

SJR

35

HOUSE COMMITTEE REPORT

(7)

Date Referred: March 24, 1989

FURTHER REFERRALS:

Date of Committee Action: 5/2/89

The HEALTH, EDUCATION, & SOCIAL SERVICES Committee considered: SJR 35

SENATE JOINT RESOLUTION NO. 35 [COMMUNITY HEALTH CARE FOR VETERANS]
Requesting the Veterans Administration and the Department of Defense to consider the importance of community health care for veterans.

RECOMMENDATIONS:

- be replaced with _____ the same title
- have attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
(Dept)

APPROVES PREVIOUS:
(Date, Dept)

- fiscal impact _____ fiscal note(s) _____
- zero fiscal note _____ zero fiscal note(s) 3/27/89 DHS
- zero with analysis _____ zero fn/analysis 3/22/89 HHS + VA

SIGNING DO PASS:

SIGNING:
(Check: appro. column)

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Chairman's Signature

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Requesting the Veteran's Adm.
and the Dept. of Defense to...
 Sponsor: Jones et al.
 Requestor: _____

Agency Affected: Health & Social Services
 BRU: Medical Assistance
 Components: All

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Kim Busch, Director *Kim Busch* Phone: 465-3355
 Division: Medical Assistance Date: 3-22-89

Approved by Commissioner: Myra H. Munson *Myra H. Munson* Date: 3/22/89
 Agency: Department of Health & Social Services

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

FISCAL NOTE

REQUEST:

Revision Date: 3/13/89
Title: requesting the VA to consider community health care for veterans
Sponsor: Senator Jones
Requestor: Senate HESS

Agency Affected: Military and Veterans Affairs
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

There is no fiscal impact on the Department of Military and Veterans Affairs as a result of passage of this resolution.

Prepared by: Jeff Morrison Phone: 465-4600
Division: Administrative and Support Services Date: 3/21/89

Approved by Commissioner: THG John W. Schaeffer Date: 3/21/89
Agency: Military and Veterans Affairs

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)



Official Business

Alaska State Legislature

Senate

P.O. BOX V
State Capitol
Juneau, Alaska 99811

March 29, 1989

MEMORANDUM

RFC'D MAR 29 1989

Jim

To: Representative Johnny Ellis, Chairman
House Health, Education & Social Services Committee

From: Senator Lloyd Jones

Subj: SJR 35 - Community Health Care for Veterans

I would respectfully ask for a hearing on SJR 35 in the House HESS Committee as soon as possible. The purpose of the resolution is to send a message to the Veterans Administration and the Department of Defense, asking them to consider Alaska's unique situation regarding health care as they make budget decisions. The federal fiscal year is upon us and for this resolution to be effective, it is important we get it to the powers-that-be immediately.

Background

The U.S. House Veterans' Affairs Committee conservatively forecast a Veterans Administration medical budget shortfall over the next two years of \$1.1 billion below the amount needed to deliver the services provided in FY '88. The Bush Administration's FY '90 proposal for the VA's Department of Veterans' Benefits is currently \$30 million short of the current service levels. Because of the shortfall in the budget, the VA is looking at various measures to reduce its expenditures. These include:

- mandating veterans travel to VA hospitals or clinics
- negotiating discounts of charges from non-government health care providers
- beefing up their own clinics and hospitals.

The state has approximately 70,000 veterans with approximately 52% residing in small communities. They account for up to 15% of the total patient load across Alaska. Currently, veterans in Alaska can choose to be served in their own local communities. The cost of airfare for travel to VA hospitals would be just another burden during a time when the veterans is facing a medical crisis.

Representative Johnny Ellis
Page 2
March 29, 1989

The state has provided millions of dollars to our hospitals to help modernize facilities. We've invested in new state-of-the-art technologies. Withdrawal of any major user group from local health care providers would impact the viability of Alaska's health care systems, which strives to provide an infrastructure of modern, accessible service for all Alaskans.

I've enclosed backup material for your perusal. If you have further questions, please don't hesitate to call.

BACKGROUND PAPER
SERVICES TO VETERANS IN PRIVATE COMMUNITY HEALTH FACILITIES IN ALASKA

HEALTH ASSOCIATION OF ALASKA

Historically, Veterans who live in Alaska have been served by the private sector. Alaska is the only state in the nation which has this particular arrangement. Veterans have received physician and hospitalization services in their own communities using community facilities. It has been the policy of these communities and the facilities who serve them to respond to the needs of all residents. They have developed services and made large capital investments in response to the demands of the entire community, including the veteran patient population.

In March 1986, the Veterans Administration Inspector General issued a report critical of the cost of medical care of veterans in Alaska. Subsequently, the VA has pursued various measures to reduce VA expenditures in this state such as the establishment of its own primary care clinic and negotiating discounts of charges from the non-governmental providers during the past year.

In September 1987, in meetings initiated by the VA with the Anchorage area hospitals and doctors, we became aware of another study (US Army Corp of Engineers), dated September 1986 which concluded that \$102.2 million over 25 years could be saved if the Veterans Administration and the Department of Defense were to expand their joint sharing arrangements for hospital care. The DOD is preparing a replacement proposal for their facility at Elmendorf AFB and the VA proposes that a facility be constructed of sufficient size to also support the needs of the VA (additional 55 beds). Up to this time, the VA has used private hospitals and physicians throughout Alaska for medical care. It is asserted by the VA that the proposed Anchorage VA/DOD hospital would be used only for Anchorage area veterans.

In November 1987, in a follow-up meeting with Anchorage hospitals and doctors, it was further revealed by the VA that they were also examining other alternatives to private medical care for veterans, including (1) expanding current sharing arrangements with Elmendorf Hospital before it is replaced/expanded in 1991 and (2) transferring veterans to the Seattle VA Hospital for cardiac surgery, neurosurgery and major orthopedic joint replacement surgery. An impact analysis on medical care in Alaska has not been prepared by the VA or is unavailable to us at this time.

Preliminary review of the "Economic Analysis" that was done shows that while every effort was made to demonstrate dollar savings for the VA and/or the DOD, there was little effort to weigh the financial impact on the community providers since veterans account for 8-10% of total patient load, nor was there any consideration given to the effect on the overall health care delivery system in the state. The private system strives to provide an infrastructure of accessible services to care for the needs of all Alaskans. The withdrawal of a major user group from these providers may provide an irreparable blow to the viability of many community health systems.

Humana Hospital Alaska

March 20, 1989

Senator Lloyd Jones
Capitol Building
Juneau, Alaska

RE: SJR 35 Requesting the Veterans Administration and the Department of Defense to consider the importance of community health care for veterans.

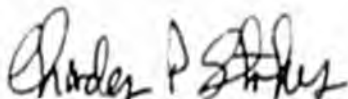
Dear Senator Jones:

Thank you for being the prime sponsor of SJR 35. Our hospital participated in the task force formed by the Health Association of Alaska to review the initial plans of the Veterans Administration to increase the joint sharing of facilities with the Department of Defense. The original plan proposed that a wing would be built onto the replacement facility planned for the Elmendorf AFB hospital in Anchorage. Throughout the months of discussions, the Veterans Administration scaled down their plans to have only 16 beds set aside in the facility rather than having a separate wing.

I have enclosed a copy of an article which appeared in the "Alaska Medicine" magazine which summarized the fragile nature of Alaska's health care system and the impact the VA plans would have had if their original proposal was implemented. Many of the points are still valid. I believe they provide sound reasons for adoption of SJR 35. It is very important to the Alaska veteran to receive care in their community. We worked closely with several veteran's groups while reviewing this issue.

I commend your efforts, and those of the sponsors for introducing the resolution and support the favorable consideration to adopt the resolution.

Sincerely,


Charles P. Stokes
Executive Director

My Turn

Veterans' Administration Plans Changes— Can Alaska's Health Care System Survive?

Currently, because there are no VA hospitals in Alaska, veterans in Alaska are seen, cared for, and treated in their own communities by their own private practice physicians in their own local hospitals. Our system provides very high quality care, and patients express a high level of satisfaction with the system. Formidable problems of delivering health care to our widely dispersed population have largely been overcome. The volume of health services provided to Alaska's veterans accounts for approximately 10-15% of the total patient services provided by hospitals across our state.

A considerable amount of money has been spent in these communities in expanding and renovating facilities, and in developing and providing new services and new technologies so that all Alaskans can enjoy better health. For example, the state recently spent \$10 million building a new hospital in Cordova—and additional expenditures are being planned for other communities to upgrade their facilities. Humana Hospital and Providence Hospital recently completed major expansion projects, adding new technologies and new services. All of us have benefited.

Alaskans now do not have to leave our state to obtain sophisticated, expert, state-of-the-art health care like we did as recently as 15 years ago because these services using the latest technologies and employing the highest degree of expertise are now available.

But, the availability to all Alaskans of this high level of care is threatened by proposed VA plans to restrict options for health care of Alaska's veterans. The VA wants to add 55 inpatient hospital beds to a new military hospital that is planned to be constructed at Elmendorf Air Force Base. The VA plans to treat all Alaskan veterans there, taking these patients away from their local physicians, communities, and hospitals. The VA is well along with its plans.

Why do they? The VA says it will save money. Most others do not share this opinion. But, even if some savings were to accrue to the VA, what would be the impact of the VA plans on the rest of Alaska? The VA has not looked. But, others have.

The loss of business that would result from removing all veteran health care from Alaska's private sector would severely impact Alaska's already fragile health care delivery system. Because the money has already been spent to add new technologies, services, and facilities, costs can not simply be reduced if veterans' services

are eliminated from the private sector. And, veterans' health care services accounted for 10-15% of the patient load in Alaska.

Not only will the VA proposal affect the veterans by requiring them to go to Elmendorf Air Force Base hospital but it also will affect the private sector by increasing their costs, possibly resulting in less access to health care for all Alaskans. Since the monies have already been spent in renovating and expanding, these fixed costs will have to be passed on to remaining payers. The result—higher costs to them. This will significantly increase the cost to the State of Alaska due to Medicaid and to state employees because health insurance costs will increase significantly.

The VA argues that they will save money by piggy-backing onto the military hospital. However, several independent studies have cast grave doubts about the reliability of these optimistic projections. The cost of health care in Alaska is already of concern. This proposed action by the VA will only make the situation worse. In fact, should the VA proceed with their current plans, it is likely that VA costs will increase at least as much as health services to all other Alaskans will increase as well.

One of the inescapable problems that we face is that we have a very small population. While the best technologies and services are now available so that we no longer have to leave the state for sophisticated health care, the cost of providing state-of-the-art technology can only be spread over a very small number of people. In the lower 48, the cost of this same technology is shared by a vastly greater number of people.

Alaskans involved in the delivery of health care services—hospitals, nursing homes, physicians, dentists, pharmacists, and many others—make up the second largest group of employees in Alaska, second only to the state itself. We will all be severely impacted if the VA proceeds with its plans.

Up to this time VA administrators and planners have failed to take into account the potential devastating impact of their proposed plans on all Alaskans. We and they need to look carefully at the whole picture, instead of just the segment of it.

George Schneider, Chairman
Health Association of Alaska and
Alaska State Medical Association
Fairbanks

PETERSBURG GENERAL HOSPITAL

and Long Term Care Facility

Phone: 907 772 4291

P.O. Box 589

Petersburg, Alaska 99833

March 17, 1989

TO: Senate HESS Committee

FROM: Gary W. Grandy

SUBJECT: SJR 35 Veterans Health Care

Please accept my support for SJR 35.

Low cost medical care, either nursing home or acute hospital care, is predicated on volumes of patients. The more patients, the lower the cost of care. When the government tunnels those patients away from local community facilities into their own hospitals and nursing homes, it drives up our costs per unit of care.

My accounting background and 25 years of cost analysis experience tells me that the Federal Government cannot provide less expensive medical care than private industry or local government. In addition, I can't think of a better way to save tax dollars and balance our national budget than by eliminating duplicative services that would compete with established private industry or local government.

Yes, and I am a Veteran and the local veterans do support our local hospital and want their health care here in Petersburg.

Sincerely,



Gary W. Grandy
Administrator

SITKA COMMUNITY HOSPITAL

209 MOLLER AVENUE • SITKA, ALASKA 99835 • (907) 747-3241

October 28, 1987

Honorable Frank Murkowski
United States Senate
709 Hart Building
Washington, D.C. 20510

Dear Senator Murkowski:

I am very concerned about the new proposed hospital/addition to the hospital for Elmendorf Air Force Base.

The new hospital or addition, whichever is decided upon, if needed to handle the existing active duty/retired/dependent traffic in the Elmendorf/Anchorage area, poses no problem.

The major concern lies with the report that Elmendorf would be a mandated hospital for all veterans in Alaska. As I understand it, "mandated" means that all Alaska veterans eligible for care under the Veterans' Administration requiring inpatient care would be hospitalized at Elmendorf's Hospital if at all possible.

The tenor of this proposal appears to be at a distinct opposite of the intents expressed to you by the V.A., which were in turn expressed in your 16 February 1987 letter to me concerning the Outpatient Clinic.

I am aware that the various federal agencies, including the Armed Forces and the V.A., are obliged to seek areas of consolidation of efforts, resources and existing facilities. The Elmendorf new hospital/addition does not exist yet. Part of the justification for the new facility appears to be a workload to be generated by V.A. patients.

It is assumed then that the V.A. patient outside of Anchorage requiring inpatient care will be denied care in his/her local community, disturbing the provider/patient relationship, so that the Elmendorf facility could be justified. The veteran is an important member of his/her community--that is, where friends, family and other support exist. In turn, part of that support is the fragile health

Senator Frank Murkowski
October 28, 1987
Page 2

care system that exists here in Alaska. As the opportunity to provide care for the veteran is denied, he/she becomes one less supporter of that community support system. It weakens that health care system not only for the veteran when he/she cannot make it to Anchorage, but weakens it for the entire community.

If this plan is allowed to proceed, along with the many other pressures that already press on Alaska's health care system, you and others will look around one day and ask, "Didn't Sitka (substitute any small Alaska hospital name) have a nice hospital once?" And the veteran and the other members of the community will answer, "We sure did, but now we have to go to Anchorage!"

Thank you for your consideration.

Sincerely,

Ed Malewski
Administrator

EM/nc

cc: HAA
Rep. Young
Sen. Stevens
Sen. Eliason
Rep. Grussendorf

From Veterans Forum
March 1989



THE DIRECTOR'S CORNER

Director, R. Bruce Thornton 127 249 1121
Division of Veterans Affairs
Washington, D.C. 20330

Today's Washington Post reports that the VA is in a "budget crisis" and that the VA's budget for FY 89 is \$1.1 billion less than the amount needed to deliver the services provided in FY 88. And to top it off, the Administration's FY 90 proposal for the VA's Department of Veterans Benefits is a \$90 million cut from last year's level.

And now the VA is being told that all VA and related activities are to be transferred to the VA's new budget. This is a very serious situation. The VA's budget for FY 89 is \$1.1 billion less than the amount needed to deliver the services provided in FY 88. And to top it off, the Administration's FY 90 proposal for the VA's Department of Veterans Benefits is a \$90 million cut from last year's level.

It is becoming increasingly evident that the VA and the senior VA are the ones most likely to be impacted. Under the Administration's proposed program, members of the VA are to be a "revenue" source.

The VA's budget for FY 89 is \$1.1 billion less than the amount needed to deliver the services provided in FY 88. And to top it off, the Administration's FY 90 proposal for the VA's Department of Veterans Benefits is a \$90 million cut from last year's level.

As Secretary Montgomery has said, "The time is ripe for reporting again... something must be done." And he added, "Veterans are taking a beating... we want to succeed... we must insist that when it comes to funding veterans, they should be number one." **VETERANS MUST BE NUMBER ONE**

THE GOVERNOR'S VOICE

Governor Steve Cowder
Juneau, Alaska
28 February 1989

It's not a great, cold, or gloomy day. It's a great day. It's a day that's exactly what happened when the bottom dropped out of thermometers all over the state for three and a half weeks winter.

The networks and the major newspapers jumped into the story quickly when I declared a state of emergency, but they missed what's probably the most important part of the story — which was, of course, the way the Division of Emergency Services and the Alaska National Guard handled a potentially disastrous situation.

It's hard to explain to people who've never been in the state why it's necessary to respond to trouble before it starts. But Alaska is especially hard. Alaska's winter is a time of extreme cold, and it's a time when the good planning and the good people save more lives than good drivers and good drivers. Out on the trap line at 40 below, the smart trapper pulls on a fire and makes tea before his feet get cold and fingers get stiff.

That concept was at the core of last January's action. Rural Alaskans are tough people and they know how to survive, but we would have been foolish not to mobilize the DES and the Guard when we did.

I hope everyone in the Department, from Gen. Schaeffer down to the rank of command, will accept my personal congratulations and thanks for what we've done. You didn't get the headlines, but that's probably because you did your jobs so well and so efficiently.

DID YOU KNOW? ★ DID YOU KNOW?

The first casualty of the Vietnam War was on July 8, 1959 and the last casualty was on May 15, 1975. There are 58,007 names inscribed on the wall. The number of Americans who served in Vietnam was about 2,700,000, of which approximately 770,000 were wounded, 75,000 were permanently disabled, 1,300 were MIA's and 58,000 were killed.

The Vietnam Veterans Memorial Wall consists of an east wall and a west wall, each composed of 75 panels and each 752 meters long. The walls are made of highly polished black granite quarried in India. The walls are 3.4 meters high at the top and point to the Washington Monument and the Lincoln Memorial.

Each name is preceded on the west wall or followed on the east wall by a symbol. The diamond symboling dates death confirmed. The cross symboling dates missing in action or prisoner of war.

St. Patrick's Day
March 17th



Plans for Elmendorf veterans health center far from final

By Jack Dolan
Dartmouth College

WASHINGTON — Plans are in the works — but they are only plans, according to the Defense Department — to add a veterans health center to the blueprints for an expanded hospital at Elmendorf Air Force Base.

Congress will have the final word on whether the Veterans Administration joins with the Air Force in providing medical care at Elmendorf. Congress will not be faced with that decision until 1990, Cmdr. Ed Phillips of the Department of Defense's health affairs unit said.

By 1990 about 35 percent of the design work for the facility will be completed. When at that critical 35 percent point in

the design process, Congress must be informed of the Pentagon's military construction plans. It is then up to the House and Senate to give the go-ahead for military construction plans.

By law, said Phillips, the Air Force was required to ask other federal agencies that provide medical care — the VA in this instance — whether they wanted to be part of construction plans for the expanded Elmendorf facility. There has yet to be a VA response to the department's request. A decision is expected by June 1988.

The aim of the law is to reduce costs and streamline governmental operations. It specifically was written to prevent myriad federal agencies from providing the same services in the same

jurisdiction.

But even at this early stage in the process, opposition to having veterans treated at Elmendorf Air Force Base has surfaced. In fact, Congress itself has yet to review a hospital expansion plan for Elmendorf because it still is in the early design phase.

"We all realize there are political considerations here," Phillips said.

Sen. Frank Murkowski, R-Alaska, and ranking Republican on the Senate Veterans Affairs Committee, said that construction of a hospital for veterans in Anchorage would be "a breach of faith and a disservice to Alaska's veterans."

Last year, Murkowski worked out a compromise among the VA, veterans

organizations, and Alaska's health care providers, to establish a VA outpatient clinic in Anchorage, in lieu of a hospital which the VA was considering at the time.

But a new facility at Elmendorf for veterans apparently would upset the compromise and require all the state's veterans to trek to Anchorage for VA health treatment, outpatient and inpatient, the senator said. Currently, eligible veterans receive medical care from private physicians or other health care providers, who in turn are reimbursed by the VA.

About a half-dozen health facilities nationwide are shared by the VA and the Department of Defense, a VA spokesman said. Veterans who live

great distances from their home state's VA health facility customarily are allowed to get treated in an out-of-state VA center if it's closer to their home.

However, in a telephone interview with VA spokesman Honner Day on Monday, the official said he was unsure how the medical program would function in Alaska. Indeed, that question is far off, he added, and has not been considered.

One federal official said that when Congress tackles the issue in three years, it might require veterans in the Anchorage area to be treated at the Elmendorf facility while vets throughout the rest of the state would continue with treatment from private physicians.

Senator wants VA out of Elmendorf hospital project

By DAVID WHITNEY
Daily News reporter

WASHINGTON -- The Air Force is considering a \$90 million expansion to its hospital at Elmendorf Air Force Base near Anchorage and the Veterans Administration has shown interest in participating in the expansion.

That irks Alaska Sen. Frank Murkowski, who said any VA involvement would be a "breach of faith and a disservice to Alaska's veterans."

Murkowski, ranking Republican on the Senate Veterans Affairs Committee, said a VA hospital in the state could jeopardize present policy under which the VA pays local doctors and hospitals for providing medical care to an estimated 67,000 Alaska vets.



Daily News photo

Sen. Frank Murkowski: No role for Veterans Administration in hospital expansion

See Back Page, HOSPITAL

Alaska Daily News, 1985, April 17, 1987

HOSPITAL: Murkowski opposes Veterans Administration role in proposed Elmendorf expansion

Continued from Page A-1

If there were a large VA center in Alaska, Murkowski said, veterans living in remote corners of the state might have to travel to Anchorage to receive care they now receive from local doctors and hospitals.

But earlier this year, VA spokesman in Washington, said it is unclear what impact, if any, a VA hospital would have on the so-called fee basis policy.

"It might change, but it wouldn't necessarily change," Day said.

Staff Sgt. Frank Singleton, spokesman for Elmendorf Air Force Base, confirmed that the Air Force is seeking a major expansion of the base hospital in 1991, amounting to as much as \$90 million worth of work.

Singleton said a task force is meeting through Wednes-

day at the base to discuss the project. Involved in the meeting are representatives of the Air Force, the Veterans Administration and the Civilian Health Care Advisory Association.

"The VA may share in the \$90 million. It may add an additional amount of its own or it may not participate at all," Singleton said.

"We're talking with them" is all Day would say of the VA-Air Force discussions.

The Veterans Administration has been under great pressure to do something about its unique system of providing medical service to Alaska veterans. Last year, the agency's inspector general issued a report criticizing high costs and poor management of the fee basis system.

The report compared costs between the Alaska program and the program in Hawaii, where the VA provides more

direct patient care and there is a "strong sharing arrangement" between the VA and Tripler Army Medical Center in Honolulu.

"In fiscal year 1985, the VA spent \$16.8 million in Hawaii to provide care to a veteran population of 102,400," the report said. "In Alaska \$45.9 million was expended to provide care to a population of 67,100 veterans."

"Costs were higher in Alaska because the VA provides little direct care and relies on private physicians and hospitals for most medical services," the report said.

"The report said 'significant management improvements' are needed in the Alaska program because costs had risen from \$17.2 million in 1982 to \$45.9 million in 1985 -- an increase of 167 percent."

"Also, the incidence of care in Alaska is high," the report said. Out-patient visits were

76 percent higher than the national rate and the patient hospitalizations were 52 percent higher than the national rate, the report said.

"During the three-year period of fiscal years 1983 through 1985, the VA provided care to only 22,000 individual veterans," the report said. "The cost of this care was \$100 million, or \$4,545 per veteran treated."

Not all the high cost is attributable to high living costs in the state, the report said.

While the cost of living in Alaska is about 25 percent higher than in the lower 48 states, the average cost per day for hospitalization was \$753 -- "112 percent higher than the national average of \$355."

The report said that if a series of changes were implemented, including expanding a sharing arrangement with

Elmendorf, costs could be brought down by \$31.7 million a year.

Murkowski, who last year served as chairman of the Veterans Affairs panel, responded to the report by working out an agreement with the VA to open an out-patient clinic in Anchorage even though the inspector general's report said the clinic should be at Elmendorf "to further institutionalize the sharing arrangement between the VA and Elmendorf."

Despite that agreement, no clinic has yet been opened and this year Murkowski has been pressing for \$1 million in funding for the VA to lease downtown space for the clinic.

"I wish to emphasize that I do not support the establishment of a VA hospital in Alaska and intend to closely monitor operations of the out-patient clinic to ensure

that it is cost effective and that veterans receive timely and quality care," Murkowski said.

"In addition, I am opposed to any expansion of the Elmendorf Air Force Base hospital at VA expense as a means of providing in-patient care to veterans in Anchorage," Murkowski said.

Murkowski's office said the senator learned that discussions had begun in late summer between the VA and the Air Force about the proposed hospital expansion, which Singleton said was initially proposed to serve the needs of the Air Force.

As the discussions have intensified, so has Murkowski's ire.

Last week Murkowski called Thomas Turnage, administrator of the Veterans Administration, to complain about any participation in the Elmendorf expansion.



U.S. Department of Labor

Office of the Assistant Secretary for
Veterans' Employment and Training



TO: DIRECTOR, BUREAU OF
LABOR RELATIONS
FROM: ASSISTANT SECRETARY FOR
VETERANS' EMPLOYMENT AND TRAINING

RE: [Illegible]

[Illegible typed text]

[Illegible]

John F. [Illegible]

ASSISTANT SECRETARY FOR
VETERANS' EMPLOYMENT AND TRAINING

[Illegible]

NOV 23 1987
NO 5 1987

OFFICE OF INFORMATION MANAGEMENT AND STATISTICS
STATISTICAL POLICY AND RESEARCH SERVICE
RESEARCH DIVISION (711)

] Federal
V.A.

DATE OF PRODUCTION: NOVEMBER 5, 1987

PRODUCED BY MANAGEMENT SCIENCES DIVISION (714)

ALASKA

VETERAN POPULATION BY SEX, COUNTY AND PERIOD OF SERVICE AS OF MARCH 31, 1987

PAGE 10

W A R T I M E V E T E R A N S P E A C E T I M E V E T E R A N S

COUNTY	TOTAL VETERANS	TOTAL	VETERAN ERA		KOREAN CONFLICT		WORLD WAR II	WORLD WAR I	TOTAL	SERVICE BETWEEN KOREAN CONFLICT AND VIETNAM ERA ONLY		OTHER PEACE TIME VET- ERANS
			TOTAL	NO. SERVICE IN KOREAN CONFLICT	TOTAL	NO SERVICE IN WORLD WAR II				POST- VIETNAM ERA	VIETNAM ERA ONLY	
SEX: BOTH SEXES TOTAL	<i>11</i> 69,900	55,000	<i>34</i> 33,400	31,400	<i>11</i> 11,200	9,300	<i>14</i> 14,800	100	14,800	<i>6</i> 5,700	<i>9</i> 8,900	<i>700</i> 700
ALUTSIAN ISLANDS (I)	570	410	320	300	70	60	50	0	160	100	50	•
ANCHORAGE DIVISION	34,580	27,000	16,570	15,560	5,650	4,710	6,760	70	7,520	3,070	4,360	140
BEHEL DIVISION	780	600	410	400	80	60	140	0	180	100	70	•
BRISTOL BAY BOROUGH	190	80	40	40	20	10	20	0	20	10	20	•
DELLINGHAM	310	240	180	180	30	30	30	0	70	30	40	•
FAIRBANKS DIVISION	9,270	6,520	4,070	3,840	1,270	1,010	1,650	10	1,750	640	1,080	30
HAINES DIVISION	320	270	130	120	60	40	100	0	50	10	40	•
JUNEAU DIVISION	3,520	2,830	1,680	1,560	600	500	760	•	690	210	470	10
KENAI PENINSULA	5,640	4,490	2,620	2,460	910	740	1,290	10	1,150	360	760	30
KETCHIKAN DIVISION	1,790	1,460	770	710	300	230	520	•	330	120	200	10
KODIAK DIVISION	1,890	1,490	890	830	330	280	380	0	400	150	240	10
KATANUSKA-SUSITNA D	4,830	3,860	2,280	2,130	830	690	1,040	•	960	310	640	20
NOME DIVISION	710	560	310	290	110	90	190	•	140	70	70	•
NORTH SLOPE DIVISIO	330	250	190	180	40	30	40	0	80	50	30	•
NORTH WEST ARCTIC	320	240	150	140	40	30	60	•	80	40	40	•
PRINCE WALES-OUTER	510	400	270	210	90	80	110	0	110	30	80	•
SETKA DIVISION	970	760	430	390	180	150	220	•	210	90	110	•
SKAGWAY-YAKUTAK-ANG	460	380	210	190	70	60	120	0	90	30	60	•
SOUTHEAST FAIRBANKS	790	590	390	370	110	90	130	•	190	90	110	•
VALDEZ-CORDOVA DIVI	1,340	1,060	650	610	220	180	270	0	280	90	190	•
WADE HAMPTON DIVISI	200	160	90	90	20	10	60	•	40	20	20	•
WRANGELL PETERSBURG	830	660	390	370	150	130	170	0	170	50	110	•
YUKON-KOYUKUK DIVIS	810	640	400	380	140	110	150	•	170	70	90	10
SEX: MALE TOTAL	68,000	52,500	31,800	29,800	10,900	9,000	11,600	100	11,500	4,700	8,600	200
ALUTSIAN ISLANDS (I)	500	380	280	270	70	60	50	0	130	70	50	•
ANCHORAGE DIVISION	32,210	25,540	15,590	14,590	5,450	4,520	6,390	30	6,670	2,390	4,170	110
BEHEL DIVISION	760	590	400	390	80	60	140	0	170	90	70	•

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VETERAN POPULATION BY SEX, COUNTY AND PERIOD OF SERVICE AS OF MARCH 31, 1987

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W A D I M F V E T I N S G R A T I M V E T I R A N S

SERVICE BETWEEN KOREAN CONFLICT AND POST-VIETNAM ERA ONLY
 OTHER KOREAN CONFLICT
 PLACE-TIME
 VET-TRANS

COUNTY	VETERANS	TOTAL	NO SERVICE IN KOREAN CONFLICT	NO SERVICE IN WORLD WAR II	NO SERVICE IN WORLD WAR I	TOTAL	POST-VIETNAM ERA ONLY	VET-TRANS
SEATTLE (CONTINUED)	90	70	40	40	0	20	0	10
WEST BAY BOROUGH	300	230	180	30	0	30	0	40
FAIRBANKS DIVISION	2,750	6,200	3,880	1,190	0	1,540	0	1,040
HALES DIVISION	320	270	130	60	0	100	0	40
JOHN R. DIVISION	3,420	2,750	1,540	580	0	750	0	450
KENAI PENINSULA	5,450	4,350	2,530	2,170	0	1,270	0	740
KETCHIKAN DIVISION	1,750	1,430	750	290	0	500	0	200
KODIAK DIVISION	1,840	1,460	850	310	0	380	0	240
MATANUSKA-SUSTINA D	4,650	3,340	2,100	2,050	0	1,020	0	630
HOME DIVISION	670	530	310	110	0	160	0	70
NORTH STAR DIVISION	330	250	180	40	0	40	0	30
NORTH WEST ARCTIC	320	240	150	40	0	60	0	30
PRINCE WALES-OUTER	500	290	230	90	0	110	0	70
SITKA DIVISION	890	740	380	180	0	200	0	110
SKAGWAY-YAKUTAK-ANG	460	370	200	70	0	120	0	60
SOUTHWEST FAIRBANKS	740	770	380	100	0	130	0	110
VALDEZ-CORONA DIVI	1,290	1,120	620	210	0	260	0	180
WARD HAMILTON DIVISI	200	160	90	20	0	60	0	20
WARDHELL-TERESBURG	810	640	380	150	0	160	0	110
WARDEN-KOHLER DIVIS	770	610	300	170	0	130	0	90
SEX - FEMALE	3,900	2,500	1,600	1,600	0	600	0	300
TOTAL	20,170	17,900	9,000	9,000	0	3,000	0	1,900
ALUTSIAN ISLANDS DI	70	30	30	0	0	0	0	0
AVERAGE DIVISION	2,170	1,520	980	920	0	160	0	190
WHITE DIVISION	20	10	10	0	0	0	0	0

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VETERAN POPULATION BY SEX, COUNTY AND PERIOD OF SERVICE AS OF MARCH 31, 1987

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COUNTY	TOTAL VETERANS	W A R T I M E V E T E R A N S						P E A C E T I M E V E T E R A N S		TOTAL	POST-VIETNAM ERA	SERVICE BETWEEN KOREAN CONFLICT AND VIETNAM ERA ONLY	OTHER PEACE-TIME VETERANS
		VIETNAM ERA		KOREAN CONFLICT		WORLD WAR II	WORLD WAR I						
		TOTAL	NO. SERVICE IN KOREAN CONFLICT	TOTAL	NO. SERVICE IN WORLD WAR II								
SEX, FEMALE (CONTINUED)													
BRISTOL BAY BOROUGH	10	10	*	*	*	*	0	0	*	*	*	*	
BELLINGHAM	10	*	*	*	*	*	0	0	*	*	*	*	
FAIRBANKS DIVISION	510	320	180	180	30	30	110	0	180	140	40	10	
HAINES DIVISION	0	0	0	0	0	0	0	0	0	0	0	0	
JUNEAU DIVISION	100	60	30	30	20	20	10	0	40	20	20	*	
KENAI PENINSULA	190	120	90	90	20	20	20	*	60	30	20	*	
KETCHIKAN DIVISION	50	40	10	10	*	*	20	0	10	10	*	*	
KODIAK DIVISION	50	30	30	30	*	*	*	0	20	20	*	*	
MATANUSKA-SUSTINA D	170	120	80	80	20	20	20	0	50	40	10	*	
NOME DIVISION	40	30	10	10	*	*	20	*	10	*	*	*	
NORTH SLOPE DIVISION	10	*	*	*	0	0	0	0	*	*	*	0	
NORTH WEST ARCTIC	*	*	*	*	*	*	0	0	*	*	*	0	
PRINCE WALES-OUTER SITKA DIVISION	10	10	10	10	*	*	0	0	10	*	*	0	
SKAGWAY-YAKUTAK ANG	80	60	40	40	10	*	20	0	20	10	*	*	
SOUTHEAST FAIRBANKS	10	10	*	*	*	*	*	0	*	*	*	*	
SOUTHEAST FAIRBANKS VALDEZ-CORDOVA DIVI	50	20	20	20	*	*	*	0	30	20	10	*	
WADE HAMPTON DIVISI	50	40	30	30	*	*	*	0	10	10	*	*	
WADSWORTH DIVISION	*	*	*	*	*	*	*	0	*	*	*	*	
WRENGELL PETERSBURG	30	20	10	10	10	10	10	0	10	*	*	*	
YUKON-KOYUKUK DIVIS	40	30	10	10	*	*	20	0	10	*	*	*	

NOTE: DETAIL MAY NOT ADD TO TOTAL SHOWN DUE TO ROUNDING. "OTHER PEACETIME VETERANS" IS COMPRISED OF THOSE WHO SERVED ONLY BETWEEN WORLD WAR I AND WORLD WAR II, AND THOSE WHO SERVED ONLY BETWEEN WORLD WAR II AND THE KOREAN CONFLICT.

* LESS THAN 5

** LESS THAN 50