

**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  
MARCH 30, 2004**

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to present the views of the Disabled American Veterans (DAV) on providing certain veterans with a prescription-only health care benefit. As an organization made up of wartime service-connected disabled veterans, the DAV is concerned about enhancing benefits and medical services for sick and disabled veterans, but most importantly about maintaining a stable and viable health care system to meet the unique medical needs of our nation's veterans now and in the future.

The DAV has testified previously on several measures introduced in both the House and Senate that would authorize the Department of Veterans Affairs (VA) to fill prescriptions for veterans ordered by non-VA physicians at VA medical care facilities. In general, we are opposed to this concept and have expressed concern about VA taking on the role of a pharmacy. Specifically, we are concerned that the impact of such a benefit could cause 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; therefore, possibly jeopardizing the viability of the entire system.

Though we agree that such a benefit may be advantageous to a large segment of the veteran population, this type of initiative would also prevent VA from providing this group a full continuum of treatment for which the comprehensive health care benefit package was created. The possibility that this benefit may fundamentally change the very nature of the VA health care system is a great concern.

We recognize that VA is struggling to provide timely health care to all veterans seeking care. We appreciate the Subcommittee providing this forum to further debate this issue and to reexamine the potential impact of introducing a prescription-only benefit option to certain veterans. Extensive research and development over the past 10 years has led to new prescription drug therapies and improvements over existing therapies that, in some instances, have replaced other health care interventions. Today, prescription drugs are an integral component of health care delivery. However, increased reliance on new drug therapies has also contributed to a significant increase in drug spending as an overall component of health care costs. This is an issue that affects not only VA but the general population and private health care systems as well.

It has been reported that increasing numbers of veterans age 65 and older are turning to VA for low cost prescription drugs. It has also been noted that these veterans are not seeking access to VA health care services but inexpensive prescription medication only. However, because VA physicians are required to examine patients before dispensing medications there is a “duplication” of health care services being rendered unnecessarily. The December 2000 report by VA's Office of Inspector General estimated over a \$1 billion savings by eliminating the duplication of completing medical examinations and tests performed by VA. While we agree that in some cases a prescription only benefit would eliminate the duplication of tests and procedures already conducted by a veteran's private physician and would make available VA resources utilized in the current process, it is not clear whether this type of initiative would be wholly beneficial to the VA health care system or veterans themselves.

At the March 19, 2003, House Veterans' Affairs Committee Subcommittee on Health hearing on this issue, VA expressed concern that if an “add-on” pharmacy benefit was initiated without additional funding, it could erode the comprehensive medical care benefits that users of the system now enjoy. VA stated it must take care to ensure such actions would have no unintended consequences that could adversely affect VA's ability to provide timely, quality health care to all enrolled veterans. VA expressed reservations about implementing such a program because of the potential for significantly increased demand. In questions for the record VA commented that it was possible that nearly twice the current number of enrolled veterans could turn to VA if a prescription-only benefit were offered. VA also expressed concern about projected increases in current pharmacy workload and the potential impact of a prescription-only benefit could have on its Consolidated Mail Outpatient Pharmacies (CMOPs). Specifically in terms of increased cost, and how quickly they could ramp up to meet increased demand with changes to infrastructure and hiring of new personnel. VA also noted it would be unreasonable to expect VA could quickly expand capacity in local medical center pharmacies with limited space availability.

We concur with VA that providing a 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 significantly increasing overall pharmaceutical costs. We are also concerned about additional funding, staffing, and other resources that would likely be necessary to establish such a benefit and the additional burden it may place on an already severely strained health care system. As veterans' demand for pharmaceuticals has increased, VA expenditures on prescription drugs has increased dramatically as well. Because the budget for veterans' health care has not been sufficiently increased to meet demand for services, more of a burden has been placed on certain veterans in the form of increased copayments for medical care and prescription drugs. DAV Resolution No. 175 supports the repeal of copayments for medical care and prescription medications provided by VA. Copayments were only imposed upon veterans under urgent circumstances and as a temporary necessity to contribute to reduction of the Federal budget deficit. Unfortunately, copayments are now a permanent feature of some veterans' health care services. We will continue to voice our objection to copayments on the basis that they fundamentally contradict the spirit and principle of veterans' benefits. No requirement that veterans be burdened with copayments is justified. Providing our nation's veterans with high quality health care is a continuing cost of national defense and should be our first priority.

There is also the question of appropriate quality assurance if a prescription only benefit were instituted. Would VA have access to the veteran's complete health information? Such access is needed to aid in making appropriate medication decisions and to conduct a complete check for possible drug allergies. Currently, VA prides itself on being a comprehensive health care provider offering coordinated interaction between VA clinicians and pharmacists to ensure veterans receive the highest quality health care possible. VA commented that the proper and effective use of medications by patients is the cornerstone of modern health care and that drug therapy should be monitored, coordinated, and managed by a single primary care provider to appropriately avoid medication errors. VA cited its pharmacy practice models to demonstrate improved patient outcomes. Finally, in the follow-up questions for the record of the March 2003 hearing VA reported briefly on its analysis of a survey on the utilization of new enrollees and stated that although pharmacy access was their primary reason for enrollment their use of services was not limited to primary care and pharmacy services.

Even with collaborative efforts between VA and Department of Defense (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. Clearly, there is greater risk for patients who may be receiving prescriptions from more than one physician and having prescriptions filled by more than one pharmacist.

We do not believe there has been a sufficient study of the potential impact of implementing a prescription only benefit on veterans or the VA health care system. Although VA's Office of Inspector General offered potential savings of such a benefit, a potential cost analysis should be considered as well. Likewise, the impact on the quality of health care for veterans should also be assessed. We look forward to VA's survey results on a potential prescription-only health benefit and the status report on the implementation of its "transitional pharmacy benefit" to gain more insight into this complex issue.

As we search for solutions to best serve our nation's sick and disabled veterans, we must consider all the factors involved in providing high quality health care services. Ultimately, the quality of care received by America's veterans should be the focus of assessing VA's pharmacy benefits. We face significant challenges of finding a comprehensive long-term solution to VA health care funding, maintaining access to timely high quality health care services, keeping open enrollment for all veterans who need VA health care, and most importantly protecting VA's specialized programs for veterans with spinal cord injury, blindness, amputations, and mental illness. We cannot afford to be shortsighted or satisfied with temporary solutions to resolve VA's back-log for care. Band-aid approaches may help a few veterans in the short term but will ultimately shortchange veterans in the long run. The men and women serving in our Armed Forces today will need the VA for decades to come. We must ensure a stable and viable health care system, and work together to develop long-term solutions to these complex problems.

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 this important issue.