



Fiscal Year 2018 Budget for Veterans' Programs and Fiscal Year 2019 Advance Appropriations Requests

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Statement of

Carlos Fuentes, Director,
National Legislative Service
Veterans of Foreign Wars of the United States
On Behalf of the Co-Authors of the Independent Budget

Before the

Subcommittee on Health
Committee on Veterans' Affairs
United States House of Representatives

With Respect to

**"Fiscal Year 2018 Budget for Veterans' Programs and
Fiscal Year 2019 Advance Appropriations Requests"**

WASHINGTON, D.C.

Chairman Wenstrup, Ranking Member Brownley and members of the Subcommittee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and its Auxiliary, thank you for the opportunity to present the VFW's views on the Department of Veterans Affairs' budget request.

The VFW is glad to see President Trump has proposed a six percent increase in VA's FY 2018 discretionary budget compared to FY 2017. However, we feel his proposal falls short of

NATIONAL HEADQUARTERS

406 W. 34th Street
Kansas City, MO 64111
Office 816.756.3390
Fax 816.968.1157

WASHINGTON OFFICE

200 Maryland Ave., N.E.
Washington, D.C. 20002
Office 202.543.2239
Fax 202.543.6719

info@vfw.org
www.vfw.org

what VA needs to keep pace with demand for health care. The VFW thanks the administration for its commitment to community care, long-term care, mental health care, woman veterans and efforts to prevent and eliminate veteran homelessness.

However, we are very concerned that the administration's request to make the Veterans Choice Program a permanent mandatory program could lead to a gradual erosion of the VA health care system. What is more concerning is that the administration has chosen to make permanent a flawed program by ending Individual Unemployability benefits for severely disabled veterans who are unable to work due to their service-connected disabilities, and a round down of cost of living disability pay increases -- a proposal which the VFW has opposed in the past and continues to strongly oppose.

The continued failure of Congress to eliminate sequestration has forced the administration to propose cuts to veteran benefits and cap GI Bill expenditures in order to expand the Choice Program under mandatory spending, instead of including the program in its discretionary community care account. In testimony before the Senate and House Committees on Appropriations, Secretary of Veterans Affairs (VA) David J. Shulkin has indicated that VA would like all of its community care money to come from one account, instead of having two separate accounts for the same purpose and not having the flexibility to use both accounts in accordance with veterans' demand for community care. The VFW agrees with Secretary Shulkin and urges Congress to consolidate VA's community care programs and to fund such programs through VA's discretionary appropriations account.

Sequestration and its draconian spending caps limit our nation's ability to provide service members, veterans, and their families the care and benefits they have earned and deserve. The VFW calls on the subcommittee to join our campaign to finally end sequestration and do away with a federal budget process based on the arbitrary budget caps, which significantly limit the government's ability to carry out programs that experience spikes in demand, such as VA health care. To the VFW, sequestration is the most significant readiness and national security threat of the 21st century, and despite almost universal congressional opposition to such haphazard budgeting, Congress has failed to end it.

Caregivers

The VFW has heard for many years that veterans who require the assistance of a caregiver to perform activities of daily living have been rejected from the VA Caregivers Program, have been downgraded in tier level or outright kicked out of the program. These issues have led

to VA implementing a moratorium on involuntary revocations from the program until VA is able to analyze the thousands of recent revocations to determine if veterans are being erroneously removed from the program. The VFW commends Secretary Shulkin for halting revocations and improving processes to ensure the program is functioning properly and implemented consistently throughout the VA health care system.

However the administration's budget request assumes a \$236 million decrease in funding for the program due to a projected decrease in the number of caregivers receiving stipend payments in fiscal year 2018. Given recent developments and the continued demand for this important program, the VFW believes funding for this important program should be increased, not decreased.

While the VFW certainly agrees that veterans who have recovered from injuries and illnesses should be put on a path to achieve independent living and no longer require the assistance of a caregiver, such decisions must be made when the veteran and the caregiver agree and not by VA employees who lack the proper training and medical expertise to make such decisions. When a decision is made to graduate a veteran from the caregiver program, VA must ensure veterans and their caregivers are given the training and resources, such as employment training and independent living counseling, to ensure veterans can properly transition from needing a caregiver to performing activities of daily living without the assistance of others.

The VFW has also said for years that the arbitrary delimitation of eligibility for the VA Caregiver Program unjustly ignores the selfless sacrifice of those who care for our pre-9/11 ill and injured veterans. Family caregivers who choose to provide in-home care to veterans who were severely disabled in the line of duty truly epitomize the concept of selfless service. They choose to put their lives and careers on hold, often accepting great emotional and financial burdens. They do so recognizing that their loved ones benefit greatly by receiving care in their homes, as opposed to institutional settings.

The VFW strongly believes that the contributions of family caregivers cannot be overstated, and that our nation owes them the support they need and deserve. The VFW sees no justifiable reason to exclude otherwise deserving veterans from program eligibility simply based on the era in which they served. Accordingly, we strongly urge the subcommittee to swiftly consider and pass a bill to expand the VA Caregiver Program to veterans of all eras who need the assistance of a caregiver due to service-connected illnesses and injuries.

Major Construction

For more than a decade, the Independent Budget Veterans Service Organizations (IBVSOs) have warned Congress and VA that perpetual underfunding has allowed VA's infrastructure to erode, while its capacity has swelled from 81 percent in 2004 to as high as 120 percent in 2010. We continue to believe that this need for space and chronic underfunding of medical services could lead VA to ration care.

The IBVSOs are working with VA to reform its construction process so facilities can be delivered on time and on budget. Previous errors must be corrected to ensure the issues in Aurora, Colorado, never occur again. However, Congress and the administration must not ignore the growing capital infrastructure needs of the Department's health care system.

When VA asked its Veteran Integrated Service Networks (VISN) to evaluate what they need to improve its facilities to meet the increased outpatient demand, VA determined that "improving the condition of VA's facilities through major construction projects (96) accounted for the largest resource need."¹ Yet, the administration's major construction request for the Veterans Health Administration (VHA) is 36 percent less than FY 2017 and 85 percent less than actual expenditures in FY 2016.

When asked why VA is taking a strategic pause on major construction for VHA when its capital infrastructure continues to age and demand continues to increase, VA informed the IBVSOs that it simply did not receive the request that it needed for major construction because of sequestration budget caps. Congress must not allow VA's inability to invest in VHA's major construction to limit veterans' access to the health care they have earned and deserve by forcing veterans into VA's community care programs and eliminating the choice to receive care at VA medical facilities.

Currently, VA has 12 VHA construction projects that are partially funded that need a clear path to completion. Several projects have been removed from the priority list as candidates for public private partnership (P3) projects using recently enacted authority to combine private and public resources to fund VA construction projects. While the VFW supported Public Law 114-294, Communities Helping Invest through Property and Improvements Needed for Veterans Act of 2016, we do not believe the private sector can abrogate the federal government's obligation to properly fund medical facility construction projects.

At the top of VA's Integrated Priority List for 2018 are several seismic correction projects,

which must be fixed urgently or VA will continue to risk the lives of its patients and employees in the case of an earthquake. These projects cannot take a strategic pause while Congress and VA decide how to manage capital infrastructure long-term. VA will need to invest more than \$3.5 billion to complete all 12 partially funded construction projects. What is more concerning to the VFW is that none of the nine VHA construction projects of the top 15 projects in VA's Integrated Priority List for 2018 received funding in the administration's fiscal year 2018 request. This means that VHA is not only drastically behind in funding for its existing projects, its urgently needed projects are also being ignored, which can significantly impact its ability to provide care to veterans.

The IBVSOs recommend that Congress appropriate at least \$1.5 billion for major construction in FY 2018. This amount will fund either the "next phase" or fund "through completion" all existing projects, and begin advance planning and design development on six major construction projects that are the highest ranked on VA's priority list.

Minor Construction

In FY 2017, Congress appropriated \$372.1 million for minor construction projects. Currently, approximately 600 minor construction projects need funding to close all current and future year gaps within ten years. To complete all of these current and projected projects, VA will need to invest between \$6.7 and \$8.2 billion in minor construction over the next decade.

In August 2014, the president signed the Veterans Access, Choice, and Accountability Act of 2014 (Public Law 113-146). In this law, Congress provided \$5 billion to increase health care access by increasing medical staffing levels and investing in infrastructure. VA has developed a spending plan that obligated \$511 million for 64 minor construction projects over a two-year period.

While this infusion of funds has helped, there are still hundreds of minor construction projects that need funding for completion. It is important to remember that these funds are a supplement to, not a replacement of, annual appropriations for minor construction projects. The IBVSOs recommend that Congress fund VA's minor construction account at \$700 million in an effort to close all identified gaps within ten years.

Leasing

Historically, VA has submitted capital leasing requests that meet the growing and changing needs of veterans. VA has again requested an adequate amount -- \$270.1 million for its FY 2018 major medical leasing needs. While VA has requested adequate resources, Congress must find a way to authorize and appropriate leasing projects in a way that does not require Congress to pass a law to authorize individual leases. The VFW urges the subcommittee to explore options similar to the process used by the House Committee on Transportation and Infrastructure to review and approve U.S. General Service Administration leases.

There are now 27 major medical leases awaiting congressional authorization, 18 of which have been waiting since FY 2016 and six from FY 2017. Delays in authorization of these leases will have a direct impact on VA's ability to provide timely care to veterans in their communities.

Legislative Proposals

As part of the budget, VA submitted a list of legislative proposals which have a budgetary impact. The VFW supports VA's proposals to amend pay caps for nurse executives; cover the cost of medical foster homes, so veterans can continue to live in the comfort of a home environment instead of being forced into institutional long-term care; convert perfusionists to title 38 employees; reimburse advance practice registered nurses for continuing professional education; make VA a participating provider by third party payers; and improve the hiring authorities for medical center and network directors.

The VFW does not take a position on the proposal to require VA medical facilities to become smoke free campuses, but we urge the subcommittee to consider an appropriate implementation timeline for the more than 120 VA community living centers which have onsite designated smoking areas. Veterans who live in such facilities must be given the opportunity to adjust to a smoke free environment, not forced to quit and adjust to a new way of live within 90 days.

The VFW opposes the VA proposal to discontinue reducing the first party copayment obligations of veterans who have their copayments covered by their third-party health coverage. Under current law, VA is required to offset a veteran's VA copayment obligation with funds it collects from the veteran's third-party health care coverage. Doing so incentivizes veterans to report their third-party coverage to VA and ensure VA is able to

offset the cost of providing non-service connected care. Discontinuing this practice would add cost burdens to veterans who, according to independent assessments, can least afford it. Such veterans could also choose to terminate their other health insurance -- reducing the amount of funds it is able to collect -- or forgo receiving all their care at VA, which results in fragmented care that endangers patient safety.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions you or the subcommittee members may have.

¹Department of Veterans Affairs 2018 Budget and 2019 Advance Appropriations Requests, Volume IV: Construction, Long Range Capital Plan and Appendix. Long Range Capital Plan, page 8.3-8.

Information Required by Rule XI2(g)(4) of the House of Representatives

Pursuant to Rule XI2(g)(4) of the House of Representatives, the VFW has not received any federal grants in Fiscal Year 2017, nor has it received any federal grants in the two previous Fiscal Years. The VFW has not received payments or contracts from any foreign governments in the current year or preceding two calendar years.