

SCOMM

149:14



Support Assured Funding for Veterans Health Care



*Today's soldiers...
are tomorrow's veterans*

THE PARTNERSHIP FOR

Veterans Health Care
BUDGET REFORM

The Partnership for Veterans Health Care Budget Reform *Representing America's Veterans*

The American Legion
1608 K Street, N.W.
Washington, DC 20006
(202) 861-2700
www.legion.org

AMVETS (American Veterans)
4647 Forbes Blvd.
Lanham, MD 20706
(301) 459-9600
www.amvets.org

Blinded Veterans Association
477 H Street, N.W.
Washington, DC 20001
(202) 371-8880
www.bva.org

Disabled American Veterans
807 Maine Avenue, S.W.
Washington, DC 20024
(202) 554-3501
www.dav.org

Jewish War Veterans of the USA
1811 R Street, N.W.
Washington, DC 20009
(202) 265-6280
www.jwv.org

**Military Order of the Purple Heart
of the U.S.A., Inc.**
5413-B Backlick Road
Springfield, VA 22151
(703) 642-5360
www.purpleheart.org

Paralyzed Veterans of America
801 18th Street, N.W.
Washington, DC 20006
(202) 872-1300
www.pva.org

**Veterans of Foreign Wars
of the United States**
200 Maryland Avenue, N.E.
Washington, DC 20002
(202) 543-2239
www.vfwdc.org

Veterans of America
8605 Cameron Street, Suite 400
Silver Spring, MD 20910
(301) 585-4000
www.vva.org

This We Believe

Americans are once again deployed around the world, answering our nation's wartime call to arms. Like so many brave men and women who honorably served before them, these soldiers are fighting to preserve freedom, liberty, and security. Many have already made the ultimate sacrifice. Also, like those who fought before them, today's veterans deserve the respect of a grateful nation when they return home.

Unfortunately, without urgent changes in health care funding, our new veterans will soon discover their battles are not over. They will be forced to fight to preserve a health care system designed specifically to meet their unique needs. They will inherit an ongoing struggle to ensure that America fulfills its promise: to make the veterans health care system accessible to all veterans who need it.

The Partnership for Veterans Health Care Budget Reform—the American Legion, AMVETS (American Veterans), Blinded Veterans Association, Disabled American Veterans, Jewish War Veterans of the USA, Military Order of the Purple Heart of the U.S.A., Inc., Paralyzed Veterans of America, Veterans of Foreign Wars of the United States, and Vietnam Veterans of America—is united in the belief that no veteran should be forced to fight for the care he or she has earned by virtue of his or her military service.

We believe it is time to guarantee health care funding for all veterans who need medical care. Health care rationing must end. It is time the promise is kept.

Many sick and disabled veterans are forced to wait six months or longer for an appointment in a Department of Veterans Affairs (VA) facility. The VA must have a predictable, reliable funding stream to meet the specialized health care needs of veterans.

Access to quality health care for veterans has been compromised in recent years by budget shortfalls, rising medical costs and dramatically increased demand for care. The current funding formula, in which the VA must compete with other agencies for scarce budget dollars, must be replaced. The only way the VA can fulfill its mission is for Congress to guarantee the direct funding it needs to operate.

The men and women who are currently deployed must be assured the VA health care system will be there for them when they need it—now and in the future. Congress should be mindful of George Washington's words: The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional to how they perceive the veterans of earlier wars were treated and appreciated by their nation.

Support Assured Funding for Veterans Health Care

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THE PARTNERSHIP FOR

Veterans Health Care

BUDGET REFORM

Today's VA

The Department of Veterans Affairs (VA) is the largest integrated health care system in the United States and has four critical health care missions:

- To provide health care to veterans
- To educate and train health care personnel
- To conduct medical research
- To serve as a backup to the Department of Defense and support communities in time of emergency

The VA operates 157 hospitals, with at least one in each of the 48 contiguous states, Puerto Rico and the District of Columbia. It operates more than 850 ambulatory care and community-based outpatient clinics, 132 nursing homes, 42 residential rehabilitation treatment programs and 88 home-care programs. More than 193,000 employees support the VA health care system.

The VA provides a wide range of specialized services to meet the unique needs of veterans including spinal cord injury and dysfunction care and rehabilitation, blind rehabilitation, traumatic brain injury care, post-traumatic stress disorder treatment, amputee care and prosthetics programs, mental health and substance abuse programs, and long-term care programs. These services are incomparable resources that often cannot be duplicated in the private sector.

The VA also manages the largest medical education and health professions training program in the United States. VA facilities are affiliated with 107 medical schools, 55 dental schools and more than 1,200 colleges and universities. These affiliations foster first-rate health care and state-of-the-art medical science. Each year, about 81,000 health professionals are trained in VA medical centers. More than half of the physicians practicing in the United States today received some of their professional education in the VA health care system.

The VA also conducts research on some of the most critical health issues today. VA researchers have played key roles in

developing the cardiac pacemaker, the CT scan, the radio-immune assay technique and improvements in artificial limbs. The first liver transplant in the world was performed by a VA surgeon. VA clinical trials established the effectiveness of new treatments for tuberculosis, schizophrenia and high blood pressure. Because three out of four VA researchers are practicing physicians, their research often immediately benefits patients. Functional electrical stimulation, a technology using controlled electrical currents to activate paralyzed muscles, is being developed at VA clinical facilities and laboratories. Through this technology, paraplegic patients have been able to grasp objects, stand, and even walk short distances. VA contributions to medical knowledge benefit all Americans.

VA has proven it provides cost-effective, high quality, comprehensive health care services to our nation's veterans. In a study published in the *New England Journal of Medicine*, May 29, 2003, "Effect of the Transformation of the Veterans Affairs Health Care System on the Quality of Care," researchers found dramatic improvements in the quality of care to veterans after the system-wide reengineering in the mid-1990s, and that care in VA was significantly better than that in the Medicare fee-for-service program.

Furthermore, in the Nugent study, "Value for Taxpayers' Dollars: What VA Care Would Cost at Medicare Prices," published in the *Medical Care Research and Review*, December 2004,

The Federal Budget

The entire federal budget is divided between discretionary and direct programs.

Discretionary programs are those programs which the Administration and Congress control through the budget and appropriations process. VA medical care is a discretionary program.

Direct programs are often referred to as entitlements, because all recipients of these funds meet specific criteria and are entitled to payments. Social Security, Medicare, Medicaid, VA compensation and pension, and congressional salaries are direct programs and receive guaranteed appropriations.

Currently, nearly 90 percent of all federal health care spending is already guaranteed (direct or mandatory) spending.

researchers concluded that the VA is able to provide a richer benefit package at lower cost than veterans would be able to obtain through the private sector under the Medicare fee-for-service program.



Even though the VA is unquestionably a success story, Congress typically provides an annual discretionary appropriation for veterans health care that falls far short of actual needs. To ensure health care programs and

services are readily accessible for veterans, funding needed over the years has not kept pace with medical inflation, let alone the increased demand for services. The enrollment for VA medical care increased 134 percent between fiscal years 1996 and 2004; funding, however, only increased 34 percent during the same period when adjusted to 1996 dollars.

Who Uses the VA Health Care System?

In fiscal year (FY) 2004, the VA provided care to more than 5.1 million patients, including approximately 100,000 homeless veterans, more than 20,000 veterans with catastrophic spinal cord injuries and nearly 100,000 veterans diagnosed with post-traumatic stress disorder. These veterans fall into one of eight categories:

- **Priority Group 1:** Veterans with service-connected disabilities rated 50 percent or more.
- **Priority Group 2:** Veterans with service-connected disabilities rated 30 or 40 percent.
- **Priority Group 3:** Veterans who are former POWs or were awarded a Purple Heart, veterans with disabilities rated 10 and 20 percent and veterans awarded special eligibility for disabilities incurred in treatment.
- **Priority Group 4:** Veterans receiving aid and attendance or housebound benefits and veterans determined by the VA to be catastrophically disabled, although some may be responsible for co-payments.
- **Priority Group 5:** Veterans who are determined to be unable to pay the expenses of needed care.
- **Priority Group 6:** All other eligible veterans not required to make co-payments. This includes veterans of the Mexican border period or World War I; veterans seeking care solely for certain conditions associated with exposure to radiation, for any illness associated with combat service in a war after the Gulf War or during a period of hostility after November 11, 1998, for any illness associated with participation in tests conducted by the Defense Department as part of Project 112/Shipboard Hazard and Defense; and veterans with zero percent service-connected disabilities who still receive compensation.
- **Priority Group 7:** Nonservice-connected veterans and noncompensable zero percent service-connected veterans with income above the VA's national means test threshold and below the VA's geographic means

test threshold based on the Department of Housing and Urban Development (HUD) index.

- **Priority Group 8:** Nonservice-connected veterans and zero percent noncompensable service-connected veterans with incomes above the HUD index who agree to pay co-payments. In January 2003, the VA closed enrollment to all new Priority Group 8 veterans seeking enrollment due to insufficient resources.



The VA is also obligated to provide two years of free health care to veterans who served in Iraq and Afghanistan. Every active-duty servicemember, Reservist or National Guard member who serves in a theater

of combat operations is eligible for the full range of VA care for injuries or illnesses he or she believes is related to combat service. Veterans who enroll with VA under this authority will retain enrollment eligibility even after their two-year post discharge period ends under current enrollment policies.



Funding Reform Is Needed Now

Early in his first term, President Bush signed Executive Order 13214 creating the President's Task Force to Improve Health Care Delivery for Our Nation's Veterans. In its final report, the Task Force targeted health care funding reform as critical to the success of any VA-DoD collaboration of services. The Task Force also identified a significant mismatch between the demand for VA services and the availability of adequate funding which, if left unresolved, would delay veterans' access to care and threaten the quality of care provided.

In Recommendation 5.1, the Task Force noted:

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 by some other changes in the process that achieve the desired goal.

In January 2003, the Secretary of Veterans Affairs suspended the enrollment of Priority 8 veterans because of insufficient resources to accommodate all eligible veterans seeking care and treatment from the VA. These veterans, the Task Force stated, "do not know from year to year whether they will have access to VA care, and as an organization, the VA cannot effectively plan or budget, given this uncertainty." Declaring the situation regarding Priority 8 veterans unacceptable, the Task Force



recommended that the President and the Congress should work together to resolve the status of this group.

Although the Secretary of Veterans Affairs suspended the enrollment of Priority 8 veterans initially as a "temporary" measure, VA planning documents do not assume that Priority 8 veterans will ever be permitted to enroll in the system. And as resources continue to precipitously decline and more veterans are seeking health care services, veterans from other priority groups may also be barred from the system.



It is clear the current method of funding VA medical care is flawed. We strongly urge the Administration and Congress to act on the recommendations of the Task Force, and to reform the method for funding veterans health care to ensure a predictable and reliable funding stream. Providing health care to our nation's sick and disabled veterans is part of the cost of national defense and should be a top priority for our government.

Frequently Asked Questions

Does direct funding create a new entitlement?

- No. Direct funding neither creates an individual health care entitlement nor changes the VA's current mission, eligibility requirements, or medical benefits package.
- Direct funding only changes the way funds are provided for VA health care.

Will direct funding result in runaway costs?

- No. The Secretary of Veterans Affairs will retain the right to make an annual enrollment decision based on available resources.
- Although eligibility reform opened the VA health care system to all veterans, the vast majority of veterans choose other health care options.
- Direct funding will ensure that the VA receives a reliable, predictable, and consistent funding stream to provide timely, high-quality health care.

Will Congress lose oversight if direct funding of the VA health care system is instituted?

- No. As with other direct funded federal programs, Congress would retain oversight of VA programs and health care services.
- The VA will still be accountable to Congress for how its funds are spent and how well its health care programs are managed.
- Currently, almost 90 percent of federal health care spending is direct rather than discretionary. Only funding for active duty military, Native Americans, and veterans health care are left to the discretion of Congress.



Care for veterans who have served our nation with honor—and who are by law eligible to receive medical care from the VA—must be considered part of the continuing cost of the national defense. Congress must institute a rational, reliable means of funding the medical operations of the VA. What is needed is a mechanism that will enable every VA facility to provide quality care to sick and disabled veterans in a timely, cost-effective manner.

Providing for the health care needs of veterans should not be pitted against the needs of military families, or costs of a strong national defense. Caring for veterans is an American responsibility.

Open discussion on budget reform by our elected officials is necessary to determine a viable long-term solution to the VA's funding crisis. The time to act is now.



Supporting Documents

- *FY 2004 Performance and Accountability Report* – Office of the Budget, Department of Veterans Affairs. (November 2004)
- *Final Report 2003* – The President's Task Force to Improve Health Care Delivery for Our Nation's Veterans. (May 2003)
- *A System Worth Saving* – The American Legion. (September 2003)
- *The Independent Budget for Fiscal Year 2006* – AMVETS, DAV, PVA, and VFW. (February 2005)
- *White Paper: The Position of Vietnam Veterans of America on Health Care Funding for All Veterans* – Vietnam Veterans of America. (July 2003)
- *White Paper: America's Health Care Crisis: Where Does Veteran's Health Care Stand?* – Disabled American Veterans. (2005)

Notes

- FY 2004 Performance and Accountability Report - Office of the Budget, Department of Veterans Affairs (Government 2004)
- Joint Report 2003 - The President's Task Force to Improve Health Care Delivery for Our Nation's Veterans (May 2003)
- A Sicker, Wealthier - The American Legion (September 2003)
- The National Budget for Fiscal Year 2005 - AMVETS, DAV, PVA, and VFW (February 2005)
- White Paper: The Position of Vietnam Veterans of America in Health Care Funding for All Veterans - Veterans of America (July 2003)
- White Paper: America's Health Care Crisis: Why? Do? Veterans' Health Care Needs - Disabled American Veterans (2003)

Veterans Health Care

BUDGET REFORM



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Vietnam Veterans of America

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World Wide Web: <http://www.vva.org>

A Not-For-Profit Veterans Service Organization Chartered by the United States Congress

A revamped method of funding veterans' health care is the highest legislative priority of VVA. What is needed is a new mechanism to assure, or guarantee, funding of the VA's health care operations, one that will ensure VA planners of a predictable, reliable, sufficient, sustainable – and timely – funding stream. Such an innovation will not diminish congressional oversight, nor will it lead to spiraling costs. (What leads to higher expenditures is twofold: medical inflation and an influx of eligible veterans who choose to use the VA system for their health-care needs.)

More than 7 million of our nation's 23 million veterans are on the VA rolls. Some receive disability compensation for wounds or conditions incurred or exacerbated during or as a result of their military service. More than 5 million use the VA health care system as their provider of choice – or of last resort. Veterans whose income places them below the poverty line have few options; however, they are lucky to be served by a system that provides, for the most part, good to excellent care. Many others, who are so-called higher income veterans, have no medical insurance but are denied access to VA healthcare by the current administration as a matter of policy and by the fact that Congress has not allocated enough resources to take care of all who have earned the right to health care – who were promised health care as a condition of their service. Still other veterans receive care privately but often cannot afford the prescription medications they need; for them, the VA prescription drug service is a godsend. And there are those who choose to avail themselves of the VA health care system because of the quality of care it provides, and they were fortunate enough to get into the system before the administration closed the door to these "Priority 8" veterans – more than half a million of them, it has been estimated, since 2003.

It is incumbent upon all of us to work together to continue to improve what is the largest integrated health care system in the country. We must ensure that the VA has the funding it needs to meet its mandate, to fulfill the promise of President Abraham Lincoln "To care for him who shall have borne the battle, and for his widow, and his orphan." To this end, we must work together to fashion a formula to fund the VA's health care operations – because the current discretionary method of funding is, in effect, arbitrary.

VVA believes, in concert with The Partnership for Veterans Health Care Budget Reform, that a fair funding formula can be arrived at, one that won't bust the budget, one that recognizes our nation's obligations to veterans and is indexed to medical inflation and the per capita use of the VA health care system.

A revamped funding mechanism for veterans' health care is one of a trio of overarching issues that we believe Congress must address. We know that many of your colleagues are less than enthusiastic about pouring dollars into a system that often cannot account for how this money is spent. There have been repeated instances of hundreds of millions of dollars dedicated to specific purposes, e.g., mental health or hepatitis C, that have been swallowed by VISN budgets with nary a trace, and the VA cannot or will not say what has happened to this taxpayer money.

VVA has long maintained that measures to **ensure accountability** must be built into any method of funding the VA health care system. An infusion of funding alone is a recipe for failure, and we do not endorse simply throwing dollars at a problem. Controls are needed to convince managers that it is in their best interest to do the job right the first time. Yes, give bonuses to key managers and others whose work shines; but also employ real sanctions when the job is not done right.

ALASKA STATE LEGISLATURE

Co-chair, Joint Armed Services
Committee
◦
Resources Committee
•
Judiciary Committee
•
Transportation Committee



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SENATOR BILL WIELECHOWSKI

February 13, 2008

Representative Bob Roses, Chair
House Military and Veterans Affairs Committee
Room 416, State Capitol
Juneau, Alaska 99801

I respectfully request a hearing on SJR 11, a resolution supporting federal funding for veterans' health care and urging the United States Congress to ensure adequate funding for veterans' health care.

This simple resolution expresses gratitude for and recognizes the sacrifices made by veterans who suffer from medical and mental problems resulting from injuries sustained while serving in the U.S. Armed Forces. It urges the United States Congress to increase funding for veteran's health care in light of the funding inadequacies that exist today.

SJR 11 recently passed the Senate unanimously. It has the support of the Alaska chapter of Vietnam Veterans of America, the Alaska Veterans Foundation, the Anchorage chapter of the Military Order of the Purple Heart, the Alaska chapter of Veterans of Modern Warfare, and the Alaska Veterans Business Alliance.

Thank you for your speedy consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Wielechowski".

Senator Bill Wielechowski

ALASKA STATE LEGISLATURE

Co-chair, Joint Armed Services
Committee

•
Senate Resources Committee

•
Senate Judiciary Committee

•
Senate Transportation Committee



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SENATOR BILL WIELECHOWSKI

SJR 11 – Supporting Adequate Funding for Veteran’s Health Care Sponsor Statement

We owe our veterans a debt of gratitude that can never fully be repaid. One of the things we can, and must, do for our veterans is to honor the promises we have made to them. This starts with providing those veterans with access to the quality health care they deserve.

The press has documented the neglect of Walter Reed Army Medical Center, and former Secretary of Veterans Affairs Anthony Principi has publicly stated that the Department of Veterans Affairs has been struggling to provide health care to the rapidly rising number of veterans who require it.

As the state with the largest per capita number of veterans, it is essential that we send a clear signal of our commitment to care for our military personnel both on active duty and as veterans. While our legislature tries to do all we can for our vets and returning soldiers, our federal government has the primary responsibility of meeting the needs of our veterans. We need to call on Congress, as a state, to adequately fund critical veteran services.

We respectfully request the Alaska State Legislature to support this resolution to provide adequate federal funding for veterans’ health care. Thank you.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SJR 11
 (S) Publish Date: 2/6/08

Identifier (file name): _____ Dept. Affected: _____
 Title SJR 11 Supporting U.S. Veterans' Health Care RDU _____
 Component _____
 Sponsor Senator Wielechowski _____
 Requester (S) Health, Education and Social Services Committee Component Number _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING		0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

Prepared by: SENATE HEALTH, EDUCATION & SOCIAL SERVICES COMMITTEE
 Division _____
 Approved by: /s/ Senator Davis, Chair

Phone 465-3822
 Date/Time 2/4/2008 1:00 p.m.
 Date 2/4/2008

ALASKA VETERANS FOUNDATION

The Value of Alaska's Veterans over \$1 Billion annually

With almost 80,000 veterans, (2000 U.S. Census Bureau/74,500), Alaska continues to have the highest per-capita number of veterans of any state in the union. South Central Alaska houses better than half of this total.

A part of the mission of the Foundation, as a statewide veteran's service organization, is to educate our communities about veterans and their ongoing personal, professional, and economic contributions in Alaska. In addition to the intrinsic value of veterans we are attempting to inform the public and our local, state, and federally elected officials of the economic value of veterans to our state's economy.

As you can see in the box below we have gathered some significant numbers and continue to find additional numbers we believe to be significant to our annual state's economy.

We also need some understanding of the total annual federal military (active duty, reserves, and National Guard) payrolls and benefits (such as housing allowances, etc) in our state and the value of other assets on our Army, Air Force, and Coast Guard bases. We believe these numbers to be significant in comparison to the economic impact of other large employers and capital investors across Alaska.

Annual fiscal impact of Veterans in Alaska:

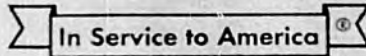
- VA home loans represent **over half a billion** to our economy every year. (FY05 \$584M/3,500 homes)
- Military retirement payments account for over **\$165 Million** in direct cash to Alaskan families each year.
- Compensation for disabled veterans adds **\$97.2 Million** every year to our economy. (FY05 = 12,000 AK veterans w/in-service connected disabilities, FY06 it will be well over \$100 Million; 300 AK veterans received non-service connected pensions \$2.2 Million)
- VA medical services, provided in Alaska represent **over \$103 Million** in FY05.
- VA Education benefits 1,300 Alaska veterans totals **\$11 Million**.
- VA Survivor/dependent benefits **\$6.2 Million** in FY05
- Total military payroll in Alaska for all active duty members is \$ _____ per year.
- Total FEDERAL payroll for Alaska National Guard and Alaska Air Guard is \$ _____.
- Total Federal payroll for all military reservists in Alaska per year is \$ _____.
- Total economic value of our Federal military in Alaska is \$ _____

With this level of economic impact, and the Veterans Administration serving less than 20% of our veterans, even the smallest increase in services to all of our veterans could be economically significant. In our continued search for such information, we have asked our Congressional delegation to accelerate the timely provision of this data.

We were surprised at a recent national veterans meeting in Washington D.C. to learn that our educational effort is quite unique and not institutionalized in other states. We are thus working with other statewide veteran service organizations across America to help them understand the value of this information in their generic efforts to inform their members and their communities of the economic value of veterans and our military.

It is an honor,

Ric Davidge, Chairman/CEO



ALASKA STATE COUNCIL

Representative Bob Roses, Chairman
House Military and Veterans Affairs Committee
REF: SJR11

Chairman Roses:

Senator Wielechowski, Senate Chairman of the House/Senate Joint Committee on Military and Veterans Affairs, introduced **Senate Joint Resolution 11** in support of federally assured funding for veterans healthcare at our request. In Congress, **HB 2514** enacting "assured funding" is in the House Veterans Affairs Committee and has 115 cosponsors. Additionally, a major new GI Bill is being crafted that will also address assuring veteran healthcare funding.

We request your full and impassioned support of **SJR11**. This is an important official statement by Alaska to its veterans and especially those injured while standing guard for America. In passing SJR11 Alaska will join over twenty other states formally speaking out on this critical issue. We also hope you will carry this resolution to your respective national legislative organizations and ask for a similar national resolution by them as well.

Under the leadership of Vietnam Veterans of America, in 2004, the nine national Veteran Service Organizations, for the first time, came together and agreed that the highest priority for veterans across the nation was moving veteran healthcare funding from the "discretionary" budget to an assured funding mechanism. Following this historic agreement these nine national veteran organizations called on Congress to pass a federal law changing the manner of funding for veterans healthcare. All previous bills have failed on partisan votes. Frankly, we were surprised given the historic support a wide majority of veterans give to candidates, but that is changing. We believe that veteran healthcare should not be a partisan issue. It is the moral obligation of our nation, a "contract" signed with the blood of those willing to stand guard for America.

The Partnership for Veterans Health Care Funding Reform has published a small booklet that we would like to provide you and the members of your committee prior to the hearing. With your agreement we would like to send you the appropriate number of copies as soon as possible.

What are the key questions in the minds of legislators when they consider this issue?

1. Does direct funding create a new entitlement?

No. Direct funding neither creates an individual health care entitlement nor changes the VA's current mission, eligibility requirements, or medical benefits package. Remember these are "earned" rights.

2. Will direct funding result in runaway costs?

No. The Secretary of Veterans Affairs will retain the right to make an annual priority enrollment decision based on available resources. The vast majority of our veterans choose other healthcare options, although many may also be registered with the VA, they do not use its programs or facilities.

3. Will Congress lose oversight if direct funding of the veterans healthcare system is instituted?

No. As with other direct funded federal programs, Congress will retain oversight of VA programs and healthcare services. The VA will still be accountable to Congress for how its funds are spent and how well its healthcare programs are managed. Almost 90% of federal healthcare spending is direct rather than discretionary. Only funding for our active duty military, Native Americans, and veterans healthcare are left up to the annual partisan battles. Veteran healthcare should not be a partisan issue. These are "earned" rights by men and women injured while standing guard for America.

4. Why should the Alaska State Legislature support this resolution?

Alaska has just less than 80,000 veterans, the highest per capita number of veterans in America. [74,500 according to the 2000 US Census] We have already identified over \$1 Billion in **annual** federal revenue to Alaska's veterans and their families, and this does not include military retirement, National Guard, reserve, active duty, or military contracts in Alaska. Stated simply, **it is in the financial best interest of Alaska** to ensure federal funding for veteran healthcare. Otherwise our state and local governments will have to cover, in many cases, the costs of medical services to our veterans.

Americans correctly believe this is a "contract" a moral obligation of our nation to those who voluntarily step forward to stand guard for America. We **MUST** honor this service, we must care for those injured while in service, and we must honor the contract because if we don't fewer Americans will be willing to step up to that line of defense for America.

Unfortunately both of our national political parties have played the smoke and mirrors game on veteran healthcare funding. Claims of significant increases in funding are not fully honest, as most of these increases fail to keep up with medical cost inflation and new demands as a result of the war we are now engaged in. These reports do not honestly report on the whole VA healthcare system nor candidly place this care in the context of our overall national healthcare needs or system costs.

One of the greatest problems in Alaska is that **we do not know where our veterans are**. VVA supports a volunteer group of private retired military pilots and planes that go into rural Alaska to find our veterans and "connect" them to the services they legally are due. The VA is currently serving less than 20% of our veterans. We continue to ask for state legislation (previously introduced in the House as **HB44**) allowing the voluntary registration of all Alaskan veterans through the Permanent Fund Application form. This way the Alaska Department of Military and Veterans Affairs and our Congressionally Chartered Veteran Service Organizations can find and advise our veterans on their and their families, legal rights. If we could but double the percentage of Alaskan veterans served to 40%, we would significantly increase the annual federal injection of funds and services far beyond the current \$1 Billion each year veterans generate to our economy. Please consider this additional legislative item soon. **It's in Alaska's best interest** and in the best interest of thousands of our veterans and their families.

With the recent national media attention to the problems of military and veteran healthcare highlighted by a part of the facility at Walter Reed Hospital, now is the time to act. Our nation's political will is poised to correct this historic failure of our government to honor its commitments to veterans.

We are asking state legislatures, national legislative organizations, the National Conference of Mayors, the National Governor's Association and any other national organization that cares about veterans to pass a simple resolution calling for Congress to act on assured funding for veteran healthcare.

We ask you to join Senator Wielechowski and the other members of the Alaska Legislature supporting SJR11, the nine national Veteran Service Organizations, and more than 20 other states across America, in calling upon Congress to change the way veteran healthcare is funded. It is time we honored the "contract" and assured funding for veteran healthcare. Our veterans deserve nothing less.

We want to thank the staff of the Alaska State Legislature's Joint Military and Veterans Affairs Committee Chairs who helped craft this resolution for Alaska and are delighted with its introduction.

It is an honor,

Ric Davidge
Alaska State Council President
Vietnam Veterans of America