

**STATEMENT OF
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OF THE
DISABLED AMERICAN VETERANS
BEFORE THE
HOUSE VETERANS' AFFAIRS COMMITTEE
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Mr. Chairman and Members of the Committee:

Thank you for the opportunity to present the views of the Disabled American Veterans (DAV) on the Department of Veterans Affairs (VA) policies affecting veterans who will need long-term care in the next ten years. As an organization of more than one million service-connected disabled veterans, DAV is concerned about VA's ability to meet the needs of an aging veteran population and availability of specialized long-term care services.

According to VA, the veteran population today is projected to decline to 20 million by 2010, but over the same time period those age 75 and older will increase from 4.5 to 4.7 million and those 85 and older will nearly triple from 510,000 to over 1.3 million. Older veterans, particularly those over 85, are especially likely to have multiple, complex chronic diseases requiring comprehensive health care including long-term care services. Of equal importance is the fact that current VA patients are not only older in comparison to the general population, but they are much more likely to be disabled and unable to work, generally have lower incomes, and lack health insurance.

VA has indicated that the current demographics of the veteran population are one of the major driving forces in the design of the VA health care system. Thus, in redefining the VA health care system from a predominantly inpatient-based system to an outpatient-based comprehensive health care provider, VA changed its long-term health care package to one that includes alternative health care delivery options. VA now offers a continuum of institutional and noninstitutional long-term care services. The long-term care program, which includes VA-operated nursing home care units, contract community nursing homes and state veteran homes, also includes noninstitutional care such as respite care, domiciliary care, contract home health care, home-based primary care, adult day health care, homemaker and home health aide services, home respite care, home hospice care and community residential care. As part of these extended care services, VA also provides programs for subacute care such as Geriatric Evaluation and Management and Geriatric Research, Education and Clinical Centers.

According to Public Law 106-117, the Veterans Millennium Health Care and Benefits Act, commonly known as the Millennium Act, VA is required to provide enrolled veterans access to a continuum of noninstitutional extended care services including geriatric evaluation, adult day health care, and respite care. Moreover, VA is required to provide nursing home care to veterans with a service-connected disability rated 70 percent or more, or veterans in need of such care for a service-connected disability. Nursing home care may be provided on a discretionary basis to other enrolled veterans. As part of the Act, VA is also required to comply

with the long-term care capacity provisions by ensuring that the staffing and level of extended care services provided nationally in VA facilities during any fiscal year is not less than the staffing and level for such services provided nationally in VA facilities during fiscal year 1998.

With a constrained budget, an increasing and aging veteran population, and the high cost of providing inpatient long-term care, VA is struggling with the issue of long-term care. An attempt was made to address long-term care through the Capital Asset Realignment for Enhanced Services (CARES) initiative. Despite VA's own projections, which forecast that by 2022 the VA will need to have more than 17,000 additional nursing home care beds to meet the needs of elderly and frail veterans, VA has chosen to treat the long-term care issues neutrally; that is, there will be no major changes or negative impact on care or capacity in long-term care. In addition, VA is isolating long-term care from the CARES process to provide projections consistent with its perspective on long-term care as stated in VHA VISION 2020, "Nursing home care will become an option of last resort, where it is medically infeasible or inadvisable for a veteran to receive care at home or in an assisted living facility."

On May 22, 2003, DAV provided testimony before the House Veterans' Affairs Subcommittee on Health on VA's noninstitutional long-term care programs. We voiced our concerns over uneven access and provision of VA's noninstitutional extended care services and noted our anticipation of a General Accounting Office (GAO) report on this issue. GAO's May 2003 report, "VA LONG-TERM CARE: Service Gaps and Facility Restrictions Limit Veterans' Access to Noninstitutional Care" (GAO-03-487), confirmed veterans' access to noninstitutional long-term care services is limited and highly variable across the nation.

Extensive gaps in service exist due in part to restrictions based on veterans' levels of service-connected disability that are inconsistent with existing eligibility standards. GAO cites VA headquarters as the source of such disparity as a result of not providing clear and adequate guidance on making noninstitutional long-term care services available. Furthermore, VA headquarters has failed to emphasize noninstitutional long-term care as a priority, and has failed to develop a performance measure to ensure the provision of these services consistently across VA facilities.

In response to the GAO report, VA indicates it would add eligibility sections in each new directive and handbook concerning home and community-based care programs. An information letter (IL 10-2003-012) was issued on October 1, 2003, which includes the eligibility criteria for geriatric evaluation, and home and community-based care programs. Additionally, VA proposed to develop measures to underscore the importance of its noninstitutional long-term care programs. One such measure is a strategic objective to provide care in the least restrictive setting through alternatives such as adult day and home health care, respite care and home-maker/home health aide services. A long-term care initiative in VA's Strategic Plan for 2003 through 2008 proposes a performance measure to increase non-institutional long-term care. VA also issued VHA Handbook 1140.2 on respite care to offer the most appropriate services in the least restrictive settings ranging from home or community-based respite care to respite care in a nursing home. We look forward to an update on the progress of "VHA's Response Action Plan for GAO 03-487," provided by VA Under Secretary for Health to the House Veterans' Affairs Subcommittee on Health on May 22, 2003, as well as the evaluation of VA's assisted living pilot project.

Despite these efforts, demand for long-term care services has been increasing while VA has been reducing its inpatient long-term care capacity. According to VA, the average daily census in VA nursing home beds decreased from 13,426 in 1998 to 11,766 in 2002, and is estimated to further decrease to 8,500 in fiscal year 2004. VA has indicated it cannot meet the staffing level of the 1998 capacity requirement while using VA's average daily census as intended by Congress. VA believes the requirement that only VA-operated and VA-staffed extended care programs be included to meet capacity levels is too restrictive. Instead, VA proposes all types of care including noninstitutional and contracted care be included to meet capacity requirements as this reflects the change in modality of providing long-term care services to veterans.

Although we agree that most elderly veterans would prefer to remain in the home setting with a variety of options to meet their long-term care needs, this is not always possible. As part of *The Independent Budget*, DAV supports increasing a variety of alternative noninstitutional extended care services; however, we are opposed to VA's proposal to include all noninstitutional long-term care services in addition to institutional long-term care in order to meet the 1998 capacity requirements.

We recognize the fact that patients are living longer, often with chronic conditions, and some veterans will undoubtedly require care in an institutional setting. In addition, the aging veteran population is projected to peak 20 years ahead of the general U.S. population. As a world leader in providing health care, VA is in a unique position to lead our nation toward providing high quality comprehensive long-term health care. We are cognizant of VA's limited resources, however, VA must ask for adequate funding to adhere to the capacity requirements for long term care mandated by law and other essential health care services. DAV strongly supports mandatory funding for VA health care to ensure VA can meet the growing needs of veterans seeking care.

In light of VA's inability to meet mandated capacity requirements, coupled with its commitment to invest in alternative extended care services, our concern is the delicate balance VA must achieve between institutional and noninstitutional long-term care services to provide for veterans' health care needs. DAV strongly supports VA providing comprehensive health care to include long-term care services to meet the needs of our service-connected veterans and rapidly aging veteran population. Under DAV Resolution No. 096, we support legislation to establish a comprehensive program of extended care service to veterans with a service-connected disability rated 50 percent or more, or veterans in need of such care for a service-connected disability.

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 this important issue.