

# Testimony

*of*



*Presented by*

**John Rowan**  
**National President**

*Before the*

**Senate Veterans' Affairs Committee**

*Regarding*

**The President's FY2018 Budget**  
**&**  
**2019 Advanced Appropriations Request**  
**For the Department of Veterans Affairs**

June 14, 2017

Good afternoon, Chairman Isakson, Ranking Member Tester, and other exemplary members of the Senate Veterans' Affairs Committee. Vietnam Veterans of America is pleased to have the opportunity to present our views on the President's Fiscal Year 2018 Budget and 2019 Advanced Appropriations Request for the Department of Veterans Affairs.

First off, VVA is pleased that the VA warrants increased funding to help meet the needs of the department and the veterans it assists in an array of areas designed to restore, as much as possible, those who have given of themselves – often at great cost to their health, to their sense of well-being, to their families. We know that you, the members and staff of this most important and hard-working committee, recognize this, and that you will be true to the sacrifices these men and women have made so that we all may live in a free society.

We do, however, want to commence our remarks with the one issue in the budget proposal that has been the source of great consternation not only to VVA but to the multitude of VSOs and MSOs. This is a proposal that has unleashed a firestorm of protest, of questions, concerns, and fears, by veterans and their spouses who have come to depend on this income.

### **Individual Unemployability Termination and Elderly Veterans**

First and foremost, the Administration's proposal that would cap IU benefits for veterans rated 60-90 percent disabled at age 62 and terminate this benefit for those veterans currently receiving Social Security must be a non-starter. It is unfair and simply wrong to characterize IU and Social Security as duplicative. Veterans have *earned* both benefits, IU by virtue of their service in uniform and Social Security through working and contributing into the system.

The logic behind this proposition, which seems to arise from the depths of the Office of Management & Budget (OMB) every eight years or so, often at the beginning of a new administration, is that, at age 62, veterans can avail themselves of their Social Security benefits. This does not take into account, however, that if a veteran has been receiving IU for several years, there's a pretty good chance, if

indeed not a likelihood, that s/he does not qualify for any serious Social Security income because s/he has not had a significant work history.

This piece of the Administration's budget proposal, if approved, would impact nearly every Vietnam-era veteran and their family whose survival depends on the income received from this earned benefit. This proposed change would cut the compensation of a married disabled veteran receiving 100% by dint of IU compensation to about \$1,300 a month from just over \$3,000 per month. Should any member of Congress exhibit political naivete and vote to eliminate IU at age 62, tens of thousands of Vietnam veterans in their late sixties and seventies would be in jeopardy of not being able to meet their basic needs, which would lead, for many, to impoverishment, homelessness, even suicide.

According to the budget proposal, this provision would "save" the Compensation and Pensions account in the Veterans Benefits Administration an estimated \$3.2 billion in 2018; \$17.9 billion over five years; and \$40.8 billion over ten. The savings would go toward funding the Veterans Choice program, which at present is confusing endeavor in many areas, which many veterans neither understand nor embrace.

Furthermore, there are 238,000 veterans 62 and older currently receiving 100% by dint of IU, and of those 178,000 are 67 and older. The plain fact is that the VA disability rating schedule for mental health, and particularly for Post Traumatic Stress Disorder (PTSD) has for many years been grossly unfair. In order to be rated at 100% for PTSD a veteran would need to be exhibiting symptomology of full blown dementia (which has *nothing* to do with PTSD!). Since these veterans should have been rated at 100% for PTSD, but were not because the rating schedule was faulty, they have continued to draw service connected compensation at the 100% level. They have been unable to work, so have not paid much, if any, into Social Security. Social Security is **NOT** akin to service connected compensation, but rather it is analogous to an annuity. The more you pay in to Social Security, the more you get out of it in monthly increments. The less you pay into the Social Security Trust fund, the less your monthly payments. VVA has talked to numerous Vietnam veterans who have not been able to work since they were blown up in the Vietnam War, but paid into Social Security before Vietnam, so that their monthly payments are as little as \$25 per month.

The so-called “savings” achieved by means of this ruse would be illusory, because nearly every veteran in this situation would immediately re-apply seeking 100% service connected disability without IU. This would result in a flood of claims at VA, and would once again create backlogs in processing of claims.

We strongly urge the Committees on Veterans Affairs to issue a bi-partisan declaration that his ill-advised move will *not* happen on your watch.

## **VA Health Care**

The President’s budget request for medical care is \$4.6 billion greater than the FY’17 budget, representing a 7% increase in discretionary spending; also, \$2.9 billion in new mandatory budget authority to continue, and to enhance, the so-called Choice Program. Undergirding this increase is the need to continue to improve access to care for the 6.8 million of the 9.2 million veterans enrolled in the VA healthcare system.

Now, we understand that Secretary Shulkin embraces funding for Choice which, if you’ll recall, was never meant to be a solution to the long-standing problem of access to quality care for veterans who seek services from the VA. His goal is to integrate Choice into a local/regional program of Community Care, with significantly greater funding for the FY’19 budget.

We want to focus attention on two issues: collections from third party payers, and privatization.

In the recent past, the VA put forth overly optimistic assessments of the number of dollars it could recoup via third party collections (along with all the million\$ that would be saved through “management efficiencies”). We hope this is not the case again.

The persistent call by some for privatization of VA health care should be quelled by a successful initiation and operation of the Community Care program. We know there is an unfortunate number of vacancies for clinicians – not only in the VA healthcare system but in private and public venues as well. It makes eminent good sense to bring in qualified, credentialed professionals to fill voids caused by, in no particular order: retirement and/or resignation of VA clinicians; increased demand in certain VA medical centers; delayed delivery of care, and other problems.

## **Choice 2.0**

VVA is concerned that the proposed budget does not provide enough funding for the new Choice currently in development. The Secretary is redesigning the program, altering it from an administrative system to a clinical one. We have some concerns, too, over the impact of proposed organizational changes in care delivery to veterans; how the high performing networks will function; and how this will then ease health care access. We understand that under the new proposal, providers will bring their networks with them, modeled after the Defense Department's Tri Care system.

Additionally, VVA has concerns about the consolidation of care authorities, a legislative ask that has been a priority for the agency. This authorization is needed, according to the VA, to move Choice forward, and yet this step has yet to be accomplished. The gist behind consolidating the care authorities was to make it simpler for veterans, employees, and providers to determine eligibility, and pay to providers more promptly, with less paperwork. The establishment of a mandatory pot of money for the Choice Program, with more than \$2 billion in funding, seems to defeat the purpose of the care consolidation legislation.

## **Caregivers Expansion**

The budget for FY'18 shows the Caregivers program cost estimate decreased by \$235.9 million due to a revision in the projected number of caregivers receiving stipend payments. VA dis-enrolled 7,000 caregivers earlier this year. VVA was stunned to hear that these dis-enrollments were seemingly haphazard and conducted in an effort to bring down the cost of the program. While the Secretary committed to do a look-back on some 300 cases to evaluate the accuracy of the actions of those in the field, the review has been extended for six weeks as he juggles priorities. There still has been no commitment to do a "look back" on all 7,000 cases, which VVA believes is demanded by simple justice. We, and you, must continue to monitor the progress of review and its outcome.

As we testified on March 9, 2017, we will work with legislators to enact a bill that encompasses qualified caregivers of veterans who served before 9/11. We are aware that this is a relatively expensive program. However, it is a bargain when

compared to the cost of caring for many of these same veterans in an institutional setting.

### **National Center for PTSD**

VVA strongly supports the Center (NCPTSD), which leads the nation (and indeed the world!) in research focused on war-induced PTSD and related mental health illnesses, and serves as the nation's front-line resource center for information and education about PTSD research, not only for the VA and other mental health professionals, but for affected families and the general public. A strong and independent NCPTSD is essential.

### **Mental Health**

VVA also supports additional funding for the development and implementation of scientific, evidence-based, integrated psychosocial mental health programs, substance abuse recovery treatment programs, and suicide-risk assessment programs for all veterans, especially since Secretary Shulkin has publicly stated that veteran suicide is the VA's top clinical priority.

### **Medical and Prosthetic Research**

VVA notes that the funding for Medical and Prosthetic Research for the 2018 budget request suffered a decrease of over \$30 million. VVA has strong reservations concerning this decrease and recommends instead a significant increase instead. VA's research program is distinct from that of the National Institutes of Health in that it was created to respond to the unique medical needs of veterans. In this regard, it should seek to fund veterans' pressing needs for breakthroughs in addressing hazardous environmental exposures, post-deployment mental health issues, TBI, long-term care service delivery, and prosthetics to meet the multiple needs of the latest generation of combat-wounded veterans.

We respectfully thank you for the opportunity to present our views, and will be pleased to respond to any questions you might want to put to us.

# **VIETNAM VETERANS of AMERICA**

## **Funding Statement**

**March 9, 2017**

The national organization Vietnam Veterans of America (VVA) is a non-profit veterans' membership organization registered as a 501(c)(19) with the Internal Revenue Service. VVA is also appropriately registered with the Secretary of the Senate and the Clerk of the House of Representatives in compliance with the Lobbying Disclosure Act of 1995.

VVA is not currently in receipt of any federal grant or contract, other than the routine allocation of office space and associated resources in VA Regional Offices for outreach and direct services through its Veterans Benefits Program (Service Representatives). This is also true of the previous two fiscal years.

For further information, contact:

Executive Director for Policy and Government Affairs

Vietnam Veterans of America

(301) 585-4000 extension 127

## JOHN ROWAN

John Rowan was elected National President of Vietnam Veterans of America at VVA's Twelfth National Convention in Reno, Nevada, in August 2005.

John enlisted in the U.S. Air Force in 1965, two years after graduating from high school in Queens, New York. He went to language school, where he learned Indonesian and Vietnamese. He served with the Air Force's 6990<sup>th</sup> Security Squadron in Vietnam and at Kadena Air Base in Okinawa, helping to direct bombing missions.

After his honorable discharge, John began college in 1969. He received a BA in political science from Queens College and a Masters in urban affairs from Hunter College, also from the City University of New York. Following his graduation from Queens College, John worked in the district office of Rep. Ben Rosenthal for two years. He then worked as an investigator for the New York City Council and recently retired from his job as an investigator with the New York City Comptroller's office.

Prior to his election as VVA's National President, John served as a VVA veterans' service representative in New York City. John has been one of the most active and influential members of VVA since the organization was founded in 1978. He was a founding member and the first president of VVA Chapter 32 in Queens. He served as the chairman of VVA's Conference of State Council Presidents for three terms on the national Board of Directors, and as president of VVA's New York State Council.

He lives in Middle Village, New York, with his wife, Mariann.