pilot of United Airlines Flight 175, which was one of the four airplanes hijacked by terrorists on September 11, 2001. His flight was crashed into the south tower of the World Trade Center, killing all on board.

In light of the terribly tragic events of that day and Captain Saracini's distinguished career in service to this country, it is fitting that we would honor his memory by renaming this clinic. It is the least we can do to recognize the ultimate sacrifice he and his family have made.

S. 1144, TO NAME THE HEALTH CARE FACILITY OF THE DEPARTMENT OF VETERANS AFFAIRS LOCATED AT 820 SOUTH DAMEN AVENUE IN CHICAGO, ILLINOIS, AS THE "JESSE BROWN DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER"

The VFW is pleased to support this legislation, which would name the Westside VA Medical Center after the late Jesse Brown. Our organization is honored to have called him a member, and we hold him in the highest esteem for his lifetime of service to this country and its veterans.

Naming the Medical Center after Jesse Brown is a fitting tribute to a man who dedicated his life to serving veterans. As VA Secretary, he placed emphasis on serving veterans and seeing that VA met their needs. He was a true advocate and friend to our nation's disabled veterans.

Throughout his entire career he repeatedly demonstrated strong leadership. From his military service in the Marine Corps during Vietnam to his role as Executive Director of the Disabled American Veterans, and later as VA Secretary, he set a course and inspired everyone to follow him.

With his passing the Nation lost one of its strongest and most tireless veterans' advocates. As such, we feel that it is entirely appropriate that we make this small gesture to help foster remembrance of this remarkable man and to inspire the kinds of genuine leadership and advocacy that were his hallmarks.

S. 1156, TO AMEND TITLE 38, UNITED STATES CODE, TO IMPROVE AND ENHANCE THE PROVISION OF LONG-TERM HEALTH CARE FOR VETERANS BY THE DEPARTMENT OF VETERANS AFFAIRS, TO ENHANCE AND IMPROVE AUTHORITIES RELATING TO THE ADMINISTRATION OF PERSONNEL OF THE DEPARTMENT OF VETERANS AFFAIRS, AND FOR OTHER PURPOSES

The VFW is a strong supporter of improving and expanding VA's statutory authority to provide long-term care services to our nation's veterans. VFW Resolution

605, which was approved by the voting delegates to our National Convention, calls on Congress to "mandate and provide funding for the provision of nursing home care for all veterans." Although this legislation does not completely fulfill the intent of this resolution, we do strongly support it, as it is a positive step in the right direction and an acknowledgement that Congress understands the seriousness and importance of the issues surrounding long-term care for veterans.

Title I of this legislation would extend VA's statutory authority to provide nursing home and non-institutional care through the end of 2008. It is set to expire at the end of this year. Further, it would lower the disability threshold for receiving nursing home care from the current 70 percent service connected, down to 50 percent service connected. We feel that VA has a responsibility to provide for the full continuum of health care for all veterans and that this legislation moves us closer toward that goal.

Title I also includes provisions to enhance the delivery of non-institutional care by allowing VA to contract out for care in accordance with section 1866 of the Social Security Act. While we are opposed to VA shifting its statutory obligations, we certainly support expanding more non-institutional solutions to long-term health care. We would caution, however, that VA should ensure that any contracted care is at the same level and quality as VA care. With that in mind, the VFW believes that these non-institutional programs must be expanded and made available nationwide in order to ensure equitable access for eligible veterans.

Title II authorizes the construction of two long-term care facilities: one in Lebanon, Pennsylvania, the other in Beckley, West Virginia. As we support expanding access to long-term care for our veterans, we would support the construction of these facilities. They would be of great benefit to Pennsylvania's and West Virginia's veteran population.

With respect to the personnel provisions contained in Title III, I would point out that the VFW supports any legislation that will improve the access, timeliness, and quality of care to our nation's veterans.

S. 1213, FILIPINO VETERANS' BENEFITS ACT

Our comments are limited to section two of this legislation, which would provide access to VA health care for certain Filipino veterans currently residing in the U.S. The VFW supports this provision.

We believe that providing these Commonwealth Army veterans and Philippine Scouts with access to the hospital, nursing home care, and medical services consistent with a veteran of the U.S. Armed Forces is the proper thing to do. These brave veterans fought alongside our service members during World War II and were a great asset to our struggle against the empire of Japan.

These veterans and their families made the same types of sacrifices for the benefit of freedom that our young men and their families did. Extending the same health care benefits to those who currently reside in the U.S., particularly as their population ages, is fair and just.

S. 1283, TO REQUIRE ADVANCE NOTIFICATION OF CONGRESS REGARDING ANY ACTION PROPOSED TO BE TAKEN BY THE SECRETARY OF VETERANS AFFAIRS IN THE IMPLEMENTATION OF THE CAPITAL ASSET REALIGNMENT FOR ENHANCED SERVICES INITIATIVE OF THE DEPARTMENT OF VETERANS AFFAIRS, AND FOR OTHER PURPOSES

The VFW backs this legislation that would require advance notification of Congress of actions to be taken under VA's Capital Asset Realignment for Enhanced Services (CARES) program.

With Phase II of the CARES process moving so rapidly we appreciate the opportunity that this oversight would provide in order to ensure that what VA is proposing under the CARES program is truly consistent with enhancing services to this nation's veterans.

We would caution, however, that Congress not allow this role to turn political or forestall real progress as we have witnessed with the Base Realignment and Closure (BRAC) program.

S. 1289, TO THE NAME THE VA MEDICAL CENTER IN MINNEAPOLIS, MINNESOTA AFTER PAUL WELLSTONE

We would like to offer our strong support for S. 1289, legislation that would rename the VA Medical Center in Minneapolis, MN after the late Paul Wellstone, former Senator and tireless advocate for America's veterans.

Paul Wellstone constantly and consistency crusaded and championed for the many issues that were of vital interest to our veteran population. He was tenacious in his efforts to assure passage of legislation that would provide for those veterans suf-

fering from radiation exposure, Gulf War illness and those in need of VA health care.

He took great efforts to ensure that veterans received the proper care and treatment they earned through their service in defense of this country. Naming this VA Medical Center is a fitting tribute to the long legacy he left behind after his tragic accident.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions that you or the members of this committee may have.

Chairman SPECTER. Thank you very much, Mr. Hayden.

We now turn to Mr. Adrian Atizado, Associate National Legislative Director for the Disabled American Veterans.

Thank you for joining us. We look forward to your testimony.

STATEMENT OF ADRIAN M. ATIZADO, ASSOCIATE NATIONAL LEGISLATIVE DIRECTOR, DISABLED AMERICAN VETERANS

Mr. ATIZADO. Thank you, Mr. Chairman, members of the committee. I thank all of you for the opportunity to present the views of the Disabled American Veterans on seven bills under consideration in today's hearing.

The first measure under consideration, S. 613, would authorize the Secretary to carry out a construction project at former Fitzsimons Army Medical Center in Aurora, Colorado. DAV does not have a resolution in support of this measure. Therefore, we do not object to favorable consideration of S. 613 by this committee. However, we would oppose any proposal to establish a fully integrated facility with joint governance and management.

S. 1156, the Department of Veterans Affairs Long-Term Care and Personnel Authorities Enhancement Act of 2003 would extend through 2008 VA's authority to provide enrolled veterans access to alternative outpatient-based long-term care services.

In addition, this measure would lower, from 70 to 50 percent, the threshold level of service-connected disability that would qualify a veteran has high priority for institutionalized care if needed. DAV has a resolution that allows us to fully support the aforementioned provisions of this bill.

Section 2 of S. 1213 of the Filipino Veterans' Benefits Act of 2003 would authorize hospital and nursing home care and medical services to certain Filipino veterans. DAV does not have a resolution in support of this bill. However, we do not object to its favorable consideration by the committee, as long as sufficient funding to cover the costs of the authorized health care is provided.

S. 1283 would require advance notification of Congress regarding any proposed action and implementation of VA's CARES Initiative. We do believe VA should provide all relevant information and implementation plans to Congress and veterans service organizations prior to taking any action proposed under the CARES Initiative.

S. 1289 is a bill to name VA Medical Center in Minneapolis, Minnesota, as Paul Wellstone Department of Veterans Affairs Medical Center, along with S. 1144, the renaming of the VA Medical Center Westside in Chicago, Illinois, after the late Secretary for Veterans Affairs, Jesse Brown. We are proud to support both measures, including the last eight S. 615 renaming measure as well.

This concludes my statement, Mr. Chairman, and I would be happy to answer any questions you may have.

[The prepared statement of Mr. Atizado follows:]

PREPARED STATEMENT OF ADRIAN M. ATIZADO, ASSOCIATE NATIONAL LEGISLATIVE DIRECTOR, DISABLED AMERICAN VETERANS

Mr. Chairman and Members of the Committee: Thank you for the opportunity to present the views of the Disabled American Veterans (DAV) on the seven bills under consideration in today's hearing. The DAV appreciates the Committee's interest in improving benefits and services for our nation's sick and disabled veterans. The measures under consideration today include:

- S. 613, a bill to authorize a construction project at the former Fitzsimons Army Medical Center, in Aurora, Colorado.
- S. 615, a bill relating to the naming of a VA outpatient clinic in Horsham, Pennsylvania.
- S. 1144, a bill relating to the naming of a VA medical center in Chicago, Illinois.
- S. 1153, the "Veterans Prescription Drugs Assistance Act."
- S. 1156, the "Department of Veterans Affairs Long-Term Care and Personnel Authorities Enhancement Act of 2003."
- S. 1213, Section 2, a section of a bill relating to eligibility of Filipino veterans for health care in the United States.
- S. 1283, a bill to require VA to provide advance notification to Congress of its intent to implement Capital Assets Realignment For Enhanced Services initiatives.
- S. 1289, a bill relating to the naming of the VA medical center in Minneapolis, Minnesota.

S. 613

Section 2 of S. 613 authorizes the Secretary of the Department of Veterans Affairs (VA) to carry out major medical facility projects at the site of the former Fitzsimons Army Medical Center in Aurora, Colorado, and may include inpatient and outpatient facilities to provide acute, sub-acute, primary, and long-term care services. Using funds appropriated for fiscal year 2004 through 2007 costing no more than $300 million for direct construction, capital leasing, or a combination of both, and $30 million for each fiscal year for capital leasing alone; the bill would also require the Secretary to report his actions to Congress on the options selected pursuant to this section. Section 3 of the bill, requires the VA Secretary and the Secretary of the Air Force to undertake joint activities, as they consider appropriate, to address the health care needs of veterans and members of the Air Force on active duty.

DAV does not have a resolution in support of this measure; however, we do support maintaining the integrity of a viable and independent VA health care delivery system to provide health care to our nation's sick and disabled veterans. We do not object to favorable consideration of S. 613 by the Committee.

Clearly, there are many options to consider when implementing a major medical facility project as proposed in S. 613. We remain cognizant of the complex health care, policy, legal, and financial issues involved in a proposed relocation to the Fitzsimons campus including the identity of the veterans health care system, priorities within the VA's capital asset program, and the budget required to support the proposed relocation. In this instance, we believe that whatever option is chosen, VA should maintain a separate identity with direct line authority in all areas involving care of veteran patients. This will allow VA to fulfill its primary health care mission to serve the needs of America's veterans by providing primary and specialized care, and related medical and social support services. We would oppose any proposal to establish a fully integrated inpatient facility with joint governance and management.

We do, however, support maintaining strong relationships with medical affiliates. In addition to their value in developing the nation's health care workforce, the affiliations bring first-rate health care providers to the service of America's veterans. The opportunity to teach attracts the best practitioners from academic medicine along with state-of-the-art medical science to VA. Veterans get excellent care, society gets well-trained doctors and nurses, and the taxpayer pays a fraction of the market value for the expertise the academic affiliates bring to VA.

S. 615

S. 615 would name the VA outpatient clinic in Horsham, Pennsylvania, as the Victor J. Saracini Department of Veterans Affairs Outpatient Clinic in honor of the distinguished veteran and United Airlines pilot whose plane was hijacked by terrorists and flown into the World Trade Center on September 11, 2001. DAV does not object to favorable consideration of this measure by the Committee.

S. 1144

S. 1144 would rename the West Side VA Medical Center in Chicago, Illinois, after the late Secretary "for" Veterans Affairs, the Honorable Jesse Brown.

Jesse Brown, a combat-disabled Marine Corps veteran of the Vietnam War, was a fiery advocate for the rights of all veterans, especially those disabled in service to their country. During his nearly 5 years as Secretary of Veterans Affairs in the cabinet of President William J. Clinton, Mr. Brown earned the love and respect of his fellow veterans across the United States. Enactment of S. 1144 would be a fitting tribute to Jesse Brown, a man many see as one of the 20th century's greatest champions of America's veterans. Therefore, we are pleased to support this bill.

THE DEPARTMENT OF VETERANS AFFAIRS LONG-TERM CARE AND PERSONNEL AUTHORITIES ENHANCEMENT ACT OF 2003 (S. 1156)

Title I of the Department of Veterans Affairs Long-Term Care and Personnel Authorities Enhancement Act of 2003, S. 1156, would extend through 2008 VA's authority to provide enrolled veterans access to alternative outpatient-based long-term care services such as adult day health care, home health aide assistance, non-institutional respite care, and home-based primary care. In addition, this measure would lower from 70 percent to 50 percent, the threshold level of service-connected disability that would qualify a veteran as high priority for institutionalized care if needed. Currently, highest priority access to inpatient long-term care services is only granted to veterans who are 70 percent or more disabled, unless such care is needed for the treatment of a service-connected disability. Title I of the measure would also make technical changes to VA authority to contract for nursing home care and allow a greater number of smaller community-based providers to contract with VA.

DAV fully supports the aforementioned provisions in Title I of S. 1156. DAV Resolution Number 154 specifically supports a comprehensive program of extended care services for veterans and a higher priority of access to inpatient long-term care by extending such services to veterans rated 50 percent service connected or higher.

Title II of the bill would authorize major construction for long-term care facilities in Beckley, West Virginia, and Lebanon, Pennsylvania, to accommodate a substantial elderly veteran population in those locations who are in need of long-term care programs. We have no objections to these provisions in the bill.

Title III of the bill would convert several clinical staff professional positions, such as clinical social workers, psychologists, medical technicians, and pharmacists into "hybrid Title 38" status and permit VA increased hiring and promotion flexibility, and compensation at special, locally based pay scales. We have no position on this section of the bill.

THE FILIPINO VETERANS' BENEFITS ACT OF 2003 (S. 1213, SECTION 2)

S. 1213, Section 2, of the Filipino Veterans' Benefits Act of 2003 would authorize hospital and nursing home care and medical services to certain Filipino veterans. DAV does not have a resolution in support of this bill; however, we do not object to its favorable consideration by the Committee as long as sufficient funding to cover the cost of the authorized health care is provided.

S. 1283

S. 1283 would require advance notification of Congress regarding any action proposed to be taken by the Secretary of Veterans Affairs in the implementation of the VA's Capital Asset Realignment for Enhanced Services (CARES) initiative.

We believe VA should provide all relevant information and implementation plans to Congress and veterans service organizations prior to taking any action proposed under the CARES initiative. Given the potential impact of CARES on health care delivery to our nation's sick and disabled veterans, the complexity of the CARES process, and the voluminous planning initiatives that have been submitted for each Network, it is appropriate for VA to keep Congress and all concerned with VA health care well informed about final implementation plans for the CARES initiatives. Therefore, we have no objection to favorable consideration of this measure by the Committee.

S. 1289

S. 1289 would rename the VA medical center in Minneapolis, Minnesota, as the Paul Wellstone Department of Veterans Affairs Medical Center. Senator Wellstone was a true advocate for America's veterans. He never wavered in his commitment

to improving the lives of sick and disabled veterans and championed many issues that were of the utmost importance to our veteran population.

Enactment of S. 1289 would be an appropriate way to honor Paul Wellstone's outstanding commitment to veterans and would be an excellent tribute to his memory. Therefore, we have no objection to favorable consideration of this bill by the Committee. In closing, DAV sincerely appreciates the Committee for holding this hearing and for its interest in improving benefits and services for our nation's veterans. The DAV deeply values the advocacy this Committee has always demonstrated on behalf of America's service-connected disabled veterans and their families.

Thank you for the opportunity to present our views on these important measures.

Chairman SPECTER. Thank you. Thank you very much, Mr. Atizado.

We now turn to Mr. William Blake, Associate Legislative Director of the Paralyzed Veterans of America.

Thank you for being with us today, Mr. Blake. The floor is yours.

STATEMENT OF CARL BLAKE, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

Mr. BLAKE. Thank you, Mr. Chairman, members of the committee. PVA would like to thank you for the opportunity to testify today on the proposed legislation.

PVA has concerns regarding S. 613, the Veterans New Fitzsimons Health Care Facilities Act of 2003. We stand committed to finding workable solutions for the delivery of veterans' health care in the Denver area, and we would work tirelessly toward this end. We also believe that a new Spinal Cord Injury Center is needed in the Denver area and that this center should move forward, along with any decisions, concerning Fitzsimons. PVA stands ready to work with this committee to ensure that veterans in Colorado are accorded the very best VA health care.

PVA generally concedes to the wishes of our local chapters, as well as the members of other veterans' service organizations and the congressional delegations on issues involving naming VA facilities. We, as the national office of PVA, support in concept S. 615, as well as S. 1144, which would rename the Westside VA Medical Center after the late Secretary of Veterans Affairs, Jesse Brown.

PVA supports the long-term care provisions of S. 1156. We are particularly pleased with the provisions that would extend through 2008 the authorities that now require the VA to provide to veterans enrolled in the VHA long-term care services, such as adult day health care, home health aid assistance, non-institutional respite care and home-based primary care.

PVA also appreciates the provision that would allow the VA to now provide nursing home care to veterans who suffer from a service-connected disability rated at 50 percent or greater.

PVA supports S. 1283. We believe that it is fair and reasonable for Members of Congress to have a stake in the CARES process and comment on the decisions that the VA intends to make with regards to the future of VA facilities.

PVA would like to commend Senator Graham for introducing S. 1289, a bill that would name the Minneapolis VA Medical Center after the late Senator Paul Wellstone. Senator Wellstone was a tireless advocate for all veterans. I must reiterate, though, we defer to all of our local chapters, as well as other VSO's and State congressional delegations on these issues involving naming VA facilities. Again, we, as the national office, support in concept S. 1289.

I would like to thank you for the opportunity to testify today, and I would be happy to answer any questions that you might have.

[The prepared statement of Mr. Blake follows:]

PREPARED STATEMENT OF CARL BLAKE, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

Chairman Specter, Ranking Member Graham, members of the Committee, PVA would like to thank you for the opportunity to testify today concerning the proposed legislation. PVA is pleased to present our views on the important issues that you have addressed with this legislation.

S. 613, THE "VETERANS' NEW FITZSIMONS HEALTH CARE FACILITIES ACT OF 2003"

PVA has concerns regarding S. 613, the "Veterans' New Fitzsimmons Health Care Facilities Act of 2003." PVA stands committed to finding workable solutions for the delivery of veterans' health care in the Denver area, and we have worked tirelessly toward this end.

PVA understands that constructing a new, freestanding VA medical center at the Fitzsimmons site is no longer feasible due to space limitations at the site and cost concerns. We are adamantly opposed to any option that would essentially integrate Denver VA medical center patients into the patient population of the University of Colorado Hospital. We are open to the many collaborative opportunities between the two entities, but integrating veteran patients in this manner would fundamentally change the way VA provides care.

We believe that an option involving the VA leasing within a new facility could be a viable one, as long as many essential elements are included within such a plan. These elements would include governance issues ensuring that VA leadership has direct line authority and accountability for veterans' health care, ensuring dedicated space and a distinct VA presence, ensuring that facility staff remain Federal (VA) medical center employees, and finally, ensuring that current VA procedures and policies for the provision of appropriate pharmaceuticals, supplies and prosthetics be maintained. We believe that these issues must be resolved before blanket authority is provided to proceed.

We also believe that a new spinal cord injury (SCI) center is needed in the Denver area, and that this center should move forward along with any decisions concerning Fitzsimmons. The CARES process has identified the Denver area as one in critical need of an SCI center. Any new SCI center must be operated as all current centers are, with dedicated services and staff. The development of a new SCI center must follow the requirements of the Memorandum of Understanding between VA and PVA allowing for architectural review, must operate in compliance with all existing VA policies and procedures, and must continue the relationship between VA and PVA allowing for site visits of SCI center facilities.

PVA stands ready to work with this Committee to ensure that veterans in Colorado are accorded the very best VA health care.

S. 615

PVA generally concedes to the wishes of our local chapters, as well as other local veterans' service organization members and State Congressional delegations on issues involving naming VA facilities. We, as the National Office of PVA, support, in concept, S. 615.

S. 615 is a bill that would name the Department of Veterans Affairs outpatient clinic in Horsham, Pennsylvania, as the "Victor J. Saracini Department of Veterans Affairs Outpatient Clinic." Having served his military career in the United States Navy and Naval Reserve, Mr. Saracini understood what it meant to serve and sacrifice for this great country. This honor would be a fitting tribute to a dedicated individual whose life was taken by terrorists on September 11, 2001.

S. 1144

Again, noting our deferral to our local chapters and others, we also support, in concept, S. 1144, a bill that would rename the Westside Department of Veterans Affairs (VA) Medical Center after the late Secretary of the VA, the Honorable Jesse Brown. Secretary Brown was a leading advocate for veterans across the Nation during his term. His efforts to ensure proper benefits and health care for all veterans, to include service-disabled veterans and veterans suffering from exposures to Agent Orange or Post-Traumatic Stress Disorder (PTSD), are a reason why the VA health care system is second to none in the United States. Allowing the Westside VA Med-

ical Center to bear his name would be a fitting tribute to a man who cared so deeply for sick and disabled veterans for his entire professional career. Once again, I would like to reiterate that PVA generally defers decisions of naming of VA facilities to the local PVA chapter and the State Congressional delegation.

S. 1156, THE "DEPARTMENT OF VETERANS AFFAIRS LONG-TERM CARE AND PERSONNEL AUTHORITIES ENHANCEMENT ACT OF 2003"

PVA supports the long-term care provisions of S. 1156, the "Department of Veterans Affairs Long-Term Care and Personnel Authorities Act of 2003." We are particularly pleased with the provision that extends through 2008 the authorities that now require the VA to provide to veterans enrolled in the Veterans Health Administration (VHA) long-term care services, such as Adult Day Health Care, Home Health Aide assistance, Non-Institutional Respite Care, and Home-based Primary Care.

P.L. 106–117, the "Veterans Millennium Health Care and Benefits Act" authorized eligibility for a wide range of services, alternatives to inpatient nursing home care, for all enrolled veterans. For many veterans and non-veterans with catastrophic disabilities, alternatives to being confined in nursing homes can be a true blessing. With the proper case management, home- and community-based care can provide a more humane and often less costly alternative to inpatient long-term care. PVA welcomed this provision when it was enacted. However, VA has begun to implement this program, not as an alternative to inpatient long-term care, but as an offset to required inpatient nursing home capacity levels. Worse, VA has been reducing inpatient levels saying that home and community programs would pick up that slack of that demand, and then failing to implement the alternative programs at required levels.

Long-term care is a serious problem that PVA has focused on for many years. Unlike an elderly veteran who suffers a debilitating stroke and requires nursing home care, a young, high level quadriplegic on a ventilator could be facing decades of extended care services. Where, and how, that person receives that care is always a difficult decision. Fortunately, VA has established the specialized services in VA SCI centers that can be found nowhere else in the United States. VA nursing homes can provide a level of care for such a complex patient, with the appropriate training and monitoring of VA care givers, which can never be purchased or found in the private sector. Also, at stake are the wishes of the veteran patient and his or her family. Careful determination needs to be made whether this person can be cared for properly at home, or closer to home. In that sense, assessments need to be made as to the consequence of the veteran's well-being and the veteran's family's well-being. The entire array of VA long-term care services must be put into play, including respite care, home- and community-based care for this individual. But above all, VA needs to ensure that the veteran is receiving the appropriate care, by appropriately trained individuals, in the most appropriate setting.

PVA also appreciates the provision that would allow the VA to now provide nursing home care to veterans who suffer from a service-connected disability rated at 50 percent or greater. Currently, the VA can only provide these services to veterans with a service-connected disability rated 70 percent or greater.

S. 1213, THE "FILIPINO VETERANS' BENEFITS ACT OF 2003"

PVA strongly supports S. 1213, the "Filipino Veterans' Benefits Act of 2003." This legislation would extend health care benefits to certain Filipino veterans residing legally in the United States. It would also eliminate statutory payment rates that allow Filipino veterans and their survivors who live in the United States to be paid less than other veterans and their survivors who live in the United States. PVA supports the provision of health care and nursing home care outlined in Section 2 of this bill.

Section 3 of the draft bill addresses a basic issue of fairness and equality for payments of compensation and dependency and indemnity compensation (DIC). Currently, Filipino veterans receive compensation payments at the rate of $0.50 for every dollar that other veterans receive. PVA supports Section 3. PVA also supports the extension of the operation of a regional office in the Philippines provided for in Section 4 and the offering of national cemetery burial to New Philippine Scouts provided for in Section 5.

S. 1283

PVA supports S. 1283. We believe that it is fair and reasonable for Members of Congress to have a stake in the CARES process and comment on the decisions that the VA intends to make with regards to the future of VA facilities. This will allow

the members of the Senate and the House of Representatives to evaluate and understand the decisions that the VA is making that will affect the veterans that they represent.

S. 1289

PVA would like to commend Senator Graham for introducing S. 1289. This bill would name the Minneapolis VA Medical Center after the late Senator Paul Wellstone. Senator Wellstone was a tireless advocate for all veterans. He worked very hard to ensure that the men and women who served this country received the medical care and benefits that they rightly deserve. PVA believes this would be a fitting memorial to Senator Wellstone's advocacy on behalf of all veterans. Like the other two naming measures before us today, we support, in concept, this proposal. However, I must reiterate that we defer to our local chapters, as well as other local veterans' service organization members and State Congressional delegations on issues involving naming VA facilities. We, as the National Office of PVA, support, in concept, S. 1289.

Thank you for the opportunity to testify today. I would be happy to answer any questions that you might have.

Chairman SPECTER. Thank you very much, Mr. Blake.

Our final witness on this panel is Rick Jones, the National Legislative Director for AMVETS.

The floor is yours, Mr. Jones.

STATEMENT OF RICHARD JONES, NATIONAL LEGISLATIVE DIRECTOR, AMVETS

Mr. JONES. Chairman Specter, Senator Rockefeller, Senator Murray, thank you for the opportunity to allow AMVETS to testify at this hearing.

S. 613, Senator Campbell's bill, AMVETS fully supports. We believe this bill will allow Denver VA to serve an increasing veterans population, appropriations willing, and replace a venerable, but aging facility.

Senate bill 615 would rename a clinic, the Victor J. Saracini Clinic. We support that legislation. Mr. Saracini was a Navy veteran, a pilot who was on the unfortunate flight that was brutally smashed on that disturbing day into the Towers of New York. We support the legislation to honor Mr. Saracini, and we hope that we will inspire others in his memory.

Senate bill 1144, Jesse Brown Medical Center. We support this provision to name the Chicago facility after Jesse Brown. Jesse Brown was a man with a distinguished career. He is a man who dedicated his life and service to the honor of veterans, and we think this is a wonderful honor. We support this legislation.

Senate bill 1156 would provide for long-term care amendments and changes, modifying that to allow 50-percent disabled veterans access to in-hospital care. We believe this presents the VA with an opportunity to be more flexible. We believe there are studies that do say that this could be done without additional exorbitant costs to VA, and we believe that it is in the right venue and helps veterans. We would hope that you would consider this bill as soon as possible.

With regard to Senate bill 1213, the Filipino Veterans' Benefit Act, AMVETS is certainly mindful of the brave and historic contributions made by Filipino nationals during World War II. Their actions, as part of the allied effort, are legendary. Measured in these terms, we believe Filipino veterans of World War II certainly deserve our grateful appreciation for the heroic contributions they

made during the war effort. In a fiscally unconstrained environment, AMVETS would most assuredly support allowing these individuals access to appropriate veterans' benefits.

However, while we would certainly prefer a fiscal climate, where both interests of similarly situated Filipino benefits and American veterans could be satisfactorily accommodated, we find it difficult at this time to see a positive effect on our veterans by extending benefits to Filipino veterans at this time.

With regard to Senate bill 1283, this bill would require a congressional notification of the CARES process. We believe the decisions made under CARES will have a broad effect on millions of veterans, and while VA is providing an opportunity for everyone to participate in their hearings and give their voice, we believe a brief review of final decisions is appropriate.

We would mention and encourage all Senators to support an appropriation that equals the budget proposal that was agreed to earlier in the year. With regard to this legislation on CARES, we would recognize action taken in the House last Friday, which would severely restrict appropriations to VA. There may be unanticipated consequences of that regarding closure of hospitals, medical centers and clinics. We believe the CARES process in this legislation would help others understand what might occur.

With regard to Senate bill 12——

Chairman SPECTER. Would you please sum up, Mr. Jones.

Mr. JONES. I am terribly sorry. I looked, and I wondered why the clock was going the wrong direction. I am sorry, sir.

Chairman SPECTER. Go ahead. Sum up.

Mr. JONES. I would only sum up with regard to Senator Wellstone's bill. We support that. We look for another champion. Senator Wellstone stood strongly for veterans continually. We look for someone to stand for veterans and help restore the honor due American veterans.

[The prepared statement of Mr. Jones follows:]

PREPARED STATEMENT OF RICHARD JONES, NATIONAL LEGISLATIVE DIRECTOR, AMVETS

Chairman Specter, Ranking Member Graham, and members of the Committee:

Thank you for the opportunity to present testimony to the Veterans' Affairs Committee on the six bills subject to this legislative hearing. AMVETS is pleased to present our views regarding S. 613, Veterans' New Fitzsimons Health Care Facilities Act of 2003; S. 615, Victor Saracini Outpatient Clinic; S. 1144, Jesse Brown Medical Center; S. 1156, the Department of Veterans Affairs Long-Term Care and Personnel Authorities Enhancement Act of 2003; and S. 1213, Filipino Veterans' Benefits Act of 2003; S. 1283, providing CARES notice; and S. 1289, to name the Minneapolis VAMC after Senator Paul Wellstone.

Mr. Chairman, AMVETS has been a leader since 1944 in helping to preserve the freedoms secured by America's Armed Forces. Today, our organization continues its proud tradition, providing, not only support for veterans and the active military in procuring their earned entitlements, but also an array of community services that enhance the quality of life for this nation's citizens.

S. 613, VETERANS' NEW FITZSIMONS HEALTH CARE FACILITIES ACT OF 2003

Senator Campbell's bill, S. 613, would move the Denver VA center from its current location to the former Fitzsimons Army Medical Center. The move would coincide with a move to the Fitzsimons site by the University of Colorado's Health Sciences Center. This relocation is warranted to maintain the close working relationship between the Denver VA and the University. It will also allow the Denver VA to serve an increasing veterans population, appropriations willing, and replace a venerable,

but aging, facility. AMVETS fully supports this bill and the wise use of Federal resources it employs.

S. 615, A BILL TO NAME THE VA OUTPATIENT CLINIC IN HORSHAM, PENNSYLVANIA, AS THE "VICTOR J. SARACINI DEPARTMENT OF VETERANS AFFAIRS OUTPATIENT CLINIC"

S. 615, introduced by Senator Santorum, would name VA outpatient clinic in Horsham, Pennsylvania, as the "Victor J. Saracini Department of Veterans Affairs Outpatient Clinic". Victor J. Saracini, a Navy veteran and father of three, was a captain with United Airlines who unfortunately died on September 11, 2001, when his hijacked Boeing 767 was crashed into the World Trade Center's South Tower by al-Qaeda terrorists. Boeing pilot Saracini and his passengers were some of the first casualties in the war against terrorists and the countries that support them. We will not forget when those towers fell and the sacrifice of all those Americans who died on that disturbing day. We support this legislation to honor Mr. Saracini and inspire others in his memory.

S. 1144, JESSE BROWN MEDICAL CENTER

S. 1144, introduced by Senator Durbin, would name the VA health care facility located at 820 South Damen Avenue in Chicago, Illinois, as the "Jesse Brown Department of Veterans Affairs Medical Center". Those of us in the veterans community are well aware of the service and career of the late Secretary Brown. He served our Nation as a marine and suffered a disabling wound in Vietnam. After his service in Vietnam and rehabilitation of his wounds, Secretary Brown began a long and admired career as executive director of the Disabled American Veterans. From 1993–1997, Secretary Brown headed VA and worked hard against strong odds to assure that the services of VA helped meet the nation's obligations to America's veterans. AMVETS supports this legislation to honor a man who dedicated his life and career to the service of our Nation and its veterans.

S. 1156, DEPARTMENT OF VETERANS AFFAIRS LONG-TERM CARE AND PERSONNEL AUTHORITIES ENHANCEMENT ACT OF 2003

One of the most critical missions of the VA system is the service offered to those in need of long-term care. For these critically injured and disabled veterans, VA provides the most competent and scientifically advanced care available. Under current law, veterans with service-connected disabilities rated 50 percent or greater have highest priority access to care if it is provided by an outpatient clinic or hospital.

To be eligible for inpatient based long-term care, a service-connected disabled veteran must be rated 70 percent or greater. This disparity in access was brought about by enactment of Public Law 106–117, the Veterans Millennium Health Care and Benefits Act. The 70 percent rating threshold on inpatient long-term care contained in Public Law 106–117 sought to ensure VA long-term care facilities did not become overwhelmed and that levels of care could be maintained.

However, evidence since enactment of Public Law 106–117 shows us that service-connected disabled veterans rated 50 percent to 70 percent can be accommodated without undo burdens placed on the system. AMVETS supports the Chairman's bill, S. 1156, and its lowering of the eligibility rating from 70 percent to 50 percent for inpatient-based long-term care. We are also in support of changes to the hiring process for clinical professionals for the VA system that mirror those used in hiring physicians and nurses. The psychologists, pharmacists, and social workers that attend to our veterans are integral to their care and well-being. The hiring changes sought by the bill will allow VA to hire these professionals in a timely, flexible manner and seek the best qualified candidates available.

S. 1213, FILIPINO VETERANS' BENEFITS ACT OF 2003

Mr. Chairman, AMVETS is certainly mindful of the brave and historic contributions made by Filipino nationals during World War II. Their actions as part of the allied effort are legendary. Measured in these terms, we believe Filipino veterans of World War II certainly deserve our grateful appreciation for their heroic contributions they made during the war effort, regardless of where they may reside. And, in a fiscally unconstrained environment, AMVETS would most assuredly support allowing these individuals access to appropriate veterans benefits.

However, despite the efforts of the Chairman and this Committee, VA funding has been chronically deficient for far too long. With this in mind, AMVETS must offer its opposition to S. 1213, the Filipino Veterans' Benefits Act of 2003, introduced by the Chairman at the request of Secretary Principi. By the Secretary's own figures, this bill would cost VA an additional $16.2 million for Fiscal Year 2004 and total

in excess of $130 million over the next decade. These are expenditures VA can little afford to make.

AMVETS certainly values the contributions and sacrifices made by our Filipino comrades in arms during World War II, yet we believe the interests of American veterans must continue to come first. We would certainly prefer a fiscal climate where both the interests of similarly situated Filipino beneficiaries and American veterans could be satisfactorily accommodated. However, it is difficult to see a positive effect on our veterans by extending benefits to Filipino veterans, at this time.

S. 1283, A BILL TO REQUIRE CONGRESSIONAL NOTIFICATION ON ANY VA ACTION TO IMPLEMENT THE CAPITAL ASSET REALIGNMENT FOR ENHANCED SERVICES

S. 1283 would direct the Secretary to submit CARES recommendations to Congress for a 60-day review period. The bill would provide Congress with a more intimate role in the decision process regarding possible reductions, closures, and related decisions that would have an impact on delivery of health care to our nation's veterans. The members of AMVETS support giving our elected Members of Congress a higher degree of review in the CARES process than is currently contemplated. AMVETS supports the goals of the CARES process, namely to reduce VA expenditures on the maintenance of obsolete or unused facilities and better apply those resources to support improvements in VA health care and provide for future services to those who wore our country's military uniform. The decisions made under CARES will have a broad affect on millions of veterans and, while VA is providing an opportunity for our voice to be heard, we believe a brief review of final decisions is appropriate.

S. 1289, A BILL TO NAME THE DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER IN MINNEAPOLIS, MINNESOTA, AFTER PAUL WELLSTONE

S. 1289 would provide a fitting honor to former Senator Paul Wellstone, a dedicated legislator who continually fought to recommit our country to its sacred responsibility to care for the men and women who serve in the military. Senator Wellstone understood that our Nation has a moral obligation to those brave men and women who commit themselves to defend the cause of freedom. As AMVETS National Commander W.G. "Bill" Kilgore said following the loss of Senator Wellstone,

> "His unwavering support year after year of adequate funding for veterans health care, in particular, was something we could always count on. Similarly, he championed the cause of homeless veterans to ensure that they were not forgotten and that their needs were addressed by the Nation they served. Though not a veteran himself, he brought energy and commitment to issues important to veterans and their families. He was a fighter and leading voice and, if ever there was a true friend of America's veterans, Senator Wellstone was it."

AMVETS fully supports this bill.

This concludes our testimony. Again, thank you for the opportunity to testify on this important legislation, and thank you, as well, for your continued support of America's veterans.

Chairman SPECTER. Thank you very much, Mr. Jones.

Mr. JONES. Thank you, sir.

Chairman SPECTER. We are going to have 3-minute rounds. As I say, we are anticipating votes here soon.

Let's begin with the issue of Senate bill 1156. That bill would lower the threshold rate from 70- to 50-percent of service-connected disability for purposes of creating eligibility for mandated inpatient long term care by VA. How significant do you consider that bill to be, starting with you, Ms. Wiblemo?

Ms. WIBLEMO. Well, I think it is very significant, and we fully support that.

Chairman SPECTER. Mr. Hayden, do you think that would be especially helpful for the veterans?

Mr. HAYDEN. I do, sir. The VFW actually has a resolution, 605, which was approved by our voting delegates to our national convention last year, that calls on Congress to mandate and provide

funding for the provision of nursing home care for all veterans, not just 50 percent.

Chairman SPECTER. How significant do you consider that provision, Mr. Atizado?

Mr. ATIZADO. Well, it is significant enough as well with my colleague here that our members passed a resolution last year requesting that it be extended, long-term care be extended well below 70-percent service connected, especially in a climate where long-term care is a rather expensive service line to provide. We look to VA to champion that cause, especially for those who have served this Nation and lost so much.

Chairman SPECTER. Mr. Jones, what do you think about that reduction in disability percentage threshold?

Mr. JONES. We believe the chairman is on the right path, and that is the correct direction to go, and we believe that this could be accommodated by VA, without of course overwhelming cost.

Chairman SPECTER. Do you dissent, Mr. Blake?

Mr. BLAKE. No, sir, I do not. Mr. Chairman, we would certainly support this provision.

Chairman SPECTER. Mr. McClain, a couple of questions for you. I want to ask them before my time runs up.

There has been an estimate by VA that S. 1153 would cost $500 million a year. I would like you to respond to how the VA arrived at that figure.

The other question that I want to put in before I get a red light here is by using a hybrid Title 5, Title 38 hiring system, VA would be able to avoid many processes for hiring set out by the Office of Personnel Management.

While that sounds good, would those procedures preclude favoritism and other abuses?

I still have 1 second left. You may proceed.

[Laughter.]

Mr. MCCLAIN. Thank you, Senator.

Our estimate as to the cost of reducing the service-connected percentage from 70 percent to 50 percent was based on actuarial models that the VHA Actuary and Economic Office produced. We will be glad to provide more detail for the record and also a briefing for your staff if you desire.

Regarding the Title 38–Title 5 hybrid issue, we already have the Title 38 hybrid personnel hiring authority in place. This would extend the authority to cover some additional medical specialties. The idea behind the entire system is to be able to hire qualified people at a very competitive salary rate much quicker than we could under Title 5.

We discovered that, especially in the scarce medical specialties, we were losing people to the civilian sector because we were not able to offer them a position within what they considered to be a reasonable period of time, and they were accepting employment with civilian employers.

We found that the Title 38 hybrid system allows us to respond much more quickly and allow us to make a competitive offer to these scarce medical specialists and bring them on board at VA.

Chairman SPECTER. Senator Murray.

Senator MURRAY. Thank you, Mr. Chairman.

Mr. McClain, you heard my opening statement. Last week in a phone call, the VA gave direction to the VISN 21 leadership in my State to include closure of three VA facilities, American Lake, Walla Walla and Vancouver. Can you explain to this committee why headquarters is demanding a significantly redrawn plan for Washington State and VISN 21?

Mr. MCCLAIN. Senator, I am sorry I cannot. I am not specifically aware of this event that you are talking about. We did receive your correspondence, dated July 24th, essentially laying out the same parameters. Obviously, we have not had a chance yet to respond to this, but we will respond specifically to your——

Senator MURRAY. Can you tell me the timing on that?

Mr. MCCLAIN. As to when you will receive it?

Senator MURRAY. When we will get a response because my understanding is, from your under secretary who was in my office yesterday, that they will have their plan forwarded by the end of this week or early next week. We had 8 days to respond to the fact that you were closing or potentially closing three facilities.

Mr. MCCLAIN. Once again, I cannot address that in particular. I am familiar with the CARES process, which you have referenced in your correspondence, and part of the CARES process is that there is no firm national plan at this point. In other words, there are a lot of recommendations that need to be vetted nationally across-the-board.

The next step I believe is for the Secretary to provide a draft national plan to the CARES Commission to hold hearings, and the hearings will be held. They will be public, and there will be plenty of opportunity for everyone, including in the State of Washington, to have input into the draft plan before it becomes final.

Senator MURRAY. Well, the VISN 21 did give their plan. I think the Department has had it since April, and what it sounds like to all of us is that they did not like that response because it did show the increased need for care in my State and with our veterans population. It looked like, after months of reviewing it, the VA decided to rewrite the rules to get a response that they wanted, rather than listening to what the VISN 20 recommendations were in my State, and then gave them 8 days to say how they would rewrite their plan to close three facilities.

Mr. MCCLAIN. I understand your point. Unfortunately, I cannot talk specifically to those allegations, but we will respond.

Senator MURRAY. Well, let me just tell you that American Lake, which is Tacoma, provides significant care. It has primary care, a women's health clinic, a 76-bed nursing home unit, a substance abuse treatment program, a 60-bed homeless domiciliary and a post-traumatic stress treatment program, numerous programs that they put there.

The VISN report says that they will see a 33-percent increase in enrolled veterans in the Western Washington market that is served by American Lake and the Seattle Medical Center. So I do not understand how this now, they sent that to you and what you all send back is we did not like your report. We want you to close this facility.

I do not understand how that responds to the needs of our veterans. I know that people from the VA, obviously, Leo McKay, your deputy secretary said, and I will read you his quote,

> "We will work with veterans, VA employees, university affiliates and local and national elected officials to ensure everyone's concerns are heard as we enhance the quality of veterans' health care."

Well, this does not sound to me like they are working with anybody.

Mr. MCCLAIN. Well, once again, I cannot address the specific question you have laid out in your correspondence, but there is still a lot of work to be done both by the VA, and by the public and the veterans' service organizations in reviewing the draft plan, which will be sent to the CARES Commission in the near future.

Senator MURRAY. Well, Mr. McClain, I know you knew I was going to ask these questions today. So I find it kind of astounding that we do not hear any responses. Your office did call to ask what I was going to ask about. So I know you know I was going to ask about this.

I will tell you that the veterans in my State are up in arms over this. Mr. Chairman, they worked very hard to put their recommendations forward, and then to be given 8 days' notice that they have to change their whole plan, and to change the whole VISN to close three facilities is just an amazing turn of events, and I am very upset about this, and I would like to work with the committee to continue to work with this.

Chairman SPECTER. Well, Senator Murray, you articulate a real issue, and we will be looking forward to responses from the Veterans Administration, Mr. McClain.

Mr. MCCLAIN. Yes, sir.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. PATTY MURRAY TO TIM MCCLAIN, GENERAL COUNSEL, DEPARTMENT OF VETERANS AFFAIRS

Question. Can you explain to this committee why headquarters is demanding a significantly redrawn plan for Washington State and VISN 20?

Response. The Under Secretary for Health requested changes to the market plans as a result of reviews conducted during preparation of the draft National CARES Plan. This review was an integral part of the design of the CARES process to ensure that the plan was truly national in scope and not simply a compilation of the individual VISN market plans. Rather than undercutting the CARES process, this review and the proposed changes to the market plans were an effort to ensure that national, system-wide issues are adequately addressed.

When the Under Secretary reviewed the results of the market plans, he concluded that there were opportunities to realign campuses to improve the quality, access, and resource use by examining opportunities to move these campuses from inpatient to outpatient operations, i.e. by converting from 24-hour, 7-days/week to 8-hours, 5-days/week operations. He asked the VISN's to determine how this could be accomplished at selected sites with the provision that there would be no loss of services to veterans.

The realignments focused on moving long-term care sites to sites with an acute care presence because this would also improve access to diagnostic and therapeutic services for the long-term care population. In addition, the current physical environment in many sites, such as Walla Walla and White City, would require significant capital investment in older buildings. It would be more expensive to renovate such buildings than it would be to build a new Nursing Home, for example. Many patients served by long-term care facilities are often more dispersed geographically than those served by acute care facilities, and where contracting is combined with relocation of beds to other VAMC's, access may be improved.

With respect to the Vancouver campus, we believe we have an opportunity to put the campus to better use. It appears to be underutilized for inpatient care services,

and we may have an opportunity to improve access to outpatient services at another location.

The only changes in the VISN 20 market plan involved the three facilities indicated in the realignment analysis mentioned above.

Chairman SPECTER. We have just been notified the vote is in process. We have 10 minutes remaining.

Senator Rockefeller.

Senator ROCKEFELLER. I will try to stick to 3 minutes, Mr. Chairman. You have got 3 minutes on there.

First of all, I have to say that I am pleased, under 1156, and incidentally, Mr. McClain and Dr. Murphy, do not mess with Patty. You will end up in trouble. She is an appropriator.

I am very pleased at both the Beckley and the Lebanon, Pennsylvania, VA Medical Centers both are on the VA's list of priority medical construction projects, and I am very happy about that. But my question for you is this, and I think it is an impossible one for you to answer, and I am trying to make it appear that it is impossible for you to answer.

The Veterans Millennium Health Care Benefits Act in November 1999 required VA, and we worked hard to get this done, the first time since Medicaid, to provide non-institutional long-term care to all enrolled veterans who need it. It became law. We are now reauthorizing that.

A GAO report released in May confirmed my suspicions that these services are not being provided consistently throughout VA, and as a matter of fact, they are not even being provided consistently within my State of West Virginia. Now, if there is anything, people, nobody escapes in life, it is the need for long-term care. Nobody escapes that, unless they are hit by an automobile. I mean, nobody gets out.

So I understand that the VA is taking action to increase access to non-institutional long-term care service and to make access even more available across networks and facilities, and I am glad about that.

My question for you is this: If we expand the eligibility for VA nursing home care to include those veterans who have 50-percent service-connected disability or higher—and I favor that—what effect do you think this is going to have on your ability to provide both that? I ask both Dr. Murphy and Mr. McClain to provide both long-term care and nursing home. I do not think you have the budget to do it.

How are you going to do this?

Mr. MCCLAIN. First of all, I would certainly agree with you, Senator, that that is a question that I am probably not going to be able to answer. We believe that—of course, we are speculating—but we are trying to determine how this reduction from 70 percent to 50 percent service connected is going to have an impact. We think, first of all, as Senator Specter said, that it is going to cost us money, which you have just brought up. We also think that it may impact the speed with which we are trying to implement long-term care, extended care services——

Senator ROCKEFELLER. Do you remember how long that took to get the rules and regulations going?

Mr. MCCLAIN. Yes, sir. Yes, sir, it took quite a while.

Senator ROCKEFELLER. So I would just go on record, knowing I do not have any time here, that I am very, very concerned about this. Non-institutional long-term care is sacred for veterans. So are nursing homes. We under fund veterans' health care, your request and us. We are all at fault, and they are both necessary, and I have a feeling you are going to do more on nursing home than you are on non-institutional care, and that is what I fear. I just want to make that clear.

Thank you, Mr. Chairman.

Do you want to answer, Dr. Murphy?

Dr. MURPHY. I would like to comment.

We agree with you, Senator, that it is important to balance the availability of non-institutional and institutional long-term care and within available resources, we will do our best to do that. VA will not under fund the non-institutional care in favor of institutional care.

Senator ROCKEFELLER. Thank you.

PREPARED STATEMENT OF HON. JOHN D. ROCKEFELLER IV, U.S. SENATOR FROM WEST VIRGINIA

Thank you, Mr. Chairman, for scheduling this Committee hearing today giving us an opportunity to discuss some critically important issues concerning VA health care.

Last week, many of us watched as Army Private First Class Jessica Lynch returned home to West Virginia. Jessica was flown home from the Walter Reed Army Medical Center, where for several months she had been receiving treatment and rehabilitation for injuries she received during an ambush in southern Iraq on March 23. The Nation and the world were waiting to see her again, and to hear from her for the first time since her rescue from a hospital in Nasiriyah. It was a proud day, indeed.

Jessica, and all the young men and women serving today in Iraq, and on active duty around the world, remind us of why the Department of Veterans exists, and they are also a gentle reminder of the important work we do here on the Senate Committee on Veterans' Affairs.

I believe that what we have accomplished over the years in this Committee has been some of the most important work done in the United States Senate. And I look forward to the important work that lies ahead.

Today, among other topics, we will be discussing crucial legislation relating to VA health care. And while all of the bills on the agenda are important, 1'd like to use my opening statement to say just a few words about two specific issues—the CARES initiative and long-term care for veterans.

I am pleased to be a cosponsor of Senator Graham's bill that would require VA to give Congress a 60-day period for review of the CARES recommendations before any action can be taken by the Secretary of the Department of Veterans Affairs.

While I understand the importance of the concept of CARES, it is critical that we don't go too far with this initiative. For no matter how well the VA health care system provides preventative care for veterans, there remains a certainty. Because of the enormous increase in enrolled veterans, the ages of the majority of our veterans today, and the very nature of the diseases and injuries seen at our VA medical centers, we will continue to need hospital beds and specialty care close to where our veterans live. Of particular concern in this process is how VA accounts for the tremendous demand in both long-term care and mental health care.

On the subject of long-term care for veterans, I know that I don't have to remind anyone here that this has been, and remains, a priority for me. The extension of the long-term care services mandated by the Millennium Health Care Bill, both non-institutional and nursing home care, is critically important to veterans and their families in every State in this Nation. In March of this year, I introduced S. 836 that would extend these long-term care initiatives, so I am glad to see this provision included in S. 1156.

Unless the provisions of the current law are extended, veterans' long-term care is in jeopardy, and that is just unacceptable. I am not happy that it took VA 2-years after the mandate to issue a directive to the medical centers about the non-institutional home care package available to all enrolled veterans, and that delay has left

little time to effectively review the success of the program or to make appropriate adjustments.

I look forward to hearing more about the provision to expand the eligibility for VA nursing home care from 70 percent service-connected veterans to 50 percent. Many of our aging veterans are suffering from strokes or debilitating diseases, such as Alzheimer's or Parkinson's. Some have very limited resources and depend upon VA. And in spite of the critically important non-institutional long-term care services available to all enrolled veterans, a number of spouses are still unable to keep their loved ones at home because the demand for care is so great.

While I wish VA could provide nursing home care to all enrolled veterans—just as they are suppose to be doing with the non-institutional long-term care services—and while I support expanding VA nursing home care to include service-connected veterans rated above 50 percent, it would be imperative that VA receive the resources to be able to do both. Otherwise, we could be adding a benefit at the expense of another.

Recently, I ran across a copy of a House Committee on Veterans' Affairs Subcommittee hearing held in my State of West Virginia in the spring of 1984—almost 20 years ago—and almost a year before I came to the Senate. The Subcommittee Chairman then, Bob Edgar from the State of Pennsylvania, said at that hearing, and I quote:

> "One of the important purposes of our field hearings is to learn how the medical center directors are planning for the significant increase in demand for health care caused by the aging veteran population. This rapidly aging population not only places a heavy demand on the VA for nursing home care, but also hospital care resulting from acute episodes of chronic illness. We must cope with the present demand. However, we must also be prepared to accommodate the future demand."

Today, 20 years later, the same is true. Today's hearing gives us an opportunity to again address these vital concerns, and make every effort to make sure we are prepared—both today and tomorrow. Thank you.

Chairman SPECTER. Thank you very much, Senator Rockefeller.

Well, thank you all very much for coming, ladies and gentlemen. We are always under time constraints. We regret that time is so limited. It may be worth repeating, in less than 3 minutes, the sequence of events at the memorial service for Ambassador Walter Annenberg which was recently held in Philadelphia, and the speakers included President Ford, and Secretary of State Colin Powell, Arlen Specter and others. We were all limited to 3 minutes.

So thank you all very much.

[Whereupon, at 4:44 p.m., the committee was adjourned.]

A P P E N D I X

PREPARED STATEMENT OF HON. BEN NIGHTHORSE CAMPBELL, U.S. SENATOR FROM COLORADO

Mr. Chairman, thank you for holding this hearing on proposed legislation relating to VA health care benefits and construction projects.

And, I thank you for this opportunity to talk with you about my legislation, S. 613, the Veterans' Fitzsimons Health Care Facilities Act, which authorizes the VA to move its Denver medical facilities to the former Fitzsimons Army base in Aurora.

I want to say right in the beginning, that I realize that moving the VA hospital to the Fitzsimons campus will cost a lot of money. I understand, too, that you, Mr. Chairman, have a project in Lebanon that you have been wanting to fund for some time, and that you, Bob, have projects in your State that need attention.

But, every now and then an opportunity arises that should not be passed up . . . one that will not only save money, but one—which if passed up—will cost more in the future. The VA relocation to Fitzsimons is that kind of project.

WHAT YOUR BILL DOES

My bill would authorize the Secretary of Veterans Affairs to construct, lease or modify major medical facilities at the site of the former Fitzsimons Army Medical Center.

Specifically, it would authorize $300 million for direct construction, or a combination of direct construction and capital leasing, or $30 million a year for capital leasing alone.

And it would give the Secretary of Veterans Affairs the authority to choose how best to proceed with this project. This authority would prevent funds for this project from being taken from patient care.

It also instructs the Secretary to work with the Department of Defense in planning a joint Federal project that would serve the health care needs of active duty Air Force and the VA.

HISTORY OF THE PROJECT

Mr. Chairman, since the end of WWII the Denver Veterans Medical Center, and the University of Colorado Health Sciences Center and the University of Colorado Hospital have been partners at the University's campus in Denver. This partnership has included the sharing of faculty, medical residents and staff, and access to equipment.

The University of Colorado Health Sciences Center has already moved its facilities from its overcrowded location near downtown Denver to the Fitzsimons site, a decommissioned Army base, which is eight miles away. This leaves the VA Medical facilities in the downtown area without the advantages of the shared facilities.

At the new 217 acre campus, an outpatient and cancer pavilion, an eye institute, and a Native American Health Sciences building have already been completed. Research towers are being built and Children's Hospital in Denver has agreed to relocate to the complex. On the site, too, is a State Veterans' Nursing Home.

THE PLAN

As I understand, the relocation plans would have the VA build its own ambulatory care center. This new Federal tower would be located next to the University of Colorado Hospital. The VAMC would share expensive facilities and services such as operating rooms, recovery beds, imaging and radiology, labs and other specialized services with the University of Colorado Hospital. And, if the DOD decides to be part of the project, it would share part of the building and use beds in this new Federal tower.

REASONS TO MOVE

Mr. Chairman, the need to move is pressing. The present VA hospital was built in the 1950's. While still able to provide service, the core facilities are approaching the end of their useful lives and many of the patient care units have fallen horribly out of date.

The cost of maintaining the current VA hospital to satisfy accreditation levels until 2020 has been estimated to be $233 million, and estimates to rebuild the facility in 2020 are $377 million, in today's dollars. The estimated cost to relocate the VA Hospital to Fitzsimons is $300 million. And, the cost to the VA could be as much as 10 percent less with the DOD deciding to be part of the project.

Studies indicate that co-location with the University on a state-of-the-art medical campus would be a cost effective way to give veterans the highest quality of care.

Veterans who have highly specialized needs would have easy access to the best diagnostic and treatment programs in the nation.

A move to the new location would also provide a tremendous opportunity to showcase a nationwide model of cooperation between the University, the Department of Veterans Affairs and the Department of Defense.

SUPPORT FOR THE PROJECT

This project has the support of more than 45 local, State and national Veterans' Service Organizations, the entire Colorado delegation, the United Veteran's Committee of Colorado which represents 42 VSO's, and the University of Colorado. Also, the Government Employees Local 2241 has expressed its approval for this proposal.

Recently, I have had conversations with Secretary Principi and contact with Dr. Robert Roswell's office and understand that they think now is the time to consider the relocation.

CLOSING

Mr. Chairman, we owe it to our veterans to give them the most up-to-date, comprehensive and cost-efficient medical care available.

I believe the relocation of the Denver Veterans Medical Center to the former Fitzsimons site offers us a unique opportunity to provide the highest quality medical care for our veterans.

I look forward to working with this committee in passing S. 613 and bringing this project to completion.

Thank you, Mr. Chairman.

PREPARED STATEMENT OF HON. ZELL MILLER, U.S. SENATOR FROM GEORGIA

Good afternoon. I want to thank the Chair and Ranking Member for having this hearing to address health care related legislation.

At a time when over 150,000 service members are deployed in Iraq, it is important for Congress to address the circumstances and concerns of our soldiers. As we all know, when the Active Duty and Reservists return from fighting in Iraq, they may need the services offered by the VA. It is vitally important that when these soldiers return, they receive the services they have earned.

Even though I understand the VA's budget dilemma, limiting the commitment to our veterans comes at great expense. It is my hope that Congress and the Administration can continue to work together to find solutions that adequately address VA's health care budget concerns, without greatly limiting necessary services to our veterans.

We have the best military in the world. It is essential for us to do everything we can to help these men and women when they return from combat or separate from the Service. Many of these bills will ensure that veterans are fairly compensated for putting their lives on the line to protect the Nation's freedom.

I thank the Chair.

PREPARED STATEMENT OF BOBBY HARNAGE, NATIONAL PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

Dear Chairman Specter and Ranking Member Graham: On behalf of the American Federation of Government Employees (AFGE), AFLCIO, and the 600,000 Federal and DC government employees we represent, we wish to raise our concerns regarding S. 1156, S. 613 and S. 1283, which will be considered by the Senate Veterans Affairs Committee.

S. 1156—VETERANS CANTEEN SERVICE EMPLOYEES

We greatly appreciate that Chairman Specter included in S. 1156 a provision to address the inequity in the Veterans Service Canteen (VCS), whereby managers but not rank-and-file employees are able to transfer to competitive service positions within the Department of Veterans' Affairs (VA).

VCS employees who are non-supervisors work in food service and sales clerk positions at the VA. According to OPM, working full-time these employees earn an average salary of $18.192 (before taxes), after an average of 8 years of service. VSC employees are Federal employees appointed under 38 U.S.C-7802, which is a merit-based system.

Appointments for V5C employees, however, are only subject to the provisions of Title 5 with respect to veterans' preference, workers' compensation, and retirement. VCS employees are paid through non-appropriated funds. Because VCS employees are appointed without regard to Title 5 competitive civil service rules these workers are not considered in the Federal civil competitive service. As a result, rank-and-file VSC workers are prohibited from applying for VA food service positions, nursing assistant positions or any jobs at the VA as an internal competitive service candidate.

Even after 8 years of service at the VA, a VSC employee cannot transfer to another job at the VA without first going through a civil service competition, as if he or she had never been a Federal employee. This is wrong and unfair.

VSC supervisors and managers are also appointed under the same statutory authority (38 U.S.C. 7802) but they can easily transfer into other Federal jobs as if they were originally appointed under Title 5 competitive service. The Office of Personnel Management (OPM) has approved a personnel interchange agreement for VSC managers only. The VA has repeatedly requested approval of a similar interchange agreement for VSC hourly employees but OPM has rejected these requests.

AFGE supports Section 302 of S. 1156 to allow VCS employees to transfer into competitive service jobs more easily. We believe this will provide upward mobility for dedicated employees and could help VA recruit needed nursing assistant staff.

In the 10th Congress the Senate Veterans Affairs Committee approved legislation (S. 2043) which contained an identical provision, but the Senate did not have an opportunity to vote on the legislation prior to the end of the 107th Congress. We appreciate the bipartisan support this provision has received and ask that the Senate Veterans Affairs Committee continue to support the provision concerning canteen workers.

S. 1156—CONVERSION OF TITLE 5 HEALTH CARE WORKERS TO TITLE 38–TITLE 5 HYBRID STATUS

We understand that Section 301 of S. 1156, which authorizes the Secretary of the VA to convert possibly all Title 5 positions in the VA to Title 38–Title 5 status, is intended to assist the VA in recruiting and retaining needed staff. We have long advocated that the VA is understaffed and look forward to working with the Committee on a number of approaches to ensure that the VA maintains safe and adequate staffing levels which are needed to ensure veterans with timely access to health care.

We have a number of concerns with the conversion of staff to hybrid status as currently drafted in Section 301.

Section 301 specifically lists 19 new occupations to covert into hybrid status but the provision gives the VA Secretary carte blanche to convert virtually all Title 5 employees into hybrid Title 38–Title 5 status. Section 301 authorizes the Secretary to designate other positions as necessary to the medical care of veterans into the Title 38–Title 5 hybrid status. AFGE is concerned that could be viewed as a broad mandate for the Secretary to move every position in the Veterans Health Administration out of Title 5 and into Title 5–Title 38 status. AFGE opposes giving the Secretary such broad unilateral discretion to change the legal rights of such a broad group of employees.

We urge the Committee to consider the possible unintended and adverse consequences of converting any employee from Title 5 to Title 38–Title 5 hybrid status.

1. Loss of Collective Bargaining and Union Representation

Current Title 5 employees who work in the VA and are represented by AFGE have negotiated procedures for promotions to make sure that promotional opportunities are posted and decisions are made fairly, under equitably procedures and based solely on job-related criteria. Employees can grieve when such negotiated equitable and merit-based procedures and requirements are violated. Should Section 301 of

S. 1156 be adopted by the Committee as currently drafted all employees who are converted to hybrid status will lose these negotiated rights.

Many current hybrid employees and Register Nurses have repeatedly voiced concerns with the arbitrariness, subjectivity and inconsistency in their promotion process, which is totally at VA's unilateral discretion to establish and change. We see no reason to take this flawed system as the model for thousands of VA employees who currently can negotiate a fairer, more objective process.

We fail to see how it is in the interests of VA's ability to retain and recruit employees to erode the ability of professionals to participate in setting the procedures for merit-based promotions.

AFGE stands ready to work with the Committee to ensure that this unintended and adverse consequence of converting thousands of employees to hybrid status is corrected

2. Potential Erosion of Pay

Under 38 USC 7451, the Secretary has the authority to place all hybrid occupations into the pay system for VA's Registered Nurses. Specifically, 38 USC 7451(a)(2) defined positions covered under the VA RN pay system as "(A) registered nurse and (8) positions referred to in paragraphs (1) and (3) of section 7401 as the Secretary may determine." Section 7401 (3) is the section listing occupations which are considered to be Title 38–Title 5 hybrids and that S. 1156 expands to explicitly include 18 new occupations and to implicitly include all occupations employed at VA Medical facilities. Therefore, the Secretary has discretion to put hybrids in to a nurse pay system and out of the Title 5 pay system, know as the General Schedule (GS).

Although the Secretary has not exercised this authority with current hybrids, and may not intend to use this authority, the VA Secretary has the right to unilaterally place the thousands of Title 38–Title 5 hybrid employees into the nurse locality pay system if this legislation is enacted as drafted. Employees under the nurse locality pay system are only entitled to the GS nationwide pay raise not the GS locality pay increase. VA Medical Directors have absolute discretion to grant or deny the GS locality pay raise. VA Medical Directors have frequently denied employees under this pay system the GS locality pay raise. It is also not clear whether hybrid employee placed under the VA RN pay system would continue to be eligible for annual step increases.

AFGE stands ready to work with the Committee to ensure that employees under the hybrid system are not at risk of having their pay eroded.

3. Veterans' preference

Veterans' preference requirements and "merit" requirements apply to the Title 38–Title 5 hybrid system and the Title 5 competitive service system. However, because the hybrid system permits VA management maximum flexibility in hiring there are little or no checks against management's avoidance of hiring veterans' preference eligible candidates. AFGE urges greater accountability under the hybrid hiring system to ensure that all qualified candidates are given a fair chance and that veterans' preference is continued in hiring. We look forward to working with the Committee to ensure that the broad discretion VA is given for hiring under hybrid status is not abused.

4. Summary

Because of the significant adverse consequences of converting thousands of employees from Title 5 personnel rules to Title 38–Title 5 personnel rules AFGE must oppose Section 301 of S. 1156. We stand ready to work with the Committee to correct these serious, albeit unintended, problems with the Title 38–Title 5 hybrid system.

S. 613

S. 613 authorizes the Secretary to carry out major medical facility projects at the former Fitzsimons Army Medical Center in Aurora, Colorado. Projects to be carried out at the site will be selected by the Secretary and may include inpatient and outpatient facilities providing acute, sub-acute, primary, and long-term care services. The Secretary has two options: One is direct construction by the VA through a combination of direct construction and capital leasing. The other option is through capital leasing alone. AFGE is steadfastly opposed to the blanket authorization in S. 613.

AFGE Local 2241 represents health care workers at the Denver facility. We are concerned that this authorization will enable the VA to privatize the work of many

employees, including employees with veterans' preference, with no real enhancement in services for veterans.

AFGE is adamantly opposed to any option that would essentially integrate Denver VA medical center patients into the patient population of the University of Colorado Hospital. Integrating these two entities by allowing VA to lease part of the facility would fundamentally change the way VA provides care.

Absent from S. 613 are key elements to ensure collaboration benefits veterans AFGE is opposed to S. 613 because it leaves silent governance issues ensuring that VA leadership has direct line authority and accountability for veterans' health care, ensuring dedicated space and a distinct VA presence, ensuring that facility staff remain Federal (VA) medical center employees, ensuring that current VA procedures and policies for the provision of appropriate pharmaceuticals, supplies and prosthetics be maintained, and ensuring that no VA staff lose their jobs as a result of the integration. We believe that these issues must be resolved and explicit in the legislation before any authority is provided to proceed.

S. 1283

S. 1283 gives Congress an oversight role over the VA's Capital Asset Realignment for Enhanced Services (CARES) planning initiative, a process that will likely eliminate beds and close facilities. The legislation allows Congress 60 days to review any actions proposed by the Secretary of Veterans Affairs under the CARES process. AFGE believes this legislation is an important first start in ensuring that Congress has a real say in VA capacity to provide veterans with needed care and services, including long-term care and treatment for substance abuse and mental illness.

AFGE remains concerned that notice and 60-day reviews may not be adequate, given the scope of changes being proposed by the VA and the problems encountered in VA's phase I of CARES.

It is our understanding that the total cost of the "enhanced services" component of the CARES proposals is at least $5.8 billion. Given the Administration's repeated failure to request adequate funds for veterans' health care, we are concerned that these enhancements will not be fully funded. Without funding for "enhanced services" they become empty promises after the VA has already closed beds and facilities, reduced staff and diminished existing programs and services. In addition to enacting the notice and review requirements of S. 1283, AFGE urges the Committee to consider adding legislation language to prohibit the VA from reducing any facility from 24-hour care to 8-hour care, or not staffing for or eliminating acute care, spinal cord injury, long-term care, psychiatric care, or substance abuse beds at any facility until funds have been authorized and appropriated for "enhanced services" under the CARES proposals. In short, the CARES reductions and elimination in beds and staff cannot occur until the VA and Congress show veterans the money for enhancements.

Chairman Specter and Ranking Member Graham, thank you for bearing in mind AFGE's concerns and views as you consider S. 1156, S. 613 and S. 1283. If you or your staff would like to discuss our concerns and views please contact Linda Bennett, in AFGE's Legislative Department, at (202) 639–6456.

PREPARED STATEMENT OF JANE NYGAARD, PRESIDENT, AFGE LOCAL 3669 AND JAY PRICE, PRESIDENT, AFGE LOCAL 1969

Dear Chairman Specter and Ranking Member Graham: We are writing you today in support of S. 1282, which would allow us to name the Minneapolis VA Medical Center after the late Senator Paul Wellstone. As you know for many years Senator Paul Wellstone was a very active member of the Senate Veterans Affairs Committee and a strong advocate for veterans and the workers who cared for them.

Senator Wellstone was passionate in advocacy for veterans. He listened to veterans, regularly visited our medical facility and was a voice for veterans in the Senate. He was a champion of the Independent Budget, was relentless and compassionate of the needs of vulnerable veterans—the homeless, the mentally ill, the frail and elderly. He sought vindication for veterans who had been exposed to radiation. Senator Wellstone's strength as an advocate lay in his humility to listen to veterans and his unwavering belief that our Nation would not and could not forget the men and women who fought for our freedoms. He truly cared for all veterans and they cared for him.

I was with him when he received the National Endorsement from the Veterans of Foreign War. Did he deserve it? Absolutely!! He said it was one of the highlights of his career. Let us never forget his true character, someone who stood up for his convictions and supported the causes of those less fortunate. He was a man of his

word, and he acted on it. Every day our members honor veterans by tending to their physical and emotional wounds from war. We, who work at the Minneapolis VAMC, think it is a fitting and just tribute to name our facility after a passionate and compassionate veterans' advocate, the late Senator Paul Wellstone.

PREPARED STATEMENT OF ROY S. HANSEN, ADJUTANT, DISABLED AMERICAN VETERANS, DEPARTMENT OF MINNESOTA

Dear Senator Graham: Thank you for sponsoring the Senate Bill on naming the Minneapolis VA Medical Center in Honor of Senator Paul Wellstone, the Best Friend those of us in the Disabled American Veterans ever had.

As you know we adopted a resolution to that effect at our State Convention in May.

Our members, at least 80–90 percent belong to other veterans organizations such as the American Legion, Veterans of Foreign Wars, Vietnam Veterans groups and while not speaking for them, I can say we are representative of the 420,000 Veterans in Minnesota when I say to you, we all owe Senator Paul Wellstone our gratitude.

Thank you so much.

PREPARED STATEMENT OF RICHARD C. SCHNEIDER, NATIONAL DIRECTOR, VETERANS AND STATE AFFAIRS, NON-COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

Dear Senator Graham: The Non-Commissioned Officers Association of the United States of America (NCOA) fully supports the proposed legislation contained in Senate 1289 to rename the existing Minneapolis VAMC after the late Senator Paul Wellstone of Minnesota. NCOA greatly appreciates your leadership in this matter.

The membership of NCOA held former Senator Wellstone in great esteem for legislation he championed in the U.S. Senate on behalf of Active Duty Military Personnel; Guard, Reserve, all American veterans, and the families of each group. His efforts and clarity of message on behalf of America's homeless veterans were monumental contributions to the passage of a law to end veteran homelessness in a decade.

This Association conveyed its premier Legislative Vanguard Award to Senator Wellstone just prior to his untimely death in 2002. The Legislative Vanguard Award is the highest award that NCOA may present for legislative achievement on behalf of its membership.

The proposed designation of the Minneapolis VAMC as the Paul Wellstone Memorial Veterans Hospital honors an individual whose national legislative achievements championed military and veteran entitlements widely recognized and of direct benefit to all who serve or have served.

PREPARED STATEMENT OF DENNIS CULLINAN, DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS

Dear Senator Graham: On behalf of the 2.6 million men and women of the Veterans of Foreign Wars of the United States (VFW) and our Ladies Auxiliary, I would like to offer our strong support for S. 1283, legislation that would rename the VA Medical Center in Minneapolis, Minnesota, after the late Paul Wellstone, former Senator and tireless advocate for America's veterans.

Paul Wellstone constantly and consistency crusaded and championed for the many issues that were of vital interest to our veteran population. He was tenacious in his efforts to assure passage of legislation that would provide for those veterans suffering from radiation exposure, Gulf War illness, and those in need of VA health care.

He took great efforts to ensure that veterans received the proper care and treatment they earned. Through their service in defense of this country. Naming this VA Medical Center is a fitting tribute to the long legacy he left behind after his tragic accident.

We thank you for introducing this legislation, and we look forward to working with you to ensure its success.

PREPARED STATEMENT OF STEVE VAN BERGEN, STATE COMMANDER, DEPARTMENT OF MINNESOTA, VETERANS OF FOREIGN WARS

Dear Senator Graham: We wish to inform you that on Saturday, July 19th in Spring Lake Park, MN the State VFW Council of Administration took action on a request by our National VFW Legislative Office to indicate our support for your legislation to name the VA Medical Center in Minneapolis the "Paul Wellstone Department of Veterans Affairs Medical Center".

The VFW Council rollcall vote was unanimous in support of your legislation as well as from our Ladies Auxiliary.

Thank you for your concern.

PREPARED STATEMENT OF THOMAS H. COREY, NATIONAL PRESIDENT, VIETNAM VETERANS OF AMERICA

Dear Senator Graham: On behalf of the membership of Vietnam Veterans of America (VV A), I express our full support of S. 1289 renaming the Department of Veterans Affairs Medical Center in Minneapolis, MN after Senator Paul Wellstone.

Senator Graham, in 2001 Wellstone led the fight for passage of Public Law 107–95, the Homeless Veterans Comprehensive Assistance Act of 2001, which he sponsored. The bill was stalled in Congress and Senator Wellstone held his ground and did not agree to any Senate conferences or bills until this legislation was passed in the Senate. He succeeded in his efforts and the first comprehensive legislation to assist homeless veterans was passed and signed by the President.

"Paul Wellstone was one of the most thoughtful and vocal advocates for veterans' affairs", his leadership, skill, and impassioned pleas for justice for America's veterans will stand as a testament to his devotion to our country and those who defend it.

"If not for Senator Wellstone's tenacious leadership and dogged determination, the veterans exposed to ionizing radiation would never have gotten any redress. Senator Wellstone was one who supported veterans when it was tough and spent political capital to assist securing justice for veterans."

VVA would like to thank you for introducing this legislation and any support that you may need in securing passage of this important bill, please feel free to contact Rick Weidman, Director of Government Relations at (301) 585-4000 ext. 127.

PREPARED STATEMENT OF FREDERICK ROCHELLE, FORMER PRESIDENT, ST. PAUL CHAPTER, VIETNAM VETERANS OF AMERICA

Mr. Chairman, Mr. Ranking Member, and Members of the Committee. Thank you for giving me the opportunity to offer testimony about my strong and enthusiastic support in favor of S. 1289, a bill to name the Department of Veterans Affairs Medical Center in Minneapolis, Minnesota, after Paul Wellstone.

As a veteran of both the Air Force and the Army and as a past President of the St. Paul Chapter of the Vietnam Veterans of America, I followed with great interest, Senator Wellstone's legislative efforts on behalf of veterans in Minnesota and around the nation. Though not a veteran himself, Senator Wellstone demonstrated an unparalleled commitment to secure veterans' benefits and even expand them to often-overlooked populations, such as homeless and disabled vets.

Beyond his efforts in Washington, Senator Wellstone was an active member among the veterans community in Minnesota. He often visited the Minneapolis VA Medical Center to speak with vets and determine how the health care system was functioning. For his efforts and involvement, Senator Wellstone was awarded numerous distinctions from various veterans service organizations, including: the 1995 Legislator of the Year Award from the Vietnam Veterans of America; the 1995 Patriot Award from the Paralyzed Veterans of America; the Congressional Leadership Award from the Forgotten 216th; the 1997 Distinguished Citizen Award from the Minnesota Veterans of Foreign Wars; the 2002 Distinguished Science Award from the Disabled American Veterans; the 2002 Legislative Leadership Award from the National Coalition for Homeless Veterans; and the Vanguard Award for Legislative Achievement by the Non-Commissioned Officers Association.

I note that the Disabled American Veterans of Minnesota has already passed a resolution supporting the renaming of the Minneapolis facility.

On a personal note, I will always remember Paul as the man who wanted to right the wrongs that have been placed upon veterans and many other groups of people. In Committee and on the floor of the Senate, he spoke with passion and conviction

to make changes for who he called "the forgotten ones." He always stayed the course without regard to the political ramifications.

Senator Wellstone, through his tenure, held many group and one-on-one meetings with myself and many other of my fellow veterans to hear our pleas, and if it was the right thing to do, he fought with all he had to right the wrongs. He was honored in life by the above referenced veterans' groups because of what he did. Let us recognize this great man by renaming in his honor the Minneapolis VA Medical Center, a place Paul held dear to his heart.

I urge the Members of this Committee to support and pass this legislation. Thank you.

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