

**STATEMENT OF
EDWARD R. HEATH, SR.
NATIONAL COMMANDER
OF THE
DISABLED AMERICAN VETERANS
BEFORE THE
COMMITTEES ON VETERANS' AFFAIRS
U.S. SENATE/U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.
FEBRUARY 25, 2003**

MESSRS. CHAIRMEN AND MEMBERS OF THE VETERANS' AFFAIRS COMMITTEES:

On behalf of the more than 1.4 million members of the Disabled American Veterans (DAV) and its Auxiliary, it is an honor and a privilege to appear before this joint meeting of the United States Senate and House of Representatives Veterans' Affairs Committees to discuss the legislative agenda and foremost concerns of our nation's wartime service-connected disabled veterans, their families and survivors.

Before I discuss the critical issues facing disabled veterans, I congratulate you, Senator Specter, on your election as Chairman of the Senate Veterans' Affairs Committee, and you, Senator Graham, on your election as the Ranking Democrat on this Committee. I also congratulate returning Chairman and Ranking Democrat of the House Veterans' Affairs Committee, Representatives Chris Smith and Lane Evans, respectively.

Also, let me convey the thanks and the sincere appreciation of the DAV for the support your Committees have given us. During the second session of the 107th Congress, the members of these committees worked hard, returning after elections to pass legislation that was important to disabled veterans, and we are especially grateful for your efforts.

Last year, legislation enacted into law to provide new or enhanced benefits and services to disabled veterans and their families addressed many DAV legislative goals. These measures included:

- authorization for special monthly compensation for the loss of 25 percent or more of breast tissue for women veterans who have service-connected mastectomies or who have received radiation treatment of breast tissue
- clarification of judicial review standards applied by the Court of Appeals for Veterans Claims
- expansion of the jurisdiction of the Court of Appeals for the Federal Circuit over decisions of the Court of Appeals for Veterans Claims
- authorizing the award of Equal Access to Justice fees for nonattorney representatives practicing before the Court of Appeals for Veterans Claims
- allowing the Department of Veterans Affairs (VA) to contract with outside scientific experts to study veterans' exposure to acoustic trauma during military service

- continuation of Veterans' Mortgage Life Insurance coverage beyond the age of 70 for eligible veterans
- retention of CHAMPVA benefits for remarried surviving spouses 55 years or older
- Combat Disabled Special Compensation for military longevity retirees
- the Jobs for Veterans Act
- the Veterans' Compensation Cost-of-Living Adjustment Act of 2002

These new or enhanced benefits and services will improve the lives of disabled veterans and their families. Again, we are very grateful for your efforts.

Although not passed in the 107th Congress, DAV is extremely grateful to Representatives Smith and Evans for their courageous action to introduce legislation to guarantee funding for VA health care to ensure that veterans have timely access to necessary health care provided by VA. Thank you for your heroic action on behalf of the men and women of the DAV. I will discuss this significant legislation in more detail later.

Messrs. Chairmen, today, another generation of young American men and women have been placed in harm's way to protect our way of life. Tens of thousands more have been leaving the comforts of home and their families to deploy to the Persian Gulf region in the event of war with Iraq.

We must help our nation give those veterans who may become disabled as a result of hostilities the tools they need to restore their lives, because they are our heroes. We can morally do no less.

We are asking a great sacrifice of these young men and women, and of their families. We must be there when they turn to us for our help. Our nation's gratitude must not be limited to caring for their wounds, but to fully restoring their lives. Unfortunately, our finest and best young Americans will be the price of war. Let us make sure we are prepared to care for them when they need us the most.

Let us not overlook that caring for those disabled in service to our country and in the defense of our way of life is a continuation of the costs of war. Far too often, our government fails to remember this very critical fact. Let us be mindful that a young man or woman injured in the War on Terror will need the services of VA well into 2050, long after the guns fall silent and the memories of this war have faded from the minds of most Americans.

Messrs. Chairmen, I would be remiss in my duties as National Commander of this great organization if I did not take a few minutes to provide some insight into the DAV—who we are and what we do—particularly for the benefit of the new members of your Committees. I am extremely proud of what we stand for and what we have accomplished through the dedicated efforts of our members, some who serve as our corps of volunteers, those who serve as National Service Officers (NSOs), and those in leadership roles at all levels of the DAV.

Since its inception in 1920, the DAV has been dedicated to one, single purpose: building better lives for our nation's disabled veterans and their families. During the past 83 years, the

DAV has never wavered in its commitment to serve our nation's service-connected disabled veterans, their dependents and survivors.

In fulfilling our mandate of service to America's service-connected disabled veterans and their families, the DAV employs a corps of 238 NSOs, located throughout the country in 71 DAV National Service Offices. All our services are provided free of charge to any veteran, his or her dependents or survivors. Between July 1, 2001 and June 30, 2002, these men and women, all wartime service-connected disabled veterans, represented almost a quarter of a million veterans and their families in their claims for VA benefits, obtaining for them more than \$2.4 billion in new and retroactive benefits.

For benefits counseling and assistance in filing initial claims, the DAV has hired and specially trained 24 Transition Service Officers (TSOs) who provide these services at military separation centers, under the direct supervision of DAV NSOs. This initiative corresponds to goals in the strategic plans of both VA and the DAV. By accepting and deciding compensation claims at separation centers where the service medical records and examination facilities are readily available, VA's strategic plan envisions better, more prompt service to veterans in a way that is also more efficient and effective for VA.

During 2002, DAV TSOs conducted 1,411 briefing presentations for 45,734 transitioning servicemembers. During that same time frame, our TSOs conducted 24,035 personal interviews and filed more than 18,616 claims for benefits.

The DAV's Mobile Service Office (MSO) program is part of the same goal. By taking our service offices to rural America and assisting veterans where they live, the DAV is improving accessibility to the benefits our nation provides for veterans. The DAV initially put 12 of these specially equipped MSOs on tour to make stops in communities across the breadth of the country. Currently, DAV maintains ten MSOs, while our Departments of Florida and Missouri each have one unit for use exclusively in their state. During 2002, our ten MSOs traveled more than 75,000 miles while visiting 257 cities and towns. We interviewed 12,260 veterans and other potential claimants, accepted new powers of attorney to represent 4,451 claimants, and we completed 11,616 applications for benefits. This program has proved to be very successful.

Messrs. Chairmen, the men and women seated before you today are representative of the millions of brave men and women who have served our nation and protected our freedoms with honor and pride. Our nation owes them so very much. Yet, they ask for so very little.

Many of these men and women continue to serve our country by unselfishly volunteering their valuable time to support their comrades—America's sick and disabled veterans—in VA facilities throughout the nation. Between October 1, 2001, and September 30, 2002, these men and women of the DAV and the DAV Auxiliary provided more than 2.5 million hours of critical service to veterans, saving taxpayers almost \$40 million in employee costs.

Our dedicated and resourceful volunteers are out there around the nation lending care and support to sick and disabled veterans and their families. There are more than 10,500 DAV and

Auxiliary volunteers today. Unfortunately, that number is growing smaller as our volunteers age.

To encourage our young people to get involved in volunteer work to assist sick and disabled veterans in local communities, my predecessor created the National Commander's Youth Volunteer Scholarship (NCYVS) program to honor outstanding young volunteers who are active participants in the VA Voluntary Service program. The annual scholarships are awarded to deserving young men and women who have generously donated their time and shown compassion to sick and disabled veterans in their communities.

Through this program, DAV is able to offer 12 valuable scholarships to worthy recipients. The first place award includes a \$15,000 scholarship and an expense paid trip to DAV's National Convention with the winner's parent(s)/guardian(s) to accept the award. The second place scholarship is \$10,000. There are two \$7,500 scholarships for third place and eight \$5,000 scholarships for fourth place recipients.

In addition to our volunteers, the DAV also employs 183 Hospital Service Coordinators at VA facilities around the country to assist our nation's sick and disabled veterans and their families. The DAV transportation program provides crucial transportation to and from VA health care facilities to those veterans who could not otherwise access required medical care. As of October 31, 2002, DAV volunteer drivers transported 635,113 veterans more than 23 million miles to and from VA medical appointments during a 12-month period. From its inception in 1987, the DAV's National Transportation Network has logged in more than 278 million miles and transported 7.3 million veterans to VA health care facilities. Since our transportation program began, DAV has donated 1,194 vans to VA medical facilities at a cost of more than \$24 million. This May, DAV will donate another 212 vans, valued at \$5 million, to the VA. In addition, since 1996, Ford Motor Company has donated 79 vans for use with our transportation and homeless veterans programs.

Messrs. Chairmen, we are extremely proud of the volunteer services DAV provides to our nation to support it in fulfilling its duty to sick and disabled veterans. DAV's commitment to America's service-connected disabled veterans and their families is unwavering.

Naturally, our ability to work for the betterment of disabled veterans and serve them on such a large scale gives us a profound sense of satisfaction and achievement, but let us not forget that benefits and services for veterans remain first and foremost the responsibility of our government. The citizens and government of a country that sends its young sons and daughters to defend its homeland and fight its wars have a strong moral obligation to repay them for bearing this weighty burden. Our indebtedness to veterans is more significant than any other part of our national debt because, without their sacrifices and bravery, we would not exist as a nation. Therefore, just as it is essential that a nation maintain a strong national defense, a nation must ensure that veterans programs, like national defense, are and remain a top priority.

While we can never fully repay those who have stood in the nation's defense, a grateful nation has established a system to provide benefits and health care services to veterans as a

measure of restitution for their personal sacrifices and as a way for all citizens to share the costs of war and national defense.

As I stated earlier, a young man or woman injured in the War on Terror will need the services of VA well into the middle of this century. That disabled veteran will be able to rely on receiving VA disability compensation, because these payments are guaranteed under a mandatory spending program. This is not true with regard to services that may be needed from the VA health care system, however. Currently, there is no guarantee that a sick or disabled veteran can receive timely medical care from the VA. Each year, veterans must battle for adequate funding to operate the VA health care system. However, each year, VA receives insufficient funding to care for those veterans seeking to access its health care system. Every year, VA is required to do more with less, and more and more veterans, including our most severely disabled combat veterans, must wait longer to receive necessary health care services.

According to VA, the number of veterans using its health care system has drastically risen over the years, increasing from 2.7 million in 1995 to 4.5 million in 2002. During that same time period, VA health care employee levels decreased from 205,000 to 183,700. More than six and a half million veterans were enrolled in the VA health care system last year. More than 200,600 veterans currently are waiting six months or longer for care. (See Attachment A.) As a result of the increased demands and insufficient funding levels for health care, VA has now reached capacity at many health care facilities, closed enrollment to new patients at many hospitals and clinics, and temporarily suspended enrollment of new Priority Group 8 veterans.

Because of their extraordinary sacrifices and contributions in preserving our cherished freedoms and way of life, veterans have earned the right to VA health care as a continuing cost of national defense and security. The Health Care Eligibility Reform Act of 1996 authorized eligible veterans access to VA health care and brought us closer to meeting our moral obligation as a nation to care for veterans and generously provide them the benefits and health care they rightfully deserve.

In the mid-1990s, DAV partnered with nine other organizations to form the Partnership for Veterans Health Care Reform. At that time, the ten organizations, representing more than nine million veterans, petitioned Congress to reinvent veterans' health care. We noted that "Byzantine eligibility rules" created haphazard access to care—some veterans received care through expensive inpatient services but were denied more efficient outpatient and preventive care. It was further noted that a VA study indicated over 40 percent of inpatient treatment was "non-acute" and could be more efficiently and cost effectively provided in alternative settings.

In 1991, the Commission on the Future Structure of Veterans Health Care reported that, "there are imbalances across the country in VA's delivery of health care services. They are due to eligibility rules..., the variable range of services...and the distribution of VA resources..." The report contained a profile of general eligibility, which demonstrated the confusing tapestry of complex eligibility rules at that time. (See Attachment B.)

As a solution to the eligibility and delivery of care problems, the Partnership suggested that VA needed to offer a basic benefit package providing a full continuum of care to veterans

who were currently eligible: service-connected disabled, low-income nonservice-connected disabled, and special category veterans. We recommended that higher income nonservice-connected disabled veterans should be permitted to choose VA health care by utilizing their own insurance, including Medicare.

The Partnership for Veterans Health Care Reform also discussed another problem, chronic under funding of the VA health care system. We noted that discretionary funding for VA health care failed to keep pace with medical inflation and the changing needs of the veteran population. Further, as a result of the chronic under funding of the system, VA was forced to ration care, deny services to eligible veterans, restrict needed medical treatment, and forego the modernization of facilities and the purchase of necessary state-of-the-art medical equipment.

At that time, the solution seemed rather obvious to us: “guaranteed funding.” We recommended that funding must be guaranteed for the provision of a comprehensive benefit package to all eligible veterans who choose VA. The Partnership asked Congress to make VA health care accounts non-discretionary and set an at risk-adjusted capitated rate that reimbursed VA adequately for care provided.

Congress passed the Health Care Eligibility Reform Act of 1996, which authorized all veterans access to VA health care. However, within the law, Congress provided that the Secretary “shall” furnish hospital care and medical services to Priority Groups 1-6 and “may” furnish services to other veterans, but only to the extent Congress provided money to cover the costs of health care in advance through appropriations. Thus, the funding under the Federal budget for VA health care is “discretionary.” Therefore, because the level of funding to cover the costs of treating veterans is not guaranteed, and is repeatedly insufficient, VA is forced to ration medical care.

Recently, the necessity to ration health care has grown to be so severe that VA was forced to promulgate a rule to provide priority health care to veterans with disabilities rated 50 percent or higher and for veterans seeking treatment for a service-connected disability. Although the regulation was immediately effective, VA only implemented priority health care for veterans rated 50 percent or higher. Additionally, due to budget shortfalls and an over-burdened health care system, VA was forced to temporarily suspend enrollment of some veterans in Priority Group 8 in January.

Almost ten years after eligibility reform, DAV and other veterans’ organizations continue to petition Congress for meaningful action to ensure that VA has sufficient funding to care for those veterans who come to VA for their medical care needs. Guaranteed funding for VA health care is a viable solution to the current crisis in VA health care and is supported by all the major veterans service organizations.

Although crisis is a strong word, a word that is often abused, in the case of the VA health care system, use of the term is fully justified. Unfortunately, the crisis in VA health care is not new. Due to perennially inadequate health care budgets and increased demand, the crisis at VA has been exacerbated, and the health care system can no longer meet the needs of our nation’s service-connected disabled veterans or other sick veterans. To guarantee the viability of the VA

health care system for current and future service-connected disabled veterans, it is imperative that our government provide an adequate health care budget to enable VA to serve the needs of disabled and sick veterans nationwide. To meet those needs, it is imperative that the funding for the VA health care system be guaranteed and that all service-connected disabled veterans and other enrolled veterans be able to access the system in a timely manner to receive the quality health care they have earned. By including all veterans currently eligible and enrolled for care in a guaranteed funding proposal, the system and the specialized programs VA developed to improve the health and well being of our nation's service-connected disabled veterans will be protected now and into the future. To exclude a large segment of currently eligible and enrolled veterans from a guaranteed funding source could undermine VA's ability to provide a full continuum of care and specialty care to veterans in the future.

As I noted earlier, VA reports that it has reached capacity at many health care facilities around the country and has more than 200,600 veterans who must wait six months or longer for medical care. DAV is especially concerned about how this has hindered timely access to quality health care for our nation's service-connected veterans, including those most severely disabled. We believe guaranteed funding for VA health care is a reasonable solution to address this problem and meet the growing backlog for care. Guaranteed funding will stop the severe rationing of health care that is typical of today's veterans health care system.

Guaranteeing veterans health care funding would also eliminate the year-to-year uncertainty surrounding discretionary funding levels, which have prevented VA from being able to adequately plan for and meet the increased demand associated with the growing number of veterans seeking treatment. We believe it is disingenuous for our government to promise health care to veterans, especially service-connected disabled veterans, and then to make it unattainable because of inadequate funding. Rationed health care is no way to honor America's obligation to the brave men and women who have so honorably served our nation and continue to carry the physical and mental scars of that service.

Messrs. Chairmen, guaranteed health care funding for VA would *not* create an individual entitlement for veterans to health care, nor would it change VA's current mission. It would not change the setting in which VA provides medical care, the existing eligibility criteria for Priority Groups 1 through 8 or the medical benefits package as defined in law. Only the funding source and how these funds are provided for VA health care would change under a guaranteed funding proposal. Having a sufficient number of veterans in the health care system is critical to maintaining the capability of the veterans health care system and sustaining it into the future, when those injured in the War on Terror will still need VA health care.

I encourage all members of these Committees to support current legislation to guarantee funding for VA health care. In the Senate, the legislation is S. 50, the Veterans Health Care Funding Guarantee Act of 2003. DAV members will be contacting their elected officials again to support this vital legislation. I hope we can count on the members of the Veterans' Affairs Committees to actively support our efforts to pass this legislation this session.

It is extremely regrettable that Congress failed to timely provide an increased VA health care budget for fiscal year (FY) 2003, which began on October 1, 2002. It is frustrating to

observe that, into the second quarter of FY 2003, the spending level for VA health care was at the same inadequate level as appropriated in FY 2002, which was not only less than these Committees recommended, but also less than recommended in the Congressional Budget Resolution. To put this in perspective, VA health care spending for FY 2002 was \$1.5 billion less than recommended by the *Independent Budget*. In fact, the funding level approved for VA health care in FY 2002 did not even fund the mandated wage increase for VA's employees. Further complicating this situation is the fact that cost-of-living adjustments became effective at the first of this year, increasing VA salary costs.

How can anyone reasonably expect VA to timely supply necessary health care services to veterans under these conditions?

When the 108th Congress convened in January 2003, during the Senate appropriations debate, it was proposed that the FY 2003 VA health care spending levels be reduced. At one point, in order to increase spending for some priority programs, a 2.9 percent across-the-board cut was proposed. This cut equates to a \$700 million reduction in the VA health care program. At the end of the process, funding for VA health care was exempted from across-the-board cuts of approximately .6 percent.

Without adequate resources, VA cannot meet the increasing demands for medical care. The VA cannot be expected to provide necessary and timely, quality health care services to disabled veterans. However, disabled veterans have earned the right to timely, quality health care—our country owes us no less.

Furthermore, without the proper resources, VA cannot effectively fulfill its “fourth mission,” to function as a backup to the Department of Defense during a time of conflict and to the Federal Emergency Management Agency during a national emergency. It makes good fiscal sense to keep this system functioning well, especially now, while our nation is at war.

Congress and the Administration have an obligation to provide adequate appropriations to meet the needs of veterans. While it is the Administration's recommendations that begin the budget debate, Congress ultimately sets the spending priorities. Unfortunately, veterans have not been a priority for either a majority of Congress or the Administration.

Lately, there has been a great deal of “passing of the buck” from one end of Pennsylvania Avenue to the other when it comes to taking responsibility for the crisis in VA health care. If the Administration or VA is not blaming Congress for the health care crisis, they are laying it at the feet of veterans, claiming that too many veterans are attempting to use the system, especially Priority Group 7 veterans. While there has been much focus on lower priority veterans and the fact that they are burdening the system, the truth is that they account for about 8 percent of the overall costs of appropriated dollars—less than \$1,900 per user. (See Attachments C and D.)

On the other end of Pennsylvania Avenue, some in Congress place the blame on the Administration, claiming that its proposed spending levels for VA health care are inadequate. While this is most certainly true, Congress sets the spending priorities for our government and its programs and is not obligated to follow the Administration's misplaced priorities.

Messrs. Chairmen, over the last several years, your Committees have acknowledged the inadequacies of the Administration's budget proposals for VA and have recommended substantial increases for VA health care funding in your Views and Estimates. For the most part, the budget resolutions, particularly the Senate resolution, have closely mirrored the recommendations of the *Independent Budget*. Unfortunately, after House and Senate budget conferees work out the differences, the budget resolution is usually much less than the Senate proposal. Furthermore, actual appropriations for VA health care almost always fall below the recommendation of the congressional budget resolution.

Others in Congress, similar to VA and the Administration, blame open enrollment and Priority Group 7 veterans for the imbalance in demand versus resources. From where I sit, Messrs. Chairmen, it is time to stop pointing fingers and passing blame for the crisis in VA health care.

Now is the time for decisive action. Now is the time to tackle the crisis that is preventing disabled and sick veterans from receiving timely health care services. It is not necessary to study the problem. We do not need yet another commission or another task force to attempt to enlighten us about what we already know, what we have known for years.

The problem is quite obvious. The demand for VA health care has greatly surpassed the resources available to VA. The solution is equally straightforward. The best solution, really the only equitable solution, would be to provide VA with the resources necessary to match the demand for health care.

The alternative, and much less desirable choice, would be to lessen the demand for health care services by terminating enrollment and disenrolling lower priority veterans. Congress has given the Secretary of Veterans Affairs the authority to manage the enrollment system to ensure that quality health care services are provided in a timely manner. However, for political reasons, the Secretary has been prevented from making those tough decisions in the past. And, the recent announcement by Secretary of Veterans Affairs Anthony J. Principi that VA was temporarily suspending enrollment of certain Priority Group 8 veterans, has met with resistance from some members of Congress.

Messrs. Chairmen, we, the members of the DAV, seated before you today, and throughout this great nation, call upon you, as we did ten years ago, to enact guaranteed funding for VA health care to make certain that our medical needs are met, in a timely manner, now and in the future.

Your support of guaranteed funding for veterans health care would demonstrate your commitment to the men and women appearing before you today and the more than six million veterans who have enrolled for VA health care. Again, I ask your active support of this critical legislation.

Also of critical concern to the DAV is the delivery of claims benefits. Although this subject has been eclipsed due to the severe crisis in veterans health care, despite its best efforts to

streamline and improve the claims adjudication process, the VA has been unable to completely conquer its quality and timeliness problems. The time it takes for VA to accurately process claims is still too long.

Large claims backlogs and protracted claims processing times pressure VA into focusing on production quantity at the expense of quality. This has created a vicious cycle. The push for faster decisions to reduce the backlog becomes self-defeating because so much of the work must be redone to correct errors, and the backlogs and waiting times become even worse. To break this vicious cycle, VA must focus first on the root causes of its claims backlog. VA must have well-trained employees who are capable of properly applying the law in adjudicating veterans' claims. VA must change its culture so that lawful, accurate claims decisions are the first goal. VA must have quality control reviews of each employee's work product, and VA must have the will and the processes in place to make adjudicators and management truly accountable for accurate claims decisions. Only then can VA begin to effectively and efficiently reduce its large inventory of pending claims and the long delays veterans experience in obtaining disability benefits.

With the primary focus on overcoming the root causes, VA can continue to implement the changes recommended in the October 2001 report of the VA Claims Processing Task Force. The changes will add to the efficiency of the system and aid in making it function better once VA begins to attain some stability in the claims processing environment. While we are encouraged by the reported improvements in decreasing the number of backlogged claims and processing times, we hope these improvements have not been accomplished at the expense of quality. Sufficient resources and serious reforms are both necessary to ensure quality, timely decisions.

Assistance from these two Veterans' Affairs Committees is essential. You can work to ensure VA has the resources it needs to meet this enormous challenge, and you can intensify your oversight role to ensure VA management stays on course in implementing real and meaningful reforms.

Unfortunately, in the last Congress, most disabled military retirees were again denied the enactment of legislation to remove the prohibition against the concurrent receipt of VA disability compensation and military longevity retired pay. Of the more than 500,000 disabled military retirees affected by this prohibition, only about 35,000 will benefit from the Combat Disabled Special Compensation passed by Congress last year. This injustice has continued notwithstanding the fact that the vast majority of the members of Congress have cosponsored legislation to eliminate this travesty of justice.

Further, while both Congress and the Administration have placed high importance on stimulating our economy, neither has seized the opportunity to stimulate the economy by removing the prohibition on concurrent receipt. What better method to stimulate the American economy than to pay earned longevity retirement benefits to those men and women who have protected our cherished freedoms and our way of life during a career in America's Armed Forces. Not only will our government be placing money in the hands of individuals who will deposit it back into the economy, it will also increase tax revenues, since military retirement pay

is taxable. Additionally, this would help stimulate state and local economies, especially in those areas of the country with a high concentration of military retirees, usually near military bases, which areas are now being economically devastated by the deployment overseas of tens of thousands of active duty military personnel.

Correct an injustice, increase tax revenues, and stimulate local, state, and federal economies—it simply makes sense to do it.

DAV will continue to fight for the removal of the prohibition on concurrent receipt of VA disability compensation and military longevity retired pay. We greatly appreciate the efforts to keep this issue before the Administration and Congress by a member of the House Veterans' Affairs Committee, Representative Michael Bilirakis, who has again introduced H.R. 303.

It is with deep sadness that I recall the passing last year of a great American hero, a combat-disabled Marine Corps veteran of the Vietnam War, a fiery advocate for the rights of all veterans, especially those disabled in service to their country, and for their families, and a true friend to the members of DAV, to whom he dedicated the majority of his adult life. Former Secretary *for* Veterans Affairs, Jesse Brown, will long be remembered by the veterans' community, whom he so cherished, and who cherished him so very much. It is with great satisfaction that I note that we are working with Representative Danny K. Davis of Illinois to rename Westside VA medical facility in Chicago after Jesse Brown.

Messrs. Chairmen, with the support of the veterans' community and VA to rename Westside after Jesse Brown, I know we can count on the members of these Committees to quickly pass this notable, worthy legislation as a fitting tribute.

It is with a profound sense of pride that I note another fitting tribute. As a result of DAV's collaboration with philanthropist Mrs. Lois Pope to form the Disabled Veterans' LIFE Memorial Foundation, plans are moving forward to construct the American Veterans Disabled for Life Memorial in Washington, D.C. With generous private donations, planning for the memorial is moving rapidly ahead. We are excited about the site for this memorial, a short distance from our nation's Capitol, across from the Botanic Gardens. We strongly believe that this memorial, dedicated to the men and women disabled while serving our nation in uniform, will have a profound effect, not only on those it will honor, but also upon those who have benefited from the sacrifices of those being honored. Especially during this time of crisis, the War on Terror and the tragic events of September 11, 2001, the American Veterans Disabled for Life Memorial will serve to enhance our national well being.

As we move ahead to ensure the future of VA and its indispensable programs and services, the members of DAV and their families look forward to joining with the members of these Committees to reaffirm our nation's commitment to veterans. DAV and Auxiliary members will do their part to get our message out; however, as the principal advocates within Congress for our nation's veterans, we call upon you to supply the critical leadership necessary to make certain that America honors its moral obligation to the men and women who served in our Armed Forces and fought to preserve the freedoms enjoyed by the citizens of our nation and countless others throughout the world. It is our sincere hope that you will educate and remind

your colleagues of the service performed and sacrifices made by veterans when it is time to decide whether to honor America's obligation to veterans and their families or to let parochial concerns control.

Major policy positions of the DAV are derived from resolutions adopted by the delegates to our annual National Convention. The DAV's annual legislative agenda has served to guide our advocacy for disabled veterans in accordance with the will of our members. Our 2003 mandates cover a broad spectrum of VA programs and services and have been made available to your Committees and to members of your staffs. Since we were founded in 1920, promoting meaningful, reasonable, and responsible public policy for veterans has been at the heart of who we are and what we do. Our will and commitment come from the grass roots, nurtured in the fruitful soil of veterans' sacrifices and strengthened by the vitality of our membership.

With the understanding that we shall have the occasion to more fully focus on those resolutions during hearings before your Committees and personally with your staffs, I shall only briefly comment upon a few of them in my testimony.

What we convey to you today echoes the hopes and desires, and in some instances, the despair, of disabled veterans, who appeal to the conscience of the nation to do what is right and just. Therefore, we call on the members of these Committees to:

- Support a change in the payment of certain accrued benefits upon death of a beneficiary. Currently, if a beneficiary is entitled to a retroactive award of benefits but dies before a determination is made, only benefits for the last two years of the retroactive entitlement period can be paid to survivors. The surviving spouse or children, who suffered economic deprivation for an extended period because of an erroneous VA decision, would be barred from receipt of a substantial portion of the benefits the veteran would have received if he or she had lived longer. The Government's errors and delays should not serve as the means to reduce its obligation to sick and disabled veterans, who may die before VA can correctly dispose of their claims. Recently, in *Bonny vs. Principi*, the Court of Appeals for Veterans Claims struck down the two-year restriction in cases where entitlement to a retroactive award for benefits has been established, but the amount due the beneficiary remains unpaid at the time of death.
- Support additional increases in grants for automobiles or other conveyances available to certain disabled veterans and provide for automatic annual adjustments based on the increase in the cost of living. When this program was originally created in 1946, the law set the allowance at an amount sufficient to pay the full cost of a lower-priced new automobile. With subsequent cost-of-living increases, Congress sought to provide 85 percent of the average cost of a new automobile, and later 80 percent. Because of a lack of regular adjustments to keep pace with increased costs, the value of the automobile allowance has substantially eroded through the years. Currently, the \$9,000 automobile allowance represents only about a third of the average cost of automobiles in the year 2002.
- Increase the face value of Service Disabled Veterans' Insurance (SDVI). The current \$10,000 maximum for life insurance for veterans was first established in 1917, when most annual salaries were considerably less than \$10,000. The maximum protection

available under SDVI should be increased to at least \$50,000 to provide adequately for the needs of our survivors.

- Authorize VA to revise its premium schedule for SDVI to reflect current mortality tables. Premium rates are still based on mortality tables from 1941, thereby costing disabled veterans more for government life insurance than is available on the commercial market.
- Support meaningful cost-of-living adjustments (COLAs) for VA disability compensation by using the Labor Department's Employment Cost Index, used for civil servants and military COLAs, instead of the Social Security Administration COLAs. This year, the proposal for civil servants and the military was a 4.1 percent increase, while disability compensation received only a 1.4 percent COLA.
- Support the repeal of co-payments for medical care and prescriptions provided by the VA.
- Support equal medical services and benefits for women veterans.
- Provide an additional increase in the specially adapted housing grant and automatic annual adjustments based on increases in the cost of living.
- Support an expansion of POW presumptions.
- Support legislation to allow all veterans to recover amounts withheld as tax on disability severance pay. Currently, a three-year statute of limitations bars many veterans from recovering the non-taxable money withheld by the Internal Revenue Service.
- Support legislation to repeal the prohibition against service connection for smoking-related illnesses.
- Restore protections against unwarranted awards of veterans' benefits to third parties in divorce actions by prohibiting courts from directly ordering payments of such benefits to third parties, other than dependent children.
- Extend eligibility for Veterans' Mortgage Life Insurance to service-connected veterans rated permanently and totally disabled.
- Provide educational benefits for dependents of service-connected veterans rated 80 percent or more disabled.
- Extend commissary and exchange privileges to service-connected disabled veterans.
- Extend space-available air travel aboard military aircraft to 100 percent service-connected disabled veterans.
- Support the fullest possible accounting of our POW/MIAs from all wars.

Although we can be proud of the accomplishments made on behalf of veterans in the past, much remains to be done. In the work we do, we have no room for complacency. When it comes to justice for disabled veterans, we cannot be timid in our advocacy. These Committees and the DAV, working together with mutual cooperation, must battle for what is best for wartime disabled veterans. Veterans have every right to expect their government to treat them fairly. We call upon you, the members of these Committees, to educate your colleagues about the priorities of disabled veterans.

Messrs. Chairmen, the veterans of this country appreciate the strong advocacy provided by Secretary Principi. While his efforts on behalf of our nation's service-connected disabled veterans and other veterans are well known within the veterans' community, it was gratifying to see in the January 25, 2003 issue of the *National Journal* that Secretary Principi received an overall grade of A- in performance of his duties as Secretary of Veterans Affairs. I congratulate

Secretary Principi on the high marks he received in conducting business on behalf of our nation's veterans. DAV looks forward to his continued advocacy and support during the second half of this Administration.

Messrs. Chairmen, veterans around the country paid close attention to this year's State of the Union address. With the United States engaged in the War on Terror, and with the possible expansion of that war, both here and abroad, veterans listened with great interest to the address of President George W. Bush and what he might say about the current crisis in VA health care—a health care system that will serve as backup for the Department of Defense. Unfortunately, while there was no mention of veterans in this address, it was heartening to observe that the longest standing ovation came when the President acknowledged the military: “You believe in America, and America believes in you.”

It was also encouraging to hear the President address the issue of volunteerism and call upon the American people to get involved in volunteer programs and share their compassion with other less fortunate individuals.

As I stated earlier, DAV members and their families are already involved in volunteering their time to assist sick and disabled veterans who are hospitalized at VA facilities. I am extremely proud of their service to hospitalized veterans. I encourage other citizens to show their compassion for our hospitalized comrades and volunteer their time at VA medical facilities across our nation.

Finally, it was disappointing to hear the President address the crisis in health care only from the perspective of Medicare. As you recall, the President said, “Our second goal is high quality, affordable health [care] for all Americans...Health care reform must begin with Medicare. Medicare is the binding commitment of a caring society. We must renew that commitment...My budget will commit an additional \$400 billion over the next decade to reform and strengthen Medicare.”

Messrs. Chairmen, we are here today to affirm that VA health care is also a binding commitment of a grateful nation. It is extremely important for our government to focus its attention on the crisis in VA health care as it addresses high-quality, affordable health care for all Americans.

I have discussed, at length, our solution to the crisis in VA health care and I would encourage these Committees to move forward with legislation to guarantee funding for VA health care.

I hope that I have demonstrated that America's veterans, rather than being content to rest on their laurels, continue to stand ready to enthusiastically and unselfishly be involved in their communities and across the nation to support our government in meeting the needs of service-connected disabled veterans, their dependents and survivors.

Messrs. Chairmen, as you and the members of your Committees consider the message I have delivered to you today on behalf of disabled veterans, and, as you work on veterans' issues

in the future, I ask that you, as I do, remember that the freedoms and prosperity enjoyed by the citizens of our nation have been paid for with the lives and physical and mental well-being of many brave Americans. The only thing they ask in return for their sacrifices and their service is for this great nation to honor its sacred contract with America's veterans. We must, therefore, honor and care for those who distinguished themselves in defense of freedom—whatever the cost. They deserve nothing less.

Thank you for granting me the opportunity to appear before you on behalf of our nation's disabled veterans to share DAV's proud record of service to veterans and our country, to discuss our concerns about the state of the VA, and to outline our agenda for the 108th Congress.

May God bless America and the young men and women who now stand in harm's way protecting our country and the free world against the terrorists who would destroy all that we hold sacred. And may our government never forget its moral obligation to our nation's wartime disabled veterans.