

STATEMENT OF  
HARRY N. WALTERS  
BEFORE THE  
COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
ON  
REPORT OF THE PRESIDENTS'S TASK FORCE TO IMPROVE  
HEALTH CARE DELIVERY FOR OUR NATIONS'S VETERANS

JUNE 17, 2003

Chairman Smith and Members of the Committee,

I welcome the opportunity to appear today to offer my own views on the Final Report of the President's Task Force To Improve Health Care for our Nation's Veterans.

I was honored to have been asked by the President to serve as a Commissioner and I am indeed honored to be here this morning in front of this prestigious Committee of the Congress of the United States.

When I last appeared before this Committee in 1985, the veteran community could not begin to discuss some of the issues we are discussing today. Since 1985, VA has developed a contemporary medical care system second to none in our country and the Veteran Service Organizations are more open to discuss methods in which to expand quality health care to more veterans. In that spirit, Congress passed legislation in 1996 allowing Category 7 veterans access to the VA medical system. By utilizing third party reimbursement to pay for their care, the Congress was requiring the VA to act like a private sector hospital in that regard. While the VA medical centers have had some difficulty in developing private sector billing and coding expertise, I was pleased to see that over the last year there has been significant improvement in collections. I am confident that improvement will continue. It is not easy to implement private sector procedures in a public environment but it is accomplishable. I have been and will be a proponent of policy changes that require the VA to compete for additional patients. Eighteen years ago, I would not have dared to utter these words. We have come a long way.

My opening statements, Mr. Chairman, are given so that you and the Committee may better understand my views on the Task Force Final Report.

I believe that the Task Force has put forth some good ideas in defining ways and methods for which the DOD and DVA may collaborate and share resources.

The recommendations in Chapter 3 dealing with Providing a Seamless Transition to Veteran Status are especially pivotal in setting the ground work for better cooperation in the future. Without a good start in this area, the prospects for future sharing are diluted. In the course of all of our discussions about sharing, this issue had the strongest consensus among the Commissioners.

We also addressed the need for leadership and elimination of barriers to collaboration. My experience in attempting to start an informal partnership with DOD in 1983 was brief and non productive. Strong leadership from DOD and VA will be necessary to implement our recommendations. These discussions on barriers and leadership soon revealed the most obvious barrier to sharing and collaboration, the VA's inability to meet the requirements for their own veteran patient load and the growing mismatch between funding and demand in the DVA medical system. This issue led the Task Force to devote an entire chapter, Chapter 5, to this matter.

The Commissioners all agreed with recommendation 5.1 dealing with Category 1 through 7 veterans. "The Federal Government should provide full funding to ensure that enrolled veterans

in Priority groups 1 through 7 are provided the current comprehensive benefit in accordance with VA's established access standards. Full funding should occur through modifications to the current budget and appropriations process, by using a mandatory funding mechanism or other changes in the process to achieve the desired goal.”

It should be noted, however, that the Task Force did not come to closure on the funding mechanisms. Two alternative approaches were discussed but the Commissioners did not recommend either of them. We simply did not discuss them in enough detail to provide a recommendation. In my view, the alternative that suggests an outside board of experts has not been properly vetted with the veteran community. They have a stake in the VA and their views, to my knowledge, have not yet been heard.

Recommendation 5.2 also had strong consensus among the Commissioners. Twenty years ago the outsourcing of VA health care would have been contentious. Now it seems that the veteran community favors it. What a difference 20 years can make.

Category 8 veterans were the last issue on the table for discussion. Perhaps, it should have been the first issue on the table. An issue of this magnitude certainly deserved more time.

Recommendation 5.3 is not really a recommended solution for category 8 veterans. It only calls for the Congress and the President to solve the problem while stating that the present situation is not acceptable.

The footnote or dissent to recommendation 5.3 outlines five specific recommendations for solving the problem for Category 8 veterans. I hope that the committee will take these recommendations under serious consideration. The opportunity to create new revenue streams for the VA is discussed in this dissent. It features a “pay as you go” methodology and for older veterans the use of their Medicare benefit in VA hospitals. The Medicare reimbursement issue was supported by all of the Veteran Service Organizations that testified in our Public Hearings.

I think that PFC Jessica Lynch will be a Category 3 veteran following her discharge from the active force. She deserves that priority and the country is proud of her service. The 100 or so members of our armed forces who risked their lives to bring her to safety will most likely be category 8 veterans. While most category 8 veterans will not seek care in VA hospitals, those who choose to come to the VA presently do not have the choice.

In closing my remarks, I am reminded how important the VA is to our country. While we have a large contingent of our armed forces in harms way, we should be especially diligent in ensuring the continued success of the VA.

Thank you for the invitation to present my views to you and the Committee.

Respectfully,

Harry N. Walters  
Former Administrator of Veterans Affairs

