

**STATEMENT OF
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OF THE
DISABLED AMERICAN VETERANS
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON HEALTH
UNITED STATES HOUSE OF REPRESENTATIVES
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Mr. Chairman and Members of the Subcommittee:

On behalf of the 1.3 million members of the Disabled American Veterans (DAV) and its Auxiliary, we are pleased to express our views on four pieces of legislation before the Subcommittee.

The agenda includes H.R. 240, the Veterans Prescription Drug Equity Act; H.R. 709, the Veterans Prescription Access Improvement Act; H.R. 372, to authorize pharmacies of the Department of Veterans Affairs (VA) to fill prescriptions for drugs and medicines written by private physicians; and a pending draft bill, the Veterans Prescription Drug Benefits Act of 2003. These bills address the issue of timely access by disabled veterans to VA pharmacy benefits.

For the past eight decades, the DAV has been devoted to one single purpose: building better lives for our nation's disabled veterans and their families. DAV has never wavered in its commitment to serve our nation's service-connected disabled veterans, their dependents, and survivors.

Although not on the agenda, we find the need to briefly comment on the funding crisis in the VA health care system. The Subcommittee has recognized the necessity for veterans to have timely access to quality medical care. Unfortunately, the year-to-year uncertainty of funding levels has prevented the VA from adequately planning for and meeting the growing needs of veterans seeking treatment. We believe these measures under consideration address only a part of the larger issue; therefore, we count on your support to make timely, quality VA health care a reality for our nation's sick and disabled veterans, by changing VA health care funding from a discretionary to a mandatory program.

H.R. 240

Under this bill, a veteran would be required to make an appointment to see a VA physician for obtaining drugs or medicines prescribed by a non-VA physician. If VA were unable to see the veteran and provide the needed medication within 30 days, VA would be required to fill the prescription written by the non-VA practitioner. The bill also requires such prescriptions to be subject to copayments.

H.R. 709

This measure would authorize VA to provide drugs and medicines prescribed by a duly licensed non-VA physician to any veteran regardless if the veteran was enrolled in the VA health care system. This bill would also render drugs and medicines provided by VA subject to copayment requirements.

H.R. 372

This legislation would require VA to conduct a two-year pilot program located in Veterans Integrated Service Network (VISN) 1 to provide prescription drug and medication prescribed by a duly licensed non-VA physician. This bill provides the prescribed drug and medication furnished under the pilot program is subject to copayments. Furthermore, the bill requires the Secretary to submit to Congress a report within 180 days from the end of the pilot program, assessing the advantages and disadvantages and recommendations for continuance of such a program.

Pending Draft Bill

The Veterans Prescription Drug Benefits Act of 2003, introduced by Lane Evans, Ranking Member of the House Veterans' Affairs Committee, would require VA to establish a program to provide drugs and medicines subject to copayments to Medicare-eligible veterans and Priority Group 1 veterans (veterans with service-connected disabilities rated 50 percent disabling or greater). This bill would require VA to conduct an annual open enrollment period for Medicare-eligible veterans to enroll into this program in lieu of all other VA hospital care and medical services.

Concurrent with an annual enrollment period, a Medicare-eligible veteran previously enrolled into the aforementioned drug benefit program may disenroll. Also, Priority Group 1 veterans would be allowed to participate in this program adjunct to current VA hospital care and medical services. This bill would authorize the Secretary to limit enrollment for the first five fiscal years and ensure enrollment by the fifth year for Medicare-eligible veterans who applied during the first year of enrollment.

This measure would also require the Secretary to establish an annual premium for enrollment and different copayment amounts limited to not less than current and not more than actual cost to VA. Copayments received from furnishing drugs and medicines to Medicare-eligible veterans would be transferred to the Medicare Trust Fund and Health and Human Services would transfer funds to VA equal to the amount of costs incurred by VA under this program.

VA would also be required to implement a computerized patient profile for this drug benefit program within six years of enactment of this bill, and submit to Congress an annual report for the first five fiscal years of this program.

In large part, each measure seeks to improve the current process of filling prescriptions written by non-VA physicians. Current law directs the VA pharmacy to provide the medications and associated supply to a veteran who has a prescription from a non-VA provider, if a VA provider first rewrites the prescription except in specific circumstances such as sharing agreements with the Department of Defense (DoD). Veterans seeking to fill privately written prescriptions at VA pharmacies are scheduled for medical examinations to allow the VA physician to support the prescribed medication. Certainly, VA is experiencing a large influx of veterans seeking care, apparently to obtain medication through VA. The December 2000 report by VA's Office of Inspector General estimates over a \$1 billion savings by eliminating the duplication of completing medical examinations and tests performed by VA.

All four bills would eliminate the duplication of tests and procedures already conducted by the veteran's private physician and would make available VA resources utilized in the current process. However, it is not clear whether streamlining the current process would be wholly beneficial to the VA health care system.

Due to insufficient funding, VA is struggling to provide timely health care to all veterans seeking care. Clearly, these bills seek to address this issue. However, we believe that providing an additional pharmacy only benefit may act as an incentive for a significant number of veterans, both current users and potential enrollees not currently using the system, to choose this option thereby increasing the overall pharmaceutical cost. We are also concerned H.R. 240, 709, and 372 do not provide for additional funding, staffing, or other resources, which would create an additional burden to the severely strained health care system.

We are also concerned that the pending draft bill could force service-connected disabled veterans, other than Priority Group 1, to choose between VA health care and care provided in the private sector under Medicare or Medicaid programs, even for service-connected conditions. Using the private sector to treat service-connected conditions undermines VA's primary mission. Moreover, although veterans could choose to re-enroll for VA health care benefits during the next "open enrollment period," there is no guarantee these veterans would not end up on an enrollment waiting list for care and lose their established patient status. Unlike the other three bills, the pending draft bill provides a funding mechanism; however, it shifts an additional burden to the beneficiary whom it intends to assist by establishing an annual premium for enrollment and copayments equal to or greater than the current amount.

DAV Resolution No. 224 supports the repeal of copayments for medical care and prescriptions provided by the VA. Copayments were only imposed upon veterans under urgent circumstances and as a temporary necessity to contribute to reduction of the Federal budget deficit. We will continue to voice our objection to copayments on the basis that they fundamentally contradict the spirit and principle of veterans' benefits. As the beneficiaries of veterans' service and sacrifice, the citizens of our grateful nation want our government to fully honor our moral obligation to care for veterans and generously provide them benefits and health care entirely free of charge.

It is important to note VA utilizes a cost-saving national formulary supplemented by 21 regional formularies. In consultation with the private physician, VA often substitutes the prescribed medication with a therapeutically interchangeable drug within its formulary. We are concerned these bills do not provide for appropriate quality assurance such as access to the veteran's complete health information. Such access is needed to aid in making medication decisions and to conduct a complete check for drug allergies.

Even with collaborative efforts between VA and DoD at joint venture sites and implementation of certain measures for protection, increased risk of medication errors remain. The United States General Accounting Office submitted a report on September 27, 2002, *VA and Defense Health Care: Increased Risk of Medication Errors for Shared Patients*. According to the report, veterans who present prescriptions written by DoD physicians to the VA pharmacy face an increased risk of medication errors. The report cites gaps in utilization of a pharmacy formulary, uncoordinated information and formulary systems, and incomplete automatic checks for drug allergies and drug interaction.

The DAV testified previously on the issue of VA filling prescriptions ordered by non-VA physicians in VA medical care facilities. We raised concern about VA taking on the role of a pharmacy. Additionally, we noted that a major shift in reliance on the VA health care system for other than a full continuum of care and utilization of the comprehensive health care benefit package could jeopardize the viability of the entire system.

Though these measures would be beneficial to a large segment of the veteran population, these bills would also prevent VA from providing a full continuum of treatment for which the comprehensive health care benefit package was created. The possibility these bills may fundamentally change the very nature of the VA health care system is a great concern.

In closing, DAV sincerely appreciates the Subcommittee 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 Subcommittee 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.