Benefits Protection Team Workshop

DAV National Convention

August 14, 2006

Chicago, Illinois

Fiscal Year 2007 Budget for Veterans' Programs

VETERANS MEDICAL SERVICES

FY 2006 appropriation	$22.5 Billion
FY07 Independent Budget	$26.0 Billion
President's FY 2007 budget	$24.7 Billion
House appropriations bill	$25.4 Billion
Senate appropriations bill	$25.4 Billion

MEDICAL RESEARCH

FY 2006 appropriation	$412 Million
FY07 Independent Budget	$460 Million
President's FY 2007 budget	$399 Million
House appropriations bill	$412 Million
Senate appropriations bill	$412 Million

GENERAL OPERATING EXPENSES

FY 2006 appropriation	$1.411 Billion
FY07 Independent Budget	$1.827 Billion
President's FY 2007 budget	$1.481 Billion
House appropriations bill	$1.481 Billion
Senate appropriations bill	$1.468 Billion

NATIONAL CEMETERY ADMINISTRATION

FY 2006 appropriation	$156.6 Million
FY07 Independent Budget	$214.0 Million
President's FY 2007 budget	$160.7 Million
House appropriations bill	$160.7 Million
Senate appropriations bill	$160.7 Million

PRESIDENT'S BUDGET LEGISLATIVE RECOMMENDATIONS

- Compensation COLA estimated to be 2.6%
- $250 annual enrollment fee for Priority 7 and 8 veterans
- Increase pharmacy co-pay for Priority 7 and 8 veterans from $8 to $15
- No offset of co-pays by collections from third-party health plans

DEPARTMENT OF VETERANS AFFAIRS (VA) FISCAL YEAR 2007
HEALTH CARE BUDGET UPDATE THROUGH JULY 27, 2006

- The President's budget proposal was submitted to Congress on February 6, 2006. The proposal includes $24.7 billion for VA medical services (nearly $1.3 below the Independent Budget (IB) recommendation of $25.9 billion, but $2.2 billion above last year's funding level), $399 million dollars for research ($13 million less than last year and $61 million less than IB recommendation of $460 million), $1.5 billion for General Operating Expenses ($70 million more than last year, but $346 below the IB recommendation).

- Total Discretionary Funding is nearly $36 billion (almost $2.7 above last year's but $2.8 billion below the IB recommendation. (These figures do not include collection figures) Though this proposal is a welcomed increase from prior year proposals, $796 million would come from new charges such as a $250 health care enrollment fee for certain veterans. The proposed budget also assumes that VA will be able to sustain current levels of performance while finding $1.1 billion in savings through "efficiencies". These efficiencies have failed to materialize in the past and have contributed to several funding crises.

- The House and Senate Veterans' Affairs Committees (VAC) submitted widely-different Views and Estimates to the Budget Committees. In the House Chairman Buyer, on behalf of the Majority, requested about $1.3 billion more than the President for total mandatory and discretionary funding. The Minority requested greater than $4 billion more than the President in mandatory and discretionary funding (more than $1 billion than recommended by the IB). The Minority also included legislative proposals to increase housing grants, burial allowances, and Service Disabled Veterans' Insurance. House VAC did not support the Administration's proposal for new enrollment fees or increased copayments.

- In the Senate, Chairman Craig requested $30 million more for research and $19 million more than the Administration for minor construction. Chairman Craig endorsed the Administration's request for new enrollment fees and increased copayments. The Minority opposed the enrollment fee and increased copayments and requested an additional $1.49 billion above the President's request for veterans' health care.

- On March 16, 2006, the Senate passed its budget resolution, S. Con. Res. 83. On May 18, 2006, the House passed its budget resolution H. Con Res. 376. The budget is a "blueprint" for spending priorities. The two houses have not reconciled their differences in budgetary levels. The House and Senate Appropriations Committees determine the actual spending levels for the various government agencies.

- On May 4, 2006, the House Committee on Appropriations, Subcommittee on Military Quality of Life and Veterans' Affairs approved a draft bill, subsequently H.R. 5385, that would provide $78 billion for VA including $41.4 billion in mandatory spending. While the Appropriations Subcommittee rejected all the health care fees proposed by the President, it compensated for only some of the funding shortfalls that would result. The draft bill would provide a total for all Federal programs of $94.7 billion in discretionary funding, an 11 percent increase over fiscal year 2006, not counting emergency funding. VA would receive $78 billion, including $41.4 billion in mandatory spending. This is in line with the President's request. Following the multibillion-dollar shortfall in funding for fiscal years 2005 and 2006, the Administration proposed a 10 percent increase for the department. The full House Appropriations Committee marked up the bill on May 10 and on May 19, the bill was brought to the House floor for a vote and approved H.R. 5385.

- On July 20, 2006, the Senate Appropriations Committee approved a bill for veterans and military construction. The bill contained $77.9 billion for the VA. The president's request was slightly higher. The Senate bill includes $36.9 billion in discretionary spending, including $25.4 billion for medical services. The measure also provides $412 million for medical and prosthetic research. The Senate rejected the president's proposal of a $250 annual enrollment fee, and the higher prescription drug copayments. Senate Veterans' Affairs Committee Chairman Larry Craig (R-Idaho) opposed the changes, saying that the process for funding and authorizing VA projects is out of control and that VA spending priorities are "distorted." Craig endorsed the $795 million in fees for medical care that were proposed by the administration. Senator Kay Bailey Hutchison (R-Texas) and other members of the subcommittee have opposed the fees all along. However, they indicated that a compromise on the means test, which is currently $26,902, was possible. Senator Hutchison indicated that the cutoff for a fee would be in the range of $100,000-150,000.

- The final steps in the appropriations process will be the establishment of a House-Senate Committee of Conference. That committee will resolve differences between the two bills. A final vote by each house is expected after Labor Day.

VETERANS HEALTH CARE UPDATE 2006
DAV Benefits Protection Team /Legislative Workshop
August 14, 2006

VA Recognized for Quality Health Care

The Department of Veterans Affairs (VA) Veterans Health Administration has received several awards and high praise over the past year and was recently featured in an article in *Business Week* on July 17 titled "The Best Medical Care in the U.S." The article highlights VA's many achievements, most notably its role in transforming health care in America and providing veterans the best health care in the U.S. by increasing safety, and efficiency, reducing medical and prescription medication errors all while reducing costs.

The 154 hospitals and more than 800 clinics run by the VA have been ranked best-in-class by a number of independent groups on a broad range of measures including, chronic care, heart disease, diabetes, depression, hypertension, high cholesterol, and preventative care. For the sixth year in a row, veterans reported higher satisfaction rates for VA care than private sector ratings. In 2006, VA received the distinguished Innovations in Government award from Harvard University for its computerized patient records system. Most recently, VA's electronic medical records system ensured that health care data for the victims of Hurricanes Katrina and Rita were not compromised or lost due to the storms.

Additionally, VA won a prestigious award from the American Council for Technology for its work with the Department of Defense (DoD) on an emerging Bi-directional Health Information Exchange System which allows both departments to share medical information thereby avoiding duplication of lab tests and even surgeries. According to VA, nine military medical facilities are able to accept data from VA and all VA facilities can access the military's health information electronically. VA Under Secretary for Health, Dr. Jonathan Perlin stated that, "An integrated health technology system that allows for real-time transfer of patient information is the future of medicine." Still in its initial stages VA vowed to work with DoD and all federal health care partners until that "future" becomes reality.

Key VA Personnel Changes

On July 12, 2006, VA Secretary James Nicholson announced that Dr. Jonathan Perlin, VA's Under Secretary for Health, would resign effective August 11 to take a private sector position.

Secretary Nicholson made the following statement concerning Dr. Perlin:

> Jon Perlin's dedicated service to our nation's veterans is evidenced by the fact that VA's health care is now widely recognized as a model for safety, efficiency, effectiveness and compassion. He is

> an invaluable part of my senior leadership team. The skill, knowledge and leadership he brought to VA will be sorely missed. I wish him the best in this new endeavor.

Dr. Perlin is accepting a position as chief medical officer and senior vice president for quality at HCA, a Nashville-based health care provider. On July 21, 2006, VA announced that Dr. Michael J. Kussman will serve as VA's Acting Under Secretary for Health while the Department conducts a search to replace outgoing Under Secretary for Health Dr. Jonathan Perlin.

Dr. Kussman, a decorated Army veteran and retired brigadier general, has served as VA's Principal Deputy Under Secretary for Health since August 2005. Before coming to VA, Dr. Kussman had a military medical career spanning three decades. He served as commander of the Walter Reed Health Care System in Washington, D.C., commander of the Europe Regional Medical Command, command surgeon for U.S. Army Europe, and TRICARE lead agent for Europe.

VA Data Theft

Unfortunately, veterans suffered a blow when we learned in May that a VA data analyst, who took home data for which he was not authorized, was burglarized. The stolen data included names, social security numbers, dates of birth and some disability ratings for 26.5 million veterans and some dependents, as well as information on 1.1 million military members on active duty, 430,000 members of the National Guard, and 645,000 members of the Reserves. *Importantly, the affected data did not include any of VA's electronic health records or any financial information.*

Initially, VA announced that it would provide a year's worth of free credit monitoring for veterans and active duty military personnel whose personal data was stolen. Also, VA said it was soliciting bids to hire a company to provide data-breach analysis, to look for possible misuse of the stolen VA data. The analysis would help measure the risk of the data loss, identify suspicious misuse of identity information and expedite full assistance to affected people.

The stolen data was recovered on June 28, 2006. The Federal Bureau of Investigation (FBI) conducted forensic tests to determine if any of the information was copied or compromised in any way. The FBI determined "with a high degree of confidence," that the information stored on the stolen computer and external drive was not accessed or compromised. The Administration withdrew its earlier commitment to provide free credit monitoring for veterans whose personal information was stolen.

Although there has been no official announcement by VA as of July 28 concerning the free credit monitoring, according to an Associated Press article, a VA spokesman indicated that credit monitoring would not be offered however, the department still plans to provide for data breach analysis to detect potential patterns of misuse of veterans'

information. Additionally, the spokesman noted that the analysis would be paid for out of existing funds and will not result in a diminution in the quality of health care provided.

Since the data theft occurred, numerous Congressional hearings have been held on the issue and VA's future plans to shore up its security of data. Likewise, several bills have been introduced by members of Congress to address veterans concerns over possible identity theft. An investigation into the handling of the data theft was conducted by the VA's Inspector General (IG) Office. The IG issued its final report on July 11, 2006, and concluded that:

- the employee was not authorized to take VA data home;
- processing the notification of the stolen data was not appropriate or timely;
- information security officials acted with indifference and little sense of urgency;
- policies and procedures do not adequately protect personal or proprietary data; and
- information security control weaknesses remain uncorrected.

Secretary Nicholson said the VA has instituted a comprehensive review of the Department's data security policies and procedures and named a special advisor for VA Information Technology, decorated veteran, and former top prosecutor from Arizona, Richard M. Romley. According to VA, Mr. Romley will be responsible for reforming the department's information security policies and procedures.

Anyone who believes they may be affected by the data theft can go to www.firstgov.gov for more information. The VA also continues to operate a call center that people can contact to get information about this incident and learn more about consumer-identity protections. That toll free number is 1-800-FED INFO (1-800-333-4636). The call center is operating from 8:00 am to 9:00 pm (EDT), Monday-Saturday as long as it is needed.

Veterans Coalition Formed

In June, a new Veterans Coalition was formed. Five veterans service organizations including the Disabled American Veterans, the American Legion, the Veterans of Foreign Wars, Paralyzed Veterans of America, and AMVETS have joined to create the newly formed Coalition, a 501 (c) 3 nonprofit corporation.

The Coalition's purpose is to bring increased attention and coordinated focus to current veterans' matters, as well as to intensely study the manner in which the nation's veterans' services could most effectively be provided into the future. A series of notable changes have occurred in the recent past, including—

- replacement of Chairmen Chris Smith and Arlen Specter in the House and Senate Veterans Committees
- cancellation of the annual House-Senate joint legislative hearings;

- establishment of the Veterans Disability Benefits Commission;
- renewed controversy over Post-Traumatic Stress Disorder;
- recent theft of veteran and military data;
- inequity of payments of disability compensation in several States; and
- the crisis situation in VA health care funding.

However, no one appears to be examining the strategic impact of these developments on the future of the VA system. Given these and other issues and their potential to significantly alter the system of benefits and services that has been built over the past 60 years for America's veterans, we believe the time has come to protect and defend the systems we have in place to aid veterans, and to establish a clear vision for the future that will sustain and enhance that system, not erode it.

The Coalition will appoint an independent *Commission on the Future for America's Veterans*. The Commission will be comprised of a group of experts in veterans' affairs and related programs. The Commission will be charged to examine the broad landscape of veterans' benefits and services, including the disability compensation, health care and related systems, to independently assess these systems, and make recommendations to the President and Congress for necessary changes to ensure these programs meet veterans' needs into the mid-21st century.

The Honorable Harry N. Walters, former Administrator of Veterans Affairs (1983-1986) will serve as President and chief Executive Officer of Veterans Coalition, Inc. Mr. David M. Sevier has been appointed to serve as the executive director of the Commission on the Future for America's Veterans. The Commission plans to hold hearings in Washington and cities across America over the next two years.

DAV is solidly behind the goals of the Coalition and the *Commission on the Future for America's Veterans*. We are excited about the potential impact of the Coalition and its Commission on the future of government programs intended to help sick and disabled veterans.

Assured Health Care Funding a Top Priority

Assured or guaranteed funding for veterans health care still remains a top legislative priority for DAV. The VA health care system has been exhibiting many symptoms of budgetary crisis for several years. The Administration's difficulties in accurately forecasting veterans' health care needs, projecting the number of veterans who will enroll in VA health care, and estimating the cost of that care to VA, have fueled that crisis and rededicated DAV's efforts to reform VA's discretionary budgeting process to make it more assured through a mandatory or guaranteed methodology.

We continue to hear reports from VA medical center directors and various health care staff that budgets are tight and waiting lists for specialty care appointments are again growing. Given the current budget structure VA must continually try to shift funding from one account to another to make ends meet or delay critical maintenance and

construction plans to maintain access to care. With the thousands of new veterans from Operations Enduring and Iraqi Freedom (OEF/OIF) seeking VA health care services it is imperative that VA have sufficient funding to care for catastrophically disabled combat veterans with limb loss, traumatic brain injury, and post traumatic stress disorder, while providing timely services for other service-connected veterans and those with chronic diseases and long-term care needs. We must ensure a stable and viable VA health care system for all veterans who need it. DAV believes that assured or guaranteed medical care funding would provide a long-term solution to many of VA's problems.

Last year's identified shortfalls for fiscal years 2005 and 2006 exemplify the need to reform health care funding from discretionary to mandatory now and we thank those DAV departments and chapters that have taken the lead on this issue holding town hall meetings and other events to raise awareness of the issue and for keeping pressure on your elected officials to make veterans issues a priority. There is still much opposition to making VA health care funding assured or guaranteed so please keep up the pressure. Booklets developed by the nine veterans service organizations that make up the Partnership for Veterans Health Care Budget Reform are available upon request for town hall meetings or other media events. Please contact Assistant National Legislative Directors Joy Ilem or Adrian Atizado at DAV's National Service and Legislative Headquarters, 807 Maine Avenue, SW, Washington, D.C. 20024, or call at (202) 554-3501.

25 New Medical Clinics Planned

To provide veterans increased access to health care services VA announced plans to open 25 new community-based out patient clinics (CBOCs) in 17 states and American Samoa. The list of proposed sites for new community based clinics follows:

Bessemer, Alabama
American Samoa
Miami-Globe, Arizona
Northwest and Southeast Tucson, Arizona
S. Orange County, California
Dover, Delaware
Athens, Georgia
Canyon County, Idaho
Spirit Lake, Iowa
Hazard, Kentucky
Florence, Kentucky
Bemidji, Minnesota
Holdredge, Nebraska
Fallon, Nevada
Franklin, North Carolina
Hamlet, North Carolina
Hickory, North Carolina
Cambridge, Ohio
Newark, Ohio
Hamblen, Tennessee
Conroe, Texas
Lynchburg, Virginia
Norfolk, Virginia
Rice Lake, Wisconsin

Additionally, VA has announced plans to build several new full-service medical centers including sites in: Louisville, Kentucky, Orlando, Florida and Las Vegas, Nevada. VA will establish a new, state-of-the-art outpatient facility for primary care, specialty care and mental health in Walla Walla, Washington. VA received emergency supplemental funding in December 2005 for planning and design for the restoration/replacement of the

medical facility in New Orleans and a new facility in Biloxi-Gulfport, Mississippi due to irreparable damage from Hurricanes Katrina and Rita.

Joint collaborations are planned between the North Chicago VA Medical Center and Naval Hospital Great Lakes; Alaska VA Health Care System and the 3rd Medical Group in Anchorage, Alaska; and Charleston, South Carolina VA and the Department of Defense Naval Weapons Station. There are on going discussions for collaboration and sharing between the Charleston VA and the Medical University of South Carolina.

Included in VA's fiscal year 2007 construction request are plans to address seismic corrections in Long Beach, California, and continue the work necessary to prepare for construction of a new medical facility in Denver, Colorado (pending authorization by Congress). VA has plans to correct seismic, fire, and life-safety deficiencies at American Lake, Washington, and to build a new spinal cord injury center in Milwaukee, Wisconsin.

PENDING LEGISLATION
U.S. House of Representatives
109th CONGRESS

H.R. 76
Veterans Outpatient Care Access Act of 2005

- This measure would require VA to provide needed medical services from sources outside the Department to veterans who are waiting six months or longer for an appointment for a VA clinic.

H.R. 79
Military Retiree Health Care Task Force Act of 2005

- This bill would establish the Medicare Eligible Military Retiree Health Care Consensus Task Force to study health care coverage of retired military personnel and their families, federal sharing agreements, and proposals to provide a full continuum of medical care coverage.

- The Task Force would also be required to report their findings to Congress.

H.R. 202
Depleted Uranium Screening and Testing Act of 2005

- In addition to providing testing, treatment, and tracking of servicemembers, DoD would be required to:

    1. Notify servicemembers of any known or likely use of Depleted Uranium (DU) in their theater of operation
    2. Train servicemembers on safe handling of DU
    3. Identify specific events of exposure to DU
    4. Identify individuals exposed to DU:

H.R. 303/S. 558
The Retired Pay Restoration Act of 2005

- Would permit certain additional retired members of the armed forces who have a service-connected disability to receive both disability compensation from the VA and either retired pay by reason of their years of service, or Combat-Related Special Compensation (CRSC), and to eliminate the phase-in period under current law.

H.R. 322
Military Retiree Health Care Relief Act of 2005

- This measure would allow refundable credit to military retirees for Medicare Part B premiums

H.R. 590
To provide for the Secretary of Veterans Affairs to conduct a pilot program to determine the effectiveness of contracting for the use of private memory care facilities for veterans with Alzheimer's Disease

- This bill would authorize VA to conduct a 2-year pilot program to use memory care facilities as alternative treatment for veterans suffering from Alzheimer's Disease

- Would also require VA to submit a report to Congress assessing the benefits of the program

H.R. 922
Veterans Mental Health Services Enhancement Act of 2005

- This legislation would provide additional psychiatrists and other mental health services specialists at VA medical centers and outpatient facilities specializing in the diagnoses and treatment of post-traumatic stress disorder (PTSD)

- Would require VA to conduct a nationwide outreach program at the community level for veterans who participated in Operation Iraqi Freedom or Operation Enduring Freedom who are or may be suffering from PTSD

- Would require each department of the military:
  (1) Conduct a comprehensive review of the mental health care programs of the Armed Forces under the jurisdiction of that Secretary to determine ways to improve the efficacy of such care
  (2) Take special care in providing for as seamless a transition as possible from Department of Defense (DOD) health care services to VA health care services with regard to members of the Armed Forces who were exposed to combat or are otherwise at risk for PTSD

- Also would require each department of the military and VA to:
- Assess the adequacy of privacy and patient confidentiality standards and practices of their respective departments, particularly with regard to patients seeking treatment for PTSD
- Identify other factors that may deter members of the Armed Forces from seeking treatment for PTSD

H.R. 1588
Comprehensive Assistance for Veterans Exposed to Traumatic Stressors Act of 2005

– This measure would extend the eligibility of Vietnam-era veterans for readjustment counseling services and the eligibility period of certain veterans for VA health services

- Would provide for improvements and enhancements to VA's PTSD treatment, education and compensation programs.

- In addition, it would require:
    - DOD to assist VA with PTSD and other mental health-related data collection
    - substance use disorder questions in pre- and post-deployment screens and related treatment protocols
    - routine preventative maintenance intervention for returning members of the Armed Forces
    - a study of factors that decrease the likelihood of developing combat-related chronic PTSD
    - performance measures that ensure appropriate deployment of resources to implement the Iraq war clinical practice guidelines
    - establishment of DoD/VA Council on Post-Deployment Mental Health
    - a plan for expanded access to specialized PTSD care
    - additional mental health services personnel for certain VA programs and locations
    - counseling for immediate family members of disabled veterans and Armed Forces personnel killed in action
    - development of criteria for determining which medical conditions are likely associated with PTSD and when secondary service connection should be granted for those conditions

H.R. 2734

To amend title 38, United States Code, to enhance the authority of the Department of Veterans Affairs to recover from third parties costs of medical care furnished to veterans and other persons by the Department.

- This bill would authorize the VA to recover payments for the costs of providing certain non-service-connected medical care to veterans, from third-party insurance providers participating in the Medicare program.

H.R. 2959
To amend title 38, United States Code, to provide for the establishment of Parkinson's Disease Research Education and Clinical Centers in the Veterans Health Administration of the Department of Veterans Affairs

(*Provisions of this measure incorporated in Section 6 of H.R. 1220, the Veterans' Compensation Cost-of-Living Adjustment Act of 2005.*)

- This bill would direct VA to designate, establish, and operate at selected VA health care facilities, six (6) centers for Parkinson's disease research, education, and clinical activities and require establishing a panel to assess the scientific and clinical merit of proposals submitted by a facility for the operation of such a center.

H.R. 2962
Atomic Veterans Relief Act

- This legislation would include within the definition of a "radiation-risk activity" for purposes of eligibility for disability compensation the exposure to ionizing radiation due to residual contamination resulting from participation in a nuclear detonation.

- Would also direct VA to include in regulations pertaining to service connection additional provisions to ensure, in the case of a claim by a radiation-exposed veteran for service connection of a non-presumptive disability, that the procedures for establishment of whether the disability is service-connected *do not* require imputation to the veteran, through a process known as dose reconstruction, of any particular level of exposure to ionizing radiation.

H.R. 3082
The Veteran-Owned Small Business Promotion Act of 2005

- Would require that nine percent of procurement contracts entered into by the VA be awarded to small business concerns owned by veterans.

H.R. 3209

- Would to add nasopharyngeal cancer to the statutorily prescribed presumptive diseases associated with exposure to Agent Orange during military service in Vietnam.

H.R. 3279

- Would reauthorize the Homeless Veterans Reintegration Program through 2009, at $50 million annually

H.R. 3312
Honor Our Commitment to Veterans Act

- This bill would require the VA to enroll any eligible veteran who applies for medical benefits in the VA health care system, which terminates an administrative freeze on the enrollment of veterans in priority enrollment category 8.

H.R. 3434
To amend title 38, United States Code, to establish a presumption of service connection for certain veterans with Hepatitis C, and for other purposes.

- Hepatitis C, which has manifested to a degree of ten percent or more, would presume to be service connected if, during active duty, the veteran:

- received a transfusion of blood or blood products before December 31, 1992
- was exposed to blood on or through the skin or a mucous membrane
- underwent hemodyalisis
- experienced a needle-stick accident or medical event involving a needle, not due to the veteran's willful misconduct
- was diagnosed with or experienced unexplained liver disease or dysfunction
- served in a health-care position or specialty under circumstances to be prescribed by VA.

H.R. 3457
To amend title 38, United States Code, to provide for World War II veterans to be in the same priority category for health care services from the Department of Veterans Affairs as World War I veterans.

- This measure would require VA to provide medical and nursing home care to any veteran of World War II. (*Currently, the VA is either required or authorized to provide such services only to veterans of the Mexican border period or World War I who are enrolled in Priority Group 6.*)

H.R. 3457
To amend title 31, United States Code, to allow certain local tax debt to be collected through the reduction of Federal tax refunds.

- This legislation would reduce the federal tax refund of any taxpayer who owes a past-due, legally enforceable tax obligation to a local government by the amount of such obligation. Requires notice to the taxpayer of the refund reduction.

- The Internal Revenue Code would be amended to permit disclosure of taxpayer information to agencies of states requesting refund offsets for tax debts owed to local governments.

H.R. 3579
Blinded Veterans Continuum of Care Act of 2005

1. This bill would require VA to assign at least one employee of the Veterans Health Administration who is designated as a blind rehabilitation outpatient specialist to each VA medical facility that:

- has a visual impairment services team with a full-time coordinator; or
- has in excess of 150, the number of veterans enrolled who reside in the catchment area of that facility.

H.R. 3665
The Veterans Housing Improvement Act of 2005

- Would authorize adaptive housing assistance to disabled veterans residing temporarily in housing owned by a family member;

H.R. 3777
The Disabled Veterans' Caregiver Compensation Act

- Would authorize additional compensation in the amount of $234 to service-connected veterans rated totally disabled who rely on a family member for care;

H.R. 3948
Veterans Access to Health Care Act

- This legislation would eliminate the $3 per round-trip deductible charged by VA in connection with the veterans beneficiary travel program (a program authorizing a travel allowance or reimbursement for beneficiaries providing transportation for veterans to obtain medical care).

- In determining the amount of such allowance or reimbursement, VA would be required to use the House of Representatives mileage reimbursement rate.

H.R. 4025
Disabled Veterans Fairness Act
(See also S. 3276)

1. This bill would eliminate a $3 per round trip deductible charged by VA in connection with the veterans beneficiary travel program (a program authorizing a travel allowance or reimbursement for beneficiaries providing transportation for veterans to obtain medical care).

- VA would also be required to use the mileage reimbursement rates for the use of privately owned vehicles by government employees traveling on official business.

H.R. 4259
Veterans' Right to Know Act

- This measure would establish the Veterans' Right to Know Commission, which would:
    1. investigate chemical or biological warfare tests or projects, especially those carried out between 1954 and 1973, placing particular emphasis on actions or conditions that could have contributed to health risks to any civilian or military personnel who participated in such a test or project or were otherwise potentially exposed to a biological or chemical agent as a result; and
    2. report to Congress on its findings and recommendations.

H.R. 4843
Veterans Compensation Cost-of-Living Adjustment Act of 2006

- This measure would increase, effective December 1, 2006, the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of certain service-connected disabled veterans.

H.R. 4914 and H.R. 5549
Veterans' Choice of Representation Act

- These measures would amend title 38, United States Code, to remove certain limitations on attorney representation of claimants for veterans benefits in

administrative proceedings before the Department of Veterans Affairs. The DAV opposes this bill. We believe Congress should work on ensuring claims decisions are made accurately and thoroughly the first time to reduce appeals. This bill would create a more adversarial system and add to the existing claims backlog.

H.R. 4949/S. 2617
Military Retirees' Health Care Protection Act

- Expresses the sense of Congress that the Department of Defense (DOD) and the nation have a committed health benefits obligation to retired military personnel that exceeds the obligation of corporate employers to civilian employees; and DOD has many additional options to constrain the growth of health care spending in ways that do not disadvantage beneficiaries, and should pursue such options rather than seeking large fee increases for beneficiaries.

- The bill would prohibit the following after December 31, 2005:

- Any increase in a premium, deductible, copayment, or other charge for medical and dental health care coverage for military personnel.
- The dollar amount of a cost-sharing requirement under the DOD pharmacy benefits program.
- Charges for DOD inpatient care from exceeding $535 per day
- Any increase in premiums under TRICARE for certain members of the Selected Reserve.

H.R. 5671
The Veterans Long Term Care Security Act

- This legislation would increase the payment rates for nursing home care provided in State Veterans Homes to service-connected disabled veterans.

- It would require VA to provide prescription medication for service-connected disabled veterans receiving care in State Veterans Homes.

- VA would be authorized to treat certain health care facilities as State Veterans Homes, provided such facility meets, among other things, the standard for providing nursing home care and is licensed or certified by the appropriate state and local agencies.

Identity Protection Bills:

- H.R. 5520, the Veterans Identity Protection Act, would establish the Office of Veterans Identity Protection Claims to reimburse injured persons for injuries suffered as a result of the unauthorized use, disclosure, or dissemination of identifying information stolen from the Department of Veterans Affairs.
- H.R. 5490, the Veterans Identity Protection Act, would establish a personal identification number for each veteran in order to help preserve the confidentiality of veterans' information.
- H.R. 5577 would enhance protection of VA records containing personal identifying information that is required by law to be confidential and privileged from disclosure except as authorized by law.
- H.R. 5588 would require VA to protect sensitive personal information of veterans, to ensure that veterans are appropriately notified of any breach of data security with respect to such information, to provide free credit monitoring and credit reports for veterans and others affected by any such breach of data security, and for other purposes.
- There are numerous other bills that include identity protection provisions. They are: H.R. 5455, H.R. 5464, H.R. 5467, H.R. 5487, H.R. 5490, H.R. 5520, H.R. 5577, H.R. 5783, H.R. 5835, H.R. 5588, S. 2970, S. 3176, S. 3555, S. 3486.

PENDING LEGISLATION
U.S. Senate
109th CONGRESS

S. 13
Fulfilling Our Duty to America's Veterans Act of 2005

- This bill would provide adequate funding for VA medical care
- Would require:
    1. VA to employ at least one psychiatrist and a complementary clinical team at each medical center to provide treatment for PTSD to veterans of Operations Iraqi and Enduring Freedom
    2. VA and DoD to submit a report on the status of an interoperable electronic medical record
- Would authorize
    1. VA to fill prescriptions from private physicians of Medicare-eligible veterans
    2. VA and DoD to share medical information to assist in a seamless transition of servicemembers to veteran status.

S. 633
The American Veterans Disabled for Life Commemorative Coin Act

- Would require the Secretary of the Treasury to mint coins in commemoration of veterans who became disabled for life while serving in the armed forces of the United States.

S. 716
Vet Center Enhancement Act of 2005

– This measure would require VA employ up to an additional 50 veterans of Operations Enduring Freedom or Iraqi Freedom to provide outreach to veterans on the availability of readjustment counseling and related mental health services at Vet Centers.
- Would also revise VA's authority to provide bereavement counseling at Vet Centers would be revised to include parents of military servicemembers who die while serving on active military duty.

S. 1177
Veterans Mental Health Care Capacity Enhancement Act of 2005

- This measure would require VA to include as goals in performance contracts for prioritizing mental health services to veterans:
    1. establishing appropriate staff-patient ratio levels
    2. fostering collaborative environments for providers

3. encouraging clinicians to conduct mental health consultations during primary care visits.

- VA would be directed to ensure that not less than 90 percent of VA community-based outpatient clinics have the capacity to provide on-site, contract-referral, or telemental health services for at least 10% of all clinic visits by no later than September 30, 2006, and fifteen 15% of all clinic visits by no later than September 30, 2007.
- VA and DoD would enter into a memorandum of understanding to ensure interdepartmental cooperation on mental health awareness and mental illness prevention.
- Would require VA to establish system-wide guidelines for screening primary care patients for mental health disorders and illnesses.

S. 1180
Sheltering All Veterans Everywhere Act

- This bill would improve or reauthorize through fiscal year 2011 the following programs and provisions servicing the needs of homeless veterans:
    1. Homeless Providers Grant and Per Diem Program
    2. Homeless Veterans' Reintegration Program
    3. VA Outreach Services
    4. Grant Program for Homeless Veterans with Special Needs
    5. Authorization of appropriations for the Homeless Veterans Service Provider Technical Assistance Program
    6. Requirement for an Annual Report.
- Would add the Executive Director of the Interagency Council on Homelessness (ICH) to the Advisory Committee on Homeless Veterans.
- Would authorize a study on the relationship between military sexual trauma and homelessness.

S. 1182
Veterans Health Care Act of 2005

- This measure would repeal the prohibition of utilizing VA funds to carry out studies comparing private contractor and VA costs for providing certain veterans' services ***(DAV opposes this provision)***.
- This measure would authorize VA to provide up to 14 days of care following birth for the newborn child of a woman veteran receiving maternity care from VA if the child was delivered under VA care.
- This measure would provide that, if a payment made by VA for health care furnished to children of Vietnam veterans born with certain birth defects, is less than the amount billed, then the health care provider may seek payment of the difference from a responsible third party insurer. In addition, the provider is prohibited from imposing any additional charge on the beneficiary for any service or item for which VA has made payment.

- VA's authority to make grants for furnishing certain services to homeless veterans would be made permanent, and the homeless veteran service provider technical assistance program would be increased and extended through FY 2011.
- Marriage and Family therapists, and mental health counselors would be authorized within VA mental health providers, and a report to the congressional veterans' committees on the provision of PTSD treatment by marriage and family therapists would be required.
- Would provide for a Senior Executive Service pay level adjustment for the Chief Nursing Officer, Office of Nursing Services.
- In addition to requiring the Under Secretary for Health to take appropriate steps and provide necessary incentives to prioritize the provision of mental health services to veterans in need, foster collaborative working environments for the provision of such services, and conduct mental health consultations during primary care appointments; VA would be required to:
    (1) Expand the number of clinical treatment teams principally dedicated to the treatment of PTSD;
    (2) Expand and improve substance abuse services;
    (3) Expand and improve tele-health initiatives;
    (4) Improve education programs for primary care delivery professionals;
    (5) Expand the delivery of mental health services in community-based outpatient clinics; and
    (6) Expand and improve Mental Health Intensive Case Management Teams.

- Would require a memorandum of understanding between VA and DoD to ensure that separating servicemembers receive standardized individual mental health and sexual trauma assessments as part of separation exams and to develop shared guidelines on the conduct of the assessments.
- Collaboration between the National Center on PTSD and DoD would be required to enhance the clinical skills of military PTSD clinicians, and promote pre-deployment resilience and post-deployment readjustment among servicemembers serving in Operations Iraqi and Enduring Freedom.
- VA and DOD would be authorized to exchange protected health information for patients receiving or who may receive treatment, including all current and former military service members and requires VA to expand the number of personnel employed in Readjustment Counseling.
- This legislation would direct VA to publish a strategic plan for long-term care.
- Would also require VA to establish a blind rehabilitation outpatient specialist at no fewer than 35 VA facilities, giving priority to facilities with large numbers of enrolled legally blind veterans.
- The report requirement concerning the VA's compliance with departmental capacity to provide for the specialized treatment and rehabilitative needs of disabled veterans, through 2004 would be extended through 2006.
- VA would be required to provide necessary medical and health care services to any veteran affected by Hurricane Katrina as if such veteran was enrolled in the VA health

care system, and prohibits the collection of payments and/or copayments from such veterans for such care.

- VA would be authorized to reimburse certain veterans for emergency treatment provided by a non-VA facility for which the veteran remains personally liable, provided the veteran:
    1. Is enrolled in VA healthcare system within 24 months before receiving the emergency treatment
    2. Received VA care during 24-month period
    3. Is entitled to care or services under a health plan contract that partially reimburses the cost of the veteran's emergency treatment
    4. Is financially liable to the provider of emergency treatment for costs not covered by the veteran's health plan contract
    5. Is not eligible for reimbursement for such treatment under other VA provisions. States that payment by VA to a provider of emergency treatment services shall extinguish any liability of the veteran.

S. 1190
Blinded Veterans Continuum of Care Act of 2005

- This bill would require VA to establish Blind Rehabilitation Outpatient Specialists (BROS) at designated VA medical facilities with Visual Impairment Service Teams (VIST) or with more than 150 enrolled veterans who are legally blind.

S. 1191
VetsRide Act

- This measure would establish a VA grant program to provide innovative transportation options to veterans in remote rural areas.

S. 1271
Prisoner of War Benefits Act of 2005

(*Provisions of measure incorporated into S. 1235, as amended, the Veterans' Benefits Improvement Act of 2005.*)

- This legislation would amend veterans' benefits provisions for former prisoners of war (POW) to repeal the currently required 30-day minimum period of internment prior to the presumption of service connection for certain listed diseases, for purposes of the payment of veterans' disability compensation.
- Would include heart disease, stroke, diabetes (type 2), and osteoporosis to the presumptive list of diseases.
- VA would be required to make such presumption with respect to any disease because of a positive association with the experience of being a prisoner of war. Additionally, VA would be required to make such a determination within 60 days after a

recommendation from the Advisory Committee on Former Prisoners of War that such presumption be established for a non-listed disease.

S. 1537
To amend title 38, United States Code, to provide for the establishment of Parkinson's Disease Research Education and Clinical Centers in the Veterans Health Administration of the Department of Veterans Affairs and Multiple Sclerosis Centers of Excellence

- Under this bill, VA would be required to establish at selected VA health-care facilities: at least six centers for Parkinson's disease research, education, and clinical activities; and at least two Multiple Sclerosis Centers of Excellence.
- Would require VA to:
    1. establish a panel to assess the scientific and clinical merit of proposals submitted by a facility for the operation of such a center
    2. assure appropriate geographical distribution of such facilities.

S. 1571
Veterans Comprehensive Hepatitis C Health Care Act

- This legislation would direct VA, during the first year after the enactment of this Act, to provide a blood test for the hepatitis C virus to each veteran who:
    1. served on active military duty during the Vietnam era
    2. is considered to be "at risk"
    3. is enrolled to receive veterans' medical care and requests such test
    4. is otherwise receiving a physical examination or any other VA care or treatment
    5. requests such test.
- Would require VA to develop and implement a standardized VA policy with respect to hepatitis C, annually take appropriate outreach actions to notify untested veterans, and establish at least one, and no more than three, additional hepatitis C centers of excellence.
- The subsequent year after enactment, VA would be required to provide such test to any veteran who requests it and to provide follow-up tests and appropriate treatment for any veteran who tests positive without charging copayment.

S. 1990
Veterans Outreach Improvement Act of 2005

- This bill would direct VA to establish procedures for ensuring the effective coordination of VA outreach activities among the Office of the Secretary, the Office of Public Affairs, the Veterans Health Administration, the Veterans Benefits Administration, and the National Cemetery Administration.
- Would direct VA to ensure that state and local outreach assistance is provided in locations that have relatively large concentrations of veterans, or are experiencing growth in veteran populations.

S. 2147
To extend the period of time during which a veteran's multiple sclerosis is to be considered to have been incurred in, or aggravated by, military service during a period of war.

- This legislation would eliminate the period following separation from service within which a veteran's multiple sclerosis must have developed to a degree of disability of 10% or more to be considered to have been incurred in or aggravated by such service during a period of war.

S. 2351
To provide additional funding for mental health care for veterans, and for other purposes

- This measure authorizes appropriations for FY2007-FY2011 to the VA for mental health care for veterans, and requires an annual report be submitted to the congressional veterans' committees describing progress in meeting each milestone specified in the VA's national mental health strategic plan.

S. 2617/ H.R. 4949
Military Retirees' Health Care Protection Act

- Expresses the sense of Congress that the Department of Defense (DOD) and the nation have a committed health benefits obligation to retired military personnel that exceeds the obligation of corporate employers to civilian employees; and DOD has many additional options to constrain the growth of health care spending in ways that do not disadvantage beneficiaries, and should pursue such options rather than seeking large fee increases for beneficiaries.

- The bill would prohibit the following after December 31, 2005:

    - Any increase in a premium, deductible, copayment, or other charge for medical and dental health care coverage for military personnel.
    - The dollar amount of a cost-sharing requirement under the DOD pharmacy benefits program.
    - Charges for DOD inpatient care from exceeding $535 per day
    - Any increase in premiums under TRICARE for certain members of the Selected Reserve.

S. 2708
To amend title 38, United States Code, to provide an enrollment priority for veterans, who are recipients of certain medals for valor, in health care services provided by the Department of Veterans Affairs

- For providing VA hospital care and medical services, the measure would allow enrollment priority for veterans who were awarded:
  (1) The Medal of Honor
  (2) The Distinguished Service Cross, Navy Cross, or Air Force Cross
  (3) The Silver Star, or
  (4) Any other medal for valor or heroism accorded a position in the order of precedence of military awards that is equal to or higher than that accorded to the Silver Star.

S. 3276
Emergency Energy Assistance for Disabled Veterans Act
(See also H.R. 4025)

2. Under the beneficiary travel program, which authorizes VA to provide travel allowance or reimbursement for beneficiaries providing transportation for veterans to obtain medical care, this bill would eliminate a $3 per round trip deductible charged by VA.

- VA would also be required to use the mileage reimbursement rates for the use of privately owned vehicles by government employees traveling on official business.

ENACTED LEGISLATION
109TH CONGRESS, FIRST SESSION

Servicemembers' Group Life Insurance Enhancement Act of 2005, Public Law 109-80

President Bush signed H.R. 3200 on September 30, 2005, making a permanent increase in the maximum coverage for Servicemembers' Group Life Insurance (SGLI) and Veterans' Group Life Insurance (VGLI) from $250,000 to $400,000. The new maximums will be effective retroactive to September 1, 2005. A temporary $400,000 ceiling was enacted earlier this year in the war supplemental appropriations act that expired on September 30. The new law requires the Department of Defense to notify the servicemember's spouse in writing if the servicemember declines SGLI coverage or chooses an amount less than the maximum. The military also must notify a spouse should someone other than the spouse or child be designated as the policyholder's beneficiary.

Veterans Compensation Cost-of-Living Adjustment Act of 2005, Public Law 109-111

President Bush signed S. 1234 on November 11, 2005 to increase the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation (DIC) for survivors of certain service-connected disabled veterans. Effective December 1, 2005, a 4.1 percent pay increase became effective for VA disability compensation payments and DIC. The increase was based on inflation, as measured by the Consumer Price Index.

Military Quality of Life and Veterans Affairs Appropriations Act, 2006
Public Law 109-114

VA is authorized to dispense prescription drugs enrolled veterans with prescriptions written by non-VA physicians and must meet the requirements to be established by the VA Secretary, such that this program shall not incur additional cost to VA.

Section 212 directs that VA shall not provide hospital care, nursing home care, or medical services provided to any enrolled veteran for a nonservice-connected disability, unless the veteran provides current and accurate third-party reimbursement information to VA. This section also authorizes VA to seek reimbursement of reasonable charges for such care from any veteran who does not provide the required information.

Section 222 requires DoD and the National Center on Post Traumatic Stress Disorder to ensure that the mental health care needs of servicemembers and veterans are met by continuing collaborative work:

1. to enhance the clinical skills of military clinicians through training, treatment protocols, web-based interventions, and the development of evidence-based interventions;
2. to promote pre-deployment resilience and post-deployment readjustment among servicemembers serving in Operation Iraqi Freedom and Operation Enduring Freedom; and
3. to ensure that DoD clinicians are provided with the training and protocols developed. (*This section is similar to a provision in S. 1182.*)

National Defense Authorization Act for Fiscal Year 2006
Public Law 109-163

President Bush signed H.R. 1815 on January 6, 2006. A provision within the 2006 National Defense Authorization Act (NDAA) authorizes career military retirees with service-connected disabilities rated as total by virtue of Individual Unemployability to begin receiving the full amount of Concurrent Retirement and Disability Payments (CRDP) on October 1, 2009. In simpler terms, those eligible will receive CRDP at the full amount almost four years earlier than scheduled. The Senate version of the bill contained a provision that would have allowed the full amount of CRDP immediately, but the measure was not retained in the final bill.

Similarly, a provision that would have eliminated the unfair offset between DIC and the Survivor Benefit Plan (SBP) was stripped from the defense bill in an effort to reduce costs. SBP is an annuity for survivors that helps make up for the loss of income when a retiree dies. It pays eligible survivors a benefit equal to 55 percent of retired pay. Because retirees must pay premiums for SBP coverage, it should not be offset against DIC.

The DAV is deeply disappointed that these benefit improvements were not retained in the final bill. Especially since the amount saved by eliminating or altering these provisions is practically negligible in comparison to the overall size of the 2006 NDAA. We believe severely disabled veterans and their survivors should hold a much higher priority than what was illustrated by this bill.

Other provisions within the NDAA will:

- Increase death gratuity payments from $12,000 to $100,000 to families in all cases in which service members die on active duty
- Provide $150,000 retroactively to survivors of military deaths that occurred on or after October 7, 2001, to compensate for the increase in Servicemembers' Group Life Insurance that went from $250,000 to $400,000 on May 11, 2005

- Permanently increase the length of time, from 6 months to 1 year, which dependents of deceased servicemembers may remain in government housing or receive housing benefits
- For a member's pre-separation counseling, the following information will be included concerning:
    2. the availability of mental health services and the treatment of post-traumatic stress disorder (PTSD), anxiety, depression, suicide, and other mental health conditions associated with service in the Armed Forces;
    3. veterans' training and hiring priorities;
    4. veterans' small business ownership and entrepreneurship programs;
    5. employment and reemployment rights;
    6. veterans' preference in federal employment;
    7. available housing counseling assistance; and
    8. a description of veterans' health care and other benefits.

- A task force will be establish by DoD to examine matters relating to mental health and:
- A report will be submitted to the DoD Secretary an assessment of, and recommendations for improving, mental health care provided by the military departments.
- The task force to report to the Secretary on all activities undertaken under this section; and
- The latter report will be transmitted to the defense and veterans' committees.

ENACTED LEGISLATION
109TH CONGRESS, SECOND SESSION

Respect for America's Fallen Heroes Act, Public Law 109-228

This measure amends titles 38 and 18, United States Code, to prohibit certain demonstrations at cemeteries under the control of the National Cemetery Administration and at Arlington National Cemetery.

Veterans' Housing Opportunity and Benefits Improvement Act of 2006, Public Law 109-233

Among its several technical provisions, the Veterans' Housing Opportunity and Benefits Improvement Act of 2006 includes the following substantive measures pertaining to disabled veterans.

Most notably, it makes veterans who are living with relatives eligible for adaptive housing grants. Such grants are currently provided only if the veteran owns the home to be adapted. The new law allows more than one adaptive housing grant in a lifetime. A new lifetime cap of three grants is allowed, with a total value up to $50,000 for a severely

disabled veteran and $10,000 for those less severely disabled. Prior to its enactment, the DAV advocated that this legislation be approved with the provision that utilization of the grant by a veteran residing in the home of a relative would not reduce the amount available later when he or she needed to make adaptations to their own home. We were disappointed that such a provision was not included and the total value has been capped at the aforementioned amounts.

The measure also extends Servicemembers' Group Life Insurance coverage, for totally disabled veterans, for two years after separation from the service rather than the current one year. The extension applies retroactively to totally disabled veterans released from active duty one year prior to the enactment of the bill. The two-year extension runs only through September 30, 2011. Thereafter, post-separation eligibility will be reduced to 18 months.

The benefits bill also expands the list of diseases considered presumptively service connected as a result of a veteran's experience as a prisoner of war for 30 days or longer. Atherosclerotic heart disease, hypertensive vascular disease, stroke and complications from these diseases have been added to the list of presumptive conditions.

MANDATORY FUNDING LEGISLATION

S. 963
Veterans' Health Care and Equitable
Access Act of 2005

S. 331
Funding for Veterans Health Care
Act of 2005

H.R. 515
Assured Funding for Veterans Health Care
Act of 2005

S. 13
A bill to amend titles 10 and 38, United States Code, to expand and enhance health care, mental health, transition, and disability benefits for veterans, and for other purposes.

House Veterans' Affairs Committee

Richard Baker (R-LA)
Shelley Berkley (D-NV)
Brian Bilbray (R-CA)—new
Michael Bilirakis (R-FL)
John Boozman (R-AR)
Jeb Bradley (R-NH)
Corrine Brown (D-FL)
Henry Brown (R-SC)
Ginny Brown-Waite (R-FL)
Dan Burton (R-IN)
Steve Buyer (R-IN), Chairman
John Campbell (R-CA)—new
Lane Evans (D-IL)
Terry Everett (R-AL)
Bob Filner (D-CA)
Luis Gutierrez (D-IL)
Stephanie Herseth (D-SD)
Darlene Hooley (D-OR)
Michael Michaud (D-ME)
Jeff Miller (R-FL)
Jerry Moran (R-KS)
Silvestre Reyes (D-TX)
John Salazar (D-CO)
Vic Snyder (D-AR)
Cliff Stearns (R-FL)
Ted Strickland (D-OH)
Michael Turner (R-OH)
Tom Udall (D-NM)

Senate Veterans' Affairs Committee

Daniel Akaka (D-HI)
Richard Burr (R-NC)
Larry Craig (R-ID), Chairman
John Ensign (R-NV)
Lindsey Graham (R-SC)
Kay Bailey Hutchison (R-TX)
Johnny Isakson (R-GA)
James Jeffords (I-VT)
Patty Murray (D-WA)
Barack Obama (D-IL)
John Rockefeller (D-WV)
Ken Salazar (D-CO)
Arlen Specter (R-PA)
John Thune (R-SD)