

**STATEMENT OF
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COMMANDER
OF THE
DISABLED AMERICAN VETERANS
DEPARTMENT OF NEW JERSEY
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
FIELD HEARING
APRIL 30, 2002**

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

On behalf of the more than 27,400 members of the Disabled American Veterans (DAV) Department of New Jersey, I am pleased to provide DAV's views on the Veterans Equitable Resource Allocation (VERA) formula that apportions federal funding for veterans' health care to Veterans Integrated Service Networks, and the recent General Accounting Office and VA Inspector General reports calling for changes to that formula.

Year after year, federal funding has failed to keep pace with medical care inflation and the mounting financial burden for veterans' health care caused by rising costs and increasing demand for medical services. This has severely hampered timely access to quality health care for our nation's sick and disabled veterans.

Solving this problem will require a fundamental change in the way government funding is provided for the VA medical care system. Federal legislation would be required to make VA medical care an entitlement and shift it from a discretionary to a mandatory funding program.

Making veterans' health care funding mandatory would eliminate the year-to-year uncertainty about funding levels that has prevented the VA from being able to adequately plan for and meet the constantly growing needs of veterans seeking treatment.

An entitlement program guarantees a certain level of benefits to persons who meet requirements set by law, such as VA disability compensation, Social Security, or unemployment benefits. Because funding for these programs is mandatory, it leaves no discretion with Congress on how much money to appropriate, and some entitlements carry permanent appropriations.

If veterans' health care were a mandatory program, the government would have to provide sufficient funding for the VA to treat those veterans who meet the statutory requirements for care. Veterans would not have to fight for adequate funding in the budget and appropriations process every year as they do now.

It has been the DAV's firm conviction that veterans have earned the right to VA medical care by virtue of their extraordinary sacrifices and service to our nation. In fact our membership

has adopted two national resolutions regarding this issue. One calls for the VA to provide timely and adequate health care services to wartime service-connected disabled veterans. The other supports enactment of federal legislation giving service-connected disabled veterans priority for VA medical care unless compelling medical reasons indicate otherwise.

The Veterans' Health Care Eligibility Reform Act of 1996, which the DAV supported, greatly expanded access to VA health care. This was an important step toward meeting veterans' medical needs.

But as long as veterans' health care remains a discretionary program, funding levels will continue to be decided each year through an annual appropriations bill. Currently, the law imposes limits, or "caps," on annual discretionary spending. Within the cap, however, the President and Congress can, and often do, change the spending levels from year to year for the thousands of individual federal spending programs. And the competition for those discretionary funds is fierce.

The cumulative effects of years of unpredictable and inadequate funding have had a devastating and irreversible impact on the VA medical system. Rationed health care is no way to honor America's obligation to the brave men and women who have so honorably served our nation. Sufficient funding levels are required in order for the VA to treat veterans in need of care. And the VA must be held accountable for providing high quality care in a timely manner.

The DAV will continue working with members of Congress and others to build support for our efforts to ensure a reliable, adequate level of funding for VA medical services which is essential to fulfilling our nation's moral obligation to care for America's sick and disabled veterans.

Should Congress fail to act upon our proposal to make funding for VA health a mandatory program, action should be taken to make the VERA formula more equitable so that sick and disabled veterans can receive timely, quality health care when necessary. However, regardless of how the VERA formula is readjusted, the total level of funding is inadequate to care for all veterans who are currently enrolled in the system.